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ANALYSIS OF THE LONG-RANGE MILITARY, ECONOMIC, POLITICAL AND SOCIAL EFFECTS OF THE STRATEGIC HAMLET PROGRAM IN VIET NAM.

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Pham Chung
Department of Economics
The University of New Mexico
Albuquerque, New Mexico

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267 p.

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Advanced Research Projects Agency
Office of the Secretary of Defense
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FOREWORD

Dr. Pham Chung, author of this paper, is currently on the staff of the University of New Mexico, Department of Economics. A native Vietnamese, Dr. Chung received the degree of Master of Law at the University of Saigon in 1958, and the degree of Master of Arts and Doctor of Philosophy in 1960 and 1962 respectively at the University of Pennsylvania. Applied economics is his field of specialization.

The reader should note that any paper on the Republic of Viet Nam written more than 24 hours ago is suspect because rapidly changing events diminish its currency. Some of the opinions in this paper may be controversial to various audiences, nonetheless, sound fundamentals remain valid.

The opinions expressed in this report are those of the author and do not reflect the views of the Advanced Research Projects Agency (ARPA) or of any other Department of Defense Agency of the U.S. Government.
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It is now a fact that the implementation of the strategic hamlet program has failed. This is merely an analysis of the military, economic, and general effects which could be expected if the program were "properly" implemented. Chapter I is a brief introduction, and Chapter II contains a brief discussion of the "strategic" hamlet, its objectives and meaning, and its administrative and defense structure. Chapter III is devoted to the analysis of expected military effects of the program and of various factors accounting for its failure. Chapter IV deals with an analysis of expected economic effects of the program. This chapter also contains a rather long discussion of the economic background of Viet Nam. Since, in the long-run, Viet Nam's chance to survive politically depends to a large extent upon its ability to survive economically, it is felt that an account of the structure and orientation of Viet Nam's economy would give some idea about its chance for political survival. Chapter V is concerned with the expected long-range political and social effects of the program. Some proposals for reform are made in the conclusions of Chapters III, IV, and V. Chapter VI contains some concluding remarks. Bernard Fall's *The Two Viet-Nams* was particularly
helpful to me for some of the basic information. I express my thanks.

I am indebted to Professor Nathaniel Wollman, Chairman of the Department of Economics of the University of New Mexico, for having negotiated the contract on my behalf; and to Mr. W. H. Godel, Capt. Savadkin, Mrs. Krause, all of the Office of the Secretary of Defense, and others, for having made this opportunity available to me.
CHAPTER I

INTRODUCTION

The Geneva Peace Agreement of 1954 marked the end of the nine-year-long Indochinese War and the beginning of another one in no way less bloody and costly than the previous one. The "stage" for the war remains the same, though more limited: instead of the whole Indochinese Peninsula, it is now confined primarily to South Viet Nam (especially the Mekong Delta); the warring parties are somewhat changed: instead of Vietnamese against French (primarily), now it is "nationalist" Vietnamese against "Communist" Vietnamese; the objectives of the war are also different: instead of a struggle for national independence, for the elimination of French colonialism, it is now a struggle between Communist domination and the safeguarding of "freedom" and "democracy."

The end of this second war is not in sight and the "winning" party is still much in doubt. But admittedly, so far, the South Vietnamese Armed Forces, better trained, better armed and equipped, firmly supported by the United States and other friendly nations, still seem unable to check the expansion of the Communist insurgents in rural areas. This seems to arise primarily from the failure of
the Diem government to gain the support of the rural masses, to instill enough confidence in them through comprehensive reforms to improve the political, social, and economic lot of the poverty-stricken masses of the peasantry, whose share in the suffering of this murderous war has been overwhelming.

With the departure of the French forces in 1956, the responsibility for the major training of the South Vietnamese forces was transferred to the United States Military Assistance Group (MAAG) under the command of General John ("Iron Mike") O'Daniel, well known for his training of South Korean Army divisions. This training, up to 1960, was for purely conventional warfare, focused on making the South Vietnamese Army capable of withstanding a North Vietnamese invasion across the 17th parallel in division formation. The Army was (and still is) thus organized into heavy "field divisions" topped by four army corps staffs. The heavily equipped, over-motorized, hard-to-supply units of the Regular Army later proved to be too slow for the highly mobile and elusive Communist guerrilla units. During this period, although the number of hamlet and village officials assassinated by Communist terrorists increased steadily, little attention was paid to the question of
training and equipping paramilitary forces in hamlets, villages, and districts to maintain security in rural areas. This somewhat tragic mistake made by the Vietnamese government (and admittedly by American officials as well) seems to stem from this postulate: since most Vietnamese fighting the French are anti-French nationalists, not Communists, and since President Diem is an anti-French nationalist, he would win the support of the majority of Vietnamese; the Communists would not succeed in rallying these "nationalists" to their cause. Assassinations of local administrative officials were considered as an act of "armed bandits" who would be gradually nibbled away by government forces.¹

Communist cadres and guerrilla units ordered to stay in South Viet Nam after the signing of the Geneva Agreement were thus given almost six full years to prepare themselves, to consolidate their underground structure, to work on the rural population, to set up their propaganda system, their administrative network, and to gradually undermine the

¹Major General Samuel L. Myers (on April 17, 1959) stated, before the Senate Foreign Relations Committee, that "... two territorial regiments reinforced occasionally by one or two regular army regiments were able to cope with their (the Viet Minh guerrillas) depredations." See B. Fall, *The Two Viet-Nams*, pp. 324-325.
administrative structure of the South Vietnamese government in rural areas. By early 1960, with a large portion of the countryside and of the rural population under their control, the Communist insurgents, reinforced by several units infiltrating from North Vietnam, were ready for a guerrilla war. In addition to the increasing number of local officials assassinated, they began to launch company-size and occasionally battalion-size attacks on government outposts, patrols, or convoys. The training of Vietnamese troops for "jungle war" was then started as regular units (trained primarily for conventional warfare) were unable to cope successfully with jungle war. Commando forces, civil guards, and village militia were formed for counter-guerrilla operations. The security situation, however, continued to deteriorate. Late in 1961, American officials in Vietnam began to recognize the "nature" of this "revolutionary" war. Since it is a war interlocking military, economic, and political as well as social efforts, it was finally admitted that it could not be won on military terms alone. Thus, in addition to new military measures—the increase in the Army of the Republic of Vietnam to 170,000 men; doubling of the Bao-An (Civil Guard) force from 60,000 to 120,000; equipping the Dan-Ve (Village Militia) with modern small arms and radio
wide-sweeping political, economic, and social reforms were recommended by the Staley Report (mid-1961) and the Taylor Mission (late in November, 1961). But few of these reforms were thus heeded by the Diem government.

By early in 1962, the Vietnamese government, with the strong support of the United States Government, initiated a gigantic counter-insurgency plan: the strategic hamlet program. Patterned on the Malayan "new villages" system, the program was designed to cut the enemy off from the rural population which he depends on for his strength and survival, by grouping peasants into "strategic" hamlets and providing them with weapons for their own defense; to form a framework for carrying out economic, political, and social reforms essential to winning the confidence and support of the masses of the peasantry; and to establish "grass-root" contacts between the rural population and the central government. The program is indeed very sound in principle, but it has failed; its failure has been because of the "inappropriate" human and psychological approach to its implementation. A new plan has been designed by the new revolutionary government—the "pacification plan"—to develop and
strengthen the "New Life" hamlet (a new name for the strategic hamlet). Whether this plan will be successful or not remains to be seen.
CHAPTER II
THE "STRATEGIC HAMLET"

Before analyzing the expected long-run military, economic, and general effects of the strategic hamlet program, it would seem desirable to give an explanation of what is meant by "strategic hamlet." This chapter is concerned with a brief discussion of the objectives and meaning of "strategic hamlet," its administrative organization and defense structure, and the progress which had been achieved in the program. A brief discussion of the system of combat hamlets and the "open-arms" policy is also presented in the Appendix.

I. Objectives and Meaning.

The "hamlet," or "Ap," or "thon" is, after the family, the basic social unit of Viet Nam. It is believed that its origins antedate the history of the nation with roots in the Bacsonian and Dongsonian civilizations of Indonesian peoples who inhabited present-day Viet Nam long before the Chinese conquest. One or several hamlets constitute a village or commune or "lang," or "Xa," which is the basic cell of the administrative organization of the country. Through political upheavals and many other changes, the structure of the hamlet has retained its essential character.
It is the functioning and consistency of the organization of this basic unit which determine to a great extent the course of human and social activities of the nation.

From the political, economic, military, and social standpoint, the hamlet, in the present conflict, seems to be the heart of the matter. Indeed, it is widely believed that final victory would be with the side having the support of the peasantry, who represent more than eighty percent of the total population, now living in villages and hamlets throughout the country.

Since 1959, most of the countryside of South Viet Nam has been under the dual control of the Communists and the South Vietnamese government. Those hamlets and villages which are far from the cities and towns, provincial capitals and government posts, have been under almost total control of the Communists. With the support of peasants, either "forced" or voluntary, through brutal terror and a systematic propaganda effort among peasants who have little or no experience or knowledge of communism, the Viet Cong have succeeded to a great extent in impeding government efforts in rural areas. With the loss of effective governmental control of villages and hamlets, government activities have been more and more limited to the cities and towns and
provincial capitals. The security of higher administrative units, districts, and provinces has been seriously undermined.

Fully aware of the fact that the hamlet is the decisive factor in determining the outcome of the present conflict, the government of South Viet Nam, with the support of the United States Government, has made efforts in reorganizing and strengthening the hamlet, using it as a basis for the implementation of political, economic, and social reforms in rural areas in view of winning the peasants over to its side. With the assistance of the government, the rural population was moved into strategic hamlets and provided with ways and means for its self-defense and for the improvement of its economic and social conditions. The "strategic" hamlet is "strategic" in that it was established primarily to attain these basic, long-run objectives; it was designed to isolate the Communists from the rural population, their sources of food supplies and recruits, thereby putting them in a position of "fish out of the water." The strategic hamlets, with their self-defense forces, are expected to relieve the units of the regular army which were previously dispersed to meet the needs of local defense for large-scale military operations. They would serve as advance posts for the armed forces in operation, providing them with
supplies and military intelligence. With the establishment
of strategic hamlets, the government sought to introduce
"democracy" in rural areas in the form of free election of
village and hamlet officials by village and hamlet residents.
Finally, the strategic hamlet was also designed to "eradicate"
the backward living conditions of the rural masses, to
promote economic growth through the establishment of rural
industries, cooperative institutions, and the development of
local resources; to carry out a social reform aiming at the
realization of a new "social order in which every citizen
would have an equal chance and opportunity for his develop-
ment, in which the contribution of each citizen is judged
on the basis of his participation in the struggle against
the common enemy."

The strategic hamlet idea is not new. It is, to some
extent, patterned upon the Malayan system of "new villages,"
designed to isolate the Malayan insurgents from the civilian
population during its struggle against the Communists.1

1Viet Nam was getting advice from Malayan officials
regarding some aspects of the construction of strategic
hamlets. A team of ex-Malayan civil servants, headed by
the Federation's former secretary of defense, Dato R. G. K.
Thompson, was advising the Vietnamese government on matters
concerning village security administration. Detachments of
the Vietnamese Civil Guard and Militia were regularly sent
to Malaya for training with Malaya's Police Field Force
in Malayan jungle schools.
It should be noted, however, that if the Malayan plan was primarily militarily motivated, the scope and objectives of the strategic hamlets program were said by its promoters to be far beyond the purely military field. As stated by the President: "The essential role of the strategic hamlets program is not military. It is primarily political, economic, and social. Under the strategic hamlets program, we aim at bringing an over-all solution to the big problem of underdevelopment, that of technical backwardness, including the political, economic, and social backwardness that is the common lot of underdeveloped countries."2

It would be of interest to note that the Malayan's experience was also attempted by the French in Indochina in 1952. The French commander then in North Viet Nam, General François Gonzales de Linares, launched the idea of "protected villages" in North Viet Nam, the implementation of which began late that year. The program failed miserably, the French then being on their way to defeat.

2U. S. News and World Report. Interview with President Diem, reprinted in Times of Viet Nam, February 7, 1963, pp. 2-3. The President here seemed to have played down the military aspect of the program. It was in fact originally conceived as a military "weapon" against the Communists, which was later developed into an over-all program for the economic, political, and social development of the rural areas. Moreover, as will be seen, though emphasis had been placed upon the political-social aspect of the program, they, in fact, still seemed to have taken second place to the military objective.
II. The Construction of Strategic Hamlets.

1. Various organizations in charge of strategic hamlet construction.

There are many phases in the process of constructing strategic hamlets, involving both military and civilian organizations from the central down to the district level.

The Central Organization is an Interdepartmental Committee, called the Interdepartmental Committee in Charge of Strategic Hamlets. The Committee is responsible for the general planning for the construction of strategic hamlets for the entire country: determining, in order of priority, the various regions where strategic hamlets are to be constructed and the techniques and time period of construction; estimating and distributing material and human resources among the various regions; specifying responsibilities and coordinating the activities of regional and provincial organizations; and supervising and controlling the general strategic hamlets construction program. Regional supervision and control are carried out by Regional Inspection Teams, representing the Interdepartmental Committee in Central Viet Nam, the Eastern

3The Interdepartmental Committee in Charge of Strategic Hamlets was created by the Presidential Decree of February 3, 1962. The Committee consists of the Secretary of States for Interior, Defense, National Education, Civic Action, Rural Development and the Chief of the General Staff of the Vietnamese Armed Forces.
and Western provinces of Southern Viet Nam, and the Highland.

The assistance of the central organization to the regional and provincial organizations is both military and administrative. In the military field, the Central Military Command, with the Navy, Air-Force, Marine Corps, and heliborne troops, open "clearing" operations in regions and provinces where strategic hamlets are planned and where large enemy concentrations are suspected, in order to provide these provinces with security during the construction period. The objective of these "clearing" operations is to destroy secret bases of food and arms supply of the enemy, preventing their concentration which might constitute a threat to strategic hamlets construction units operating in provinces and districts. The central force also has the responsibility of assisting regional and

---

4 Following are some operations paving the way for the construction of strategic hamlets. Operation "Binh Minh" (Sunrise) was started on March 22, 1962, aimed at the construction of strategic hamlets in the Binh Duong, Phuoc Tuy, and Tay Ninh provinces. The operation was not very successful. Operation "Hai Yen" (Sea Swallow) started in May, 1962, with the objective of providing security for the construction of 242 strategic hamlets in Phu Yen Province. Operation "Phung-Hoang" (Falcon)--its code name was later changed to Trung-Nghia--protected the construction of 378 strategic hamlets in Quang Ngai Province. The establishment of 208 combat hamlets and 120 strategic hamlets in Binh Duong Province was protected by operation "Dong Tien" (Forward Together), on October 15, 1962.
provincial units attacked by the enemy while in operation.

In the civilian field, the central organization provides provincial organizations with additional cadres through various ministries and government agencies. Thus the General Directorate of Youth can provide a province with a number of youth cadres for youth training during the construction period in the province, etc.

At the regional level, there are Regional Committees in charge of strategic hamlets (R. C. S. H.), headed by the Regional Tactical Commander and other regional military and civilian officials. The Regional Committees, like the Regional Inspection Teams, are responsible for the supervision and control of the construction of strategic hamlets in the region, in accordance with the directives from the Interdepartmental Committee.

The planning at the regional level is predominantly military. The main force available in regions is forces consisting of a number of regular army divisions under the command of the Regional Tactical Commander. After the construction plan for the region is compiled,

---

5Strategic hamlets' cadres were trained at the "Khan-Tri-Dung" center (Saigon). Ten courses held at the center had graduated 4,925 cadres, who in turn helped train cadres in provinces. One hundred and seven sessions held in provincial centers have turned out more than 14,516 cadres.
the Regional Commander will open so-called "chase" operations in provinces where strategic hamlets were planned, to provide provincial units with security during the construction period. The objective of these "chase" operations, different from "clearing" operations undertaken by central forces aimed at destroying enemy secret bases, is to scare away the enemy, preventing their concentration simply by the presence of the armed forces.6

At the provincial level, there are provincial committees in charge of strategic hamlets construction, headed by the chief of the province and composed of other provincial and district officials. The Provincial Committee is responsible for carrying out directives of the Interdepartmental Committee and Regional Committees, and for setting up plans for the individual province. The Chief of the Province has at his disposal military and civilian units to participate

6The "chase operation" (hanh quan lua dich) was claimed by some government officials as a new tactic characterized by the mobility, quickness, and surprise that would place the enemy in a constant state of insecurity, making it dangerous for them either to concentrate or disperse and remain immobile. If they concentrate in large groups for attack, they then accept conditions of conventional warfare for which they are believed to be ill-equipped. If they disperse and remain immobile, they would run the risk of being unmasked when the strategic hamlets were completed. So far, the effectiveness of these operations has not been proved. In fact, a good number of strategic hamlets construction teams and small-scale operations have been attacked and overwhelmed by the Viet Cong.
in the construction of strategic hamlets in his province.

Protected by military operations undertaken by the Regional Tactical Command, as above mentioned, from battalion-size concentration of enemy forces to attack provincial agencies, the chief of the province would use part of his military units (regular units and Civil Guard units) for small-scale operations in the various districts of his province where strategic hamlets were planned. He also provides district chiefs with additional cadres, such as Youth, Information, Police and Security cadres.

The planning at the district level is by far the most important. The chief of the district is directly responsible for the realization of the strategic hamlet construction programs in his district. He knows the security situation of the hamlets and villages in his district, the attitudes and spirit of the local people. He decides upon which hamlets of his district are to be constructed as strategic hamlets first. Usually, those hamlets are the ones which, because of their geographical position, could help defend neighboring hamlets. The chief of the district and military officers of the local command meet with the chief of the province and the Provincial Committee in Charge of Strategic Hamlets to discuss plans for the construction of strategic hamlets in the district. After final plans are
approved, all the resources of the Civil Guard, Self-Defense Corps, the Police and Security Services, the Information Service, Civic Action, Agricultural Credit, Public Health and Education, are mobilized for the accomplishment of the selected strategic hamlets.

Depending upon the situation and the needs of the area, these military and civilian agencies are organized into groups called Strategic Hamlet Construction Teams (Doan Can Bo Xay Dung Ap-Chien-Luoc). Each team is assigned a hamlet by the chief of the district. He himself serves as leader of one of these teams. Once the teams are organized and assignments of hamlets are made, orientation sessions on the area's political, military, economic, and social problems are held to establish a clear understanding of the problems and to foresee measures and methods to be taken accordingly.

2. Construction.

After the arrival of a strategic hamlets construction team in its assigned hamlet, the first job to be done is the installation of appropriate defense positions. This is the responsibility of the Civil Guard and Self-Defense Corps members of the team. A fence of sharp bamboo spikes and barbed-wire is built around the hamlet by the local
people. It is conceived that the purpose of the building of the fence is primarily to check enemy infiltration into the hamlet. The security member of the team is responsible for the elimination of Viet Cong infiltrators and the control of the population. To this end, family records are made for each house. The financial status of each family is carefully investigated; family assets, such as the number of acres of cultivated land and abandoned land, the number of domestic animals and food supplies are carefully recorded. The purpose of such records is to deprive the Viet Cong of food supplies previously provided them by peasants, and the method is said to have been patterned on the "food control" program carried out successfully in Malaya during its counter-insurgency campaign. Besides family records, an individual file is set up for each adult in the hamlet concerning his religious and political inclinations, his activities during the period of the Japanese occupation, during the period of resistance against the French, and since the signing of the Geneva Peace. Each inhabitant of the hamlet is issued a plastic-covered identity card. It is expected that by these records and files the local authorities will know the activities of hamlet residents, which is important in the task of eliminating Viet Cong
agents in the hamlet. Intelligence groups are organized among hamlet residents known to be loyal to the government to follow the activities of suspected Viet Cong agents in the hamlet.

Representatives of civil agencies, on their part, will organize hamlet residents into civic groups according to age classification: elder villagers, youth, women, and children. The various age groups are encouraged by various associations such as farmers' associations, Republican Youth, and 4-T organizations. Actual organizations and leadership of each association is decided by association members. This is considered by government authorities as the first step toward the implementation of democratic principles in the hamlet. Once organized, a training program to instruct and guide its members in course of action to be followed in daily life and in case of enemy attack is set up for each association. Hamlet combat forces (Self-defense Corp members and Republican Youth, etc.) are instructed in handling of weapons and equipment, in guard and patrol activities, community developments, and in methods of fighting.

The construction of a strategic hamlet is finished with the completion of all defense works in the hamlet and the organization of inhabitants into self-defense groups.
able to defend their hamlet against sporadic and light Viet Cong attacks.

3. **Administrative structure.**

The strategic hamlet program attempts to reform, among other things, the administrative structure of the village and hamlet through the institution of a representative system of government at the local level. According to the Presidential Decree of May 3, 1963, concerning the administrative structure of the hamlet and village, the hamlet remains an administrative component of the village. On the basis of this decree, the village is run by a Village Council, composed of a Village Representative and four commissioners in charge of economic and financial affairs, police, youth, and registration and public health. The Village Council is elected for a two-year term by an electoral body consisting of all members of hamlet councils of the village and leaders of the village's various popular organizations. The Village Representative is the candidate who receives the most votes. The three candidates with the next largest numbers of votes become Commissioners for Economic and Financial Affairs, Police, and Registration and Public Health, respectively. The Youth Commissioner is elected by all members of the village's Republican Youth organization.
The Village Council is responsible for the administration of the village and the management of its resources. It is entitled to discuss and vote on questions related to the village's budget, trade, communal land, hamlet boundaries, public works, and all other problems legally entrusted to the Council. The Village Representative is responsible for the direction and coordination of the activities of the Commissioners and represents the village vis-à-vis higher authorities. The Commissioner for Economic and Financial Affairs is in charge of collecting taxes and setting up development plans for the village. The Police Commissioner takes charge of the village's security problems. The Youth Commissioner is responsible for the promotion of the village's youth movement and community development. He is also in charge of information services, political education, civic instruction, and other social works in the village. The Commissioner for Registration and Public Health takes charge of records and documents of the village, of the village's census, and of general health problems.

The strategic hamlet, a component of the village, is run by a Hamlet Council elected for two years by hamlet residents through universal, direct, and secret ballot. Like the Village Council, the Hamlet Council includes a Chairman and four Commissioners for Political Affairs.
Security, Economics and Finances, and Youth (in smaller hamlets, there will be three Commissioners only, and the Youth Commissioner will also assume the security responsibility). The Chairman of the Hamlet Council is the candidate who obtains the largest number of votes. Three candidates with the next largest numbers of votes become Political Commissioner, Security Commissioner, and Commissioner for Economics and Finances, respectively. Likewise, the hamlet's Youth Commissioner is elected by members of the hamlet's Republican Youth. The Hamlet Council represents the Village Council in the hamlet. The Chairman of the Hamlet Council represents his hamlet vis-a-vis the Village Council, directs the affairs of the hamlet, and coordinates the activities of the various Commissioners whose responsibilities are similar to those of the Commissioners of the Village Council at the hamlet level.

The decree of May 3, 1963, however, as will be seen later, was not completely carried out. In many places, village and hamlet residents were not yet allowed to freely elect their own representatives. In some other places, although villagers were allowed to choose their representatives, elections were held in such a way that important posts were in loyal, pro-regime hands! The decree,
moreover, allowed leeway for higher authorities to eliminate "opposition" or "politically undesirable" candidates, since, according to the decree, in the election of the Hamlet Council and the Village Council, voting returns and names of elected candidates are subject to the prior approval of the chief of the province!


From the physical standpoint, the defense structure of a strategic hamlet, as noted above, consists of a fence encircling the strategic hamlet. The fence is made of sharpened stakes of wood or of fire-treated bamboo about ten to twelve feet long. One row of stakes is set upright, the other crosses it in an "X" position, with the sharpened ends at about breast height. Sometimes the fence consists of one single row of stakes. In some hamlets, the fences are reinforced with several aprons of barbed-wire. The hamlet residents build the fence themselves, each man being assigned a number of feet. Persons who do not wish to do the job themselves (e.g., merchants who do not want to leave their stores) may hire it done. Inside and along the fence there usually is a trench about two meters wide and one-half meters deep, with the piled-up earth serving as an embankment at the base of the fence. The trench is covered with snares, and the sides of the trench are lined with
bamboo spears. Mines are sometimes placed on these sides. The fence has a number of gates permitting the checking of persons entering and leaving the hamlet. Government authorities claim that, contrary to popular misconception, the purpose of the fence is not to turn away an all-out attack by enemy troops but rather to check enemy infiltration into the hamlet. Watchtowers, guard posts, and gun slots are built at important positions along the fence. At places where enemy attacks are expected, tiger "pits" are dug and the bottoms are floored with sharp bamboo stakes or iron spears. It is said that the weapon used by guerrillas to trap government troops is now used by the villagers against them. It should be noted that so far, the enemy forces, in attacking strategic hamlets, either overwhelmed the defenders by heavy firepower or took the hamlets by simply entering the hamlets through their main gates in broad daylight. There are secret escape routes for the local defenders (i.e., Self-Defense Corpsmen, Republican Youth) in case the enemy forces are too strong for them. Each house in the hamlet is supposed to have its own secret "cadre" to hide its food supplies in case the hamlet is overwhelmed by enemy forces.

Hamlet residents are organized into various defense groups which are trained in military matters. Young men are recruited into Republican Youth or village militia. Women are encouraged to join groups of paramilitary women.

The program for training paramilitary women cadres was initiated by Mrs. Ngo Dinh Nhu. They were trained at Thi-Nghe, at the Reserve Officers Training School at Thu-Duc, and at the Quang-Trung Training Center. The training consisted of a 310-hour course which devoted 80 hours to weapons handling and firing, plus 40 hours of combat hamlets, map reading and intelligence, and 38 hours of first aid. The cadres also studied psychological warfare (30 hours) and aikido self-defense (22 hours). Also included in the course was the strategic hamlets policy and the "Chieu Hoi" program (see Appendix II to this chapter). These cadres were all volunteers coming from various classes of the population.

The paramilitary women's training program was organized and administered by the Paramilitary Training Committee of the Vietnamese Women's Solidarity Movement, founded also by Mrs. Nhu, an organization designed "to coordinate" activities of women throughout the country contributing to the national struggle. Besides paramilitary training courses for women in the capital, similar courses also were held in all provinces throughout the country. By April 17, 1963, the number of women militia was reported at 101,516. Paramilitary women cadres trained in the capital received "officer" salaries. They looked very "impressive" in parades, but their military contribution was nil. These funds would find a better use in increasing the salaries of those foot-soldiers wading in the mud of the Delta or toiling in the jungles of the Highlands in pursuit of the Communists. At a time when arms and ammunition are needed for villagers to defend themselves, arms and equipment in the hands of these paramilitary women would find a better and more effective use in provisions for self-defense forces of the strategic hamlets.
They are armed with rifles, a few submachine-guns, hand grenades, and sometimes a mortar or two. Village defenders are also equipped with radio sets to call for help in case of heavy enemy attack. In principle, weapons are loaned to village defenders for a period of time. In the long-run, they will have to count on arming themselves by capturing weapons from the guerrillas. So far, there has been little or no evidence of the ability of local defenders to capture weapons from the guerrillas to arm themselves. In fact, in some cases, the Viet Cong have relied on strategic hamlets as a good source of supply of arms and ammunition and radio sets.

Besides village militia, Republican Youth, and paramilitary women, two secret units are organized in each hamlet, each consisting of about two to four known loyal villagers. One unit is in charge of sabotage in case the hamlet is temporarily occupied by enemy forces. They are armed mostly with hand grenades. The other unit is in charge of communications. They are equipped with radio sets to call for reinforcements from neighboring hamlets or from the district or nearby military posts when attacked.

Each strategic hamlet is supposed to have a detailed plan of defense in which each group in the hamlet is assigned a specific task so that it knows exactly what to do in case
of enemy attack, thus avoiding disorder and demoralization. According to some government authorities, the defense of the strategic hamlet is rather flexible; defense doesn't mean that the hamlet defenders will try to defend their hamlet until the last man. But depending upon the strength of the enemy, the defenders will either try to repel the attack or withdraw through secret escape routes and let the enemy temporarily occupy the hamlet and then, in combination with other neighboring hamlets, launch a counter-attack. It is claimed that this is an application of one of the tactics of the guerrillas against the guerrillas themselves: "Fight if the enemy is weaker and withdraw and disperse when they are stronger." So far, as will be seen, there is little evidence of this being applied. It is indeed difficult to apply such a tactic, since in order to be able to use this tactic, one must be in an "offensive" position; and being in an "offensive" position, one can either choose to fight or refuse combat and withdraw. The village defenders are clearly in a "defensive" position, and being in a "defensive" position, they can only react to the initiative taken by the enemy.

As will be seen in a good number of strategic hamlets, though their physical defense structures are impressive, and village militia are well armed and equipped, one foremost
factor essential to the effective defense of strategic hamlets seems to be still lacking: the will of the villagers to fight.

III. Financing.

During the first year of the strategic hamlets construction program, Viet Nam received financial assistance both in cash and in kind (building materials and other supplies) from a number of friendly countries, the bulk of which represented aid from the United States Government, which fully supported the program. The United States Government, through the United States Operations Mission (U. S. O. M.) in Saigon, helped finance almost all the expenses incurred in the construction of strategic hamlets. It covered the cost of establishing strategic hamlets cadres' training centers in provinces, of equipping strategic hamlets construction teams, training strategic hamlet militia and officials; it assisted in the relocation of families to hamlets and in the so-called self-help program which consists of minor projects such as small dams, canals, market places, bridges, wells, and community stockyards; it also assisted in the development of agriculture, education, public health, and information in strategic hamlets.

9U. S. O. M.'s agency responsible for the assistance to the strategic hamlets program is the Rural Rehabilitation Committee.
This assistance is primarily to help strategic hamlets during the initial period; in the long-run, the hamlets are expected to be self-sufficient through the development of local resources.

Besides the assistance from the United States Government, a substantial amount of funds and building materials and supplies used in the construction of strategic hamlets were provided by the German and Australian governments. Contributions from private citizens and organizations and appropriations from the National Budget constituted another source of financing. This was relatively small in comparison with foreign aid (see Table I).

Contributions of construction materials, arms and equipment received from the United States and Australia during 1962 were:

**Australia:** 450 tons of iron sheets, 26,529 rolls of barbed-wire, and 301,030 iron posts

**United States:** 433,015 rolls of barbed-wire and over 4,000,000 iron posts; a large quantity of arms and ammunition; 1000 community listening sets and 10,000 low-cost individual receivers; over 3,000 TR-20, two TR-S, and one HT-I radio sets for districts', villages', and strategic hamlets' communication systems. In addition, the U.S. also granted to hamlets a large supply of Food for Peace supplies, consisting of corn, cornmeal, wheat, beans, cooking oil and rice, and a large supply of fertilizer.
TABLE I

CASH RESOURCES FOR THE FINANCING OF THE
STRATEGIC HAMLETS CONSTRUCTION PROGRAM*

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Amount (in millions of #V. N.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations from the National Budget (Fiscal Year 1961-1962)</td>
<td>100</td>
</tr>
<tr>
<td>Contributions of private citizens and organizations</td>
<td>45</td>
</tr>
<tr>
<td>U. S. aid (fiscal year 1961-1962)</td>
<td>730</td>
</tr>
<tr>
<td>Counterpart fund for operations &quot;Binh-Minh&quot; (Sunrise) and &quot;Hai-Yen&quot; (Sea Swallow) and aid to strategic hamlets in provinces damaged by storm Babs</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>933</strong></td>
</tr>
<tr>
<td>Additional funds 1962-1963 National Budget (fiscal year 1962-1963)</td>
<td>300</td>
</tr>
<tr>
<td>Australian aid</td>
<td>90</td>
</tr>
<tr>
<td>German aid</td>
<td>141.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>471.25</strong></td>
</tr>
</tbody>
</table>

*Source: Viet Nam Press, Special Issue Commemorating the First Year of Strategic Hamlets, loc. cit., April 17, 1963.
(5,350 bags of corn; 6,231 bags of cornmeal; 135,402 bags of wheat; 2,810 bags of beans; 44,657 tins of cooking oil; 225 bags of rice.)

According to an unofficial source, the amount of funds earmarked for the construction of strategic hamlets for fiscal year 1962-1963 was two billion piastres; the U. S. government contributed 1 billion, and the rest was from Vietnamese sources.

IV. "Physical" Progress Achieved.

The construction program of strategic hamlets started early in 1962 and was expected to be completed in early 1964. The total number of strategic hamlets planned for the whole country is 11,864. Some "physical" progress had been achieved in the program. According to the progress report of the Interdepartmental Committee in Charge of Strategic Hamlets, a total number of 5,917 hamlets were completed by April 14, 1963, one year after the launching of the program. This represented nearly fifty percent of the strategic hamlets planned, housing 8,150,187, or fifty-nine percent of the country's 13,813,000 population. In addition, 2,659 were under construction. Since the security situation in central Viet Nam was relatively better than in the southern area, construction of strategic hamlets in the central provinces showed the most remarkable
progress. The area's seventeen provinces, by April, 1963, had 3,021 completed hamlets, representing fifty-eight percent of the planned total of hamlets (5,167), in comparison with 2,092 hamlets completed in the southern area's twenty-three provinces, representing forty-eight percent of the planned total.

