

**RURAL ECONOMIC DEVELOPMENT AS A NATION
BUILDING STRATEGY IN SOUTH VIETNAM,
1968 – 1972**

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Doctoral Thesis
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¹ Map on page ix from Shelby L. Stanton, *Vietnam Order of Battle* (Washington, DC: 1981), 364. All other maps from Colonel Harry G. Summers, Jr., *Vietnam War Almanac* (New York, 1985).

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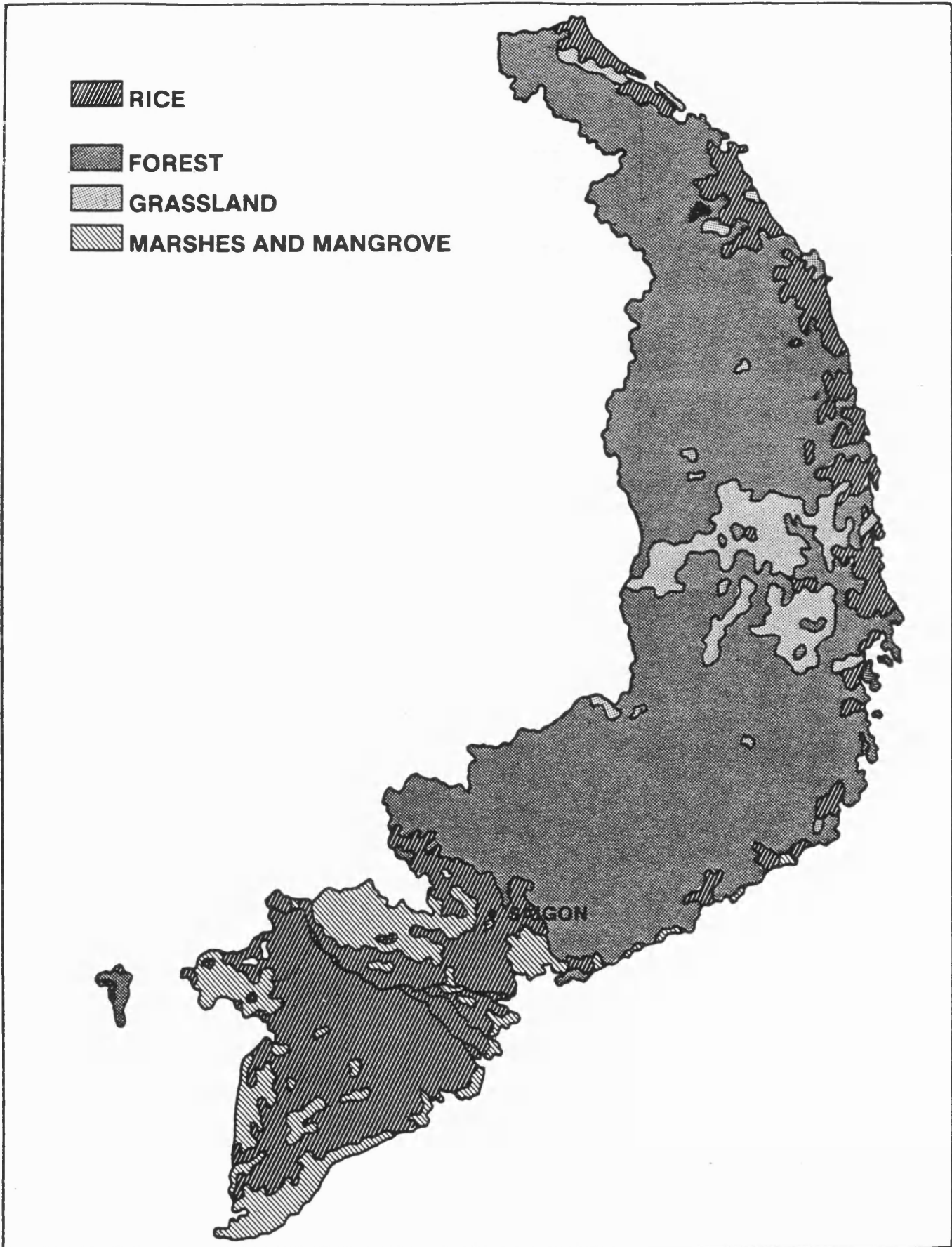
Glossary of Terms and Acronyms

ARVN	Army of the Republic of Vietnam (South Vietnam).
<i>chi bo</i>	Basic organizational and executive unit of the National Liberation Front. Usually village based.
CPDC	Central Pacification and Development Council. A South Vietnamese group headed by the Prime Minister and staffed by representatives of the technical ministries associated with pacification and development. The Council was charged with monitoring and coordinating these diffuse efforts.
CORDS	Civil Operations and Revolutionary Development Support, Changed in 1970 to Rural Development. An American civil/military agency created in 1967 to rationalize pacification and development efforts in South Vietnam. CORDS was disbanded at the war's end. It shared overlapping responsibilities with USAID in the realm of development, but generally focused on village level projects with more overtly political goals. The two agencies were often bureaucratic rivals.
CTZ	Corps Tactical Zone. See Military Region (MR) .
district	Administrative unit between province and village . Several districts made up a province .
hamlet	Smallest administrative unit in South Vietnam. Several hamlets made up a village , several villages a district, several districts a province .
MACV	Military Assistance Command, Vietnam. The American military command, based just outside Saigon, at Tan San Nhut.
MORD	South Vietnamese Ministry of Rural Development. The Americans called this the Ministry of Revolutionary Development, but the title translated into Vietnamese as the former.
MR	Military Regions 1 through 4, where 1 was in the far north and 4 in the southern, or Mekong region. Previously called Corps Tactical Zones , or CTZs .
NVA	North Vietnamese Army , common American term for the Peoples' Army of Vietnam (PAVN) .
PADDY	Rice paddy , an area usually bordered by dikes in which rice is grown. Paddy rice , unhulled, or unmilled rice.

- PAVN** **Peoples' Army of Vietnam**, which Americans usually called the **NVA**, for **North Vietnamese Army**.
- RDC** **Revolutionary Development Cadre**. South Vietnamese civil teams dispatched to hamlets and villages to initiate pacification and development projects.
- ta dien* Tenant. A peasant farmer who rented land, virtually an entire class in colonial Vietnam. The term was therefore heavily laden. It connoted social as well as economic status, and implied duties and rights as well.
- USAID** **United States Agency for International Development**. The agency most responsible for general development in South Vietnam.
- VSDP** **The Village Self Development Program**. A CORDS-inspired program administered by the South Vietnamese Ministry of Rural Development. The VSDP attempted to implement small-scale economic development projects chosen and run by villagers.

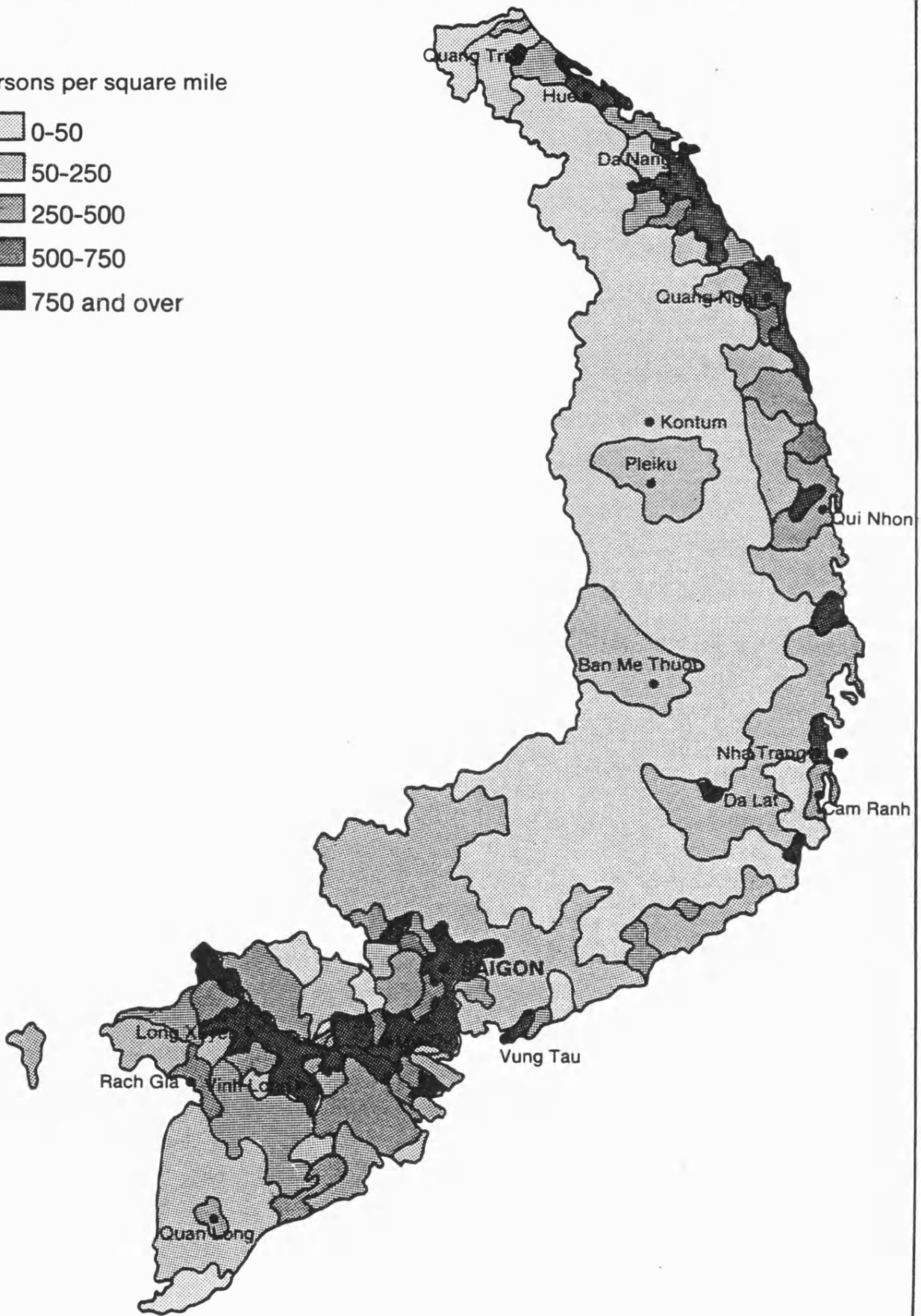
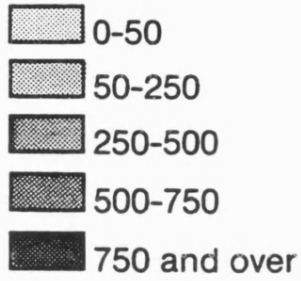


LAND UTILIZATION

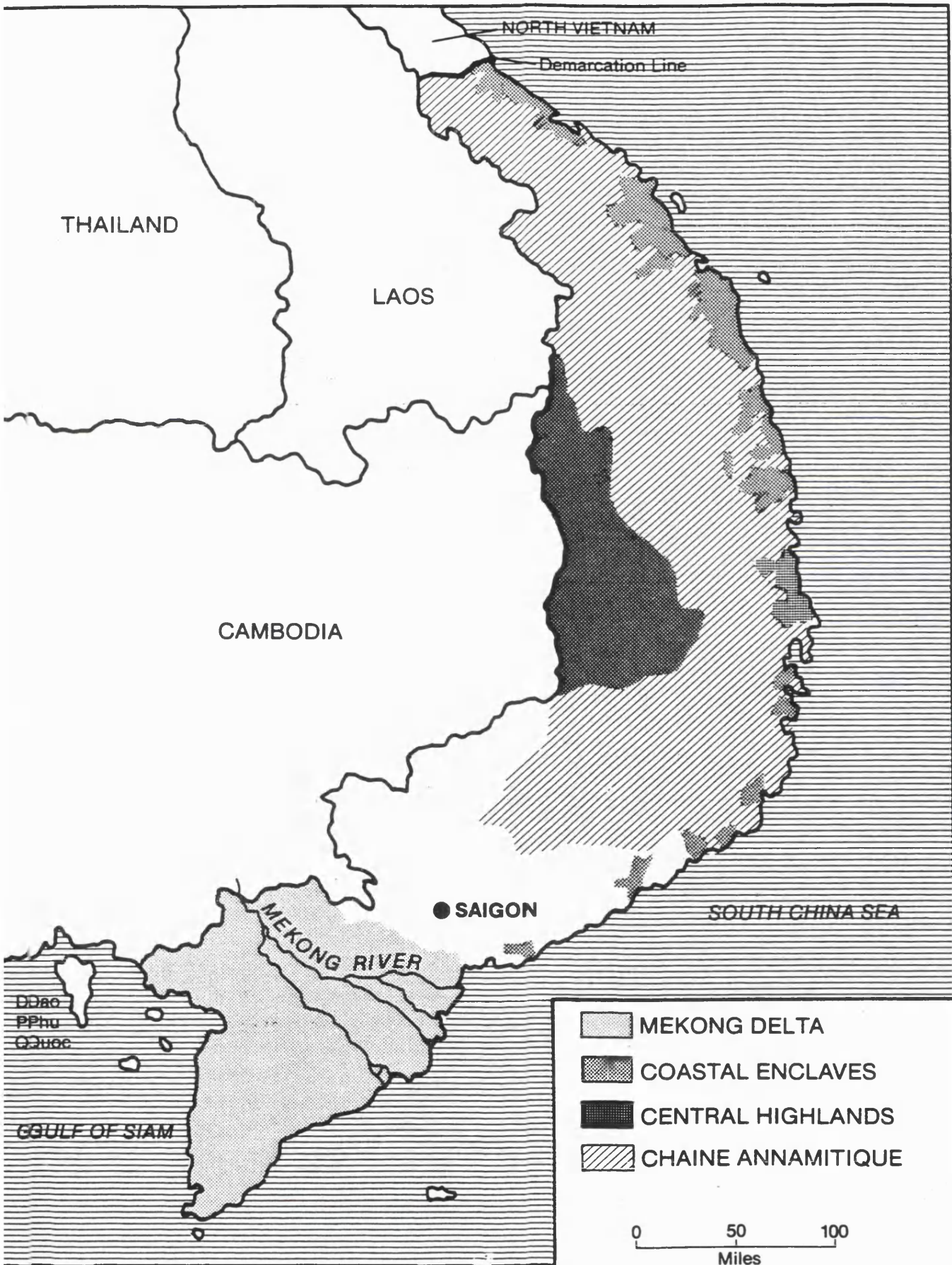


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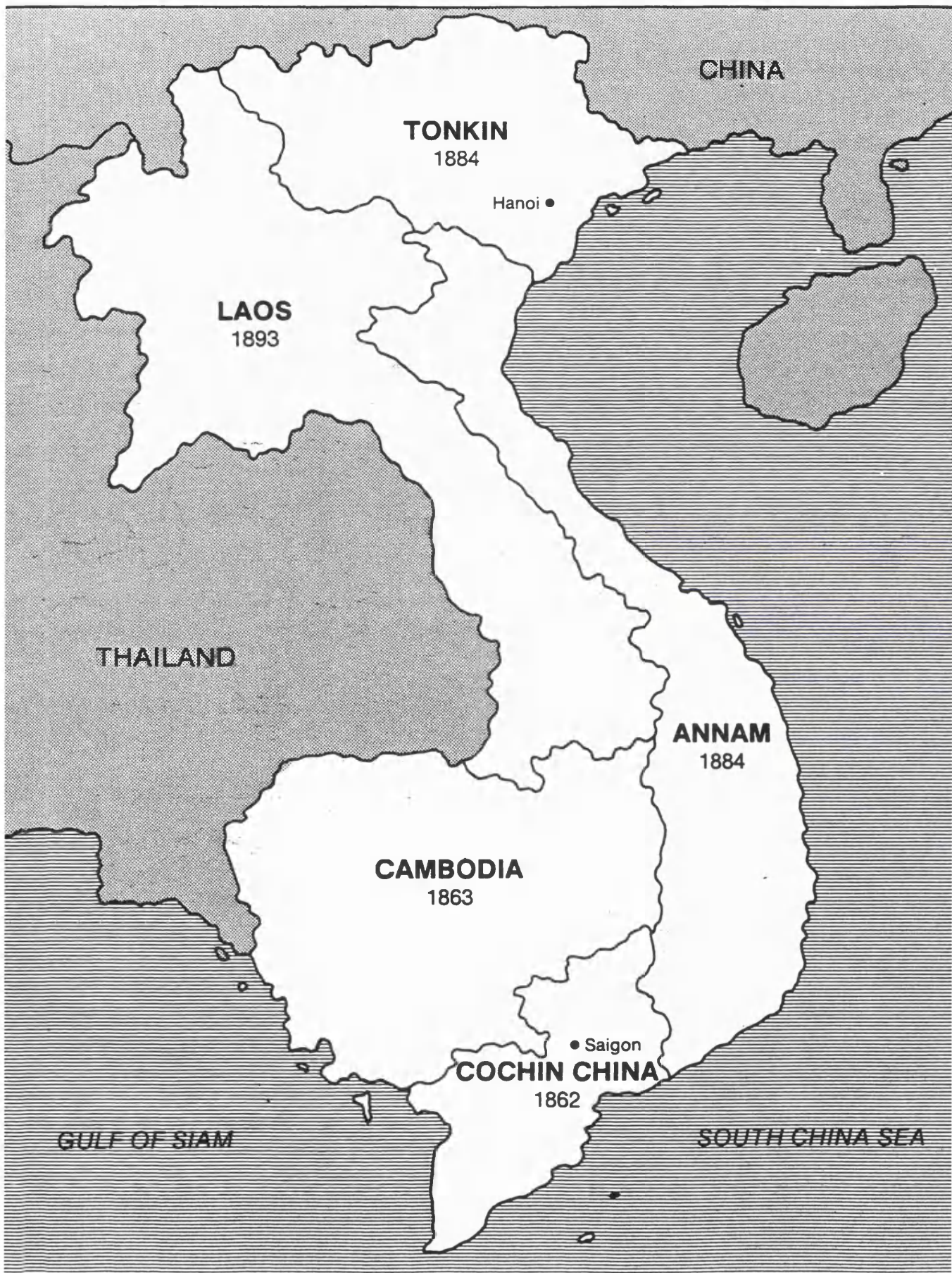
Persons per square mile



GEOGRAPHIC REGIONS



FRENCH INDOCHINA



Chapter 1

Introduction

From 1965 to 1968, American and South Vietnamese forces killed several of their enemies for every man they lost. 'Body counts' and 'kill ratios,' the American command's central measurement for the war's progress, suggested that victory must be nigh. But they were not winning the war in any meaningful sense. Killing enemy troops, and civilians as well, proved useless in the absence of a viable South Vietnamese nation, and the regime was nearly without political influence in the countryside where the bulk of the population lived. In 1967 military and civilian officials began to put new emphasis on efforts to win influence among the rural population through local security schemes combined with social, political, and economic programs. This diverse effort constituted the 'nation building' campaign. However, the National Liberation Front (NLF) largely dictated socioeconomic and military terms in most South Vietnamese villages, and such rural programs were rarely practicable, until a decision in Hanoi made them so.

On the evening of 29-30 January 1968, troops of the NLF and the North Vietnamese (People's Army of Vietnam, or PAVN) attacked nearly every major town, city, and military installation in South Vietnam. This commenced Tet Mau Than, the Tet Offensive of 1968. Two more offensives followed in March and August. By the end of the year the NLF, as opposed to North Vietnamese troops, had done the bulk of the fighting and dying. Known by its enemies as the Viet Cong (VC), it never regained its pre-1968 military strength. The guerrilla, or low intensity conflict in the lowland villages, increasingly gave way to a conventional war fought mainly in sparsely inhabited piedmont or highland regions.

As a result of this bloodletting, rural programs suddenly became feasible

after 1968. The resulting nation building campaign was one of history's most intensive foreign inspired efforts to develop a thriving economy and polity. Ironically, the commencement of the most intensive phase of this campaign preceded, by only a few months, America's decision to withdraw gradually from Vietnam. The U.S. government had assured its people in 1967 that the communist enemy was on its knees and that victory was within reach. Whatever its military results, the Tet Offensive had proved otherwise and the U.S. was running out of time. Under immense pressure from a disillusioned public, Richard Nixon began pulling U.S. troops out and 'Vietnamizing' the war. Thus, while the 1968 offensives proved a significant military victory for the South Vietnamese and Americans, it was a devastating political defeat. When the next Northern offensive came in 1972 it was no longer a question of whether South Vietnam would fall, but when.

Because the United States failed to preserve South Vietnam, and because historians and observers generally see the offensives of 1968 as the real denouement of American involvement, conventional wisdom has until recently relegated the entire 1968-1972 period, along with the nation building effort, to scholarly obscurity. These are perhaps the greatest gaps in the literature of the American war in Vietnam. Neil Sheehan's *A Bright Shining Lie*, perhaps the most widely read and influential book on America's involvement in Vietnam, is a salient example of this bias.¹ In reviewing the book, the international historian R. B. Smith chided Sheehan for barely touching on nation building policy.

The three years 1969, 1970, and 1971, indeed, are disposed of in a mere thirty pages—quite remarkable in a book of nearly 800 pages. The reason is not hard to find. Sheehan . . . long since concluded that the American enterprise in Vietnam was doomed after the Tet Offensive and the March decisions of 1968. The genuine achievements of the U.S.–Vietnamese collaboration after the crisis of 1968 hold no interest for him. . . . That interpretation may, indeed, prove valid in the end, but, without a detailed study of the later period itself. . . it cannot be

¹ Neil Sheehan, *A Bright Shining Lie: John Paul Vann and America in Vietnam* (New York, 1988).

taken for granted.²

Not everyone shares the conventional wisdom. So diminished were NLF military forces after 1968, so robust was the economic growth in critical sectors and regions, that many Americans and South Vietnamese were moved to declare that nation building had succeeded. It is savage irony, according to the revisionist view, that just as U.S.-inspired programs had achieved the basis for an economically prosperous and politically unified South Vietnam, just as two decades of investment in blood and treasure had begun to pay off, Washington DC caved into public pressure and deserted its ally. William Colby, the former chief of CORDS, was particularly infuriated about the scholarly treatment of the post-1968 period: 'the historical record given to most Americans is similar to what we would know if histories of World War II stopped before Stalingrad.'³

Though Vietnam revisionists have not proved their case, they have rightly focused attention on critical issues. In the absence of a reasonably resilient, cohesive polity in South Vietnam, there was little to win. Nonetheless, in the seven years since R. B. Smith's call for rigorous scholarship on these issues, little has emerged. Perhaps scholars perceive the American war as ten years of unremitting combat, which suggests that no real economic development can have taken place. Few realize that most provinces in South Vietnam experienced only low intensity conflict, and many were virtually post conflict regions.

Evidence from nation building in South Vietnam should inform both the historical debate about the American war and studies of Third World development, especially foreign-inspired or imposed development globally, but as yet it does not. Because of the depth and length of the U.S. commitment, the economic, military, social, and political interplay between the United States and

² R.B. Smith, review of Neil Sheehan's *A Bright Shining Lie: John Paul Vann and America in Vietnam*, in *The American Historical Review* 95, no. 4 (October 1990).

³ William E. Colby, 'Vietnam after McNamara,' *Washington Post*, 27 April 1995.

South Vietnam is especially revealing about development in general and about American attitudes toward the developing world during a vital phase of the Cold War. Because of the sheer variety of development programs and approaches the Americans ventured, this period is important to the literature of Development Studies. The American nation building campaign in South Vietnam, after all, represents one of the largest and most intensive efforts by an industrialized nation to impose development on another country. This study is the first to analyze in any depth the most important elements of that nation building campaign: rural economic development in cultural, political, and security context. Thus, this study fills a void both in the literature of the American war in Vietnam, and in the history of U.S./Third World relations.

In a 1984 collection, political scientist and former U.S. intelligence analyst Allen Goodman asserted that nation building accomplished 'a great deal toward the modernization of South Vietnam and the destruction of the Viet Cong.'⁴ In the same book, historian George Herring asked the rhetorical question, could South Vietnam have survived? Herring believed that the question could not be answered because 'we need to know a great deal more about the actual progress of [nation building], the strength of the ARVN, and the solidity of Thieu's government.'⁵

More than a decade later, this study brings to bear sufficient evidence regarding economic, political, and social conditions in rural South Vietnam to answer Herring's questions definitively. It has long been clear that the nation building effort failed to achieve its political goal, that of establishing a polity capable of withstanding the reunification efforts of the North. The author reemphasizes that conventional wisdom with new perspectives and evidence on the strength of the National Liberation Front. The most primary contribution of

⁴ Allen Goodman 'The Dynamics of the United States-South Vietnamese Alliance: What Went Wrong,' in *Vietnam as History*, 91

⁵ George C. Herring, 'The Nixon Strategy in Vietnam,' in *Vietnam as History*, 57.

this study, however, is the startling find that the nation building effort achieved some remarkable and potentially sustainable economic successes. The way those successes were achieved, as well as their social and political consequences, are both surprising and revealing, both for historians, and for economic development specialists.

1.1 TERMS AND DEFINITIONS

Nation building is a dangerously deceptive term because its meaning seems self evident, but is not. When President Lyndon Johnson declared, 'We are in Vietnam because the American people have promised to help the people of South Vietnam preserve their independence and build their nation,' he did not feel compelled to provide a definition.⁶ The term, still vaguely defined, remained in common usage among aid agencies and governments alike until 1995, when the U.S./UN Somalia debacle drove it from favor. The anointed term for the moment is a contemporary form of American Civil War era nomenclature, 'post-conflict reconstruction.'

During wartime, a debate over the meanings of nation and thus nation building must have seemed academic to policy makers. The goal, similar to that in Korea, was the eradication of the internal communist threat and the unification of a new country so that it could defend itself against the communist regime in the North. Time was short, people were dying, the situation called for development in a hurry and under duress. Dozens of South Vietnamese and American agencies to which nation building meant different things ran a rattletrap campaign consisting of a plethora of programs designed to 'win hearts and minds,' or at least to keep them from the communists. It implied and evoked a great deal and therein lay a critical problem. The term both reflected and added to the lack of

⁶ Richard Critchfield, *Villages* (New York, 1983), 66.

unification in the effort. We shall return to that. To discern the problems the term may have caused for development programs, however, it is first necessary to examine the concepts of 'nation' and 'nation building.'

Social scientists have long debated the meaning of 'nation.' It is easily confused with the far narrower concept of 'state.' Political scientist Ernest Gellner offered a concise definition of the state as 'an institution(s) specifically concerned with the maintenance of order.'⁷ Nation presents far graver difficulties for definition. Gellner argued that nationalism is a theory of political legitimacy in which shared identity is the central element. In this view, two people are of the same nation if and only if they share, and recognize one another as sharing, the same culture (where culture means a system of ideas and signs and associations and ways of behaving and communicating). The nation, in other words, is an artifact of people's convictions and loyalties and solidarities.⁸ According to both Gellner and sociologist Karl Deutsch, economic intercourse plays a central role in establishing these social and political connections.⁹ A definition of nation, then, combines this shared identity, awareness, and sense of solidarity among people with two more prosaic elements: a defined territory and a state, or governing entity.¹⁰

The Saigon government fitted the definition of state proffered above, and had a defined territory and the recognition of most of the world's governments. But no prevalent shared identity, solidarity, or sense of the government's legitimacy, and hence, no nation, existed in South Vietnam. The very term nation building implies that the United States was aware of this. Indeed, in 1968, a United States Agency for International Development (USAID) report stated that South

⁷ Ernest Gellner, *Nations and Nationalism* (Ithaca, NY, 1983), 5.

⁸ *Ibid.*, 5-7.

⁹ Karl W. Deutsch, *Nationalism and Social Communication: An Inquiry into the Foundations of Nationality* (New York, 1953), 75. See Elie Kedourie, who criticizes Gellner for overemphasizing the role of economics, *Nationalism* (Oxford, 1993), 147.

¹⁰ *Ibid.* See also Leonard Tivey, Introduction, in *The Nation State: The Foundation of Modern Politics*, ed. Martin Robinson (Oxford, 1981), 6.

Vietnam had never been a nation in its present configuration. It lacked the requisite `civic unity.'¹¹ Building some sort of shared identity and civic unity, in part through a communications net along which political discourse and economic intercourse might travel, was the monumental task the Americans helped to plan and manage for their allies in Saigon. (That they attempted this with a dictatorial government was, given U.S. rhetoric about democracy and self determination, an irony of which American planners were acutely aware). Defining the task as the American planners perceived it, however, would be futile without exploring the Vietnamese sense of nation.

1.1 (i) The Vietnamese Nation Imagined

It is axiomatic that the Vietnamese perceive their nation largely in terms of its centuries-long struggle to overcome Chinese domination. The scholar Hue-Tam Ho Tai put it succinctly: `Vietnam, as a people, a nation, and a culture had been forged over two millennia of resistance against Chinese domination.'¹² Ethnic Vietnamese trace their roots to a group of Viet tribes living south of the Yangtse river about 500 B.C. The Nam Viets, or South Viets, migrated southward to the Red River delta followed closely by ethnic Han, the dominant ethnic group of China. By 258 B.C. the Han had conquered all the Nam Viet tribes of the Red River delta.¹³ For the next two millennia the Vietnamese periodically violently resisted or lived under and paid tribute to Chinese rulers. One of the key elements

of this Vietnamese sense of nationhood is the idea of distinctiveness, that they,

¹¹ `The USAID Program and Vietnamese Reality,' Staff Study, June 1968, USAID PN-ARE-177, p. 6, United States Agency for International Development, Reference Room, Rosslyn, Virginia (hereafter USAID followed by document number).

¹² Hue-Tam Ho Tai, *Radicalism and the Origins of the Vietnamese Revolution* (Cambridge, MA, 1992), 2. See also D.R. Sardesai, *Vietnam: The Struggle for National Identity* (Boulder, 1992), 17, and Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London, 1983), 143. For a concise history of Vietnamese-Chinese relations up to the 20th century, see King C. Chen, *Vietnam and China, 1938-1954* (Princeton, 1969), 3-32.

¹³ Douglas Pike, *Viet Cong: the Organization and Techniques of the National Liberation Front of South Vietnam* (Cambridge, MA, 1966), 2.

alone among the Viet clans and hundreds of other ethnic groups, resisted assimilation into the Middle Kingdom. Beginning with the Trung sisters, who led a force against the Chinese in A.D. 39, and ending with Ho Chi Minh, who resisted domination by the Japanese, the French, and finally the Americans, Vietnamese national heroes are independence fighters. Ethnic Vietnamese, then, have a powerful sense of shared identity. As R. B. Smith put it, however, a nation must be an institutional fact as well as a psychological fact.¹⁴ And while Vietnamese tend to perceive themselves as one nation, historically they have often been institutionally divided.¹⁵

In order to create a nation in the South, the Saigon government had to encourage a sense of shared culture and national identity in a disunified fragment of a country. Not only had South Vietnam never been a nation, the Mekong region had been only relatively recently settled by ethnic Vietnamese. Saigon was a new city, a provincial outpost of the ancient imperial capitals at Hue and Hanoi. And several sects had set up mini-states complete with military forces. Moreover, the Saigon government was tainted by its highly visible dependence on American power. And finally, it was American money and American theories--foreign money and foreign theories--that would dominate the effort to create this new nation in the South. Historian Michael Tolle, who served with the USAID in Vietnam, argued that secession describes the Saigon government's task better than nation building.¹⁶

This alone would have made creating a nation in South Vietnam a daunting task. However, the communists had succeeded in linking their movement with historical Vietnamese resistance a decade before the Saigon government declared its existence. The Vietnamese communists forged a

¹⁴ R. B. Smith, *Viet-Nam and the West* (Ithaca, NY, 1968), 67.

¹⁵ *Ibid.*, 57-69.

¹⁶ Michael E. Tolle, "In the Realm of Theory:" The Study of Nation-Building in Viet Nam,' unpublished conference paper, Conference of the Society for Historians for American Foreign Relations, Boulder, Colorado, June 1996, 14.

fearsome weapon from what Ken Post called their 'usable past.'¹⁷ While most in the Saigon government had collaborated with the French and now depended utterly on the Americans, Ho had become the latest heroic incarnation of the independence fighter. His party had harnessed the Vietnamese idea of nation and put it to its ancient use: vanquishing foreign invaders and their Vietnamese collaborators. Le Ly Hayslip, who grew up in a Central Vietnamese village and worked for the NLF before emigrating to the United States, wrote that 'everything we knew commanded us to fight. Our ancestors called us to war. Our myths and legends called us to war. Our parents' teachings called us to war. Uncle Ho's cadre called us to war.'¹⁸ Ho's regime characterized their struggle as the apogee of traditional Vietnamese heroism. In 1975 Party Secretary Le Duan inflated that past by referring to Hanoi's victory as the culmination of 'our nation's 4,000 year history.'¹⁹ The manner in which the North Vietnamese people made such tremendous sacrifices, in contrast to the deep ambivalence of the South Vietnamese, attests to Ho's political success. Thus, with words that sounded plain, Lyndon Johnson's tongue committed the United States to a course far more ruinous than most Americans imagined.

1.1 (ii) 'Nation Building' in Theory and Practice

Political scientist David Wilson dismissed nation building as 'a pretty bit of rhetoric,' but a poor term for use in a social science milieu.²⁰ Perhaps a nation is too complex an organism to be 'built.' Some political scientists have suggested 'national development' or 'nation growing' as more accurate terms. But few

¹⁷ Ken Post, *Revolution, Socialism and Nationalism in Vietnam. Volume One, An Interrupted Revolution* (Aldershot, UK, 1989), 80-1.

¹⁸ Le Ly Hayslip, *When Heaven and Earth Changed Places: a Vietnamese Woman's Journey from War to Peace* (New York, 1989), xiv.

¹⁹ Post, *An Interrupted Revolution*, 80-1.

²⁰ David A. Wilson, 'Nation-Building and Revolutionary War,' in Karl W. Deutsch and William J. Foltz eds, *Nation Building* (New York, 1963), 84.

terms are so overused and ill defined as development. And growing a nation or economy, although in vogue, is ungainly language, questionable grammar, and no more accurate than are the alternatives. There is little sense in latching onto one inadequate term after another in succession as each is discredited. As we will see, nation building was never more than rhetoric in Vietnam, despite gargantuan efforts in its pursuit. However, the term remains in use, it was central goal of the American campaign, and therefore this study employs 'nation building' despite its conceptual weaknesses.

Having settled on the term nation building, one must ask how nations come into being. Benedict Anderson objected to Gellner's emphasis on fabrication, preferring to think of nations as imagined. The critical question to Anderson is not who created a nation or even how, but how a nation imagines itself.²¹ And, counter intuitive though it may be, many argue that it is possible for a state to create a national identity from the top down, by harnessing, rather than merely reflecting, sentiments expressed from the bottom up. Gellner and Elie Kedourie asserted that nationalists often fabricate national doctrine rather than expressing an existing nationalist identity; they often attempt to impose nations on their societies.²² John Breuilly cautioned that there are limits to what nationalism can contribute to the formation of a new nation, that nationalism can only 'reinforce an existing sense of national solidarity' and identity, but cannot create that sense.²³

In Vietnam, nationalists attempted to impose new doctrines on their communities, but attempted to couch them in familiar Vietnamese terms. The NLF and Hanoi, as later chapters will demonstrate, wielded an amalgam of socialist, Maoist, and pre-colonial Vietnamese local practices, always stressing idealized rural values: honest dealings and hard work from local officials, and fair

²¹ Anderson, *Imagined Communities*, 15.

²² Gellner, *Nations and Nationalism*, 56-7, Kedourie, *Nationalism*, 146.

²³ John Breuilly, *Nationalism and the State*, 2nd Edition (Chicago, 1994), 278.

treatment to peasant farmers. It is noteworthy that, given the makeup of the high officials in Hanoi, sons of the mandarin elites rather than peasants conceived this amalgam. The Saigon government, at the behest of its American paymasters, attempted to impose something like Western democracy with a Vietnamese face in the villages. All sides understood the deep Vietnamese xenophobia born of Chinese domination. While Hanoi and the NLF portrayed the Saigon government as puppets of the American invaders, South Vietnamese and American propaganda depicted their enemies as purveyors of a foreign ideology and enemies of Vietnamese traditions of autonomous villages and agricultural practices. Thus, the Vietnamese experience supports Gellner's theory that nationalism is often initiated from above. It also supports Breuilly's assertion that nationalists cannot wholly fabricate a national identity, but must harness an existing sense of solidarity and connection, and, as this implies, it supports Anderson's belief that the way a group imagines its nationhood is integral to any effort to establish national binds. Clearly, given the relative identities of the Hanoi and Saigon governments, the South Vietnamese and the Americans faced greater obstacles in creating a sense of national identity.

This study will focus on the way in which the South Vietnamese, with American prodding, planning, and money, attempted to create this complex organism. Tolle argued that the Americans patterned their nation building efforts on the ideas of Karl Deutsch's 'social mobilization model.'²⁴ Deutsch based his model on lines of communication which he termed 'an alignment of large numbers of individuals from the middle and lower classes linked to regional centers and leading social groups by channels of social communication and economic intercourse, both indirectly from link to link and directly from the center.'²⁵ In this view, a nation is created by a properly constructed communications network over which the idea of national identity is transmitted.

²⁴ Tolle, "In the Realm of Theory," 1-3.

²⁵ Deutsch, *Nationalism and Social Communication*, 75.

Economic and political lines of communication were vital to the effort. However, since no single entity piloted the campaign, no unifying statement or concept of either nation or nation building governed its many programs. As this study will demonstrate, a lack of a cohesive definition or goal weakened the effort.

1.1 (iii) Nation Building and its Elements Defined

Nation building in South Vietnam must be defined as those economic, social, and local, low-intensity security programs that planners designed to create a nation in the sense set out above: with a shared perception of national identity, a defined, controlled territory, and a functioning state or government widely perceived as legitimate.

The various elements of the nation building effort require careful definition here as well. The terms pacification and development are especially vague. The Military Assistance Command Vietnam (MACV), and thereby many historians, often used the term pacification to mean nation building. To MACV, pacification was

not one, but a combination of many programs. . . the military, political, economic and social process of establishing or reestablishing local government, responsive to and involving the participation of the people. It includes the provision of sustained, credible territorial security, the suppression of the Communist underground political structure [which MACV apparently assumed would not contradict the will of the people], the maintenance of political control over the people, and the initiation of economic and social activity capable of self sustenance and expansion.²⁶

Development, to the American military, was an ill-defined subset of pacification and many military documents use the terms interchangeably. Civilians tended to

²⁶ COMUSMACV Operation Plan No. 171-69, Annex Q, Pacification and Development, undated, 1969, MACCORDS 101774, Record Group 472, National Archives II, College Park, Maryland (hereafter cited as MACCORDS and file number).

differentiate more carefully between pacification and development. USAID documents and those CORDS documents generated by civilians or perceptive military officers generally identify pacification with physical security and development with economic, political, and social programs.²⁷

This study makes a clear distinction between the two terms. Here, 'pacification' refers to programs designed to establish physical security, that is, to degrade the NLF's military power, physical presence, and political influence in the villages. 'Development' refers to economic, political, and social programs designed to bind people to the state and create a sense of national identity. Here we are primarily if not exclusively concerned with economic development, the heart of the nation building effort. 'Economic development,' in ideal circumstances, refers to self sustaining processes which lead to increased productive capacity and production balanced between agricultural and industrial sectors, increased incomes, broader income distribution, improved physical infrastructure, and improved human infrastructure such as health care and education, which lead to greater economic efficiency and capacity. According to Deutsch, the economic intercourse taking place within these processes will contribute to political and social cohesion, and therefore to national identity.

In the context of wartime South Vietnam, however, a definition of development must be more constrained. Conditions for development were far from ideal, and planning agencies focused on specific sectors to develop and express goals in clear time frames. In the long term, American agencies envisioned ideal economic development. In the short term, they set more modest goals. Industrialization would have to wait until the post-war period, when investment capital and secure lines of communication, they hoped, would make such activities possible. Heavily mechanized agriculture would likewise have to wait until Laos, Vietnam, and Cambodia could cooperate to harness the Mekong

²⁷ As Chapter Two will clarify, CORDS (Civil Operations and Rural Development Support) was a military/civilian organization created in 1967 to coordinate the nation building effort.

river, and until industrialization provided a sop for excess agricultural labor. Self sustainability for the national economy also was not possible until after the war. Therefore, a reasonable definition of development for South Vietnam must be restricted to fit the conditions of the day, and must be based upon the way American and South Vietnamese agencies envisioned their sometimes disparate goals, which are examined below.

CORDS constructed its development programs with political goals as their central and immediate goal. As Tolle saw it, CORDS attempted, through South Vietnamese agents, to 'micro-manage' local projects down to the village level.²⁸ They sent South Vietnamese personnel into villages to install popularly elected local governments, implement a variety of small-scale economic development programs, and build an array of infrastructure projects. Its planners predicted that the political and economic benefits of this village presence would win rural support for the Saigon government.

The USAID took a different approach to development. Economic results were the central goal of their programs. With the exception of land redistribution, USAID programs did not try to micro manage village affairs. Instead they sought to create economic growth and greater income equality through the provision of large scale physical infrastructure to ease market function, the introduction of new agricultural technology, and macroeconomic reforms to create incentives for growth. Like CORDS, USAID did not see a possibility of self sustainability, that is suspending aid, while the war persisted.

That political favor would follow economic improvement the Americans simply assumed. Surely, they reasoned, people would perceive that life under Saigon would be preferable to living under communism, even if Ho was a national hero. Americans knew the NLF found fertile recruiting ground largely among the poorest peasants and in the poorest parts of the country. Therefore,

²⁸ Tolle, "In the Realm of Theory," 11.

redistributive issues were prominent in the minds of policy makers.

Here, then, 'economic development' refers to policies creating growth in the agricultural production and processing sectors, leading to national economic growth, increased and more broadly distributed family incomes, improved physical and human infrastructure, more responsive and efficient local administrations, and concomitantly, greater identification with the Saigon government. 'Political development' refers to processes creating efficient and popular local and national administrations responsive to the needs and desires of their people, again leading to national cohesion.

Like nation building, the meaning of the term 'peasant' appears to be self evident, but is not. A peasant is not merely a poor rural farmer. Here a peasant is a member of a farm household that makes a living from land, relying mainly on family labor in farm production, and whose output is partly consumed within the household, and partly supplied to outsiders. In such partial subsistence circumstances, produce not consumed within the household is supplied to landlords for rents, the state for taxes, and, if there is enough surplus, to the market for other produce, or manufactured and consumer goods. In this context, the distinction between peasant farm households and 'family farm enterprises' depends upon their relative integration into markets. Peasants are characterized by their partial integration into (usually imperfect) markets.²⁹ They cease to be peasants when they become entirely integrated into 'fully formed markets,' at which point they become family farm enterprises in an economic sense.³⁰

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American wars. Positive histories generally appear in the wake of conflicts. Negative revisionism tends to follow later and eventually a sort of synthesis emerges. But the American literature on the Vietnam war has followed the opposite track.³²

In the immediate aftermath of the war, scholarly literature focused mainly on how and why the crusade had become such a debacle.³³ Frances Fitzgerald's ground-breaking critique described the American presence as a political, military, and moral blunder, to great disparagement and acclaim.³⁴ Gabriel Kolko and Joseph Buttinger likewise criticized both practical and moral aspects of American policy and tactics.³⁵ Former defense department officials Leslie Gelb and Richard Betts described the flawed policy-making system that made such a tragedy possible.³⁶ Ngo Vinh Long illustrated the ignorance with which the U.S. approached Vietnam and described a communist strategy that he believes the Americans could never have overcome.³⁷ Eric Bergerud wrote an extremely convincing critique of American military, civil, and intelligence efforts in heavily contested Hau Nghia province.³⁸ George Herring and Stanley Karnow produced the most respected general histories of the war, which are widely regarded as balanced accounts, and are generally critical of American policy.³⁹ Herring later quoted Karnow as saying that "we Americans do not have a revolutionary vision for agrarian societies. . . . I am inclined to doubt that there were "lost

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Few scholars of any persuasion doubt that Tet Mau Thanh was a military disaster for the NLF and the PAVN, but critics of American policy and strategies contend that this did not make victory possible for South Vietnam. Harry Summers, who believed that the U.S. should have won the war, acknowledged that Tet 1968 was the beginning of the end: 'With their disastrous tactical defeat North Vietnam struck what was to prove a fatal blow against our center of gravity—the alliance between the United States and South Vietnam. Now all they had to do was wait us out.'⁴¹ The political result was the beginning of a gradual American withdrawal, a plain signal from Washington DC that its military commitment to Saigon was waning. Vietnamese enemies of the Saigon regime had always predicted that they would outlast its foreign supporters, and this was now clearly the case. Even critics of American intervention concede that once the U.S. had revealed their intention to leave South Vietnam, the outcome was inevitable. George Ball, an early and fierce opponent of the war, believed that announcing the pullout discarded 'the one really effective bargaining chip we could play to gain even minimal concessions.'⁴² Ronald Spector's study of the critical year after the Tet Offensive concludes that despite inflicting terrific suffering on their enemies, the South Vietnamese and Americans could not eradicate the NLF or dissuade North Vietnam.⁴³ Stuart Herrington, a former intelligence officer in the anti-insurgency campaign, illustrated in microcosm the reasons for the NLF's survival.⁴⁴

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1980s by a body of literature that either defended American policy or claimed that the U.S. should have won the war. 'Vietnam revisionists' disagree on many points, but share the conviction that Saigon and Washington could have preserved an independent noncommunist South Vietnam.⁴⁵ Military analysts such as General Bruce Palmer and Colonel Harry Summers contended that America's fundamental errors were its failure to make an all-out military effort and a misapplication of the strength it did use. They argued that instead of focusing on the NLF insurgency, U.S. forces should have concentrated on the real threat, the PAVN. Both advocated a radical plan: a blockade of North Vietnam by occupying Laos to the Thai border. Behind this line of defense South Vietnam could deal with a withering revolution and the task of nation building: two processes the South Vietnamese could do only themselves.⁴⁶ General Dave Palmer similarly contended that the strategy of attrition was no strategy at all, and that the U.S. should either have sought the political support to prosecute the war as aggressively as necessary or avoided fighting.⁴⁷

These alternative strategies raise more questions than they answer. Neither Palmer nor Summers sufficiently contends with the domestic or international political problems of a long-term occupation of Laos, or the tactical and strategic difficulties of maintaining a line of defense three times longer than the existing demilitarized zone (although Summers implies that if these things were not politically possible, the U.S. should not have fought at all).⁴⁸ However, their critiques of American military strategies cut a good deal of ice. Summers, for instance, makes an especially cogent case against U.S. military policies, demonstrating that the defensive strategy of attrition MACV adopted assumed

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that time was on Washington's side, when in truth it was on Hanoi's. Moreover, Palmer's and Summer's contentions that only the South Vietnamese could solve their internal problems has merit, as this study will demonstrate. Both, however, made the startling assumption that successful nation building was possible. This was a gargantuan assumption indeed because neither author explored the economic, political, or social aspects of such an approach, or considered the Saigon government's will or capabilities. They were not alone in making such assumptions, and there was very little research for them to fall back on.

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Richard Nixon goes furthest, claiming success for his 'Vietnamization' policy of turning the war over to the South Vietnamese. The war, he maintained, was won by 1974, by which time the South Vietnamese had 'proved their will and

⁴⁹ Lewis W. Walt, *Strange War, Strange Strategy: A General's Report on Vietnam* (New York, 1970).

⁵⁰ Colonel David H. Hackworth, *About Face: The Odyssey of an American Warrior* (New York, 1989), chapters 15-20.

⁵¹ Guenther Lewy, *America in Vietnam* (New York, 1978), 559.

mettle,' their `desire to live in freedom.' Nixon claims that Congress squandered victory by cutting off aid to Saigon.⁵² Nixon's Secretary of State and National Security Adviser Henry Kissinger countered that he warned the president that Vietnamization was a flawed policy, that the South Vietnamese could not hope to succeed alone where they had already failed with massive American help.⁵³ In the face of this, Kissinger makes the startling claim that Saigon would have survived `but for the collapse of the [American] executive authority as a result of Watergate.'⁵⁴

A number of writers have argued that nation building as practiced succeeded in creating an opportunity for victory in South Vietnam. Former CIA chief andCORDS director William Colby contended that political reform, military pacification, enhanced social programs, local security improvements, and economic development were the keys to victory over the revolution. Improvements were so great in these fields between 1968 and 1972, Colby argued, that South Vietnam was on its way to establishing a stable society that could have withstood the challenge from the North. However, Colby makes very little of his case for economic development, and his claims for political and security success are mainly based on an American evaluation system that was deeply flawed, as Chapter Two will demonstrate.⁵⁵ W. Scott Thompson and Donaldson Frizzell agreed that the United States and South Vietnam `won the *unconventional* war in that the South Vietnamese and American joint effort had largely eliminated the Vietcong as a serious contender for power by 1972.'⁵⁶ Lewy made far more modest claims for the nonmilitary campaign. He criticized American policy makers for not realizing that an earlier and greater effort at nation building would have

⁵² Richard Nixon, *RN, The Memoirs of Richard Nixon* (New York, 1978), 889.

⁵³ Henry Kissinger, *The White House Years* (Boston, 1979), 272.

⁵⁴ *Ibid.*, 1325. For similar arguments, see ARVN General Ngo Quang Truong, `Easter Offensive of 1972,' in Steven Cohen, ed., *Vietnam Anthology and Guide to A Television History* (New York, 1983), 325-7.

⁵⁵ William Colby, *Lost Victory* (Chicago, 1989).

⁵⁶ W. Scott Thompson and Donaldson D. Frizzell, eds., *The Lessons of Vietnam* (New York, 1977), 279.

created a more stable South Vietnam and allowed the U.S. and the South to concentrate more fully on the conventional threat from the North. Lewy also noted that land reform and other programs created prosperity for some farmers and strengthened the Saigon government. This study will demonstrate that he was partly correct, but by depending solely on rudimentary tenurial statistics, Lewy, like most scholars, cites very little evidence to support such claims.⁵⁷

Two authors have made revisionist arguments based on macroeconomic evidence. Walt Whitman Rostow was not only the originator of the economic 'takeoff' theory (which described the path to economic modernization as a matter of gaining enough manufacturing momentum to launch the entire economy), but was also former National Security Adviser to John F. Kennedy and Lyndon Johnson. Rostow was thus involved in making U.S. policy in Vietnam and argued the revisionist case from two perspectives. In his book *The Diffusion of Power*, Rostow made a case for invasion of PAVN and NLF refuges in Cambodia, the Ho Chi Minh trail in Laos, and the southern part of North Vietnam. Despite these shortcomings, Rostow argued, American strategy made 'slow, real' progress. Elsewhere, he claimed that South Vietnam was on the verge of economic takeoff in 1972 in that it had achieved 'a classic array' of industries and production.⁵⁸ Economist Nguyen Anh Tuan's macroeconomic analysis used masses of statistical evidence to argue that South Vietnam's economic reforms in the early 1970s had been successful enough to create the potential for self sufficiency.⁵⁹

Devine lauds Vietnam revisionists for broadening and deepening the debate and forcing critics to make their cases more rigorously, and concludes that

⁵⁷ Lewy, *America in Vietnam*, 437-9.

⁵⁸ For Rostow's views on military strategy, see *Diffusion of Power: An Essay in Recent History* (New York, 1972), 512-16. He described his take off theory in *The Economics of Take-Off into Sustained Growth* (London, 1963), and made the case for South Vietnam's takeoff in *Diffusion of Power*, 470-76, and in Douglas Dacy, *Foreign Aid*, 71-3. Interestingly, the Hanoi government may have adopted the term, at least in English translation. In 1995 the government produced a trade booklet entitled *Vietnam: Efforts for an Economic Take-Off*, Vietnam Exhibition-Fair Center, Panorama Magazine, 1995.

⁵⁹ Nguyen Anh Tuan, *South Vietnam Trial and Experience: A Challenge for Development* (Athens, OH, 1987), preface, 5-6, 146-78.

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Marine General Lew Walt and Army Colonel David Hackworth agreed that the United States employed the wrong strategy and tactics but proffered more modest alternatives. Walt argued that while American soldiers were exhausting themselves in the highlands and on the DMZ looking for large concentrations of enemy troops to destroy, they were losing the real prize of the war, the people and villages of the lowlands.⁴⁹ Walt carried out his ideas in Central Vietnam with what some argue was great success, maintaining the ability to strike quickly at large troop concentrations while dispatching small units to populated areas and severely limiting their firepower. Hackworth devised and practiced successful guerrilla strategies with U.S. and South Vietnamese troops in several regions of the country.⁵⁰ Historian Guenther Lewy concurred that this was primarily a political and guerrilla war and that the people were the prize and criticized the United States for relying too heavily on traditional military strategies. He advocated earlier concerted air attacks on North Vietnam, and a small unit approach to populated regions of the South.⁵¹

Richard Nixon goes furthest, claiming success for his 'Vietnamization' policy of turning the war over to the South Vietnamese. The war, he maintained, was won by 1974, by which time the South Vietnamese had 'proved their will and

⁴⁹ Lewis W. Walt, *Strange War, Strange Strategy: A General's Report on Vietnam* (New York, 1970).

⁵⁰ Colonel David H. Hackworth, *About Face: The Odyssey of an American Warrior* (New York, 1989), chapters 15-20.

⁵¹ Guenther Lewy, *America in Vietnam* (New York, 1978), 559.

the emerging synthesis appears to be highly critical of American policy.⁶⁰ However, neither critics nor defenders of U.S. policy have sufficiently supported their claims with regard to nation building. Rostow's assertions that South Vietnam reached the 'takeoff' stage were based on cursory analyses of agricultural production and sales of inputs such as fertilizer and irrigation pumps. He never delved into the rural economic, social and political issues that underlay economic expansion and did not adequately address sustainability or dependence. Colby, Lewy, Kolko and Buttinger made broad economic claims based on even less evidence. Kolko especially ventures many intriguing and controversial opinions on security, economic, social, and political issues with very little evidence of any kind in support.

Several narrower studies of various pacification and development issues are well researched and closely argued, but are not broad enough to offer a platform from which to make general conclusions about nation building. Dale Andradé confined himself to the Phoenix program.⁶¹ Eric Bergerud concentrates on one province.⁶² Richard Hunt's study of pacification is comprehensive for the pre- 1969 period and concentrated mainly on physical security.⁶³ Tra Dinh Tho's study of pacification and development likewise focuses on security issues and calls upon very little economic thought or data.⁶⁴ Douglas Dacy, a former USAID economist, concentrates on what he believes were failed macroeconomic policies and their relation to economic development.⁶⁵ Like Tuan, who argued that macroeconomic policy succeeded, Dacy relies on aggregate economic data and touches on rural issues and economic development only cursorily. Stuart Callison

⁶⁰ See Devine, 'Vietnam Reconsidered,' *Diplomatic History*.

⁶¹ Dale Andradé. *Ashes to Ashes: the Phoenix Program and the Vietnam War* (Lexington, MA, 1990).

⁶² Bergerud, *The Dynamics of Defeat*.

⁶³ Richard A. Hunt, *Pacification: The American Struggle for Vietnam's Hearts and Minds* (Boulder, 1995).

⁶⁴ Brigadier General Tran Dinh Tho, *Pacification* (Washington, DC, 1980), for economic development commentary, see 109-32.

⁶⁵ Douglas Dacy, *Foreign Aid, War, and Economic Development, South Vietnam, 1955-1975* (Cambridge, MA, 1986).

produced a valuable and detailed study of land reform, but it concentrated mainly on four villages of the Mekong delta, did not draw wider conclusions about critical issues such as peasant economic behavior, regional differences, land reform in the larger nation building context, and the program's effects on the war in general.⁶⁶ Perhaps the most prominent book about rural economic issues in Vietnam, Robert Sansom's *Economics of Insurgency*, was published in 1970 on the basis of research conducted before the Tet Offensive, hence before the concerted development efforts of 1968-1972.⁶⁷ Jeffrey Race's *War Comes to Long An* analyzed rural development issues, but confines itself to one province and terminated with 1970.⁶⁸ Former USAID economist Nancy Wiegiersma produced a study of the Vietnamese rural economy that brought some needed insight to village practices in Central Vietnam and underscored that American programs suffered from a limited cultural and social understanding of the place. Though it made large claims about economic history and peasant economic behavior, the book is most effective as social history. It was thinly researched in an economic sense despite Wiegiersma's background with USAID, added little to the debate about economic development, treated agrarian reforms cosmetically and nearly ignored agricultural development issues.⁶⁹ While foreign scholars tend to make the error of treating Vietnam as a single culture and economy, a few, such as Martin Murray, have described the regional differences that are vital to understanding the place.⁷⁰ But neither Murray nor any other scholar has analyzed the American war or the nation building effort in this context. Journal articles about nation building, and especially wartime economic development issues in South Vietnam, are even

⁶⁶ Charles Stuart Callison, *Land-to-the-Tiller in the Mekong Delta: Economic, Social, and Political Effects of Land Reform in Four Villages of South Vietnam* (Berkeley, 1983).

⁶⁷ Robert Sansom, *The Economics of Insurgency* (Cambridge, MA, 1970).

⁶⁸ Jeffrey Race, *War Comes to Long An: Revolutionary Conflict in a Vietnamese Province* (Berkeley, 1972).

⁶⁹ Nancy Wiegiersma, *Vietnam: Peasant Land, Peasant Revolution. Patriarchy and Collectivity in the Rural Economy* (London, 1988).

⁷⁰ Martin J. Murray, *The Development of Capitalism in Colonial Indochina 1870-1940* (Berkeley, 1980), 8, 67, 416-23.

rarer than monographs. The last major article on development, Callison's, appeared in 1974.⁷¹

In short, no monograph exists on the most critical phase of nation building. No monograph exists on evolving agricultural technology and productivity in South Vietnam. No studies exist of village economies, politics, or development. Neither is there a general study of rural economic development in South Vietnam for any period of its short history.

1.3 SOURCES AND METHODS

The Saigon government had been long of the general opinion that the war had to be won militarily before serious development efforts could succeed.⁷² Under years of American pressure, however, the government began to devote more resources to nation building. Nation building was inspired mainly, though not exclusively, by American policy makers and implemented at American insistence and with American money. South Vietnamese support, or at least acquiescence, was required. One former USAID official lamented that 'we were always pushing our own ideas and they would either grudgingly go along or enthusiastically go along but almost never initiate.'⁷³ USAID and CORDS generated programs. These programs were theoretically administered on the South Vietnamese side by one of several ministries (Agriculture, Development, or Economy) , or the Central Pacification and Development Council, which was run by the prime minister. At times, such as in the case of land reform, the National Legislature helped to craft programs. Americans worked in each of these offices, reporting back to various U.S. agencies. They generally tried to stay in the background, and especially after

⁷¹ Charles Stuart Callison, 'The Land to the Tiller Program and Rural Resource Mobilization in the Mekong Delta of South Vietnam,' Athens, OH: Ohio University Center for International Studies, Papers in International Studies, Southeast Asia Series, no. 34, 1974.

⁷² 'Development Planning,' Terminal Report, 31 December 1975, USAID PN-ABH-87.

⁷³ Rutherford Poats, Georgetown oral history, 2 February 1990.

1967, attempted to give all civil programs a Vietnamese face. The best example of this is land reform. The theory and planning for the redistributions generally came from Americans, but the program was decentralized to an unusual level and administered on the ground by Vietnamese village officials.⁷⁴ In sum, while there is a good deal of gray area in the promulgation of nation building plans, the Americans wielded a heavy hand in the process.

Many of the development planning documents are therefore American, and many Vietnamese documents were translated and stored in U.S. files. Of particular interest are evaluations written by Vietnamese teams attached to CORDS and known as 'Rural Survey Teams,' or 'Rural Technical Teams,' which are remarkably frank and even undiplomatic. CORDS also fielded joint American and Vietnamese evaluation units which assessed nation building programs in the field and reported back to both governments. Much of this documentation found its way into CORDS files that today survive in two collections, MACCORDS and MACCORDS Plans Policies & Programs (MACCORDS PP&P), both of which are housed in the National Archives II, in College Park, Maryland. The U.S. government has recently declassified the latter through 1971 at the author's request.

American advisers at the province level submitted qualitative monthly reports to CORDS and these have been collected and stored at the United States Army Center of Military History at the Washington Navy Yard. Some reports from the district level also turned up in this collection. These 'Province Monthly Reports' come from a narrow source, American advisers of fairly senior State Department or military rank. They therefore suffer from the strengths and weaknesses of individuals, and offer only a foreign view of Vietnamese domestic conditions. Some of the reports are merely a dry recitation of questionable statistics gathered from poorly defined sources. Much of the reporting is, however,

⁷⁴ Jewett Millard Burr, 'Land to the Tiller: Land Redistribution in South Viet Nam, 1970-1973,' Ph.D. Dissertation (University of Oregon, 1976), 37-9, 337.

insightful, sophisticated and well balanced. Moreover, the collection is extremely valuable in that it provides the only chronological, province by province, rendering of the U.S. view of the state of the nation building process. Without this collection, and in the absence of a general history of the nation building effort, researchers would be left to piece together the chronology and geography of the campaign from thousands of disparate reports in several archives.

The USAID maintains its own archive and reading room in the Washington suburb of Rosslyn Virginia, and a substantial body of documents covering larger scale economic development survives there. Supplementary materials are available at the National Security Archive at George Washington University in Washington, DC, in the University of California at Berkeley's Indochina Archive (much of which is now housed at Texas Tech University) and at the Nixon Project at National Archives II. Georgetown University's Oral History Project, at the Lauinger Library, is devoted to fairly senior American advisers and policy makers.

The result of all this is a heavy reliance on American sources. Wherever possible, the study consults Vietnamese views, though not in the proportion the author wishes. This reliance is, however, not as crippling as it may appear given that most of these plans were conceived and even planned by Americans. Moreover, the Washington, DC area is home to many participants in the nation building campaign, both Vietnamese and American, and several interviews were invaluable to understanding the development process both from the perspective of the field officer and Saigon government official. And the reader will note that, as referenced above, a good deal of Vietnamese input is nestled into the American files, especially field evaluations and interviews. While some might have expected extremely diplomatic submissions in such cases, Vietnamese evaluators did not often spare their allies harsh criticism. Moreover, while many U.S. advisers attached to CORDS were evaluating their own programs and put the best

face on their reports, many unleashed scathing critiques. For future avenues of research, Vietnamese archives may yield some insight into South Vietnam's aborted nation building process.

USAID documentation dominates the economic evidence cited here, which raises questions of objectivity. However, a spirited and frank internal debate over programs and policies took place within USAID. Many evaluators were independent contractors, and the agency appears to have tolerated criticism from its own. Two illustrations will suffice for the moment. One particularly salient example of the critical nature of some internal USAID reporting is a 1971 review of the agency's largest and most prominent aid (as opposed to development) program, commodity imports. The report concluded, among other things, that the commodity import programs were largely inappropriate to Vietnamese conditions and tastes, impossible to monitor properly, produced dependence and corruption, had not elicited the necessary interest or participation of the South Vietnamese government, and should be substantially trimmed.⁷⁵ In 1968, USAID's assistant director in Saigon authorized a staff study which undermined the very nature of the agency's goals and approaches in Vietnam. The report asserted that both CORDS and USAID misunderstood the nature of Vietnamese society, the struggle at hand, the attitudes of the population, and the role of foreign aid.⁷⁶

Several weaknesses in the data, however, must be noted. Having read carefully for bias and naivete among foreign evaluators, and sycophancy among Vietnamese, the investigator must exercise caution in evaluating peasant attitudes as reported. One American Province Senior Adviser said after the war, '[A peasant] will take the measure of you. You want it bad, you get it bad. You want it good, he'll give it to you good. It's survival, of course.'⁷⁷ These reports indeed call for caution, but not disregard. Peasant opinions, even as expressed to outsiders,

⁷⁵ 'Management Review of PL 480-Title II Vietnam,' May-June 1971, USAID DD-AAL-163.

⁷⁶ 'The USAID Program and Vietnamese Reality,' Staff Study, June 1968, USAID PN-ARE-177.

⁷⁷ Frank Burnett, Georgetown oral history collection, p. 83, Lauinger Library, Georgetown University, Washington, DC.

are valuable in addition to and in comparison with other sources. Many of the opinions cited in these studies are consistent with substantive evidence from other sources and observed peasant behavior.

Equal caution must be observed when using statistical evidence from South Vietnam. Economic statistics could be difficult to gather in the circumstances. Naturally, collectors tended to avoid perilous places. And, as this study will note, Saigon's statistics-gathering capabilities were poor.⁷⁸ CORDS did not employ professional economists in the field and their reporting reflects this. Neither is USAID economic material as comprehensive as a researcher would hope. Thus, in an exercise familiar to economic historians, in some cases I have had to use incomplete evidence to reach tentative conclusions. In other instances, however, the evidence is ample enough to conclude confidently on numerous controversial issues. I have tried to make these distinctions scrupulously in the text.

To consider nation building in South Vietnam in its entirety would require several volumes. Therefore, this study focuses especially on the 1968-1972 period, and on rural economic development. Prior to 1968, the development process was hindered by U.S./South Vietnamese concentration on military issues and the NLF's influence and control in the villages. The communist Easter Offensive of 30 March 1972 'shattered optimism once and for all.'⁷⁹ PAVN troops occupied large swaths of South Vietnam and non-military programs began a downward spiral into oblivion. Thereafter it was clear to nearly everyone that the Saigon government's fall was inevitable. This study concentrates on rural areas, where the bulk of the Vietnamese people lived, where NLF influence and therefore the struggle for political influence and security was greatest, and where the vast majority of the economic production took place. The study concentrates on economic development because it was there that U.S. programs focused. While

⁷⁸ For a description of the weaknesses of Saigon's statistics gathering capabilities, see 'Statistical Services,' Project Appraisal Report, 23 May 1972, USAID PN-ABB-463.

⁷⁹ Dacy, *Foreign Aid*, 58.

this study does not examine the massive political/propaganda effort mounted by the South Vietnamese and Americans in detail –traveling political indoctrination teams, radio shows, leaflet drops, children's activity organizations and the like– it does not ignore political aspects of development. But since the greatest effort was economic, political issues are treated mainly as outputs of economic development programs. The study makes exceptions where political programs are integral to understanding the overall campaign. For instance, the make up of village governments is vital because they were responsible for many small scale development projects. The study explores the various security environments in which development programs operated. The relative influence of the NLF and the Saigon government had profound effects on the nation building effort. Without an understanding of those influences on village life and economic activity it is impossible to understand the rural development effort.

Among the many economic programs and approaches attempted in South Vietnam, the thesis explores three major strands of development and concentrates on the most important projects in each strand. In agricultural development, for example, the introduction of new technology was the vital program. In agrarian reform, land redistribution and related programs were most important. USAID conceived and championed both to the Saigon government. And in small-scale village or community development, a CORDS creation called Village Self Development Program provides the best tool for understanding the process.

Geographic variances affected nation building profoundly. This study demonstrates that American land reform and modern rice programs performed differently in the two major agricultural zones of South Vietnam: the Mekong delta region in the far South, and the coastal lowlands of Central Vietnam. The programs therefore provide an opportunity to test two controversial models of peasant behavior with important implications for development planning in

different environments. Fortuitously, these two regions play a prominent role in this persistent debate, which pits theories of 'political economy' depicting income maximizing peasants, against theories of 'moral economy' which describe cooperative, subsistence oriented peasants. The Americans appear to have had an implicit view of Vietnamese peasants as constrained income maximizers, but designed programs to enhance peasant economic cooperation as well. Thus, analyzing economic development programs in South Vietnam proves especially revealing and adds a great deal to the peasant economic behavior debate.

South Vietnam would appear to present an opportunity to compare Marxian and capitalist approaches to agrarian development, especially regarding property rights, but in fact it does not. The National Liberation Front recognized that the majority of South Vietnamese peasants were land-hungry. They knew they could not collectivize land and win the cooperation of the peasantry. Hence, they did not pursue Marxian collectivist policies in the South until after the fall of Saigon. In fact, as Callison and others have demonstrated, the NLF and the Saigon government competed to bring secure individual property rights to the peasantry in the South. This affords an opportunity to address the theories of the property rights school of thought, which hold that farmers with secure property rights will be more productive than farmers without.

Within this framework, this study will analyze the economic results of programs designed to enhance rural security, agricultural technology, physical and human infrastructure, elected village governments, opportunities for income growth, cooperative village projects, secure individual property rights, and the general economy of South Vietnam. It will concurrently attempt to gauge the degree to which these programs won the allegiance of its people for the Saigon government. That is, did these approaches constitute successful 'nation building' and if so did they provide a platform for victory over the NLF and the North Vietnamese?

Chapter Two serves the critical purpose of describing the context in which the American-inspired nation building effort in South Vietnam took place. Without at least a cursory understanding of Vietnamese society and economy, without a sense of the respective influences and practices of the NLF and the Saigon government, and the nature of the American presence in a culture it little understood, studying particular rural development plans is of little use. The chapter is especially crucial because, as this introduction has explained, no existing study explores the nature of Vietnamese society and the American presence in the context of nation building. The nature of that presence profoundly affected the reception and outcome of development programs.

Chapter Three fills an equally large gap in the literature of the American war in Vietnam. In the absence of a comprehensive history of the American nation building effort there, this chapter must set the agrarian scene and explore the social and economic assumptions American planners made in Vietnam and delineate the various development approaches their programs took. The chapter also introduces the history and geography of Vietnamese agriculture and agrarian practices.

Chapter Four explores the profound effects of the USAID's efforts to introduce improved agricultural technology, commonly known as 'green revolution' technology, to South Vietnam. The diffusion of this technology has profound implications for persistent debates over farm size and efficiency and peasant economic behavior, and perhaps especially for theories of development in wartime and low intensity conflict environments.

Chapter Five examines the USAID-engendered agrarian reform programs. Agrarian reform centered on land redistribution, the nation building program upon which both South Vietnamese and American officials pinned the most hope. The success of land reform depended partly upon institutional reforms in the realms of credit, agricultural extension and research, and market

improvements. Land reform in South Vietnam has garnered attention from scholars, but not in the larger context of nation building and scholarly debates in which it is considered here.

Chapter Six turns to the CORDS sponsored village development effort. Sometimes referred to as 'community development,' 'project development,' or 'grassroots development', the approach is characterized by public participation in the choice, implementation, and operation of local, small scale development projects. Such participation is thought to enhance appropriateness and sustainability of projects. In the case of South Vietnam, public participation in development or welfare projects was also calculated to bind villagers to the government. Examples of village development projects might be community livestock or poultry operations, fertilizer or tractor cooperatives, the building of village wells, schools, bridges, or medical facilities.

Chapter 2

The Context For Nation Building

During much of the 1960s, the ferocity of the guerrilla war and the National Liberation Front's military control of large swaths of rural South Vietnam prevented any sustained effort at economic, political, or social development by the Saigon government and its American ally. Then came the communist offensives of 1968. Whatever their military results, those offensives ensured the United States' political defeat and precipitated its gradual withdrawal from Vietnam. Thus, most scholars have assumed that the post-1968 period has little to teach us. But the events of 1968 created an environment for an extensive effort at rural development in wartime and low intensity conflict environments. The United States and the development community continue to ignore this vast nation building campaign at breathtaking cost.

This chapter seeks to establish the economic, political, social, and security context in which South Vietnamese nation building and particularly the rural development efforts took place, both before and after the watershed events of 1968. Security is clearly a crucial aspect of any development campaign undertaken in wartime. Because the National Liberation Front's rural influence is vital to the arguments presented here, this chapter devotes substantial space to the subject. If it is true that the NLF was essentially destroyed in 1968 and merely hung on as a powerless shadow, then American persistence might have paid off in South Vietnam. If, on the other hand, the Front became ever stronger in the early 1970s, then the massive nation building campaign was doomed before it began. As the evidence below demonstrates, the truth lies somewhere between these arguments. Controversy has clouded the issue considerably, and studies of security in South Vietnam have taken an almost exclusively military approach. Thus, existing literature is not a sufficient platform to set the scene for a study of rural development.

Not only has no scholarly work attempted to gauge the political and security environment as it affected either agrarian or village development programs in South Vietnam, no post-war study has systematically considered the effect of the massive American presence on those programs. In fact, the field remains so little touched that only one book, Callison's land reform analysis, has considered a large-scale approach to rural development and no study has analyzed smaller-scale village development efforts there at all. Yet, any attempt to analyze those programs is of questionable value without a solid understanding of the peculiar context in which they operated.

To understand the rural development campaign in South Vietnam, as well as the nature of the economic growth of the late 1960s and early 1970s, it is vital to understand the state of the NLF with reasonable accuracy and to have a clearer understanding of the depth of political and security turmoil in the villages than is to be found in the existing literature. While it was and remains impossible to gauge the strength of a secretive and partially decentralized movement like the NLF with precision, the information exists to make reasonably accurate judgments. This chapter contributes significantly to existing literature by using newly released documents to clarify the strengths and weaknesses of the NLF and its ability to affect the government's nation building efforts during the 1968-1972 period.

In this chapter, Section One provides a short history of Vietnam to 1968 as it pertains to the subject at hand. Section Two describes the state of the South Vietnamese economy and the government's macroeconomic policies leading up to the communist offensives of 1968 and in their aftermath. Section Three considers the nature and efficacy of the Saigon government. Most scholars concentrate on the central government, but this study examines its rural components to a depth not attempted elsewhere. It also examines the nature of corruption in the Saigon government using newly available material, and considers its causes from economic perspectives, something else not attempted by any scholar to date. Section Four summarizes the NLF's methods and strategies

for maintaining influence in rural South Vietnam. Section Five portrays the effects of the massive American presence in South Vietnam, which has received too little attention. Again, new material adds substantially to our understanding of this critical subject. Section Six details the regionally variable influence of the NLF relative to the government, and describes South Vietnamese and American attempts to eradicate that influence. This section is important in two ways. It brings new and conclusive evidence to a long debate in especially American scholarly circles. Moreover, this study links rural security to rural economic development, and thus to nation building, far more firmly than has previously been done.

2.1 A BRIEF HISTORY TO 1968

The roots of Vietnamese resistance to foreign domination are ancient. Moreover, according to the historian David Marr, the cooperation between peasants and elites in such resistance movements has always been an essential aspect of Vietnamese identity.¹ Thus, Vietnamese history and identity mitigated against the success of a foreign nation building effort in South Vietnam. Both civilian and military American leadership among successive administrations understood the enormity of their task of ensuring the survival of an anticommunist regime in Saigon. They knew that Ho Chi Minh was popular, that the NLF and PAVN troops were skillful and determined.² They also knew that their ally had no national history. As ambassador to Saigon Henry Cabot Lodge told President Johnson at a White House meeting, 'There is not a tradition of national government in Saigon. There are no roots in the country. . . . I don't think we ought to take this government seriously. There is simply no one who can do

¹ David Marr, *Vietnamese Anti colonialism* (Berkeley, 1971), 44-6.

² For American awareness of Ho Chi Minh's popularity, see George Kahin, *Intervention: How America Became Involved in Vietnam* (New York, 1986), 89. See also Arthur Combs, 'The Path Not Taken: The British Alternative to American Policy in South Vietnam, 1954-56,' *Diplomatic History* vol. 19, no. 1, Winter 1995. For just one example from the voluminous evidence of American awareness of enemy military strengths, see McGeorge Bundy's memo to Lyndon Johnson in Larry Berman, *Planning a Tragedy. The Americanization of the War in Vietnam* (New York, 1982), 43.

anything.³ Contrary to widely held assumptions, then, the U.S. did not blunder insouciantly into Vietnam. In fact, a succession of leaders believed not just that their mission might fail, but that the odds were against their success. They simply believed they could not afford to stand aside and watch South Vietnam fall to a communist regime.⁴ Nonetheless, American policy makers took insufficient account of this essential aspect of Vietnamese ethnic or national identity. Hence, a general ignorance of Vietnamese history led policy makers to misjudge the reception their rural programs would get from the peasantry it sought to win over.

This study's introduction explored the roots of ethnic Vietnamese national identity and the history of resistance to China. By the 19th century, the French had become another great foreign invader in Vietnam, and in the 1880s they succeeded in subjugating the ancient kingdom, discrediting its monarchy, coopting or marginalizing the mandarin, or elite civil service class, and driving out Chinese interests, thus ending the centuries-old tributary relationship.⁵ The French colonial government split what is now Vietnam into three administrative zones which roughly correlated to Vietnamese cultural variations and between which travel and exchange were extremely difficult. Cochin China contained the Saigon area and the Mekong Delta and was sparsely populated but potentially the richest part of the colony. This the French annexed and administered themselves. Annam, or Central Vietnam, and Tonkin in the North, they designated French protectorates and installed nominal Vietnamese administrations.

Under French rule, the mandarin was left with the difficult choice of

collaboration and potential prosperity or resistance and almost certain poverty. It

³ Berman, *Planning a Tragedy*, 108.

⁴ For the Eisenhower administration's views of the difficulty of achieving American goals in Vietnam, see Lloyd Gardner, *Approaching Vietnam: From World War II Through Dien Bien Phu* (New York, 1988), 315. See further, Combs, 'The Path Not Taken,' especially 39-42. For the Johnson administration's awareness of the long odds in Vietnam, see Berman, *Planning a Tragedy*, 79-129, and especially 138-45. See also Leslie Gelb and Richard Betts, *The Irony of Vietnam: The System Worked* (Washington, DC, 1977), who discuss this issue from the perspective of the Eisenhower, Kennedy, and Johnson administrations.

⁵ Nancy Wiegersma, *Peasant Land, Peasant Revolution: Patriarchy and Collectivity in the Rural Economy* (London, 1988), 2.

was from this class which sprang much of the leadership of the Vietnamese resistance culminating with the National Liberation Front. When, during World War II, the Japanese invaded the East Asian mainland and replaced France as the newest foreign colonist, long-smoldering Vietnamese nationalism erupted into armed resistance led by Ho Chi Minh. Ho's guerrillas harassed Japanese occupation troops and, upon the defeat of Japan in 1945, moved into Hanoi and declared Vietnamese independence. But the French returned and attempted to reassert colonial rule over Indochina.

Ho's forces retreated into the highlands and, with the support of China and the Soviet Union, began an independence campaign that culminated in the defeat of the French at Dien Bien Phu in 1954. Facing the unhappy possibilities of a communist takeover or another war on the heels of Korea, the powers called the Geneva Conference of 1954, co-sponsored by the Soviets and the British, to determine the fate of Indochina. Although Hanoi and Saigon protested vehemently, China, the Soviet Union, Britain and France, among others, agreed to partition Vietnam and stage elections two years later to reunite the country under one popularly elected government. Ominously, the Eisenhower administration refused to sign the Geneva Accords, merely 'taking note' of the agreements.⁶

The Americans, at least at the highest levels, were not as naive as is popularly assumed. The Eisenhower administration did not blunder blindly into Vietnam with the arrogant belief that they could do anything they pleased there. They helped install Ngo Dinh Diem as president in the hope of building an anti-communist bastion similar to South Korea. They perceived Ho's popularity and quickly recognized Diem's shortcomings, but could not find a better leader.⁷ They

⁶ George Herring, *America's Longest War*, (Lexington, KY, 1979), 40.