The total number of inhabitants living in strategic hamlets in the central area was sixty-six percent of the area's total population, while in the southern area, the corresponding figure was only fifty-five percent. Six provinces in central Viet Nam led the list of population percentages living in strategic hamlets: Ninh-Thuan, 98.75 percent; Quang-Tin, 96.65 percent; Binh-Thuan, 86.3 percent; Quang-Ngai, 84 percent; Phu-Yen, 83.5 percent; and Khanh-Hoa, 83 percent.

In the southern area, Gia-Dinh Province ranked first with 83.2 percent, followed by Vinh-Binh, 72 percent; Vinh-Long, 71 percent; and Long-Khanh, 70 percent. Table II, page 33, shows the number of completed and planned strategic hamlets, strategic hamlets under construction, number of inhabitants in strategic hamlets, and total population.

By October, 1963, the late President, in his address to the National Assembly, claimed that of 11,864 projected
### TABLE II

**DISTRIBUTION OF STRATEGIC HAMLETS AND POPULATION IN THE SOUTHERN AND CENTRAL AREA**

<table>
<thead>
<tr>
<th>Areas</th>
<th>Number of Strategic Hamlets</th>
<th>Total Population (in thousands)</th>
<th>Population in Strategic Hamlets (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned</td>
<td>Completed</td>
<td>Under Construction (as of 4/14/63)</td>
</tr>
<tr>
<td><strong>Southern Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saigon</td>
<td>450</td>
<td>305</td>
<td>90</td>
</tr>
<tr>
<td>Eastern</td>
<td>1,500</td>
<td>642</td>
<td>363</td>
</tr>
<tr>
<td><strong>Provinces</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>provinces</td>
<td>4,396</td>
<td>1,809</td>
<td>626</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,976</td>
<td>2,896</td>
<td>1,149</td>
</tr>
<tr>
<td><strong>Central Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta</td>
<td>3,863</td>
<td>2,576</td>
<td>701</td>
</tr>
<tr>
<td>Highland</td>
<td>1,304</td>
<td>665</td>
<td>609</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,167</td>
<td>3,241</td>
<td>1,110</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>11,163</td>
<td>5,917</td>
<td>2,259</td>
</tr>
</tbody>
</table>

strategic hamlets, 8,600 were already built and 10.5 million peasants were grouped in them. 10

These figures are, however, to be used with caution. They vary from one official document to another and thus may not represent the real progress achieved in the program. It was reported that in too many places, local officials, in order to meet the strict achievement targets posted by Ngo Dinh-Dhu, the prime mover of the program, just threw up bamboo fences and barbed-wire, forced people to move in, and announced that their hamlets were ready. In many places, it was believed that some hamlets existed only on paper. As will be seen later on, the interest of the government in the control of territory and in spreading the number of strategic hamlets with little regard to their "viability" and "defense capability" accounted to some extent for the failure of a good number of strategic hamlets.

10 *Time*, October 18, 1963, p. 44.
APPENDIX I

STRATEGIC HAMLETS AND COMBAT HAMLETS

In principle, strategic hamlets are to be built all over the country. The war situation, however, prevents the implementation of the program for the entire country. The present security situation in the rural areas of Viet Nam is characterized by the existence of three zones: the security zone under the full control of the government, the semi-security zone with the Viet Cong and the government competing for control and influence, and the third zone is the "enemy" zone, totally or dominantly controlled by the Viet Cong. This zone consists mostly of frontier regions and mountainous and forest regions in Southern Viet Nam and the highlands of Central Viet Nam, and the swampy areas of the Mekong Delta where they have secret bases and their own "combat villages." In Viet Cong-controlled regions, there are impediments to the establishment of strategic hamlets whose basic objective, according to government authorities, is to promote economic and social development as well as self-defense in rural areas. They are constructed mainly in the security zone and semi-security zones. In the so-called "enemy zone," other types of hamlets are constructed: combat hamlets (Ap Chien-Dau). Their specific
purpose is said to be primarily military, other considerations taking secondary importance.

The construction of combat hamlets started with large-scale military operations in Viet Cong-controlled areas. Parallel to military operations, various government agencies would combine their efforts in the construction of combat hamlets. People living scattered in the region are regrouped into selected, fortified areas. Defense positions are set up and the population is organized into combat units, trained and armed. Other matters such as building houses, drafting village by-laws, electing representatives and organizing civic associations cannot but be placed secondary to the problem of defense and survival.

The combat hamlets are said to differ from strategic hamlets in many respects; if strategic hamlets serve not only the military purpose but also the promotion of social, economic, and political development in villages and hamlets, the combat hamlet's purpose is predominantly military. (But in fact, in a good number of strategic hamlets, the political economic, and social objectives are still taking second place to military objectives.) The defense of the strategic hamlet relies primarily on its militia units with the exception that during the construction period (3 to 4 weeks) it depends on outside forces, mainly civil guards and regular
units for its defense; the combat hamlet, on the other hand, counts on both the hamlet's combat units and regular units for a much longer period of time. In strategic hamlets, peasants in most cases remain in their previous hamlets, with the exception of cases where people living in far-off and isolated areas are transferred to strategic hamlets; the construction of combat hamlets, on the other hand, involves the mass regrouping of population. If strategic hamlets are more or less self-sufficient economically and financially, combat hamlets depend entirely upon governmental economic and financial assistance at least during the initial period. It is said that the combat hamlets will become strategic hamlets with the gradual improvement of security conditions in these areas.

The strategic hamlets and combat hamlets systems are considered as two "bolts" designed to narrow the Viet Cong's subversive activities. The strategic hamlet is expected to deprive the Viet Cong of their sources of recruits and food supplies, and to isolate them from the rural masses; the system of combat hamlets, erected deep in Communist areas, in the highlands of central Viet Nam and in forest and swampy regions in Southern Viet Nam, is expected to make it more difficult for Viet Cong
infiltration into South Viet Nam through the Lao Cai Corridor and to discourage movements between their bases and rural areas. As will be seen later, in general the system of combat hamlets has not been working well.\textsuperscript{11}

The fact that they are erected deep in Communist areas far from government posts, in difficult positions to secure supplies and reinforcements, make them highly vulnerable to Viet Cong attacks. Moreover, a good percentage of people regrouped from Viet Cong areas may be "Communist-intoxicated"; the "oppressive" and "arbitrary" attitude of local officials with regard to the "forced" transfer of people may make the theme of Red propagandists that they are regrouped into "concentration camps" more convincing. All this makes the defense of combat hamlets all the more difficult. This has been the experience of the past few months. A good number of hamlets were attacked and overwhelmed by the Viet Cong.

\textsuperscript{11}Some progress, however, has been reported concerning the system of combat hamlets in the highlands of Central Viet Nam.
On the occasion of the first anniversary of the initiation of the strategic hamlets program, the President of the Republic proclaimed the enactment of the "Chieu Hoi" policy throughout the country, the objective of which is to welcome ex-Viet Cong guerrillas wishing to return to their "normal" life and to rally to the side of the national government. It is believed that the average Viet Cong guerrillas are merely frustrated peasants or villagers, and few are fighting for any strong basic idea. The majority were either bought, deceived, or forced, by terrorist methods, into joining, and only the leaders and hard-core Communist cadres are driven by any strong ideological conviction. The campaign aims primarily at the first group of Viet Cong guerrillas who, weary of their clandestine life and the

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12 Also called "Movement to Regroup Misled Members of the Resistance, or Phong Trao Chieu-Tap Khang-Chien Lan Duong."

13 Government authorities seem to have underestimated the ability of Viet Cong propagandists to transform these "frustrated" peasants into Viet Cong fanatic guerrillas. Most of the Viet Cong guerrillas seem to be highly motivated. They seem to be fighting with the conviction that they will get better economic, social, and educational conditions promised them by the Communists.
constant harassment or stepped-up government military operations, are expected to be more eager to return to the national cause.

The campaign has its antecedents in Viet Nam and other countries, such as in Malaya and the Philippines. In Malaya, during its struggle against the Communists, a similar campaign had been used. Leaflets, which served as safe conduct for the guerrillas, were dropped in enemy zones, urging them to rally to the government's cause. The campaign was said to be successful.

In 1952, a clemency policy also was proclaimed by the French in Indochina. Franco-Vietnamese clemency committees were formed to welcome returnees from the Viet Minh zone.

French aircraft dropped tons of "return-leaflets" in enemy zones, urging the guerrillas to return to the Franco-Vietnamese zone with these leaflets as safe conduct. The program had failed miserably. Ironically enough, the policy was initiated at the time when the French were about to lose; the Delta of North Viet Nam was almost lost to the Viet Minh, and French forces were on the brink of their defeat at Dien Bien Phu. In the eyes of the Vietnamese in general, and the Viet Minh fighters in particular, who were fighting for "national independence, freedom and democracy," the French were always imperialist foreign invaders trying
to regain their control over Viet Nam. Moreover, there were no definite plans for the resettlement of returnees from Viet Minh zones by the Franco-Vietnamese authorities.

With regard to the "open-arms" policy, each strategic hamlet has its own "Chieu-Hoi" committee welcoming those guerrillas who want to return and serve the national cause. Prior to November, 1963, the "open-arms" policy was conducted by a central sub-committee created by the Interdepartmental Committee in Charge of Strategic Hamlets and responsible for the operation of "Chieu-Hoi" centers established in cities, towns, and provinces. The presidential proclamation and various instructions to follow by "Chieu-Hoi" cadres are printed on small leaflets to be distributed throughout the country. The leaflets also serve as safe conduct passes for Communist returnees. 14

Viet Cong returnees are given the maximum opportunity to atone for their former conduct by cooperating with the government in denouncing the Viet Cong, urging other guerrillas to return, or giving information leading to the capture of Viet Cong cadres, of arms and equipment, and by taking part in the national reconstruction program.

14Printed at the bottom of the leaflet are these words: "Take this leaflet to all "Chieu-Hoi" centers and you will be kindly welcomed."
Returnees are to be classified into various categories, and the majority of the "disillusioned" rank and file will pass through a two or three-week registration period. They are then allowed either to return to their families or to reside in strategic hamlets, the only condition being that their relatives assume responsibility for them, and that strategic hamlets committees agree to accept them. They will be provided with ways and means to start their "new life."

There are special procedures for dealing with other categories, such as top-level Communist cadres, and rank and file cadres. Even those accused of serious crimes are to be given the opportunity to atone by helping the government in special and dangerous works, and in contriving the return of guerrilla weapons. All will be given the fairest possible treatment, and the opportunity to use their skills and abilities to help the nation, while at the same time denouncing international Communism, and appealing to their former guerrilla associates to surrender.15

15Following is an excerpt from the Presidential Proclamation of Open-Arms: "Inspired by the ideal of respect for the human being which is based on the spirit of justice and charity, the Chieu-Hoi Campaign provides for appropriate measures in favor of all those men and women who--deceived, exploited or enrolled by force by the Communists--have a new awareness and decided from today to rally to the side of the national government."
Although it is still too early to evaluate the effectiveness of the program, some progress was reported in the "open-arms" policy.

The number of returnees from Viet Cong-controlled areas was increasing. According to a report of the Civic Action Department, during the period from February 10 to April 10, 1963, there were 2,787 returnees turning themselves in in strategic hamlets. By April 24, the total number of "returnees" was reported at 3,674. The majority

"Those having families and means of subsistence will be authorized to rejoin their families, or to reside in the hamlet of their choice, subject only to the approval of the Administrative Committee.

"Those having no means of subsistence nor family support can be assured of the assistance of the Government.

"Those having skills and ability—after a period where they become conscious of the requirements of the National Cause, during which they will have proven by concrete acts their total detachment from Communism—will see their services accepted.

"Those who have trespassed against the law and who have already been condemned, or who are subject to court trial, will have the opportunity to amend and to redeem themselves by meritorious patriotic acts which will enable them to benefit from measures of indulgence or pardon."

of the returnees were from the western provinces of Southern Viet Nam. The returnees were Viet Cong military and political cadres, Viet Cong Liaison Agents, former defectors from government forces, people joining the Viet Cong to avoid military service in the National Army, people kidnapped by the Viet Cong, and peasants living in Viet Cong bases who represented the majority of the returnees (see Table III). The Civic Action Department also reported that the returnees have given information leading to the capture of enemy terrorists and important documents, and that their information has helped the armed forces launch some successful attacks against Viet Cong bases. On April 15, 1963, a ranger company, upon information from a returnee, launched a successful raid on a Viet Cong base at Loc-Khanh village in Binh-Long Province; so Kien-Giang, a returnee ex-Viet Cong platoon commander, helped the armed forces at Kien-Giang launch an operation which destroyed a Viet Cong base at Hon-Soc.

On the basis of the number of returnees recorded in the first half of 1963, the program was hailed by government authorities as a complete success. Some optimistic American military observers, on the basis of the "improvement in the rate of enemy defection," claimed that the military tide was "turning to our favor." This, however,
seems to be a too optimistic view. On the one hand, these official figures seemed to have been grossly inflated for propaganda purposes. On the other hand, if the number of returnees was impressive, the number of arms and ammunition brought back by them was insignificant (see Table IV). A good number of peasants did not voluntarily return to strategic hamlets but were forced to settle there upon clearing operations of the armed forces in Viet Cong-controlled areas. The number of Viet Cong cadres represented a rather small percentage of total returnees.

After the overthrow of the Diem government, the appeal of the new "revolutionary" government has resulted in increasing numbers of returnees from Communist zones. As of May, 1964, the number of returnees amounted to almost 14,000. During the period from May 10 to May 16 alone, the number of returnees amounted to 1,367. However, out of this amount, the number of Viet Cong was only 95, consisting of guerrillas, political cadres, and village cadres (including a second lieutenant, a deputy commander, a squad leader, and two deputy squad leaders); they brought with them 20 rifles, 9 grenades, one Thompson, and one carbine.

Although the success of the "Chieu-Hoi" program was limited, in order to avoid possible adverse effects of the program, the Red propagandists were reported to have undertaken an anti-Chieu-Hoi campaign. Guerrillas and peasants
<table>
<thead>
<tr>
<th>Areas</th>
<th>Total Number of Returnees</th>
<th>Areas</th>
<th>Returnees Classified by Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Viet Nam</td>
<td></td>
<td></td>
<td>Military Cadres</td>
</tr>
<tr>
<td>High plateaus</td>
<td>292</td>
<td>Political Cadres</td>
<td>572</td>
</tr>
<tr>
<td>City of Saigon</td>
<td>12</td>
<td>Viet Cong Liaison</td>
<td>302</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Agents</td>
<td>7</td>
</tr>
<tr>
<td>Southern Viet Nam</td>
<td></td>
<td>Deserter, defectors</td>
<td>118</td>
</tr>
<tr>
<td>Eastern Provinces</td>
<td>223</td>
<td>from military service and others</td>
<td>118</td>
</tr>
<tr>
<td>Western Provinces</td>
<td>2,256</td>
<td>Peasants in Viet Cong</td>
<td>1,788*</td>
</tr>
<tr>
<td>Total</td>
<td>2,787</td>
<td>bases</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Total</td>
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</tbody>
</table>

Source: Viet Nam Press, Special Issue, op. cit., p. 19.

*Of this, 1,297 returnees had been authorized by provincial authorities to settle in the combat hamlet of O-Lam following operations in Mt. Co-to in An-giang Province.
in Viet Cong-controlled areas were forbidden to read leaflets dropped by government aircraft. Those found in possession of government leaflets were subject to severe punishment. The principal theme of Viet Cong propagandists concerning the "Chieu-Hoi" program has been that it is a trap: that the government killed all Communist members and senior cadres who returned to the government's side; and that most of the returnees were tortured and put in "concentration camps" (strategic hamlets and combat hamlets).

It should be noted that although the Diem government promised complete amnesty and a safe return home to the guerrilla fighters, still there seemed to be limitations to
the surrender appeal. This could be a factor responsible for the limited number of returnees during the period. For such a plan to be successful, then, the promises of complete amnesty should be kept and all limitations be removed. Otherwise, the plan may lose its appeal to those meditating a return to the side of the government.

This is reflected in this statement of the original plan: "We must destroy all persons in this category (hard-core Communist cadres)."
CHAPTER III

EXPECTED MILITARY EFFECTS OF THE STRATEGIC HAMLETS SYSTEM

This chapter is concerned with a discussion of the strategy and tactics of the Communists and the expected effects of the system of strategic hamlets as a possible answer to Communist strategy. A brief account is also presented of the Communist forces in South Viet Nam and their organization; a knowledge of their forces and organization would throw some light on the type of warfare being waged by them.

I. The Communists in South Viet Nam.

1. Military organization.

In general, the military forces of the Viet Cong are organized on the pattern of the Viet-Minh forces during the resistance against the French. They fall into three categories: the local militia (Dan-Quan Du-Kich); the regional units (Dia-Phuong Quan); and the regular units (Chu-Luc-quan).

The local militia is the lowest echelon of the Viet Cong military organization. They are part-time guerrillas, selected from among local people, levied for only auxiliary
military duties and returning to their daily jobs afterwards. They receive no pay for their duties. They are farmers, fishermen, or day-laborers by day and guerrillas by night. The Dan-quan Du-kich operates at squad and platoon level. Its task, primarily, is to lay small local ambushes, to sabotage roads and dikes, and to provide supplies and intelligence to the Dia-Phuong-Qu'n and Chu-Luc-quan. The local militia is very lightly armed. Each squad and platoon is armed with land mines, hand grenades, a few rifles, submachine guns, daggers, swords, and some rudimentary, locally-made weapons.

The training of local militia is provided by cadres from regional units and occasionally from non-coms and officers of regular units. Their training is both military and political; the latter aspect seems to be more important. Aside from their occasional military duties, local militia, at the same time, serve as very effective propaganda agents and terrorists, murdering village officials, school-teachers, suspected informers, levying taxes, exacting contributions, etc. Some local people join the Viet Cong voluntarily; some

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1 The training program of local militia is reported to be thirty percent military and seventy percent political. Military training seems to be very rudimentary, consisting of instructions in the use of personal weapons as well as lessons in sabotage. Political training consists primarily of political indoctrination and propaganda. (See U. S. Department of State's White Paper.)
are forced and threatened into joining; some join simply to avoid harm done to their families. However, after a certain period of political indoctrination, these people are usually transformed into "fanatic" guerrilla fighters. Experienced local militiamen are candidates for the regional units.

The regional units operate mostly within their home provinces and districts, and are better armed, trained and organized than the Dan-quan Du-kich. The largest unit of Dia-Phuong-Quan is believed to be the battalion. In each province or district, there are several companies of Dia-Phuong-Quan. They receive small amounts in pay for their operations. They, therefore, have to work part-time for their living. Since regional units consist primarily of candidates chosen from the local militia, they thus have had some rudimentary training. Once they join the regional units, they receive more intensive training, which consists, in the main, of individual instructions and unit tactics.\(^2\) Officers of regular units assigned to the regional units provide them with formal training. There are "regional schools" in the Viet Cong secret bases throughout the country, instructing regional units in the use of more difficult and sophisticated

\(^2\)The training program for regional units seems to be fifty percent military and fifty percent political. (See White Paper, U. S. Department of State, op. cit.)
The responsibilities of regional units extend both upward and downward. On the one hand, they train and assist the local militia. On the other hand, they act as a screen for the regular units, or Chu-Luc. Not only do they constitute a reserve and supply reinforcement to the Chu-Luc quan when needed, but they also prepare the battlefield for impending operations, protect the Chu-Luc in advance and retreat, and take over some of their defensive missions. It is these regional units, or Dia-Phuong-quan that usually meet government forces in "clearing" operations, launch small attacks, and ambush small government patrols and convoys--they are "mature guerrillas who keep the government forces off balance."³

The hard core of the Viet Cong forces is the "Chu-Luc-quan," stationed mostly in their secret bases and secured areas (Khu-an-toan) throughout South Viet Nam. They are professional soldiers, well-trained, well-disciplined, and thoroughly indoctrinated. Members of the regular units are either locally raised, e.g., chosen from battle-experienced regional units or infiltrated from North Viet Nam through the Ho-Chi-

³See G. K. Tanham: Communist Revolutionary Warfare: The Viet Minh in Indochina.
Minh Trail which consists of jungle paths and a network of relay bases, some of which crossed the most difficult territory of southern Laos and some of which directly crossed the 17th parallel. Another infiltration route is believed to be from Red China and North Vietnam by ship to Sihanoukville, the new port of "neutralist" Cambodia, thence in junks to the Mekong Delta or by truck along Cambodia's U. S.-built "Friendship Highway" and by boat down the Mekong River.

One instance of Viet Cong infiltration is the case of the battalion company led by Major Tran Quoc Dan, who rallied to the national cause early in 1963. Battalion "60" of 600 men left Hanoi on March 23, 1962, and coming through the Laotian border, joined Viet Cong Regiment I in Central Vietnam. Some of the elite regiments which had been evacuated to North Vietnam after the signing of the Geneva Peace of 1954, have been identified as currently operating south of the 17th parallel, among them the 803rd Regiment which destroyed French Mobile Group 100; the 120th and 126th Regiments operating in the Central Plateau; and Regiment 95, which had given the French so much trouble in the Quang-Tri area, is believed to have returned and operated in the area early in 1962.

4 See Bernard Fall: I., Street Without Joy.
infiltrating into South Viet Nam is reported to have increased considerably since the success of the Pathet Laos in Laos which helped open a relatively safe route for Viet Cong infiltration. The Viet Cong seemed to have used Laos as a secure base to prepare some of their attacks. Thus, some of the Viet Cong units stationed in Laos were reported to have played an important part in Viet Cong large-scale attacks in the Highland south of Kontum Province and near Ban-Me-Thuot in the summer and fall of 1961, and probably in some of their recent attacks in Quang Nam and Quang Ngai Provinces.

The Viet Cong regular units are well-trained and well-equipped. They are armed mostly with French and American-made weapons, most of which were captured from the South Vietnamese armed forces. They also rely upon additional supplies of weapons from North Viet Nam, brought to South Viet Nam either through the "Ho-Chi-Minh" trail or via the Viet Cong seaborne supply route along the coast. In addition, there are rudimentary weapons and equipment produced in small shops in Viet Cong secret bases in South Viet Nam, but these weapons and equipment are mostly for the use of local militia and regional units.
In order to assure proper political and ideological indoctrination of troops and the integration of military actions with political objectives, there are party organizations and political commissars in military units, starting from the company up. Company, battalion, and regiment political commissars are in charge of political matters of their respective units. At the present time, as the Viet Cong still needs the cooperation of nationalist elements, the authority of political commissars still seems to be limited. There is no political commissar at the platoon level, but there exists a party cell in each platoon which works closely with the political commissar at the company level.

The "Chu-Luc-quan" receives salaries both in money and in kind, but mostly in rice. The Viet Cong seems to depend entirely on local resources for their food supplies. Salaries of regular units and regional units come from a variety of sources: taxes paid by the local populace, contributions made by farmers, landlords, and plantation owners, etc. Collecting taxes and contributions is not violence per se, but behind the pistol-packing collectors, "looms terrorism and reprisals if individuals—especially those better-off—do not pay or contribute." Transportation
companies have to pay "road fees." Rich persons and government officials are sometimes kidnapped for ransom. Sometimes, the Viet Cong stop passenger-buses and take money, jewels, and valuables from passengers. When money is not available, the Viet Cong issues some type of "war bonds" as salaries to soldiers and as promises to pay the peasants for their rice.

The Communist military forces in South Viet Nam are reported to have increased very rapidly, especially since 1961. Prior to 1956, the Communist forces in South Viet Nam consisted of a number of guerrilla units and a number of regular units which, instead of being evacuated to North Viet Nam under the terms of the Geneva Peace, were simply transferred to secret bases which they had built in remote and difficult areas of the Central High Plateau and in forest and swampy regions of Southern Viet Nam during the resistance against the French. From 1956 to 1961, it was estimated that Viet Cong regular units in South Viet Nam had increased from 3,000 to 9,000, organized into thirty battalions. In provinces and districts, there were more than 8,000 regional combatants. In 1963, the number of Viet Cong Chu-luc was estimated from 25,000 to 30,000. The largest known Viet Cong regular unit is the regiment.\(^5\) Regular battalions are usually

\(^5\)Ill-defined larger units such as a 1st "liberation division" and CK-I (combat-zone I) were also reported by government sources.
numbered from 502 upward, the highest-known number being 634, with the component companies being numbered from 200 upward. Some Viet Cong battalions are named after national heroes, thus ly-thuong-Kiet battalion in Vinh Long Province and Tay-Son Battalion near Qui-Nhon. These regular units are stationed mostly in numerous Viet Cong bases throughout the country, among them, U-Minh, Dong-Thap, Zone "D", Long-Xuyen, Duong-Minh Chau, in Southern Viet Nam, and Do-Xa, Kon-Ha-Nung, To-Hap, Trung-Mang, Mang-Xim, Aro, Bong-Hung, Dak-Bung, Boun Dak Tou, Tho-lo, Dak Nam and Chuy leya, etc. in the Central Highland.

The over-all command of Viet Cong military forces lies with two command zones: Inter-zone 5 (Lien-Khu 5) covers central Viet Nam south of the 17th parallel, and Inter-zone VI (Lien-Khu Nam-Bo) covering Southern Viet Nam (South Viet Nam proper, previously called Cochin-China).

In 1961, Inter-zone 5 was under the command of Brigadier General Nguyen Don, under the direction of Tran Luong, of the Central Committee of the Lao-Dong Party. Inter-zone VI was under the command of Nguyen Huu Xuyen, under the political direction of Mui Cuc. Their operations were in turn

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coordinated by a "Committee for Supervision of the South" of the Lao-Dong Party, and located in Hanoi (capital of North Viet Nam). The committee is in charge, among other things, of determining the objectives and general plans for Viet Cong operations, determining zones of action for regular units, and coordinating Viet Cong propaganda and intelligence activities.

2. Political and administrative organization.

The Communists in South Viet Nam have been careful in concealing their hands in their plan to institute a Communist regime in South Viet Nam. They have been careful to disguise or soft-pedal their purely Communist objectives and always to emphasize nationalist and reform ideas in order to attract members of nationalist parties in opposition to the government of the Republic, and to win the support of the general population. Late in 1960, "The National Liberation Front" was created, associating a number of political parties and organizations, among them the Democratic Party of Viet Nam and the Socialist Radical Party. The Executive Committee of the Liberation Front has, on paper, the political control

7 In 1961, the "Committee for Supervision of the South" included Le Duc Tho, a Politburo member; Pham Hung, a top guerrilla leader in Southern Viet Nam prior to 1954; and Brigadier General Nguyen Van Vinh, an alternate member of the Lao Dong's Central Committee.
of the insurgency movement in South Viet Nam. The Committee is headed by Nguyen Huu Tho, a left-wing lawyer in Saigon. Political parties and organizations under the Liberation Front were in fact controlled either directly or indirectly by Lao Dong Party's cadres; various other political organizations such as youth associations, agricultural associations, and associations of university and high school students were also controlled and directed by Communist Party members. The intention of the Viet Cong to attract nationalist elements whose cooperation they still need is also reflected in the presence of non-Communist members in the Executive Committee of the Liberation Front which is dominated by Communist elements.

In January, 1962, a "branch" of the Lao-Dong Party was officially created in South Viet Nam, disguised under the name of "People's Revolutionary Party" (Nhan Dan Cach Mang Dang). Behind the Liberation Front, the show is believed to be run entirely by the Nhan Dan Cach Mang Dang, which in turn is under the over-all control of the Lao-Dong Party.

The administrative mechanism of the inter-zone is run by an inter-zone executive committee of about ten members.

8 Other members of the committee include Nguyen Van Hieu, leader of the Radical Socialist Party of Viet Nam, Thung Van Cung, Chairman of the South Vietnamese "Peace Committee," Huynh Tan Phat, Secretary General of the "Democratic Party."
Each inter-zone is subdivided into four inter-provinces (Lien-Tinh), each covering four or more provinces and the special zone of Saigon, each administered by Inter-Provincial Committees. From the province to the village, the administrative organization of the Viet Cong is parallel to that of the government of the Republic, with provincial committees (Tinh-uy), District Committees (Huyen-uy) and Village Councils (Hoi-Dong-Xa). In Viet Cong-controlled areas, they also have their own combat villages (Thon Trang Chien-Dau).

II. Strategy and Tactics of the Communists.

The war in South Viet Nam is not a war in the classical sense, not a contest of strength between two regular armies with fixed battle-lines and front and rear positions. It is not fought with conventional warfare methods. It is a war in which victory and defeat seem to depend not only on modern armed forces, weapons, and equipment, but primarily on the "mind and heart" of the entire population. It is a "revolutionary war" interlocking military, political, social, and economic efforts, in which the enemy tries to destroy the entire political, economic, administrative, and military structure of the present regime and to institute a Communist system of government through the manipulation of the general population—above all, the rural mass—and the use of irregular warfare methods.
With irregular warfare methods, the Communists have been doing well against the armed forces of the Republic of Viet Nam which, though far superior to the Communists in men, weapons, and equipment, have until recently been trained primarily for conventional warfare, unfit for the new type of warfare waged by the enemy.

To the Viet Cong, the present struggle is necessarily a long, protracted war, since, as stated by Vo Nguyen Giap, one of the prime strategists of protracted warfare, "only a long-term war could enable us to utilize to the maximum our political trump cards, to overcome our national handicap and to transform our weakness into strength." The strategy of the Communists is one of attrition, with all efforts, military and non-military, designed to defeat the enemy by paralyzing his over-all administrative mechanism and wearing down and destroying little by little his armed forces. This over-all strategy is carried out through three principal stages. The first stage is devoted to the organization and consolidation of their underground structure, using a systematic propaganda system to win the support of the rural mass, recruiting new cadres, training guerrillas and regional and regular units, with limited guerrilla activities to create a "revolutionary" atmosphere and keep at a high level the spirit of their cadres. During the second stage, guerrilla activities are
expanded, with the intent of paralyzing the administrative machinery of the government in rural areas, replacing it with their own secret network; new bases are established and old bases strengthened; and with the growth of their "Dia-Phuong" and "Chu-luc" units, they would start a war of movement (Van-Dong-Chien) in combination with guerrilla operations to gradually wear out government forces, narrowing down government activities within towns and cities and provincial capitals. Then, when the "ripe moment" comes, they would launch a "general offensive" (tong tan cong)--the final stage--which combines guerrilla, mobile, and positional warfare to defeat their enemy.

The first stage seemed to have lasted roughly from the 1954 cease-fire until mid-1957, during which time the Communists seemed to devote themselves to consolidating their underground structure in South Viet Nam, recruiting new guerrillas, reinfiltrating cadres and regular units which had been evacuated to North Viet Nam after the cease-fire, and organizing secret associations among local peasants.

The second phase seemed to have started since mid-1957 with the stepping-up of Communist guerrilla activities which had been planned to destroy the economic and administrative structure of the government in rural areas. Thus, Viet Cong terrorists began killing village officials, the key
interactions between the central government and the rural mass, creating a vacuum in rural areas suitable for the institution of their own secret administrative network in villages and hamlets. The number of village officials murdered, negligible in 1956-1957, jumped to more than 700 in 1957, 2,500 in 1959-1960, and to about 4,000 from May, 1960 to May, 1961. With the deterioration of government control in the countryside, communist guerrilla activities gradually expanded. Civil guard units and district headquarters, as well as small government outposts, were attacked; bridges were blown up; roads and railroads were sabotaged; and small patrols and convoys were ambushed. As a result, government activities were gradually narrowed down and confined to provincial cities and district headquarters. Thus, if until late 1958 the government was in good control of the rural areas, by 1961 the Communists had extended their influence to about eighty percent of the countryside. Since 1959, the Communists, with the growth of their "Chu-luc" units, began to engage in a war of movement which, in coordination with extensive local guerrilla activities, is believed to be a means of paving the way for their future "general offensive," and thus a greater number of government outposts were

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attacked and overrun. Larger-sized ambushes were launched against government forces. As in the case of guerrilla operations, the war of movement is characterized chiefly by the absence of fixed fronts, quick concentration for action and immediate disengagement after fighting. However, if the objective of guerrilla operations is primarily to keep the enemy off-balance, that of the war of movement is to destroy him.

Communist tactical operations are based primarily upon mobility, artful hiding, dispersion, and surprise. On the defensive side, the Viet Cong always observes Mao-Tse-Tung's teaching that "if the enemy attacks, we retreat; if he defends, we harass; and if he retreats, we attack." Viet Cong combat units are either moving, hiding, or attacking. They are a scattered army of elusive and mobile units which present no targets for their enemy. They usually disperse their forces into small units, either mingling with the rural population or hiding in secret hideouts. They concentrate only when there is order of attack. Mobile and elusive, they are able either to refuse combat or fight battles of their own choosing. When encountering enemy forces, they fight only when "victory is certain" or melt away like "vaporous ghosts" when victory is in doubt. In any position, Viet Cong units always have careful plans for
retreat in case of an enemy attack. They can retreat into previously-prepared hiding places in the area, such as specially constructed individual holes, subterranean caverns and tunnels, and positions prepared in the banks of rivers and originating below the water level. This tactic of quick dispersion and hiding has disappointed time and again large-scale operations by the armed forces of the Republic of Viet Nam. This Viet Cong tactic is made possible largely by a day-to-day knowledge of movements of the South Vietnamese units provided to them primarily by local peasants.