⁷ See U.S. ambassador to Saigon Heath tel. to State Department, 29 September 1954, *FRUS*, 1952-1954 13: 2093. See also, Sir Ivone Kirkpatrick, permanent head of the Foreign Office, minute of 21 January 1955, Foreign Office Political Correspondence, Record Class FO 371/117176, Public Record Office, Kew, England (hereafter FO 371 with filing information). See also Foreign Secretary Harold Macmillan to Denis Allen, 10 August 1955, FO 371/117144/1041 and J.C. Cloake minute to letter from Sir Hubert Graves, minister at Saigon, to Prime Minister Anthony Eden, 12 July 1954, FO 371/11212.

knew that if elections were held, Ho would win.⁸ Even with U.S. backing, the Eisenhower administration realized that South Vietnam probably would not survive. As he dispatched J. Lawton Collins as Special Ambassador to South Vietnam in 1955, Secretary of State John Foster Dulles told him that the odds against the success of their mission were 10 to 1 against, but that they had to try.⁹ Traumatized by the fall of Nationalist China to communism in 1949, after which critics accused Harry Truman of losing China, suffering through the tail end of the McCarthy era, and believing that North Vietnam was part of a larger communist onslaught into East Asia, the Eisenhower administration felt that they could not stand by and allow it to fall. Just as in Korea, a line must be drawn.

Diem and his brother and unofficial co-president Ngo Dinh Nhu were unable to appeal to nationalist sentiment in South Vietnam. They were Catholic, French-educated, wealthy, urban men who had little sense of the majority Buddhist peasantry whose support they would need if any semblance of unity was to evolve in the new country. But not all Vietnamese were Buddhist. The Diem family attempted to govern an ethnically, religiously, and politically divided land in which military coup was a constant danger. Their goal therefore was to control rather than to appeal to the people of South Vietnam and this they did with a good deal of repression and brutality.¹⁰ The Hanoi regime demonstrated that it was possible to both brutally control and deeply appeal to people. The Ngo Dinhs, however, failed at both and compounded their weaknesses by promulgating policies hostile to the peasantry.

Perhaps the best examples of such policies were the hated resettlement programs instituted by Diem, the 'agrovilles' of the later 1950s and 'strategic Hamlets' of the early 1960s. These programs aimed to separate the insurgents

⁸ R.B. Smith, *An International History of the Vietnam War: Volume 1, Revolution versus Containment* (London, 1983), 30.

⁹ See William C. Gibbons, *The U.S. Government and the Vietnam War: Executive and Legislative Roles and Relationships, Part I: 1945-1960* (Princeton, 1986) 287; and Lloyd Gardner, *Approaching Vietnam*, 315.

¹⁰ For a short description of the Ngo Dinh's governing style, see Herring, *America's Longest War*, 90. For more extensive treatments see, Warner, *The Last Mandarin*, and George McT. Kahin, *Intervention: How America Became Involved in Vietnam* (New York, 1986).

from the people by moving families from their far flung hamlets to new, more easily defended settlements. They were modeled on the fortified villages the British had used in Malaya in the early 1950s. In Malaya, however, the British were defending Malays against Chinese insurgents, while Diem sought to fortify Vietnamese hamlets against other Vietnamese who had grown up in those hamlets.¹¹

Despite the failure of the Agroville program of 1959, the Americans envisioned the Strategic Hamlet program as a tool for binding the people to their government. An attempt to keep people near their ancestral lands was supposed to be made. Government troops would move peasants to secure areas, whether near to or distant from their ancestral lands, where defensive perimeters would protect their new hamlets from attack. Government services would be focused in these settlements, schools built, health centers opened. It did not work. The Ngo Dinh saw Strategic Hamlets as tools of control, not as links to the peasantry.¹² The program made no provision for the allotment of new land to displaced villagers. Francis Fitzgerald exaggerated to make the point that many peasants ended up landless, 'five miles being the same as five hundred to those who had to walk to their fields each day and back.'¹³ The U.S. allocated money for services that never reached the hamlets. Defenses were minimal, many of the insurgents were hamlet residents, and it proved impossible to keep most deportees near their ancestral lands.¹⁴

Fitzgerald described the Strategic Hamlet program as 'a political disaster,' and 'a study in misplaced analogy' in its very conception.¹⁵ George Herring notes that resettling the peasantry added significantly to 'the discontent that had pervaded the rural population since Diem's ascent to power.'¹⁶ Saigon's chief of

¹¹ Francis Fitzgerald, *Fire In the Lake: the Vietnamese and Americans in Vietnam* (Boston, 1972), 123.

¹² Herring, *America's Longest War*, 88.

¹³ Fitzgerald, *Fire in the Lake*, 123-4.

¹⁴ Col. Harry G. Summers, Jr, *Vietnam War Almanac* (New York, 1985), 322. Herring, *America's Longest War*, 88-9.

¹⁵ Fitzgerald, *Fire In the Lake*, 125.

¹⁶ Herring, *America's Longest War*, 88.

military security and manager of the Strategic Hamlet Program, Albert Pham Ngoc Thao, was Hanoi's spy. Thao was able to satisfy orders from both regimes by carrying out the hamlet program quickly and assiduously, so effective were the resettlements at alienating the peasants from the government.¹⁷

In spite of Diem's failings, many southern Vietnamese had no wish to live under a communist regime, however revered its leader might be. As later chapters will demonstrate, the NLF was aware of this, and waited until the war was over before attempting to impose Marxian economic policies in the South. It was perhaps partly due to that ideological restraint that the insurrection met with swift political and military success in the early 1960s and drove the already paranoid Diem regime into ever greater spasms of violence and oppression, provoking widespread unrest. NLF minister Tang believed that his organization was 'not at all anxious to see Diem overthrown. His intolerance and brutality had alienated whole segments of South Vietnamese society and were daily contributing to NLF strength.'¹⁸ Eventually John F. Kennedy was persuaded not stand in the way of a coup attempt. On 1 November 1963 coup leaders had Diem and Nhu murdered. Kennedy himself was killed three weeks later and his successor, Lyndon Johnson, inherited an ally in a tailspin.

A period of coup, counter-coup, and increasing chaos followed, and the NLF took full military advantage. By late 1964 the Front controlled a large portion of the countryside and northern regulars were moving southward to assist them. In 1965 it was clear that the Viet Cong were on their way to victory.¹⁹ Lyndon Johnson introduced American combat troops on a large scale in April of that year.

2.2 AN OVERVIEW OF THE SOUTH VIETNAMESE ECONOMY

¹⁷ Truong Nhu Tang, *A Viet Cong Memoir: An Inside Account of the Vietnam War and its Aftermath* (New York, 1985), 47. For more on Thao's history with the Viet Minh and his posthumous medal from Hanoi, see the interview with former Viet Minh journalist Xuan Vu in David Chanoff and Doan Van Toai, *Vietnam: A Portrait of its People at War* (London, 1996), 9.

¹⁸ Tang, *Viet Cong Memoir*, 50.

¹⁹ Ralph B. Smith, *An International History of the Vietnam War, Volume III, The Making of a Limited War, 1965-66* (London, 1991), 30-48. See also Walt W. Rostow, *Diffusion of Power* (New York, 1972), 447-8, and Herring, *America's Longest War*, 129-30.

Economist Douglas Dacy identifies three stages of economic performance in South Vietnam during the American war. The first, from 1965 to 1968, was the inflationary period of the big war. The second, after the Tet Offensive and until the withdrawal of American troops in 1972, he characterized as a period of reform and growth. After 1972, the withdrawal of hundreds of thousands of free-spending Americans resulted in stagnation and unemployment.²⁰ This study is most concerned with the period of reform and growth, but it is important to have a general idea of the functioning and management of the South Vietnamese wartime economy as it led up to and affected the nation building effort.

South Vietnamese and American economic policy makers were confronted with a daunting task of maintaining stability and fostering growth in a society in violent transition. The war had closed markets, sapped manpower, changed import and export patterns, denied farmers access to some arable land, and created general economic chaos and mass population movement. The United States Agency for International Development estimated that by 1968 one third of South Vietnam's population had been refugees at some point during the war.²¹ The terrors of rural combat and the presence of well-paid American troops in towns and cities created massive migrations. Shanty towns sprang up in every major population center in the country. Rural flight saturated urban job markets and overburdened already poor city services.²² Between 1963 and 1968 South Vietnam's urban population increased from 15% of the total to 40%.²³ This urbanization rate far out paced those of other Southeast Asian countries during the period. For instance, from 1960 to 1970, Indonesia's urban population grew from 14.59% to 17.07%, Malaysia's from 25.22% to 26.97%. In the Philippines it climbed from 30.3% to 32.94%, and in Thailand from 12.51% to 13.22%.²⁴ While

²⁰ Dacy, *Foreign Aid*, xvi.

²¹ 'Refugees', 31 December 1975, Terminal Project Appraisal Report, USAID PN-ABI-383.

²² See 'Refugees', Terminal Report, 31 December 1975, USAID PN-AAX-018.

²³ 'Economic Context,' 31 December 1975, Vietnam Terminal Report, USAID PN-ABI-250.

²⁴ Naohiro Ogawa, 'Urbanization and Internal Migration in Selected ASEAN Countries: Trends and Prospects,' in *Urbanization and Migration in ASEAN Development*, eds. Philip M. Hauser, Daniel B. Suits, and Naohiro Ogawa (Tokyo, 1985), 87.

South Vietnam had the highest urbanization rates in Southeast Asia, it had one of the lowest rates of population growth during roughly the same period. In 1965, for instance, South Vietnam's gross reproductive rate was low relative to the rest of Southeast Asia. In 1975, South Vietnam experienced among the lowest population growth rates in the region.²⁵ Hence, it does not appear that South Vietnam's greater urban migration resulted merely from population pressure in the countryside, but to a large degree from circumstances created by the war.

In these conditions policy makers believed that they faced an economic dilemma; should they pursue policies designed to foster long term development, try to ensure economic stability, or pursue both simultaneously? Prior to 1968, both South Vietnamese and Americans believed that their first economic goal was to maintain economic and hence social stability.²⁶ To that end, the United States pumped a substantial amount of aid into South Vietnam to prevent economic collapse, contain inflation, maintain a flow of consumer goods, keep rice prices low, and generally maintain standards of living among urban South Vietnamese, civil servants, and military families –the core of government support.²⁷ Knowing that the danger of coup came mainly from the urban military elite, and denied political and economic access to most rural South Vietnamese, planners focused on urban stability. They saw hyperinflation spurred by the U.S. presence as the single most dangerous and destabilizing potential economic ill facing the country.²⁸ Urban South Vietnamese of all classes lived in a market economy, and inflation was certainly their greatest economic fear.²⁹ The rural peasantry, living largely in a subsistence economy,

²⁵ Robin J. Pryor, 'South-East Asia: Migration and Development,' in *Migration and Development in South-East Asia: A Demographic Perspective*, ed. Robin J. Pryor (Kuala Lumpur, 1979), 9.

²⁶ 'The American Experience with Pacification in Vietnam,' Institute for Defense Analyses, Arlington VA, Chester L. Cooper et al., March 1972, vol I, 19-20, Microfiche Collection, AD 763953, RG 472, Archives II.

²⁷ 'Development Planning,' 31 December 1975, USAID Terminal Report, PN-ABH-875. See also Dacy, *Foreign Aid*, xvii, xviii.

²⁸ Dacy, *Foreign Aid*, 28, 79, 193.

²⁹ See for instance Pacification Attitudes Analysis Survey, 16 June 1970, file 1602-01, Box 10, MACCORDS PP&P, 1970, Record Group 472, National Archives II, College Park, Maryland (hereafter MACCORDS PP&P followed by box and file numbers where appropriate). See also Province Monthly Report for Saigon/Cholon, July 1970, Hatcher M. James, JR, Director, Saigon Civil Assistance Group/CORDS, which termed inflation an 'explosive issue' in Saigon.

were less concerned with inflation. In the 1960s, the government and its American ally declared the urban constituency their economic priority by focusing on inflation and keeping rice prices low, including prices that farm families got for their produce.

The government artificially lowered the price of rice through marketing controls and rice imports from the United States. Not only were these food imports designed to check inflation, increasingly they were needed to feed people. But rice imports, while filling the gap left by decreasing production, depressed that production further still. According to a USAID report, deteriorating security, the NLF closing of markets and lines of communication, depressed rice prices, rice imports, rural manpower shortages, and an exodus to the cities led to a decline of about 20% in rice production over 3 years, from 5.2 million tons from 2.6 million hectares in 1964, to 4.3 million tons on 2.3 million hectares in 1966. And demand for food grew faster than population growth in part because the U.S. employed about 5% of the country's labor force at relatively high wages, and in part because U.S. aid created a good deal of wealth among substantial numbers of especially urban South Vietnamese. As a result, in 1963 South Vietnam was the world's fourth largest rice exporter, by 1967 it was the world's largest importer.³⁰ Most of this rice entered Vietnam through the 'Food for Peace' program under which the United States provided commodities –usually rice and other grains– free of charge. The government managed its distribution and sale generally below market prices in order to check inflation and provide food to poorly paid civil servants and their dependents.³¹

The government attempted to contain the domestic money supply through the Commercial Import Program (CIP). This program was designed not only to help soak up money but also to dampen public discontent with the

³⁰ 'Economic Context,' 31 December 1975, Viet Nam Terminal Report, USAID PN-ABI-250. This report does not specify how it estimated hectares under production and crop production in NLF strongholds.

³¹ Officially entitled PL 480 Title II, this was a humanitarian aid program. For a description of the program and its problems see, 'Management Review of PL 480 - Title II Vietnam,' 7 September 1971, USAID, DD-AAL-163. PL 480 Title I, which also brought produce to Vietnam, was designed to dispose of American agricultural surpluses. Dacy, *Foreign Aid*, 27, 194.

economic hardships posed by the war, especially among the urban classes who made up a large part of the government's supporters. Under the CIP, the United States provided aid dollars to the Saigon government, which then issued import licenses for what and to whom it chose. As a gesture to the United States Congress, which approved the aid each year, the imports were to be American products only. South Vietnamese importers exchanged local currency for these dollars with which to pay for the goods. The government in turn used the local currency so generated to help finance South Vietnam's defense spending. In this way the Americans could provide operating capital to the Saigon government while simultaneously dampening inflation by decreasing the local money supply, helping them regulate imports and keeping consumer goods flowing to South Vietnam's urban classes.³²

These policies helped create an economy largely dependent on imports which in turn were financed by foreign aid. Keeping rice prices low depressed production of South Vietnam's most important economic output and its major potential export. Flooding the country with cheap consumer goods also inhibited local manufacturing and industrial development. Besides fostering dependence, the availability of large sums of money and tons of goods created a tremendous potential for corruption, which by all accounts reached socially corrosive proportions.³³ South Vietnam's dependence on imports has garnered harsh criticism, but may have been necessary to its short term survival. The country ran a rice deficit during the 1960s and needed imports to feed its people. And hyperinflation was both a deep concern to urban South Vietnamese and a real danger because of the colossal size of the American presence. Given the perceived need to compete politically with the communists over the loyalties of the South

³² For description and purposes of the CIP program, see 'Commercial Import Program,' 31 December 1975, Viet Nam Terminal Report, Volume II— A Summary, Part 2, USAID PN-AAX-018. See further, Dacy, *Foreign Aid*, 25-7, 194, and Nguyen An Tuan, *South Vietnam Trial and Experience: A Challenge for Development* (Athens, Ohio, 1987), 332-3.

³³ Air gram from Ambassador Ellsworth Bunker to State Department, 7 March 1968, containing USAID Staff Study: 'Government of Vietnam Civil Service Reform and the Anti-Corruption program in Vietnam,' 6 March 1968 USAID, ISN 15660. See also Professor Nguyen Manh Hung, interview with author, 4 May 1994, Indochina Institute at George Mason University, Falls Church, Virginia.

Vietnamese people, such inflation could have been devastating indeed to the South Vietnamese/US war effort.

Inflation increased the misery of many South Vietnamese during the war, especially in urban areas. But as Thomas Thayer pointed out, under difficult circumstances Saigon managed to contain it within comparatively reasonable bounds. South Korea suffered far worse inflation during its war than did South Vietnam, and went on to become an economic success. Although he cautions against drawing parallels too closely, Thayer noted that from the large scale commitment of American troops in 1965 to their withdrawal in 1973, South Vietnamese prices increased tenfold. One USAID report hypothesized that American aid, especially in the form of subsidized imports, prevented inflation from rising still higher.³⁴ In contrast, during its far shorter war South Korean prices rose by a factor of 20.³⁵

In its pursuit of stability, the government attempted to run what amounted to a command economy by regulating trade and commerce. Almost any transaction that involved the shipment of goods beyond one's immediate area required licenses: all imports, all exports, all large rice sales outside the province of origin, the opening of any industry. Officially, even portable rice mills required licenses. Government road blocks and canal checkpoints choked local trade.³⁶ For the South Vietnamese government, however, 1968 proved to be a watershed year not merely for military and rural development efforts, but for economic policy as well.

Later chapters will explore post-Tet Offensive economic reforms in greater detail. They are briefly introduced here to complete the picture of the South Vietnamese economy as it affected the nation building effort. After years of American hectoring, with an increased sense of rural security, and with the knowledge that the American military and economic commitment was finite, the

Thieu government started to rely more on market mechanisms and less on

³⁴ 'Economic Context,' 31 December 1975, Viet Nam Terminal Report, USAID PN-ABI-250.

³⁵ Thayer, *War Without Fronts*, 246.

³⁶ See for example Province Monthly Report for January 1969, An Xuyen Province, George M. Nagata, CMH.

rationing and price controls, and attempted to dismantle internal barriers to trade.³⁷ In 1968, for example, it revoked the ban on inter-provincial rice trading.³⁸ In 1970 it implemented exchange rate reforms, devaluing the piaster to discourage imports and encourage exports.³⁹ The government also raised the price of imported rice.⁴⁰ These reforms allowed the price of rice and other locally produced goods to better reflect demand, increasing incentives to produce. According to Dacy, net domestic production increased 28% between 1968 and 1971, to which growth the government sector contributed only 6%.⁴¹ As Chapter Four will demonstrate, by 1971 South Vietnam was producing enough rice to feed itself and only persistent internal barriers to trade preventing it from ending rice imports altogether.⁴² Chapter Five will examine in closer detail the reforms of the tax system, interest rates, and licensing procedures that continued until Saigon fell in 1975.

2.3 THE SAIGON GOVERNMENT

South Vietnam would have been a difficult country to govern even in peaceful conditions. It was ethnically and geographically diverse, riven by competing ideologies, and had been a state only 14 years by 1968. The Vietnamese tradition of village autonomy, embodied in the adage 'the emperor's authority stops at the village gate,' made establishing central authority over rural areas difficult almost everywhere.⁴³ Central Vietnamese villages traditionally had especially tenuous

³⁷ Former Minister for the Economy Pham Kim Ngoc, interview with author, 28 August 1994, Seven Corners, Virginia. See also, 'Rice Marketing and Situation Report,' Vietnam, January 1971 USAID VS 338.17318 L831. And Dacy, *Foreign Aid*, 13.

³⁸ Until 1968 all rice shipments had, by law, to go through Saigon. Province Monthly Report for January 1969, An Xuyen Province, George M. Nagata, CMH. However, substantial barriers to trade remained in spite of this attempted reform.

³⁹ Nguyen An Tuan, *South Vietnam Trial and Experience*, 167.

⁴⁰ Dacy, *Foreign Aid*, 15.

⁴¹ *Ibid.*, 15.

⁴² 'Rice Marketing and Situation Report,' Vietnam, January 1971 USAID, VS 338.17318 L831.

⁴³ For a description of Vietnamese village autonomy, see Neil Jamieson, *Understanding Vietnam* (Berkeley 1993), 28-9.

ties to the leadership in both Saigon and Hanoi.⁴⁴

The country was further riven by semi-autonomous enclaves ruled by local elites: Catholics, Buddhists, and powerful religious sects called the Cao Dai and Hoa Hao. Until military assaults subdued them in 1955, Cao Dai and Hoa Hao had their own armed militias and Saigon had little real power over their adherents. Other, generally unarmed, but nevertheless potent local elites deeply influenced their devotees. Among these factions were various political parties, Chinese congregations, mountain tribes, and ethnic Cambodians. These groups often levied taxes, ran their own schools, courts, social services, and farmers' organizations. One faction or another might command the loyalty of a clear majority in entire provinces. Such local groups provided the stability, structure, and security that colonial and post-colonial governments were unable to furnish.⁴⁵ Ethnic Cambodians, for instance looked to their monks, rather than the government, for leadership.⁴⁶ Even after Diem curbed their power, these organizations retained a good deal of authority and loyalty among local residents, controlling much of the social, cultural, economic, and institutional life of their respective areas.⁴⁷ Thus, the village war was not merely a bipolar struggle between the government and the NLF. Because the local elites could urge their adherents to cooperate with particular government programs and reject others, their existence had a profound effect on both security and development.

The structure and personnel of the new government proved as great an obstacle to nation building as the fractious nature of its territory or the communists. High officials of the Saigon government tended to be Catholic, many were from Central and North Vietnam, and mostly wealthy urbanites in a country whose vast majority were rural Buddhists.⁴⁸ So weak was the Diem government in the provinces, the U.S. embassy reported that its authority did

⁴⁴ VSSG Study on Quang Nam province, March 1970, Province Monthly Reports, CMH.

⁴⁵ Jamieson, *Understanding Vietnam*, 213-17.

⁴⁶ 'VC Estimates for a Cease fire,' Vinh Binh Province, 3 November 1972, Robert C. Hallmark, LTC, Province Senior Adviser Report to DEPCORDS MR IV, Advisory Team 72 Files, CMH.

⁴⁷ 'The USAID Program and Vietnamese Reality,' USAID Staff Study, June 1968, PN-ARE-177.

⁴⁸ Jeffrey Race, *War Comes to Long An: Revolutionary Conflict in a Vietnamese Province* (Berkeley, 1972), 19.

not extend beyond its own offices.’⁴⁹ It was not until General Nguyen Van Thieu became president in 1967 that the Saigon government began to coalesce and function with any efficiency.

But for vast U.S. support, the Government of Vietnam would never have emerged or survived, and Americans took a proprietary view of the regime they had helped to build. Perhaps in part because it failed to behave as its sponsors envisioned, Americans have tended to portray the Saigon government as venal and incompetent. A former USAID official expressed his mystification at Saigon’s performance. ‘We were quite naive as to the motivations of the government officials we dealt with, shocked to see that they were not committed to the national cause, weren’t even loyal to the people who put them in office.’ Since the Americans had so little confidence in the Saigon regime, they found themselves taking over more and more of the war effort. ‘We kept building on quicksand. We never had a government composed both of technicians and political leaders in Vietnam that one could count upon to make the right decisions which we could then simply support.’⁵⁰

Neil Jamieson, a former USAID official, took a more balanced view in his valuable social history of Vietnam. The government, he observed, was a highly funded, efficiently organized body staffed by well educated, well trained people. And although it did not work well, ‘it was not, in fact, nearly as bad in some ways as it has often been depicted by many who were frustrated and outraged by its shortcomings. But it did fall short of what such a concentration of talent, technology, and money should have been able to achieve.’ Jamieson insisted that Americans intruded too deeply into the administration of South Vietnam, and when the money, equipment, and suggestions did not produce anticipated results, ‘many of us began to dislike and distrust those people who had so stubbornly resisted our efforts to remake them in our own image, who failed to meet our expectations, who produced a reality that mocked the logic of the organizational

⁴⁹ Herring, *America’s Longest War*, 86.

⁵⁰ Rutherford Poats, Georgetown oral history, 2 February 1990.

charts and training manuals we thought we shared with them.⁵¹ Frances Fitzgerald went further: `Mistrustful of the Americans, the Vietnamese attempted to box them into accepting the total responsibility for a situation that was, as the Vietnamese saw it, of American making.⁵² Another USAID official defended the Saigon government by making the point that, in the face problems of such magnitude, all that American talent was not particularly effective either.⁵³

Many American advisers believed they detected some improvement in the central government during the latter part of the war.⁵⁴ Some of the regime's defenders pointed out that the record of oppression was little different from most East Asian countries –including its democracies– and certainly not so abject as Hanoi's. This was probably true, but since the government was in a bitter battle for the support of its people and attempting to sell itself as a democracy far superior to the Northern dictatorship, such heavy handedness alienated it from much of the population. Even in Saigon, where people lived in proximity to the central government, a 1969 American-sponsored survey concluded that only one in ten residents believed that existing political parties reflected the chief aspirations of the people, and only one in four could even name a political party.⁵⁵ In the provinces awareness of the Saigon government was even rarer. An American adviser in the Mekong region reported in February 1970 that `the influential people in Tuyen Nhon [district] are primarily the elders and family heads. Many of these cannot read, few have traveled outside of the province and virtually none have any conception of the government apparatus in Saigon. Their primary concern is to be let alone to continue in the way of life that their

⁵¹ Jamieson, *Understanding Vietnam*, 307.

⁵² Fitzgerald, *Fire in the Lake*, 353.

⁵³ Hugh Appling, Georgetown oral history, 26 January 1990. Appling was the Tay Ninh province senior adviser and later the deputy chief of mission at the U.S. embassy.

⁵⁴ See, for instance, `Vietnam Revisited,' Robert Komer memorandum to CORDS, October 1970, MACCORDS PP&P 1970, Box 10.

⁵⁵ Saigon Public Attitudes as Expressed In Sample Survey Conducted in March 1969, JUSPAO Research Report, 15 April 1969, MACCORDS 101517b, Record Group 472, National Archives II, College Park, Maryland. (Hereafter MACCORDS and file number).

forefathers practiced.⁵⁶ In June 1970 a South Vietnamese research team in Vinh Binh province found that an ability to name the country's prime minister, army general Tran Thien Khiem, was mainly limited to males who had served in the military, especially directly under Khiem himself.⁵⁷ Moreover, their report noted that since the survey was conducted in villages contiguous to the province capital, the results were probably distorted in favor of the government. This chasm between the Saigon government and the rural people of South Vietnam had an incalculably vast effect on the nation building effort.

The government divided South Vietnam into 44 provinces, each of which contained several districts. In 1956 the Ngo Dinh replaced the village council with autocratic province and district chiefs as the primary rural administrative authority.⁵⁸ Thereafter, province chiefs ruled over both military and civil affairs in their domains and answered only to the president. Reporting directly to the province chief from a newly invented administrative unit were district chiefs. Village governments, once autonomous, became 'errand boys' that could make few important decisions without consulting district or province authorities.⁵⁹

Since the chiefs tended to rule their areas like fiefdoms, the quality of local governments depended heavily on a few men. And since province chiefs commanded substantial military forces in a coup-prone country, presidents often chose them for their loyalty, rather than their ability.⁶⁰ The majority of province and district chiefs were military men with little or no background in administration. And though some were able leaders, in most cases loyalty to the president proved no substitute for administrative ability. Moreover, they paid formidable fees to attain their posts, and had to realize large profits in order to pay for them by squeezing the officials under them. As the following section will

⁵⁶ Attachment to Province Monthly Report for March 1969 by 1st Lt. Frederick L. Barbour, District Senior Adviser, Tuyen Nhon district, Kien Tuong province, MR 4, Earnest P. Terrell, Jr., LTC, PSA, CMH.

⁵⁷ Rural Survey Team Report, 11 June 1970, Box 9, General Records 1602-01, MACCORDS PP&P, 1970. Survey conducted 1-10 June 1970, in 7 hamlets of 3 villages surrounding the capital of Vinh Binh province.

⁵⁸ Race, *War Comes to Long An*, 21-2.

⁵⁹ *Ibid.*, 161.

⁶⁰ See, for example, Race, *War Comes to Long An*, 19, and Neil Sheehan, *A Bright Shining Lie*, 213.

detail, the 'corrupt district chief on the take' became a national stereotype.⁶¹

Recently declassified documents demonstrate that the Americans constantly hectored the Saigon government to improve its local governments. For example, CORDS lobbied unsuccessfully to strengthen village government at the districts' expense.⁶² Laws got changed, but in the field district chiefs held tightly to their powers. In 1969, in what seems today an astounding interference in Saigon's affairs, CORDS director William Colby wrote to South Vietnamese Prime Minister Khiem to urge the removal of 10 province chiefs regarded by Americans as abysmally incompetent or corrupt. This left 34 chiefs, many of whom CORDS considered dangerously poor, but did not feel they could cause to be ousted.⁶³

There were province and district chiefs who lived humbly and did their jobs courageously and well. A particularly good example can be found in the hotly contested Hau Nghia province, where Lieutenant Colonel Nguyen Van Thanh dampened corruption, showed respect for the citizenry, and ran a relentless campaign against the NLF that significantly weakened them in one of their traditional strongholds. The Front, however, assassinated Thanh 'because he was too effective as a military commander and not sufficiently corrupt to fit the Communist stereotype of a province chief.'⁶⁴ Colonel Thanh was by no means unique, but he was in a distinct minority and the Americans had the impression that the Front helped to make sure they remained so by targeting such men for elimination. The result, as another adviser phrased it, was that uncorrupted younger GVN officials and officers were damned, there was no place for them and they were becoming 'as rare as the dodo bird to the great satisfaction

⁶¹ Herrington, *Silence Was a Weapon*, 52.

⁶² See for instance the suggestions of former CORDS director Robert Komer, 'Vietnam Revisited,' Memorandum to CORDS, October 1970, MACCORDS PP&P 1970, Box 10, with which his successor, William Colby, agreed in his marginal notes to the report.

⁶³ Ambassador Colby to Prime Minister Khiem, draft letter, December 1969, DEPCORDS Files, District, Province, and Hamlet Chiefs folder, 1967-1969, CMH.

⁶⁴ Herrington, *Silence Was a Weapon*, see especially pp. 55, 98-9.

of the enemy.'⁶⁵ Herrington lamented this irony. 'Thanh would probably never have been assassinated had he been a corrupt, ineffective, and self-serving province chief. These kinds of men -of whom South Vietnam had its fair share- were valuable assets to the revolution.'⁶⁶ Former NLF Village Chief Trinh Duc confirmed this practice. He temporarily refrained from executing one government appointed hamlet chief, a corrupt and pliant man, because Saigon might appoint a new chief 'tougher and more effective than Thuan.'⁶⁷

2.3 (i) Corruption among Saigon Officials

Corruption among Saigon government officials, and Americans as well, was a massive problem in South Vietnam. It weakened both economic and military programs, disgraced the government before its people, and provided the communists with a colossal propaganda tool. The extent of the corruption was staggering. Much has been written about the phenomenon so this chapter will not dwell on its details.⁶⁸ It will, however, introduce new material and explore the causes and motivations of corruption, something no scholarly study of South Vietnam has attempted in any depth.

It should be noted that the tremendous quantity of commodities and consumer goods the United States injected into a poor country would have created intolerable temptations anywhere in the world. Nevertheless, the level of corruption in South Vietnam was sensational. The former acting director of USAID Saigon marveled that 'half a convoy going 3 miles in Saigon would disappear, whole trucks.'⁶⁹ The pilfering of foodstuffs sent to South Vietnam

⁶⁵ Province Senior Adviser Report for Bac Lieu, June 1969, Peter S. Brownback, CMH. Much documentation exists on the NLF's assassination campaign. For instance, a 1967 provincial Party committee called for the annihilation of tyrants from the government's village and hamlet administrative machinery. 'Directive from Province party Standing Committee (sic) to District and Local Party Organs on Forthcoming Offensive and Uprisings, November 1, 1967, in *Vietnam: The Definitive Documentation of Human Decisions*, vol 2, ed. Gareth Porter (Stanfordville, NY: 1979), 477.

⁶⁶ Herrington, 122-3.

⁶⁷ Chanoff and Toai, *Vietnam: A Portrait of its People at War*, 104.

⁶⁸ See for instance, Fitzgerald, *Fire in the Lake*, 93-4, 105-6, 345-53.

⁶⁹ John Bennet, oral history interview, Georgetown University Library, 2 February 1990.

under the 'Food For Peace' program was so dire that USAID finally cut off shipments to nine provinces in late 1970, and would have widened the ban had it not been for acute refugee problems in some areas.⁷⁰

With civil service salaries extremely low, officials paid for their posts by squeezing those below them, and so on down the line. This made it difficult for officials to avoid diverting funds even if they wished to, with devastating results for development. Normal procedure in construction bids was to add 40% to the cost of a contract for province officials to split.⁷¹ Everything seems to have been for sale, from jobs to ammunition. James Trullinger's study of a Central Vietnamese village uncovered a former village chief who complained that

None of us liked to have anything to do with bad money practices, but we had to. A soldier who worked for the district chief came to every village chief to tell us that we had to instruct all our clerks and policemen that a certain amount of money was expected from our village every month. This was to go first to the district chief, and then, above him, to the province chief⁷²

Colonel Nguyen Van Ba, the Province Chief for Phu Yen in Central Vietnam apparently was a particularly egregious example of avarice at the province level. The American province adviser, James Engle regularly reported Colonel Ba's excesses to Saigon. In 1970 Ba was finally relieved, but by this time, Engle was near to despair.

In Phu Yen the processes of leadership and decision-making, which had been moving at a snail's pace ever since last September, came to a complete halt before the end of April. . . .The Province Chief devoted little attention to public affairs down to April 20, the day he learned of the GVN's decision to remove him. On that date, he ceased all pretense of governing, to devote full time to winding up his lucrative business operations and to entertainment.

⁷⁰ CORDS Memorandum, 11 December 1970, Record Group 472, MACCORDS PP&P 1970, Box 11, 1601-09A.

⁷¹ Memorandum from province senior adviser Colonel D.Duncan Joy, to DEPCORDS IV CTZ (JP VANN) 11 December 1970. Pacification Files, 1968-1972 (Closed files), Vinh Long Province, CMH.

⁷² James Trullinger, *Village at War: An Account of Conflict in Vietnam* (Stanford, CA, 1994), 161.

Engle asserted that public awareness of 'gross corruption' in Phu Yen was high. Over the 50 months of his tenure Colonel Ba had distinguished himself as a talented profiteer, had ignored rural areas, turned a blind eye to public sentiments, and tolerated and profited from the 'debauching of Tuy Hoa City.' Ba, he went on, 'embodies just about everything that the U.S. government and, at least outwardly, the Thieu regime, stands against.' On top of that, the colonel was 'militarily incompetent,' and had graduated last in his Officers Candidate School class. At best, concluded Engle, 'Colonel Ba merits oblivion.'⁷³

The gross level of corruption clearly discredited the regime and its programs, which begs the question, why did the Saigon government allowed it? According to Professor Nguyen Manh Hung, the former chief of the National School of Administration, South Vietnam's civil service academy, corruption began at the highest levels. Hung believes that, had they wished to, the president and his ministers could have curtailed corruption by reforming the military from which power in South Vietnam flowed. Since the president, his family, and his closest colleagues were at the top of the payment chain, however, this would have required a radical reduction in their own income. Hung trained civil servants for posts as deputy district and province chiefs to serve under military men, who monopolized the top positions. Many of them told their former mentor that what he taught them was not applicable in the field. Corruption was so great that going through official channels would assure the failure of a project. In order to get a job done, they had to go outside approved procedure, which in turn left them open to corruption charges.⁷⁴

Low salaries and high inflation also assured high levels of corruption. Jamieson points out that South Vietnamese generals and cabinet ministers were paid less than the average U.S. enlisted man. Field grade officers or high ministry officials made less than most bar girls or taxi drivers. In fact, many army majors and senior civil servants drove cabs to make ends meet. Doctors, teachers,

⁷³ Province Monthly Report for Phu Yen, April 1970, James B. Engle PSA, CMH.

⁷⁴ Professor Nguyen Manh Hung, interview with author, 4 May 1994, Indochina Institute, George Mason University, Falls Church, Virginia.

lawyers, nurses, journalists, most of the urban middle classes, found themselves poor because of inflation. 'Unless one could find some way to be plugged into the inflationary economy of the American spending, it was impossible to keep up.'⁷⁵ Fitzgerald pointed out that the old rich of Saigon had opposed the communists as a threat to their position in society only to find that the American presence abolished that position quickly and efficiently.⁷⁶

The mix of Vietnamese culture and American presence created a chaotic system in which Vietnamese officials were torn between administrative and family duties. 'To fulfill what he perceived to be his obligations to his family and his family's obligations within the hierarchical social order, no member of the military services or the civil service found his salary and the legal benefits of his office to be anywhere near adequate.'⁷⁷ According to a Rand Corporation study, Vietnamese culture took motivation into account when judging corruption. If one skimmed for others, rather for one's self, it was generally not considered corruption.⁷⁸ This helped officials to justify diverting a significant percentage of American largess into the Vietnamese family domain. The level of skimming regularly practiced among South Vietnamese officials, however, went far beyond that traditionally tolerated by Vietnamese culture to maintain family obligations. It went so far as to undermine government programs and harm government personnel in the eyes of its people.⁷⁹

So poor was the provincial administration of government policy in many cases that one USAID official was prompted to report that the government of South Vietnam was 'not a government-in-being [but] a government-in-training. . . Most Vietnamese see the Saigon government as an inefficient, corrupt group of self-seeking men. . . an unattractive mafia, whose major merit is that in some

⁷⁵ Jamieson, *Understanding Vietnam*, 293-5.

⁷⁶ Fitzgerald, *Fire in the Lake*, 352.

⁷⁷ *Ibid.*, 313-15.

⁷⁸ Shepard C. Loman, Chief, Civil Operations, Saigon Civil Assistance Group, CORDS, to Mr. Hatcher M. James, Jr., Director, SCAG, Letter of 26 July 1969, CMH DEPCORDS Files.

⁷⁹ Professor Nguyen Manh Hung, interview with author, 4 May 1994, Indochina Institute, George Mason University, Falls Church, Virginia.

ways it strives to overcome that other mafia, the VC/NLF.⁸⁰ It is clear then that extraordinary socioeconomic conditions caused a great deal of corruption. But it appears that other, more universal forces, may have been at work.

In the early 1970s American economist Anne Krueger hypothesized that government economic interventionism was a major cause of corruption.⁸¹ According to Krueger, interventionism creates 'rents,' or unearned windfalls. Her central example was government rationing of import licenses to the point that import licenses became valuable commodities themselves. In some cases, companies might pay more in domestic currency for an import license than they would for the foreign exchange to buy the imports. Companies pursuing these windfalls were said to be rent seeking, and they might expend substantial resources in the process. Rent seeking could include legal activities, such as lobbying, sending representatives to lobby in the capital city, or moving a firm to the capital city. Or it might take illegal form, such as bribery and corruption of government officials who allocate the licenses. The spinoff effects of this economic intervention appear to be several. The expenditures firms make in seeking these rents might alternatively be invested in productive behavior, thus there is not only the cost of rent seeking itself, but an opportunity cost as well. More, if government posts become lucrative because of such windfalls, corruption may pervade civil service selection and promotion as competition for jobs becomes fierce.

Krueger found for both India and Turkey that rents were quantitatively important, and created substantially greater social and economic costs than tariffs would have. In fact, she estimated that rents for import licenses alone in Turkey accounted for 15% of GNP in 1968.⁸² And, Krueger suggested, rents are not merely created by import licenses, but other forms of economic intervention as well, such as price, wage, and interest rate controls.