If the circumstances are such that Viet Cong units are unable to disperse and retreat quickly and are forced to do battle with government forces, they would assign a small unit to slow down the advance of government forces in order that the rest of the forces might retreat. In case of encirclement, they would concentrate their forces on the weakest wing of the encirclement forces and try to open a "blood path" of escape. Such an instance is the encirclement of part of a regular Viet Cong battalion at Thanh-Tan, in the Mekong Delta, on March 28, 1962. Cornered by a South Vietnamese force of two battalions and four companies of civil guard and self-defense corps supported by 105 mm. howitzers and patrol boats, they concentrated
their main forces and broke through the civil guard wing unprotected by friendly artillery and escaped into the open country.

The Viet Cong's offensive tactic is the well-known "one-slow and four-fast actions" tactic. This tactic has been applied by the Viet Cong in ambushes as well as in their attack of military posts. The "slow" action concerns the careful planning and preparation for the attack. When the Viet Cong decide to attack a post, they set out to study very carefully the position and the terrain of the post, the number of defenders, their combat spirit, the conditions of the defense constructions of the post, the amount of arms and positions of heavy weapons. They watch the garrison over a period of time in order to discover habits and weaknesses of the enemy. They would try to know the character of the commanding officer, his attitude toward his units and toward the local population, when the guards are changed, whether certain guards are habitually not alert, and the times when key officers may expect to be absent. The details concerning the reinforcement and supply routes of the post are studied. All such information is incorporated into the final plan of attack, and the plan is considered and discussed over and over again to correct possible shortcomings. Specific
Responsibilities are assigned to participating units which would prepare themselves for a period of time so that their activities are so well coordinated that at a given signal, all assigned jobs are carried out exactly as planned.

For the attack, the Viet Cong apply four "quick" actions: quick concentration, quick attack, quick settlement, and quick retreat. They try to move from their secret bases and hideouts to predetermined concentration areas as fast as possible. They often move by very small units, usually at night, to avoid ground and air detection. They can reach the concentration point fifty or sixty miles from their bases in a few days and nights, thus creating a strong element of surprise for the government forces who have been unaware of the direction of Viet Cong movements. When the concentration point is reached, Viet Cong officers then set about explaining again the reason for the attack to develop a sense of self-sacrifice and a high combat spirit among the participating troops. Then they move quickly to the objective, take up predetermined positions, and attack. Viet Cong attacking forces are usually divided into two principal groups: the main effort consists of as much as eight or nine-tenths of the attacking forces, and the remaining number constitutes the secondary effort. The
Viet Cong cherished attack-plan is well known—the "one point, two-side" attack, with the main force advancing from one side of the objective and the secondary force from the other side. They usually begin the attack by firing heavy supporting weapons, such as 60 mm. and 81 mm. mortars, recoiless rifles and heavy automatic weapons aiming at neutralizing the enemy's important positions, such as heavy gun towers, command posts, communications centers, etc. Then demolition teams try to destroy barbed-wire fences and other defense constructions with explosives in order to create an opening for the shock troops or assault infantry. Once a breach is created, shock troops advance, pouring on their fire power with the view of quickly settling the battle. A reserve group is always available to serve as cover for the assault troops, assisting in the attack and covering the retreat. Units are also assigned to ambush reinforcements from other government posts. Usually caught by complete surprise, frightened, confused, and unable to take up defense positions, the defenders are oftentimes overwhelmed in no more than half an hour.

After the enemy is overwhelmed, the battle area is quickly mopped-up (arms, prisoners, and casualties), and a quick retreat and dispersement of troops follow. In
retreat, depending on the situation, they can either withdraw to their bases or melt into the rural population and disperse either individually or in small units. Troops thus dispersed either reconcentrate later on or are ordered to stay in rural areas to sustain, train, and assist the local guerrillas.

The "one-slow and four-quick action" tactic is also applied in ambush, which is the Viet Cong favorite way of attacking patrols and communications facilities. As in the case of the attack on a post, in ambushing a convoy or a patrol unit, the Viet Cong set out to study carefully the terrain about the route where the ambush is to be staged. They carefully observe the number of vehicles in the convoy, the number of armored cars, and their positions. At the time designated for ambush, they quickly concentrate and take up positions very well chosen and camouflaged in the area where the ambush is to be launched. When the convoy runs into the trap, the Viet Cong then pours all their firepower on the convoy from both sides, using grenades, recoilless rifles, and machine guns. Next the assault troops attack. Usually, in about fifteen minutes to half an hour, the convoy is overwhelmed. Vehicles are then quickly set on fire, heavy equipment carries away captured arms and ammunition, and the
troops disperse. Although the ambush technique of the Viet Cong seems to vary according to the terrain of the planned ambush and the size and objective of the ambush, the general pattern remains pretty much the same. When the convoy is in the trap, the Viet Cong generally blow up the lead and rear vehicles by electrically-detonated mines in order to block both the retreat and advance of the convoy. They then open mortar, recoiless rifle, and machine-gun fire to disable the vehicles of the convoy, preparing for the assault infantry to attack. Places along the road where the Viet Cong have no firepower are usually thoroughly mined and laid with iron-barbed spikes. These seemingly "escape routes" are in fact "death routes." The latest incident in which the same pattern has been used was the ambush of a thirty-six-truck convoy from coastal Qui Nhon, 250 miles north of Saigon, to Pleiku, 80 air miles inland in the central highlands, on July 2, 1964. A Viet Cong force of about 200 guerrillas smashed the trucks with electrically-detonated mines, overran them, killing twenty-nine and wounding twenty-four of the ninety men of the Vietnamese security force accompanying the convoy. They then fled into the jungle with a machine gun and thirty individual weapons. The ambush took place where a famous French mobile brigade was annihilated by Communist
forces early in 1954 (Indochinese War), in the same general area where government forces reported to have ended up a mop-up operation after killing 104 guerrillas!

Apart from the main ambush, the Viet Cong also lays secondary ambushes for relief units coming either from the rear or ahead. Sometimes the ambush of relief units is the main objective; the ambush of the convoy is but a secondary target!

With their tactical operations based on careful planning, surprise, proper timing of attack, speed of movement, quick retreat, and dispersion, the Viet Cong, in the past few years, has overwhelmed a good number of government posts as well as having destroyed a good number of patrol units and convoys. The attack of the Communists on the post of Infantry Division X of the Armed Forces of the Republic, on January 26, 1960, is one of the typical operations of the Viet Cong which show all of the basic aspects of their tactics. Infantry Regiment X of Division Z was stationed in a southern province of Southern Viet Nam. The security of the post is assured by ten watchtowers, each manned by eleven soldiers armed with M-14 rifles and machine guns. Besides these watchtowers, the regiment, for added security, usually sent out patrol units in the area about the post, covering a radius of about three kilometers. On January 25,
1960, from 6:00 to 11:00 A.M., units of the regiment which were not to engage in a planned operation were sent to the provincial county to participate in the celebration of the creation of Division Z. They were not armed, with the exception of the units responsible for their security. The number of troops of the regiment was 1,698 on January 25. The regiment had planned an operation on January 26, starting at 0600, with the purpose of deploying the "strength" of the regiment to the total population and at the same time clearing a number of Viet Cong units suspected to be present in the area of operation about fifteen kilometers from the post. Five companies of the regiment would participate in the operation. Two companies (of Battalions I and II) were en route at 0200, the rest were to start at 0600. With the exception of units participating in the operation, weapons were stored in various storage places of the post. The Viet Cong, in their plan of attack, had most of the details concerning the post of Regiment X, including the number of units, the number of weapons, the places where arms and ammunition were stored, the operation plan of the regiment, the time when patrol units discontinued their patrols, and the number of soldiers present in the post. With all such information, the Viet Cong set out to attack the post at
0230 on January 26, 1960, that is, immediately after the patrol units discontinued their patrol and one-half hour after two operating units left the post. The Viet Cong concentrated a force of around 400 soldiers, with the support of about 100 local people serving mostly as porters. They were armed only with light weapons, rifles, submachine-guns, hand grenades, and explosives. At 0230 hours, after demolition teams had exploded numerous blockhouses and defense constructions of the post, the shock troops opened all their firepower on the defenders. Part of the Viet Cong main effort attacked the command post of the regiment, destroying or disabling the regiment's entire system of communication. The rest of the main effort, together with the secondary effort, attacked and captured the arms and ammunition storages of the Command Company, the Artillery Company, and of Battalions I and II, which were immediately carried off. Their mission was accomplished in less than one hour. They then quickly retreated and dispersed, carrying with them a great amount of weapons and ammunition—enough to equip a number of battalions. The losses in weapons, ammunition, equipment, and men were said to be too large to be mentioned in government official documents.
Completely surprised by the Viet Cong, the defenders were confused and their actions uncoordinated. The remaining force of Battalion I (120 men were on operation) was quickly overwhelmed. Battalion II, with 180 men left, was in position when the attack was launched, but most of the men of the battalion had no weapons and ammunition since the weapons and ammunition storages of the battalion were captured by the Viet Cong. Battalion III, with 120 men left, was relatively combat-ready but it could not work quickly because the command post was already disabled. When the command system was re-established, Battalion III, combined with units of Battalion II, launched a counter-attack. But it was too late. The Viet Cong had already retreated and "disappeared."

At 1200, a front-command unit of the Tactical Command established its headquarter in a nearby county, directing operations in search of the Viet Cong. A number of units of Division Z participated in the operation: two infantry battalions, one intelligence company, one mortar battalion, one artillery battalion, and one battalion of paratroopers. The operation forces were indeed impressive, but there was no result. No clash with the Viet Cong occurred.
The attack illustrates the careful and detailed planning by the Viet Cong. According to the information given by some Viet Cong prisoners, the plan had been rehearsed several times before. The attacking units were extremely well coordinated; each unit carried out its assigned job in the general plan. This planning had compensated for the limitations of the Viet Cong in men and firepower. As noted earlier, the attacking forces consisted of around 400 men who were lightly armed (rifles, grenades, submachine-guns, and explosives) in comparison with the defense force of 547 men armed with both light and heavy weapons.  

The timing of the attack was perfect. The attack was launched at the time when a number of units of the regiment were sent to the provincial city to celebrate the creation of the division, and a number of units were on operations. As a result, the defense force was considerably reduced. The surprise was complete. The information concerning the defense system was exact. Their Dich-Van agents also seemed

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10 Regiment X of Division Z consisted of 1898 men. Out of this total, 1151 men were away at the time of the attack. They were either with units in operation (200), slept outside the post (180), on official missions and special missions with the division (424), or were ill or absent without permission (347).
to have had persuaded a number of soldiers in the post to switch to their side, since three of the watchtowers were practically handed over to the Viet Cong without a single shot. Their plan of retreat was also perfect. With the loot of arms and ammunition in quantity enough to equip several battalions, they "evaporated" almost in no time, leaving no trace for the pursuit of operation forces.

Another factor--a factor of primary importance--contributing to the success of their attack is the support of the population, evidenced by the presence of more than one hundred peasants who helped them carry away captured weapons and ammunition. Without such cooperation and support of the local people, the defenders of the post have no way of knowing the preparation and movement of the Viet Cong. Thus, although a number of units of the regiment were undertaking a "clearing" operation in the area just fifteen kilometers from the post, the Viet Cong were right around the post!

Viet Cong tactical operations which have been successful, however, have their own pitfalls. As noted above, they depend for their success upon a number of vital factors: careful advance planning, quick concentration and attack to surprise the enemy, quick retreat and dispersion
to escape enemy pursuit, and the assistance and cooperation of the local people—the most important factor—who provide them with supplies, information, and protection. If any of these factors are in doubt, defeat is rather likely, even though their attacking forces are far superior to the defenders in men and firepower. Such an instance was the attack of the Phuoc-Chau post on November 25, 1962.

The post was built in September, 1962, after the Ngo-Quyen operation. The post was perched on a hill about fifty kilometers from Quang-Tin Province. Two hundred meters from the post are rice-fields and forests. The defense system of the post consisted of seven blockhouses linked together by trenches, and land mines and traps were laid all around the post. The defense force consisted of one regular company, one platoon of civil guard (Bao-An), one platoon of self-defense corps (Dan-Ve). They were armed with rifles, submachine-guns, heavy machine-guns, one 60 mm. mortar and one 81 mm. mortar. Besides, the post was supported by 105 mm. and 155 mm. artillery from two friendly posts. The enemy forces consisted of two regular units, Battalions 60 and 70, nine units of regional troops and militia, one intelligence platoon, and one “demolition” platoon. Besides rifles, submachine-guns, and light machine-guns, they were strengthened with three 57 mm. recoiless
rifles, three 60 mm. mortars, three 81 mm. mortars, and three heavy machine-guns.

The attack plan was the classical "one point, two-sided attack." The attack plan called for the main effort to attack and occupy blockhouse 4 (see Figure 1, p. 79), using it as a support point to attack blockhouses 5 and 3, the command post, and the communication center. Secondary effort I would attack blockhouses 7 and 6 from the southwest side of the post, chopping off the defense. Secondary effort II would attack blockhouses 1 and 2 and link with the main effort. A reserve unit blocked the rear to prevent the defenders from crossing the river. Enemy 60 mm. and 81 mm. mortars were placed from 200 to 500 meters around the post to support the attack.

The Viet Cong began their attack at 0330, but tipped-off by some local people, the defenders, who were prepared for the attack, repelled the assault waves of the enemy with light and heavy machine-guns and well-placed mortar fire. At the same time, under the direction of the commander of the post, 105 mm. and 155 mm. batteries were effectively fired from two friendly posts, paralyzing the attacking forces. These artillery fires were pre-planned, concentrated fires. Unable to overwhelm the defenders, they retreated,
Figure 1.

Diagram of the Phuoc-Chau attack.
leaving behind 130 dead (the figure could be higher since the Viet Cong usually carry away their own dead), including two battalion commanders and one company commander, and seven prisoners, including one company commander and one regiment staff member. The defenders captured four 57 mm. recoilless rifles, one 30 mm. heavy machine-gun, two light machine-guns, twenty-six submachine-guns, and a great quantity of rifles and other weapons and ammunition.

On the basis of documents captured, the Viet Cong attack plan, as usual, was carefully prepared. They knew all the details concerning the terrain of the post, gun positions and defense constructions, the system of trenches, the strength, weapons, and equipment of the defenders, the reinforcement route, and the capacity of artillery support of nearby friendly posts. The various stages of the attack plan were very well coordinated and directed. Yet, they were defeated. They underestimated the capacity of pre-planned artillery fire of the enemy which proved disastrous to them since this artillery fire had accounted, on the basis of the observation of Viet Cong dead, for more than fifty percent of their losses. One of the most important factors essential to the success of Viet Cong sneak attacks—the over-all support of local people—seemed to have been
lacking. Tipped-off by some local people on the preparation of the Viet Cong, the defenders were prepared and waited for the attack. Lacking the element of surprise, one of the fundamental principles of Viet Cong tactical operations, they had to face the well-prepared defenders of the post. This again indicates an important fact that has been neglected at least until recently by the government. With the support of the majority of the rural population, the Viet Cong have, in general, successfully carried out both their offensive and defensive tactical operations. With the majority of the rural masses on their side, they find the armed forces through the peasants and, in turn, are protected from the armed forces by the peasants. As noted above, being in an "active position," they can fight battles of their own choosing. Thus, when encountering stronger government forces, they run away; when government forces disperse, they concentrate and harass or attack. Elusive and mobile, they are hard to find. When government forces hunt them, they cannot be found; when they appear, they cannot hit them. The armed forces of the Republic for years have been operating in "empty" lands, always reacting to the enemy's own initiatives. Thus, "since we did not know where the enemy was, ten times we launched an operation, nine times we missed the Viet Cong,"
and the tenth time, we struck right on the head of the population."11 Realizing that the population is to them as "water is to fish," the Communists have used all possible means—of which propaganda and terror are the most important—to keep the population on their side. Thus, while Communist Dich-Van and Binh-Van agents work on their enemy, demoralizing them, inducing them to switch sides, their Dan-Van agents, who operate solely among the peasants, promise them "democracy," "liberty," "happiness," "reunification of the nation," and a better life without war, with improved living conditions and ownership of lands if they side with them. They kidnap or kill landlords, "enemies of the poor peasants," distribute their lands free to farmers, tenants, and day-laborers. Of course, in the eyes of the latter, the Viet Cong guerrillas are their real benefactors, without being aware that once in possession of these lands, they have to pay taxes, often disguised as "voluntary contributions to the national cause," which most of the time amount to more than the rents and interests paid to their former "exploiters." To serve both their political and propaganda purposes, Viet Cong terrorists would murder government...

11 Statement by Ngo-Dinh Nhu.
especially those unpopular to local people, taking credit for the job of having gotten rid of their "oppressors." Those feeling oppressed by these officials have fallen into this trap very easily and sided with the Communists. They would kidnap or murder civilian teams sent to rural areas for various services, e.g., public health teams working for the eradication of malaria—telling the peasants that they are spies and traitors trying to poison local people. Military targets are sometimes chosen because they not only meet military purposes but also political and propaganda purposes. Thus, in some areas, they attack units of Civil Guard and Self-Defense known to be "oppressive" to the local populace, not only to capture arms and equipment but also to "liberate" the local people from their "oppressors."

Side by side with propaganda methods are terrorist methods. Suspected informers are murdered. Relatives of those working for the government and those indifferent to them are threatened into joining. Thus, those having sympathy cooperate voluntarily; those indifferent to them but ineffectively protected by the government have to cooperate simply out of fear.
With the forced and voluntary cooperation of the populace, the Communists have been playing well their hit-and-run, hide-and-seek games against the armed forces of the Republic.

III. The System of Strategic Hamlets as a Possible Answer to the Strategy and Tactics of the Communists.

1. Counter-measures before the strategic hamlets program.

Against an enemy whose tactical operations are built upon military, political, economic, and social efforts, the counter-measures devised by the government prior to the establishment of the strategic hamlets program and the "Movement to Regroup Misled Members of the Resistance," were purely technological. As will be seen, the result of the use of purely military technology against an enemy fighting with ideological convictions was rather limited.

One such counter-measure was the use of chemical "weed-killers" to clear foliage in Viet Cong hideouts and in areas where ambushes were expected, to make it for ground and air detection of Communist movements. "weed-killers" used were mostly 2, 4-D (Dichlorophenoxyacetic acid) and 2, 4, 5-T (Trichlorophenoxyacetic acid) which can be sprayed by airplanes or by ground machines. They were also used to starve the Communists by destroying their food
crops. The effectiveness of defoliatives was limited. The Communists move mostly during nighttime. Attacks and ambushes are usually staged during night hours. During the daytime, they are either "underground" (tunnels, individual holes, etc.) or mingling with the local population. If the use of weed-killers to destroy their food crops had caused them difficulties, this seemed to be more than offset by the propaganda advantage it gave the Viet Cong. The theme of the Red propagandists was that the government was using chemicals to poison peasants, to starve them by destroying their crops. This was more convincing to people living in Viet Cong-controlled areas. These peasants are mostly forced to live in these areas for they simply have no other places to move to; the destruction of their crops by weed-killers could turn these "indifferent bystanders" into fanatic Viet Cong guerrilla fighters. In addition, with the general rural population still on their side—their main source of food supplies—they did not seem to suffer much from the effects of "weed-killers."

Another military innovation was the heliborne operation which was more or less successful during the initial period. Its effectiveness, however, has been reduced as the Viet Cong found out the "antidote" to such operations.
The use of helicopters in the transport of troops to the area where an operation is planned has provided the armed forces with an element of surprise and mobility, essential conditions to stop and strike Viet Cong's elusive and mobile units. It also provided mobility to relief units reinforcing and rescuing patrols ambushed or outposts attacked by the Communists. Prior to the use of helicopters, troops participating in an operation were mostly transported by land vehicles to the area. The slow movement of transport vehicles and armored units usually gave the Viet Cong enough time to evacuate from the area, withdrawing to other bases. As a result, most of the large-scale operations of the armed forces were in "empty lands." After a long march, especially in swampy and mountainous regions, operating units, tired and careless, were usually victims of Viet Cong ambushes and harassment. The use of helicopters has given a high degree of mobility to operating units. When information is obtained of Viet Cong concentration in an area, troops are immediately transported to the area to strike before they have time to disperse. The use of heliborne operations also tended to neutralize to some extent the effect of the Communists' "attacking-post ambushing-relief units" tactic whose usual victims were land-transported relief units. The use of helicopters also tends to reduce
the losses of weapons and equipment in ambushes and attacks because of the limited amount of time available for the enemy to carry away captured weapons before the arrival of reinforcements. An example is again the ambush of the thirty-six-truck convoy from Qui Nhon to Pleiku mentioned earlier. As a result of the quick arrival of helicopters, the Communists failed in their main objective of stripping the convoy of its cargo of high-explosive shells. They were kept from carrying off thousands of rounds of heavy artillery shells by machine-gun fire and rockets fired from helicopters.

The relative effectiveness of heliborne operations was indicated by a number of small and medium-scale operations, such as operation Hoa-Mi, Dan-Tien, Da-Da.

Operation Hoa-Mi was staged in Phong-Dinh Province (Kinh Cai-Tuc, Kinh Chet-Tho, and Kinh Tra-Tieu area) on April 24, 1962, for the purpose of flushing out 300 guerrillas in the area. Two heliborne battalions brought to the area by one company of H-34 helicopters and four land-transferred larger companies and one civil-guard company, closed in the area from the front and rear sides, caused heavy losses to the enemy: fifty-two dead, including two company cadres, and a considerable number of weapons, including light and submachine-guns captured.
The Dan-Lien operation was undertaken on May 23, 1962, aimed at eliminating Viet Cong forces in Phong Dinh Province, which consisted of Battalion 504, the command staff, and the reserve company of Regional Regular Battalion 634 and Regional Company 404 at Kien-Binh district. Participating in the operation were one infantry regiment plus one battalion and one ranger company; artillery support: one 105 mm. artillery company, and one 106 mm. mortar company; air cover: AD-6 fighters; air transport: fourteen H-34 helicopters. The operation caused heavy losses to the Viet Cong: 95 dead and 69 prisoners; 36 weapons, including three 60 mm. mortars, one 30 mm. heavy machine-gun, and light machine-guns and rifles.

Operation Da-Da was staged at Chuong-Thien, Phong-Dinh, and Vinh Long from January 11 to January 13, 1963, to "clean up" guerrillas in the region. The operation involved 17 helicopters (H-21 and HU-1A). The result of the operation was: 102 Viet Cong dead, 37 prisoners, and a large number of weapons captured.

If heliborne operations were more or less successful in small and medium-scale operations, large-scale operations were not crowned with success. The movement of artillery units and armored units was too slow to strike Viet Cong's elusive and mobile units. Such an instance was operation
Sao-Mai, staged in Long-An, Gl-a-Dinh, Binh-Duong, and Tay-Ninh Provinces, which lasted from October 11 to October 18, 1962. The objective of the operation was to eliminate and destroy Viet Cong bases in the area. Participating in the operation were one infantry division plus two combat-corps (Chien-Doan) of another division, artillery support; one battalion; armored units: two M-113 companies; air cover: AD-6 fighters; helitransport: 20 H-21 helicopters; special equipment: SSB boats. This impressive deploy of strength had but disappointing results: 29 Viet Cong dead, 6 prisoners, and 3 individual weapons captured. The mobilization of this impressive force undoubtedly gave advance warnings to the Viet Cong that an operation was underway; the operation area was too broad; and the Viet Cong, familiar with the local terrain, quietly slipped away and dispersed.

The Viet Cong were quick in devising measures to neutralize to some extent the effect of heliborne operations. To eliminate the surprise elements of heliborne operations, the Viet Cong, with radio sets they captured from strategic hamlets and military posts, set up observation networks around air bases to give advance warning to their units, thus depriving the aircraft of much of their ability to strike by surprise. To counter this Viet Cong trick, as of late July, 1962, another tactic was used: the so-called
"eagle-tactic" (Chien-thuat dieu-hau). Troop-laden helicopters would take off from their bases in groups and await the call of a spotter aircraft which would point out to them a target of opportunity upon which the heliborne force would swoop down. The surprise element is restored to some extent by this tactic. These slow aircraft, however, have proved vulnerable to enemy ground fire. They have been "sitting ducks" for Viet Cong expert gunners hiding in well-camouflaged individual holes, hard to detect by gunners in helicopters.

Viet Cong ground fire has been a constant danger to helicopters, especially H-34 and H-21 models. In fact, the H-21 and H-34 helicopters were so helpless against enemy ground fire that since late 1962, they have been provided escort by especially-equipped HU-1A escort helicopters assigned the task of interdicting enemy ground fire. Many of them have been replaced by the faster and more modern HO-1B helicopters. Although the number shot down and damaged by Viet Cong ground fire during the past year and a half has not been disclosed, the loss is believed to be heavy. Sometimes in a single day a large number of helicopters were either shot down or damaged. Thus, on August 30, 1963, one helicopter was downed by Viet Cong ground fire in Tay-Ninh, fifty miles northwest of Saigon, and seventeen others were hit. On December 4, 1963, two helicopters were downed and
three others were hit, also in Tay Ninh, in a mercy airlift of men, women, and children from a menaced post.

To avoid heliborne attacks, the Viet Cong tried to batter the defenses of strategic hamlets and posts in one hammer blow early enough in the night to be able to crush their resistance before daybreak and to remove captured weapons and prisoners to their bases before the helicopters could begin to operate. They also seemed to have used "diversionary tactics" to trap helicopters. Thus, they would allow one unit to open fire on a strategic hamlet in a post which would result in their call for help while other units with machine-guns wait for aircraft to come to the area.

So, the "little, nasty" war dragged on. The Viet Cong, through their constant self-appraisal and self-criticism, seemed to have been quick in adapting to changed conditions, in devising measures against changes in technology on the South Vietnamese side. Realizing that technological changes alone were insufficient to win the war, an over-all military, political, economic, and social program was initiated early in 1962: the strategic hamlet program, expected to be a

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12 This indicates the necessity for the nighttime heliborne operations.
possible answer to the strategy and tactics of the Communists.

2. The strategic hamlet system: a remedy to Communist strategy and tactics?

As noted earlier, in this war without a front line, the armed forces of the Republic, at least until recently, were in a defensive position. Units of the Regular Army were scattered all over the country, defending government organizations in provinces and districts or manning outposts controlling major communication axes. They were thus immobilized and were ineffective against Communist mobile and elusive units with their hit-and-run tactics. With the initiative on their side, they fight battles only of their own choosing. They fight only when they are stronger, retreat and disperse when facing a stronger enemy. If important government establishments in provinces and districts were defended, most of the villagers in the countryside were not protected, and were left at the mercy of local guerrillas. As a result, the administrative organization at the village level was undermined and government control and influence deteriorated. Through brutal terror and a systematic propaganda effort, the Viet Cong, in many instances, were successful at rallying the rural population to their side. With the rural population behind them, they were fed by local people, protected by them, and provided with a day-to-day knowledge
of the movement of the South Vietnamese Armed Forces. Local people provided them with new recruits and civilian porters, without whom they would face extremely difficult supply problems. They thus depend on the rural population for their survival and growth. Mao-Tse-Tung, one of the foremost guerrilla warfare theoreticians, said: "The basic foundation of guerrilla warfare is the populace"; or "The populace is to the guerrilla in exactly the same way as water to fish." The Central Committee of the Lao-Dong also stated in relation to Communist operations in South Viet Nam: "Every undertaking behind the enemy line must have as a basis the populace."

In order to isolate the Communists from the rural population, to put the "guerrilla fish" out of the "populace's water," the strategic hamlet system was initiated. As already noted, it is a scheme aimed at rallying the peasants to the national cause by providing them with security and protection, taking measures to promote economic, political, and social progress in rural areas, and strengthening the ties between local communities and the central government. It was said to be a change in strategy and tactics to face more effectively a type of warfare for which conventional methods are unfit. Popular support, an
essential factor in counter-revolutionary warfare, was finally recognized in this statement by the President:

"The type of warfare which we are facing is a revolutionary warfare, a type of warfare . . . in which the whole population is involved, in which the decisive factor is our spirit and our confidence in our regime. In order to win this kind of war, commanding officers must realize its characteristics and its rules. . . ." \(^{13}\) The strategic hamlet system was expected to "seriously upset Communist tactics, depriving them of the advantages of the absence of a traditional front and of those attacks which they so easily staged not so long ago with the tactics of dispersion and surprise. By delimiting a continuous line of fire at the hamlet level as well as in the complex of hamlets, as solidarity is developed between them and encouraged at the central level, the new system would force the Communists into fighting on this well-defined line, behind which the riposte is prepared by well-entrenched local elements." \(^{14}\)

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\(^{13}\) Statement by the President on the occasion of the ceremony laying the foundation of the Dalat National Military Academy. Although this was recognized in principle (but not in practice), few political and social reforms were carried out with vigor.

\(^{14}\) Message of the President to the National Assembly, October 1, 1962.
It was believed that with the establishment of the strategic hamlet system, the strategical and tactical situation would be completely changed. There would be a close relationship and cooperation between the armed forces and the population. Local people would be provided with ways and means for their self-defense. Local defense forces, supplemental as they were, become the principal elements against marauding Communist guerrillas in hamlets and villages. Units of the regular army, which were formerly dispersed to meet the need of local defense, now have only a mission of interdiction, and are thus relieved for operations against Viet Cong regular units. Isolated from the rural population, the Viet Cong would find themselves in a defensive position, facing not only the continuous hunting of regular forces but also local defense forces (civil guardsmen, self-defense corpsmen) playing the role of guerrillas against Viet Cong guerrillas.

How is the strategic hamlet system expected to upset Communist tactics? As already noted, on the defensive side, the tactic of the Communists is based on artful hiding and dispersion. Their forces are usually dispersed into small units, either mingling with the rural population, disguised as peasants, or hiding in well-prepared, well-camouflaged
underground hideouts. With the strategic hamlet system, their defensive tactic would be hindered. They would find it difficult to disperse their forces into small units, say, of five or six men, since these relatively weak units would be easily eliminated by local defense forces. Without identification cards, they could not mingle with the rural population without being unmasked by local security forces. They could choose, of course, to remain in their secret hideouts; but they would face the problem of food supplies. They would find it difficult to move at night after the curfew. The strategic hamlet system thus could neutralize the advantage of the tactic of hiding and dispersion of the Communists. Armed to defend themselves, and with the fear of reprisal eliminated, villagers would not hesitate to give government forces information concerning Viet Cong hideouts and their movements when they realize that such information tends to strengthen the security situation of their villages. The strategic hamlet system could also neutralize the effect of the Communist "one-slow, four-fast action" attack tactic. The "one-slow" action would be difficult to carry out. In order to have a careful and detailed plan for the attack of, say, a post, the Communists must obtain information regarding the strength of the
defenders, their weapons and equipment, their combat spirit, the ability of reinforcement by friendly forces, etc. All such information was usually provided them by local people and Viet Cong intelligence agents who, protected by local people, operated in hamlets and villages. They must have the assistance of local people serving as "dan cong" (civilian porters) for the transport of supplies to the planned area. With the establishment of the strategic hamlet system, they would find it difficult to get such information and assistance.

The "fast concentration" for attack would also be hindered; the alert and continuous patrol and observation of local militia would inform regular army units of any concentration of Communist forces. Local intelligence agents would be able to spot the direction of Communist movements. If enemy forces are not too strong, local militia could ambush and attack them. The strategic hamlet system would also deprive them of favorable areas for troop concentration. They would have to move directly from their bases to the area where an attack is planned. This would increase the possibility of air and ground detection. Without quick concentration, they would find it difficult to surprise government forces by quick attack. In the absence of the element of
surprise, their chance of victory would be considerably reduced. Without surprise, they could not settle the battle very quickly, since they would have to face an enemy well prepared for the attack.

Their "quick retreat and dispersion" would be more difficult. When they open fire, nearby strategic hamlets would be alerted. Regular units would be called for help. Combined with local defense forces, they could set up ambushes and block the retreat of the Communists. They could not, as before, retreat into villages and mingle with the local people. With the loss of villages and hamlets as bases to which to retreat and from which to prepare and launch attacks, they would have to start from their secret bases and retreat to these bases. As a result, the retreat route would be longer, and the longer the retreat route, the more dangerous and difficult the retreat. They run a greater risk of being caught by mobile heliborne units.

It was expected that with the advantages of their tactical operations neutralized, they would not be able to fight battles of their own choosing. They could not refuse combat when encountering enemy forces. Once opening fire, they would have to fight or die! They would have to accept conditions of battle unfavorable to them. In short, they would be forced to fight the war the "conventional" way, a
type of warfare for which they are ill-prepared and inadequately equipped.

The insulation of the hamlets and villages would deny the Communists their chief source of food supply and recruitment of new guerrillas. As their supplies diminish, they would be forced to take greater risks, e.g., to attack the hamlets and villages. But when attacked, the villages would not only be prepared to defend themselves but also would be able, by radio, to call for immediate help from local militia in nearby strategic hamlets and regular units which could move quickly to the area by helicopters.

With the establishment of strategic hamlets, the Communist scheme of destroying the administrative mechanism of the government in villages and hamlets, of cutting off the link between the central government and local communities, would be more difficult to realize. If local people were indifferent to the murder by Viet Cong terrorists of village officials not chosen directly by them but hand-picked by higher local authorities, they would be likely to protect members of village councils and hamlet executive committees directly chosen and elected by them.

As the strategic hamlet system expands, it is expected that the Viet Cong would find the base of their activities
in the countryside gradually narrowed. Isolated from the rural population, their chief sources of supply and recruitment, they would be forced to withdraw to their secret bases which previously served mainly as training centers, as depots of weapons, equipment and food, and as command headquarters directing Communist activities in rural areas, would become "starting" bases. Once withdrawn to their bases, they face the system of "combat" hamlets. As already noted, "combat" hamlets were built mostly near Viet Cong-controlled areas. The combat hamlets system was conceived as another "belt" surrounding Viet Cong bases. If their defense capabilities were strengthened, they could play a more important role. If combat hamlets in the Delta have been easy targets for the Communists, the system of combat hamlets in the Central High Plateau were reported to have caused considerable difficulties for them. It was reported that as a result of the expansion of combat hamlets in the Highland, some Communist units were forced to abandon some of their "near-mountain" bases and withdrew deep into the jungle.\(^\text{15}\) With the support of highlanders, natural guerrilla fighters familiar with jungle trails and terrains, the government eventually would

\(^{15}\text{Chi-Dao, December, 1962, p. 3.}\)
regain control of the Southern Central Highland, the strategical importance of which was recognized by Vo-Nguyen-Giap, Defense Secretary of the Democratic Republic of Viet Nam in this statement: "Ultimate victory would be with the side which has the control of the Highland." The expansion of combat hamlets in the Highland and along the border would make it more difficult for the infiltration of Communist troops and cadres from North Viet Nam across the Laotian border, and lessen the danger of Viet Cong attacks from their Highland bases on the Southern Central Coastal regions cutting the country in two.

Pressed by the strategic hamlet and combat hamlet "belts," it is expected that the local Communists would eventually have to choose between two alternatives: either to remain in the hamlet in the hope of sabotaging its progress or to clear out and operate from outside the guarded area. It is believed that in either way, the rural population would tend to gain. If Communist agents decide to remain in the hamlet, sooner or later they would be won back to the national cause when "enlightened" by the political, economic, and social progresses which would be accomplished in rural areas. Moreover, they would either

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16 Ibid., p. 4.
be denounced by hamlet residents themselves (now that they are protected against Viet Cong terrorists by local defense forces) or unmasked by local security agents. If, on the other hand, they choose to stay out and remain in their secret bases, they would be completely isolated from the rural population on whom they have to depend for their survival and development. Isolated from their civil environment, their strategy of attrition and their hit-and-run tactics would lose their "charm." They would be forced to fight a "conventional war" in which they have small chance against an enemy well-equipped and well-prepared for that type of warfare.

The above analysis is only "theoretical," based on the assumption that the government, through the implementation of the program, would eventually have the support of the general population. The program is indeed very sound in principle, but whether this will become "practical" in the long-run depends upon a number of variables, the enthusiasm, the cooperation, the spirit of sacrifice of all those responsible for the realization of the program, which so far still seems to have been missing in many places.
3. **Evaluation.**

Considering the physical and psychological magnitude of the program, it would seem unfair to expect immediate and wide-ranging dividends since the objectives of the program are primarily long-range objectives. Years are required for a program of this magnitude to be fully developed and fully appreciated by the general population. However, the program seemed to have had some immediate results. This was reflected in the improvement of the general military situation of Viet Nam in the period from mid-1962 to August, 1963, in comparison with the situation in 1961, that is, prior to the establishment of the program and in the early months of 1962. Thus during the period from November, 1962, to May, 1963, the Communists suffered 9,731 dead and 2,197 captured, as compared with the total loss of 1,799 dead and 438 missing suffered by government forces (see Table V). The ratio was thus five to one in favor of the armed forces, compared with the ratio of roughly three to one in 1961 and the early months of 1962. Communist losses in weapons were twice as much as government losses. More attacks were launched by government forces than during the preceding period (ten attacks to every one by the Viet Cong). Admittedly, the improved over-all military
TABLE V
GOVERNMENT AND ENEMY LOSSES IN MEN AND WEAPONS
(November, 1962--May, 1963)

A. GOVERNMENT LOSSES

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<td>2</td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>172</td>
<td>38</td>
<td>100</td>
<td>9</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>298</td>
<td>711</td>
<td>51</td>
<td>212</td>
<td>28</td>
<td>12</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1799</td>
<td>3426</td>
<td>638</td>
<td>1168</td>
<td>156</td>
<td>59</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

Source: These figures were taken from various issues of the Times of Viet Nam (from August, 1962 to June, 1963), which in turn obtained them from daily military briefings by the Directorate General of Information. They were not very reliable, having mostly propaganda value. They are used here merely to indicate a rough trend of losses in men and weapons suffered by both sides.

*No record is kept of the "many," "several," or "a few" casualties reported from time to time.

aThese figures are for the week ending April 23 only.

bThese include heavy machine-guns.

cThese include recoiless rifles.
### TABLE V (CONT'D)

#### B. ENEMY LOSSES

<table>
<thead>
<tr>
<th>Men</th>
<th>Weapons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Killed</td>
<td>Wounded</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>1137</td>
<td>69</td>
</tr>
<tr>
<td>930</td>
<td>92</td>
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<td>945</td>
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<td>1507</td>
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<td>1338</td>
<td>241</td>
</tr>
<tr>
<td>1762</td>
<td>192</td>
</tr>
<tr>
<td>516</td>
<td>13</td>
</tr>
<tr>
<td>1586</td>
<td>143</td>
</tr>
</tbody>
</table>

| 9731 | 953 | 2197 | 1902 | 434 | 72 | 3330 | 1197 | 10 |
situation during this period was accounted for by numerous factors: the increased amount of American military and economic aid; the introduction of new weapons and equipment: AR rifles, light but as effective as the bulky M-14 rifle, of high-speed; unsinkable, shallow-draft assault boats which have enabled military operations in areas previously unfeasible for operations, such as the swampy regions of the Mekong Delta; the use of heliborne operations which have given greater mobility to the armed forces. The strategic hamlet program, however, had undoubtedly contributed its share. In some places, it has achieved to some extent the strategic task of relieving units of the regular army which were previously dispersed to meet the needs of local defense for large-scale operations. During the first six months of 1963, 366 small and major operations were launched by Army Corps IV in the western provinces of Southern Viet Nam, aimed at Viet Cong bases in the area, including their U-Minh-Ha, Dong-Thap, Kien-Hoa, and That-mon bases.

17Army Corps IV is in charge of the Fourth Tactical Region, comprising thirteen western provinces of Southern Viet Nam, with a total population of six million. In the area, 2,893 strategic hamlets were completed, sheltering more than three million people, and many others were under construction.
Six months of unrelenting efforts were concluded with the large-scale "Duc-Thang U-Minh" seven-day operation aimed at the U-Minh jungle area known as the shelter of the "brain cell" for all Communist subversive activities in the western provinces of Southern Viet Nam (the operation involved units of the 7th and 21st Infantry Divisions, combined with units of the Marine Corps). It was reported to be the first successful military operation launched into the area which had been claimed for years by the Communists as "impenetrable." (During the resistance against the French, U-Minh Ha was said to be the strongest resistance base which the French Expeditionary Corps ever attempted to enter.) The headquarters of the Viet Cong command in the south was believed to have been established in this area. The optimistic commander of the operation was reported to have said that as a result of the Duc-Thang U-Minh operation, Communist leaders have been driven out toward the sea "perhaps for a flight of no return!"

Three hundred and forty-six small and large-scale operations launched in the western provinces killed a total of 4,582 Viet Cong and wounded 626 others. In addition, 906 Communists were captured and 2,284 surrendered. These included Communist party cadres of different echelons. Weapons captured by the armed forces reached an impressive
number of tons (these included Russian, Czech and Chinese-made weapons, plus three tons of ammunition, twenty-five tons of explosives, nine tons of other kinds of military equipment, and 200,000 piastres worth of drugs). During the same period of time, government forces suffered 1,013 dead, 2,240 wounded, and 80 captured by the Viet Cong. A total of 1,196 weapons were lost. A number of regular soldiers, civil guardsmen and self-defense corpsmen, who had been captured and detained by the Viet Cong for months, were freed from their jungle prisons. In addition to U-Minh Ha, other Viet Cong major bases such as Dong-Thap (Plain of Reeds), Kien-Hoa and That Son were also heavily damaged.

A closer cooperation on the part of local peasants had contributed greatly to the success of these operations. The commander of the Fourth Tactical Region reported that local peasants had provided the armed forces with accurate information on Viet Cong's whereabouts and movements.

Army Corps III had also launched successful operations against Communist bases in Tay Ninh Province. Following operations in Zone "D" and against the "Liberation Front" base (in Tay Ninh), another operation was launched against the Viet Cong base in the Boi Loi area, presumed to be Communist headquarters for the Saigon-Gia-Dinh Special Region. The operation resulted in the destruction of a number of
Communist logistical installations and supply depots (375 tons of rice, paddy, and salt, etc.) in the capture of a considerable amount of arms and equipment, and the evacuation of more than 3,000 peasants who were resettled in strategic and combat hamlets.

In Quang-Ngai Province, operation Dan-Thang 106 was launched by the 25th Division command on April 16, 1963, with the purpose of flushing from the area Viet Cong Battalion 90 and Battalion 95 of Regiment II and six local companies which had participated in a province-wide attack on strategic hamlets. The operation resulted in 383 Viet Cong killed (an estimate of another 120 dead carried away, and sixteen prisoners, plus the capture of a large number of weapons—eight light machine-guns, eighteen submachine-guns, and thirty-four rifles).

Successful operations were also recorded in the Highland. Numerous operations were launched, of which Dan-Thang "099" was staged against a major Viet Cong infiltration base, the base of Do-Xa, in Kontum Province, which controls Viet Cong activities in the Midlands and Highlands of Central Viet Nam. The base, headquarters of Communist Inter-zone V command, was established in a rugged jungle area surrounded by steep mountains and narrow
valleys. Its installation included administrative offices, arms workshops, and food and supply depots. The base was about 500 kilometers northwest of Saigon, seventy kilometers west of Quang Ngai and sixty kilometers from the Laotian border, and also provided logistical support to Viet Cong units infiltrating into South Viet Nam.

The operation began on May 1, 1963, with the participation of the entire Second Division and infantry units from two other divisions and two heliborne marine battalions. The operation resulted in 106 Viet Cong killed and seventeen captured. It was reported that most of the Communist installations in the area were destroyed, and the command of Interzone V completely disintegrated. It was reported that a number of Viet Cong installations in their Mang-Xim base (Quang Ngai Province) were also destroyed and several cadres downed on the spot.

In many places, local peasants had cooperated with government forces, offering them food supplies and leading them to Viet Cong hiding places. General Paul Harkins, in an interview with the Voice of America in relation to operation Dan Thang "106" in Quang Ngai Province, stated: "This is the first time a local populace has cooperated fully with the South Vietnamese Army. The civilians assisted by
providing and cooking food for the troops. But more important is the fact that they provided intelligence information by pointing out places where the Viet Cong were hiding. This is most pertinent when it is realized that it was not too long ago that Quang Ngai was one of the strongholds of the Viet Cong."  

Local defense forces, which have experienced a rapid development since the establishment of the strategic hamlet program, have not only relieved to some extent units of the Regular Army for more frequent operations, they have also played an increasingly important defensive role in rural areas. Indeed, in some places, local militia have defended their hamlets and defended them well. Such an instance was the defense of My-Hoa hamlet of Phu-My District (Central Viet Nam) early in October, 1962. My-Hoa hamlet was long an objective of two Communist guerrilla bands in the area known as Tay-Son I and Tay-Son II, since in order to strike at Phu-My district, they must sweep over My-Hoa hamlet. The defense force of My-Hoa consisted of 120 youth members

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19 Prior to 1962, the local militia force consisted of around 50,000 civil guardsmen (Bao-An), poorly-armed and rudimentarily trained, and a negligible number of Self-Defense Corpsmen (Dan-Ve), most of whom were not armed. Since 1962, the Civil Guard force has increased to more than 100,000 men, and the Self-Defense Corps, to more than 100,000 men, all well trained, better armed and equipped.
and 44 self-defense corpsmen armed with rifles, submachine-guns, and shotguns. The Communists began their attack in the early hours of the morning of October 5th, with 186 Tay-Son guerrillas--110 regional and 70 local--armed with one 60 mm. mortar, one 30 mm. machine gun, seven BAR's, and other automatic and semi-automatic weapons. After several hours of attack, being unable to overrun the hamlet's defense force which was assisted by two Dan-Ve and Bao-An platoons from district headquarters, they slipped back to their mountain bases carrying with them about thirty wounded and leaving behind forty-one dead. At Thach-Thang hamlet, Mo-Duc district (Quang-Ngai), villagers, on April 18, 1963, disposed of several Communists hidden in a sugar cane field, capturing a light machine gun, two submachine-guns, and one M-36 rifle.

In the Highland, in some places, montaguard tribesmen, regrouped into combat hamlets, were reported to have cooperated with the government. These "natural guerrilla" fighters, molded into a tough, well-trained jungle force armed with modern weapons and intimately acquainted with jungle terrains, have caused some difficulty to Viet Cong movements and infiltration in the area. Their cooperation, however, was uncertain. Although about 150,000 mountain tribesmen out of an estimated total of 700,000 sought
refuge in government-controlled areas, it was believed that they did so more often because of air raids and mistakes made by the Communists who had kidnapped too many young males from various tribes and sowed unrest among them rather than out of their realization of benefits of the program and out of affection for the "lowland" friends. Thus, in some places, they willingly defended their hamlets; in some other places, they attacked their Vietnamese "friends" and American advisors. In early December, 1963, 550 tribesmen had defended valiantly their hamlet at Dakrode against more than 100 heavily-armed Communists until their ammunition ran out, then fled, and later on returned to rebuild their hamlet.

On the other hand, in December, 1962, American-trained tribals, who had been carefully selected for their loyalty to the government, suddenly attacked their American advisors and the Vietnamese garrison of Phei-Mrong. Despite the establishment of "combat" hamlets and the destruction of many Communist bases in the Highland as a result of intensive operations in 1962, the Communists seemed to retain their capability of ambushing and attacking communication lines between central and southern Viet Nam from their Highland bases, and their capability seemed to have been strengthened with the deterioration of the situation in Laos.
In the southern countryside, if the establishment of strategic hamlets had brought the cooperation of peasants in some places, in many other places, the guerrilla "fish" still seemed to be very much in "population water." The Communists still control about as much of the southern Vietnamese countryside as ever, and infiltration of arms and men from North Viet Nam seemed to have been on the increase. If, in some places, strategic hamlets were effectively and valiantly defended by hamlet residents, in many other places, many strategic and combat hamlets were either overwhelmed by Communist attacks owing to "improper" physical design or simply handed over to the Viet Cong by hamlet residents themselves, together with village officials, out of "sympathy" with the Communists or "apathy" to their "unrepresentative" representatives. Thus, in many places, district and village officials still live in the constant fear of being kidnapped or murdered, and the administrative mechanism of the government in rural areas still operates very much in a "vacuum."

Communist ambushes of convoys and attacks of government outposts still go on with the same old tactics. Thus, on June 16, 1962, they staged an ambush against a seven-vehicle convoy only about twenty-two miles north of Saigon.
Some villagers who had seen the guerrillas prepare the ambush did not inform nearby government forces. On July 14, 1962, another nineteen-vehicle convoy fell into a Viet Cong ambush about forty miles north of Saigon and was badly molested. More than thirty paratroopers were killed and twice as many were wounded. Early in September, 1963, two government-held cities of Cai-Nuoc and Dam-Doi, in Camau Peninsula, were overwhelmed in thirty-five minutes, and almost all the defenders were killed. In late October, 1963, 300 Viet Cong guerrillas in Loc-Ninh Village (Mekong Delta) stopped 1,000 troops of a famed South Vietnamese division, killed ninety-two and wounded eighty-five. Early in December, 1963, 300 Viet Cong guerrillas overran a camp of U. S. and South Vietnamese special forces at Hiep-Hoa, twenty miles west of Saigon, killed thirty-seven and captured enough weapons to arm one full battalion. As in most other cases, they "disappeared" quickly, leaving no trace for heliborne-counter-assault troops. All of this indicated that the Communists were still supported and protected by peasants in many rural areas, and as long as they have the protection of the rural mass, their ambushes and surprise-attacks will continue, and military operations will continue to "operate" only in empty places. And all the expected effects of the strategic hamlet program could never materialize.
IV. Conclusion.

Generally speaking, the strategic hamlet program had contributed its share to the slight improvement of the military situation of South Viet Nam during the period from mid-1962 to mid-1963. In some places, peasants, protected by local militia, had cooperated with government forces, providing them with military intelligence. With the growth of the Civil Guard and Self-Defense Corps, units of the Regular Army were relieved to some extent for military operations in Viet Cong-controlled areas. Acts of terror and sabotage by the Communists were gradually reduced during this period, from 1,700 incidents in January, 1962 to 900 incidents in January and February, 1963, and only fifty in April, 1963. The average number of Viet Cong attacks was also decreased from 160 weekly in 1962 to 76 for the first six months of 1963. Communist battalion-size attacks numbered eighteen in March, 1962, but none in March, 1963. Company-size attacks dropped from eighteen in March, 1962 to twelve in March, 1963. An increase in the rate of Communist defectors was also reported. The casualties ratio increased from three to one to five to one in favor of government forces. The Communists suffered greater losses of weapons than did government forces during this period. A number of high-ranking
American military observers, impressed by the improvement of the military situation of this period, had made unduly optimistic predictions about the outcome of the conflict. In fact, the figures of Communist casualties are of importance only if the insurgents are denied access to villages and hamlets and their main source of recruitment of new guerrillas; otherwise, they can recruit guerrillas as fast as government forces can kill them. The number of Communist casualties made public by the Directorate General of Information could have been inflated for propaganda purposes. Since Communist guerrillas are dressed exactly like peasants, "machine-gun bullets" could hardly distinguish them from innocent bystanders. If the average number of Communist attacks decreased from mid-1962 to mid-1963, it increased to almost two times the average of this period during the late months of 1963 and early in 1964. If they suffered greater losses of weapons than government forces did during this period, they captured more weapons from government forces than they lost during late 1963 and early 1964, taking advantage of various changes in government during the period. (The ratio of weapons captured averaged more than three to one in their favor.) In one single week in early December, 1963, they lost eighty-five while capturing 300 weapons.
If they lost rifles, they captured recoiless rifles and machine-guns. The trend seemed to continue in mid-1964. From official sources of the Ministry of Defense, during the period from May 10 to May 30, if the casualties ratio was about the same for both sides (government's loss of 470 men against the enemy's loss of 581), they captured more weapons from government forces than they lost; they captured six hundred and eighteen individual weapons, fourteen light machine guns, two 30-caliber machine-guns, and twenty-four unit weapons, and lost to government forces only 178 individual weapons and three unit weapons! The Communists also increased the tempo of their actions: in May, 1964, the number of Viet Cong actions increased from eighty-three the first week to 102 the second week, 112 the third week, and 134 the last week, most of which were against watchtowers and strategic hamlets. They displayed greater boldness than ever before, throwing bigger units into battle. This, unfortunately, was not because they were cornered by the system of strategic hamlets as expected and had to concentrate large forces to attack, but because they seemed to be much stronger as a result of the worsening of government control in some rural areas, and of the great number of modern weapons they captured during the last few months in
addition to heavy weapons provided them by North Viet Nam and Communist China.

It is thus clear that in this "protracted, indecisive" war, continued military successes must go hand in hand with political, economic, and social progresses; otherwise, short-run military successes are not to be interpreted as "victory-is-in-sight" any more than the enemy's losses as their "approaching doom." To win or lose this war in the long run will depend primarily upon whether the government will have the support of the general population. It is the general population that can afford to endure this wearing, protracted war. New military tactics, new conventional weapons and equipment are a complement but not a substitute for this vital factor. Against an enemy waging the war with all military, political, and social efforts, military tactics alone obviously are not enough. In a war in which the enemy tries to involve the populace, above all, peasants, in the fight, any program with measures to isolate them from this civilian environment seems to be sound. It was the peasants, more than any other socio-economic group, which had driven the French out of the country. To drive the Communists out of South Viet Nam, it appears that the government again would have to depend on the peasants. The
The strategic hamlets program is sound in principle, but its failure was due primarily to its "inappropriate" practical application. A number of factors were responsible for the failure of this gigantic experiment. Perhaps one of the biggest mistakes made by the Diem government was its decision to complete the strategic hamlet program in a two-year period. Strict achievement targets were therefore posted. In too many places, local officials, in order to meet the deadline, just threw up bamboo fences and barbed-wire, forced people to move in, and announced that their hamlets were ready. As a result, few of these hastily-constructed strategic hamlets were considered "viable." Of the more than 4,000 hamlets officially claimed to exist in the Mekong Delta, only less than one-fourth were considered to be viable, capable of defending against Communist small and medium-size attacks. In many places, peasants hastily regrouped in strategic hamlets were left short of food supplies and other necessities! Thus, a great number of almost 180,000 mountain tribesmen hurriedly regrouped in settlement centers in 1962 in Pleiku, Kontum, D'aulac, Quang-Tri, Quang Nam, Quang Ngai, etc., had returned to their old mountain villages discouraged and bitter with their unfortunate experience because of inadequate assistance in food supplies, tools and dwellings, and other economic and
financial means as promised by the government. With the desire to "control territory and defend everything under the sun," the Diem government had unfortunately ordered hamlets erected deep in Communist-controlled areas, which later proved to be too vulnerable to Communist attacks. In the past hundreds of such hamlets were overrun by the insurgents.

Second, the lack of adequate planning at the regional and provincial level had resulted in numerous bottlenecks in the realization of the program. Thus, in a province, there was a shortage of construction material and financial means in one district, of food and labor supplies in another place, and of cadres and military units in still another place; this had resulted in half-completed, incapable "fortified villages."²⁰

²⁰To determine the number of hamlets (strategic hamlets, combat hamlets, strategic quarters and development centers, etc.) which could be constructed consistent with the amount of labor, construction material, cadres, and financial means, etc., available, say, in a province during the scheduling period, some programming would seem necessary. Let \( X_i \) \( (i = 1, \ldots, 4) \) be the number of strategic hamlets, strategic quarters, combat hamlets, and development centers which could be built during the scheduling period and \( a_{ri} \) \( (i = 1, 2, \ldots, 4) \) the average amount of labor, construction material, the average number of strategic hamlet cadres, military units available for operations, and the average amount of financial means for the construction of each of these hamlets and centers, and \( S_r \) \( (r = 1, 2, \ldots, 5) \) the amount of labor, construction material and financial means,
Third, the heavy contribution by peasants in terms of labor, material and money to the construction of strategic hamlets. In many places, peasants had to contribute fifty piastres or more in addition to an assigned number of labor-days and amount of construction material. To Vietnamese peasants whose income is mostly in kind, a cash contribution of fifty piastres or more really constituted a heavy burden.

Fourth, the inadequate payment to relocated families for their old homes burned down or destroyed after they moved to strategic hamlets. While their old homes cost an average of 20,000 piastres or more to build, they received a relocation allowance from the government of only from 1,000 to 2,000 piastres to build new homes in hamlets. Many times, relocated families had received no money, the allowance having been pocketed by local officials.

Fifth, the "tyranny" of self-defense corpsmen and village officials. In many hamlets and villages, peasants were actually terrorized by those supposed to protect them--

\[ \sum X_i = \text{max. } (i = 1, 2, \ldots, 4) \]

Subject to \[ a_{rij}X_i = Sr \ (r = 1, 2, \ldots, 5) \]
self-defense corpsmen. In coalition with village officials, they occasionally resorted to "terror" methods to extort money from fairly well-to-do peasants. In one typical village, it was reported that corpsmen had even shot at peasants when the latter tried to protect their crops from being eaten by militiamen's ducks! Under the strict control of corpsmen and village security agents, peasants lost every kind of freedom; they were not allowed to assemble (e.g., for family ceremonies, etc.) unless by special permission; they were not allowed to move freely from village to village without "passes"; and they were not allowed to talk freely among themselves!

Sixth, the ignorance, incompetence, and corruption of local officials. Most of the so-called strategic hamlet cadres had no clear idea about the economic, political, social, and military objectives of the program, no idea about the physical as well as psychological approach to its implementation. The strategic hamlet, to most of them, was simply concerned with the construction of bamboo and barbed-wire fences around the hamlet and the regroupment of peasants behind these fences. Thus, thousands of peasants were forced to move to strategic hamlets by armed units without government cadres explaining the reason behind such regroupment.
All of these are among the factors contributing to the failure of the program since they had caused bitter resentment and frustration among peasants. Intended as fortified settlements capable of providing peasants with security, strategic hamlets, in many places, were turned into "concentration camps" in which peasants were victims of all kinds of abuses by corpsmen and village officials.

It is hoped that the new "revolutionary" government will take measures to correct the mistakes committed by the previous regime, to change the physical as well as the psychological approach to the implementation of the program, to take more aggressive steps to improve the physical, social, and political lot of the Vietnamese peasantry whose share in the suffering of this murderous war has been overwhelming. Without that type of reform, the chance of winning this revolutionary war appears slim.

It would seem desirable to abandon those strategic and combat hamlets erected in Viet Cong-controlled areas--too vulnerable to their attacks--and move people there into a more viable and defensible nearby hamlet.

New measures would have to be taken to strengthen the defense capability of existing strategic hamlets. Instead of a number of separate small hamlets scattered in one area,
it would seem possible in many instances to construct one or two "pillar" hamlets whose defense force would consist of the combined defense forces of previously separate hamlets. Thus, in one area in which, say, five hamlets were constructed, each having a militia force of, say, eighty men (Bao-An, Dan-Ve, Thanh-Nien), two could be enlarged, redesigned, and reinforced. It would be more difficult for the Viet Cong to overrun two hamlets defended by 400 defenders than five separate hamlets with eighty defenders each. To carry out such a plan, it would seem unnecessary to move people residing in nearby hamlets to the new enlarged hamlets. They would remain in their previous dwellings during the daytime for their work and move to the new, enlarged hamlets at night for their safety and for the defense of the hamlet. Fair payments would be made for any losses incurred to people residing relatively far from the main hamlet who are willing to move there. The food control program could be realized in this form: after the harvest, local peasants could be encouraged to store their crops in special, underground warehouses built in the main hamlet and take out just a few days' supply at a time. Admittedly, the realization of the idea would encounter numerous practical difficulties. It would seem possible, however, to carry it out in many
rural areas where the population is heavily concentrated.

To keep the enemy off-balance, it would seem desirable to undertake more frequent small-scale heliborne operations in small areas. On the basis of past experience, small and medium-size heliborne operations were more successful than large-scale operations. Against the mobile and elusive Communists, large-scale operations, with their time-consuming preparation, usually give the enemy enough advance warning to move away and disperse. Small heliborne operations which strike ceaselessly at small but unexpected targets could make it more difficult for the enemy to move and concentrate. It would seem possible to set up pre-planned target areas for heliborne strikes, with careful studies of possible retreat routes of the Communists, of places where their concentration could be expected, and places for unloading heliborne troops, etc. This could avoid delay and confusion when action is needed.

It would also seem possible for government forces to plan for ambushes against Communist forces attacking posts through careful plans for each post with details on possible advance and retreat routes of enemy forces in the area and places where ambushes could be prepared. On the basis of the average retreating speed of enemy forces (which could be computed by experimenting with our own units) different
Rings could be indicated on the map of the area around the post, each corresponding to a time period after fire is opened on the post. With these plans in hand, we could know approximately where retreating enemy forces could be expected in, say, one hour after the post concerned is attacked. (See Figure 2, p. 128.) With probable enemy retreating routes pre-assigned to different military units in, say, a district, action could be taken more quickly and orderly in the event that a post in that district is under attack.

To minimize our losses incurred by the Communists using their "attacking-of-post-ambushing-relief-units" tactic, it would seem possible for our relief units to come to the rescue of the post under attack in small units from different routes which had been pre-planned in a map of the area of the post.

It would seem desirable to institute a more effective intelligence network throughout the countryside, coordinated and directed by a central agency, with intelligence agents selected from among local people. To bring civic action agents and propaganda agents along with troops during operations to work on local people does not seem to be promising;
Figure 2.
sometimes local peasants are suspicious of "strangers." Moreover, "convincing explanations" require time to gain the ear of local people.

This explains, to some extent, the partial failure of the "pacification" plan of the new government. "Pacifying" troops and government cadres did not stay in the "pacified" areas long enough to organize local people, to convince them that they are there to provide them with security, that they "mean business." In order for such a plan to be successful, these pacifying troops must stay in selected areas for pacification for a long period of time to give local people a sense of security and confidence, to give government cadres enough time to "educate" local people, to organize them into civic groups, assist them in the selection of their own representatives, train them in self-defense matters, and help improve their living conditions through governmental economic and financial assistances (construction of roads, wells, schools, marketplaces, medical services, credit facilities, and agricultural implements, etc.). The improvement in the security situation as well as living conditions of people in "pacified" areas can be expected to encourage people in other areas to fully cooperate with pacifying troops when they come to their areas. By spreading, slowly
but surely, the number of pacified centers, the government
could regain the support and confidence of the population.
Of course, such a plan would require a large increase in
the number of units of the regular forces as well as
regional forces and militia. This, however, can be met by
a general mobilization as intended by the Prime Minister
and supported and advocated by American military advisors.

Efforts should be made to establish a propaganda
system in "pacified" areas, a system parallel to the
Communist Dich-Van system. "Convincing explanations" must
be channeled through local organizations made up of local
peasants themselves. Selected from among local people,
familiar with local conditions, and living with these people,
these agents could have a better chance of gaining the
confidence of local peasants.

It would be desirable to extend the postal system in
rural areas. This would not only serve the social purpose
of establishing a closer communication between urban and
rural sectors but also would constitute a possible channel
through which local people could denounce Communist agents
to government authorities. At the same time, there would
be a minimum possibility of reprisal by Communist terrorists.
Finally, it would seem desirable for the central government to give local military commanders broader authority in making decisions on military matters. Against the elusive units of the Viet Cong, prompt decisions by local commanders seem to be of prime importance. In the past, there were many cases in which enemy units were reported in some areas but local commanders were unable to take action early enough, simply because of the costly delay in the procedure of getting authorization from the central authorities.

In conclusion, it is to be emphasized again that military changes alone seem insufficient to win this "revolutionary" war of which the "objective" as well as the "means" is the peasantry. To stop an enemy which has been successful at converting peasants into guerrillas calls for measures to "reconvert" these guerrillas into peasants supporting the government. It seems that this could be done only through more aggressive and sincere political, economic, and social reforms to improve their physical as well as political conditions. The strategic hamlets system provides a good physical framework for such reforms, but whether they could be carried out depends upon the effort of the central government and the honesty, responsibility, and enthusiasm of local officials and cadres. Again, "as
peasants are guerrillas and guerrillas are peasants,"

it seems clear that in the long run, who wins the support

of the peasants would win the war.
CHAPTER IV

EXPECTED ECONOMIC EFFECTS

As noted earlier, the strategic hamlet policy was born out of military and political considerations rather than out of a well-conceived economic and social concept. Initially, the strategic hamlet was conceived as a form of organizing the rural population which, it was hoped, would enable the government to control the peasantry and prevent it from being the victim of Communist terror and propaganda. With the growth of the program, the strategic hamlet was finally adopted as a foundation for an over-all economic and social reform program. But from the inception of the program early in 1962 to the overthrow of the Diem government in November of 1963, with the exception of some economic measures, no clear-cut general "strategic hamlet" economic concept was defined by the government. Governmental agencies responsible for studying the "strategic hamlet" economic program such as the Rural Affairs Section of the Strategic Hamlet Inter-Departmental Committee, the Ministry for Rural Development, and the Strategic Hamlet Economic Division of the National Economic Council had not agreed upon a definite concept concerning the strategic hamlet economic policy.
Yet, the long-range economic effects of the program would seem to depend to a large extent upon the "yet to be formulated" general concept of "strategic hamlet" economic organization. After the November coup, the economic policy of the new government with regard to strategic hamlets remained to be formulated.