Several authors developed further the ideas of rent seeking behavior,

⁸⁰ 'The USAID Program and Vietnamese Reality,' USAID Staff Study, June 1968, PN-ARE-177.

⁸¹ Anne Krueger, 'The Political Economy of a Rent Seeking Society,' *The American Economic Review* 64, no. 3, June 1974.

⁸² *Ibid.*, 293-4.

especially, according to John Toye, in reference to India. The theory of a political economy of rent seeking became the salient neoclassical economic explanation for Third World corruption. Since the standard neoclassical prescription for corruption, indeed for a healthy economy generally, is the diminution or elimination of government economic intervention, the model has attracted critics. Toye argued cogently that the neoclassical prescription for the problem of rent seeking was simplistic, that intervention was sometimes necessary and that it could be effected while discouraging corruption. For example, a free bidding system for import licenses might minimize rent seeking and capture rents for the government.⁸³ Moreover, Alice Amsden, among others, has demonstrated that Taiwan used government economic intervention to create a highly productive economy and the second highest per capita income in Asia.⁸⁴

Toye, however, does not challenge Krueger's linkage of certain government controls with corruption. And the South Vietnam model supports the theory of rent seeking behavior, intervention, and corruption emphatically. A 1970 CORDS budget planning report identified two areas of government economic intervention that misallocated resources and caused corruption. As Section Two detailed, the Saigon government had long fixed interest and exchange rates below equilibrium prices in order to dampen the price of imports and inflation. Demand for credit at these rates was higher than supply, loans were allocated by favoritism and this generated corruption. Artificially low exchange rates had indeed kept the price of imports low and demand high. In 1966 the Saigon government had set the exchange rate at VN\$ 118 to USD 1. In the ensuing four years, however, retail prices in Saigon were up 243%, making the real price of imports far lower than it had been despite increased import taxes. As a result, according to the report, demand for import licenses soared above both licenses available under rationing and dollars available to buy them. This, too, induced corruption. The report noted that the Saigon government recognized

⁸³ John Toye, *Dilemmas of Development: Reflections on the Counter-Revolution in Development Theory and Policy* (Oxford, 1987), 122.

⁸⁴ Alice Amsden, 'Taiwan's Economic History: A Case of *Etatisme* and a Challenge to Dependency Theory,' *Modern China* 5, no. 3, July 1979.

these problems and had the eventual goal of an open system for allocating import licenses and the liberalization of interest and exchange rate markets.⁸⁵ As Chapter Five will describe, the Saigon government did attempt to ease government economic controls. Minister for Economy Pham Kim Ngoc, in fact, set out with American backing to diminish these market interventions in part because of their linkage to corruption.⁸⁶

In the meantime, certain government jobs in South Vietnam became tremendously profitable due to opportunities for rents and the process of choosing personnel for these posts became utterly corrupted. According to a previously unpublished CORDS report, 'the corruption in the Vietnamese system is so far-reaching that the beginning and ending become lost.' The report detailed the prices of various government jobs:

- a. For young man to join [the local militia] - 10,000 Piasters [or VN\$].
- b. For a job as National Policeman - 30,000 - 50,000 Piasters.
- c. The price of a position as Hamlet Chief depends upon the size, location, and wealth of the particular hamlet. In some cases the position costs 150,000 Piasters.
- d. Positions of village and District Chiefs also depend upon wealth of the area. Long Toan District 250,000 Piasters up to Chau Tanh District for 1,000,000 Piasters per annum.
- e. The price for a Province Chief job also varies, however, it was reported that 10 million piasters was involved in the last change of Province Chief in Vinh Binh and that this money went to the Minister of the Interior in Saigon.'⁸⁷

This corruption in awarding government posts clearly had ruinous effects on the South Vietnamese state and the morale of its lower echelons. Province Chiefs had to share their windfalls with regional military units. An American military adviser accompanied one colonel from a regional headquarters 'on his rounds to the province chiefs in our [area] to collect his share of the chiefs' "takes"

⁸⁵ Country Field Submission, Plans and Budget for FY 1972, 22 August 1970, DEPCORDS File, CMH.

⁸⁶ Pham Kim Ngoc, interview with the author, 28 August 1994, Seven Corners, Virginia.

⁸⁷ 'VC Estimates for a Cease fire,' Vinh Binh Province, 3 November 1972, Advisory Team 72, Province Senior Advisor Report to DEPCORDS MR IV, Robert C. Hallmark, LTC., CMH. The official exchange rate in 1972 was VN\$ 270 : USD 1. But the black market rate, which was more commonly used in unofficial exchanges, valued the dollar far higher.

collected as tax from all the Viet businesses in the individual provinces.¹⁸⁸ According to Hackworth, commanding officers almost all had lucrative businesses going, usually run by their wives. Middle level officers could 'mill around like lost sheep or get a piece of the action.'¹⁸⁹ Many simply ignored their responsibilities and became full-time businessmen. With so many upper and mid-level officers deserting their men, Hackworth asserted, it is no wonder so many South Vietnamese soldiers deserted their posts. 'ARVN just didn't stand a chance,' and one could hardly blame soldiers for refusing to fight and possibly die for such officers.

Clearly, corruption in South Vietnam went far beyond government economic intervention: low government salaries, high inflation, and the proliferation of American imports, as well as the behavior of the highest officials created a great deal of impetus for corruption. However, corruption was only one of many factors that separated the government from the rural peasantry. By centralizing power and disempowering the villages, the Saigon government and their American backers ignored Vietnamese ethnic history and repeated the errors of the Chinese and the French before them. As the French scholar Paul Mus and his American protégé John McAlister saw it:

From the outset of the agricultural organization of the country, the Vietnamese village by its very rusticity had been an inviolable sanctuary for the nation. It was not that each village was capable of resisting individually. But these villages were. . . . not concentrated in any one place so that the adversary might have seized them as one lays hold of a capital. How wrong the Chinese were to laugh secretly at such humble institutions for these institutions never yielded to them.⁹⁰

The series of pro-western, urban oriented governments in Saigon were 'limited to urban bases of power precisely because they have not had values relevant to the lives' of village people, and their rural institutions were never durable because they did not have the respect of villagers. Mus believed that the

⁸⁸ Colonel David H. Hackworth with Julie Sherman, *About Face: The Odyssey of an American Warrior*. New York, 1989) 725.

⁸⁹ *Ibid.*, 725-8.

⁹⁰ John T. McAlister and Paul Mus, *The Vietnamese and their Revolution* (New York, 1970), 50. For the French and American error in this regard, see 53-4.

Saigon regimes would therefore have had trouble administering rural South Vietnam even if there had been no NLF .⁹¹

The Hanoi regime managed to centralize power, but although it was certainly a dictatorship, and a repressive one, it did not establish power purely from the top down, as the Saigon government attempted to do with American help. Mus long argued that Ho Chi Minh's regime came to power in the North in 1945 with strong support in the villages, because the values it espoused, though in part foreign-inspired, resonated with the peasantry. Hanoi's new values system offered opportunities for poor villagers to break out of rigid village hierarchies and participate in activities the old system of values would have denied them. While villagers tended to accept the new regime based on the relevance of its revolutionary values, Mus noted, it required extreme violence and coercion to get many of them to accept that new scheme of values into their daily lives.⁹² And, as we will see, the National Liberation Front took its lessons not from the Chinese or French colonists, but from Vietnamese history and from the Maoist tradition espoused by Hanoi.

2.4 THE ORGANIZATION AND METHODS OF THE NATIONAL LIBERATION FRONT

The National Liberation Front attempted to govern the countryside in a manner radically different from the government, using the village rather than the province as the basic administrative unit. The NLF's involvement at the village level had a profound effect on nation building in that it forced the government to administer its pacification and development programs from afar. The Front wisely built their shadow government based, if loosely, on traditional patterns. That is, they tried to govern with semi-autonomous village-based committees,

⁹¹ Ibid., 156-7, 161-163.

⁹² Ibid., 59-68.

not from district or province towns that were to most of the peasantry as foreign countries. In creating a number of effective village institutions, the NLF achieved a level of village influence that eluded Saigon and gave it a significant advantage in the rural struggle.⁹³

The National Liberation Front used a 'foot in the door' strategy to recruit supporters. NLF documents indicate that 'middle peasants,' relatively wealthy farm families with landholdings of 2-5 hectares, were difficult to recruit.⁹⁴ Hence, Front cadres initially tended to recruit according to class and concentrated their efforts among the sons of the poor and other disenfranchised groups: landless peasants, members of marginalized sects, young underemployed villagers.⁹⁵ Thereafter family members and young friends of the new recruit proved far easier to entice or coerce. The NLF also set up hamlet and village youth groups in which participation was often compulsory. In this way they attempted to involve children progressively in political, and later possibly military activities.⁹⁶ Thus, although there was a class dimension to NLF membership, cadres attempted to involve all villagers. However, as the war escalated with the coming of the Americans and NLF casualties mounted, the Front paid less attention to such details as class.⁹⁷

To establish their village institutions, the Front dispatched political cadres and security forces to oversee the election of carefully chosen, well respected men to leadership positions as hamlet or village secretaries and committee members.⁹⁸ At first, the cadres would control the committees, but would slowly turn responsibilities for village organization, tax collection, recruiting, and propaganda over to them, ruling increasingly from behind the scenes.⁹⁹ This ensured that

⁹³ Frances Fitzgerald, *Fire in the Lake*, 77-180.

⁹⁴ 'Land Reform,' Vietnam Terminal Report, USAID, PN-AAX-019, p.24. The report cites captured NLF documents describing the conservative nature of the middle peasant and their tendency to avoid involving themselves in the revolution.

⁹⁵ Michael Lee Lanning and Dan Cragg, *Inside the VC and the NVA: The Real Story of North Vietnam's Armed Forces* (New York, 1992), 48.

⁹⁶ Douglas Pike, *Viet Cong: The Organization and Techniques of the National Liberation Front of South Vietnam* (Cambridge, MA, 1966), 243, 287-291.

⁹⁷ Lanning and Cragg, *Inside the VC*, 46.

⁹⁸ *Ibid.*, 185.

⁹⁹ *Ibid.*

NLF village administration not only had a local flavor, but a good deal of flexibility and initiative.¹⁰⁰ Thus, NLF village leaders were not mere errand boys. Front village secretaries often commanded their own militias, local supply lines, and intelligence services.¹⁰¹ In such matters as taxation, justice, military recruitment, and land redistribution, a Party village secretary had as much and often far more authority than a government province chief.¹⁰²

Though the villagers had no choice in whether a local NLF government would be established, it was a system they could recognize. Moreover, in practice, the Front's village authorities were more responsive in many ways than the government's village councils, who had many responsibilities but little power. Many lower level NLF village cadres came from the local peasantry, and although they no longer farmed, otherwise lived like the peasants whom they sought to woo and control. The Front also offered the rural poor an opportunity to advance through its hierarchy. GVN province and district chiefs, on the other hand, were required to hold a secondary school degree, a privilege reserved for the wealthy: urban middle and upper classes, rural landlords, and rich peasants. They tended to live like rich men, have minimal contact with villagers, and yet made decisions affecting their daily lives.¹⁰³

In one sense, Hanoi and the NLF had an easier task winning influence in the South than did the Saigon government because the communist movement was in large part a continuation of the revolution against Japanese and French colonists begun in the 1940s. Large numbers of Vietnamese, long denied a political voice by a series of colonists and local collaborators and culminating with the Saigon regime and its American ally, simply refused to stop fighting until foreign entities were expunged.¹⁰⁴ In a more immediate sense, issues of redistribution and political participation appear to have been central to peasant

¹⁰⁰ Kolko, *Anatomy of a War*, 373.

¹⁰¹ Fitzgerald, *Fire in the Lake*, 192-3.

¹⁰² Race, *War Comes to Long An*, 161.

¹⁰³ *Ibid.*, 167-8.

¹⁰⁴ For the nature of this continuing revolution, see John T. McAlister, *Vietnam: Origins of Revolution* (New York, 1970), especially Chapter 26.

grievances and the persistence of revolutionary sentiments, or at the very least to anti-government sentiments, in the South. McAlister argued that rural Vietnamese saw the South Vietnamese army, the dominant rural manifestation of a military government, as 'an arbitrary institution that was trying to get control over the countryside without sharing power with the peasant villagers.'¹⁰⁵ In contrast, the NLF system won real commitment from many, though not rural control, because it 'rewarded popular participation' in a way the Saigon government did not.¹⁰⁶ While important posts in the Saigon military and civil hierarchy were often for sale, Vietnam veteran and International Relationist William Henderson observed that advancement in the NLF was largely, if not completely, based on merit and performance.¹⁰⁷

Many scholars, among them Jeffrey Race, Robert Sansom, Francis Fitzgerald, Gabriel Kolko, and Nancy Wiegersma, claimed that the NLF's redistributive approach to rural social and economic reform appealed more to the peasantry than did that of the government. Race, for instance, contended that while distributive issues were at the heart of peasant grievances, the Saigon government treated absolute poverty as the primary cause of peasant support for the southern insurrection.¹⁰⁸ During the 1960s, when the government was limited to operating mainly in the large towns, the NLF embarked on a reform effort aimed at redistributing resources. They implemented rent control and land reform measures and put themselves squarely in the peasants' corner against the landlords. According to Sansom, in the 1960s 'the Americans offered the peasant a constitution; the Viet Cong offered him his land and with it the right to survive.'¹⁰⁹ It was not until the 1970s that the Saigon government began an extensive rural reform effort, as we shall see, but until then, for those among the peasantry who yearned for systemic change during the 1960s, the NLF was clearly

¹⁰⁵ Ibid., 360.

¹⁰⁶ Ibid., 363.

¹⁰⁷ William Darryl Henderson, *Why the Vietcong Fought* (Westport, CT, 1979), 58.

¹⁰⁸ Race, *War Comes to Long An*, 275. For another description of peasant grievances see also Robert L. Sansom, *The Economics of Insurgency in the Mekong Delta of Vietnam* (Cambridge, MA, 1970), 244.

¹⁰⁹ Ibid., 234.

the force to be supported.¹¹⁰

Finally, NLF security strategies depended upon establishing a sympathetic environment rather than on massive firepower. A network of sympathizers provided information on government and American activities, aided political proselyting, and helped with tax collections. Armed with a knowledge of their enemy's movements, Viet Cong troops could move, strike, and disperse to avoid attack. Clearly, NLF requirements for security used far fewer forces than that of its opponents. Political cadres were to collect taxes, recruit new members, maintain contact with village informants. They required only a small security force to provide protection, to enforce the silence of the peasantry, and keep the government from operating effectively in the hamlets. The modesty of the Front's security goals reflects the easier nature of their primary task, which was to prevent the creation of, rather than to build, a new nation. Thus, while the government needed rural control, the NLF only required influence, and time was on their side.

Through these village tools, the damage done to the government by the ubiquitous American presence, and Ho Chi Minh's history of resisting foreign invasion, the National Liberation Front succeeded in appearing as the defender of Vietnamese nationalism. It is clear, however, that the NLF won the loyalty of only a minority of the overall peasantry. And as the war escalated, evidence that the narrowness of the NLF's popularity began to accumulate. For instance, during Tet Mau Than of 1968, the Front called upon the people of South Vietnam to stage a popular uprising against the government. Hanoi led their soldiers and NLF cadres to believe that this was inevitable. No significant popular uprising accompanied the 1968 offensives.¹¹¹ A captured North Vietnamese Communist party document claimed a crushing military and political victory in the offensive, but rued the failure to motivate the masses to the extent that they would indulge

¹¹⁰ The inadequacy of the Diem regime's land reform effort of the 1950s is discussed in Chapter Five.

¹¹¹ See NLF General Tran Va Tra, 'Tet: the 1968 General Offensive and General Uprising,' in Jayne S. Werner and Luu Doan Huynh, *The Vietnam War: Vietnamese and American Perspectives* (Armonk, NY, 1993), 52-60. See also Stanley Karnow, *Vietnam: A History* (New York, 1983), 549, and Zalin Grant, *Facing the Phoenix: The CIA and the Political Defeat of the United States in Vietnam*, (New York, 1991), 29.

in violent armed uprisings.¹¹² Truong Nhu Tang claimed that some citizens rose up in the ancient imperial capital, Hue, and participated with fanatical young soldiers in committing atrocities. Ironically, this one example of popular uprising had left the NLF with a special need to address fears among the Southern people that a revolutionary victory would bring with it a bloodbath or reign of terror.¹¹³ The anemic popular response to NLF exhortations, however, should not be mistaken for government support. Fitzgerald pointed out that while the people did not rise up to help the front during the offensives, neither did they help the government. The PAVN and the Viet Cong spent months building up for their offensive all over the country. In the week prior they inserted five battalions into Saigon alone and still its defenders were caught by surprise, lending some credence to Fitzgerald's seemingly unlikely claim that not one citizen informed.¹¹⁴

Evolving NLF tax policy also illustrates the limited popularity of the revolution among peasants. In the early 1960s, NLF taxes were generally low. The central pillar of the system was a progressive tax based on *per capita* agricultural production, which the NLF attempted to use to distribute income to the poorer peasants from whom most of their support sprang. This the Front supplemented with a land tax based on potential rather than actual output to create incentive for production.¹¹⁵

Large-scale American intervention in 1965 changed this. As the war intensified, the NLF was compelled to demand ever higher taxes in areas to which they had access.¹¹⁶ For instance, in 1968 in the NLF province of Soc Trang, in the Mekong Delta, the agricultural production tax rates theoretically ranged from 5% to 20% of unhulled rice. In prior years the NLF would likely have relied

¹¹² George Katsiaficas, *Vietnam Documents: American and Vietnamese Views of the War* (Armonk, NY: 1992), 102-4. Source of document: *Viet-Nam Documents and Research Notes* (U.S. Embassy, Saigon, 1968).

¹¹³ Tang, *Viet Cong Memoir*, 153-4.

¹¹⁴ Fitzgerald, *Fire In the Lake*, 395.

¹¹⁵ 'Viet Cong Tax System,' CORDS Report, 29 May 1971, MACCORDS, File 77-0047, folder 101186. See also, 'Viet Cong Taxation,' Working Paper, undated, MACCORDS 101467.

¹¹⁶ 'Viet Cong Taxation: Practices and Popular Reaction,' 1 June 1968, MACCORDS, 101329. See also Fitzgerald, *Fire in the Lake*, 186.

mainly on this tax. By 1968, however, it was supplemented by the imposition of special taxes.¹¹⁷ In 1969, the Province Senior Adviser in Vinh Long province reported that, in a study of four villages, peasants paid between 20% and 50% of their yearly income to the NLF in land and crop taxes, as well as substantial additional taxes on irrigation pumps, rototillers, and other agricultural implements.¹¹⁸ A South Vietnamese research team in Vinh Long province reported in late 1969 that farmers in the district town and three villages paid NLF taxes as follows: poor farmers 20% of yearly income, middle farmers 30% of yearly income, rich farmers 50% of their yearly income. To these taxes the Front added special levies on farming equipment as well. Those who failed to pay were kidnapped or killed.¹¹⁹ Moreover, there is evidence that the progressive nature of the Front's tax system began to skew. NLF taxes tended to be harsher in poorer areas with small rice harvests and large concentrations of VC troops needing sustenance.¹²⁰ One 1970 CORDS report relied on captured NLF documents to conclude that 'nearly every activity is or has been taxed by the VC. Besides the transportation tax, there is a commerce and business tax, a plantation tax, a market entry and exit tax, an income tax and a property tax.' The Front was aware, the report continued, that its tax collections had become increasingly burdensome and unpopular to rural South Vietnamese and, as a captured Binh Tuy Province Communist Party Committee report lamented, their tax collectors increasingly required armed Viet Cong and even North Vietnamese Army escorts.¹²¹ Under this tax burden, peasants employed several evasive techniques. They hid rice, fled NLF influenced areas, and as taxes soared and access to markets

¹¹⁷ Ibid.

¹¹⁸ Memorandum for DEPCORDS from Ronald L Tausch, Province Senior Adviser, Vinh Long, Rural Survey Team Report for four villages in Vinh Long province, 4 November 1969, MACCORDS PP&P 1970, Box 9.

¹¹⁹ Rural Survey Team Reports, 4 September 1969, Submitted to CORDS HQ in Memorandum to DEPCORDS, 4 November, by Roland Tausch, PSA, Vinh Long province, MACCORDS PP&P, Box 9, 1970.

¹²⁰ 'Viet Cong Tax System,' CORDS Report, 29 May 1971, MACCORDS, File 77-0047, folder 101186.

¹²¹ Ibid.

declined, sometimes suppressed production to near subsistence levels.¹²²

The recruiting practices of the NLF also suggest sagging popularity as the war stretched on. Pike, for example, found that in the early 1960s volunteers filled NLF and VC ranks. But as early as 1966 the Front began to rely on coercion.¹²³ Long time revolutionary Xuan Vu noted that young men in heavily communist Ben Tre province were avoiding NLF recruiters in 1966, something that could 'not possibly have happened' during the Viet Minh war.¹²⁴ Lanning and Cragg claimed that the NLF began resorting to conscription as early as 1963 and noted that as conscripts replaced volunteers the quality of Front forces diminished.¹²⁵ Henderson, however, cited interviews with deserters who claimed that while the NLF did resort to conscription, the motivation of draftees and volunteers was equally high. Whether or not that is true, it appears that most young men tried to avoid serving in the NLF and that after Tet Mau Than the latters' recruiting job got even tougher. Several American advisers reported fear and avoidance of NLF conscription among South Vietnamese peasants.¹²⁶ Trinh Duc, then leading the NLF political and military movement for three villages, recalled after 1968 'it was almost impossible to get recruits.'¹²⁷

James Trullinger's 1969 village study in Central Vietnam found that about 5-10% of My Thuy Phuong's young men had the wealth to buy draft deferments from government officials, 5-10% joined the NLF, and the remaining 80-90% served in government forces out of a feeling of coercion, mainly because their alternatives were jail or the NLF. Although most people in this village preferred the NLF to the Saigon government, 'joining the local guerrilla force meant. . .

¹²² For the adoption of subsistence practices among peasants, see 'Two Revolutions in Bac Lieu,' August 1967, Robert L. Sansom, CORDS Economic Office, MACCORDS PP&P, 1967. For peasants fleeing NLF held areas see 'Viet Cong Economic Position,' 3 June 1968, MACCORDS 101330.

¹²³ Pike, *Viet Cong*, 291.

¹²⁴ Chanoff and Toai, *Vietnam: A Portrait of its People at War*, 159.

¹²⁵ Lanning and Cragg, *Inside the VC*, 46-52.

¹²⁶ See for instance, Attachment to Province Monthly Report for March 1969 by 1st Lt. Frederick L. Barbour, District Senior Adviser, Tuyen Nhon district, Kien Tuong province, MR 4, Earnest P. Terrell, Jr., LTC, PSA, CMH. See also Province Monthly Report for Hau Nghia, July 1970, Jack Weissinger, LTC, PSA, CMH.

¹²⁷ Chanoff and Toai, *Vietnam: A Portrait of its People at War*, 108.

sacrifices that few wanted to share.¹²⁸ Trullinger also cites a Communist document dated 1966 in which the leadership lamented the shortage of guerrillas in this traditional revolutionary stronghold.¹²⁹

In sum, peasant reactions to NLF calls for civilian uprisings, to taxes, and to recruiting efforts, indicate that the Front did not enjoy the full support of the South Vietnamese people. Again, however, this narrow popularity apparently did nothing to enhance the Saigon government's standing among the people. One American report captured this dilemma; it details the depth of peasant resentment of NLF tax policies, but lamented that the South Vietnamese government was wholly unable to exploit that resentment.¹³⁰

Most South Vietnamese opted for some form of neutrality. Nguyen Van Trung, a Catholic scholar from Saigon who might have been expected to support the Thieu government, trusted neither side:

If the Southern Liberation Front truly was merely resisting "American Imperialist Aggression," then why up until now has it not yet been able to stimulate. . . an ardent uprising among all the people? If a policy of opposing Communism has truly only been called into existence because of the aggression of the northern Communists, why has it not been able to stimulate a positive attitude of self defense? We cannot make a clear cut choice. . . . The problem is how to enable all of us to avoid the plight of having to choose.¹³¹

Truong Nhu Tang, the former NLF Justice Minister, confirmed that neither side won the popularity of a majority of the people. "The South Vietnamese found themselves trapped between their loathing of the Thieu dictatorship and their fears of communism. Given these political realities, there was nowhere for most people to turn, so they paid outward allegiance to whoever held the whip hand."¹³²

Like the GVN, the Front was unable to consolidate and maintain political control over the country. Like the GVN it achieved greater influence in some

¹²⁸ Trullinger, *Village at War*, 167-8.

¹²⁹ *Ibid.*, 120.

¹³⁰ Viet Cong Taxation: Practices and Popular Reaction, 1 June 1968, MACCORDS, 101329.

¹³¹ Fitzgerald, *Fire In the Lake*, 384-5.

¹³² Truong Nhu Tang, *A Viet Cong Memoir*, 192.

regions than in others and often ruled more with fear than with persuasion. However, though the NLF won the voluntary participation of only a minority, among that minority it elicited a remarkable loyalty. It was not unusual for Front cadres and guerrillas to suffer outrageously for their cause and persevere. In contrast, most of those who fought for the Saigon government did so only because they were drafted and those who did volunteer did so to combat communism, rather than out of loyalty to or enthusiasm for the government.¹³³ This difference in political commitment was to prove crucial.

2.5 THE AMERICAN PRESENCE AND ITS CORROSIVE EFFECT ON SOUTH VIETNAM

2.5 (i) American Strategies: Regular Soldiers and the Village War

General William Westmoreland's strategy of attrition and body count proved impracticable and wholly incompatible with the concomitant nation building campaign. By definition it required a protracted commitment that was to prove politically untenable. A protracted war favored North Vietnam. Hanoi knew their greatest advantage was that foreigners would eventually lose the political will to fight far from home.¹³⁴ Thus, Westmoreland played to his enemy's strength.¹³⁵ Many in the U.S. government understood this as well. As early as 1966, Defense Secretary Robert McNamara told Johnson that the strategy of attrition would not work.¹³⁶ The Pentagon itself conducted a number of statistical studies in 1967 and 1968 which demonstrated clearly that at the prevailing 'kill ratio' it would take 30 years to 'attrit' Hanoi to the point at which they could not mount a military force capable of threatening the Saigon government's existence.¹³⁷ Paradoxically then, although the United States needed a quick result for political reasons, it chose a protracted strategy. As vociferous Westmoreland

¹³³ Herrington, *Silence Was a Weapon*, 201.

¹³⁴ Douglas Pike, Georgetown oral history, 5 February 1989.

¹³⁵ Palmer, *The 25-Year War*, 186.

¹³⁶ Thomas C. Thayer, *War Without Fronts: The American Experience in Vietnam* (Boulder, CO, 1985), 89-90.

¹³⁷ *Ibid.*, 90-96.

critic Harry Summers declared, 'we were fighting for time rather than space, and time ran out.'¹³⁸

American units fulfilled their mission as MACV defined it; enemy casualties far outstripped 'friendlies.'¹³⁹ But while U.S. troops were effective in the sparsely populated piedmont and highlands, the use of large conventionally-trained combat units in the village war alienated the rural population. With fearsome firepower, U.S. soldiers who could have no sense of Vietnamese society or culture and were unable to tell friend from foe brought an unprecedented level of violence to South Vietnamese villages. Villagers knew that the NLF often punished government informants with death and so tended to remain silent when asked by Americans about guerrillas, snipers, and booby traps. U.S. troops had been told they were sacrificing themselves to help the South Vietnamese people. Thus the soldiers believed that villagers who let Americans blunder into their deaths must be either communists or communist sympathizers. The results were predictable. Under fire the Americans 'acted like the scared and tired young men they were.'¹⁴⁰ One U.S. adviser reported a painful recollection of failed efforts to convince an American military commander that he could not simply 'blow away' villages when his men took sniper fire from that direction. The soldiers 'had no way of knowing that the widespread refusal of the Vietnamese peasantry to get involved in the war that raged around them was really a testament to the Viet Cong's organizational effectiveness.'¹⁴¹

Several factors inhibited peasants from cooperating with the government, even if they did not support the Front. Along with NLF intimidation, an important factor was heavy handed behavior and indiscriminate fire in the villages. Northern and Viet Cong troops often occupied heavily populated areas, knowing that American and South Vietnamese forces would likely resort to massive firepower to oust them. The U.S. response to such tactics induced one

¹³⁸ Summers, *On Strategy*, 89.

¹³⁹ Summers, *Vietnam War Almanac*, 111-13.

¹⁴⁰ Eric Bergerud, *Dynamics of Defeat: The Vietnam War in Hau Nghia Province* (Boulder, 1991), 5.

¹⁴¹ Stuart A. Herrington, *Silence Was a Weapon: The Vietnam War in the Villages. A Personal Perspective* (Novato, CA, 1982), 38-9.

peasant to complain that 'the Americans don't care about the people.'¹⁴² After a communist offensive in the Mekong delta in 1969 during which U.S. and South Vietnamese fire destroyed thousands of homes, a frustrated adviser reported that 'the zone commander could care less (and does care less) how much civilian property is destroyed by his operations; he doesn't have to rebuild it, and he doesn't have to contend with the major psychological and political repercussions.'¹⁴³ Another U.S. adviser lamented that the indiscriminate destructiveness was hastening American defeat and withdrawal.¹⁴⁴

Many Americans believed that villagers would vent their anger at the NLF for using their villages for snipers and for U.S. or ARVN retaliatory fire, but this was often not the case. Trullinger found three reasons for this apparently paradoxical response among inhabitants of the Central Vietnam village of My Thuy Phuong. First, many villagers had taken part in NLF activities leading to the retaliation. Second, Front cadres or guerrillas tended to conduct themselves in a generally polite and humble fashion while in the villages, in contrast to U.S. and South Vietnamese soldiers. And third, NLF cadres warned, prepared, and propagandized villagers prior to operations.¹⁴⁵

But weapons fire was only part of the villagers' torment when U.S. forces moved through their hamlets. A CORDS evaluation team reported that armor and mechanized infantry 'frequently drove their tracked vehicles through the secondary crop gardens of the peasants, destroying fruit trees, seedbeds, and meager cash crops.' The evaluators took these complaints to a culpable American unit. There a line officer demonstrated the general ignorance among combat personnel of the plight of the peasants, who were trapped between the destructive allies and the selective NLF. 'If the people did not wish to suffer such destruction,' he informed the CORDS evaluators, 'then they might avoid it by

¹⁴² 'A Study of Pacification and Security in Cu Chi District, Hau Nghia Province,' Evaluation Report, 29 May 1968, Record Group 472, MACCORDS 101566.

¹⁴³ Province Monthly Report for Chau Doc, February 1969, James N. Tull, FSIO-2, United States Center of Military History, Washington, DC (hereafter CMH).

¹⁴⁴ 'Observations and Reflections of a Province Senior Adviser,' Memorandum to CORDS, October 1969, personal papers of Lieutenant Colonel Carl F. Bernard, Alexandria, Virginia.

¹⁴⁵ Trullinger, *Village at War*, 90.

warning U.S. troops of the presence of the VC in the hamlet.' Such attitudes and behavior prompted one peasant to say of the Americans, 'if the people were grateful towards them for their generous aid, they did not also hate them less for their misconduct.'¹⁴⁶ Another concluded, 'I thought the American troops were better than the French, but they are the same.'¹⁴⁷ An American military adviser wrote in his memoirs that although 1968 Tet Offensive was a military failure for the communists, it was a successful political statement. 'The VC came to My Tho and all the other towns knowing what would happen. They knew that once they were among the people we would abandon our pretense of distinguishing between them. In this way they taught the people. . . that we would kill every last one of them to save our own skins.'¹⁴⁸

It was not only American and NLF soldiers that South Vietnamese peasants had to fear. The South Vietnamese Army developed a particular reputation for abusiveness.¹⁴⁹ Both Americans and South Vietnamese referred to them derisively as 'chicken stealers.' But, like the Americans, some of the ARVN soldiers' abusive behavior was a predictable reaction to their environment. The government paid the average enlisted man the equivalent of USD 20.00 per month, not enough to feed his family. And before the 1970s, ARVN soldiers on operations were issued no rations. No field kitchen followed them. They were forced to forage, often without sufficient money, among the peasantry who of course deeply resented such thieving.¹⁵⁰

Whatever the motivations of young men at war, the presence of regular troops in the villages resulted in massive destruction in and alienation of rural South Vietnam. It crippled the nation building effort, sometimes physically, but especially politically. The damage wrought on a village by one small skirmish

¹⁴⁶ 'A Study of Pacification and Security in Cu Chi District, Hau Nghia Province,' Evaluation Report, 29 May 1968, MACCORDS 101566.

¹⁴⁷ 'Popular Impressions of American and ARVN Troops,' Hau Nghia province, 22 December 1969, Rural Technical Team Reports 1967-70, Pacification Files III Corps, 1968-1972 (Closed Files), CMH.

¹⁴⁸ Tobias Wolff, *In Pharaoh's Army. Memories of a Lost War* (New York, 1994), 140.

¹⁴⁹ 'Popular Impressions of American and ARVN Troops,' Hau Nghia province, 22 December 1969, Rural Technical Team Reports 1967-70, Pacification Files III Corps, 1968-1972 (Closed Files), United States Army Center of Military History, Washington, DC.

¹⁵⁰ Jamieson, *Understanding Vietnam*, 314.

illustrates the level of crop destruction and personal trauma the peasantry faced in contested areas. On 24 January 1970, as the delta rice ripened and harvest got underway, a South Vietnamese armored cavalry unit and an infantry platoon conducted a minor operation in a village of Vinh Binh province. The military tally for the operation was one Viet Cong killed. Against that achievement, indiscriminate fire killed one civilian and wounded several others. Villagers requested medical attention for their wounded but the troops told them that none was available. Tracked vehicles destroyed 150 hectares of unharvested rice, enough to ruin more than one hundred families for the year. The province senior adviser was beside himself. The people of this village, he lamented, had been considered cooperative and had not paid NLF taxes in 3 years. They were disillusioned now, by the 'complete disregard' with which the soldiers treated the people and their property.¹⁵¹

Thus the government faced an ugly dilemma caused by the need to fight a village war and win political support simultaneously. This dilemma was reflected in a Rand Corporation study of the potential enhancement to government political control from various combat missions. The findings: small operations potentially had some good effect, large combat operations had no positive political effect, and bombing 'obliterated the village.'¹⁵²

2.5 (ii) The Dominance of the American Military Culture

Many critics believe that the United States underemphasized the importance of nation building in South Vietnam. Certainly this was true before the communist offensives in 1968, but even afterwards non-military efforts received minimal attention at the highest American and South Vietnamese levels. A perusal of documents on Vietnam housed in the Nixon Project of the National Archives reveals a nearly exclusive focus on military aspects of 'Vietnamization' and on

¹⁵¹ After Action Report of Sector Operation, 27 January 1970, Province Senior Advisor, Vinh Binh Province, Record Group 334, Advisory Team 60 General Records, Box 1, Archives II.

¹⁵² Vietnam Collection, Jack Taylor donation, Box 4, National Security Archive, George Washington University, Washington, DC, .

negotiations with Hanoi. Among high officials of the Nixon administration, awareness of development and pacification issues appears to have been almost nil. In late 1969, Secretary of State Henry Kissinger had never heard of the most famous American practitioner of pacification in Vietnam. Kissinger wrote to Nixon, 'Sam Yorty told me on the phone that John Vann was the best man on pacification in South Vietnam. I haven't heard of him and it is possible that Yorty doesn't know what he is talking about.' Having satisfied himself that Vann was indeed an authority on these issues, Kissinger set up a meeting with Nixon, informing the president that Vann believed the U.S. had achieved a 'winning position.'¹⁵³

Writing in 1970, Robert Komer, the first chief of CORDS as well as one of its founders, argued that the redoubled pacification and development efforts begun in the late 1960s was 'one of the few really bright and relatively inexpensive things a musclebound U.S. ever did in that tragic conflict.' But, he complained, 'the overwhelming bulk of U.S. energy and resources still go into the military war, we spend comparative peanuts on all the rest. . . . Our entire economic aid bill per annum is less than the dollar cost of one U.S. division for the same period.'¹⁵⁴

The military's influence in CORDS led to several problems. Nearly two years after he had left Vietnam, Komer wrote that he had only sought to combine civil and military affairs in one umbrella organization because only the military had the budget necessary to carry out civil projects on a reasonably large scale.¹⁵⁵ Inevitably, there was a good deal of conflict between American military and civilian personnel. The head of the Information Service complained that 'even the embassy seemed to be under [military] control,' and deplored the military's authority over political and economic programs, for which they had no background. 'Just as I don't know a darned thing about cannons, I don't expect

¹⁵³ Memorandum for the President, Henry Kissinger to Richard Nixon, November 24, 1969, White House Special Files, Subject: Confidential Files, Box 10, Folder CO165, Vietnam, 11-16-69 to 11-70, The Nixon Project, National Archives, Arlington, Virginia.

¹⁵⁴ 'Vietnam Revisited,' Report by Robert Komer, July 1970, MACCORDS PP&P, 1970, Box 10.

¹⁵⁵ Ibid.

them to know something about a parliament, but that is what was happening out there.’¹⁵⁶ A district senior adviser observed that the military culture overwhelmed the civilian culture within CORDS as well. In the field, most of the military leadership simply tolerated CORDS officers, but did not have any particular understanding of or respect for their mission. ‘They didn’t know what to think of them, what to do with them. But they figured if these guys want to go on a camp out, ok.’¹⁵⁷

Lieutenant Colonel Carl Bernard, a career army officer assigned as a Province Senior Adviser and thus attached to CORDS, repeatedly attempted to convince the American military command of this need to take a wider perspective. Bernard argued that the NLF’s primary goals were subversion of the Saigon government and control of the people. Their main tools were thus non-military: persuasion, propaganda, intimidation, and terror. The government and its U.S. ally, on the other hand, used overwhelmingly military tools: bombs, artillery, and large infantry units. Its primary goal was to control terrain and kill the enemy. ‘Each succeeds. The GVN and its ally range unimpeded in the unpopulated wastelands, masters of the terrain. The VC have the loyalty of only *some* of the people--but enough of these people potentially to control the population.’ The real enemy, Bernard insisted, was the local NLF political organization, and concluded, ‘there is little doubt that we are moving lustily forward on our programs; there is much doubt that the programs are relevant.’¹⁵⁸

2.5 (iii) Weaknesses of the American Advisory System

American advisers formed a virtual shadow government from the top to very near the bottom of the South Vietnamese government. The South Vietnamese

¹⁵⁶ Robert A. Lincoln, Georgetown oral history, 19 April 1989.

¹⁵⁷ John Lyle, interview with author, 25 July 1995, U.S. State Department, Washington, DC.