What follows is an analysis of some economic effects which could be expected from measures proposed under the program (assuming that they are "properly" and successfully implemented). An account of some short-run dislocation resulting from the implementation of a program is included. A rather lengthy description of the general background of South Viet Nam's economy, which has been a prime target of Communist guerrilla operations, is also included. This analysis of the structure and orientation of South Viet Nam's economy gives some idea of its chances for political and economic survival, because in the long run, whether South Viet Nam can survive politically depends to a large extent upon its ability to survive economically. It is believed by many that the outcome of the present conflict will be determined largely by what will be achieved economically in South Viet Nam in comparison with the North. Ultimately, victory will be with the side which will achieve the highest
rate of economic growth, and which will give the peasant a living better than that of his compatriot on the other side of the demarcation line.

I. **General Economic Setting.**

Events since 1946 have brought about drastic changes in the economy of South Viet Nam. The nine-year Indochinese War (1946-1955) had disastrous economic consequences for Viet Nam. As a result of insecurity in the countryside and the resulting flow of people from rural to urban areas, vast amounts of land were left uncultivated and agricultural production was drastically reduced. Rice production amounted to more than five million tons during the pre-war period (5.3 million tons in 1938) with an export surplus of more than 1.2 million tons. Rice production during 1947 was barely enough for domestic consumption. Other crops were also drastically reduced, with the exception of rubber production which was not seriously hurt because most plantations were protected by French forces (most plantations were owned by the French). The infrastructure of the economy suffered very heavily. Sixty percent of the transportation system of South Viet Nam (believed to have been among the most advanced in Southeast Asia) was completely destroyed.
Thus, out of 873 miles of railroad existing before the war, only 580 miles were in operation at the time of the signing of the Geneva Peace of 1954, and out of 475 bridges along National Highway No. 1, 134 were destroyed.

The Geneva Peace, which ended the war, dealt another severe blow to the economy of Viet Nam. Indeed the partition of the country brought about a complete distortion of the economic structure of the country. The geographical and geological constitution of North and South Viet Nam is such that they form an economically integrated unit with the South better endowed for agricultural production, and the North for industrial output. Before the partition, North Viet Nam received a large portion of its food supply (mainly rice) from the South, which in turn obtained industrial products--glass, cement, coal, and textile products--from factories in the North. The division of the country left South Viet Nam with negligible basic sources of energy for industrial development since nearly all of the country's industrial raw materials and most of its skilled labor were located north of the 17th parallel. The division of the country also posed the serious problem of absorbing nearly one million refugees from the North.
While some of the damages inflicted by the Indochinese War were left unrepaired, the outbreak of guerrilla fighting since 1959 has once again opened economic wounds. If from 1954 to 1959, rice production increased gradually from 2.566 million tons to 5.3 million tons as a result of reconstruction efforts, from 1959 to 1963, it was gradually decreased to 3 million tons. The total planted area decreased from 2.5 million hectares in 1959 to 1.660 million hectares in 1962. Bridges and railways were again sabotaged. Roads were dug up. Peasants who had returned to their lands after the Geneva Peace since 1959 seemed to again move back to the cities and towns, further aggravating the unemployment problem already very serious there.

In spite of the losses inflicted by the Indochinese War, the division of the country, and the outbreak of guerrilla fighting, Viet Nam still boasts one of the highest standards of living in Southeast Asia, as indicated by its relatively high per capita income (see Table VI). Unfortunately, this high standard of living seemed to be artificial, having been made possible mainly by the huge expenditures of the French Expeditionary Corps and later by the large-scale military and consumption-oriented American Aid Program.
### Table VI

**Per Capita Income of Selected South and Southeast Asian Countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Measure Per Capita</th>
<th>Amount in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaya</td>
<td>1953</td>
<td>G. N. P.</td>
<td>246.9</td>
</tr>
<tr>
<td>Japan</td>
<td>1955</td>
<td>N. I.</td>
<td>215.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>1955</td>
<td>N. I.</td>
<td>181.6</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>1955</td>
<td>N. I.</td>
<td>144&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Ceylon</td>
<td>1955</td>
<td>G. I. P.</td>
<td>131.8</td>
</tr>
<tr>
<td>Formosa</td>
<td>1955</td>
<td>N. I.</td>
<td>121.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1952</td>
<td>N. I.</td>
<td>87.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>1954</td>
<td>N. I.</td>
<td>64.2</td>
</tr>
<tr>
<td>India</td>
<td>1954</td>
<td>N. I.</td>
<td>55.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1954</td>
<td>N. I.</td>
<td>53.1</td>
</tr>
<tr>
<td>Burma</td>
<td>1955</td>
<td>N. I.</td>
<td>66.7</td>
</tr>
</tbody>
</table>


<sup>a</sup>Since the official rate of exchange of the piastre was over-valued with respect to the U. S. dollar, the approximate figure would be less than 144. (My "guesstimate" is about 100 dollars.)
During the 1946-1952 period, the French Army, apart from United States Aid, spent from 1,200 billion to 1,500 billion francs in Indochina, the bulk of which was spent in Viet Nam. From 1955 to 1960, United States economic assistance to Viet Nam totalled 47,552 million piastres. The annual amount of American aid was gradually reduced from 9,870 piastres in 1957 to 6,365 million piastres in 1960. Later, owing to the mounting threat of Communist subversion, it was again increased to help meet Viet Nam's increased civilian and defense expenditures. The apparent prosperity in Viet Nam was thus built mainly on foreign aid. It would seem impossible to maintain the present, artificially high standard of living if foreign aid were terminated or drastically reduced.

The national income and product figures in Table VII give a general picture of the economy of South Viet Nam and attest to its artificial nature. If the value of the gross domestic product of Viet Nam in 1956 is translated in terms of U. S. dollars at the free market rate of exchange, i.e., about seventy piastres to the dollar, which is more realistic than the official rate of exchange, thirty-five piastres to the dollar, the gross domestic product amounted to less than one billion dollars. These figures indicate that Viet Nam
### TABLE VII

**DOMESTIC PRODUCT OF VIET NAM IN 1955-1956**

(In millions of piastres)

<table>
<thead>
<tr>
<th>Gross Domestic Product</th>
<th>1955</th>
<th>1956</th>
<th>Expenditure for Product</th>
<th>1955</th>
<th>1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product at factor cost</td>
<td>57,926</td>
<td>63,084</td>
<td>Private domestic consumption</td>
<td>53,625</td>
<td>59,266</td>
</tr>
<tr>
<td>Indirect taxes</td>
<td>6,388</td>
<td>6,355</td>
<td>Government expenditure</td>
<td>14,058</td>
<td>13,208</td>
</tr>
<tr>
<td>Less: Subsidies</td>
<td>--</td>
<td>--</td>
<td>Gross domestic capital formation</td>
<td>3,369</td>
<td>4,021</td>
</tr>
<tr>
<td>Gross domestic product at market prices</td>
<td></td>
<td></td>
<td>Exports of goods and services</td>
<td>4,283</td>
<td>1,579</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less: Imports of goods and services</td>
<td>11,388</td>
<td>8,655</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Statistical error</td>
<td>317</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>64,264</td>
<td>69,419</td>
<td>Imputed expenditure on gross domestic product</td>
<td>64,264</td>
<td>69,419</td>
</tr>
</tbody>
</table>


*a Because of staff limitations and the dubious reliability of these estimates, the National Bank of Viet Nam discontinued this service after the estimate for 1956.
was consuming more than it could produce. Indeed, the sum of private domestic consumption, government expenditure, and gross domestic investment in 1956 exceeded current production by some 7,076 million piastres. This gap was filled by an import surplus entirely covered by foreign aid. This has been the situation in South Viet Nam since 1947. From 1947 to 1954, import surpluses were almost entirely supported by France (14,347 million piastres during 1947-1951), and since 1955 mainly by American assistance.

The government, after 1955, well aware of the fact that the existing situation could not be permitted to go on indefinitely and in order to reduce its dependence on foreign aid, made efforts to hasten the economic development of the country. From 1955 to 1957, special attention was given to the resettlement of some 800,000 refugees from the North and to the rehabilitation of agriculture which was heavily damaged during the war years. Then a five-year plan was initiated in 1957, which marked the beginning of planned economic development for South Viet Nam. Primary emphasis was placed on the development of agriculture, the building of overhead capital to support and stimulate future economic growth, and the development of industry and education. The main objectives of the plan were: a) to increase agricultural production in order to boost the country's exports and foreign exchange
earnings; b) to develop industry, especially light industry, for the production of import substitutes; and c) to stabilize the economy by insulating it somewhat from the fluctuations of world market prices and demand (to which the country's two-crop-export economy is highly susceptible) through agricultural diversification.

The plan called for an expenditure of 17.5 billion piastres over the five-year period. Gross National Product was expected to increase by 12 billion piastres, or sixteen percent by the end of 1961. The public sector accounted for about eighty percent of the total outlay, and the private sector was expected to absorb the balance. The plan ended in December, 1961. It is impossible to evaluate the achievement of the plan, since National Income and Product figures for the period from 1957 to 1961 are not available. Judged on the basis of the plan's main objectives, however, the plan was apparently not successful. The deficits in the balance

---

1The following is a breakdown of expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public works</td>
<td>31%</td>
</tr>
<tr>
<td>Power</td>
<td>12%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>22%</td>
</tr>
<tr>
<td>Health, education</td>
<td>12%</td>
</tr>
<tr>
<td>Industry</td>
<td>9%</td>
</tr>
<tr>
<td>and housing</td>
<td></td>
</tr>
<tr>
<td>Unallocated</td>
<td>14%</td>
</tr>
</tbody>
</table>
of trade remained as large as they were five years before, and the country was as dependent on foreign aid for its survival as in the past. Because of the increasing subversive activities of the Communist insurgents, some development projects were not carried out. Limited progress, however, was recorded in the field of agriculture and industry, as will be observed in the analysis of various sectors of the economy.

A second five-year plan (1962-1966) was already under way. The plan estimated a total expenditure of nearly 50 billion piastres over the five-year period (of which the public sector accounted for eighty-five percent, more than 42 billion piastres). (See Table VIII.) Emphasis was again placed on the development of agriculture and public works. Public investment again relied mainly on foreign aid, international loans and increased budgetary receipts.

The objectives of the second plan remained the same as those of the first, mainly to reduce the wide gap in the balance of trade through export efforts, to stabilize the economy through further agricultural diversification, and to reduce unemployment in urban and rural areas through industrialization and agricultural development. The rate of growth was expected to be in the neighborhood of five percent per year. What may be achieved under the second plan remains to be seen. One thing, however, seems to be certain: as long
TABLE VIII
SECOND FIVE-YEAR PLAN'S ESTIMATED EXPENDITURES*a
(In millions of piastres)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultureb</td>
<td>12,000.00</td>
</tr>
<tr>
<td>Industry</td>
<td>9,073.80</td>
</tr>
<tr>
<td>Public works</td>
<td>20,726.20</td>
</tr>
<tr>
<td>Education and public health</td>
<td>10,321.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,942.60</strong></td>
</tr>
</tbody>
</table>


aThese were very rough estimates. Planned expenditures on some projects are said to have been estimated at from twelve to fifteen percent over the cost which represented "political taxes" paid to the "National Revolutionary Movement" and the "Can-Lao Mhan-Vi."
(Statement by Nguyen Xuan Oanh, newly-appointed governor of the National Bank during his press conference at the Embassy of Viet Nam in January, 1963.)

bThis includes livestock and forestry.
as insecurity remains in the countryside, it remains unlikely that the goals set by the plan can be approached.

1. **Trade.**

Commerce is one important sector of the economy. The breakdown of the Gross Domestic Product in 1955 and 1956 indicates the surprising fact that the commercial sector contributed to the Gross Product more than agriculture and animal husbandry (see Table IX). While agriculture and animal husbandry absorbed more than eighty-two percent of the total labor force, but contributed only twenty-one percent of the GDP in 1956, the commercial sector accounted for twenty-nine percent with only two percent of the total

---

2 This figure may underestimate the contribution of agriculture to gross domestic product. GDP figures represent primarily products which were bought and sold on the market, but in Viet Nam, as well as in other economically underdeveloped areas, barter is still widely practiced, especially in the rural sector, and in many parts of the country, agricultural production is primarily for family consumption. Agricultural labor is also paid in kind frequently. Incomes paid in kind and products bartered certainly represent an important part of the national production (considering the fact that more than 80 percent of the total population lives in rural areas), but most of these were not included because of difficulties involved in estimating them. This tended to give a downward bias to the income estimates of the agricultural sector.
TABLE IX

GROSS DOMESTIC PRODUCT BY SECTOR OF ORIGIN, 1955-1956*
(In millions of V. N. $)

<table>
<thead>
<tr>
<th>Sector</th>
<th>1955</th>
<th></th>
<th>1956</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percent of Total</td>
<td>Amount</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Agriculture and livestock</td>
<td>13,330</td>
<td>19</td>
<td>14,404</td>
<td>21</td>
</tr>
<tr>
<td>Fishing</td>
<td>3,370</td>
<td>5</td>
<td>3,980</td>
<td>6</td>
</tr>
<tr>
<td>Industry and handicrafts</td>
<td>6,804</td>
<td>10</td>
<td>7,832</td>
<td>11</td>
</tr>
<tr>
<td>Commerce</td>
<td>19,303</td>
<td>30</td>
<td>20,516</td>
<td>29</td>
</tr>
<tr>
<td>Construction</td>
<td>1,361</td>
<td>2</td>
<td>1,095</td>
<td>2</td>
</tr>
<tr>
<td>Government</td>
<td>9,498</td>
<td>15</td>
<td>9,870</td>
<td>14</td>
</tr>
<tr>
<td>Services and miscellaneous</td>
<td>11,871</td>
<td>18</td>
<td>11,722</td>
<td>17</td>
</tr>
</tbody>
</table>

labor force. This was because the bulk of the defense expenditures and American aid were distributed primarily through the trade and service sectors. The share of the commercial sector would undoubtedly recede in relative importance as the volume of American aid and defense expenditures declined.

Monopoly was dominant in the commercial sector of South Viet Nam’s economy. Foreign trade was largely in the hands of French firms, and domestic commerce in the hands of the Chinese. This was especially true before 1955. Since 1955, Vietnamese firms have begun to participate in foreign trade. Their role in this field was still relatively unimportant compared with that of foreigners because they seemed to lack the necessary abilities and experience. Many who entered foreign trade did so, not with the serious intention of staying in the business, but because of favorable opportunities for high commercial profits offered by the inflationary pressure during 1955-1956, and the financial

3 Annual Statistical Bulletin, United States Operations Mission to Viet Nam, 1960. The figure concerning the total labor force classified according to employment status was for 1957. The figure for 1956 was not available. The distribution of the labor force estimated in the Second Plan was 77 percent in agriculture, 19 percent in industry, and 14 percent in the commercial sector. This seems to reflect the flow of peasants to the urban areas for security reasons, then seeking employment in trade and industry.
Arrangements for handling the Commercial Aid Program. 4
The role of the Vietnamese in foreign trade, however, has recently become more and more important.

Events of the last two decades completely reversed the balance of trade of the country which had been in surplus during the 1913-1947 period. 5 After 1957, it showed continuous deficits (see Table X). In spite of efforts to increase exports and reduce imports, the deficits in the balance of trade remained enormous and were almost entirely covered by foreign aid. It should be noted that after 1955, Viet Nam's trade relations shifted more and more from the franc area toward other countries, notably the United States, Japan and, recently, Formosa (see Table XI, Part I). The relatively low cost of Formosan and Japanese products, the "buy American" formula and the fact that American aid pays for almost all American goods imported account for this shift in trade relations. France, however, still remained the biggest customer of South Viet Nam's exports and the largest

4 Imports under the Commercial Aid Program were effected at the official rate of exchange of 35 piastres to the dollar. The piastre was highly over-valued.

5 With the exception of 1931, as a result of the Great Depression. (See J. Despuech: Le Trafic de Piastres, Paris, 1953, p. 24.)
<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
<th>Balance</th>
<th>Export/Import (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>11,430</td>
<td>2,011</td>
<td>9,419</td>
<td>18</td>
</tr>
<tr>
<td>1955</td>
<td>9,212</td>
<td>2,415</td>
<td>6,797</td>
<td>26</td>
</tr>
<tr>
<td>1956</td>
<td>7,638</td>
<td>1,848</td>
<td>5,789</td>
<td>24</td>
</tr>
<tr>
<td>1957</td>
<td>10,101</td>
<td>2,819</td>
<td>6,193</td>
<td>23</td>
</tr>
<tr>
<td>1958</td>
<td>8,125</td>
<td>1,932</td>
<td>6,193</td>
<td>23</td>
</tr>
<tr>
<td>1959</td>
<td>7,861</td>
<td>2,627</td>
<td>5,234</td>
<td>33</td>
</tr>
<tr>
<td>1960</td>
<td>8,412</td>
<td>2,995</td>
<td>5,417</td>
<td>35</td>
</tr>
<tr>
<td>1961</td>
<td>8,925</td>
<td>2,688</td>
<td>6,237</td>
<td>30</td>
</tr>
<tr>
<td>1962</td>
<td>8,435</td>
<td>1,614</td>
<td>6,824</td>
<td>19</td>
</tr>
</tbody>
</table>

supplier of its imports.\textsuperscript{6} (See Table XI, Part II.)

Internal trade was mainly controlled by the Chinese. They controlled not only most wholesale and retail businesses in urban areas, but also most retail businesses in the Southern countryside.\textsuperscript{7} The majority of small merchants and peddlers were and are Vietnamese. A number of "nationalistic" measures were taken by the government to break the control of the Chinese over domestic trade and to encourage the Vietnamese to enter the wholesale and retail business.\textsuperscript{8} Funds were also made available by governmental lending institutions to small

\textsuperscript{6}Although exports to France declined in the last few years, they still represented the bulk of Viet Nam's total exports. Exporters in Viet Nam (most of them were French) were accustomed to deal with the French market. Moreover, Vietnamese products were granted a preferential tariff by France in the form of premium and subsidy to the French importers who were thus in a position to pay high prices for Viet Nam's products. On the import side, France still occupied first place. French imported goods had been granted preferential ad valorem duty ranging from 4 to 14 percent from 1955 to 1956, and have been subjected only to a minimum tariff since 1956. Also favoring French imports was the long-standing appreciation of French products by the Vietnamese and the amount of American aid under the form of "triangular francs."

\textsuperscript{7}According to David Cole, from 80 to 90 percent of the retail businesses in the Southern countryside were in the hands of the Chinese. See Viet Nam: The First Five Years, edited by Richard Lindholm, Michigan State University Press, 1959.

\textsuperscript{8}A decree was issued in 1956 by the President of the Republic prohibiting foreigners from engaging in eleven types of business, most of which were predominantly conducted by the Chinese.
### TABLE XI

**SOUTH VIET NAM'S IMPORTS AND EXPORTS (1955-1962)**

#### PART I: IMPORTS FROM AND EXPORTS TO FRANC AREA, 1955-1962

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports (In millions of V. N.)</th>
<th>Percent of Total</th>
<th>Exports (In millions of V. N.)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>4,829</td>
<td>52</td>
<td>908</td>
<td>38</td>
</tr>
<tr>
<td>1956</td>
<td>1,870</td>
<td>24</td>
<td>1,067</td>
<td>67</td>
</tr>
<tr>
<td>1957</td>
<td>2,974</td>
<td>29</td>
<td>1,813</td>
<td>64</td>
</tr>
<tr>
<td>1958</td>
<td>2,137</td>
<td>26</td>
<td>1,069</td>
<td>55</td>
</tr>
<tr>
<td>1959</td>
<td>1,523</td>
<td>15</td>
<td>1,172</td>
<td>44</td>
</tr>
<tr>
<td>1960</td>
<td>1,857</td>
<td>22</td>
<td>1,248</td>
<td>42</td>
</tr>
<tr>
<td>1961</td>
<td>1,517</td>
<td>17</td>
<td>960</td>
<td>39</td>
</tr>
<tr>
<td>1962</td>
<td>1,130</td>
<td>13</td>
<td>678</td>
<td>42</td>
</tr>
</tbody>
</table>
## TABLE XI

SOUTH VIET NAM'S IMPORTS AND EXPORTS (1955-1962)*

### PART II: IMPORTS FROM AND EXPORTS TO OTHER COUNTRIES, 1955-1962

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports (In millions of V. N.)</th>
<th>Imports Percent of Total</th>
<th>Exports (In millions of V. N.)</th>
<th>Exports Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>4,383</td>
<td>48</td>
<td>1,507</td>
<td>62</td>
</tr>
<tr>
<td>1956</td>
<td>5,748</td>
<td>76</td>
<td>511</td>
<td>33</td>
</tr>
<tr>
<td>1957</td>
<td>7,129</td>
<td>71</td>
<td>1,009</td>
<td>36</td>
</tr>
<tr>
<td>1958</td>
<td>5,988</td>
<td>74</td>
<td>863</td>
<td>45</td>
</tr>
<tr>
<td>1959</td>
<td>6,338</td>
<td>81</td>
<td>1,455</td>
<td>58</td>
</tr>
<tr>
<td>1960</td>
<td>6,559</td>
<td>78</td>
<td>1,749</td>
<td>58</td>
</tr>
<tr>
<td>1961</td>
<td>7,408</td>
<td>83</td>
<td>1,518</td>
<td>61</td>
</tr>
<tr>
<td>1962</td>
<td>7,305</td>
<td>87</td>
<td>936</td>
<td>58</td>
</tr>
</tbody>
</table>

Vietnamese merchants who had been dependent primarily on the Chinese wholesalers and moneylenders for credit accommodation. In spite of these measures, the hold of the Chinese on domestic commerce still seemed as strong as ever.

2. **Industrialization efforts.**

The industrial sector is relatively less important. This was believed to be partly a consequence of French colonial economic policy which had been exclusively directed toward the exploitation of natural resources for export to metropolitan France and the reservation of the Vietnamese market for French manufactured products. This policy remained almost unchanged from the time of the French conquest until their withdrawal in 1954. During this long period, only industries engaged in the production of raw materials, or those which served the local market without competing with French industries were allowed to exist. This resulted in almost a complete absence of local production to satisfy Viet Nam's demand for manufactured goods. Consumer production consisted of a few items which could not easily be imported from France, or which could be produced only within the country.

Since most industrial raw materials suitable for large-scale production and exploitation are located north of the 17th parallel, after the division of the country South Viet
Nam was left with only some food processing and cigarette-making factories. The industrial structure of South Viet Nam in 1955 consisted mainly of four cigarette factories, two soft-drink factories, two small shipyards and a naval arsenal, a distilling plant, a match factory, two machine shops, a number of rice mills, and two plants producing industrial gas. They were located primarily in the Saigon area, and most of them were foreign-owned. North Viet Nam had provided such products as coal, cement, glass, and textile products, etc., and these now had to be imported. This tended to render South Viet Nam more dependent than ever before.

The government was preoccupied with the problem of resettling more than 800,000 refugees and the rehabilitation of the agricultural sector until late in 1957. Only then did the government begin to make serious efforts to industrial development. With regard to industry as noted earlier, the first five-year plan gave priority to the production of import substitutes—textiles and related items (yarns and raw materials), paper, glass, chemical products, coal, tobacco—to close to some extent the gap in the balance of trade. Emphasis was also placed on the development of industries for the transformation of
Some industrial gains were recorded during the period. Between 1957 and 1961, the production of textile products rose from eighty-three to 144 million meters. Current production has considerably cut textile imports which represented a large percentage of the total imports (in 1960, the imports of textiles and related items amounted to 1,645 million piastres out of a total import amounting to 8,385 million piastres). Sugar production during this period rose from 58,616 to 83,372 metric tons. Substantial progress was also recorded in the exploitation of the Nong-Son Coal mine. Coal output in 1961 was estimated at 57,370 tons as compared with 12,372 tons in 1957. This also helped reduce to some extent the volume of coal imported.  

These achievements, however, were rather modest compared with the immense job needed to be done to achieve some measure of economic independence. As a result of the mounting insecurity in the country, some important industrial projects

9These figures regarding the increase in output should be used with the "usual" caution. They vary greatly from one source to another. Thus, in one source the figures for coal production were 25,899 and 56,000 tons for 1961 and 1962 respectively. In other sources, the production figure for 1961 was 57,370 tons. According to the Second Five-Year Plan, the production figure for 1962 was 150,000 tons.
had not been carried out. Insecurity, added to the uncertainty and inconsistency of the economic policy of the government with respect to industrial development, had significantly discouraged the participation of private, domestic, and foreign investments badly needed for the development of the economy. In 1959, foreign investment within the country amounted to about 610 million piastres and in 1960, the amount was 73 million piastres, in spite of the liberal regulations regarding the entry of foreign capital, various tax incentives, the high rate of return

10But of this total, 770 million piastres represented the reinvestment of French capital which was not allowed to be transferred abroad.

11According to the Presidential Declaration of March, 1957, concerning foreign investments, capital invested in Viet Nam could be retired after five years of operation at twenty percent per year, and special concessions could be granted to foreign capital invested in specified sectors of the economy. These included for various periods of time, exemptions from the payment of registration, property and income taxes, from customs duty and production taxes on the imports of machinery and equipment; it also included guarantees for the transfers of savings of technicians, of royalties, and assurance of fair compensation in the event of expropriation. However, the "Note on the Application of the Presidential Declaration" of September, 1957, which set forth different schedules for tax exemptions, failed to mention foreign investment!
on investments in Viet Nam, and the American-Vietnamese Investment Guaranty Agreement of November, 1957. By the terms of this agreement, American investments were assured with regard to transferability of profits and repatriation of capital. The limited amount of foreign firms' profits allowed to be transferred abroad and the hard fact that a number of areas likely to attract foreign investment because of high prospective yield were already committed by government enterprises also seem to have had their share in discouraging foreign investment.

Private domestic investment was equally disappointing. Although the first plan called for a participation of private capital of more than 3,500 million piastres (private foreign investment included), the actual amount of participation of domestic capital was negligible. From 1960 to 1961, holders of more than 1,248 million piastres worth of Agrarian Reform bonds exchangeable for shares issued by government enterprises were willing to exchange only ten million piastres worth of

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12 Estimates of the annual potential returns on investment in the country ranged up to fifty percent (see M. N. Trued, "South Viet Nam's Industrial Development, Center," in Pacific Affairs, Vol. XXXIII, No. 3, September, 1960, p. 257).
An Industrial Development Center was created in 1957 to promote industrial development by providing both technical and financial assistance to existing or proposed industries and participating directly to new industries. The management of the Center was too conservative and its performance unimpressive. In January, 1962, the total amount of loans and participation of the Center amounted to only 490 million piastres, the bulk of which was directed to government-owned or controlled enterprises which were reported to have been grossly mismanaged. Because of the Center's disappointing results, another institution was created in 1962. It was named the Financial Society for the Development of Industry in Viet Nam (SOFIDIV), and it was an investment bank whose objectives were to encourage the development of private enterprises, to underwrite stocks and bonds issued by existing firms or new firms, and to help raise capital for those firms by floating their stocks and bonds on the local financial market. What can be accomplished by the new

13 As will be seen under the Agrarian Reform Program, ownership of land was limited to no more than 100 hectares, and the excess had to be sold to the government. Ten percent of the purchase price was paid in cash and the balance in non-negotiable government bonds with three percent interest per annum. Bondholders can exchange these bonds for shares issued by the governmental enterprises. The purpose was to encourage landowners and landlords to participate in industrial activities.
institution remains to be seen. However, as long as insecurity, uncertainty and inconsistency in government economic policy prevail, as long as there is no investment law defining clearly the role of private, domestic, and foreign investment with regard to industrialization, the participation of private capital is likely to remain insignificant.

The second five-year plan continued, like the first, with its emphasis on the development of the extractive industries, the production of consumers' goods and import substitutes to alleviate the deficits in the balance of trade. Thus, Nong-Son Mine's coal production was planned to increase to 200,000 tons per year beginning in 1966. This called for an over-all investment of 210 million piastres and 8.8 million N. F. (new francs) for the development of the mine and the construction of the An-Hoa-Nong-Son Railroad. An electro-chemical complex based on the coal and coal-generated electricity of Nong-Son was scheduled to be completed at An-Hoa (twelve kilometers from Nong-Son and fifty from the port of Da-Nang) in 1964. The complex will consist of a coal-burning power station generating 25,000 kw, part of which are to be consumed in the complex and the rest to supply the neighboring cities of Da-Nang, Hoi-An, Tam-Ky
and Quang Ngai; and of two factories for the production of 42,000 tons of urea, 48,000 tons of ammonium sulfate, and 8,000 tons of calcium carbide per year. The cost of the complex was estimated at 200 million piastres provided by the government, 20 million marks by German Economic Aid, and 37 million N. F. by Pinay Loans. A cement plant was being completed at Ha-Tien with an estimated production capacity of 300,000 tons, beginning in 1964, with a total outlay of 1,763 million piastres. Another small plant was planned at Long-Tho (Hue). With an estimated annual production of 50,000 tons, and with a total expenditure of 50 million piastres and 3.6 million N. F., Nong-Son will provide coal for the operation of both plants.

Construction of new firms and an increase in the production capacity of existing firms--Sicovina, Vinatexco, Vimytex, Dacotex, and Dong-Nai KNTX--was planned to increase textile products. Thus, 2,300 more mechanical looms and 75,000 cotton spindles will be installed; these will help save more than 300 million piastres annually in textile imports by 1966. The estimated cost of 1,500 million piastres was to be almost entirely financed by the government. Two paper plants, "Nam Duong" and "Cong-Ty Ky-nghe
"Giay Viet Nam" were being completed with an estimated combined production of more than 12,000 tons per year. With the existing capacity of the Codigo Plant, total paper production is to increase to 21,000 tons per year by 1964; this should largely satisfy domestic demand.

Three additional sugar-refining plants, Tuy Hoa, Binh Duong, and Quang Ngai, were planned with a total capacity of 53,000 tons per year and a total outlay of 1,158 piastres. Sugar production is expected to double, thus cutting sharply the import of refined sugar. Three private firms were planning to set up three factories for the production of condensed milk with a capacity of 900,000 boxes, which should almost sufficiently satisfy the domestic demand of 1,000,000 boxes thus far imported. Four existing food processing firms and two newly-constructed firms were planning to increase the production of canned fish and meat and other food products.

An oil refinery project proposed by the Shell and Esso Companies was already approved by the government. The plant would be installed in Nha Trang and have a capacity of 800,000 tons per year, which should be more than enough to cater to the domestic needs of about 600,000 tons. The plant called for a total outlay of 1,184 million piastres, of which 888 million, or seventy-five percent, would be in
foreign exchange (U. S. dollars) and 296 millions in local currency. The Vietnamese participation in the financing of the project amounts to thirty percent, or 355.2 million piastres, of which 236.8 million piastres would be provided by the government and 118.4 by the new development bank (SOFiDIV). The above is a broad picture of the industrial development program of Viet Nam under the second five-year plan. Table XII summarizes the estimated increase in industrial production under the plan.

Emphasis was also placed on the reconstruction and the development of the system of public works to provide a good infrastructure for the economic development of the country. Thus, 2,582 kilometers of new roads are to be built and 1,660 kilometers reconstructed; the Saigon-Da-Wang National Highway No. 1, National Highways 13 and 14 are to be reconstructed and modernized. The railroad system is to be reconstructed and modernized; the system of urban public transportation is to be expanded; new airports are to be constructed, and existing ones expanded and modernized. The Saigon and Da-Wang seaports are to be enlarged and equipped with modern equipment, and the system of river navigation is to be further developed. To increase the production of electricity to facilitate and promote the
development of industries, as well as to make electricity available in small cities and towns (Quang-Ngai, Qui Nhon, Tuy-Hoa, Ban-Me-Thuot, Dram, Tay-Ninh, Cao-Lanh, Vinh-Long, Vi-Thanh, etc.), power plants were under construction.

The hydro-electric complex of Da-Nhim (started in 1961), when completed, will have an installed power of 160,000 kw and an annual supply of 780,000,000 kw. Three other plants, Thu-Duc, Drayling, An-Hoa-Nong-Son, will have a combined installed power of 62,000 kw. The installed power of existing and new plants was estimated at 300,000 kw, with an annual supply of 1,300,000,000 kw in 1966, as compared with 90,107 kw and 305,882,000 kw respectively in 1960.

The estimated total outlay in public works was 17,361 million piastres, of which foreign exchange requirements were 109 million U. S. dollars and 16 million N. F. (See Table XIII for detailed breakdown.)