¹⁵⁸ ‘Observations and Reflections of a Province Senior Adviser,’ Memorandum to CORDS, October 1969, personal papers of Lieutenant Colonel Carl F. Bernard, Alexandria, Virginia. Provided during interview with the author, July 1994. It should be noted that Bernard served in two provinces renowned for their powerful NLF presences.

president had an American adviser in the person of the ambassador, the Central Pacification and Development Council had advisers, the ministries had advisers. Field advisers assigned to CORDS lived in every province and district capital in the country. Almost every discrete development program had at least one adviser assigned to it full time. But despite the existence of some extremely able personnel, most advisers were ill-prepared for their jobs. Few spoke fluent Vietnamese or had anything more than a rudimentary understanding of Vietnamese society. According to a study commissioned by the Army in 1968, only 35% of advisers had received any language training at all, and this was usually a basic course. Only 12% had any special training in development or cultural matters.¹⁵⁹ In July 1971, several USAID staff economists reported that CORDS advisers in Central Vietnam had little awareness of economic and development affairs. For most of them, the report lamented, the sum total of their local economic knowledge was that 'their provinces had water, perhaps trees, farmland, salt, etc.'¹⁶⁰

American advisers ill-educated in Vietnamese language or culture were often saddled with inappropriate jobs, and most had no way of knowing this. A particularly glaring example of the cultural inappropriateness of many American plans, and indeed of the American presence, was the woefully misguided treatment of time and scheduling. Under American direction, all fiscal, military, pacification, and development planning was based on the Western, or solar calendar. The Saigon government officially operated on the same. However, the Vietnamese people, government officials included, operated on a lunar calendar. The U.S. nevertheless imposed American cultural practices on the South Vietnamese in their own country. Every year, detailed and ambitious pacification and development plans called for the establishment of new programs and the

¹⁵⁹ 'Hamlet Evaluation System Study,' Report to U.S. Army Concept Team in Vietnam, Submitted by The Simulmatics Corporation, 1 May 1968, MACCORDS PP&P, General Records 1601-09A - 1603-01, file 1601-09A.

¹⁶⁰ Memorandum for: Deputy Chief of Staff, Economic Affairs, 'Trip Report: USAID/CORDS Industrial Seminar - MR II,' Files of the Deputy Chief of Staff for Economic Affairs, MACV, Box 15, Record Group 472, Archives II.

revision of old ones. Work was set to begin on January 1st and detailed timetables and quotas were devised for the 12 month planning period. These schedules were nearly always thwarted by the Vietnamese. Until Tet celebrations of the lunar new year ended in February, existing programs languished and new ones remained stillborn. Year after year, frustrated American evaluators lamented the poor performance of South Vietnamese personnel during January and February and the chaos into which the rest of the planning year was pitched. One adviser called the period an unofficial month long holiday during which nothing got done and the tempo of everything was determined by the NLF.¹⁶¹ Those advisers and field officers with enough experience or insight recognized the problem. 'In practice it is the lunar year which regulates GVN civil and military activities as in fact it regulates almost all cycles in Viet Nam. . . . When realization and understanding of this Vietnamese reality finally permeates the United States advisory community, the result will be a decrease in un-necessary (sic) frustration and friction with our counterparts.'¹⁶²

Both military and civilian personnel considered nation building in Vietnam something of a professional purgatory, which aggravated these training deficiencies. Military officers tended to see CORDS assignments as threats to their careers. They needed combat commands to 'punch their tickets' if they were to reach the highest ranks. Among civilians, Vietnam was an increasingly unpopular posting after the Tet Offensive of 1968. At that point, many Americans began to turn against the war, and those who still believed it was a good cause saw that the U.S. government was pulling out. A deep cynicism permeated the CORDS training center outside Washington DC, coloring the attitudes of advisers before they ever planted a boot in Vietnam.¹⁶³ As a result, 'except at the highest

¹⁶¹ See Province Monthly Report for Phu Yen, February 1970, James B. Engle PSA, CMH. For more on the Tet slowdown see Province Monthly Report for Vinh Binh, February 1969, Paul E. Suplizio PSA, CMH, and Province Monthly Report for Kien Phong, January 1969, Clement H. Will, LTC, PSA, CMH.

¹⁶² 'Vinh Long Province--General Information,' 1967, MACCORDS 101463.

¹⁶³ Dan Strasser, former District Senior Adviser, Pacification Evaluator, Cease fire Observer, 1970-1973, Central Vietnam, interview with the author, 2 August 1994, Washington, DC. See also Howard Lange, former Province Senior Adviser, Hue, CORDS Official, Saigon, interview with the author, 25 July 1994, State Department, Washington, DC.

levels, personnel brought into pacification from the various U.S. agencies has tended to be second or third rate.¹⁶⁴ Moreover, most served one year to 18 month tours, leaving just as they began to understand what had been going on around them and being replaced by another newcomer. This crippling problem popularized a quip usually attributed to John Paul Vann, that America had not been in Vietnam for 10 years, but for 1 year, 10 times.

The advisers had a hellish task. In the words of one field evaluator, it was `widely recognized that being an advisor is more often a frustrating job than a rewarding job. . . . Few men, civilian or military, have been able to overcome their counterpart's natural aversion to having an advisor.'¹⁶⁵ After all, he added, the existence of the system told the Vietnamese every day that they were not good enough. This hit upon the classic advisory dilemma in South Vietnam. If the Americans did too little for the overmatched Saigon government, it would fail. If they did too much for the increasingly dependent and corrupt Saigon government, it would fail. The presence in a relatively poor nation of thousands of Americans deeply involved in the day to day affairs of the government, as well as the cornucopia of money and goods they brought, not only nurtured the dependence and corruption of the government but also emasculated it in the eyes of its people.¹⁶⁶

While the existence of the advisory system was paradoxical, the feasibility of its task was a greater problem yet. The idea that foreigners could create and administer a nation building effort in a hostile environment that they did not understand was probably misplaced. Harry Summers laments that U. S. strategists saw it as their duty to force the South Vietnamese into an American economic, social, and political mold. `It is difficult today to recall the depth of our arrogance.'¹⁶⁷ Said one former U.S. adviser of the field advisory task, `the job was

¹⁶⁴ Province Monthly Report for Phu Yen, April 1970, James B. Engle. See also Former District Senior Adviser John Lyle, Interview with author, 25 July 1994, U.S. State Department, Washington, DC.

¹⁶⁵ Evaluation Report, Pacification Program in Phuoc Tuy Province, III CORPS Tactical Zone, 19 July 1968 MACCORDS,101442.

¹⁶⁶ Jamieson, *Understanding Vietnam*, 309-15. See also CORDS Report, Social Reconstruction, 7 April 1968, MACCORDS, 101568.

¹⁶⁷ Summers, *On Strategy*, 171.

too big. How could you expect CORDS to carry out the rebuilding of a nation on 18 month tours? They weren't prepared, their mission was ill-defined and probably impossible. Some people spent their entire tours building outhouses. Who could you get to put up with the danger and discomfort and loneliness of living in a district, who with the education and skills necessary? It was hubris to think we could do it.¹⁶⁸

2.5 (iv) The Corrosive Effects on South Vietnamese Society of the American Presence

All this time, the American presence was having a paradoxical effect by preserving South Vietnamese independence in the short run while hindering it in the long run. Vietnamese colleagues told a senior USAID official that 'for every American military guy that we brought in, two Vietnamese would simply quit making any effort.'¹⁶⁹ One USAID officer believed that the magnitude of the American presence in Vietnam 'posed a severe and immediate threat to the dignity and integrity of the very people it was supposed to be assisting.'¹⁷⁰ As we have seen, even American and government sponsored polls turned up peasants who expressed resentment toward the American presence. American participants frequently comment on this tendency. John Lyle, a former district senior adviser, observed that most Vietnamese saw the huge United States presence, but had little real communication with Americans. While they tended to be sophisticated in the ways of local politics, peasants generally did not understand the Cold War or believe the propaganda about American altruism. 'The only reason they could see for this foreign presence was that Vietnam was a good place, and these

¹⁶⁸ Former District Senior Adviser John Lyle, Interview with author, 25 July 1994, U.S. State Department, Washington, DC.

¹⁶⁹ John Bennet, Georgetown oral history, 2 February 1990. For other opinions in the same strain, see: Frank Schmelzer, Georgetown oral history, 1 and 8 December 1992. Schmelzer served in the CORDS program from 1970-1972. See also Ambassador James B. Engle, Georgetown oral history, 1 August 1988. Phu Yen Province Senior Adviser 1969-1971. Finally, Robert A. Lincoln, Georgetown oral history, 19 April 1989. Lincoln was the head of the Joint U.S. Vietnam Public Affairs Office (JUSPAO) in Saigon from 1969-1971. JUSPAO was run by the State Department's United States Information Service.

¹⁷⁰ Jamieson, *Understanding Vietnam*, 348-9.

foreigners must want to take it over.'¹⁷¹

It is hardly surprising that peasants evinced resentment of the Americans in Vietnam, not least because of the level of violence and destruction Americans brought to many of their lives, villages, and crops. But Neil Jamieson, a USAID officer, encountered hostility from a more surprising quarter. Jamieson was asked to speak to a group of South Vietnamese political officers in Saigon and among them found a startling degree of hostility, resentment, and mistrust for the United States, criticizing it for its use of herbicides, for USAID sponsored textbooks in Vietnamese schools, or bringing moral depravity to Vietnamese women.

These men were selected, indoctrinated, and trained to provide political education to their units in the army of the Republic of Vietnam. The United States had lavished billions of dollars worth of equipment and supplies on that army. American aid had purchased the uniforms these men were wearing, the chairs on which they sat, the weapons they bore. These young men were far above average in education and intelligence. They wanted to resist the communists, and they wanted the United States to help them in that effort. Why should they of all people feel such resentment?

Jamieson found his answer in the form of a question from the audience.

Does the United States want to make Vietnam into a little America? If the answer to that question is 'yes,' then the second question is 'Why should they want to do such a thing?' If the answer to the first question is 'no,' then our second question is 'Why do they consistently act the way they do?' We honestly cannot understand American behavior in Vietnam.¹⁷²

After many years in Vietnam, Jamieson came to understand that the root problem was not herbicides, schoolbooks, or even culture clash, the problem was that the American presence was of such a magnitude that it disrupted the process of self determination and sapped the country of dignity. With the loss of a feeling of control over their own country, the Vietnamese began to feel increasingly

¹⁷¹ John Lyle, district senior adviser, Bien Hoa province, interview with author, 25 July 1994, U.S. State Department, Washington, DC.

¹⁷² Jamieson, *Understanding Vietnam*, 346-8.

resentful. `After working with us and fighting with us for several years, even many of our friends began to doubt not just our efficacy, but our motives.¹⁷³

The evidence is conclusive that the enormous American presence in South Vietnam created as many problems as it solved. Inventing a nation in all its social, political, and economic aspects proved too complex for foreigners to orchestrate. As a result, as subsequent chapters will demonstrate, programs requiring micro management fared poorly in comparison with those that worked with local markets and impulses.

2.6 RURAL SECURITY AND ITS EFFECTS ON NATION BUILDING.

2.6 (i) Gauging Rural Security

The security situation in pre-Tet Offensive South Vietnam was ambiguous and convoluted. In general, the government wielded the most influence during daylight hours in and adjacent to major cities, towns, and roads. The National Liberation Front was more powerful in rural or isolated areas and more or less ruled the night. Government officials rarely slept outside semi-secure compounds or large towns. But the situation could vary radically from province to province. Some areas were almost entirely free of danger from NLF forces.¹⁷⁴ Others were effectively `no-go' zones for government personnel.

Initially, the American military command used body counts, colored maps, and narrative reports from hundreds of advisers with varying views and experience to gauge rural security. But the complexity of the situation prompted them to create the Hamlet Evaluation System (HES) in 1967. The HES has received a good deal of attention from scholars. But previously unpublished documents are now available from the MACCORDS PP&P series at the American National Archives as well as reports housed at the U.S. Army Center of Military

¹⁷³ Ibid., 349.

¹⁷⁴ `An Giang Fact Sheet,' 22 January 1968, Record Group 472, MACCORDS 101462, National Archives, Washington, DC).

History which shed greater light on how the system was used. And because it became the most important tool for measuring the progress of and making policy for pacification and in some cases development as well, and since so many participants and scholars have based their perceptions of success or failure of rural programs either on the HES itself or on the general impressions created by the system in Saigon and Washington, it deserves further critical examination here.¹⁷⁵

The HES was more objective than previous ad hoc practices in part by standardizing the questions asked in each hamlet nationwide. The system involved a lengthy questionnaire completed monthly by American district senior advisers and their staff. It contained two sections, one concerning security, the other development. Advisers dispatched these data to the U.S. headquarters outside Saigon where they were translated into computer-readable punch cards. Different factors, such as government or NLF presence in a hamlet, number of assassinations, availability of medical care, were weighted according to their perceived importance to influence and control. The presence of a local militia unit in a particular hamlet, for instance, was judged to be more important to pacification than the number of propaganda broadcasts the population had been exposed to. Hamlets were then rated A,B,C,D,E, or V, where 'a' signified government control, 'V' signified Viet Cong control, and the rest represented relative influence in contested hamlets.

The HES may have been suitable for use as a crude approximation of various countervailing influences in South Vietnam so long as the user was aware of its limitations, and many officials, including Colby, did understand that the system had limitations.¹⁷⁶ But in general the American command and Saigon government looked to it for detailed pictures of rural security, to formulate military and civil policy, and to grade the performances of programs

¹⁷⁵ See for instance, William Colby, *Lost Victory* (Chicago, 1989), 227-8, who claims based on the HES that 90% of the rural population of South Vietnam were under some form of Saigon government control by 1970.

¹⁷⁶ See Colby to Stovall, 25 November 1968, MACCORDS 101585. See also 'Vietnam Revisited,' Memorandum to CORDS, July 1970, Robert Komer, MACCORDS PP&P 1970, Box 10.

and personnel. This demanded far too much from the system and claims of victory based on HES data are misleading.

Several glaring weaknesses rendered the Hamlet Evaluation System inappropriate for such profound demands. It measured visits by government personnel, number of schools constructed, canals dredged, wells built, numbers of NLF night infiltrations, but did not account for what those activities accomplished. Thus the system concentrated on various inputs rather than outputs, or results.¹⁷⁷ The number of contacts made by 'friendly forces' with the Viet Cong, for instance, was one measure of security, but it did not account for 'the number of VC actually there.'¹⁷⁸ This practice skewed the system's measurements of influence and pacification efforts, but rendered it useless as a development tool. In fact, most advisers on the ground dismissed it as a dependable gauge of development.¹⁷⁹ As Fitzgerald put it aptly, this dependence on inputs insulated high officials in Saigon from bad news.¹⁸⁰ It also simplified a society in flux in misleading ways. For instance, a shanty town of misplaced and impoverished persons on the outskirts of Saigon would likely have more government than NLF presence. Thus, it would appear on HES reports as government controlled, as though it were some kind of success, when in fact it was more likely a cauldron of discontent and anger.¹⁸¹

Moreover, there is controversy about the system's purpose. One Defense Department contractor argued that the HES was an inaccurate device because it had 'evolved out of a need to measure "results" or "progress."'¹⁸² The bureaucratic need to show progress led to basic problems of interpretation as well.

¹⁷⁷ 'Hamlet Evaluation System Study,' The Simulmatics Corporation for the U.S. Army, 1 May 1968, Record Group 472, MACCORDS PP&P, 1968, file 1601-09A.

¹⁷⁸ Province Monthly Report for Bac Lieu, August 1968, Peter E. Brownback, U.S. Army Center of Military History, Washington, DC. Also found in MACCORDS 101452.

¹⁷⁹ See, for instance, 'The Use of HES and TFES as Management Tools,' Memorandum from Robert E. Matteson, CORDS Deputy, to Ambassador Robert Komer, CORDS Director, 15 May 1968. See also, 'Hamlet Evaluation System Study,' 1 May 1968, The Simulmatics Corporation, MACCORDS PP&P 1968, file 1601-09A.

¹⁸⁰ Fitzgerald, *Fire In the Lake*, 363.

¹⁸¹ *Ibid.*, 352-3, for Fitzgerald's description of South Vietnamese shanty towns.

¹⁸² 'Analysis of Vietnamization: Summary and Evaluation,' November 1973, Bendix, Inc., Vietnam Collection, Jack Taylor Donation, National Security Archive, George Washington University, Washington, DC.

Field personnel regarded 'C' hamlets as heavily contested, but the Pentagon listed them as secure despite numerous reports suggesting that the practice stop.¹⁸³ It is difficult to say with precision how much the need to demonstrate victory skewed HES reports, but there is no doubt that field officers were under pressure to show results in their districts. One adviser told a U.S. Member of Congress:

I work a 110 hour week. I downgraded four hamlets after the February Tet Offensive and was immediately hit with a barrage of cables from Saigon demanding a full explanation for downgrading them. For the next couple of weeks, I spent my time justifying my evaluations. . . . During that time, I wasn't doing the things I should have been doing. I believe I am an honest man, and although I hate to admit it, it may be a long time in hell before I downgrade another hamlet.¹⁸⁴

It was common to find the HES showing an area to be government controlled while qualitative reports depicted it as heavily contested. The 1970 HES rating for all hamlets in Chau Doc province was 89.9% secure (AB or C). But a pacification study found the Viet Cong Infrastructure 'strong and widespread. In many areas of the province the enemy can move undetected, unchallenged, and without fear.'¹⁸⁵ An American adviser in Phu Yen province cited HES claims that the province was 90% secure and developing nicely. The adviser saw things differently. 'The government's position here is that it was in the forefront of pacification progress last year and made all its goals (it did not), and that everything is really all right etc. etc. (it is not).' Local security forces were 'marginal or completely inadequate.' The province chief was not interested in pacification or development. Non-military programs were 'inert.'¹⁸⁶

Moreover, American evaluators essentially rated their own performances.

¹⁸³ See for instance, 'Report to Committee on Foreign Affairs, House of Representatives. Review of Hamlet Evaluation System, Vietnam Pacification Program,' Comptroller General of the United States, 16 January 1969, MACCORDS 101585.

¹⁸⁴ 'Measuring Hamlet Security in Vietnam,' Report of a Special Study Mission by Honorable John V. Tunney (California), of the Committee on Foreign Affairs, House of Representatives, Washington: 1969, CMH Pacification Files.

¹⁸⁵ 'Territorial Security in Chau Doc Province,' IV CORPS Tactical Zone, 25 January 1970, Pacification Studies Group, MACCORDS PP&P, 1970, file 1601-09A. See also report for Binh Dinh, II CORPS, June 1969, MACCORDS 101564.

¹⁸⁶ Territorial Security in Chau Doc Province, Territorial Security in Phu Yen Province, Pacification Studies Group, 25 January 1970, RG 472, MACCORDS PP&P, 1970, 1601-09A. see also Province (RD) Reports, Phu Yen Province, January 1970, CMH.

The result, according to a former adviser, was that 'reporting was usually too optimistic.' It was simply too tempting to make oneself look good.¹⁸⁷ The system had the same effect on the advisers' Vietnamese counterparts. A bad HES report reflected poorly on the local Vietnamese hierarchy, and especially the district chief, who stood to lose a lucrative post. This helped to create adversary relationships between many Americans and South Vietnamese, whose lucrative jobs could be at stake if HES scores dropped too much on their watch. A former American intelligence adviser claims that HES scores would have dropped countrywide had the truth been known, but that local officials made strenuous efforts to make things look good to Saigon.¹⁸⁸

South Vietnamese peasants, as the following section will demonstrate, were even less likely to report the true strength of communist units to American advisers. As a Congressional report noted, villagers under threat of death for informing on the National Liberation Front could hardly be expected to answer candidly questions about the local activities of the guerrillas.¹⁸⁹ After decades of war, villagers knew the rules of survival. 'Rule number one was "Never inform the Government of Communist activities."' ¹⁹⁰ This tendency skewed HES scores significantly.

In short, the HES generally underestimated NLF presence and strength. This dependency on a skewed system led U.S. and Saigon officials to overestimate their own influence, and underestimate that of the National Liberation Front, both before and after the Tet Offensive of 1968. This insulated policy makers from bad news and helped lead to claims by some participants and scholars that nation building was succeeding in the early 1970s, claims that are difficult to prove.

¹⁸⁷ Ambassador James B. Engle, oral history interview, Foreign Affairs Oral History Collection, Georgetown University Library, 1 August 1988. Engle was the province senior adviser to Phu Yen Province.

¹⁸⁸ Herrington, *Silence Was a Weapon*, 193.

¹⁸⁹ 'Measuring Hamlet Security in Vietnam,' Report of a Special Study Mission by Honorable John V. Tunney (California), of the Committee on Foreign Affairs, House of Representatives, Washington: 1969, CMH Pacification Files.

¹⁹⁰ Herrington, *Silence was a Weapon*, 39.

2.6 (ii) Post Tet Offensive Security Conditions: the National Liberation Front and the Government's Presence in the Villages.

Until 1968, NLF influence prevented the Saigon government and their American allies from sustaining political or economic programs in the vast majority of rural South Vietnam. But the Tet Offensive of 1968 altered the rural balance of power and opened the way for the government to begin asserting itself at the village level.¹⁹¹ By January 1968 Lyndon Johnson was claiming that victory was on the horizon, that the enemy in Vietnam was a spent force, incapable of mounting a serious challenge to U.S. and South Vietnamese power. On the evenings of 29-30 January, however, 70,000 Viet Cong regular and local troops supported by thousands of North Vietnamese regulars attacked all the major cities and most of the major military installations in South Vietnam.¹⁹²

The American public was shocked by the scope and ferocity of the offensive. From news reports in its aftermath, it became clear that the Viet Cong owned the countryside and the government was left with only daytime control of the major cities and towns. This did not look like a victory to the American polity and its support for the war began to deteriorate. Tet Mau Than, as the Vietnamese call it, proved to be a political defeat for Saigon and Washington, but ironically, it was a stunning military victory.¹⁹³

The Viet Cong died in droves. Accurate figures may never be known. One American estimate, however, put VC dead at 30,000 in the first 10 days of the offensive, and 60,000 for the first half of 1968. Such losses would have represented half their southern-born manpower.¹⁹⁴ Whatever the precise figures, the Viet Cong suffered a brutal military, if not political, defeat. But having told its

¹⁹¹ For a good description of the post Tet Offensive period, Ronald Spector, *After Tet: The Bloodiest Year in Vietnam* (New York, 1983). For descriptions of changes in security during this period, see Colonel Harry Summers, *On Strategy* (Novato, CA, 1982), 134. See also George Herring, *America's Longest War*, and Brigadier General Dave Richard Palmer, *Summons of the Trumpet: U.S.-- Vietnam in Perspective* (San Rafael, CA) 1978.

¹⁹² For statistics on the Tet Offensive, see Harry Summers, *Vietnam War Almanac* (New York, 1985) and Dave Palmer, *Summons of the Trumpet*, appendix.

¹⁹³ For a description of the political and military effects of the Tet Offensive, see Don Oberdorfer, *Tet: The Turning Point of the Vietnam War* (New York, 1983).

¹⁹⁴ David Palmer, *Summons of the Trumpet*, 191. See also Kolko, *Anatomy of a War*, 371.

public that the enemy was exhausted in 1967, the American military and government had damaged its credibility beyond short term repair. Now, when U.S. and South Vietnamese officials announced truthfully that the Viet Cong was in military extremis, a large percentage of the American public did not believe them. Even among many who had considered themselves 'hawks,' the war had begun to look futile.¹⁹⁵ Still another irony of this situation was that, with the Viet Cong's military capability radically reduced, the nation-building effort could move forward as never before.

When the offensives subsided, the South Vietnamese and Americans began to utilize new pacification and development agencies and budgets that had been upgraded the year before at American insistence. The civil campaign now enjoyed greater access to funds and the increasing interest of both President Thieu and the American command. Village security ratings began to rise in late 1968 and early 1969. Roads, canals, and waterways previously impassable or heavily interdicted by the Viet Cong now were passable. In Sa Dec province, for instance, advisers were able to report in July 1969 that whereas the province's major roads and waterways had been too dangerous to use regularly, cutting local farmers off from their markets, all major roads and all but one of the waterways now were considered secure.¹⁹⁶ Elsewhere, engineers extended and improved the national road system. Far less fighting occurred in and around heavily populated areas and villages previously difficult for government personnel to operate in became accessible. By 1971, even the NLF's command, whose assessments tended to be as optimistic as were the American command's, admitted grudgingly that pacification was making headway in rural areas.¹⁹⁷

Controversy thrives still over just how weakened the National Liberation Front was during the post-Tet Offensive period. Brigadier General Dave Palmer

claims that during the Tet Offensive the South rose up 'in revulsion and

¹⁹⁵ Peter Braestrup, *Big Story: How the American Press and Television Reported and Interpreted the crisis of Tet 1968 in Vietnam and Washington* (New Haven, 1983), 694.

¹⁹⁶ Sa Dec Province Briefing Folder, CORDS Advisory Staff, July 1969, Record Group 472, MACCORDS 101454.

¹⁹⁷ COSVN Directive No. 01/CT71, believed by U.S. intelligence to have been written in January or February of 1971, Porter, *Vietnam: The Definitive Documentation of Human Decisions*, 550.

resistance to the invaders,' leaving them forever crippled.¹⁹⁸ Allen Goodman argues that the 1968 offensives not only militarily damaged the communist movement, but had weakened it significantly as a political force in the South because of the brutality of the Viet Cong and their PAVN allies.¹⁹⁹ Seymore Hersh, a journalist widely regarded as anti-war, argues that the NLF did not oppose pacification successes after 1968 because they were militarily weakened, but that they remained politically intact. Ronald Spector believes the NLF was greatly weakened by its 1968 losses, but that it survived and managed to deny the government control of the countryside.²⁰⁰ Gabriel Kolko, a vociferous critic of U.S. policy in Vietnam, sees the NLF as only temporarily weakened after the Tet Offensive but insists that its political infrastructure remained intact and that by 1971 its military wing had 'fully recuperated.'²⁰¹ The historian Ngo Vinh Long claims that the NLF reached the apex of its power in 1971-2.²⁰²

Improvements in rural security between 1968 and 1972 were so dramatic from the South Vietnamese government's point of view that claims of victory over the National Liberation Front are understandable. But victory in such a case must be carefully defined. Killing off the bulk of the Viet Cong and reopening lines of communication, while crucial, won for the government only increased influence in the countryside, not anything like control. And the Front's change to long haul, low intensity tactics after the disastrous losses of 1968 aided in its survival, especially its political survival. In the post 1968 period, Richard Nixon's Vietnamization policy was stark evidence that the U.S. commitment was waning. The depleted Viet Cong, or military wing, went to ground and waited for U.S. forces to withdraw. They broke into small elusive units, providing security for NLF political cadres, attacking in force only when they believed they had a clear

¹⁹⁸ Dave Richard Palmer, *Summons of the Trumpet: U.S.-Vietnam in Perspective* (San Rafael, CA, 1978), 187.

¹⁹⁹ Allen E. Goodman, *The Lost Peace* (Stanford, CA, 1983), 168-9. See also Allen Goodman, 'The Dynamics of the United States--South Vietnamese Alliance: What Went Wrong,' in *Vietnam as History*, ed. Peter Braestrup (Washington, DC, 1984), 91.

²⁰⁰ Ronald Spector, *After Tet: The Bloodiest Year in Vietnam* (New York, 1983), 290.

²⁰¹ Gabriel Kolko, *Anatomy of a War: Vietnam, the United States, and the Modern Historical Experience* (New York, 1985), 371.

²⁰² Ngo Vinh Long, Vietnam: The Real Enemy,' *Bulletin of Concerned Scholars* 21, 1989, 27.

advantage, but otherwise generally leaving larger engagements to the PAVN.²⁰³ The idea was to retain as much political power as possible along with enough military potency to keep the government from consolidating its nation building gains.

From the government's perspective, security improvements were often limited to daylight hours. Some provinces enjoyed near peace-time conditions, but in most areas the threat of selective violence remained high. Rare indeed were the district and village officials who slept outside armed compounds. The National Liberation Front's skeletal military force remaining after 1968 was not able to dominate rural areas as its once powerful main force units had done, but was sufficient to hamstring the government in the villages. As one CORDS official noted, even when the VC military presence was diminished, the insurgents could cripple local government and development in the absence of a military security team.²⁰⁴ A U.S. district senior adviser in Bien Hoa, a relatively secure province, put improved security in perspective. After 1968, 'you could go just about anywhere you wanted, once. It was the tenth time that was the problem.' You had to think in terms of investment and investors. It was one thing for advisers who could call up support to operate in the countryside, and quite another for Vietnamese civilians who sought economic or political opportunities that the NLF might disapprove of. 'If you drew the attention of the VC and they wanted you, they got you.'²⁰⁵ Howard Lange, a CORDS official in Hue, pointed out that the NLF did not control the local countryside in 1971. They did not have to. Just the threat was enough to keep investors from making a commitment to new projects.

So long as this was the case, most potential investors would take part in the

²⁰³ The orders to break into small groups and avoid large scale contact came in the form of COSVN Resolution IX, from the communists's South Vietnamese headquarters. For details of the order, see for instance, VSSG study on Quang Nam Province, March 1970, Pacification Files I CORPS, 1968-1972, Quang Nam Province, 1967-70, CMH. See also COSVN Resolution XIV, described in 'VC/NVA Strategy,' 30 June 1970, MACCORDS PP&P 1969, File 1601-09A.

²⁰⁴ Memorandum to Chief RDC/O , from Chief RDC/O South, 26 February 1967, MACCORDS, 101559.

²⁰⁵ Former District Senior Adviser John Lyle, interview with author, 25 July 1995, U.S. State Department, Washington, DC.

artificial economy constructed of American largess while shunning real development, especially in rural areas. Visiting evaluators might get an impression of security, but the NLF retained the ability to subvert long-term and diversified economic revival. Rice farming could and did boom under such circumstances in much of the country, partly because the NLF favored increased food production, partly because they did not wish to alienate peasants who were strongly in favor of the new technology, partly because the divisibility of the technology made it difficult for the NLF to physically oppose. The long-term private investment in agriculture, infrastructure, industry, and technology vital to sustained economic growth would not be forthcoming so long as investors knew that even a decreased risk existed. And the massive costs required to keep markets and transport links open, which can be considered transaction costs, would continue to hinder growth.

Until 1968 pacification had consisted mainly of military operations aimed at physical control of the population.²⁰⁶ After the slaughter of 1968, the American command recognized that the National Liberation Front's most potent remaining weapon was its political wing, the area and village cadre and shadow governments whose job was to propagandize, collect taxes, set up informant systems, and generally create an environment in which the insurgency could function. In their ungainly language, the U.S. command called these political and economic organizations the 'Viet Cong Infrastructure,' or VCI. The U.S. believed that without this infrastructure the Front's military units, which depended upon local food, money, information, and silence to operate, would shrivel. The Americans therefore devised a program they named Phoenix (Phung Hoang in Vietnamese) to root out and destroy this political organization. Phoenix attempted to establish province and district intelligence centers with which all South Vietnamese and American agencies would share intelligence on individual NLF operatives and guerrillas. All information from informants, police and military operations, and prisoner interrogations were to be gathered at

²⁰⁶ Kolko, *Anatomy of a War*, 386.

these centers. When dossiers on particular individuals were substantial enough, small teams of commandos, regular troops, or police were to be dispatched to capture or kill the person targeted.

William Colby, who directed the program, attributed to Phoenix the capture of 28,978 'communist leaders' of the NLF's political apparatus, the defection of 17,717 of them, and the killing of 20,587 more by 1971.²⁰⁷ He believes the program, combined with the rest of the pacification effort, nearly severed the tie between the NLF and Hanoi, leaving the former to wither.²⁰⁸ The program did put great pressure on the NLF, made the lives of many of its members in South Vietnam a misery, and, judging from internal documents, caused it serious alarm.²⁰⁹ But Phoenix did not perform as envisioned and the NLF survived it.

The vast majority of the American province senior advisers reported the Phoenix program as failing between 1969 and 1971.²¹⁰ One particular weakness was the reliance on intelligence sharing among all appropriate U.S. and South Vietnamese agencies. By all accounts this was an unrealistic expectation. One originator of the program called the hope of a coordinated and cooperative effort 'sheer nonsense' while admitting that he had shared such hope in the beginning. 'MI5 fights MI6, the GRU hates the KGB and the FBI wouldn't tell the CIA the time of day unless forced to by higher [authority]: however, the Vietnamese services were going to cooperate in an atmosphere of sweetness and light.'²¹¹ More important, Phoenix never was adopted by the South Vietnamese, without whom the program remained American and therefore temporary and only partially effective, 'a classic example of an attempt to graft an American-conceived plan onto a stubbornly resistant Vietnamese situation.'²¹²

Stuart Herrington calls the Phoenix program 'about as popular as leprosy'

²⁰⁷ Colby, *Lost Victory*, 331.

²⁰⁸ *Ibid.*, 360.

²⁰⁹ Dale Andradé, *Ashes to Ashes, the Phoenix Program and the Vietnam War* (Toronto, 1990), 255-79.

²¹⁰ See the Province Monthly Report, United States Army Center of Military History, Washington, DC.

²¹¹ End of Tour Report, Deputy Province Senior Adviser, Vinh Binh, 19 August 1971, Pacification Files, IV CTZ, 1968-1972 (closed files), Vinh Binh Province, CMH.

²¹² For a lucid account of the problems of imposing an American program in one province, see Herrington's *Silence was a Weapon*.

among most Vietnamese province and district officials, and cites several reasons for this. Many officials knew their lives depended upon not threatening the local Front apparatus too severely. More often, they feared for their jobs. Herrington's own counterpart was exemplary of this attitude:

Major Nghiem would have liked to have somehow made the Vietcong shadow government go away--he knew how dangerous it was--but he simply could not accept Phoenix as the solution to the problem. I sometimes had the impression that [Nghiem] feared Phoenix more than he feared the Vietcong, for a functioning Phoenix program would uncover and centralize information on the extent of enemy strength in Duc Hue district, something he could not accept. Since such an exposure of the enemy's activities would find its way into the HES report, Major Nghiem feared for his job. Sharp declines in a district's HES ratings (which would probably happen countrywide had the truth been known) reflected on the district chief.²¹³

Thus the South Vietnamese allies tended to go through the motions, attempting to satisfy insistent American advisers without doing too much damage to the NLF. Some areas had successful programs run by determined government officials, but usually successes resulted from American pressure or direct action, and the program withered as the U.S. presence diminished. Most cadres caught or killed were trapped by conventional military 'cordon and search' operations rather than by individual targeting, and these cadres tended to be low level. The families or comrades of many prisoners bought their freedom from acquiescent government officials, and so one way or another, the higher level NLF cadre generally remained at liberty. Thus, many of the successes claimed for Phoenix were mere 'paper eliminations.'²¹⁴ Former NLF Justice Minister Truong Nhu Tang gave Phoenix a mixed review. 'In many places the program was carried out in a lackadaisical or ham-handed fashion. . . . In some locations, though, Phoenix was dangerously effective.'²¹⁵ Captured NLF documents suggest that by whatever means, the counterinsurgency effort did cause the Front

²¹³ Herrington, *Silence was a Weapon*, 195.

²¹⁴ 'The Status of the Viet Cong Infrastructure in Long An and Phu Yen Provinces,' 3 January 1970, CORDS Information Center, MACCORDS 101745.

²¹⁵ Truong Nhu Tang, *A Viet Cong Memoir*, 201.

problems in some regions. One document from Central Vietnam calls Phoenix intelligence personnel 'the most dangerous enemies of the Revolution.' Another document lamented the loss of key cadre at the district and village level.²¹⁶

Phoenix did weaken the National Liberation Front, but fell far short of eliminating its political infrastructure country-wide or diminishing its influence sufficiently for government purposes. And so the NLF, although much depleted and under tremendous pressure, survived nearly everywhere and, as the following examples confirm, remained potent in many parts of South Vietnam.

Diverse conditions in South Vietnam are at least partially responsible for conflicting accounts of the strength of the National Liberation Front. Many American participants in the 1968-1972 period remember it as something akin to peace time and had the impression that pacification and development were succeeding. Their impressions depended largely upon where they served.²¹⁷ For example, some of the more secure provinces in the Mekong delta experienced very little of the war in the early 1970s. In Kien Phuong province, there were only six NLF/PAVN incidents reported in December 1970.²¹⁸ In An Giang province in December 1971, CORDS reported 'no evidence of enemy presence or influence.'²¹⁹ In contrast, delta provinces, such as Vinh Binh and Kien Hoa, were the scenes of ferocious struggle.²²⁰ Few districts in Central Vietnam experienced respite from the war. A mid-1970 evaluation from Quang Nam province, on the border with North Vietnam, reported widespread physical devastation, an acute refugee problem, and socioeconomic stagnation. It lamented that half the province's arable land had been given over to 'free fire zones,' in which anyone moving above ground was considered an enemy and fired on by South Vietnamese and

²¹⁶ Andradé, *Ashes to Ashes*, 270-1.

²¹⁷ Kenneth Quinn, Interview with author, 21 July 1994, U.S. State Department, Washington, DC. Now the U.S. ambassador to Cambodia, Quinn was a district senior adviser in Sa Dec and Chau Doc provinces, both in the Mekong delta, and later became a field evaluator for CORDS.

²¹⁸ Province Monthly Report for Kien Phong, December 1970, Richard A. Hippler, Col., CMH.

²¹⁹ Province Monthly Report for An Giang, December 1971, T.S. Jones, CMH.

²²⁰ See for instance the Province Monthly Report for Vinh Binh, December 1971, Walter B. Clark, Col., CMH.

U.S. troops and aircraft.²²¹ Just to the south, in Binh Dinh province, advisers reported the most extensive NLF terror campaign since 1963, resulting in a pervasive atmosphere of fear in the villages of the coastal plain.²²²

Selective attacks kept the South Vietnamese government off balance, but it was the common peasant practice of refusing to divulge local NLF activity that prevented both the Americans and the government from accurately gauging their enemy's influence in the villages. In heavily contested Phuoc Hiep village, in Hau Nghia province, 85% of the population was paying NLF taxes in mid 1970, according to a Vietnamese evaluation team. Phuoc Hiep village lay along Highway 1, the main north-south artery in the country. It was just over an hour's drive from Saigon and was near major South Vietnamese and American bases. A few villagers were willing to speak to the Vietnamese evaluators sent by CORDS. Until then, distressed citizens of Phuoc Hiep had not reported Front activities to the government for fear of angering both. If government officials knew of the high level of local NLF activity, they might accuse villagers of being communist sympathizers, and 'the VC would say that the people reported them and they would be terrorized immediately. Even the [GVN] officials' wives and children, if they paid taxes to the VC, dared not talk about it.'²²³ This silence, both willingly practiced and violently enforced, caused the government to underestimate the Front's political influence in the villages.

Saigon officials were aware of NLF taxation efforts, but because of the peasants' silence, the extent of this drain on the economy was obscured and the influence it afforded the Front did not show up on security ratings. The four village Vinh Long study cited previously provides an apt example. The U.S. Province Senior Adviser estimated that villagers there paid between 20% and 50% of their yearly income to the Front, an indication of substantial NLF influence. The HES, however, classified these four villages to be 85-90% secure, or under

²²¹ VSSG study on Quang Nam Province, March 1970, Pacification Files I CORPS, 1968-1972, Quang Nam Province, 1967-70, CMH.

²²² Province Monthly Report for Binh Dinh, July 1970, Billy Mendheim, Col., CMH.

²²³ 'VC taxes Collection at Phuoc Hiep Village, Hau Nghia, 28 September 1970,' Rural Technical Team Report, RTT Reports: Hau Nghia, 1967-70, CMH.

very little NLF influence. The HES did not pick up on the obstacles posed by the villagers' silence; only perceptive or experienced evaluators or field personnel tended to discern the depth of NLF influence.

The NLF found more isolated areas easier to live in, work in, and influence. For instance, in secluded Bac Lieu province, in the lower Mekong delta, the NLF in 1970 was 'still able to enter most hamlets at will, collect taxes and organize support at the expense of the GVN.'²²⁴ During the same period, in the remote delta province of Chau Doc, where the NLF was not historically strong because of the province's Hoa Hao and Khmer populations, the Phoenix adviser reckoned the Viet Cong Infrastructure was widespread and well-organized in the most densely populated and economically important districts.²²⁵ In the far north of the country, a special evaluation found in spring 1970 that the NLF was building up local forces with Northern soldiers as 'fillers,' and could maintain a presence in hamlets. They showed no inclination to confront the government directly, but were waiting for U.S. forces to depart. 'Since it is clear that security and control gains have been dependent on, and continue to rely on [American troops], it is difficult to see how existing gains could be maintained if the U.S. withdrew within the next 18 months.'²²⁶

In winter and spring 1970 in Phu Yen province, a communist stronghold on the central coast, the NLF/PAVN presence was immensely powerful. The province senior adviser suspected an accommodation between the province government and the NLF, 'or at least a stubborn desire to do nothing in the hopes that the VC will do the same.' He further reported that rural security could be gauged by the unwillingness of people associated with the government to sleep in their villages. 'Every day, hundreds of [soldiers and officials] pour into Tuy Hoa City in the late afternoon, past theoretical checkpoints.' To avoid the capricious

²²⁴ Province Monthly Report for Bac Lieu, July 1970, Bert H Herigstad, Col., Sr. Military Adviser., CMH.

²²⁵ 'Territorial Security in Chau Doc Province, 25 January 1970,' Pacification Studies Group, CORDS, Pacification Files IV Corps, 1968-1972 (Closed Files), Chau Doc Province, 1967-70, CMH. Chapter Two explained that the Hoa Hao were a religious sect based in southern Vietnam.

²²⁶ VSSG study on Quang Nam Province, March 1970, Pacification Files I CORPS, 1968-1972, Quang Nam Province, 1967-70, CMH.

violence of the village war, between 8 - 10,000 civilians moved into the province capital at Hoi An at night as well.²²⁷

Finally, another problem province for the Saigon government, Chong Thien in the delta, proved unable to dislodge the Front's shadow government or their VC wing. In October 1970 the NLF was 'selective and bold,' overrunning district headquarters and outposts, interdicting waterways and markets. In December, they conducted several successful attacks again, and despite the pressure Phoenix brought to bear on them, the Front managed to stay close to the population. Things had not improved by December of 1971, when 'the enemy, in the form of main force units and tough, seasoned local elements was still potent and able to choose targets of opportunity almost at will.'²²⁸ An American adviser in Vin Binh province reported in 1972 that, 'although the [VC] military structure has suffered over the past year the VCI seem to have gained strength.'²²⁹

The National Liberation Front wielded influence even in areas the government considered friendly. William Colby acknowledged the danger the NLF continued to pose even in An Giang, a Hoa Hao stronghold which the Americans and the government considered the most anti-communist province in the country. In early 1971 Colby complained that because of poor management, corruption, and a lack of interest by government officials, the Viet Cong's political apparatus there survived.²³⁰ This evidence that the NLF was active and potentially influential in even the most secure of provinces should have been the especially alarming to strategists in Saigon.

In short, there were few places in South Vietnam where the National Liberation Front was unable either to strike selected targets or operate in villages, collecting taxes, enforcing the silence of would-be informants, and terrorizing many government officials into inaction. A 1970 attack on a South Vietnamese

²²⁷ Province Monthly Report for Phu Yen, February and March 1970, James B. Engle, CMH.

²²⁸ Province Monthly Report for Chong Thien, October 1970, December 1970, and December 1971, Thomas J. Levasseur, Jr., Frank L. Gillespie, and John R. Meese respectively, CMH.

²²⁹ Province Senior Advisor Completion of Tour Report, Vinh Binh Province, 12 February 1972, LTC Robert C. Hallmark, Advisory Team 72 HQ, Vinh Binh Province Monthly Report Files, CMH.

²³⁰ 'Phung Hoang Operations in An Giang Province,' Memorandum from W.E. Colby to ACofS CORDS, 4 February 1971, Pacification Files, IV CORPS, 1968-1972 (Closed files), An Giang Province, CMH.

company compound in Phu Yen province demonstrates common NLF tactics in the post Tet period: carefully chosen targets, hit and run tactics, and a clear political message. Three platoons of guerrillas overran a compound, inflicting heavy casualties, executing its commander along with his three small children, and destroying a hamlet reputed to be cooperative with the government. The usual careful NLF planning demonstrated the effectiveness of small forces against the government's rural presence. According to the U.S. province adviser, the message to villagers was clear: 'cooperation with the GVN will not go unpunished.'²³¹

2.7 CONCLUSIONS: DEVELOPMENT DESPITE INSECURITY

This chapter has presented overwhelming evidence that the Saigon government did not establish an effective rural presence, that the American presence in South Vietnam did as much harm as good, and that the National Liberation Front, while physically diminished, maintained potent political influence throughout the country. The Front did not win the wide political support it sought, but was able to maintain a village presence in many areas, to encourage or intimidate most South Vietnamese into withholding their cooperation from the government and the Americans, and to obstruct especially the political objectives of Saigon government.

In spite of continuing NLF influence in rural South Vietnam, however, successive chapters will demonstrate that several nation building programs functioned successfully. Which programs functioned well in the teeth of the NLF threat, which did not, and why, are intriguing questions with answers that prove particularly revealing about development in wartime and low intensity conflict conditions.

²³¹ Province Monthly Report for Phu Yen, August 1970, Russell Meerdink, CMH.

Chapter 3

Rural Development: American Strategies and Vietnamese Realities

Despite the diminution of the NLF military threat after 1968, American development planners faced daunting problems in South Vietnam. A conventional war ebbed and flowed in the sparsely populated piedmont and highlands, a murderous insurgency and counter insurgency terrorized many villages. The Saigon government, a military dictatorship, was in its infancy and was woefully short of the administrative technicians and economists necessary to implement large scale economic development. To add to these difficulties, the Americans did not have much time. American public support for the Vietnam campaign was ebbing and Washington's commitment was beginning to contract. In these circumstances, development planners from an array of agencies threw everything they could into the pot. The result was a wide range of development programs employing several approaches and philosophies. Thus, South Vietnam during this period provides a unique opportunity to study foreign inspired-development, development under conditions of war, of low intensity conflict, and in some provinces, what amounted to a post conflict setting as well.

Having discussed the political, macroeconomic, and security context for American nation building efforts in Chapter Two, this chapter establishes the agrarian context within which rural development programs operated. Without a sense of the economy and society that faced South Vietnamese peasant farm families, and a sense of who those farm families were, it is impossible to judge the rural development programs examined in subsequent chapters. Section One examines U.S. aims and assumptions regarding rural development and identifies the numerous development approaches attempted in South Vietnam. No study has attempted either of these things. The section also introduces the two major American nation building agencies, the United States Agency for International

Development (USAID) and the Civil Operations and Rural Development Support agency (CORDS). Section Two introduces the debates over farm size and productivity in Asian agriculture, a debate on which the South Vietnamese development experience sheds much light. Section Three introduces the history and geography of Vietnamese agriculture and stresses the differences between the two major agricultural areas of the country, the Mekong region in the far South and the Central Vietnamese coastal plains. Geographic variances played a significant role in the performance of development programs in South Vietnam. Dramatic differences in climate and agricultural practices affected many facets of economic and social life in their respective regions, and are crucial to understanding a multitude of issues presented here. Together, these discussions provide a framework for the remaining chapters, which examine the aims and outcomes of three American inspired development programs.

3.1 THE AMERICAN APPROACH TO RURAL ECONOMIC DEVELOPMENT IN SOUTH VIETNAM

No precise definition of development or explicit unifying model informed the nation building campaign in South Vietnam.¹ As one CORDS official put it, 'no convincing concept concerning the role of development emerged at any stage' of the American effort in Vietnam.² The scatter shot development approach, in which American planners tried a bit of everything all at once, was the result of several factors: competing views within and between the plethora of agencies involved in nation building, desperation in the face of North Vietnamese and NLF pressure, and years of trial and error not only in South Vietnam, but also in Taiwan, Japan, and South Korea, where American planners had taken part in similar agrarian reform programs. Moreover, results were required quickly, and

¹ For an explanation of this lack of agreement on a definition of development, see 'The American Experience with Pacification in Vietnam,' vol. 1, no. 18, Institute of Defense Analyses, Arlington, Virginia, March 1972, Record Group 472, Microfiche Collection, AD-763 953, National Archives II, College Park, Maryland (hereafter Archives II).

² 'The American Experience with Pacification in Vietnam,' Vol. 1, 42, Institute of Defense Analyses, Arlington, Virginia, March 1972, Record Group 472, Microfiche Collection, AD-763 953, Archives II.

the Americans did not have the time to test each approach at their leisure.

Lacking a clear policy statement for the overall development effort, this study looks to the policies themselves and to documentation of the internal debate concerning them in order to judge their purposes and underlying approaches. It is evident that American planners shared an implicit, if loosely held, view of Vietnamese peasants as income maximizing individuals who, within the particular constraints they faced, would respond to economic stimuli more or less the way American farmers might. In general, Americans tended to see Vietnamese peasants from what might today be called a rational choice political economy perspective (although as a theory this was only emerging at the time). A clear illustration of this view appears in a 1973 USAID report: 'We believe that if farmers are provided with an opportunity to purchase inputs (including machinery and equipment) that they will be like farmers the world over and produce more to increase their returns.'³ One development program called for peasants to join cooperative economic unions, but even then Americans apparently expected them to behave as income-maximizing individuals. A CORDS report expressed hope for the program in these terms: if the cooperative unions could achieve 'long run economic gain then the motivation for personal gain would guide individuals into community structures.'⁴

Because the NLF's strength was mainly rural, rural development was a vital facet of the American-inspired nation building effort. American and South Vietnamese officials hoped that increased agricultural production would result in growing and more equally distributed rural incomes to produce overall economic growth and new consumption opportunities. Village-specific programs were to improve health care, education and economic infrastructure. Successful

development programs were to demonstrate the advantages of a democratic free

³ Evaluation Report, National Economic Development Fund, 12 July 1973, Henry F. Lee, leader, George Grande, Ken Krause, PD-AAT-196, p. 36, United States Agency for International Development, Development Information Center, Washington, DC (hereafter cited as USAID followed by document number).

⁴ 'Problems as Posed by the Vinh Long Report on VSD for 1969, undated, Pacification Files, Vinh Long Province, United States Center of Military History, Washington, DC. (Hereafter CMH).

market system over the autocratic communist system of North Vietnam. Clearly, planners perceived a happy confluence of economic and political goals.⁵

Hence, American-inspired large scale, or infrastructural, development plans tried to woo peasants to participate by promising increased incomes. Where peasants resisted the introduction of economic change, Americans tended to adjust their programs in an attempt to get income incentives right, for instance, by subsidizing chemical fertilizer prices.⁶ The existence of a moral economy as a distinct social system does not appear to have suggested itself to American planners. But, while land reform was designed with optimizing peasants in mind, many village based programs generated by American planners were designed to function in different economic atmospheres. As succeeding chapters will demonstrate, American agencies were aware that risk aversion and community reciprocal arrangements might affect peasant behavior, and attempted to account for this in various ways. It would probably imply too much coherence to refer to the American development model in South Vietnam as a constrained maximizing model. More likely an implicit and loosely held view of Vietnamese peasants as rational, optimizing economic actors sprang from the focus on the Mekong/Saigon regions, and from the human tendency to see others as we see ourselves.

For instance, though references to economic theory are rare in U.S. documents on Vietnam, American economic planners appear to have tacitly assumed that economic growth and change in South Vietnam would resemble historic growth in the West. Documentary evidence reveals that American plans sought a transition from a largely peasant agricultural economy to a more commercial, middle class, and eventually industrial society, believing that this would be for the greater good, as it had proved in Europe and North America. Nobel laureate Simon Kuznets demonstrated that in highly developed

⁵ For general goals of the USAID program, see the following documents. 'Report to the Ambassador from the Director of the United States Agency for International Development, Vietnam 1969,' Pacification Files 1967-1970 (Closed Files), CMH. See also 'Agricultural Exports and Marketing,' Project Review 1971-1974, July 1974, USAID PD-AAF-355-A1.

⁶ Numerous examples of this are cited in Chapters Six and Seven.

countries, this transition had indeed been for the greater good. But with development come structural economic changes, and `while some stand to gain a great deal, others stand to lose, if only relatively.'⁷ Hence, as capital is invested in new ventures and income growth accrues there, incomes and consumption in rural areas, especially in the small farm sector, may initially fall in relation to the large farm, urban, and industrial sectors.⁸ However, Kuznets demonstrated for developed countries that these losses are relative and temporary. Over time consumption rises for all sectors.⁹ In the extraordinary political conditions of South Vietnam, however, the rural small farm sector had to be catered to immediately. Successive chapters demonstrate that the Americans hoped to avoid the initial relative loss and potential economic dislocation Kuznets predicted by focusing on raising agricultural standards of living before embarking on large scale industrial development.

More specifically, also implicit in the American approach was the goal of speeding the transformation of the peasantry into small family farm enterprises by improving the technology they used, giving them control over their land, bringing them affordable credit, and integrating them into improving markets, thereby raising output and productivity and distributing income more broadly. Frank Ellis contends that such approaches `are designed, whether consciously or not, whether successfully or not, to "de-peasantize" the peasants and convert them into family farm enterprises in a competitive market system.'¹⁰ There seems to have been an unconscious effort on the part of Americans to remake the Vietnamese peasant in the image of the American family farmer of the previous century. Most U.S. development plans talked about economic stability and

⁷ Simon Kuznets, *Economic Growth of Nations: Total Output and Production Structure* (Cambridge, Mass: 1971), 346.

⁸ For historical data on sectoral per capita income in the United States, see *ibid.*, 82.

⁹ See Simon Kuznets, `Modern Economic Growth: Findings and Reflections,' *American Economic Review* 63, no. 3 (June 1973), 251-3, and Simon Kuznets, *Toward a Theory of Economic Growth with Reflections on the Economic Growth of Modern Nations* (New York, 1965), 106-7.

¹⁰ Frank Ellis, *Peasant Economics: Farm Households and Agrarian Development* (Cambridge, 1988), 76.

growth.¹¹ But some American analysts recognized an underlying bias to their efforts. One U.S. research team noted a `tendency to force American standards and values on the Vietnamese people. Many development plans were designed and planned to fit American conceptions of Vietnamese aspirations. . . .'¹² This plethora of approaches had one common if only vaguely stated goal. The Americans believed that prosperous peasants would oppose communism.¹³

There was a political component to these assumptions as well. The Americans reasoned that the democratic system they championed was far superior to French colonialism or North Vietnamese dictatorship.¹⁴ The British historian R.B. Smith put it best in 1968: `The hidden assumption on which much of American policy in Viet-Nam was based was that the Vietnamese, given proper opportunity would live up to the ideals of liberty and democracy that had been born in the European enlightenment of the eighteenth century, and had been written into the American Constitution.' Smith argued that this reflected ignorance about Vietnamese realities. American policies suffered because they `proceeded not from theories but from assumptions.'¹⁵

The internal American debate over what constituted appropriate development took place largely between CORDS and USAID.¹⁶ Generally, the CORDS philosophy called for high impact, short term development and emergency aid on the village level, such as the provision of building materials for the construction of schoolrooms and medical facilities, or cash to purchase rototillers, irrigation pumps, start small businesses or create other village infrastructure. This approach was new in its grassroots focus and its coordination

¹¹ See for instance, Vietnam Terminal Report, Sector Descriptions, Introduction, USAID, PN-AAX-018.

¹² `The American Experience with Pacification in Vietnam,' Vol. 1, 19-20, Institute of Defense Analyses, Arlington, Virginia, March 1972, Record Group 472, Microfiche Collection, AD-763 953, Archives II.

¹³ *Ibid.*, 18.

¹⁴ For a discussion of anti-colonialism in U.S. policy, see Victor Bator, *Vietnam: A Diplomatic Tragedy: The Origins of United States Involvement* (Dobbs Ferry, NY, 1965), 191-205.

¹⁵ Ralph Smith, *Viet-Nam And the West* (Ithaca, NY, 1968), 170-1.

¹⁶ `The American Experience with Pacification in Vietnam,' Vol. 1, 19, Institute of Defense Analyses, Arlington, Virginia, March 1972, Record Group 472, Microfiche Collection, AD-763 953, Archives II.

with security forces. CORDS termed this approach 'revolutionary development.'¹⁷ Planners designed these grassroots projects with political goals foremost, to alleviate some of the most egregious effects of the war on South Vietnam's populace and win them over to the government side. In 1967, the U.S. military command, into whose structure CORDS fitted, produced a 'strategy statement' that defined the political goals of nation building as the elimination of the NLF political structure and the 'development of Vietnamese governmental and political institutions and programs which offer attractive alternatives to the VC; and which foster cohesiveness and create a sense of nationhood on the part of both rural and urban Vietnamese.'¹⁸

The USAID approach called for more 'long term nation building', according to a former field officer. This approach sought large scale development of infrastructure, technology, and institutions with economic goals foremost.¹⁹ Among the USAID's longer-term economic goals was an increase not merely in rural output, but also in marketed surplus. This is a crucial distinction, because if surpluses are hoarded or consumed by producers, the potentially positive effects on the economy at large of increased production are dampened. Therefore, merely increasing rural production, while marginally improving peasant welfare, may not have the same positive effects on overall economic development or industrialization as will increasing marketed agricultural surplus. Rural development plans in South Vietnam depended upon increasing marketed surplus as a link between agricultural improvements and general economic development. Bringing more produce to market, economists predict, will increase the purchasing power of the peasantry, creating savings and investment income that can be plowed back into productive ventures and prompting peasants to consume more manufactured goods, thus spurring the entire economy. Marketed agricultural surpluses can be exported, earning coveted foreign

¹⁷ Jan H. Vanderbie, *Prov Rep in Vietnam* (Philadelphia, 1971), 105.

¹⁸ This MACV strategy statement of 1 November 1967 is quoted in 'The USAID Program and Vietnamese Reality,' Staff Study, June 1968, USAID PN-ARE-177, p.33.

¹⁹ Vanderbie, *Prov Rep in Vietnam*, 105-18.

exchange. Planners thus set general development goals of achieving national self sufficiency in rice, improving marketing of the rice crop from surplus to deficit areas, and diversifying Vietnamese agriculture to take advantage of potential export markets.²⁰

Clear evidence of this policy goal comes from a 1970 USAID report in which the agency's director declared that enough basic infrastructure investment had taken place and that it would be `necessary for the emphasis in the [USAID economic program] to begin to change to that of fostering domestic production to offset import requirements and develop export potential.'²¹ To that end, domestic markets had to be improved upon. Four years after the introduction of the `Accelerated Rice Program,' which is explored in Chapter Four, one USAID report noted during the 1970/71 harvest that the Mekong delta area had produced enough surplus rice to provide 722,000 tons to deficit areas of South Vietnam. Thus, it urged expansion of the coastal merchant fleet, improvement of transport infrastructure and commercial contacts between southern and Central Vietnam.²²

But USAID could not dictate overall development strategy. As has been made clear, dozens of South Vietnamese and American agencies with little central coordination mounted an essentially ad hoc development effort. The USAID advised each of the Saigon government's technical ministries: agriculture, economy, transport, and the like. CORDS alone advised what was to be a super ministry, the Ministry of Revolutionary Development (MORD). MORD was intended to oversee the development effort of the technical ministries, but in

²⁰ Regarding the goal of self sufficiency in rice, see `Rice Marketing and Situation Report, Vietnam,' William J. C. Logan, USDA, and William F. Doody, CIP Program, January 1971, USAID, VS338.17318. (Hereafter `Rice Marketing and Situation Report, Vietnam,' followed by date and file no.). Regarding the goals of increased marketed surplus, increased and more widely distributed income, and increased farmer welfare, see `Agricultural Exports and Marketing,' Project Review 1971-1974, July 1974, USAID PD-AAF-355-A1. Regarding effects on the overall economy see Pham Kim Ngoc, interview with the author, 28 August 1994, Washington, DC.

²¹ Memorandum for Ambassador William E. Colby, Director CORDS, from D. G. McDonald, Director USAID, Spring Review Memorandum, 16 May 1970, DEPCORDS files, GVN Economic Policies (also found in USAID file) CMH.

²² `Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS338.17318. For an outlook on potential agricultural exports, see `Agricultural Exports and Marketing,' USAID Project Review, June 1974, PD-AAF-355-A1.

practice, it wielded little power over them.²³ Officially overseeing the whole South Vietnamese effort was the Central Pacification and Development Council (CPDC), headed by the Prime Minister. Through USAID and CORDS input, again, development plans and approaches emanating from this bureaucratic maze proved to be largely American-inspired. Adherents to both long term economic development and more politically oriented 'revolutionary development' approaches seem to have been satisfied that their views were being put into practice.²⁴

The intended output of all this bureaucratic input was the achievement of wide range of goals. South Vietnamese and the U.S. sought to raise output, marketed surplus, and rural incomes, to improve rural education, health care, local government and economic infrastructure, all within the small, family farm context. In pursuit of these tacit goals, the Americans caused several development approaches to be attempted concurrently. Surviving documentation suggests that development planners did not use labels such as 'transformation approach' or 'improvement approach' for their efforts. Nevertheless, their development programs did bear resemblance to some well-known economic theories, both contemporary and just then emerging.

The Americans attempted the 'transformation approach' popular in the 1960s and 70s, which stems from a view of peasants as efficient given available technology, and therefore implies that only dramatic shifts in farm technology can transform peasant agriculture.²⁵ Large irrigation projects, farm mechanization, and technical packages of seed, fertilizer, pesticides, and credit characterize this approach. The technical packages were introduced by USAID and proved appropriate. Large scale irrigation projects did not, however, because they would have required cooperation with Cambodia and Laos over the Mekong

²³ For a description of the circuitous relations between USAID, CORDS, and the various Saigon ministries, see Vanderbie, *Prov Rep in Vietnam*, 105-18.

²⁴ 'The American Experience with Pacification in Vietnam,' Vol. 1, 19, Institute of Defense Analyses, Arlington, Virginia, March 1972, Record Group 472, Microfiche Collection, AD-763 953, Archives II.

²⁵ See Theodore Schultz, 'Economic Growth from Traditional Agriculture,' in Schultz, *Transforming Traditional Agriculture* (New Haven, 1964).

river, which was not practicable during the war. Neither was mass 'tractorization' then a realistic ambition. It would have created surplus agricultural labor for which there was no outlet in an unindustrialized country and would have required greater capital and credit than was available to all but a few farmers in South Vietnam.²⁶

The U.S. simultaneously pursued what Ellis has termed the 'improvement approach,' which implied inefficiency in existing peasant practices.²⁷ The approach stressed agricultural education and extension services in order to improve cultivation practices. It also implied potentially efficient use of technically simple or inefficient methods, and so also focused on limited scale improvements, such as small irrigation pumps. As a part of the improvement approach, USAID was involved in the search for appropriate small pumps, attempted to convince the ministry of agriculture to provide nation-wide agricultural extension services, and tried to open a national agricultural research center at My Tho, in the Mekong delta.

United States agencies, including USAID, also tried what has come to be known as the 'get the prices right' or 'structural adjustment' approach which was to gain a great deal of credibility during the 1980s. Advocates of the 'right prices' approach point to government policies, such as the suppression or distortion of market prices as a basis for resource allocation, as the greatest problem facing developing economies. Such distorting policies might include overvalued currencies, artificially low rates of interest, and factor and produce pricing controls.²⁸ Hence, this approach stresses the improvement of imperfect markets that inhibit production by denying farmers, and especially peasants, access to affordable credit, inputs, and fair prices for their produce. Writing in 1971, one

²⁶ The following documents describe the need for large-scale irrigation development, but make it clear that such development would require the cooperation of Vietnam, Cambodia, Laos, Thailand, and possibly China, a political impossibility at that time. 'Mekong River Basin Development,' Project Appraisal Report, 25 February 1977, USAID PD-AAD-964-A1, and 'Maximum Agricultural Production in An Giang Province, Viet-Nam, March 1969, USAID ISN-20479.

²⁷ Ellis, *Peasant Economics*, 75-8.

²⁸ See Hayami, Yujiro, and Ruttan, Vernon W. *Agricultural Development: An International Perspective* (Baltimore, 1985), 442. See also Deepak Lal, *The Poverty of "Development Economics"* (London, 1983). See also, T.N Srinivasan 'Neoclassical Political Economy: The State and Economic Development.' *Asian Development Review*, 3, No. 2, (1985).

USAID consultancy paper decried the use of economic controls as inefficient and inviting corruption. His report argued instead that South Vietnam should manage its economy through the exercise of financial controls, including government expenditures, taxation, exchange rate and monetary measures. The emphasis is on government action designed to affect expenditures, rather than on prices or quantities.²⁹ In these beliefs USAID found an ally in the Saigon government in Minister for the Economy Pham Kim Ngoc. In the early 1970s, Ngoc fought to dismantle government economic controls and replace them with more economically rational pricing policies and market improvements. Ngoc preferred steering the economy with price mechanisms rather than controls. He contended that price controls, for instance, are self defeating. 'They never work, they breed corruption, and they didn't stop inflation.'³⁰ During Ngoc's 1969-1973 tenure as Minister for the Economy, and with USAID backing, the Saigon government attempted to privatize the critical fertilizer and pesticide businesses, lifted some price controls to allow the price of rice to rise and better reflect demand, raised interest rates to make investment more attractive in an inflationary economy, devalued the currency to bring its value closer to market demand, and reduced internal barriers to trade.³¹

The United States also attempted what Ronald Dore and Zoë Mars have termed community development, and is generally referred to in this study as village or project development. Writing in 1981, Dore and Mars defined community development as community action to create public goods such as improved roads, clinics, and schools, along with community action for simultaneous production by individuals of private goods. Community efforts in private production they termed desirable if coordination means greater efficiency and equality of results. They stressed coordinated action because greater

²⁹ 'The Transition to Economic Development in Vietnam,' Part I, April 1971, Arthur Smithies, Institute for Defense Analyses, PN-ARE-895.

³⁰ Pham Kim Ngoc, interview with the author, 28 August 1994, Washington, DC. For comment on these reforms see Dacy, *Foreign Aid*, 14,15, 115. See also Nguyen Anh Tuan, *Vietnam Trial and Experience*, 160-67. See also Economic report of the Special National Security Council Committee, Dr. Charles Cooper, head, Memorandum for the Record, June 1970, R.G. 472, MACCORDS PP&P 1970, Box 13, File 1601-11A to 1608-11, Archives II.

³¹ See, for example, 'Rice Marketing and Situation Report,' January 1971 USAID VS 338.17318 L831.

community solidarity is an end itself, along with economic goals.³² Dore and Mars's approach closely resembles the village development approach that CORDS advocated in South Vietnam fourteen years earlier. The CORDS-inspired program called for community groups, called People's Common Activity Groups, to choose among public and private goods and to oversee the production of private goods collectively. As Chapter Six will explain, the CORDS approach was designed to promote economic activity, wealth, and income equality, but was particularly focused on community cohesion and identification with the central government.

Finally South Vietnamese and American policy makers, during the post 1968 period, attempted to correct for what Michael Lipton called the urban-rural divide. Lipton posited that urban elites, or an urban political class, tends to shape national policy and engineer an urban bias into economic processes. Even if a country with such a divide achieves economic growth, it will be maldistributed, the gains being mainly captured by urban dwellers.³³ The South Vietnamese experience strongly supports Lipton's argument. As Chapter Two showed, the South Vietnamese government was indeed dominated by an urban elite class, in this case generally well-to-do graduates of the national military academy and Catholics from the mandarin class. The NLF's makeup was largely rural, as was South Vietnam's political constituency. Under political pressure to compete for rural influence, as succeeding chapters will establish, the Saigon government increasingly caused the terms of trade to favor rural people after 1968.

It should be noted here that the major development programs examined in this study –land reform, improved agricultural technology, community development, and political, social and security programs-- were dependent upon another aspect of USAID's infrastructural approach to institutional and physical development. Roads appear to have been the great diffuser of ideas and products

³² Ronald Dore and Zoë Mars, *Community Development: Comparative Case Studies in India, the Republic of Korea, Mexico, and Tanzania*, (London and Paris, 1981) Introduction, 18.

³³ For an explanation of urban bias in development see Michael Lipton, *Why Poor People Stay Poor: A Study of Urban Bias in World Development* (Cambridge, Mass, 1977), 44-79. See Toye's short summary of Lipton's arguments in, *Dilemmas of Development*, 127.

in South Vietnam. A striking number of former American officials point to road building as the most influential development effort in South Vietnam. A poignant example came from a former delta adviser and pacification evaluator:

Building roads, building bridges, building ports, shipping stuff, putting up telecommunications facilities changed things dramatically. But [the importance of this] probably wasn't recognized by the Vietnamese or by the Americans, and probably still isn't. A practical example: You could go down the road in districts I had, as far as you could drive, where there was a bridge or improved road, life changed dramatically and you marginalized rapidly Viet Cong guerrilla efforts. They were unable to deal with the forces that a road would bring: the information that would come, the ability to move back and forth, for people to go to a district hospital and dispensary, for government people to come in and out no matter how ineffective they might be, for their kids to go to that next level of school. And there was so much bus service and lambretta service all of a sudden that would open up. Different kinds of crops suddenly became possible, marketing of vegetables, all of that moved so fast that the Viet Cong couldn't do anything about it. . . . because people reacted as human beings react wherever you put a road up. . . . Where the road stopped, and I had places where the roads only went so far in my district, and then you had to go across a rickety old monkey bridge and you started walking, and life would change. The products you'd see, the style of life, the style of agriculture, the level of sophistication of the people. I saw that again in the Philippines. Where the [rebel] strongholds began was where the roads ended. Same thing again in Cambodia.³⁴

Thus, without the provision of a road net in South Vietnam, and likewise without the post 1968 security improvements that opened those roads to daily travel, none of the development programs examined in the following chapters would have been practicable.

3.2 THE FARM SIZE DEBATE AND SOUTH VIETNAMESE DEVELOPMENT

The debate over farm size and efficiency, introduced here and considered in context in Chapters Four and Five, has simmered among economists and economic historians for many years. Debate has focused upon why an inverse

³⁴ Kenneth Quinn, District Senior Adviser, Sa Dec and Chau Doc provinces, Mekong delta region, 1969-1970. Evaluator, CORDS Pacification Studies Group, 1971. Interview with author, U.S. Department of State, Washington, DC, 21 July 1994.

relationship between farm size and productivity tends to exist in developing countries with preindustrial agricultural practices. That is, why do smaller farms tend to be more productive per unit of land--that is, to have higher land productivity rather than necessarily higher total factor productivity--than larger farms? Economists generally agree that such an inverse relationship has been established for many developing countries, at least until the 'green revolution.' Graham Dyer contends that 'the empirical evidence for the existence of an inverse relationship between farm size and farm productivity is overwhelming, both historically and geographically.'³⁵ Defining what constitutes a small or large farm becomes difficult when different climates, crops, and cultivation practices are considered. Frank Ellis believes that the key distinction is not merely size, but also whether or not a farm depends on hired labor or family labor, the latter of which many observers contend is more productive.³⁶

While the existence of an inverse relationship is largely accepted, the reasons for its existence remain under debate.³⁷ The most widely accepted explanations center on the attributes of small family farmers, who are said to have more direct motivation than the hired laborers working someone else's farms, a better intrinsic grasp of the agronomic attributes of their land, and more flexibility in seasonal labor deployment. Capitalist farmers, on the other hand, may have management and supervision problems, face greater rigidities of seasonal employment, and have less detailed knowledge of their land. Moreover imperfect factor markets may present large and small farmers with differing prices for similar inputs. For instance, land and input prices tend to be lower for large farmers, because they have greater access to capital, and at lower interest rates. Labor prices, on the other hand, tend to favor small family farms, because they do

³⁵ Graham Dyer, 'Farm Size-Farm Productivity Reexamined: Evidence from Rural Egypt,' *The Journal of Peasant Studies*. Vol. 19, No.1, October 1991, 59. See also Ajit Kumar Ghose, 'Farm Size and Land Productivity in Indian Agriculture: A Reappraisal.' *The Journal of Development Studies*. Vol.16, No. 1, October 1979. Bhalla and Roy believe the concept has endured the test of time and become 'conventional wisdom,' Sujit S. Bhalla and Pranoy Roy, 'Mis-specification in Farm Productivity Analysis: The Role of Land Quality,' *Oxford Economic Papers*, Vol. 40, 1988, 55-73.

³⁶Frank Ellis, *Peasant Economics*, 207.

³⁷ For instance, in 'The Role of Land Quality,' Bhalla and Roy argue that small farms in India tend to have greater soil fertility than large farms, *Oxford Economic Papers*, Vol. 40, 1988, 55-73.

not price their labor by the hour, but tend to work as necessary.

High land and input prices combined with low labor prices would tend to provide small farm families with more incentive to use what land is available to them more productively than larger farms. Amartya Sen, for one, asserted that the crucial factor among all of these is the intensive practices of small farmers. Where large farms will employ labor to the point where the marginal physical product of labor equals the market wage, small family farmers will continue working a plot until the marginal physical product of labor equals zero. 'Because the small farms tend to use labor more intensively they are able to achieve a higher cropping intensity and a greater output per acre than large farms.'³⁸ Graham Dyer put it more starkly: 'The inverse relationship indicates a desperate effort to scratch a living from inadequate land.'³⁹

The apparent implications of an inverse relationship have constituted 'a central plank in the case for redistributive land reform and a small farm bias in agrarian development policy.'⁴⁰ In South Vietnam, the political effects of the existence of a majority of landless or near landless peasants presumably eliminated consideration of a large farm policy on political grounds alone—research has turned up no evidence that such a strategy was ever discussed by policy makers.

With regard to the farm size and efficiency question, economic and political goals in South Vietnam coincided. Because Vietnam's rural population in productive areas was dense, largely impoverished, and a vital political constituency in the late 1960s, because its industrial sector was small, and because its level of agricultural technology was relatively low, a small farm strategy and more equitable distribution of income were valid initial goals. A large number of the peasantry were refugees. Most peasants who were farming were mainly subsistence oriented, and thus produced very little marketed surplus. South Vietnam, once a rice exporter, had become the world's largest rice importer, so

³⁸ Amartya Sen cited in V. N. Balasubramanyan, *The Economy of India* (Boulder, 1984), 89.

³⁹ Dyer, 'Farm Size-Farm Productivity,' 84.

⁴⁰ *Ibid.*, 59.

low was its agricultural production in the late 1960s.⁴¹ In 1967, for instance, imports represented 28% of South Vietnam's rice availability.⁴²

So long as the peasantry merely subsisted, economic growth was impossible and industrialization unlikely. Output and productivity gains were necessary in order to increase marketed surplus and stimulate the economy as a whole, but large-scale farm mechanization was neither possible nor desirable since the industrial sector was too small to absorb an excess agricultural work force, and capital was not sufficiently available. As the following chapters will confirm, a small farm approach swelled the ranks of 'middle peasants', increased marketed rice surplus, and was the clear choice on technological, economic, employment, and political grounds as well.

This increase in marketed surplus, vital to overall economic growth, was not an automatic result of the increase in peasant production and fortunes. Peasants are both producers and consumers of food. Especially poor farmers may be forced into commerce by their inability to feed themselves from their meager land holdings. When foodgrain prices rise, poorer peasants are often forced to sell their grain and buy that of lower price and inferior quality for family consumption. Middle peasants, on the other hand, may have more discretion over how much of their harvest they consume or sell on. They may retain more grain than usual for family consumption rather than sell on and risk having to buy grain for consumption later at higher prices.

Thus, increasing production may create more middle peasants and, ironically, may simultaneously decrease or hinder marketed surplus, as some economists have theorized for India.⁴³ If true, this would be especially critical for South Vietnam because in the late 1960s and early 1970s it saw increases in both middle peasants and rising food grain prices. T.N. Krishnan's research in India,

⁴¹ 'Economic Context,' 31 December 1975, Vietnam Terminal Report, USAID PN-ABI-250.

⁴² 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS338.17318.

⁴³ P.N. Mathur and H. Ezekiel, 'Marketable Surplus on Food and Price Fluctuations in a Developing Economy,' *Kyklos*, 1961, 316-406, and Directorate of Economics and Statistics, Indian Ministry of Food and Agriculture, *Report on an Enquiry into the Pace and Pattern of Market Arrivals of Foodgrains (Seasons 1958-9)*, cited in T.N. Krishnan, 'The Marketed Surplus of Foodgrains,' in *Readings in Indian Agricultural Development*, ed. Primit Chaudhuri (London, 1972), 99.

however, suggested that while farmers do increase their own consumption of food following increase in relative price of food grains, farmers tend to consume more, but to market more grain as well. In short, 'when agricultural production grows, the elasticity of the marketable surplus will invariably be positive.'⁴⁴ As the following chapters will demonstrate, this held true for South Vietnam. Marketed surplus of rice expanded along with the ranks of middle peasants and the price of rice.

3.3 GEOGRAPHIC, HISTORICAL, ECONOMIC, AND SOCIAL DIFFERENCES BETWEEN THE MEKONG DELTA AND CENTRAL VIETNAM

The Mekong delta, in the southernmost part of South Vietnam, is a vast area of flat, largely fertile soil fed by one of Asia's largest rivers. The climate and hydrology are relatively stable, rainfall generally predictable, and catastrophic flood and drought rare. Central Vietnam, which was bisected by the border between North and South Vietnam during this period, contains far less arable land than the Mekong delta. Its mountains crowd close to the sea and its rice lands are narrow strips of densely populated coastal plains. The climate, both along the coastal plains and in the piedmont above, is harsher. Parts of Central Vietnam experience 'the driest and most unreliable rainfall environment in South Vietnam.' The area is also subject to torrential rainfall and flash floods, as well as extreme heat.⁴⁵ So severe is the climate that one agricultural consultant warned that without full scale water-control projects 'Quang Tri and Thua Thien Provinces will likely be faced with a serious food production-consumption crisis during the 1980's and beyond,' a prediction that has proved accurate.⁴⁶

Because these drastic variations in climate often result in drastic harvest

⁴⁴ T.N. Krishnan, 'The Marketed Surplus of Foodgrains,' 99, and Balasubramanyan, *The Economy of India*, 95.

⁴⁵ 'The Crop Growing Season Climates in South Vietnam,' 15 May 1969, George L. McColm, CORDS, USAID VS 338.15 M129.

⁴⁶ 'Agricultural Production Possibility Estimates for Quang Tri and Thua Thien Provinces in Vietnam, Projections to year 2000,' CORDS Memorandum to Donald G. McDonald, Director, USAID/Saigon, 4 May 1970. The memorandum quotes from a study conducted by the Development and Resources Corporation, DEPCORDS Files, Folder: Agriculture: 1969-70, CMH.

reductions, rice yield variance is higher than in the more stable Mekong delta. In the late 1960s, for instance, rice yields from local varieties on single-cropped land averaged about one metric ton per hectare, a third less than yields in the far South.⁴⁷ Moreover, farms tended to be smaller; prior to the intensive agrarian development of the late 1960s and early 1970s, tenants and smallholders farmed an average of one half hectare as compared with an average of just over a hectare in the most productive areas of the Mekong delta.⁴⁸ Finally, coastal lowland farmers tended to cultivate their land more intensively. On the eve of the introduction of modern rice, peasant farmers double-cropped 2.5% of the Mekong region but 26% of the coastal lowlands.⁴⁹

Social differences existed between the regions as well. Whereas ethnic Vietnamese had settled in the Red River delta around 200 B.C. and in Central Vietnam in the 1st century, Vietnamese settlement and village formation had just begun in the Mekong delta in the 19th century when it was interrupted by French colonial occupation. While most of the Mekong frontier had been settled by the 1930s, Vietnamese did not consider it completely closed until the 1980s.⁵⁰ Thus, most of the Vietnamese population of the South could not date their landholdings, family tombs, or villages 'from time immemorial,' as was the custom in Northern and Central Vietnam.⁵¹ Villages in the far South developed along different lines from those to the north. The existence of surplus land meant that people in the southern region were not tethered to their natal villages; they could move. Mobility broke down family hierarchies and weakened traditions such as ancestral duties: keeping a genealogy, gathering on anniversary

⁴⁷ 'Land Reform,' Project Appraisal Report, USAID PD-AAF-398-E1.