The goals set for the second five-year plan seem rather high in the light of prevailing circumstances. It seems very unlikely that they can be reached in 1966. It has been more than two years since the plan was established, but many projects are still in the blueprint stage. In areas where projects were being carried out, actual production figures
TABLE XII

PLANNED INDUSTRIAL PRODUCTION IN 1966 COMPARED WITH THAT OF 1961*

<table>
<thead>
<tr>
<th>Products</th>
<th>Production in 1961 (tons)</th>
<th>Estimated Production in 1966 (tons)</th>
<th>Estimated Domestic Demand (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>100,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Carbide</td>
<td>8,000</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>Fertilizer</td>
<td>138,000</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>Metallurgical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>products</td>
<td>73,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Paper</td>
<td>9,000 (?)</td>
<td>21,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Cement</td>
<td></td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Oil (refined)</td>
<td></td>
<td>800,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Textile products</td>
<td>14,000</td>
<td>25,000</td>
<td>32,100</td>
</tr>
<tr>
<td>White sugar</td>
<td>13,000</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Jute bags</td>
<td>2,500,000</td>
<td>7,000,000</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Condensed milk</td>
<td></td>
<td>900,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>(cases)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canned products</td>
<td>600,000</td>
<td>6,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td></td>
<td>(cases)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


These are also planned figures. Actual figures are nowhere near those figures. Thus, for coal production, actual production amounted to only 26,000 tons compared with the planned figure of 100,000.
fell far short of the planned targets. The goal for coal production was 100,000 tons for 1962, but actual production was only 57,000 tons, even though the Nong-Son coal mine was one of the many projects which was given top priority. In the presence of persistent insecurity, planned outlay on public works may not be sufficient to repair railroads, highways, and bridges sabotaged, let alone construct new ones. In view of the limited "actual" public investment, the meagre participation of private capital in industry, and the constant influx of people from rural or urban sectors, a deterioration in the standard of living of the people would seem likely. To maintain the present standard of living, an average annual participation of private capital of more than six billion piastres would be needed. This figure is in comparison with the average planned figure of about 1.5 billion piastres which seems unlikely to be put up by the private sector. In 1962, private capital participating in industry amounted to only 450 million piastres.

In addition to the prevalence of insecurity and political unrest, there exist many problems with regard to development. There is a serious shortage of technical know-how, skilled and experienced managers, and entrepreneurs and supervisory personnel. It is not uncommon to see an
TABLE XIII
PLANNED OUTLAY ON PUBLIC WORKS
1962-1966 (In millions)*

<table>
<thead>
<tr>
<th></th>
<th>U. S. Dollars</th>
<th>V. N. Piastres</th>
<th>Total in V. N. Piastres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land transport (highways and railroads)</td>
<td>86.7</td>
<td>3,440.0</td>
<td>8,974.0</td>
</tr>
<tr>
<td>Air transport</td>
<td>3.2</td>
<td>351.5</td>
<td>545.8</td>
</tr>
<tr>
<td>Sea navigation</td>
<td></td>
<td>208.0</td>
<td>208.0</td>
</tr>
<tr>
<td>River navigation</td>
<td></td>
<td>185.0</td>
<td>185.0</td>
</tr>
<tr>
<td>Posts (telephone)</td>
<td>7.0</td>
<td>757.0</td>
<td>1,177.0</td>
</tr>
<tr>
<td>Meteorology</td>
<td></td>
<td>39.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Water supply</td>
<td>20.8</td>
<td>972.7</td>
<td>2,218.8</td>
</tr>
<tr>
<td>Electricity</td>
<td>51.0</td>
<td>950.4</td>
<td>4,014.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168.7</strong></td>
<td><strong>7,015.6</strong></td>
<td><strong>17,361.6</strong></td>
</tr>
</tbody>
</table>

*Source: Deuxieme Plan Quinquenal, p. 175.
entrepreneur who acts at the same time as director, engineer, and accountant. There is also a serious shortage of capital. Although the amount of private capital available is not as low as has been believed, it is difficult to mobilize it for long-term investment projects since the bulk of it is invested primarily in commerce, especially in the import and export business, for high and rapid profits and for its relatively high liquidity. Lending institutions are still too conservative and relatively under-developed. The lack of confidence in the government on the part of business enterprises, and the lack of an investment law giving a clear-cut government economic policy with regard to private domestic and foreign investment, the uncertainty vis-a-vis, the transferability of profits by foreign firms, the considerable amount of corruption within the government circle, and the existence of red-tape in procedures for establishing new enterprises were among some of the deterrents to the participation of private capital. The highly over-valued official rate of exchange and hence, the low prices of imported goods under the commercial aid program which constituted the bulk of South Viet Nam's imports, seem to have made it difficult for domestic products to compete effectively with imports.
and thus for local industries to develop.\textsuperscript{14} Thus, given the security problem, many technical, economic, and social problems remain to be solved before any industrialization program can be implemented with success.

3. Agricultural development.

Agriculture remains the most important sector of South Viet Nam's economy. More than eighty percent of the total population of 14.2 million live in rural areas. The agricultural sector was the most hard hit during the war years. Lands were abandoned and agricultural production was sharply reduced. Rice production, which amounted to 5.5 million tons before the war, dropped to 2.8 million tons in 1954. Rice exports, which ran up to 1.2 million tons before the war, dropped to about 160,000 tons in 1954.

\textsuperscript{14}Even after the de facto devaluation of the piastre in 1962 (the 5/7 economic development and National Defense Surtax on the basis of the official rate of exchange of 35 piastres to the dollar), the new rate still seemed to be highly overvalued. Assuming that the equilibrium rate is 85 piastres to the dollar, which is somewhere between the "limited" free market rate of 75 piastres to the dollar and the black market rate of 100 piastres to the dollar, exporters still had to pay an "export duty" of 25 piastres per dollar earned (the difference between the assumed equilibrium rate of 85 piastres to the dollar and the new export rate of V. N. 60 = 1 U. S. dollar, the previous export rate was 48 piastres to the dollar) and importers under the Commercial Aid Program still enjoyed an import subsidy of 25 piastres to the dollar instead of 50 piastres before 1962. Also under the new system, importers, under the so-called "Special Import" regime, instead of paying an import duty of 35 piastres to the dollar—the difference between the special import rate of 120 piastres to the dollar and the assumed equilibrium rate of 85 piastres to the dollar—have enjoyed an import subsidy of 25 piastres.
After the end of hostilities in 1954, attention was focused on the rehabilitation of the agricultural sector. Rice lands were put back into cultivation, farmers were provided with work animals and agricultural implements, credit was granted to the farmers at low rates of interest, and a land reform program was carried out. As a result of all of these measures, agricultural production began to recover. Rice production increased from two million tons in 1954 to 5.311 million tons in 1959, thus reaching the pre-war level for the first time. The planted areas increased from 1.695 million hectares to 2.503 million hectares (see Table XIV). However, since 1959, as a result of the growing insurgency, agricultural production one again began to drop. Rice production decreased to three million tons in 1962 and the planted areas dropped to 1.7 million hectares. Other secondary crops were also considerably affected.

To stabilize the economy through agricultural diversification, efforts were made under the first five-year plan to develop "industrial crops" other than rubber, such as ramie, lacquer, and keenaf. These were grown mostly in agricultural development centers where most of the Northern refugees were resettled. The market outlet for these products was still limited, and their prices subject to wide fluctuations. Keenaf, which sold rather well in the 1909-1959 period, met
TABLE XIV.

RICE PRODUCTION OF SOUTH VIET NAM, 1938-1962*

<table>
<thead>
<tr>
<th>Year</th>
<th>Planted Areas (Hectares)</th>
<th>Production (Metric Tons)</th>
<th>Export (Metric Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>2,464,000</td>
<td>5,300,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>1954</td>
<td>1,695,000</td>
<td>2,080,300</td>
<td>161,592</td>
</tr>
<tr>
<td>1955</td>
<td>2,178,800</td>
<td>2,839,000</td>
<td>69,624</td>
</tr>
<tr>
<td>1956</td>
<td>2,540,200</td>
<td>3,412,000</td>
<td>8</td>
</tr>
<tr>
<td>1957</td>
<td>2,719,000</td>
<td>3,192,000</td>
<td>183,872</td>
</tr>
<tr>
<td>1958</td>
<td>2,291,000</td>
<td>4,233,000</td>
<td>112,702</td>
</tr>
<tr>
<td>1959</td>
<td>2,503,000</td>
<td>5,311,000</td>
<td>245,689</td>
</tr>
<tr>
<td>1960</td>
<td>2,318,000</td>
<td>4,955,000</td>
<td>340,003</td>
</tr>
<tr>
<td>1961</td>
<td>2,028,000</td>
<td>4,259,000</td>
<td>148,700</td>
</tr>
<tr>
<td>1962</td>
<td>1,660,000</td>
<td>3,000,000</td>
<td>12,000</td>
</tr>
</tbody>
</table>


aThese figures are very rough estimates and vary from one source to another. The discrepancy between reported figures is sometimes extremely large. In some sources, the production figure for 1962 was 3 million tons, but in other sources, the figure was 5.2 million tons.

bIn 1962, Viet Nam imported 44,000 tons of rice from the United States. Thus, instead of an export surplus of 12,000 tons as indicated, the actual figure should be a deficit of 32,000 tons.
with great difficulties. Its production was, therefore, considerably slowed down in 1961. Rubber thus remains South Viet Nam's single most important industrial crop. In contrast with food crops, the production of rubber was not heavily affected during the war years because of the protection given the rubber plantations by the French. Most of these plantations were owned by French nationals (see Table XV).

To encourage an increase in rubber production, and hence rubber exports and foreign exchange earnings, a "Fund for the Development of Heveaculture" was established to promote the rehabilitation and development of small plantations and the expansion of large ones. To help rubber plantations replace old heveatrees, which were difficult to replace during the war years, the fund, up until 1962, granted them a total loan in the amount of 400 million piastres. As a result, more than 12,000 hectares were replanted. Another 20,000 hectares were planted in agricultural development centers. An additional 15,000 hectares were planned for 1962, but the project was not fully completed because of insecurity.

Since the efforts toward agricultural diversification under the first five-year plan were unsuccessful, Viet Nam
<table>
<thead>
<tr>
<th>Year</th>
<th>Planted Areas (Hectares)</th>
<th>Output (Metric Tons)</th>
<th>Export (Metric Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>62,200</td>
<td>45,000</td>
<td></td>
</tr>
<tr>
<td>1953</td>
<td>62,300</td>
<td>53,256</td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>52,996</td>
<td>51,917</td>
<td>55,932</td>
</tr>
<tr>
<td>1955</td>
<td>75,100</td>
<td>66,335</td>
<td>61,770</td>
</tr>
<tr>
<td>1956</td>
<td>75,100</td>
<td>70,231</td>
<td>63,634</td>
</tr>
<tr>
<td>1957</td>
<td>74,900</td>
<td>69,657</td>
<td>73,255</td>
</tr>
<tr>
<td>1958</td>
<td>76,300</td>
<td>71,656</td>
<td>68,737</td>
</tr>
<tr>
<td>1959</td>
<td>80,000</td>
<td>74,522</td>
<td>66,000</td>
</tr>
<tr>
<td>1960</td>
<td>110,000</td>
<td>75,000</td>
<td>73,900</td>
</tr>
<tr>
<td>1961</td>
<td>90,000</td>
<td>83,755</td>
<td>83,403</td>
</tr>
<tr>
<td>1962</td>
<td>80,000</td>
<td>75,000</td>
<td>69,634</td>
</tr>
</tbody>
</table>

remained a two-crop export economy, the two crops being rice and rubber. From 1956 to 1962, the value of rice and rubber exports accounted for 85 to 92 percent of the total value of South Viet Nam's exports. On the average, rubber exports amounted to about 70,000 tons a year. The volume of rice exported fluctuated sharply from year to year, as indicated in Table XIV. In 1959, even though production figures surpassed the pre-war level, the volume of rice exported amounted to only 245,689 tons, far below the export level of the pre-war period. The explosive rate of population growth, estimated at more than three percent per year, and the increase in the consumption level appear to have absorbed the former surplus. It would appear unlikely that South Viet Nam will ever regain the pre-war export level.

The development of the agricultural sector and of related fields continued to receive priority in the second five-year plan. With a total planned outlay of more than 12 billion piastres, the main objectives were to increase agricultural production and productivity, not only to meet the domestic demand of a fast-growing population, but also to increase exports to help close the gap in the balance of trade to some extent, to increase the supply of agricultural raw materials for "industries of transformation" which were in the process of construction.
With regard to food crops, the plan focused on the production of rice and other secondary crops. Planned increase in rice production was estimated at 6,000,000 tons in 1966, with the increase in planted areas from 2.4 million hectares in 1962 to 2.6 million hectares in 1966. With the increased use of fertilizer, produced by new chemical plants, productivity per hectare was expected to increase more than the average of 2.15 tons per hectare in 1960-1961. With regard to industrial crops, rubber continued to receive top priority. Sugar cane, cotton, lacquer, and tobacco followed. The area planted in rubber trees was to increase from 110,000 hectares in 1962 to 200,000 hectares in 1966. However, since it takes young trees from seven to eight years to produce, rubber production was expected to reach 100,000 tons by 1969 and 640,000 tons by 1975. Planned production of sugar cane was estimated at 1,600,000 tons in 1966, compared with 1,300,000 tons in 1962 (see Table XVI). Cotton and jute production was also expected to increase considerably by 1966. The production of ramie and keenaf, which had been encouraged in the first plan, was not mentioned in the second plan. It appears that these products were dropped because of the difficulties encountered in their sale. To provide farmers and agricultural cooperatives with short,
### TABLE XVI

PLANNED TARGETS FOR AGRICULTURAL PRODUCTION, 1962-1966*

<table>
<thead>
<tr>
<th>Products</th>
<th>1962 Planted Areas</th>
<th>1966 (Hectares)</th>
<th>1962 Output</th>
<th>1966 (Metric Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>2,400,000</td>
<td>2,600,000</td>
<td>5,200,000 (??)</td>
<td>6,200,000</td>
</tr>
<tr>
<td>Peanuts</td>
<td>12,000</td>
<td>22,000</td>
<td>24,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Corn</td>
<td>36,000</td>
<td>46,000</td>
<td>25,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Tea</td>
<td>8,000</td>
<td>8,000</td>
<td>4,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Bananas</td>
<td>10,000</td>
<td>20,000</td>
<td>100,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>45,000</td>
<td>1,300,000</td>
<td>1,600,000</td>
<td></td>
</tr>
<tr>
<td>Rubber</td>
<td>110,000</td>
<td>200,000</td>
<td>74,000a</td>
<td>741,000a</td>
</tr>
<tr>
<td>Coconut</td>
<td>33,000</td>
<td>43,000</td>
<td>26,000</td>
<td>33,000</td>
</tr>
<tr>
<td>Cotton</td>
<td>600</td>
<td>6,000</td>
<td>400</td>
<td>4,000</td>
</tr>
<tr>
<td>Jute</td>
<td>1,800</td>
<td>2,800</td>
<td>2,200</td>
<td>3,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,594,900</strong></td>
<td><strong>3,063,800</strong></td>
<td><strong>6,983,630</strong></td>
<td><strong>8,325,500</strong></td>
</tr>
</tbody>
</table>

*Source: Deuxième Plan Quinquennal, Republic of Viet Nam, 1962.

**a**Target for 1969 is 100,000 tons and 640 tons for 1975.
medium and long-term funds for the purchase of agricultural implements, for the production and marketing of their products, an estimated 8 billion piastres would be granted them by the government over the five-year period.

The second plan estimated an export surplus of agricultural products and related products valued at 4.214 billion piastres by 1966, calculated on the basis of 1962 prices. (See Table XVII.) The expected increase in the export surplus of agricultural products relied mainly on the expected increase in agricultural productivity resulting from the application of new farming methods, the increasing use of fertilizer (which was to be produced by various chemical plants under the plan), the increase in planted areas resulting from the development of new lands, and the construction of new dams and irrigation systems. The goals, however, seem to be optimistically high in the light of prevailing circumstances. Indeed, it would seem unlikely that out of an over-all estimated increase in rice production of 800,000 tons during the five-year period (from 5.2 million tons in 1962 to 6,000,000 tons in 1966), rice exports could increase from 200,000 tons to 600,000 tons in 1966, considering the rate of population growth of more than three percent per year. In order to sustain the average existing
TABLE XVII

PRINCIPAL EXPORT TARGETS, 1962-1966*

<table>
<thead>
<tr>
<th>Products</th>
<th>1962</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Tons)</td>
<td>Value (V. N. #) (1000)</td>
</tr>
<tr>
<td>Rice No. 1</td>
<td>100,000</td>
<td>373,450</td>
</tr>
<tr>
<td>Rubber</td>
<td>74,000</td>
<td>1,435,000</td>
</tr>
<tr>
<td>Dried sweet potatoes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tea</td>
<td>1,200</td>
<td>40,250</td>
</tr>
<tr>
<td>Copra</td>
<td>300</td>
<td>1,400</td>
</tr>
<tr>
<td>Livestock</td>
<td>65,100</td>
<td></td>
</tr>
<tr>
<td>Duck feathers and eggs</td>
<td>45,850</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,961,050</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Deuxieme Plan Quinquenai, Republic du Viet Nam, 1962, p. 28.
<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>Value (V. N. #)</th>
<th>1965</th>
<th>Value (V. N. #)</th>
<th>1966</th>
<th>Value (V. N. #)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (Tons)</td>
<td></td>
<td>(1000)</td>
<td>Amount (Tons)</td>
<td>(1000)</td>
<td>Amount (Tons)</td>
<td>(1000)</td>
</tr>
<tr>
<td>300,000</td>
<td>400,000</td>
<td>1,120,350</td>
<td>1,494,150</td>
<td>600,000</td>
<td>1,867,600</td>
<td></td>
</tr>
<tr>
<td>74,000</td>
<td>74,000</td>
<td>1,435,000</td>
<td>1,435,000</td>
<td>74,000</td>
<td>20,650</td>
<td></td>
</tr>
<tr>
<td>3,600</td>
<td>10,000</td>
<td>5,250</td>
<td>14,700</td>
<td>14,000</td>
<td>20,650</td>
<td></td>
</tr>
<tr>
<td>1,600</td>
<td>1,800</td>
<td>54,250</td>
<td>61,250</td>
<td>2,000</td>
<td>68,250</td>
<td></td>
</tr>
<tr>
<td>300</td>
<td>300</td>
<td>1,400</td>
<td>1,400</td>
<td>300</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>373,100</td>
<td></td>
<td></td>
<td>510,650</td>
<td></td>
<td>653,450</td>
<td></td>
</tr>
<tr>
<td>103,600</td>
<td></td>
<td></td>
<td>137,550</td>
<td></td>
<td>167,650</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,092,950</td>
<td></td>
<td>3,654,700</td>
<td></td>
<td>4,214,000</td>
<td></td>
</tr>
</tbody>
</table>
level of rice consumption, and an export surplus of 600,000 tons, rice production would have to increase at least by 1,232,000 tons by 1966. The average consumption of rice is likely to increase as production increases, considering the fact that for people in many parts of the country, sweet potatoes and "manioc" still make up a great portion of their diet because of the shortage of rice. In view of the growing insecurity in the countryside, it would be difficult for rice production to increase by 800,000 tons at the end of the plan, let alone surpass that level.

The second five-year plan's export goals indicates that, although one of its objectives was to diversify agricultural production to achieve some measure of stability, at the end of the planned period the economy would be no more diversified than it was in 1954. It would remain essentially a two-crop-export economy, with rice and rubber representing about 80 percent of the total exports. The prospect for rice and rubber exports, however, is not particularly promising. It is true that in the short-run, an increase in rubber production may be exported in view of the existing high world demand for natural rubber, but the long-run prospect of world market prices and the demand for natural rubber is
not very optimistic, considering the increasingly keen competition of synthetic rubber. Once American and European firms succeed in reducing the production costs and prices of synthetic rubber, natural rubber may find itself in danger of losing most of its foreign market.

With respect to rice exports, its prospects are not very promising either. A short-run increase in rice production (which is unlikely because of the insecurity and relative short-run inelasticity of the supply) would not be likely to lead to increased rice exports, considering the relative short-run inelasticity of foreign demand and the existence of short and long-term bilateral agreements. Likewise, the long-run demand for rice exports seems unlikely to increase significantly because most rice-importing countries have been trying to achieve self-sufficiency in food products. The efforts of some of them have been somewhat successful in achieving this end.

The general economic outlook of the country thus does not seem as optimistic as expressed in the second five-year plan. The mounting insurgency and the consequent loss of effective government control in many parts of the country had adversely affected the limited progress achieved in 1957-1961, and remained a serious obstacle to further industrial and agricultural progress. In view of the
seemingly prolonged situation of insecurity, coupled with the country's rapid rate of population growth, it appears certain that Vietnam will have to depend on foreign aid for years to come for its political as well as economic survival.

Against this background, what could be expected economically in the long run from the Strategic Hamlet Program?

II. The Strategic Hamlet Program and Its Expected Economic Effects.

This section deals with an analysis of economic effects which can be expected from measures proposed under the program, and an account of some short-run dislocation resulting from the implementation of the system.

1. Long-run economic effects.

There is no doubt that continually-growing insecurity is one of the major handicaps to the economic development of the country, especially the development of the agricultural sector. The role which the Strategic Hamlet Program can play in furthering the economic progress of the country seems to depend primarily upon whether it can achieve its military objective: the reestablishment of security in the country-side.
Insecurity retards economic progress in several ways. In the first place, it tends to divert budget resources from development to national defense. From 1956 to 1959, defense expenditure accounted for more than fifty percent of the national budget. During 1958, defense expenditure amounted to 6,075 million piastres, seventeen times as much as the combined expenditure of the Ministry of Agriculture, the Ministry of Agrarian Reform, and the Ministry of National Economy (349 million piastres), nearly six times as much as the combined spending of the Ministry of Public Works and Communications and the Ministry for Reconstruction and Urbanization (1,204 million piastres) and ten times as much as the spending of the Ministry of National Education (651 million piastres).  

Growing guerrilla subversive activities seriously disrupted production, especially agricultural production. The movement of agricultural products to the cities and towns, particularly the transport of products from the Mekong Delta to Saigon and other Southern cities, was difficult and dangerous. Since 1958, as a result of the

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15 Figures for the 1960-1963 period were not available. The percentage of defense spending to the total budget was likely to have increased because of the stepped-up counter-insurgency operations resulting from the growing insecurity since 1959.
growing insecurity in the countryside, the peasants once again started moving to the cities and towns. They abandoned their lands and aggravated the unemployment problem which was already very serious in the urban areas. The exodus of the peasants to the urban areas had already adversely affected agricultural production. From 1959 to 1962, planted areas decreased from 2.5 million hectares to 1.6 million hectares; and rice production decreased from 5.3 million tons to a little more than three million tons. Consequently, there was a drastic decline in rice exports from 340,000 tons in 1960 to practically nothing in 1962. Insecurity also prevented the realization of numerous development projects, both industrial and agricultural in nature.

The growing insurgency made the reparation of damages inflicted during the 1946-1954 war difficult. It also inflicted new damages to the infrastructure of the country which was already in very bad shape. Bridges, roads, and railroads were constantly sabotaged by the Communist

16Out of the 1.5 million people living in Saigon, more than 15 percent were reported to be unemployed or underemployed, and this figure seems to have increased lately.

17In fact, in 1962, Viet Nam had to import 44,000 tons of rice from the United States.
guerrillas, and their use became increasingly dangerous and difficult.

Finally, insecurity, because of its physical danger to life and property, has discouraged the expansion of private domestic capital and deterred the foreign investment badly needed to expand the country's output. Private firms were forced to contribute to the cause of the "Resistance." Their officials were kidnapped for ransom. This was particularly true of the large, foreign-owned plantations which were constantly threatened by the kidnapping of French supervisors and the killing of their Vietnamese subordinates.

Insecurity and political uncertainty also create an environment unfavorable to productive investments. A large portion of the savings available in the economy is likely either to be hoarded or kept in the form of precious stones or metals which are readily concealed in case of trouble, and can be easily turned into purchasing power in case of need. The elements of insecurity and political uncertainty also tend to encourage investment in trading, rather than in the manufacturing industries which require larger average investment periods and slow profits. Furthermore, they tend to reduce the supply of funds to the private sector because
money lenders fear that borrowers may take advantage of the insecurity to get away with their loans.

It is quite clear that if the Strategic Hamlet Program succeeds in helping to reestablish security in the country, its first effect would be the removal of one major deterrent to the economic progress of the country. This, however, does not mean that once security is reestablished, development will follow. This is but one of the necessary conditions for economic development. It helps create an atmosphere conducive to economic progress. But numerous other economic and social problems remain to be solved before the country may have a chance for industrial and agricultural development. Since the Strategic Hamlet Program was implemented in rural areas, our analysis will be concerned primarily with its role in the long-run economic development of the agricultural sector. It would be of interest to describe first some of the major factors, other than the prevalence of insecurity, which are responsible for the state of under-development of the rural sector, and then analyze how the Strategic Hamlet Program may help remove some of these difficulties.

In Viet Nam, as well as in other economically underdeveloped areas, the rural sector is primarily a subsistence sector in which the majority of the rural population live
under primitive economic conditions. With the exception of
the large agricultural plantations of tea, coffee, and rubber,
which are mostly foreign-owned and in which modern production
equipment and techniques are used with relatively high produc-
tivity and incomes for the plantation workers, the rest of the
rural sector is poverty-stricken. Production in many places
is barely sufficient for self-consumption. This is particularly
the case in most of the central coastal regions with poor,
limited, fragmented lands and overpopulation. Peasants,
hard-pressed by the need for funds for agricultural operations,
were the victims of landlords and moneylenders for centuries.
Being in a state of permanent indebtedness, they simply had
no incentive to work, to develop and improve their lands.
After 1954, the government made increasing efforts to make
credit facilities available to the peasantry at low costs,
but the increase in agricultural credit still remained
relatively unimportant vis-a-vis with the credit needs of the
agricultural sector. Up to 1962, the total amount of agri-
cultural credit granted to the agricultural sector by the
Agricultural Credit Agency amounted to only 2,654 million
piastres, compared with the total estimated demand of 5,000
million per year. Those not accommodated by the government
still have to rely on moneylenders at exorbitant rates. In
addition, the abuses of local officials also prevented the
optimum use of the limited amount of resources made available by the government to agriculture. Funds so granted sometimes never reached the needy peasants. They were either used by the local officials for purposes unrelated to agricultural operations or were re-loaned to peasants at rates considerably higher than "official" ones.

As a result of poor communications between villages and regions, each village is almost an isolated place, a subsistence economy in which people live almost entirely on what they produce by primitive methods. Little surpluses are available for the small village marketplaces in which barter transactions still prevail. The lack of communication between villages and regions makes production specialization impossible. This, in turn, makes the emergence of an exchange economy in place of a subsistence rural sector difficult. The latter is an essential condition for economic progress.

In addition to poor communication, village customs and traditions have confined the peasantry within the narrow boundaries of its villages for centuries, thus creating a "collective person" of which each villager, each family, is merely a "passive" component part. Within this form of collective life, rigid rules, customs, traditions have been established. These have been and are mechanically and
passively observed by the villagers. Heavily influenced by customs, uneducated, ignorant of available economic opportunities, the peasants have faithfully followed the backward, well-trodden path of the past. Having been confined in this form of collective life for centuries, few have the courage to part with it to carry out their own ideas and undertakings. It is this atmosphere which constitutes one of the most serious obstacles to economic progress. It has given rise to a passive, timid, conservative attitude among the peasantry, and it is the enemy of programs relying on the incentive, initiative, and enterprising efforts of individuals for development. The explosive rate of population growth, coupled with the traditional peasant's attachment to his village, seems to have resulted in a steady increase in the number of unemployed and underemployed in many parts of the rural sector, especially in the central coastal regions where cultivable lands are limited and most of them are already being exploited. This seems to have resulted in a gradual decrease in the standard of living of the people living in densely populated rural areas. While some rural areas are overcrowded, in other parts of the country, especially in the central highlands and in the Camau and Dong-Thap plains, vast lands are still unexploited.
The form of "joint" family which still prevails in many parts of the rural sector tends to minimize the inducement for people to improve their own economic condition, to save and invest, because of the traditional obligation to share their incomes with other members of the "family." This also tends to reduce the incentive of the latter to work because they can in any case share the surpluses of others. In such a system, the emergence of a market economy is difficult since surpluses are not available to be marketed.

Inheritance laws and customs, which not only provide for the sharing of property among the heirs, but also assure each heir the right to a portion of each of the different parts of the property so that all share in lands of different qualities, seem to give rise to an ever-increasing fragmentation of the agricultural holdings, making the use of more productive equipment uneconomical and a very wasteful use of labor in its cultivation.

The communal land tenure system also seems to prevent the full exploitation of land resources. Communal rights prevent the energetic and able villagers from acquiring more land for productive purposes. They also have no incentive to spend money and effort on improving these lands when they are periodically reallocated by village authorities.
The system further tends to encourage uneconomic farming practices and to discourage economically sound conservation practices.

These are some of the economic, institutional, and social problems which seem to hinder the development of the agricultural sector in particular, and of the economy in general. The implementation of the Strategic Hamlet Program may help remove some of these difficulties.

From the economic standpoint, the Strategic Hamlet System was ambitiously conceived by its promoters as a "movement and a formula by which an under-developed country can lift itself, by its own bootstraps as it were, from its under-developed position and realize democracy, bringing it on a par with advanced countries." Under the program, all necessary efforts would be made by the government with the help of the United States Operations Mission (U. S. O. M.) to accelerate rural economic progress.

Through provincial, district, village and hamlet administrative organizations and popular organizations in villages and hamlets, measures would be carried out to promote agricultural production and productivity. Cadres would be trained to spread general education in rural areas, familiarizing the peasantry with the new farming techniques.
Village and hamlet-scale development projects would be investigated and proposed to the government by local authorities for technical and financial assistance, etc.

With the expansion of education in rural areas, the peasant would become more and more aware of what is going on outside his limited world—the village—and more informed of available economic opportunities. Thus he would gradually part with his passive, conservative attitude in place of a more active, dynamic view in the economic aspect of his life; he would become more receptive to new ideas and more welcoming of the more productive farming techniques. He would gradually develop the abilities of selecting crops, the time of year for sowing, suitable fertilizers, and the proper tools and equipment. All of this would naturally help increase the output of the agricultural sector and the farmer's income and standard of living.

Some training and experimental agricultural programs under the Strategic Hamlet Program have, indeed, borne fruit. In 1962, the Ministry for Rural Development trained more than 16,448 farmers in strategic hamlets in new farming techniques. Early in 1963, with the support of the Agricultural Division of the United States Operations Mission, 20,000 tons of fertilizer valued at more than two million piastres were distributed to farmers in Central Viet Nam.
and other areas. In a special pig-raising program, the Agricultural Division loaned each of 200 farming families in Phu Yen two improved sows for upbreeding and one standard local pig, with cornmeal and cement to build improved pig pens. From this successful program, similar programs extended to the provinces of Binh Dinh, Quang Ngai, Quang Tri, Quang Nam, Thua Thien and Quang Tin. Successful results were reported by these provinces.

A tree-planting program for eucalyptus, melia, and pine was started in Central Viet Nam (with U. S. O. M. assistance in the form of food supplies) to improve the fertility of the soil through the maintenance of moisture. Assistance was also given by U. S. O. M. to the Crop Protection Program. More than 15,000 sprayers and a great amount of DDT were made available to the Plant Protection Agency, thus giving farmers the resources to fight insect plagues. More productive seeds and plants were distributed to the strategic hamlets under U. S. O. M. support. Over three million sweet potato cuttings of an improved variety were distributed in Phu Yen, Thua Thien and Quang Nam. These potato cuttings from Taiwan produced three times as much as the local varieties. The introduction of Granex and Grano onions was widely welcomed by the farmers in Ninh-Thuan, with their high productivity averaging thirty
tons per hectare. Thus, besides local consumption, Minh Thuận Province could afford a surplus of 120 tons for Saigon and other provincial markets.

Under the Strategic Hamlet Program, more attention would be paid to the organization of cooperatives and farmers’ associations since it was considered, among other things, as a framework for the realization of the personalistic economic concept relying on the “economic cooperation practiced under the organizational form of cooperatives which insure the public rights of the group as well as the private rights of the individual while, at the same time, developing the community of life.” Thus, more attention would be given to the formation of cooperative cadres and managers. Education of the masses under the Strategic Hamlet Program would help to promote cooperation and mutual

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18 The Vice President of the Republic defined the concept as follows: "The Personalistic economic system aims at developing personal freedom, insuring human dignity and realizing social justice. On the one hand, we must avoid the liberalism of the capitalistic system with its cyclical evils of unemployment and economic crisis. On the other hand, we must keep away from the Communistic system which calls itself socialism with its false and human class struggle. The golden mean which brings about harmony between the human person and the organized society is the economic cooperation practiced under the organizational form of cooperatives which insure the public right of the group as well as the private right of the individual, while at the same time, developing the community of life.” (See M. N. Trued, *op. cit.*.)
aid among the peasantry. It is true that agricultural cooperatives were organized for years in many parts of the countryside, but their operations were not successful because of the shortage of trained cooperative managers, the lack of leadership, encouragement, supervision and control by the government. Cooperative officials, in collaboration with local officials, tended to exploit cooperative members, and to use cooperative funds for their own benefits. Under the program, with more dynamic and aggressive leadership and closer supervision and control by the government, cooperative operations could have a chance for success. Successful operations of agricultural cooperatives and farmers' associations would naturally contribute, among other things, to increasing the material well-being of the rural masses through more effective cooperative marketing, cooperative credit facilities, storage facilities, and the elimination of the high costs of intermediaries. They would also encourage long-term cooperative loans from government credit agencies, this type of loan being necessary for long-term land development and improvement. Coupled with the Strategic Hamlet Program, the five-year plan would grant an estimated eight billion piastres to both farmers and agricultural cooperatives over
the five-year period. This would relieve the pressure of
the credit needs of the peasantry to a considerable extent.1

The Strategic Hamlet Program, by encouraging peasants
to move to new rural areas, would assist in the development
of new lands, thus increasing the amount of cultivated
lands, and hence, national production. Transmigration,
encouraged under the program, would help relieve the
population pressure of densely populated rural areas. With
regard to the political and military aspects, this would
promote a more balanced distribution of population in the
country, and the area of the Communists' activity would be
narrowed through the occupation of more territory. The
settlement of montaguard tribesmen in new strategic hamlets
in the highlands would gradually familiarize them with
"permanent" cultivation, with relatively more productive
farming methods than their methods of exploiting "rays,"
thus avoiding forest fires which destroy a great deal of
forest products (about 10,000 hectares per year, especially
precious wood). The movement of people to development
centers would promote the development of industrial crops:

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1 In many parts of the rural area, peasants have
received increasing amounts of both long and short-term
credit. (Thus, early in 1963, the peasants in Phu-Duc,
Phu-Khuong, and Hieu-Thien, strategic hamlets of Tay Ninh
Province, received a credit of more than 2,410,000 piastres
from the provincial credit agency.)
keenan, ramie, rubber, cotton, tobacco, lacquer, jute, etc. These would help diversify the economy in the long run and make it less susceptible to the fluctuations in the world market prices and demand than the present two-crop-export economy.