⁴⁸ Callison, *Land-to-the-Tiller*, 55-6. In the Mekong/Saigon region, which included the provinces around Saigon, the operating rice farm size averaged just over 2 hectares. The average was driven up by the larger size of farms on the floating rice areas in the west. In the more densely populated areas, which were the most productive lands and those most associated with land reform and new technologies, average farm size was 1.38 hectares. This area comprised the upper and lower Mekong delta as well as some areas along the Saigon river.

⁴⁹ Ngo Vinh Long, *Before the Revolution*, 15, and Murray, *Capitalism in Colonial Indochina*, 67.

⁵⁰ Callison, *Land-to-the-Tiller*, 38.

⁵¹ Martin J. Murray, *The Development of Capitalism in Colonial Indochina, 1870-1940* (Berkeley, 1980), 418.

days of ancestors' deaths, saying ritual prayers at the ancestral alter.⁵²

Villages in Northern and Central Vietnam tended to be closed corporate societies, unintegrated into regional markets. The danger of flood and drought created a need for communal labor on dikes and storage ponds. Social norms tended to be strict and a high degree of communalism existed. These villages retained their essential corporate structure throughout the French period, maintaining a strong sense of village citizenship, an elaborate internal hierarchy, and fierce resistance to change.⁵³ In contrast, villages in the southern zone were usually made up of several hamlets strung out along waterways. In Michael Cotter's words, 'this type of linear settlement pattern reflected not only the influence of the environment but also the breakdown of village traditions over the years. . . . Villages in the south were more open to outside forces, and social, economic and religious activities did not become as village-centered' ⁵⁴ Murray pointed out that 'although community norms reflected the traditional corporate mentality inherited from the northern zones, the southern villages were never isolated nor self-sufficient.'⁵⁵

Without the rigid social relationships and ranked hierarchies of the North, village status was 'nearly always synonymous with wealth derived from land ownership. . . . traditional criteria for village office--morality, education, age, [were] manifestly absent in Cochin China by the turn of the century.'⁵⁶ Different agronomic conditions further divided the regions. Higher yields per labor input and fewer crop failures relative to northern regions made labor cooperation and crop sharing less efficient, so that southern villages were not only socially less cohesive, but also economically less cohesive than villages to the north.

⁵² Ibid., 416.

⁵³ Samuel Popkin, 'Corporatism and Colonialism: The Political Economy of Rural Change in Vietnam,' *Comparative Politics*, vol. 8, no 3 (April 1976) 255. See also Murray, *Capitalism in Colonial Indochina*, 382. For a more general definition and description of closed corporate villages, see Wolf, *Peasants*, 85.

⁵⁴ Michael G. Cotter, 'Towards a Social History of the Vietnamese Southward Movement,' *Journal of Southeast Asian History* 9, no. 1, March 1968. See also Murray, *Capitalism in Colonial Indochina*, 382, and Gerald C. Hicky, *Village in Vietnam* (New Haven, 1964), 278-80.

⁵⁵ Murray, *Capitalism in Colonial Indochina*, 422-3.

⁵⁶ Ibid., 422.

Moreover, in Northern and Central Vietnam, scarce land and uneven rainfall produced a system of communal land and water storage controlled by local notables. The relative abundance of land and water in the South deprived village notables of some of the enormous power such scarcity provided them up north.⁵⁷ Hence, a sense of commercialism and individualism sprang up among the peasantry in the Mekong region that did not appear to the North.

Markets functioned differently in the two regions as well. Murray asserted that 'the patterns of land tenure and ownership, class relations and village organization in the Mekong delta developed in direct response to colonial rule and the politico-economic influences of the capitalist world economy rather than through extensive contact with traditional indigenous social and economic organization.'⁵⁸ The same can be said of the development of markets. A. Terry Rambo described the agricultural markets of the lower Mekong region as linear, based on rice monoculture and export. Peasant farmers rarely bought and sold among themselves. Instead they sold rice to a local dealer, and bought what they needed from agents. From local dealers rice went to provincial dealers, and then on to Saigon for export. In Northern Vietnam, and Central Vietnam followed a similar pattern, peasants cultivated a wider variety of crops, very little of which was for export. They tended to buy and sell among themselves in 'cyclical' markets.⁵⁹

Tenurial conditions increasingly differed between the two regions as well. Under French rule, land concessions in the Mekong region to European farmers and favored Vietnamese clients from the landlord classes gradually stripped peasant settlers of their plots, and by 1930 approximately 80% of the Mekong delta region was farmed by tenants renting from landlords often created by French concessions.⁶⁰ Land consolidation was less pronounced in Central and Northern

⁵⁷ Samuel Popkin, 'Corporatism and Colonialism: The Political Economy of Rural Change in Vietnam,' *Comparative Politics*, vol. 8, no. 3 (April 1976), 255.

⁵⁸ Murray, *Capitalism in Colonial Indochina*, 8. See also Pierre Brocheux, *The Mekong Delta: Ecology, Economy, and Revolution, 1860-1960* (Madison, WI, 1995), 72.

⁵⁹ A. Terry Rambo, *A Comparison of Peasant Social Systems of Northern and Southern Viet-Nam* (Carbondale, IL, 1973), 391-2, 404-5.

⁶⁰ Murray, *Capitalism in Colonial Indochina*, 421.

Vietnam during French rule, although landlord power increased there as well.⁶¹ With a growing population of landless peasants, landlord-tenant relations became more rigid and disadvantageous to tenants as settlement progressed. The economic condition of peasants thus worsened steadily as the southern frontier disappeared and population growth forced increasing land fragmentation in Central and Northern Vietnam.⁶²

The revolution radically altered the social and economic landscape of Central Vietnam. Under intense Viet Minh and later Viet Cong pressure during the 1950s and 60s, nearly all the large and medium landlords of the coastal plains, many of them village notables, fled to the city of Hue. One indication of the nature of the landlords' presence and influence in their villages is 'moonlighting.' As of 1970, only 38% of Central Vietnam's landlords had jobs outside farming, while in the Delta the portion was 94%.⁶³ One explanation for this is that nearly all of those landlords who could make a living off-farm in Central Vietnam had fled. Those who remained were generally poor and did not have the wherewithal to work in other professions.

As a result, while tenants and landlords were separated by a wide gulf in the South, they shared a profoundly intertwined existence in Central Vietnam by the 1960s. The small landlords who remained in their coastal lowland villages were more likely to be smallholders who shared similar economic and social conditions with their tenants. Moreover, because of greater population pressure and harsher climate in Central Vietnam, both landlords and tenants alike worked in a more precarious subsistence environment than farmers in the Mekong/Saigon region. Many landlords were also tenants, since they often rented some of the land they tilled. Often landlords and tenants were related by blood, and social relations tended to be not only familiar, but friendly in many cases. Numerous USAID reports confirm that because landlords in Central Vietnam were of a similar social status to tenants, they were far less resented than

⁶¹ Ibid., 470-1.

⁶² Ibid., 46

⁶³ Henry C. Bush, 'Small Landlords' Dependence on Rent Income in Vietnam,' October 1970, Control Data Corporation for USAID, USAID ISN 26769, 20.

their counterparts in the Mekong region, and more likely to engage in reciprocal economic behavior: lend money at little or no interest, or help in neighbors' and tenants' fields in times of need.⁶⁴ Hence, the atmosphere of tenant-landlord hostility that still prevailed in the South had moderated in the central region. Both the Viet Minh and Viet Cong movements were less powerful in the far South. Thus, while many southern landlords fled their villages, more remained than on the coastal plains. Southern landlords, though seeing their economic, social, and political positions deteriorating under communist pressure, nevertheless retained a greater rural presence, more often tried, albeit usually unsuccessfully, to collect rents. Hence they generated more antipathy than their colleagues in Central Vietnam.

In sum, these factors helped to produce a peasant society in Central Vietnam that was often on the verge of subsistence crisis, more risk averse, more likely to engage in reciprocal exchanges, and therefore less likely to embrace relatively risky farming technology and techniques than farmers in the Mekong region of the South. The flight of landlords in Central Vietnam dampened reform sentiment, and smaller farms made land redistribution physically problematic. Southern farmers worked larger land parcels under kinder conditions, and therefore had a larger margin for error. Generally, the far South experienced less combat, fewer incidents of selective violence, and less pressure from communist taxation during both the Viet Minh and Viet Cong periods. Moreover, South Vietnamese and American development programs tended to focus energy and resources on the Mekong Delta region, the most important agricultural area in the country. In 1972, the government allocated almost half the development budget to the Mekong region alone, and only about 30% to Central Vietnam.⁶⁵ For these reasons, as we will see, American development

⁶⁴For two examples, see *Ibid.*, and Project Appraisal Report, Land Reform, 1 October 1975, USAID PD AAF-398-E1, 13

⁶⁵ Development Budget Allocations for 1972, Original Source: *Vietnam Bulletin*, Vol. VII, No. 6, March 6, 1972. Reprinted in, 'Analysis of Vietnamization: Summary and Evaluation,' Final Report, Volume I, November 1973, Bendix Corporation, Sponsored by the Defense Advanced Research Projects Agency, Vietnam Collection, Jack Taylor Donation, Box 4, National Security Archive, George Washington University, Washington, DC.

programs designed to entice an income maximizing peasant to participate often worked reasonably well in the South, but tended to be less effective in Central Vietnam.

3.4 CONCLUSIONS

This chapter has established that American and South Vietnamese planners took a multifarious approach to development based on a small farm strategy. This scatter shot effort, encompassing large and small scale development, market based schemes, and community development programs linked to security programs, provides a rich opportunity to study economic development in wartime and low intensity conflict environments. Furthermore, the near peacetime conditions in some populous Mekong delta provinces after the communist offensives of 1968 afford a view of what was essentially 'post conflict reconstruction,' as current development jargon has it. The American approach to rural development was based implicitly on a rational choice view of economic behavior in that peasants were to be attracted to programs by the opportunity to maximize their family incomes. American officials made similar political assumptions, believing that Vietnamese would calculate that life would be both more prosperous and more pleasant under some form of democracy than under Hanoi's dictatorial system of government. Guided by these assumptions, the Americans and their South Vietnamese allies pursued a small farm policy based on secure property rights in order to satisfy the politically essential peasant classes, and attempted to install democratically elected village governments. Because of climatic, population, economic, and social differences between the most important agricultural regions of the country, their economic efforts produced better results in the Mekong/Saigon area than in Central Vietnam. The long revolutionary tradition in Central Vietnam produced similar differentiation in political efforts. Succeeding chapters will attempt to analyze the appropriateness of these various

approaches to development to determine what they meant to the larger nation building campaign in South Vietnam, whether they can be said to have contributed to the potential survival of the Saigon regime, where and why they succeeded or failed, and what implications this may have for global development policies generally.

Chapter 4

Agricultural Development: The 'Green Revolution'

Policy makers and scholars often assume that in wartime or insurgency environments, only emergency aid is viable; development must wait until peace comes. South Vietnam's experience, however, demonstrated that economic development is possible even in conditions of acute political instability and low intensity conflict. Highly divisible products for which local demand exists can, through market mechanisms, diffuse into the countryside, improve farmers' lives, and lift a rural economy.

This chapter concentrates on the 'Accelerated Rice Program,' a package of improved agricultural inputs introduced by the United States Agency for International Development (USAID) that included modern rice seed varieties, chemical fertilizers, pesticides, and new farming techniques. Modern seed varieties, usually called high yield varieties (HYVs), emerged in the late 1960s and produced dramatically higher yields than local seed varieties. They are perhaps better termed modern varieties because they also increasingly incorporated better disease, pest, and wind resistance, more uniform height for easier harvesting, and faster growing and ripening periods. Often referred to as 'green revolution' technology, modern rice varieties and new inputs radically changed South Vietnamese rice farming in only a few seasons, diffusing quickly and crossing both political and military frontiers with impunity.

The USAID introduced the program with several immediate goals in mind: to make the country self sufficient in its staple crop, to enhance the welfare of farmers whose loyalty the Saigon government needed, to increase rural employment by expanding the practice of double-cropping, and to spur the economy generally, by increasing, and distributing more widely, farmer income and consumption.¹ The USAID worked extensively with improved sorghum varieties and crop diversification. However, this chapter focuses exclusively on rice because it was the staple crop and most important economic product of Vietnam. Modern rice technology is a particularly apt

¹ For reference to these goals, see 'Agriculture,' Vietnam Terminal Report, Volume II, Part 2, PN AAX-018, United States Agency for International Development Reading Room, Rosslyn, Virginia (hereafter USAID and document number).

vehicle for gauging peasant economic behavior because it presented farm families with an opportunity to increase their incomes but also entailed extra risk. As one USAID report observed, 'in an economy where money is a relatively scarce resource as it is in rural Vietnam the shift to new technology presents a real risk to those farmers who must borrow money to meet their cash needs at planting time.'² Thus, this chapter tests the USAID's assumption that South Vietnamese peasants would behave as income maximizing individuals by experimenting with new technologies if some combination of the following created a perception of reasonable risk: yield variance was not too high, they had enough land to assure subsistence leaving some surplus that they could risk, the war and insurgency allowed for use of the new technology, and the necessary inputs were sufficiently available and affordable. This adoption rate is also useful for comparing the varying regional economic responses of Vietnamese peasants, since it was highly divisible and widely available.

Section One briefly describes the state of Vietnamese agriculture before the introduction of modern rice varieties. Section Two explores the rates of diffusion of this new technology, the reasons for the speed of the process, the obstacles it overcame, and the effects of socioeconomic differentiation among farmers on rates of adoption. It also considers the theoretical implications of that diffusion for development studies and economic history. Section Three analyzes the returns to factors achieved by modern rice varieties. Section Four considers the implications of the diffusion of modern rice for theories of peasant economic behavior, reassessing the prominent debate between Scott and Popkin on the basis of crucial evidence presented here. This key segment of the debate concentrated on Vietnam, rendering a significant opportunity to examine another important aspect of economic history and development studies here. Finally, Section Five compares the South Vietnamese green revolution experience with evidence from other Asian countries.

² 'Rice Cost of Production in Vietnam--1968/69. Rice Crop and Preliminary Estimates for 1970.' Ray S. Fox, United States Department of Agriculture, March 1971, USAID VM 338-17318-F793 (Hereafter 'Rice Cost of Production' and USAID file no.).

4.1 VIETNAMESE AGRICULTURAL PRACTICES AND PRODUCTIVITY BEFORE THE 'GREEN REVOLUTION'

Flood control in the Red River delta of northern Vietnam was already an ancient practice when the Tran dynasty rationalized and improved the dike system in the 13th century. Imperial Vietnam commenced land reclamation in the 14th century and canal building in the 15th.³ The tools of Vietnamese rice farming, draft animals, the iron-pointed plow, hoe spade, coupe-coupe or brush cutting knife, wooden rake, weed cutter, small sickle, and threshing basket, had changed little in centuries when South Vietnam became a state in 1954.⁴ Although data on cultivation practices in precolonial Vietnam are scarce, it is clear that Vietnamese rice yields were low in comparison to some of its Asian neighbors.⁵ In China and Japan, for instance, farmers made significant gains in output through improved practices and technology during the second millennium.⁶ More recently, differing attitudes among colonial regimes appear to have perpetuated some of these patterns.

The French disposition toward peasant farmers helped to keep Vietnamese agricultural practices static relative to many other Asian countries. French administrations helped open the marshy lands of the Mekong delta region, starting in the 19th century, and invested heavily in irrigation all over Vietnam.⁷ European plantations employed scientific practices but, according to American scholars, French colonists did not transfer new techniques or technologies to peasant farmers, affecting a 'total separation of peasant and plantation economies.'⁸ French scholar Charles Robequain disagreed, claiming that, beyond irrigation improvements, in the 1930s the French began studying improved rice strains, attempted to make reasonably priced credit available to small farmers, introduced the concept of farmers' cooperatives to improve peasants'

³ Bray, *The Rice Economies*, 95.

⁴ Walinsky, Louis J., ed., *The Selected Papers of Wolf Ladejinsky: Agrarian Reform as Unfinished Business* (Oxford, 1977), 245.

⁵ For technological change in Vietnam see Walinsky, *Wolf Ladejinsky*, 245.

⁶ For 2nd millennium cultivation improvements in Japan and China, see Bray, *The Rice Economies*, 5, 42-53.

⁷ Charles Robequain, *The Economic Development of French Indo-China* (London, 1944), 220-27.

⁸ See Robert Sansom, *The Economics of Insurgency in the Mekong Delta of Vietnam* (Cambridge, MA, 1970), 50-1, Nancy Wiegersma, *Vietnam: Peasant Land, Peasant Revolution. Patriarchy and Collectivity in the Rural Economy* (London, 1988), 84.

access to markets, and made available a diverse selection of crops.⁹ But even Robequain admitted that as of 1939, 'native agriculture. . . still depends largely on traditional methods of cultivation.'¹⁰ Pierre Brocheux agreed that the French did not entirely ignore peasant agriculture. He noted that the colonial administration put on a few desultory agricultural expositions for Vietnamese farmers between 1896 and 1904, produced pamphlets in Vietnamese extolling chemical fertilizers and improved tools, and set up a rice culture research station at Can Tho in 1913 to improve local agriculture. But small cultivators rarely participated in French expositions or profited from improved technology, which was priced out of their reach. Both Robequais and Brocheux noted that peasant farmers experienced constant shortages even of manure and that pesticides were virtually unknown to them.¹¹ As a result, most had no improved seed, depended on manure as their sole additive, single-cropped in the southern regions, and double-cropped to some extent in the Red River delta.¹²

During his field trips at the end of the colonial period in the mid 1950s, Wolf Ladejinsky, one of the principle architects of land reform in both Japan and South Vietnam, calculated that rice yields among peasant farmers averaged about 1.2 metric tons per hectare.¹³ Thailand was never colonized. Farmers there had no access to improved inputs and, as in Vietnam, their rice yields remained low in comparison to most East Asian countries during the early and middle 20th century. Japanese colonial governments, in contrast, introduced scientific farming methods to farmers in Taiwan and Korea, and yields in those countries increased throughout the 20th century as a result.¹⁴ Table 4.1 below compares rice yields in various Asian countries in the 1950s and 60s.

⁹ Robequain, *The Economic Development of French Indo-China*, 219-42.

¹⁰ *Ibid.*, 219.

¹¹ Brocheux, *The Mekong Delta*, 60-3, Robequain, *The Economic Development of French Indo-China*, 219-42.

¹² Robequain, *The Economic Development of French Indo-China*, 219-42.

¹³ Walinsky, *The Papers of Wolf Ladejinsky*, 245. Here, as elsewhere, tons refers to metric tons. Please note that this South Vietnamese national figure included all methods of cultivation. Average yields for transplant rice alone would have been higher.

¹⁴ For a short description of Japanese technology and practices transfer in Taiwan, see Alice Amsden, 'Taiwan's Economic History: A Case of *Etatisme* and a Challenge to Dependency Theory,' in *Toward a Political Economy of Development: A Rational Choice Perspective* ed. Robert Bates (Berkeley, 1988), 142-75. Regarding transfer of scientific agriculture from Japan to Korea, see Penelope Francks, *Japanese Economic Development, Theory and Practice* (London, 1992), 157.

Table 4.1

Rice Yields by Country, 1950-65¹⁵

average yields unhulled rice in mt/ha

	1950-55	1956-65
China	2.33 ¹⁶	2.71
Japan	3.97	4.70
South Korea	3.47	3.88
Taiwan	2.40 ¹⁷	3.40
Thailand	1.32 ¹⁸	1.44
Vietnam	1.42	1.90

It will become clear that South Vietnamese soil and climate differences did not explain these productivity differences, because development efforts in the post-1968 period changed these yield relationships rapidly.

Here a note about Vietnamese rice farming techniques is in order. The most common cultivation method in the Mekong and Central Coast regions was single transplanting, where rice was seeded in a nursery and seedlings later transplanted into the main paddy field. Because it was the dominant cultivation method, many of the rice production figures in this chapter are for single transplant rice. Three other methods were in common use, however, and are referred to in the text. In some areas of the lower Mekong delta where native grasses were particularly aggressive, farmers double-transplanted as a weed control measure, taking the rice seedlings and leaving the weeds in successive nurseries. Double transplanting should not be confused with double-cropping, in which two rice crops are grown on the same ground in one season. In some heavily flooded areas of the western Mekong delta farmers planted 'floating rice' by seed

¹⁵ Randolph Barker and Robert W. Herdt, with Beth Rose, *The Rice Economy of Asia* (Washington, DC, 1985), 47. Barker's figures agree closely with other sources. For instance, Francks cited evidence that between 1953 and 1962 Thai rice yields averaged 1.38 tons per hectare. *Japanese Economic Development*, 108. According to Bray, China's Agricultural Yearbook, which must be regarded in this period with healthy skepticism given the political sensitivity of the subject, reported rice yields of 2.89 mt/ha for 1957. And the Japanese Ministry of Agriculture estimated average yields in that country to be 4.25 mt/ha in 1950 and 5.06 mt/ha in 1956. *The Rice Economies*, 52-3.

¹⁶ 1949-55 av.

¹⁷ 1946-55 av.

¹⁸ 1946-55 av.

broadcast. This rice grew taller and faster than transplanted varieties and tended to keep its head above rising water. Floating rice, however, failed more often than transplant rice, and yielded less per hectare. This, coupled with land availability and lower demands for labor per hectare meant that farm sizes tended to be larger in these areas. Finally, in the highlands, farmers practiced dry-land broadcast seeding, with varieties that produced still less. Modern varieties were generally single-transplanted, although some did well as broadcast crops in the highlands.¹⁹

4.2 THE DIFFUSION OF MODERN RICE VARIETIES IN SOUTH VIETNAM

In November 1967 USAID agronomists imported to South Vietnam 50 metric tons of a new high yielding Philippine rice variety named IR-8.²⁰ In trials and in practice in the Philippines this variety produced an average of double the yield per hectare of traditional rice varieties and, because it ripened faster than most local varieties, often allowed double-cropping where before only single-cropping had been possible. IR-8 performed well enough in South Vietnam that USAID imported an additional 2,000 metric tons and supervised the planting of about 44,000 hectares in a number of provinces for the following crop year, 1968-69.²¹ Improved rice varieties diffused quickly. By the 1970-71 crop year, South Vietnamese farmers had planted 500,000 hectares with the improved varieties.²² Thus, after four growing seasons, from 1967-8 through 1970-1, modern rice cultivation accounted for roughly 22% of South Vietnam's estimated 2.3 million hectares

¹⁹ Charles Stuart Callison, *Land to the Tiller In the Mekong Delta: Economic, Social, and Political Effects of Land Reform in Four Villages of South Vietnam* (Berkeley, 1983), 93-4. Francesca Bray, *The Rice Economies, Technology and Development in Asian Societies* (Berkeley, 1986), 11-20. See also 'Rice Cost of Production,' USAID VM 338-17318-F793.

²⁰ 'Crop Production,' 31 December 1975, Terminal Project Appraisal Report, USAID, PD-AAF-584-D1.

²¹ 'Agriculture,' Vietnam Terminal Report, Volume II, Part 2, USAID, PN AAX-018.

²² Ibid.

of ricelands and about 37% of its rice output.²³ In the Mekong region, modern rice accounted for even more of the total rice hectarage. For instance, farmers planted half of Gia Dinh province's 1972 ricelands with modern varieties.²⁴

A good deal of evidence indicates that IR-8 regularly doubled farmers' yields per hectare for each crop. When double-cropped on land previously single-cropped with local varieties, it could produce between three and four times more per hectare per season. The senior American agricultural adviser for the Mekong delta region, for instance, estimated average yields of modern rice varieties there to be five metric tons per hectare for the 1969 and 1970 crop years, a figure that included both single and double-cropped hectarage.²⁵ And the senior American adviser in Ba Xuyen province, South Vietnam's biggest rice producer, reported to CORDS that while traditional rice yielded an average of two metric tons per hectare, modern varieties were yielding up to 7 seven tons per hectare.²⁶ A 1971 countrywide USAID study reported average yields for traditional varieties of single transplant rice, both single and double-cropped, to be approximately 2.6 metric tons per hectare, and for both single and double-cropped modern varieties to average approximately 4.5 tons.²⁷ Largely as a result, during the 1967-1971 period total national rice production increased from 4.37 to over 6.23 million metric tons.²⁸ Two things are noteworthy here. First, it took three growing seasons with modern varieties before production surpassed that of the 1962-64 harvests. This is likely explained by the

²³ One USAID report ('Crop Production,' Terminal Project Appraisal Report, 5 September 1975, USAID PD-AAF-584-D1) estimated that 500,000 ha in modern varieties accounted for 30% of South Vietnam's ricelands and half its rice output. However, stronger evidence suggests that South Vietnam's ricelands totaled about 2.3 million ha for this period, and that HYVs therefore accounted for 22% of ricelands. See, for instance, 'Agricultural Credit Requirement of Vietnam,' Dr. Nguyen Van Hao, undated 1969, USAID PN-INJ16. See also 'Economic Context,' Viet Nam Terminal Report, 31 December 1975, USAID PN-ABI-250, which cites fairly comprehensive land use statistics. On the issue of modern varieties as a percentage of the total crop, one extensive study calculated that modern varieties in Central and Southern Vietnam averaged approximately 4.5 metric tons/ha, and other evidence supports this estimate ('Rice Cost of Production,' USAID VM 338-17318-F793). If that estimate is accurate, 500,000 ha of modern varieties would have produced roughly 2,250 (1000 mt) of 6100, or apx. 37%.

²⁴ Province Monthly Report for Gia Dinh, December 1972, Robert L. Walkinshaw, United States Army Center of Military History, Washington, DC. (Hereafter CMH).

²⁵ End of Tour Report of Gleason D. Rohlf, 14 April 1969 to 1 December 1970, USAID file, CMH.

²⁶ Province Monthly Reports, February 1970, Ba Xuyen, John D. Evans, Jr., CMH.

²⁷ 'Rice Cost of Production,' USAID VM 338-17318-F793. Please note that these figures are substantially higher than those cited by Walinsky above for the 1950s for two reasons. These figures are for transplant rice only, the highest yielding method practiced on the most productive land. And chemical fertilizers were increasingly available to farmers by the late 1960s.

²⁸ Figures for unhulled rice. 'Crop Production,' 31 December 1975, Terminal Project Appraisal Report, USAID, PD-AAF-584-D1.

fact that the 1962-64 harvests were achieved in essentially peacetime conditions; military operations did not become generalized until the mid-1960s. Second, South Vietnam's 1971 rice crop surpassed the previous productive high from the 1930s for the whole of Vietnam.²⁹ Former USAID economist Douglas Dacy cited slightly different production figures, but similar trends, reproduced below as table 4.2.

Table 4.2

Rice Production in South Vietnam between 1956 and 1974 (thousand tons)³⁰

<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
3,412	3,192	4,235	5,092	4,995	4,607	5,205	5,357	5,185	4,822 ³¹
<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
4,336	4,688	4,366 ³²	5,115	5,500	6,100	5,900 ³³	6,600	7,165	N/A

After the introduction of modern varieties, rice imports to South Vietnam fell steadily.

Table 4.3

Imported Rice as a Percentage of National Rice Availability³⁴

<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
28%	22%	12%	18%	2.8%

There is evidence that the Accelerated Rice Program was largely responsible for this dramatic agricultural growth. The USAID's final report on South Vietnamese agriculture noted that between 1960 and 1975 the total amount of previously arable land left fallow because of the war remained fairly stable in area at 500,000 hectares, while shifting geographically as the war manifested itself in various regions.³⁵ Hence, the

²⁹ 'Crop Production,' 31 December 1975, Terminal Project Appraisal Report, USAID, PD-AAF-584-D1.

³⁰ Source: Dacy, *Foreign Aid*, 74.

³¹ American war begins, with large unit combat and free fire zones, especially in Central Vietnam.

³² Communist offensives, volume of refugees increases significantly. First harvest of modern rice from 1,000 ha.

³³ 1972 was a drought year in the Mekong region and extensive flooding occurred on the Central Coast.

³⁴ 'Rice Marketing and Situation Report, Vietnam,' William J. C. Logan, USDA and William F. Doody, CIP Program, January 1971, USAID, VS338.17318 (Hereafter 'Rice Marketing and Situation Report, Vietnam,' followed by date and file no.).

³⁵ This report cites the war years, from the founding of the NLF to the fall of Saigon. It is likely, however, that land-abandonment did not begin in earnest until the mid-1960s, when the shooting war began to heat up.

report concluded, agricultural growth was the result of increasing yields per hectare, rather than expanding hectareage planted.³⁶ Sufficient data exists for the 1968 to 1971 period to calculate roughly the proportion of increase in rice output for which modern varieties were responsible.

Table 4.4
Increase in Rice Output Attributable to Modern Varieties, 1968-1971³⁷

Year	1968/9	1970/1
Total rice output	5,115	6100
MV: ha, yield in mt/ha, output	44,000 @ 4.50 = 198	500,000 @ 4.50 = 2,250
LV: ha, yield in mt/ha, output	2,256,000 @ 2.18 = 4,917	2,300,000 @ 2.264 = 3,850
MV as % of total output	4%	37%
Yield on same ha without MV	5014	5198
Additional yield as result of MV	101	902

These rough calculations indicate that over three seasons annual rice output rose approximately 985,000 metric tons, and that modern varieties were responsible for 902,000 tons, or 92% of this increase. In the rice-rich Mekong region, where some provinces had up to half of ricelands planted with modern varieties, this new technology would have accounted for a higher percentage yet of overall growth in rice output. Even allowing for errors in USAID hectareage and yield estimates, it is clear that modern varieties accounted for the great majority of rice output growth in this period.

The picture after the 1970/1 crop year is less clear. Detailed data on hectareage and yield data for those years are not available, and those that exist are ambiguous. One USAID report estimated that the half million hectares of modern rice planted in 1971 accounted for 30% of South Vietnam's ricelands and 50% of its crop and that this ratio

³⁶ 'Agriculture,' Vietnam Terminal Report, Volume II, Part 2, USAID, PN AAX-018.

³⁷ All yields expressed in 1000 metric tons. MV = modern varieties, LV = local varieties. MV yields from 'Rice Cost of Production,' USAID VM 338-17318-F793. LV yield calculated by LV output /LV hectareage. Please note that this report calculated the average yield of LVs for its sample as 2.6 mt/ha. This sample, however, was taken in the single transplant rice areas of Central Vietnam and the Mekong delta where yields per hectare are the highest in the country. Higher figures for LVs in 1970/1 may be attributable to increasing availability of reasonably-priced chemical inputs, and may reflect the fact that 1968-69 were highly insecure periods in much of rural South Vietnam. The nationwide yields expressed below included highland dry broadcast and floating rice, as well as marginal transplant rice regions, which accounts for lower yields.

held through 1975 while hectareage in rice did not expand.³⁸ As discussed above, however, detailed data suggest that more accurate figures for 1968-71 would be 22% and 37% respectively. It is therefore difficult to decipher the meaning of the report's estimate that the 1974/5 crop was approximately 7.2 million tons with some 3.5 million tons attributable to modern varieties. There are, however, several plausible interpretations. The USAID's claims for fairly static total rice hectareage are consistent with other evidence. Most abandoned riceland was in Central Vietnam. For instance, Jewett Millard Burr cited evidence that in South Vietnam's five northernmost provinces, 295,000 hectares were cultivated. By 1970 hectareage under cultivation had fallen to 191,493.³⁹ Hectareage in cultivation would likely have fallen further still during Hanoi's 1972 Easter Offensive, when conventional warfare in Central Vietnam increased dramatically. Assuming stable hectareage then, and retaining yields for modern varieties at an average of 4.5 tons/ha, South Vietnamese farmers had planted approximately 778,000 hectares by the war's end. This would have left roughly 1,520,000 hectares of local rice varieties which produced 3.7 million tons or approximately 2.43 tons/ha. These significant increases in hectareage for modern varieties and yields per hectare for local varieties are quite likely. As Chapter Five will demonstrate, a large percentage of South Vietnamese farmers received titles to their land after 1970, and title holders displayed a significantly greater propensity to invest in new inputs and to grow modern varieties. Hence, as farmers reacted to their new titles, as farm incomes and potential for investment increased, as farmer proficiency improved with inputs such as fertilizer and pesticides, they began not only to increase their use of modern varieties, but to intensify cultivation of local rice as well, increasing yields per hectare and total output.

It is also possible that USAID land use estimates are mistaken and that expanding ricelands account for a more significant portion of increases in total output than these calculations suggest. In any case, there is powerful cumulative evidence that modern varieties and improved inputs were responsible for a vast majority of the dramatic

³⁸ 'Crop Production,' 31 December 1975, Terminal Project Appraisal Report, USAID, PD-AAF-584-D1. The final portion of this

³⁹ Jewett Millard Burr, 'Land to the Tiller: Land Redistribution in South Viet Nam, 1970-1973,' Ph.D. Dissertation (University of Oregon, 1976), 217.

increases in rice yields between 1967 and 1971, and acted in concert with agrarian reform to continue to amplify rice production between 1972 and 1975.

4.2 (i) Farmer initiative and the diffusion of modern rice varieties

The economic historian Christopher Baker pointed out that the availability of new inputs is useless without endogenous demand for such technical advance.⁴⁰ South Vietnamese farmers displayed such demand by being extremely receptive to modern rice varieties, as illustrated by the speed with which a large hectareage was planted. And it appears they embraced modern rice varieties not merely on a large scale, but on their own initiative. The use of modern varieties grew well beyond the scope of the government program, and in some cases in spite of it. USAID trained 50,000 farmers in 1969 and supervised 110,000 hectares of IR-8 rice, while growers planted 70,000 hectares of which the USAID was aware outside the official program, through farmer to farmer seed exchange.⁴¹

A 1970 South Vietnamese survey of farmers in two Mekong villages found that 48% of IR rice growers participated in the official scheme because agricultural extension agents gave them seed, fertilizer, and insecticide free of charge during the 1967/68 pilot program. Fifty two percent of IR cultivators observed their neighbors' higher yields and planted the improved seed without government aid or encouragement. Forty six percent of IR growers received training from extension agents and 54% from other farmers.⁴² In these two Mekong villages, the varieties had a positive effect on peasant income.

According to the Vietnamese evaluator, 'the respondents above confirmed that the IR success has made the growers wealthy as evidenced by their better living conditions with new houses, modern furnitures (sic), and even tractors.'⁴³ Jewett Millard Burr observed that in one Central Vietnamese village, Vo Dat, the government had provided IR-8 seed

⁴⁰ Christopher J. Baker, 'Frogs and Farmers: the Green Revolution in India, and its Murky Past,' in *Understanding Green Revolutions: Agrarian Change and Development Planning in South Asia*, eds. Tim P. Bayliss-Smith and Sudhir Wanmali (Cambridge, 1984), 47.

⁴¹ End of Tour Report of Gleason D. Rohlf, Senior Agricultural Officer to Region 4, 14 April 1969 to 1 December 1970, USAID file, CMH.

⁴² 'Report on IR Culture Development in Vinh Loi District, Bac Lieu Province,' Translation 20 July 1970, MACCORDS PP&P, Box 9, General Records 1601-02, Record Group 472, Archives II, College Park, Maryland (Hereafter MACCORDS PP&P with box and file numbers).

⁴³ 'Report on IR Culture,' 20 July 1970, MACCORDS PP&P, Box 9, 1601-02.

and inputs in 1967 because their previous crop had been destroyed by flooding. Yields of the new variety averaged 2.6 tons/ha, as opposed to 1.9 tons/ha from 'the best of Vo Dat's fields.' After this success, farmers began to 'bootleg' seed to relatives in other villages, and two years later intelligence reports claimed that the seed was diffusing up the Ho Chi Minh trail to North Vietnam.⁴⁴

In order to attain maximum yields modern varieties required chemical fertilizers and pesticides. They could, however, be grown in the same manner as local rice varieties. Baker found that in India 'Green Revolution technology is probably only a little less divisible than a packet of cigarettes.' Poorer farmers who wanted modern seeds bought them from other farmers and used inputs at their own discretion, remaining outside official programs that insisted upon an expensive package of modern inputs.⁴⁵ Many South Vietnamese farmers took the same approach. They often adapted their practices to the new varieties, mixing old and new techniques. About half the 67 farmers surveyed in two villages of the Mekong delta province of Bac Lieu in 1970 reported that they ignored government guidelines on growing modern varieties and looked to the experiences of other farmers. Government advice was based on 'fresh water land provided with a proper irrigation system,' and these respondents farmed on naturally irrigated saline soils. Thus, while the farmers requested greater availability of modern inputs, especially DDT, they 'followed their own experience in seedlings, transplanting, fertilizer, insecticides [and especially] seed broadcasting.'⁴⁶ In 1969, the second year of the Accelerated Rice Program, South Vietnamese researchers in Hau Nghia province, just northwest of the Mekong region, found similar attitudes. Most farmers who embraced the new variety did so because of its yield potential but, as was common elsewhere, resisted the recommended growing methods and used inputs as they saw fit.⁴⁷

New inputs were increasingly available in South Vietnam. Between 1968 and 1970, fertilizer usage increased from 230 tons to 502,000 tons. As we will see in greater

⁴⁴ Jewett Millard Burr, 'Land to the Tiller: Land Redistribution in South Viet Nam, 1970-1973,' Ph.D. Dissertation (University of Oregon, 1976), 212-13.

⁴⁵ Baker, 'Frogs and Farmers,' 49.

⁴⁶ 'Report on IR Culture Development in Vinh Loi District, Bac Lieu Province,' Translation 20 July 1970, MACCORDS PP&P, Box 9, 1602-01.

⁴⁷ 'IR-8 in Hau Nghia, May 1969,' CORDS Local Survey Detachment Report, 14 July 1969, RTT Reports: Hau Nghia, 1967-70, Pacification Files, III CORPS, 1968-1972 (Closed files), CMH.

detail in Chapter Five, the Saigon government privatized fertilizer and pesticide marketing, engineered price increases for rice at the farm gate by increasing the price of imported rice, removing price controls on domestic rice, and at times intervening to buy rice when wholesale prices slumped. The ratio of the price per kilogram of rice to the price per kilogram of fertilizer climbed during the life of this program from 1:1 in 1967 to 2.5:1 in 1970.⁴⁸ All of this increased farmer incentive to maximize rice yields.

It appears that the rising price of rice accounted for a substantial portion of the increase in farmer income resulting from the Accelerated Rice Program. The following data from a United States Department of Agriculture (USDA) report render a very rough approximation of what may be attributed to price increases as opposed to increased output. In the Central Vietnamese coastal province of Binh Dinh, rice production increased from 161,500 metric tons in 1968/9 to 200,000 tons in 1969/70. The average wholesale price of rice in the province for 1968/9 was VN\$27.00, while in 1969/70 it averaged VN\$36.25. Thus, rising wholesale prices contributed approximately 74% and increased output 26% to Binh Dinh rice farmers' gross income growth in this period.⁴⁹ In the Mekong delta's biggest rice producer by volume, Ba Xuyen, rice output increased from 423,600 metric tons in 1968/9 to 460,600 tons in 1969/70, while the average wholesale price rose from VN\$19.83 to VN\$24.00.⁵⁰ Here, approximately 72% of gross income growth was due to price increases and 28% to output growth. A note of caution: 1970 saw especially dramatic rice price increases for this period in Central Vietnam, and is thus not ideally representative. Over time, the proportion of rural income growth due to increased output would have been greater than these calculations suggest. However, wholesale price figures are scarce, and 1969-70 are the only years for which analysts broke down prices and output by province. In spite of this, it is clear the rising commodity prices contributed significantly to increasing rural incomes.