The development of the infrastructure of the strategic hamlets under the program would play a major role in the long-term development of the agricultural sector in particular, and of the country in general. Under the program, an "economic and rural development committee" was formed in each province. It was in charge of setting up development plans for the strategic hamlets in the province and of evaluating village small construction projects such as small dams, canals, marketplaces, wells, bridges, roads, community stockyards, etc. proposed by the hamlet people themselves for government assistance. Many of these small projects were reported to have been accomplished in several strategic hamlets. In some hamlets, small power plants were installed, providing electricity for the residents for the first time. Thus, people in Vinh Binh inter-strategic hamlet (Hoa-Dong district) have used electricity since April, 1963 from two power plants of 150 kilowatts. Each plant was financed by private capital. This could be a first step toward increasing the supply of
electrical energy which in the long run is essential to the development of small rural industries. The development and improvement of transportation, linking various cities with the major provincial and rural areas under the five-year plan and the construction of roads in rural areas proposed under the Strategic Hamlet Program, would facilitate communication between regions. This would naturally promote production specialization. It would be possible for the villages and hamlets to specialize in the production of those products for which they are best adapted. As a result of specialization, greater surpluses would be available for the market. Increase in productivity and income of the rural masses would help widen the local markets, which in turn promote greater specialization and production, gradually transforming the subsistence rural sector into a market or exchange sector which is an essential condition for economic progress. This, in turn, would foster and smooth the way for the establishment and growth of domestic industries. The growth of the exchange economy resulting from the extension of the production of cash crops would acquaint large sections of the population with the ways of such an exchange economy and present opportunities for those with entrepreneurial and administrative skills to set up businesses.
The improvement in the living conditions of the rural masses would, in the long run, promote social and institutional changes favorable for further progress. The emergence of an exchange economy would narrow the family concept and eliminate custom-dominated personal relationships. The number of people to whom individuals would recognize family obligations would become smaller. Government measures, however, may be necessary to speed up these changes. New inheritance laws may be developed to avoid the ever-increasing fragmentation of the land holdings, a source of waste and production inefficiency. New measures may also be taken to reform the communal land tenure system which would increase individual incentives toward land development and improvement, encouraging more economical farming and conservation practices.

An attempt toward a reform of the land-holding system was, in fact, discussed by Mr. Nhu, chairman of the Strategic Hamlet Inter-Departmental Committee, in July, 1963, four months before the overthrow of the Diem government. The basic idea was the "collective" exploitation of lands so that production could be effected through a general plan.

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20 Information from a letter written to me by Professor Vu-Quoc Thuc, a member of the National Economic Council, who had participated in several discussions concerning strategic hamlet policy.
To this effect, the right of exploitation of the lands would be "collectivized," but the ownership of the lands would remain with the individuals and the disposal of the products would remain free. The idea would seem difficult to carry out. If the exploitation of the lands is "collectivized," then the individual ownership of the lands and the disposal of the products could hardly be free.

Despite the boast that the Strategic Hamlet Program would be a "formula by which an under-developed country can lift itself from its under-developed position," the problem of Vietnamese agricultural society could not be solved by agricultural programs alone. It would seem militarily, socially, and economically sound to continue giving high priority, at least in the short run, to agricultural development, to increasing food production in view of the limited supply of capital, the inadequacy of the knowledge of the industrial resources, and the scarcity of technical, entrepreneurial, and administrative skills outside agriculture. For small amounts of capital, yields are probably higher in agricultural investments. But in the long run, considering the net rate of population growth of more than three percent per year, it would seem that agricultural development could be achieved only when agricultural programs are
coupled with industrialization programs conceived within the scope of an over-all, well-planned program for the economic development of the country as a whole. With the high rate of population growth, it would seem difficult to prevent a deterioration in the standard of living of the rural masses, let alone increase per capita income of the rural sector. This would require a very high rate of net investment, a sacrifice incompatible with the already low standard of living of the masses. Educational and propaganda measures would seem imperative to slow down the rate of population growth. It is true that labor-intensive agricultural programs would absorb a large percentage of the population surplus. But in view of the three percent increase, it is unlikely that they could absorb the net increase in population, let alone the existing unemployment and disguised unemployment of about thirty-five percent of the agricultural labor force. A relief of the population pressure is thus essential to the improvement in per capita income of the rural sector. Transmigration to other sparsely-populated rural areas under the Strategic Hamlet Program would absorb a certain portion of the population surplus. Industrialization seems to be the most important outlet for surplus population. This, however, could not be expected to
turn all the disguised unemployment into productive work.

On the one hand, the scope of industrialization is limited in view of the unavailability of capital and the scarcity of technical skills; on the other hand, with existing methods of agriculture, a large percentage of the entire agricultural labor force is needed in the peak load periods of planting and harvesting, and it remains almost idle during the off-seasons. Thus a large number of people cannot be transferred from agriculture to industry without fundamental changes in agricultural techniques. For this problem, small-scale rural industries programs would seem to offer a partial solution. Small rural industries would require less capital investment and less technical skill. These small rural industries projects would not only provide work for the unemployed and additional work and incomes for the seasonally unemployed, but also opportunities for latent entrepreneurial and administrative talents to develop and additional technical skills to be acquired, these being essential to the long-term growth of the manufacturing industry.

21 Agricultural workers may be released for year-around employment elsewhere by agricultural mechanization and large-scale exploitation. This could be achieved only when the economy reaches an advanced stage of development.
The Strategic Hamlet Program is, in principle, economically sound. If successfully implemented, it would contribute considerably to the improvement of the living conditions of the rural masses. Unfortunately, in many parts of the country, the program has failed miserably. The ineffectiveness of the local administrative structure, the incompetence, corruption, and abuses of those in charge of implementing the program from the central level down to the village level are believed to be among the factors responsible for the almost complete failure of the program. Proposed economic projects under the program were implemented only in those strategic hamlets near important provincial and district headquarters as show-cases for foreign visitors, reporters, and high government officials. Although thousands of strategic hamlets were reported to have been accomplished, one can only find pictures of a few model strategic hamlets in all official government documents, showing impressive schools, houses, and various community development projects. In many places, strategic hamlets, once established, were left on their own with no community development projects and no contact and leadership from higher local authorities. In some provinces, "social and economic development committees," supposed to make plans for the strategic hamlets and to investigate and evaluate
the projects proposed by the hamlet residents for financial and technical assistance from the higher authorities, never set foot in the strategic hamlets. Funds allocated for small community development projects in strategic hamlets in many places were simply pocketed by local officials.

The training of cadres was primarily on paper. The number of cadres working in the strategic hamlets was nowhere near the number reported in official documents. Moreover, most of the time, they gave orders and directives rather than acting as advisors to the peasants concerning educational and technical matters.

It is hoped that the new government will take more aggressive measures to see to it that the projects proposed under the Strategic Hamlet Program are properly and fully implemented and to increase its economic and financial assistance to the rural masses. Only under this condition could some of the expected long-run economic effects of the program be materialized.

2. Economic dislocation.

The implementation of the program, however, gives rise to some economic dislocation with important short-run consequences. Indeed, the peasants were in many ways adversely affected by the program. Although efforts were
made to minimize the "forced" movement of the peasants from their traditional homes to established strategic hamlets, a great number of peasants were relocated, especially in the delta where the peasants' homes were scattered over their farmlands, and in the high plateau where most tribesmen (montaguards) were regrouped in development centers. Thus, in Long-An Province alone, more than 80,000 peasants either voluntarily or forcibly were moved into the strategic hamlets. In the highlands, more than 150,000 mountain tribesmen were regrouped in development centers. The homes of the regrouped were abandoned and destroyed. Since the average peasant's home costs more than 20,000 piastres to build (about 200 U. S. dollars), the cost of the cheapest ones being about 6,000 piastres, and the relocation allowance granted them for new homes in the strategic hamlets was only 2,000 piastres, this constituted a loss of more than 18,000 piastres for the average peasant. In many places, relocated peasants did not even receive the full allowance. Some received about 1,000 piastres, some even less because part of the allowance was pocketed by the local officials. Thus, contrary to government propaganda that the program was for their economic, social, and political betterment, the
immediate effect was a worsening in their economic position. This, among other things, gave rise to bitter resentment among the peasantry, and was one of the main factors responsible for the miserable failure of the program in many parts of the country.

The movement of the peasants from regions where they were used to the production of rice in "flooded" lands to development centers where industrial crops are produced on dry lands affects production in the short run since it takes time for the peasants to adapt themselves to completely new conditions and techniques of cultivation.

Moving into the strategic hamlets, the peasants not only had to abandon their homes but also their small gardens which provide them with an extra source of income derived from the sale of the fruits and vegetables grown there. In many parts of the country, garden products are the only source of cash income on which they depend for the purchase of clothes and other necessities. Rice and other products grown in the fields are usually just sufficient for their own and their family's consumption. The loss of this source of cash income, of course, constitutes a serious hardship on the part of the relocated peasant.
The movement of goods between regions was made much more difficult by the tight control of the self-defense corpsmen on the ground that these goods could be supplying the Communist insurgents! This resulted in an acute shortage of foodstuffs in many urban as well as rural areas.

Another serious consequence arose from the regroupment of peasants in strategic hamlets far from their lands. In many places in the delta, the peasants moved into strategic hamlets located miles away from their lands. This made going to work in their fields extremely difficult for them, especially if one considers the poor transportation in rural areas. This, of course, constituted a great waste of labor power. Their workdays, moreover, were shortened considerably because they had to leave and return to the strategic hamlets before or at a time determined by the village authorities for security reasons. In some places, strategic hamlets are so far away from their homes that some peasants had to abandon their land and work as laborers in strategic hamlets. All of this seems to have had an adverse effect, however, on agricultural production in 1962-1963. The extent of this adverse effect was not known because of the unavailability of statistical data. Measures thus have to be taken to alleviate the burden borne by the
peasants who had to move into the strategic hamlets as a result of the implementation of the program.

III. Conclusion.

The Strategic Hamlet Program is, in principle, economically sound. Properly implemented, it could help and contribute in the long run to the development of the agricultural sector in particular, and of the economy in general. Under the prevailing circumstances, if the program succeeds in improving the living conditions of the rural masses, it would carry with it tremendous political and military implications. Poverty has proved to be fertile ground for Communist growth. The poverty-stricken Vietnamese peasants, oppressed for so long by the village and other local authorities, exploited by the landlords and moneylenders, and until recently receiving little assistance and attention from the central government, have been easy targets and victims of Communist propaganda promising them free ownership of land, better living conditions, better education, and a greater political voice. Little wonder that the majority of the peasantry are "converted" to Communism or become Communist-sympathizers. With the bulk of the peasantry lost to the Communists, the chance of winning this "prolonged" war seems rather remote.
To regain the confidence and support of the peasantry is thus imperative, this being one of the vital factors in determining the outcome of the present guerrilla fighting in the countryside. To regain their confidence and support requires sincere and honest deeds, not "lip-service." This vital confidence and support cannot be gained unless the peasantry is given something to fight for and die for—a better economic and social life, a greater political role.

The Strategic Hamlet Program, properly implemented, could provide a sound basis for economic, administrative, political and social reforms in the rural areas.

It is hoped that measures will be taken by the new government to carry out those economic projects proposed under the Strategic Hamlet Program. An extensive educational campaign in the rural areas seems of the utmost importance. More attention should be given to the development of the infrastructure of the strategic hamlets—market-places, wells, roads, canals, etc., this being a necessary condition for the long-run development of the rural sector. It would seem desirable to make more funds available to the farmers for agricultural operations (at least in the areas where the security situation is reliable), to increase the volume of medium and long-term loans which are necessary for
the purchase of agricultural implements and for land development and improvement. The greater the volume of medium and long-term loans granted to agriculture, the more developed the agricultural base of the country seems to be.²² Considering the present state of insecurity in the rural areas which renders the supervision and control of the uses of cash loans difficult, it would seem advisable for the government to increase the volume of loans in kind and services: work animals, fertilizer, seed, agricultural implements, and reduce the volume of cash loans, because in contrast to the use of cash loans, the use of loans in kind is relatively easier to supervise and control.²³ This would help to avoid to some extent the misuse and abuse of the cash loans by the local authorities. It would also appear desirable to increase the proportion of cooperative loans vis-a-vis with individual loans. Cooperative loans not only have a greater degree of security than individual loans, but also they tend to promote the development of cooperatives which favor community development, promote the spirit of

²²Up to 1960, the amount of medium and long-term loans granted by the Agricultural Credit Office averaged less than nine percent of the over-all volume of loans.

²³In December, 1960, the cumulative amount of loans in kind and services represented only two percent of the total loans.
cooperation, mutual aid and confidence among farmers, and improve the country's system of production and distribution. Increased supervision and control could, of course, minimize the abuses of funds by the cooperative officials. The government also could induce private banks and financial institutions to grant loans to agricultural operations by initiating a system of guaranteeing the loans granted by them.

It would appear advisable to establish special funds for the development of rural handicrafts. This, as noted earlier, would not only provide work for the unemployed and additional work and income for the seasonally unemployed, but it would also provide opportunities for the development of administrative and entrepreneurial talents which are essential to the long-run development of industry.

It would seem desirable to establish a program to support prices of farm products. Low farm products' prices tend to hold down the incomes of the rural population and consequently their standard of living. A farm price support program would not only raise the purchasing power and the standard of living of the rural masses and provide greater incentives for agricultural production, but also widen the scope of the local markets for domestic products and thus
lead the way for the development of local industries. Such a program could help increase the incomes and the living conditions of more than eighty percent of the total population.

It would appear advisable to abolish the communal land tenure system, distributing communal lands among the peasantry. This not only gives each peasant the satisfaction of permanent ownership of land (it also carries great political and social implications), but it would also help to promote agricultural production since the peasants would be more eager to spend money and efforts improving these lands and use more economical farming methods and conservation practices. It would also seem desirable for the government to buy up all fragmented lands and resell them to the peasants as consolidated pieces. This would promote agricultural production through more efficient and economical use of labor and equipment on consolidated land holdings.

In order for the needy peasants to receive a large portion of the economic assistance to the strategic hamlets, measures could be taken by the Rural Division of the United States Operations Mission to avoid abuses by local authorities.

Communal expenses of course, could be financed by "village" taxes.
Instead of granting assistance in cash, a greater portion of which went into the pockets of local officials in the past, it could give a greater portion of its assistance in kind: farming equipment, fertilizer, etc., the use of which is much easier to supervise and control. With more than 15,000 American advisors assigned to different Vietnamese military units all over the country, the distribution of United States aid materials and equipment could be affected even through local military channels with the supervisions of the U. S. military advisors assigned to the local units. This would not only help minimize abuses, but it would also help promote the image of the military in the eyes of the peasantry. This would indicate to the peasantry that the military are not only interested in military problems but also in their economic and social well-being. This could have a beneficial psychological effect on the thinking of the rural masses vis-à-vis with the government.

Admittedly, unless the peasantry changes its existing conservative and passive attitude to a more dynamic, enterprising one, seeking to apply its initiatives to the improvement of its economic conditions, material means made available to it by the government and foreign aid would be of limited help. If successfully implemented, the Strategic Hamlet Program would create a social atmosphere conducive
to the "spiritual" change of the peasantry. This constitutes the topic of our next chapter dealing with the social effects of the Strategic Hamlet Program.
CHAPTER V

EXPECTED POLITICAL AND SOCIAL EFFECTS

This chapter contains an analysis of the effects expected of the political and social reforms proposed under the Strategic Hamlet Program, as well as what was really achieved politically and socially in the country after the implementation of the program. A description of those efforts which were made by the government in the political and social fields, especially in the field of land reform, during the 1955-1960 period is also presented. An understanding of governmental efforts during this period may shed some light on the course of events since 1960. The intensity of the guerrilla war in South Viet Nam, especially in the Mekong Delta, seems to be accounted for to some extent by, among other things, the slowness of the government in improving the social structure and social conditions of the peasantry in an area where most of the land was in the hands of a few, and the landless constituted the "mass." This situation offered the greatest appeal to the Communist promise of "free ownership of the landlord's land" and effectiveness of their preaching class war by the peasantry's masses against the few rich.
I. Introduction: Political and Social Progress Prior to the Initiation of the Program.

In the political field, no progress was achieved. Under the Diem government, as well as its predecessors, "democracy," "freedom," "human dignity," were but hollow slogans too familiar to the Vietnamese public. Although the country was endowed with a constitution fully guaranteeing the basic rights and protections to the citizen—"right to life, liberty, integrity and security of his person; protection from arbitrary arrest, from inhuman or degrading punishment or treatment"—its application was never carried out by the government. The National Assembly was merely a "rubber-stamp" organization consisting of deputies who were "political functionaries making laws like radio announcers by reading out loud texts that were prepared beforehand for them." To maintain its authoritarian hold over the country, the government did not hesitate to resort to measures similar to those used in Communist North Viet Nam and other Communist states. Political "suspects" and oppositionists were arbitrarily arrested and imprisoned for years.\(^1\) Thousands of guerrilla

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\(^1\)The Revolution of November, 1963 uncovered many political prisoners imprisoned in several underground jails in Hue and Saigon (the Saigon zoo area). Many prisoners were known to have been left to starve to death.
"suspects" and other political oppositionists were thrown into "re-education centers"—concentration camps in disguise—by the government's secret and semi-secret police forces. Another imitation of Communist totalitarian methods was Mr. Nhu's "Can-Lao Nhan-Vi Cach-Mang Dang" (Revolutionary Personalist Worker's Party) with its secret membership and five-man cells, organized throughout the government structure and within the army for purposes of spying on each other and on the activities of the government and army officials. In addition, there were "action groups" which would quickly liquidate dangerous political oppositionists.

Political reforms promised by the regime throughout the years to liberalize the executive stranglehold of governmental power were "surface reforms" involving only insignificant changes in the top layer of the administrative structure of the government. No attempt was made toward reforming the political and administrative structure of the government at the local level in order to allow the people to take part in the administration of their local affairs. In the rural areas, the peasants remained helpless victims of the tyranny of the hand-picked village officials, and in many places, of the civil guardsmen and self-defense corpsmen as well. In short, no attempt was made by the
government toward establishing grass-root reforms and contact with the general population. The political situation of the country, up to the time of the signing of the decree of May 3, 1963, could well be summarized by this excerpt from a letter by a group of eighteen prominent citizens to the President of the Republic on April 26, 1960:

In spite of the fact that the bastard regime created and protected by colonialism has been overthrown, and that many of the feudal organizations of factions and parties which oppress the population were destroyed, the people do not know a better life or more freedom under the republican regime which you have created. A constitution has been established in form only; a National Assembly exists whose deliberations always fall into line with the government; anti-democratic elections—all those are methods and "comedies" copied from the dictatorial Communist regimes....

Continuous arrests fill the jails and prisons to the rafters...; public opinion and the press are reduced to silence. The same applies to the popular will as translated in certain open elections, in which it is insulted and trampled (as was the case, for example, during the recent elections for the Second Legislature).

2The contents of the decree will be discussed later in this chapter.

3See Bernard Fall, op. cit., Appendix III, pp. 433-434.
The government justified its tight control over every kind of freedom on the grounds of increasing subversive activities of the insurgency. This situation, however, prevailed long before the threat of guerrilla warfare which did not become serious until late in 1959.

Though no serious attempts were made toward real political reforms, limited progress was recorded in the fields of social development. In the field of education, efforts were made by the government toward eradicating illiteracy in the country, promoting adult education, expanding primary, secondary, technical, and higher education both qualitatively and quantitatively. Progress was reflected in the tremendous increase in the number of schools built and in the increase in enrollment. The total primary school enrollment jumped from 400,865 in 1954-1955 to 1,361,422 in 1961-1962; the number of schools increased from 1,189 in 1954-1955 to 4,265 in 1958-1959; secondary schools' enrollment increased from 22,000 in 1954-1955 to 228,495 in 1961-1962. With respect to higher education, there were hardly 2,000 students in all Viet Nam in 1954; in 1960-1961, however, the University of Saigon alone numbered nearly 10,000 students. In 1957, two new universities were founded, one a Hue (the University of Hue) and one at Dalat
The University of Hue, which had a student body of 705 during its first year, jumped to 1,192 in the 1959-1960 academic year. Marked progress was also achieved in the development of technical education, with the number of students increasing from 2,761 in 1954 to 10,900 in 1961-1962. The eradication of illiteracy campaign, begun in 1956, contributed greatly to reducing illiteracy in urban as well as rural areas. According to reports of the Office of Private and Popular Education in 1962, out of the 2,284,190 illiterates counted in 1954, 1,675,100 had been taught to read and write. The same source indicated that Viet Nam in 1962 had a 9.34 percent(!) illiteracy rate in a population of 14,291,300. The office employed 8,307 teachers to run 5,598 classes throughout the country. Efforts were also made toward eliminating illiteracy among the mountain tribesmen and Vietnamese citizens of Chinese and Khmerian origin. Out of 558,900 mountain tribesmen, an estimated 358,400 were illiterate. For their education, 236 classes were established in 1962.

While primary, secondary, and higher education in the urban areas continued to expand, education in the provincial and rural areas seems to have been slowed down considerably.

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after 1959 with the outbreak of guerrilla warfare. Hundreds of teachers in the provincial and rural areas were kidnapped and killed by the Communist terrorists. In 1959, in some Southern and border provinces alone, more than 250 teachers were kidnapped and several rural schools were closed. (The kidnapping and killing of schoolteachers was on the rise lately.) According to an investigation made by a member of the delegation sent to Viet Nam by the World Confederation of Organizations of the Teaching Profession, 636 schools with 1938 classrooms and 18,187 students were closed because of Communist terrorism from 1959 to 1961. In 1962, it was estimated that from 70,000 to 80,000 students were deprived of schooling as a result of the insecurity in the countryside. Thus, while the number of secondary education students increased by 970 percent, and the number of students in higher education increased by more than 650 percent, primary school enrollment increased by only 240 percent from 1959 to 1961-1962. Adult education also suffered heavily; the number of adult students dropped from 385,075 in 1956-1957 to 264,977 in 1958-1959. The number of classes dropped from 12,869 to 11,444 during the same period.\(^5\)

\(^5\)Ibid.
Efforts were also made by the government toward improving the social status of the peasantry, which had been over-worked and "over-exploited" for years by the landlords and moneylenders, by reforming the existing land tenure arrangements, thus helping tenants to become owners of the land they cultivated. In colonial times, it was in Southern Viet Nam (South Viet Nam proper) that landlordism had its worst features. In Central Viet Nam, landlordism was not a basic problem. Prior to 1955, the number of tenants in South Viet Nam was estimated at roughly one million, more than 600,000 of which were in Southern Viet Nam, and less than 400,000 of which were in Central Viet Nam, where peasant-proprietorship accounted for approximately three-fourths of the cultivated land. Landholdings were on a small scale; of the estimated 650,000 landowners, no more than approximately fifty owned more than fifty hectares each; and no more than a dozen owned more than 100 hectares. The majority were small-holders owning from five to fifteen hectares.

The picture in Southern Viet Nam was entirely different. In an estimated total cultivated rice area of 2.3 million hectares, the concentration of land ownership was extremely high. Approximately 6,300 of the estimated 250,000
Landowners owned more than 1,035,000 hectares, about forty-five percent of the total cultivated rice area. On the opposite side of the scale, more than seventy percent of the proprietors owned less than five hectares each, possessing about 12.5 percent of the cultivated rice land. In one of the rice-rich provinces of Southern Viet Nam (Bac-Lieu), nine percent of the landowners had seventy percent of the land and seventy-two percent of the farmers had no land.\(^6\)

Since so much land was in the hands of so few, and the loss of land by small landowners resulted in the growing number of tenant farmers, tenants were obliged to work their landlords' land under extremely onerous conditions. Land rents were more than fifty percent of the crop most of the time. They had to provide their own tools, livestock, and hire supplementary labor. They often borrowed rice and seed from their landlords' supplies; they borrowed money to pay for the supplementary labor, with interest rates on all cash loans ranging from three to ten percent or more per month. Interest rates on loans in kind ranged

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\(^6\)This high degree of land concentration was accounted for, on the one hand, by the free distribution of virgin land to selected individuals—French and Vietnamese—and by the acquisition of land by big landlords from small holders through indebtedness, on the other hand.
from thirty to fifty percent for one rice-growing season. At harvest time, the peasants paid the landlords up to seventy percent of their crops in land rent and interest on loans. Not only were they victims of the landlords, they were also victims of the Chinese moneylenders who had their hands on most of the rice crops in the Southern provinces through their widespread, well-organized system of lending to the farmers. Unable to pay back their debts in full, the peasants were in a state of permanent indebtedness; thus, for centuries, they were born in debt and died in debt, for all practical purposes. In short, a large class of landless, impoverished and discontented peasants was the result of the tenure system based on rack-renting, lack of security of tenure, and widespread usury. These same peasants later proved to be the easy prey of Communist propaganda.

After World War II, by promising the peasantry the free ownership of their "oppressive" landlords' land (in addition to invoking the deeply-rooted desire to get rid of the French), the Communists gained their support. With the outbreak of the Indochinese War, the wealthy landlords disappeared from the countryside, fearing for their lives. The Communists then started issuing ownership
certificates to the former sharecroppers and squatters with no formal demands upon them for payment. Thus, with the support of the peasantry, the Communists gradually gained control over most of the rural area.

As a result of the growing peasant support for the Communists, the "Nationalist" government finally recognized the necessity of doing something about the land problem. Bao-Dai, in his "Tet (Lunar New Year) Message," stated that the land would not be taken away from those peasants who had occupied their landlords' property during the "troubled" years and who still continued to cultivate it. In order to protect the peasants from permanent indebtedness, land concessions were to be limited by law, as were the terms of credit traditional between the proprietor and the tenant. In June, 1963, Bao-Dai signed the Agrarian Code. It consisted of a number of ordinances that called for the cancellation of certain land concessions that remained uncultivated or unleased, for the redividings.

7The Communists in fact lived off the land, the tax burdens imposed by them were, in some places, even heavier than the rentals formerly collected by landlords. These taxes, however, were well disguised in patriotic slogans such as, contribution of peasants to sustaining the "People's Army," fighters for national independence, and defenders of the peasantry against the rich landlord.
of such land among squatters and other deserving groups, a drastic rent reduction to a level not exceeding fifteen percent and additional rent agreed upon between landlord and tenant for buildings, tools, and draft animals, and land leases for a minimum of five years. An Agricultural Credit Service was also established in 1952 to make loans available to farmers and poor peasants at low interest rates for the purchase of rice land from the landlords and for land development and improvement. These measures were, however, hardly applied. Some seemed unrealistic; some permitted too generous safeguards for the landlords to be operative. In a country in which the tenants paid from forty to fifty percent of their crops for rent, the limitation of land rent to fifteen percent could not be taken seriously by the peasants. Although a tenant could no longer be summarily dismissed, he could be removed if the landlord desired to work the property through other members of his family or by himself. Thus the landlord could force his tenants to pay high rent simply by threatening him with the invocation of this article of the Land Tenure Ordinance. The volume of loans extended to the peasants by the Credit Service was negligible. Admittedly, had these measures been carefully and realistically prepared,
they could have hardly been applied. The over-riding fact was that "the government did not hold sway over the countryside. Its power was nominal even in the so-called controlled areas."

With the Geneva Agreement which resulted in the evacuation of Communist elements from the South, conditions were more or less favorable for agrarian reform measures for a while. The Diem government started its agrarian reform program in 1955 with the promulgation of a number of ordinances, of which the two basic ones were Ordinances Nos. 2 and 7. These two ordinances were concerned with measures directly affecting the welfare of the tenants, and protecting them from over-abuses by the landlords. They were concerned with problems such as rent reduction, security of tenure and ceilings on interest rates. Land rents were set at fifteen to twenty-five percent of the principal crop, depending upon the fertility of the land. Annual rent for tools, work animals, etc. was not to exceed twelve percent of their value, interest rates on cash loans to tenants were not to exceed twelve percent per annum. Contracts agreed upon between landlords and tenants had to be in writing; the life of a lease was a minimum of five years. The traditional right of a landlord to cancel a
lease agreement was circumscribed. Agrarian reform courts were set up to settle landlord-tenant disputes.

Rent reduction, low interest rates, security of tenure, duration of lease, and freedom from eviction at the owner's will were more or less helpful to the poor peasants. But well aware of the fact that the landlord-tenant conflict will never cease unless the tenants own the land, the government, late in 1956, promulgated Ordinance No. 57 with the objective of granting peasants the article they were after--land of their own. According to this Ordinance, the ownership of rice land was limited to no more than 100 hectares (247 acres). All persons holding more than that amount had to sell the excess to the government, which then divided the land into lots of three to five hectares in size and re-sold them to tenants, agricultural workers, relatives of deceased or invalid soldiers or refugees, all of whom would pay for the land in six equal annual instalments with no interest. Landlords were paid ten percent of the purchase price in cash, and the balance in non-negotiable government bonds with three percent interest per annum. These were to be redeemed over a period of ten years. Landowners could use these bonds to repay mortgage debts contracted with the Agriculture Credit Agency to pay
land taxes and inheritance taxes, relative to the lands expropriated, or to buy shares issued by governmental enterprises. The Land-Transfer Program was thus intended not only to promote the ownership of land by the landless, and the development of agricultural production, but also the orientation of big landlords towards industrial activities.

A New National Agricultural Credit Office was established in 1957 to increase the volume of credit facilities to farmers. While the results achieved by the Credit Office were encouraging (more than 3,000 million piastres were loaned to nearly one million farmers up to 1962), the progress achieved in the implementation of the Land Transfer Program was slow and disappointing. The situation of insecurity was again put forth by the government as being the reason for the slowness of the program. The program, however, was initiated in 1956 when Communist subversive activities were not important. Many factors seem to account for the partial failure of the program: the reluctance of the peasants to pay for land which they had occupied during the war years (distributed to them by the Communists); the program seemed to be no match for what the Communist propagandists promised the peasantry: free ownership of the landlords' land; and the reluctance of government officials to "cut their own throats" by speeding up the redistribution
of the land. Many high-ranking officials were landlords themselves. The limited results of the program were reflected in the relatively small number of tenants who became landowners. Of nearly one million hectares of land acquired through expropriation or purchase, only 232,450 hectares were distributed to peasants, and of this, only 109,440 hectares were already covered by ownership titles. After mid-1961, further land distribution was considerably slowed down, and in some places, completely interrupted, as a result of the growing insurgency and the increasing control by the Communists over most of the rural area. Thus, after several years of land reform operations, the efforts made by the government to improve the social status of the peasantry were crowned with very limited success. An overwhelming majority of peasants remained poverty-stricken and landless, a good breeding ground for the growth of Communism.

In summary, in the political fields, no progress was made after 1954 despite repeated speeches of the President on democracy, freedom, constitutional guarantee of human rights, and respect for human dignity. Governmental control was, in fact, even tighter than under the previous regime. In the social fields, only limited progress was achieved.
This progress was, however, rather slow, and this slowness might have been a cause of the growing insurgency. Frustrated at being denied what they aspired to—land of their own—it was only natural that the peasantry fought as guerrillas to get the land promised them by the Communists. Had these reforms been speeded up during 1956-1957, the period before the outbreak of guerrilla fighting, the guerrilla fighting might not have broken out late in 1959.

II. The Strategic Hamlet Program: Foundation for Political Reforms.

The Strategic Hamlet System was conceived by its promoters as a basis for the institutions of "legal democracy" in rural areas. The "democratization" process was from the bottom up, beginning with the basic social infrastructure of the countryside—the hamlet. In addition to being the foundation of an "economic" and military "revolution," it was also ambitiously believed by its promoters to be a compromise solution to two antagonistic trends of political thinking which developed in under-developed countries during the post-colonial period.

After World War II, Western-style democracy served as a model for most of the newly-independent countries. This trend was quite understandable. Deprived of basic rights
and freedom for decades (or even for centuries) under foreign rule, after independence, the aspiration of the people in these countries was, naturally, for full freedom and a democratic system of government. This aspiration grew stronger as the period of political dependence grew longer, and as the period of decolonization grew more painful. This aspiration, however, requires a broad "liberalization" of government in order to be fulfilled. On the other hand, conscious of their state of economic underdevelopment, to some extent a product of foreign domination, these countries were looking for the shortest, most efficient way toward economic development, in order to catch up with the more economically advanced countries. This, it was believed by many, necessitated a high degree of centralization of governmental power. Hence, underdeveloped nations were pulled by two opposite trends: "decentralization" and "liberalization," and the trend toward the centralization of governmental power. The "liberalization" trend, though meeting the thirst for freedom of the people of "emerging" nations long under foreign rule, was believed to be unable to offer a solution to the economic development problem. The "big leap forward" could be achieved only by centralization of power and concentration of resources. The failure of most under-developed
countries in instituting "liberalization" regimes in the early years of their independence was believed to be accounted for, among other things, by the inability of those regimes to solve the problem of under-development. Western-style democracy was then said to be suitable only to highly-developed countries having long democratic traditions and institutions. "Emerging" countries finally had to resort to centralization of power as a way toward economic development. This was the trend in such countries as Indonesia (with a "guided democracy" system), Egypt (with "socialist democracy"), and Thailand (with a semi-nationalist, semi-socialist regime), etc.

The ambition of the Vietnamese government was, in principle, a solution which could reconcile these two opposite political trends. According to Ngo Dinh Nhu, then political counsellor to the President, the forces of "liberalization" and "centralization" could be efficiently harmonized so that freedom and democracy could be achieved, on the one hand, while concentrating resources and energies for an early solution to the problem of under-development. On the other hand, just as the "positive and negative electrical charges which, loose in the atmosphere can produce a destructive bolt of lightning, can be harnessed to create energy which provides light and power for homes and industry."
The Strategic Hamlet System, according to him, was the mechanism to harness these two opposing forces to produce a military, economic, social, and political "revolution" simultaneously in the rural areas. As stated by Mr. Nhu,

... as a solution to the fundamental problem of under-development, the system of strategic hamlets contributes to solving the fundamental contradiction between freedom and accelerated economic and social progress... with the introduction of a representative system of government in the strategic hamlet, and of a new scale of values which excludes the ancient privilege of wealth and power; the masses of poor peasants and workers are witnessing a vast and profound political, economic, and social revolution in the country at full subversive war.\(^8\)

The first step toward the introduction of democracy in the village and hamlet would be the free election by village and hamlet residents of their own representatives to run their local affairs. According to the Presidential Decree of May 3, 1963, the village was to be run by a village administrative council composed of a "village representative" and four commissioners: one for economic and financial affairs, one for security, one for youth, and one for registration and public health. They were all

to be elected by an electoral body composed of all members of the hamlet administrative councils in the village and the leaders of the village's various popular organizations (e.g., farmers' associations, youth movements, etc.).

The hamlet, a component of the village, was to be run by a hamlet committee composed of a chairman and four commissioners, similar to the village council. Members of the hamlet committee were to be elected by the hamlet residents by direct and secret ballot, with the exception of the Youth Commissioner who was to be elected by all members of the village's Republican Youth. The "Model Village By-Laws" (after which village by-laws were to be drafted by the assembly of hamlet representatives, village councilmen and association leaders) assured village residents of all of the basic constitutional guarantees: right of life, freedom of association and belief, of movement and choice of dwelling, etc.

The Strategic Hamlet System, framework for the application of the decree of May 3, 1963, would have been, among other things, the laying of the foundation for a truly democratic system of government. In the long run, the integration of the village and hamlet into the national scope could bring them a new "place" and a new "identity," thus forging
a strong link from the hamlet and the village through the district and provincial governments to the central government--a link to which the people could turn when in trouble, and through which they could convey their desires and aspirations. It would provide a channel through which the peasants could properly voice their complaints. The Strategic Hamlet System could be an answer to Communist propaganda which appeals to the "masses" by stirring up their long, "bottled-up" grievances, discontent, and frustration.

Admittedly, a broad, Western-style democracy in an under-developed country like Viet Nam could be achieved only through different phases, since it requires a number of prerequisites which could not be met in a relatively short period of time: a high level of education of the masses; a large number of well-trained and able leaders who can take charge of the government business at all levels; a well-developed and organized communication system; and a little reliance of the local people on the central government for leadership and guidance in their local affairs. These conditions, apparently, are still missing in Viet Nam. The Strategic Hamlet System, by applying democratic principles in the rural areas, according to its promoters, prepares for the eventual realization of a broader democratic regime.
The first stage of the "democratization" process would be a system of local representative government, which would gradually familiarize the local citizens with the democratic process, and, at the same time, help them to realize their interests and rights, as well as their obligations and responsibilities as citizens. The second stage would be concerned with the free selection of representatives of the higher governmental organizations--district and provincial councils--by the local citizenry. The training and experience of leaders through these higher local administrative organizations would prepare for a broad democratic system of government.\textsuperscript{9}

In principle, the Strategic Hamlet System could serve as a framework for the institution of a democratic system of government in the country. It could be an answer to the political propaganda of the Communists since what they promise the "masses" politically--independence, freedom, happiness(!)---could well be achieved by the national government through the implementation of the program. In the long run, a political system based on the respect of human value and dignity (the so highly-publicized Personalistic Republican

\textsuperscript{9}From the political standpoint, the strategic hamlet program in Viet Nam thus contains some features similar to those of the system of "basic democracies" initiated in 1959 in Pakistan.
Regime) is an alternative to the communists' "popular democracy" which suppresses individual freedom and treats the human being as a sub-component part of the "masses."

It should be noted that the realization of political, economic, and social reforms through the implementation of the Strategic Hamlet Program requires a high degree of interference by the central government with the village and hamlet officials and affairs. The integration of the village and hamlet with the national community, the establishment of a link between the central government and the village and hamlet necessitates, at least in the initial period, a sacrifice of the traditional autonomous status of the village. The central government is called upon to provide

As noted earlier, the village is a larger administrative unit composed of several hamlets. The village, in its traditional form, was a collection of families, an association possessing a well-defined amount of land, self-supporting, and "self-governing." As a moral being, the commune or village managed its internal affairs as it chose, distributed the revenue, levied taxes, dispensed justice, secured order, and undertook its own public works with little or no participation of a higher authority. The main responsibilities of the village with regard to the central government were to provide it with an allocated quota of taxes and soldiers. Once these responsibilities were discharged, the central government was little concerned with the village's affairs; the then high degree of autonomy of the village was reflected in the saying, "The village customs prevailed over the king's law." The village was run by a village council composed of "notables" representing their respective hamlets. In his hamlet, the representative to the village council had rather broad powers, for it was he who made up the various official registers and levied
villages and hamlets with cadres to help local residents in their affairs, to train local leaders, assist village officials in the drafting of village by-laws, to establish community development projects, to organize popular civic groups, to help the local residents to organize their own defense, to instruct them in technical matters, and to provide them with economic and financial assistance. However, on the basis of published documents on the Strategic Hamlet Program, the autonomy of the village was not explicitly abolished. On the contrary, the construction, the defense, and the maintenance of "law and Order" in the village and hamlet is still considered the primary responsibility of the residents. Thus, it may be said that under prevailing circumstances, the government could not allow the village a high degree of autonomy, but the problem of abolishing this "traditional privilege" has not been posed.

III. The Strategic Hamlet Program: Framework for Social Changes

Among other things, the Strategic Hamlet Program, in the social fields, aimed at the realization of a new system of "social values," hoping to replace the traditional taxes. Communal officials were, in principle, to be elected by hamlet residents. In reality, places of authority in the village usually fell to certain key families as something of a pre-emptive right of those families because of wealth or other considerations.
one which was heavily based on old-fashioned village customs and traditions. Official titles, "degree," wealth, and power were traditional criteria used to determine the scale of social values in the village. This scale was by its nature suitable for the highly "conservative" political and economic structure of a feudal, stationary society. This system of social values, with its "aristocratic" and "conservative" nature, was the opposing force to the previous attempts toward reforms which aimed at changing social conditions in the rural areas. Through the system of village autonomy, the wealthy and powerful "notables" flourished for centuries as the ruling class. Their wealth enabled them to obtain an education and degrees, and then through their degrees, they held high offices. This, in turn, gave rise to greater wealth and influence.

After the "August Revolution" (1945), the old social order was completely disrupted. The old "privileged" ruling class of "notables" and landlords was denounced and persecuted; it was replaced with a new ruling class, the class of Communist cadres. This new ruling class was, however, no less oppressive than the old one. If the Communists rejected the colonial and feudal concept of social values, they also rejected the traditional values...
embodied in the country's historical traditions and institutions.

The Strategic Hamlet concept rejected the feudal, colonial and Communist social orders in place of a new scale of social values based on the "respect of human dignity," and the "social advancement" of the "masses." According to the new concept, the criteria to determine the social standing of the individual were no longer his wealth and influence, age or formal education, but his contribution to the struggle against Communism and under-development, and his participation in the national reconstruction effort. The privileges attributed to each social class would correspond to the part it played in the national salvation. In the new system of social values, those in arms against Communism, together with their families, would constitute the first social class (Class I). "Class II" would consist of elected representatives and administrative and political cadres (members of the village and hamlet councils, leaders of popular organizations, etc.). Productive members of society, the peasantry, workers, etc. would be components of "Class III." This division of "classes" according to the new concept, would completely change the existing social arrangement. The dominant "class"
would no longer be founded on wealth, influence and formal education. According to Mr. Nhu, "the traditional system, product of a backward, political, economic and social structure, as well as the existing one with its "capitalistic" nature (which is similar to that of Western societies), "would give place to a more progressive, revolutionary one."

Members of Classes I and II, according to the new concept, would have priority with regard to the benefits of various public services over Class III; priority in the distribution of state land; in borrowing from various agricultural credit agencies; in the granting of work animals and agricultural implements, etc. by the government; in receiving medical treatment in public hospitals; and in the education of their children in public schools. In addition to those privileges granted by governmental agencies, they would also be granted other benefits by private groups such as unions, cooperatives, and commercial organizations.

Admittedly, this division into "social classes" is somewhat artificial and expedient in character. Under the prevailing circumstances, it was designed primarily to increase the number of anti-guerrilla fighters and as a
"reward" to those who actively would participate in the war against Communism. It is not a division into social classes in the commonly-used sense (as it is used by sociologists, for example). Sociologists commonly use the following definition: A class is a group of people bound together by common responsibilities, traditional rights and privileges, and by a "class consciousness," or by the difference in material wealth or inheritance. On the basis of the "responsibility criterion," the responsibilities assigned by the strategic hamlet concept to these classes were not explicitly defined. There was, in fact, no clear-cut division of responsibilities but rather a "combination of responsibilities." Self-defense corpsmen can assume other responsibilities than those of defending the hamlet alone. In addition to being a self-defense corpsman, he can, at the same time, be a landowner or tenant farmer. It is within the rank of landowner or tenant farmer that the corpsman possesses the "class conscience" rather than within the self-defense corps environment. With this "combination" of responsibilities, the demarcation line between the above "classes" becomes blurred. Moreover, a person can move from one class to another as a peasant (a member of Class III), he can be recruited into the self-defense corps (Class I),
or be elected as a member of his village or hamlet council (Class II).

The "class consciousness" prerequisite for the formation of a distinct social class is created and strengthened by special interests, traditions, and a "common ideal" which bind the members in the same class together. The spirit of solidarity and the will to defend the national interest which has developed among anti-Communist fighters is not "class consciousness" but simply a "team spirit." It is the solidarity which develops among soldiers (or self-defense corpsmen) and it is common to all military disciplines. With regard to Class III in which production activities bind together different groups such as workers, peasants, laborers, landowners, as a few examples, the binding material is not "class consciousness" but their sense of belonging to a group assigned by the village by-laws. This is not sufficient to create a "class consciousness" essential to the development of a "real" social class.

On the basis of the difference between material wealth, self-defense corpsmen and their families, who mostly come from the poor peasants group, do not constitute the predominant class but belong to the lowest one--the class of
the poor. Thus, in a "static" sense, the new social order created by the Strategic Hamlet Program cannot be considered a system of new "social classes" as commonly defined by the sociologists. It is bound to change as circumstances change. In the long run, its evolution will be determined by a number of factors. First, it would change through the force of the "law of the compenetration of classes." The Agrarian Reform Policy which gives land to the landless would gradually turn them into small landowners. This would bring about changes in their economic responsibilities and class interests. In addition, the size as well as the composition of each class will change. As the war drags on, the youth in Class III will move up to Class I as they are called upon to reinforce and replace the dead in this group. Moreover, elements of Class III may also join the self-defense corps, attracted by those privileges reserved for this class or by their desire to contribute to the national cause. Village and hamlet political and administrative cadres discharged of their responsibilities will be replaced by members of Class III, the majority class. The relationship between social forces will change, and the dominant class will not necessarily be Class I in the long run but the class which will exert the greatest social
influence due to its size and potential (i.e., Class III).

Second, the complexity concerning the families of members of Class I and the complex professional activities of some elements of Class III will, through "integration" and "differentiation," encourage the formation of different groups of conflicting interests (by religion, profession, etc.); this will give rise to new classes which will change the elements of the existing social structure.

Third, with the return of peace, the economic and social life in the rural areas is bound to change. In the first place, the strategic hamlet will no longer be "strategic" from the military standpoint. Class I will gradually lose its "privileged" position and priority. Released from defense duties, most of them will return to their land, reconstruct their village and hamlet, and join elements of Class III. This class will, in turn, "differentiate" into different groups, of which the landowning group will command the dominant position. Privileges granted to Class I will no longer have their "raison d'être." Village by-laws will have to be modified to give priority and privileges to the class which contributes the most to the economic and social development of the village and hamlet.

With security re-established (the economic development of the country is facilitated when security is
re-established), and with the expansion of economic activities in urban as well as rural areas, the village will no longer be an isolated economic unit; it will be an integral component of the national economy. The emergence of a market economy and the expansion of trade relations between different regions will give birth to a new social class: the business class. Because of common interest, they will integrate with the landowners and the small "capitalists" into a new class: the middle class which will, as the economy develops, become the dominant, leadership class. This leadership class, if dominated by well-educated, progressive, energetic and dynamic young citizens, will constitute the main force toward rapid economic and social development. (Because of the important role to be played by the "youth" in the future political, economic, and social development of the country, it would seem that priority should be given to the development of a long-run program for the support, guidance and training of young leaders for their future responsibilities.)

The new concept of social values, however, gives rise to a number of practical problems with no easy solution. Would the new concept of social values be a complete divorce from the past customs and traditions? The "model" village
by-laws seem to offer a compromise concept reflected in the preamble:

... only when law and order are maintained in the village and hamlet, the regime of legal democracy, of collective advancement and social justice, there realized, historical traditions and institutions (are) protected and developed in line with the development of the human being from the individual, community and national standpoint, (only then) is human dignity respected... 

This was also incorporated in Articles 24 and 26 of the model village by-laws: "... good traditions and customs are to be protected and developed" (Article 24); "Religious and the village's traditional ceremonies are to be observed..." (Article 26).

This compromise concept would seem difficult to carry out. On the one hand, it would seem difficult to find a way to reconcile the new concept of social values based on "social justice," on the contribution of citizens to the national cause, and on the reform of "rural customs" with the maintenance and development of historical traditions and institutions, because this reconciling solution would seem inconsistent with the objective of "complete revolution" of the program. It appears in conflict with historical experience which indicates that "half-way reforms" and
reconciling measures have met with failure because of the opposition from both the "progressives" and the "conservatives." Only a complete revolution could overcome the opposition of the "feudal," conservative forces and promote the application of democratic and progressive principles in the rural areas.

On the other hand, the new village by-laws could not consider the village and hamlet as communities without a past, without certain traditions, and they could not, therefore, eliminate all of the traditional, spiritual values which had enabled the villages and hamlets to protect and preserve the basic characteristics of the people despite the repeated attempts of "assimilation" by the foreign rulers of the past. The Strategic Hamlet System, being conceived not only as a military but also as a spiritual front against materialistic Communism, requires the preservation of those historical traditions and institutions which, by their very spiritual nature, are forces against the atheistic, materialistic Communist movement.

One of the basic difficulties of the reconciling concept is the conflict between the new system of social values and the traditional values. Although it is not a division of

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social classes as defined by sociologists, as noted earlier, the new system serves as a criterion to determine the rank of these "classes" in official village and hamlet ceremonies—on the basis of the contribution of each class to national reconstruction and defense. This system, obviously, cannot be reconciled with the system of values based on age and formal education which still prevails and is highly-respected in most of the rural areas. In official village ceremonies, would a self-defense corpsman use his priority according to the new scale of values (as a member of Class I) or would he behave in accordance with the village customs and traditions by ceding the "high place" to the aged and notables who may be participating in the ceremony?

The new scale of social values would also give rise to inner conflicts between classes, which, if not carried far enough and with determination, could defeat the objectives of the reform itself. It would seem very likely that the existing "notables," adhering to their old-fashioned prejudices and their feudal rights and privileges, would find it difficult to recognize the predominant position of the "youth" and accept a reform which would adversely affect their interest. This reaction, however, is not likely to be strong in those villages and hamlets which
are or have been under heavy Communist influence (since in those areas the influence of the "notables" and the landlords was considerably reduced). But in those villages and hamlets, the main force against the new system of social values would be primarily from the members of Class III—the poor peasants and workers who were heavily influenced by Communist propaganda (according to which they are members of, the would-be ruling class). The reaction from this group could be fatal if the first two classes abuse their power and privileges. This could be avoided only if and when the latter are well-trained, well "indoctrinated" with the Strategic Hamlet Policy and have a sense of the responsibility toward those they are supposed to guide and protect.

In summary, in the social field, the attempt to replace the existing system of values with a new one based on the participation and contribution of the citizenry to national reconstruction and defense could give rise to changes which would be favorable to a rapid political, economic, and social development of the country. The application of the reform, however, would involve difficulties and conflicts which could be overcome only by strong and determined governmental actions.
IV. What Happened in Reality.

The above picture is painted in accordance with the assumption that the message of the President to the National Assembly (October 2, 1961) and the Presidential decree of May 3, 1963, were carried out. Unfortunately, political and social reforms, as promised by that government, were political promises. These political and social reforms, necessary to win the affection of the population, were never fully and honestly carried out. True, some hamlets and villages were allowed to elect their own representatives, but in most rural areas the old system prevailed. This was justified on the ground of insecurity, which made elections impossible, and of the possibility of the infiltration of Communist agents into the village administrative structure. However, it is quite possible that had political reforms been carried out swiftly in the years during which the security situation was not yet very serious, the situation of the country could have been different. Instead of the guerrilla war delaying political reforms, delay in political reforms could have fed the insurgency as well. The main explanation of this reluctance toward political reforms seemed to be the obsession of the possibility of the dilution of governmental power (actually the power of the President
and his family) into disloyal hands by free elections. Thus, even in villages and hamlets allowed to elect their own representatives, elections were held in such a way that the important posts (security commissioner, political commissioner, and youth commissioner) were not in the hands of oppositionists, even though the latter are fervently anti-communist. In most places, members of village councils and hamlet committees were simply hand-picked by higher authorities from among those known to be loyal to the government. The village population, not given any real responsibility in its own affairs through a free choice of its representatives, did not seem to care about protecting these so-called "representatives." Thus the same old situation continued; members of village and hamlet councils worked in the village in the daytime under the protection of the village self-defense corps and spent the night in military posts since the village population not only did not protect them but also could well lend a hand to Communist terrorists to liquidate them. This was rather the usual case. Each such village official killed or kidnapped was an opportunity for the Communists to win more of the village population over to their side, since in the eyes of local people, this killing and kidnapping, unfortunately, in many
places, was an act of "emancipation." Not elected directly by local residents, these officials had little sense of responsibility to them and tended to use their influence and power for illegitimate purposes.

Those "legitimate aspirations" of the population, so much talked about among strategic hamlet cadres and government officials responsible for the implementation of the program, were simply ignored. The population was denied every kind of freedom. Government control over villages and hamlets was even tighter than it had been prior to the initiation of the program. Activities in the hamlet and village were tightly controlled by local security agents and self-defense corpsmen for fear of possible Communist infiltration. In many places, it was observed that the situation could not be any worse than under a Communist state. Village militia, elements of Class I, in coalition with village officials, hand-picked mostly from among the "offsprings" of previous "notables," constituted a new "terror" in rural areas. In some places, not only did they

12 The number of local officials kidnapped or killed by Communist terrorists was not available, but it was believed that it amounted to tens of thousands:
provide little protection for the villages but even abused those they were supposed to protect. They arrested "suspected," fairly well-to-do peasants as a means of extorting money from them. Under these circumstances, desperate peasants were easy prey of Communist propagandists (who always promise them first-class citizenship), inducing them either to quit the hamlet or to join the guerrillas and to cooperate with them in eliminating village officials and self-defense corpsmen. Thus, early in 1964, in Long-An Province alone, more than 50,000 peasants had abandoned their strategic hamlets. In many places, a great number of village officials and self-defense corpsmen were killed and kidnapped by ex-hamlet residents who turned guerrillas. As a result, the government gradually lost its control over the countryside. Unable to obtain what politically and socially has been promised them by the government, it would seem only natural that the mass of the peasantry turned to those who promised to fight for these reforms on their behalf.

V. Summary.

The strategic hamlet program is, in principle, politically sound, and socially sound. In the political field, it could provide a channel through which peasants could
properly protest, providing an outlet for their centuries-long "bottled-up" frustrations and dissatisfactions. It could, among other things, forge a strong link between the village and hamlet and the central government, enabling the integration of this basic social unit with the national community. It could serve as a foundation for the gradual "democratization" of the country, starting from the lowest administrative layer.

In the social fields, if properly implemented, the program could lead to numerous social changes with profound political and economic consequences. The new concept of "social values," through encouraging the participation of the dynamic, energetic, and responsible "young" in local affairs, would, in the long run, lead to the formation of a new, young leadership class, essential to the future political, economic, and social progress of the country.

The emergence of a young progressive and dynamic leadership class requires the government's support, guidance, training, and encouragement of the country's youth. But not until late in 1961 was serious effort made by the government toward organizing the youth, which was reflected in the creation of several youth movements: "Republican Youth," "National Revolutionary Youth," and the youth branch of the
National Revolutionary movement. The government's youth education system was, however, as indicated in a joint Vietnamese-American Report on the Mekong Delta, \textsuperscript{13} "too mechanical to cope with the Viet Cong" propagandists' indoctrination system whose primary target is the "young." The majority of young people apparently joined these various movements just for the love for the various colorful uniforms and the thrill and fun of meetings rather than for any "ideological" or political ideal or conviction.

On the other hand, in order for the strategic hamlet system to become a channel through which peasants could voice their aspirations as well as their complaints and dissatisfactions, this requires the formation of a group of able and responsible local government representatives (representatives who understand their people's problems and grievances and care about their welfare) as well as the determination of the central government to take necessary corrective measures. But the Diem government did relatively

\textsuperscript{13} The report was submitted by four Vietnamese officials and one U. S. aide. They supervised a twenty-one-man team that carried out a survey in Long-An Province. \textit{(The New York Times}, January 15, 1964).
little toward this effect; apart from a small-scale program initiated to train hamlet and district chiefs, no marked effort was made to establish grass-root contact with the general population. The training of these cadres, moreover, was so inefficient that most of them had no clear idea about the policy of "military, economic, political, and social revolution" in the strategic hamlet. To them, "strategic hamlet" appeared to be no more than the building of fences, the digging of trenches around the hamlet, and the regroupment of villagers behind those fences under the permanent control of government cadres. This had resulted in mistakes and abuses in all places, turning this gigantic experiment into a miserable failure. The program, designed to bring about political and social reforms in rural areas to win over the affection of the rural population (which, in principle, it could), had resulted in the loss of popular support to the Communists by its hasty, inappropriate, practical application.

Determined to turn the new-life hamlet (Ap-Tan-Sinh) (as noted earlier a new name for the strategic hamlet) into a channel through which the people "could turn in their troubles," the new "revolutionary" government seems, it is
hoped, to be taking steps in the right direction. Thus, new young and able provincial chiefs were appointed to replace old and incompetent ones. A special program, part of the government's policy to win back the "heart" of the rural population, was initiated for the training of district-chief, mostly young, dynamic army lieutenants and captains, in the form of a seventy-two-hour course which was designed to supplement their military experience and competence with a solid basic understanding of public administration. The role of these young leaders is vital both in the short- and long-run; in the short-run, these able local government representatives, acting as "political brokers" and "psychological practitioners," could help win the support of the rural mass. In the long-run, they would constitute the backbone of an elite administrative class indispensable to the country's future political and social development.

The appointment of army officers to these civilian posts, however, may have its own pitfalls. Accustomed to military disciplines, they could unintentionally impose restrictive rules over the civilian population which, in its eyes, may be "oppressive."

Special attention was also given to the formation of youth, "the backbone of the nation," which is the motto of
the new government. To get in touch with the people's "aspirations and complaints," the Prime Minister, on April 10, 1964, ordered the creation of an agency under his office called the "General Office for People's Suggestions and Complaints," whose task "it is to accept the population's requests, suggestions and complaints, to directly contact by the quickest way the various ministries, administrative and military agencies, both central and regional, and to investigate the people's complaints and suggestions." To avoid abuses by officials, a new decree-law was signed by the Prime Minister on March 17, 1964, which sets drastic penalties for officials accepting bribes, gifts, or embezzling public funds.

14 The new agency is headed by Brigadier General Huynh Van Cao, a young and able military leader highly respected by American advisors and the Vietnamese military circle.

15 The new decree-law (No. 112-SL/CT) provides that any member of the Administration or Armed Forces who accepts a bribe or abuses his position will be punished by the death penalty if the graft or gift given or promised is over V. N. $100,000 (U. S. $1,000); and hard labor for life if the value is under V. N. $100,000. Embezzlement of public funds or property will be punished by death if the public funds or property embezzled or attempted is over V. N. $100,000; and hard labor for life if under V. N. $100,000.
To improve social conditions in rural areas, the government's program for 1964 will consist, among other things, of the formation of "Social Reform and Development Councils" at the hamlet and village level to encourage and promote the participation of the rural population in rural development, and the reform in agrarian laws: peasants who purchased land from the government will be allowed to extend the payment period from six years (existing requirement) to twelve years; the abolition (temporary) of land taxes for peasants owning less than five "sao" (1/2 of one "mau" or hectare); and the distribution to peasants of state land currently exploited, or land in "rural development centers" and "settlement areas" after completion of cadastre works, etc. . . . To increase tenant security, the length of leases for rice fields has been extended from three to five years; all eviction orders were suspended by order of the Prime Minister.

The lengthening of tenant contracts, temporary exemption from land taxes, temporary distribution of state land to farmers, etc., however, are but temporary "relief" measures. A definite land program aimed at enabling peasants to possess their own "soul" (as is said by the Japanese, a peasant without land is like a man without a soul)
would seem necessary to win over the affection of the mass of the landless, since only such a program could meet the Communist tactic of promising land (and they did carry out their promises in some places) to the poverty-stricken, landless and hopeless peasantry. Such a program, of course, could not be sped up (and under prevailing circumstances, the government had better speed up such a program; otherwise, it could be too late) without violating the principle of "equality, justice, and respect of private property," which had, unfortunately, considerably slowed down or caused to fail agrarian reform attempts under previous regimes. It is true that a drastic land reform program would involve a great number of "inequitable" measures; however, to apply "inequitable" measures to an "inequitable" situation is neither unfair nor inequitable. Landlords, for centuries, had lived on the sweat and labor of the landless; it is about time that they should think of the well-being of the "masses"; moreover, part of their private properties (land) was, after all, acquired by them from poor peasants through the heavy burden of indebtedness. In any case, landlords would stand to lose, but they could at least minimize their losses under a peaceful land reform program by a nationalistic government.
Aside from the above initial measures, what could be achieved by the new "revolutionary" government in the political and social fields in the years to come remains to be seen. If the Prime Minister is determined to carry out what he stated in his Labor Message, that the November Revolution was not just "a change of people or a change of jobs by an ambitious group, but a real revolution of the people and for the people," that he is "determined to wipe out the tragedy of man exploiting man . . . and to improve the living standard of all workers," then the country may still have a chance. The past was abundant with political promises; there is now need of real action.
CHAPTER VI

CONCLUDING REMARKS

In the long run, the winning or losing of this revolutionary war depends on whether or not the Nationalist Government has the support of the general population. Military tactics and conventional weapons alone are apparently insufficient against an enemy waging the war with all military, political, economic, and social efforts. They are a complement but not a substitute for the vital factor of popular support. In a war in which the enemy relies primarily on civilian support for his survival, growth, and success, any program including measures to isolate him from this support is a sound one. The Strategic Hamlet System is such a program. "Properly" implemented, it would serve as a framework for the essential military, political, economic and social changes in rural areas that are indispensable to the winning of this revolutionary war.

A similar program has been implemented successfully in Malaya (the "New Village" System after which the Strategic Hamlet System was, in fact, modeled, though on a much larger scale). It is true that there are basic differences between the Malayan and Vietnamese situations: the Malayan Communist
terrorists do not have privileged sanctuaries in Cambodia and Laos, as do the "Viet Cong." While the Malayan terrorists come from the Chinese population only, the "Viet Cong" terrorists come from the Vietnamese who are nearly ninety percent of the total population. These differences make the implementation of the Strategic Hamlet Program more subtle and difficult, but not impossible. Without civilian support, the privileged sanctuaries of the "Viet Cong" become merely the headquarters of armed bandits, and not the bases from which to mount a revolutionary war, since revolutionary war is impossible without a broad basis of civilian support. Furthermore, if the Nationalist Government has the support of the rural population, the Communist terrorists could be found by information from the rural population itself.

The failure of the gigantic strategic hamlet experiment in South Viet Nam has not been because the program is unsound in principle, but because of its "inappropriate" practical application which has its roots in the inconsistencies of the policy of the government. The program was designed to fight three basic enemies of the country: "Communism, division, and under-development," and to promote democracy in rural areas, community development and social
justice." The government's policy was, in reality, inconsistent with the realization of these objectives. In fact, it seemed to promote division and distrust among the population, government officials and officers of the Armed Forces. As expressed in the "Manifesto of the Eighteen":

... the government ... lets the political parties control the population, separate the elite from the lower echelons, and sow distrust between those individuals who are "affiliated with the movement" and those who are "outside the group" ... Even in a group of the youthful proud elite such as the Vietnamese Army ... where there should be no place for clannishness and factions--the spirit of the "national Revolutionary Movement" or of the "Personalist Body" divides the men of one and the same unit, so as to create distrust between friends of the same rank. ..."

The discriminatory policy against the Buddhists, who represented the majority of the population, in favor of the Catholic minority, which existed from the beginning of the Diem regime, was another instance of the "divisional" policy of the government. At a time when the unity of all against Communism was necessary, the government never allowed fervent anti-Communist elements to take part in the anti-Communist

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1See Bernard Fall, The Two Viet Nams, op. cit., p. 434.
struggle because their political view differed from that of the government. "Democracy in rural areas" was merely a promise; government control was, in fact, tighter than ever before. Since the promoters of the program were not willing to carry out what they had promised, it is little wonder that the whole program was a complete failure. This failure seems to have made the realization of the "Clear and Hold" program of the new revolutionary government more difficult. Discouraged by the Strategic Hamlet experience and bitter with its memory, peasants might not be willing to cooperate with the government's efforts to consolidate the "New Life" hamlets.

To conclude, theoretically the Strategic Hamlet System could be a partial answer to the question of how to compete with the Communists for popular support. However, the successful realization of such a program depends largely on the enthusiasm, the sense of responsibility, the spirit of sacrifice of those responsible for its implementation, as well as the voluntary cooperation of the rural masses. Only when it is constructed with the spirit of the people in Hoai-My can it become an effective anti-guerrilla weapon.\(^2\) The Strategic Hamlet System, nevertheless, may be

inadequate to win the support of the general population if it aspires to "other things" in addition to the improvement of its economic and social conditions. In this respect, a number of questions remain. Admittedly, very little is known about what took place in rural areas during the war years. Too little is known about the profound changes in the lives, aspirations and hearts of the peasants, especially those who lived in areas that were under Communist control and influence. Therefore, the opinion that the rural population is more conservative may no longer be true.³

To win the support of peasants indoctrinated by Communist propaganda which disrupted customs and traditions in rural areas and changed the peasants' concept of life may well require, in addition to the improvement of their economic and social conditions, a much easier-to-understand political philosophy than the previous regime's "Personalist Republicanism," "legal democracy," and "Personalist Revolution."

³Paul Mud, in his Sociologie d'une Guerre, who observed that the spirit of resistance against the French was much stronger in rural than in urban areas, raised the question as to whether the "Progressive" spirit had been shifted from urban to rural areas.