⁴⁸ Plans and Budget for FY 1972, 22 Aug. 1970, CORDS Country Field Submission, CMH DEPCORDS file.

⁴⁹ Wholesale prices = prices paid to farmers at the mill for unhulled medium grain rice. 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318. These proportions are approximate because rice harvested from the 1969/70 crop would have been marketed partly in 1969 and partly in 1970, at various prices along the way, depending on the region, cultivation methods, family needs, and marketing strategies. Gross income growth due to output increase was obtained by subtracting income on 1968/9 output from income on 1969/70 output for old price. Growth due to price increase was obtained by subtracting this increase by volume from total gross income increase.

⁵⁰ Prices for January - April 1970 unavailable, average is for May-December. Again, some portion of rice sold in 1970 would have been from the 1970/71 crop.

It also appears, both from farmer response to new varieties and from economic evidence, that farmers captured a significant proportion of the rice price increases. USDA figures suggest that in 1969 the average wholesale price of unhulled rice in Binh Dinh province was 73% of the average retail price for polished rice, while in Ba Xuyen wholesale prices captured 67% of retail price of rice sold locally, and 54% of the retail price in Saigon, where a significant portion of the province's farmers sold their produce. When rice prices temporarily soared in 1970, farmers got a lower portion of the retail price, 53% in Binh Dinh and 46% in Ba Xuyen. However, as this report noted, polished rice averaged about 60% by weight of unhulled rice in South Vietnam. This reveals that farmers were indeed capturing a significant portion of the gains from both output and price increases in rice.⁵¹ Moreover, farmers in Central Vietnam appear to have captured slightly more of these gains for the period. Finally, modern rice varieties appear to have spread wealth more evenly among Mekong region provinces. Two provinces, Ba Xuyen and Bac Lieu, supplied 51% of Mekong delta rice deliveries to the Saigon market in 1969, and only 33% in 1968 and 1970. The implication, according to U.S. analysts, was that 'the benefits of the Accelerated Rice Program have spread widely throughout the Delta and have brought previously marginal suppliers of surplus rice into greater significance as sources of national supply.'⁵²

Thus, the program's performance created a great deal of incentive for farmers to plant modern rice varieties. And it is clear from increased farm family investment and consumption that these deliberately engineered economic changes began to shift the balance of trade in favor of rural people over urban.⁵³ Hence, South Vietnam and USAID addressed the problem described in Chapter Three which Michael Lipton termed the urban-rural divide.⁵⁴

South Vietnamese farmers increased investment not only in factors of production,

⁵¹ Ibid. See table P-1. Wholesale prices = per kg. unhulled rice at mill. Retail prices = kg polished rice. Report calculates 25% of retail price went to brokers.

⁵² 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318. The report noted that it was unable to distinguish between 'improved marketing facilities or arrangements' and production increases.

⁵³ Plans and Budget for FY 1972, 22 Aug. 1970, CORDS Country Field Submission, CMH DEPCORDS file. This report claimed that after Tet 1968 real income increased in rural areas while urban income fell.

⁵⁴ Michael Lipton, *Why Poor People Stay Poor: A Study of Urban Bias in World Development* (Cambridge, Mass, 1977), 44-79.

but in spent more on consumer goods as well. Numerous reports, especially from the Mekong region, cited vastly increasing sales of motor bikes, radios, and building materials.⁵⁵ Farmers also began to invest in technical improvements beyond the immediate needs for modern rice cultivation. The sale of 400,000 small irrigation pumps in South Vietnam between 1967 and 1971 is a particularly good example.⁵⁶ Much of this investment predated land reform and is therefore attributable to modern varieties. Moreover, these pumps were not introduced from the top down, further evidence that demand among South Vietnamese peasant farmers for productive improvements was endogenous. A Vietnamese mechanic invented and built this simple pump independently and sold it without subsidy. Yet it was adopted widely despite opposition from all sides of the political spectrum. The USAID initially resisted this particular pump because they considered it mechanically inefficient, wished to introduce a more complex model, and only later relented in the face of popular demand. The Saigon government attempted to stifle sales because it feared NLF-controlled agriculture would profit. The NLF opposed diffusion of the pump because it bore a USAID symbol, and the Front did not wish the Americans to get credit for such a popular implement.⁵⁷

In Sansom's view, Vietnamese farmers bought the pumps for several reasons. They were obviously labor-saving. But the pumps were land-saving as well in a generally land-scarce economy, and therefore they were potentially profitable. Because they increased dramatically the flow of water that could be moved manually, the pumps allowed double-cropping on lands where only single-cropping had been possible before, and farmers recognized the potential for increasing their incomes. Finally, according to Sansom, the innovation had a ripple effect on the South Vietnamese rural economy by decreasing dry season unemployment.⁵⁸

4.2 (ii) Impediments to modern rice diffusion: shortages of inputs, peasant differentiation, and institutional obstacles

⁵⁵ See, for example, Province Monthly Report for December 1969, Bac Lieu Province, Peter S. Brownback, CMH.

⁵⁶ Douglas Dacy, *Foreign Aid, War, and Economic Development, South Vietnam, 1955-1975* (Cambridge, 1986), 73.

⁵⁷ Sansom, *The Economics of Insurgency*, 176.

⁵⁸ *Ibid.*, 177.

Despite its achievements, the Accelerated Rice Program encountered several revealing obstacles. A 1970 USAID report on modern rice diffusion in the Mekong province of Bac Lieu identified several problems. While praising the initial stages of the program—test plots, training, dissemination of seed—the report criticized the government for shortages and untimely deliveries of critical fertilizers and insecticides, as well as too few extension agents. The report also pointed out that IR rice was not universally accepted because a ‘large number’ of farmers thought that it required too much expenditure.⁵⁹ IR-8 was more vulnerable to disease, and because it often grew in the off season and was the only living thing in most paddies, it provided a fat target for insects and rodents. According to a Vietnamese evaluation for CORDS, early efforts failed in one province ‘due to peasant skepticism and failure to follow directions, a lack of seed, fertilizer, insecticide, raticide, and easy credit, and inadequate follow up by the understaffed Agricultural Service and its part-time American adviser.’⁶⁰ IR-8 also tasted dry and therefore initially sold for about 10% less than traditional rice.⁶¹ There is evidence, however, that its price began catch up with those of local varieties by 1971.⁶² However, new varieties with improved taste and milling characteristics, IR-20, IR-22, and RD-I from Thailand, soon became available, and it is clear from farmer response that the varieties overcame initial complaints.⁶³

Scholars have debated the effects of high yielding varieties on peasant economic differentiation for decades. James Scott argued that green revolution technology tends to leave the poorest 20% of society worse off, in part because high yielding varieties fail more often and require higher input costs, which require fair access to credit. Credit markets are often skewed to wealthy cultivators and landowners, and Scott contended that this has implications not merely for income inequality, but for land tenure as well. As higher yields render farming more profitable than renting out land, the argument

⁵⁹ ‘Report on IR Culture Development in Vinh Loi District, Bac Lieu Province,’ Translation 20 July 1970, MACCORDS PP&P, Box 9, 1601-02, Archives II.

⁶⁰ ‘Local Agriculture,’ 14 July 1969, Local Survey Detachment Report, Pacification Files III Corps, 1968-1972 (Closed files). RTT Reports, Hau Nghia, 1967-1970, CMH.

⁶¹ While the average price differential was 10%, at one point in September 1970 IR-8 prices were 20% lower than local rice. ‘Rice Marketing and Situation Report, Vietnam,’ January 1971, USAID, VS338.17318. In 1971 in the Mekong markets, however, the price of IR-8 was climbing relative to local rice.

⁶² ‘Trip Report: An Giang and Sadec Provinces, Memorandum from Arthur L. Kobler, Sector Analysis Branch, JEO, to Mr. Willard D. Sharpe, Chief, Joint Economic Office, 16 April 1971, Deputy Chief of Staff for Economic Affairs, Box 15, Record Group 472, National Archives II (hereafter DCSEA).

⁶³ ‘Agriculture,’ Vietnam Terminal Report, Volume II, Part 2, USAID, PN AAX-018, p.14.

goes, large landowners will be tempted to revoke tenancy.⁶⁴ Gabriel Kolko contended, without substantive evidence, that this is precisely what happened in South Vietnam between 1970 and 1973.⁶⁵

There is evidence that existing peasant differentiation affected modern rice adoption in South Vietnam, but it is unclear what precise effect the varieties had on income distribution. During the program's second year, South Vietnamese researchers in Hau Nghia province found that 'model' or wealthy farmers appeared to be the first to grow these riskier rice strains.⁶⁶ Several farmer surveys revealed similar testimony. For instance, a 1970 report from the lower Mekong delta province of Ba Xuyen, Vietnam's largest rice producer, found that farmers in 'marginal' economic positions were reluctant to plant modern rice strains.⁶⁷ A 1970 Bac Lieu province survey cited earlier complaints that credit shortages prevented many poorer farmers from acquiring the recommended inputs. The Agricultural Development bank was giving priority to farmers 'who have received loans and have repaid, so that the majority of poor farmers can never get a loan for cultivation purpose[s].'⁶⁸ It is possible that extension agents also gave priority to prosperous cultivators, who tended to farm in secure and easily accessible areas.

A shortage of credit for peasant farmers appears to have most affected the poorest peasants, who especially needed loans to invest in the new technology, and therefore would have slowed the diffusion of modern rice generally. Chapter Five will demonstrate that, by USAID's reckoning, credit requirements rose with the need for modern inputs and that credit reform was inadequate. The assumption that small farmers are hurt most by credit constraints is supported by subsequent theoretical research.⁶⁹ And the unsatisfied demand for credit was widely lamented by South

⁶⁴ Scott, *The Moral Economy of the Peasant*, 209.

⁶⁵ Gabriel Kolko, *Anatomy of a War: Vietnam, the United States, and the Modern Historical Experience* (New York, 1985), 391-4.

⁶⁶ 'IR-8 in Hau Nghia, May 1969,' CORDS Local Survey Detachment Report, 14 July 1969, RTT Reports: Hau Nghia, 1967-70, Pacification Files, III CORPS, 1968-1972 (Closed files), CMH.

⁶⁷ 'Pacification Attitude Analysis Survey,' Ba Xuyen Province, 22 June 1970, MACCORDS PP&P, Box 10, 1601-09A.

⁶⁸ 'Report on IR Culture Development in Vinh Loi District, Bac Lieu Province,' Translation 20 July 1970, MACCORDS PP&P, Box 9, 1602-01.

⁶⁹ Hans P. Binswanger and Donald A. Sillers, 'Risk Aversion and Credit Constraints in Farmers' Decision-Making: A Reinterpretation,' *The Journal of Development Studies* 20, no.1, October 1983, 18.

Vietnamese and U.S. officials.⁷⁰ Kolko argued that, after land reform, former landlords began to dominate the supply of credit nationwide with interest rates hovering between 60% and 70%.⁷¹ The nationwide shortage of credit would likely have had a more deleterious effect on modern rice diffusion in Central Vietnam than in the far South. Since farmers in the former regions tended to be poorer, expensive credit would have been a greater obstacle to their planting the risky varieties. Thus the failure to make credit more widely available had a profound effect on the outcome of the 'green revolution' generally, but especially in Central Vietnam.

A preponderance of secondary literature supports the presumptions in these reports that smaller or poorer farmers may initially fall behind larger or wealthier farms in modern variety adoption, but suggests that given time, poorer South Vietnamese farmers may well have benefited from new rice technology. Yujiro Hayami contended that two decades of accumulated empirical evidence solidly refutes arguments that, over the long run, green revolution technology favors wealthy or large farmers, leads to land consolidation, increased income inequality, increased mechanization and therefore decreased demand for labor. Hayami cited convincing evidence that modern varieties have increased demand for labor in Asia.⁷² Feder, Just, and Silberman surveyed the developing world and found that while large farms may adopt green revolution technology first, there is much evidence that small farms, practicing 'cautious optimization,' wait, watch, and adopt later if all goes well. More, they claimed, there is evidence that the intensity of HYV adoption is higher on smaller farms. Finally, they contended that a lack of credit is the largest potential inhibitor to poorer farmers adopting the technology.⁷³ Satish Jha agreed that the productive response of small-scale farmers to modern varieties has compared well to that of large-scale farmers.⁷⁴ Eicher and Saat

⁷⁰ See for instance, Dr. Nguyen Van Hao, President, National Economic Development Fund, 'Agricultural Credit Requirements of Vietnam,' undated, USAID PN-INJ16.

⁷¹ Gabriel Kolko, *Anatomy of a War: Vietnam, the United States, and the Modern Historical Experience* Kolko, *Anatomy of a War*, 392.

⁷² Hayami, Yujiro, 'Assessment of the Green Revolution,' in Eicher, Carl K., and Saat, John M, eds., *Agricultural Development in the Third World*, 2d ed. (Baltimore, 1990), 416-423. See also Yujiro Hayami, 'Asian Development: A View From the Paddy Fields,' *Asian Development Review* 6, no. 1, 1988.

⁷³ Gershon Feder, Richard E. Just, David Silberman, 'Adoption of Agricultural Innovations in Developing Countries: A Survey,' *Economic Development and Cultural Change* 33, no. 2, 1985, 263-4, 267-8, 272.

⁷⁴ Satish C Jha, 'Rural Development in Asia: Issues and Perspectives,' *Asian Development Review* 5, no. 1, 1987.

found that 'large farms have not inexorably gained control over farm production in Asia and Africa' as a result of green revolution technology. Whether or not land concentration accelerates with the introduction of modern varieties depends largely upon the particular institutional setting within which the new technology is introduced.⁷⁵

The South Vietnamese experience generally supports Hayami et al. Data are scarce on whether the poorest Vietnamese peasants as a group found their incomes shrinking because of the introduction of modern rice varieties. Nor does available evidence allow for precise calculations of the extent of modern rice adoption among various socioeconomic groups. However, two aspects of the rural credit program demonstrate clearly that, although supply fell short of demand, policy makers attempted to provide poorer peasants with the resources to invest in new inputs. One of the major goals of the Agricultural Development Bank of Vietnam was to provide credit to small farmers, and from 1971-74 three quarters of the ADBV's loans were made without collateral.⁷⁶ Moreover, there is evidence that in South Vietnam's institutional setting after the 1970 land reforms, smaller farmers were more likely than larger to adopt modern varieties and associated inputs.⁷⁷

Kolko used anecdote to claim that widespread peasant evictions took place when land owners attempted to amass large scale farms to take advantage of high yielding rice.⁷⁸ However, there is no evidence that such widespread or systematic evictions took place. Extensive land redistribution followed the introduction of the new technology and likely served to dampen this impulse. In fact, it is clear that life improved for many rural people. According several sources, demand for rural labor rose during the post-1968 period.⁷⁹ And, as this chapter has demonstrated, overall rural incomes increased and became more widely distributed geographically.

Overbearing rural bureaucracies also hampered modern rice diffusion. An

⁷⁵ Carl K. Eicher, and John Staats, eds., *Agricultural Development in the Third World*, 2d ed. (Baltimore, 1990), 26.

⁷⁶ For credit program goals, 'Agricultural Credit,' Terminal Project Appraisal Report, 4 September 1975, USAID PD-AAF-353-C1. For statistics on uncollateralized loans, 'Agriculture,' Vietnam Terminal Report, Volume II, 31 December 1975, USAID PN-AAX-018.

⁷⁷ Callison, *Land -to-the-Tiller*, 292-3.

⁷⁸ Kolko, *Anatomy of a War*, 393, expounds on his view of the credit crisis of the early 1970s.

⁷⁹ See for instance, 'Land Reform,' Terminal Report, 31 Dec. 1975, USAID PN-ABH-885, 82. See also Sansom, *The Economics of Insurgency*, 177.

abundance of evidence demonstrates the formidable ability of South Vietnam's provincial governments to obstruct economic development and growth. For example, in the early stages of the program in Kien Giang, a Mekong delta province, CORDS advisers complained that local officials required farmers to get 20 signatures and make two trips to the village offices on specified dates in order to grow IR-8.⁸⁰ Even this cumbersome procedure had been simplified from 1968. Along with the factors mentioned earlier—shortages of extension agents and inputs together with poorer farmers' demand for seed without expensive inputs—this explains why so many farmers grew modern varieties outside official programs.

Critics have pointed out that population growth threatened to offset the production gains attributable to modern varieties. In 1954 South Vietnam's population was approximately 12.5 million, in 1964 it was 15.72 million, and by 1974, just before the state fell, it had climbed to 20.4 million.⁸¹ *Per capita* rice production peaked in 1960 at 0.36 tons, fell off to 0.25 tons in 1968, at the height of the fighting, and then climbed back to 0.35 by 1974.⁸² However, while it is true that production merely kept pace with population growth, the effects were partly offset because between 1969 and 1971 inclusive, both per capita and gross demand for known rice stocks decreased 1% per year in rice deficit areas even while population grew 2.6% per year. Two analysts posited that this decrease might be explained by refugees returning to their villages and growing rice not yet appearing in government statistics, the (temporary) diminution of NLF/PAVN forces in the South, price increases out-pacing consumer incomes, and the observed evidence that South Vietnamese were increasingly consuming non staple foods.⁸³ Even without this dampening of demand, population growth hardly detracted from the modern rice program. The alternative was to have allowed per capita production fall further and import ever more of Vietnam's staple crop. This would have been a particularly

⁸⁰ Province Monthly Report for April 1969, Kien Giang Province, Lt. Colonel Billy M. Stanberry, CMH.

⁸¹ Nguyen Anh Tuan, *South Vietnam Trial and Experience: A Challenge for Development* (Athens, Ohio, 1987), 363. Tuan derived these figures from *The Economic Bulletin*, 1975, The National Institute of Statistics, South Vietnam.

⁸² Dacy, *Foreign Aid*, 74.

⁸³ 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318. The authors make clear that this decrease in demand was neither an anomaly nor a manipulation by any agency. They cross referenced these data with that of several other agencies' reports and found only 1% variation.

egregious error given the Mekong delta's significant comparative advantage over most of the world in the production of rice, and since a thoroughly appropriate land-saving response to increasing population density was available.

More cogent criticism concerned imports, subsidies, and sustainability. While officials hailed increased pesticide and fertilizer sales as signs of surging agriculture, these products were heavily subsidized, casting doubt on whether these increases constituted economically sustainable development. That is, since both the availability of and subsidies for inputs were not dependable, the hectareage planted with modern varieties might shrink if some change of government or U.S. policy occurred. However, subsidizing vital new productive inputs may have been the best way of helping peasant farmers, who had suffered a great deal, to improve their lots. In any case, South Vietnam had little choice at the time. It had no chemical fertilizer industry and market prices for inputs were too high for peasant farmers to afford, even after the government began to free rice prices. Moreover, the potential for future rice exports might have enabled this new technology to become self-supporting in a foreign exchange sense. Restoring its status as rice exporter was not a far fetched idea in the early 1970s. By 1971 South Vietnam was producing enough rice to feed itself despite its abandoned land, and only imported grain because of internal distribution and marketing problems.⁸⁴ In sum, while it appears that the poorest farmers profited less than middle or wealthier peasants from new technologies initially, both local and global evidence suggests that given South Vietnam's post-reform institutional setting they would have benefited from the program over time had the regime survived.

4.2 (iii) Regional Variations in the Diffusion of Modern Rice

Modern seed varieties met with greater receptivity in the far South than in Central Vietnam. In 1973 approximately 38% of ricelands in the Mekong/Saigon regions were planted with the new seeds compared with about 15% in the coastal lowlands.⁸⁵ While

⁸⁴ 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318.

⁸⁵ 'Agriculture,' Terminal Report, 31 December 1975, USAID PN-AAX-018. See also 'Rice Cost of Production,' USAID VM 338-1738-F793, which claims that 15% of the coastal lowlands were planted with modern rice by 1971.

peasants in Central Vietnam adopted modern varieties less readily than those in the far South, their responses should not be judged strictly on a comparison of hectareage. The 15% of area planted with modern varieties by 1971, and approximately 10-15% of farmers adopting the technology, is a much greater peasant response in the Central Vietnamese context than it seems.⁸⁶

First, in security and political terms, rice farming in Central Vietnam riskier and more difficult than in the southern region. Whereas the war in the delta after 1968 manifested itself almost exclusively as a low intensity guerrilla struggle, nearly all the rice producing coastal lowlands were either the scene of large unit combat or longtime revolutionary strongholds fiercely contested by the NLF. According to one economic report, Military Region 1 (MR1) in the far north was essentially a 'war area.' In that region's Quang Nam province in 1970, for instance, half the arable hectareage in the fertile coastal lowlands had been abandoned to free fire zones.⁸⁷ Hence, much of Central Vietnam was unable to respond to the needs of cultivating modern varieties. The vast majority of the peasant response to modern varieties occurred in MR2. For instance, by 1971, MR1 merely regained its 1967/8 rice production levels. In contrast, production in MR2 increased 33% between 1967/8 and 1970/1.⁸⁸ Even MR2, however, was inhospitable to farming.; in 1970, an American adviser in Binh Dinh province, Central Vietnam's largest agricultural producer, described a ubiquitous NLF presence and a pervasive atmosphere of fear on the coastal plain.⁸⁹ A stronger Front presence meant a greater prevalence of increasingly heavy agricultural taxes that often targeted productive investments. In four villages of one Mekong province, peasants paid the NLF between not only 20% and 50% of their yearly income, but substantial additional taxes on irrigation pumps, rototillers, and other agricultural implements.⁹⁰ Since NLF tax collectors had greater access to the Central Vietnamese population, it is a fair assumption

⁸⁶ Since approximately 15% of the Central Coast's ricelands were planted with modern varieties, and since farm size there was remarkably uniform with large and even medium farms having been broken up, 10-15% is a safe assumption.

⁸⁷ VSSG Study on Quang Nam Province 1970, undated, Province Monthly Reports, Quang Nam Province, CMH.

⁸⁸ 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318.

⁸⁹ Province Monthly Report for July 1970, Binh Dinh province, Billy J. Mendheim, CMH.

⁹⁰ Memorandum for DEPCORDS from Ronald L Tausch, Province Senior Adviser, Vinh Long, Rural Survey Team Report for four villages in Vinh Long province, 4 November 1969, MACCORDS PP&P 1970, Box 9.

that fewer farmers there escaped taxation. As the following subsection demonstrates, it is possible that the NLF presence, as opposed to main force combat, had less influence on modern rice diffusion than intuition would suggest. Still, taxes on productive investments must be taken into account as a potentially inhibitor to the adoption of modern varieties, especially on the coastal plains.

A second set of factors affecting adoption concerned the varying levels of agricultural risk described previously. Smaller farms and greater frequency of drought and flooding meant less margin for error and greater yield variance in Central Vietnam. More farmers there were poor. As Chapter Five will detail, there were very few wealthy or even middle peasants left on the coastal plains. Nearly all remaining farmers were smallholders and tenants. Hence, a large proportion of modern rice adopters in Central Vietnam came from the most risk-averse class: those functioning close to subsistence levels and those most likely to be involved in reciprocal arrangements. And again, potential losses for modern varieties could be greater because of the extra inputs required for optimum production. These inputs in turn generally required access to affordable credit, in which Central Vietnamese farmers were also at a disadvantage. Already a large portion of the Central Coast's ricelands was double-cropped and, where the war allowed, nearly all the arable land was under cultivation.⁹¹ Peasants in this rice deficit region were producing near maximum capacity given their limited choices. Finally, opting out of the reciprocal labor and rice sharing systems in which Central Coast peasants were more likely to be involved might be socially difficult or time consuming. All of this: risk, and poverty, preexisting arrangements, would have restrained adoption.

A third variety of factor that slowed HYV adoption in Central Vietnam was existing market structures. Whereas Mekong region peasants had long produced extensively for national and international markets, Central Coast farmers had far less experience of this. They farmed in rice-deficit regions and their produce was generally consumed locally. Thus they tended to produce for local markets, buying, selling, often bartering goods among traders they knew well. Hence, the lesser development of the

⁹¹ Callison reports that 61% of the ricelands in the central coastal plains were double-cropped in 1961, *Land to the Tiller*, 55, while a 1971 USAID report puts the figure at 38%. 'Rice Cost of Production,' USAID VM 338-17318-F793. This seems a steep decline. However, the vicissitudes of farming in a combat zone, the closing of markets, and the increasing weight of NLF taxes might well account for it.

market links needed to move the surpluses potentially generated by modern varieties would have suppressed their adoption as well.

A fourth inhibitor was the disparity of government attention given the two regions. Within the Accelerated Rice Program, Central Vietnam could not compete for scarce resources and attention with the Mekong region, the 'rice bowl' of Vietnam. One U.S. evaluator lamented that 'since agricultural programs developed at the Saigon level have been, by and large, tailored for production increases in Regions III and IV [the far south], the "national" programs have been tantamount to a Delta Regional program.'⁹²

Thus, farmers in Central Vietnam faced far greater obstacles to adopting modern rice varieties than those in the Mekong/Saigon region: physical danger and destruction, free fire zones, heavier NLF taxes, smaller farms, poorer peasants, weaker credit institutions, harsher climate, greater yield variance, stronger reciprocal socioeconomic arrangements, weaker market structures, and less program attention. Despite all this, Central Vietnamese adoption surpassed policy makers' expectations.⁹³ Under these circumstances 15% of hectareage devoted to modern varieties in the coastal lowlands represents a significant response indeed.

4.2 (iv) Wartime economic development: the diffusion of modern rice across military and political boundaries

Modern rice varieties offer a good opportunity to gauge not only the capacity for economic development in wartime, but the effects of security conditions upon peasant economic behavior. One U.S. evaluator credited the success of the Accelerated Rice Program to the fact that it 'did not call attention to any particular location or people to the extent of arousing enemy harassment.'⁹⁴ The seed, and the required inputs as well, did not necessarily require government personnel at introduction, they were inexpensive, highly divisible, easily transported, and difficult to target for destruction or interdiction.

⁹² 'A Program Approach to ICTZ Development, with applicability to II CTZ,' A.B. Guroff, enclosed in memorandum, Groth to Firfer, 14 October, 1969. Agricultural Files (closed files), CMH.

⁹³ See *ibid.* See also Memorandum from Major Carl Groth, Acting Chief, Economic Development Division, CORDS, Region 1, to Alexander Firfer, Deputy for CORDS, Region 1, Subject: ICTZ Agricultural Development Proposal, 14 October, 1969. Agricultural Files (closed files), CMH.

⁹⁴ 'A Program Approach to I CTZ Development, with applicability to II CTZ,' A.B. Guroff, enclosed in memorandum, Groth to Firfer, 14 October, 1969. Agricultural Files (closed files), CMH.

Farmer to farmer seed exchange can be a highly effective diffuser, obviating the immediate need for highly developed market structures. Writing in the late 1960s, Robert Sansom declared that any technology –pumps, tilling machinery, seeds, fertilizers, pesticides– that helps impoverished farmers and laborers ‘should be pushed through the market, which ignores security considerations.’⁹⁵ Because the NLF could most easily find, tax, or confiscate pumps and rototillers, more divisible products such as seed, fertilizers, and pesticides proved the most easily diffused in insecure environments.

This assumption is widely held, but has received little critical attention. In fact no scholar of the American war in Vietnam, an especially salient model, has explored the issue. Comparing diffusion in heavily contested areas with relatively peaceful ones sheds some light on the war’s effects on peasant economic behavior. Three cautions are, however, necessary. First, there are insufficient data for a systematic approach isolating a number of districts and provinces, which would help control for some variations. Second, simple risk aversion and wartime survival strategies are difficult to differentiate. Peasants may have shunned economic risk, been discouraged by NLF taxes or propaganda, or simply reacted to wartime uncertainties by planting only what they needed to eat. Third, this study does not suggest that peasants were more or less ‘secure’ under NLF domination. The popularity among the peasantry of modern seeds no doubt inhibited NLF opposition. Moreover, although they typically resisted programs that might confer political credit on the government even if they were popular, the Front profited from increasing rice yields as well. However, we know that the NLF taxed some of the inputs associated with HYV cultivation while the government did not, that peasants were more likely to pursue subsistence strategies under NLF domination, and that the struggle for influence was often violent in heavily contested areas. It is therefore a reasonable assumption that cultivating modern varieties at optimum levels was easier in areas under lesser NLF influence. Even with these limitations, it is clear from available evidence that peasants adopted modern varieties in both lightly and heavily contested areas.

The lower Mekong province of Ba Xuyen was relatively secure from the

⁹⁵ Sansom, *The Economics of Insurgency*, 244.

government's point of view. In December 1971, the province senior adviser reported that about 20% of Ba Xuyen's hamlets were contested, that only a handful were dominated by the NLF, and that daylight travel was generally safe. Modern rice varieties were planted on 35,682 hectares, or roughly 20% of the province's total rice area.⁹⁶ Kien Hoa province, in the upper delta, experienced vastly different security conditions. A communist stronghold since the Viet Minh days in the 1950s, Kien Hoa still had a potent Viet Cong presence at the beginning of the 1970s. Americans considered fully half the hamlets in the province contested, and about one quarter of the population to be under NLF domination.⁹⁷ Kien Hoa's peasant farmers, however, planted 30,000 hectares of modern rice a season before Ba Xuyen's farmers reached that level.⁹⁸ An extensive American study of rice cultivation described Military Region (MR) 1, in the northern reaches of Central Vietnam, as a 'war area' whose rice hectarage was shrinking. The guerrilla struggle remained severe there, but unlike the Mekong region, larger scale conventional fighting was commonplace as well. Nonetheless, farmers were adopting modern varieties faster than the government had predicted they would. Government plans in MR1 called for 11,500 and 15,000 hectares of IR-8 to be planted for 1970 and 1971 harvests respectively. According to CORDS statistics, farmers planted enough of the new seeds to surpass these goals two years ahead of schedule.⁹⁹ Immediately to the south, in MR2, rice production had increased 33% from 1967 to 1971 because of modern varieties.¹⁰⁰ The province senior adviser for Phu Yen, which was infamous for its poor government and strong NLF presence, reported in 1970 that the modern rice crop was 'vast.'¹⁰¹

Judging from the rather spotty evidence available throughout the rest of the Saigon/Mekong region, similar farmer responses appear to have obtained. Thus, while

⁹⁶ Province Monthly Report for December 1971, Ba Xuyen province, James J. Turner, CMH. As Chapter Two demonstrated, NLF influence in this report for Ba Xuyen and that below for Kien Hoa were likely underestimated for both provinces. It is clear from all reporting, however, that Ba Xuyen experienced dramatically less NLF influence than did Kien Hoa throughout the war.

⁹⁷ See Province Monthly Reports for October 1969 through March 1970, Kien Hoa province, A. L. Kotzebeue, CMH. Chapter 2 demonstrated that American reports commonly underestimated NLF influence.

⁹⁸ Province Monthly Report for December 1969, Kien Hoa province, A. L. Kotzebeue, CMH.

⁹⁹ Memorandum from Maj. Carl Groth, Acting Chief, Economic Development Division, CORDS, Region 1, to Alexander Firfer, Deputy for CORDS, Region 1, Subject: ICTZ Agricultural Development Proposal, 14 October, 1969. Agricultural Files (closed files), CMH.

¹⁰⁰ 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID, VS338.17318.

¹⁰¹ Province Monthly Report for August 1970, Phu Yen Province, Russell Meerdink, CMH.

heavy combat appears to have severely hindered modern rice diffusion, low intensity conflict seems to have played a far lesser role in the rates of adoption of modern varieties than heavy or conventional combat, socioeconomic factors, climatic variances, and program efficiency. This investigation, then, supports the proposition that market-driven improvements can be diffused into contested or even enemy-dominated areas so long as endogenous demand for the improvements exists. While military forces are able to kill off rival officials or cadres, scare off extension agents or tax collectors, and destroy infrastructure equipment, they will have difficulty inhibiting the diffusion of divisible technology such as seeds and fertilizers.

4.3 RETURNS TO FACTORS: LAND, LABOR, AND CAPITAL

As this chapter has established, modern rice varieties increased returns to land by yielding more per unit of land than local varieties. This alone is not necessarily sufficient to induce the adoption of an innovation. Total factor productivity is defined as returns in produce to the combination of all factor inputs, land, labor, and capital. The concept is crucial to understanding farmer response to any innovation. For instance, if a modern rice variety increases yields per hectare by 50%, but requires 100% more labor or capital, obviously the innovation's returns to land are positive, but returns to labor and capital are negative. Negative returns to factors may create a disincentive to adopt the new technology. Returns to all factors, however, need not be positive. In peasant agriculture especially, farm families may adopt an innovation for which returns to relatively abundant family labor are negative so long as returns to scarce land and capital are positive. As Frank Ellis acknowledged, peasant farmers may measure the value of family labor by subjective criteria internal to the family and push the marginal product of that labor well below the market wage, possibly near zero.¹⁰² In South Vietnam, however, it appears that total factor productivity was indeed positive for modern varieties.

The following calculations regarding returns to factors are derived from the cost estimates given in a single, albeit extensive, United States Department of Agriculture

¹⁰² Frank Ellis, *Peasant Economics: Farm Households and Agrarian Development* (Cambridge, 1988), 203-5.

(USDA) study conducted between 1968 and 1970 for USAID. The study sampled 703 rice farms in both the Mekong region and the coastal lowlands of Central Vietnam to estimate costs of rice production, and narrowed the sample to 260 responses.¹⁰³ This is indeed a narrow plank on which to base conclusions for the entire green revolution experience in South Vietnam. However, the results of this USDA study are consistent with other evidence from South Vietnam.

4.3 (i) Returns to Labor

As Table 4.5 indicates, according to the USDA survey, returns to labor were positive for modern rice relative to local rice varieties in both the central and southern regions. These positive returns to labor occurred mainly because of dramatically increased response to fertilizer use in modern over local varieties.¹⁰⁴ Nationally, returns to labor for modern rice may have been higher than represented here because the varieties' speedy ripening allowed increased double-cropping. Prior to the introduction of modern varieties, approximately 38% of the coastal lowlands were double-cropped, but only about 2% of the southern region. Double-cropping remained stable in Central Vietnam but increased to about 25% in the Mekong delta after the introduction of modern rice.¹⁰⁵ In the sample cited here, however, only 5.5% of the land area of the Mekong region was under double-cropping.¹⁰⁶ Double-cropping can increase returns to labor because it does not necessarily double labor requirements; many tasks must be performed only once. J. T. Purcal, for instance, found that in four Malaysian villages farms that double-cropping rice required approximately 90% more labor than single-cropping.¹⁰⁷ Bray asserted that, 'where a transition from broadcast sowing to transplanting, or from single- to double-

¹⁰³ 'Rice Cost of Production,' USAID VM 338-17318-F793.

¹⁰⁴ For a sample of the response of modern versus local rice varieties to fertilizer in South Vietnam, see the final two pages of Fox's report.

¹⁰⁵ Callison, *Land to the Tiller*, 55. See also 'Rice Cost of Production,' USAID VM 338-17318-F793.

¹⁰⁶ Ibid. In Fox's sample, 5.5% of the land in the southern region and 37.8% in Central Vietnam was double-cropped. Significantly, this sample was taken before the 1970 land redistribution. As Chapter Five will demonstrate, farmers receiving titles under this program increased their productive investments dramatically, which may have increased double-cropping as well.

¹⁰⁷ John T. Purcal, *Rice Economy: A Case Study of Four Villages in West Malaysia* (Kuala Lumpur, 1971), tables 3-3, 4-7, 6-3, 9-5.

cropping is made, the increases in yield will certainly outstrip concomitant rises in labor inputs.¹⁰⁸

¹⁰⁸ Bray, *The Rice Economies* , 5.

Table 4.5 Returns to One Year's Labor for Local Rice versus Modern Rice.¹⁰⁹

Local Rice

	Yields (tons/ha)	Human labor input (work-days/ha)	Yields/working-day (in kgs. unhulled rice)
Coastal Lowlands Central Vietnam	2.7	79	34.2
Mekong delta region	2.6	59.5	43.7

Modern Rice

	Yields (tons/ha)	Human labor input (work-days/ha)	Yields/working-day (in kgs. unhulled rice)	Increase in rtns to labor (% increase kgs/day)
Coastal Lowlands Central Vietnam ¹¹⁰	4.5	84	53.6	56.7%
Mekong delta region	4.5	66	68.2	56.1%

¹⁰⁹ Rice yields and human labor inputs were derived from, 'Rice Cost of Production,' USAID VM 338-17318-F793. Figures given are for single transplant rice. Labor included seed bed preparation, paddy preparation, transplanting, weeding, insecticide application, fertilizer application, water control, and harvesting. It did not include post-harvest activities such as threshing and transport.

¹¹⁰ The figures for single transplant modern rice in Central Vietnam were derived from 24 farms in only 2 of 9 coastal lowland provinces. The figures for single transplant rice in the Mekong region are from a larger sample, 113 farms from 7 provinces.

Shigeru Ishikawa proposed a model for rice sector development for Japan that has come to be called the 'Ishikawa curve' and is commonly used as a model for Asian rice development in general. Ishikawa demonstrated that while labor productivity in rice has been increasing for over a century in Japan, labor input initially increased, but eventually declined by over 50%.¹¹¹ Barker et al. described a comparable century-long trend for Java and similar trends in the post World War II period for Taiwan and South Korea.¹¹² However, Barker indicated that in the early 20th century, Taiwan experienced increasing labor inputs per hectare along with increased productivity when new, fertilizer-responsive, 'ponlai' varieties were introduced, and then settled into a long term period of labor input decline and productivity increase.¹¹³ Ishikawa hypothesized that Japan experienced the same pattern in the 1870s when irrigation was radically expanded during the Tokugawa period.¹¹⁴ Hence, South Vietnam apparently fitted into Ishikawa's model for Asian rice development at the point where radical new technology was introduced and both labor input and productivity increased, after which Japan and Taiwan embarked on long term productivity increases and labor decreases.

4.3 (ii) Returns to Capital

Returns to capital also appear to have been positive in both the southern and central regions for modern rice varieties relative to local varieties. The following relationships between capital and average rice yields emerge from USAID estimates for the costs of land preparation (the average cost of hiring draft animals or tractors), seed, insecticide, fertilizer, and interest on agricultural loans. In the southern region in 1970, the average cost of these factors required to produce one kilo of single transplant local rice varieties, but using improved fertilizers and insecticides, was VN\$ 5.98/kg. The average cost in capital of producing modern varieties with improved inputs in the southern region was 3.88/kg. In the coastal lowlands of Central Vietnam we have estimates for growing local

¹¹¹ Shigeru Ishikawa, *Essays on Technology, Employment and Institutions in Economic Development: Comparative Asian Experience* (Tokyo, 1981), 42.

¹¹² Barker et al., *The Rice Economy of Asia*, 47.

¹¹³ Ibid.

¹¹⁴ Ishikawa, *Essays*, 37.

varieties both with and without improved fertilizer and insecticides. The capital costs for growing local varieties without commercial fertilizer or insecticide in 1970 was approximately VN\$ 7.41 per kg. For local varieties using commercial fertilizer and insecticide, the cost was 8.40/kg. For modern varieties using improved inputs, the cost was 5.31/kg. Thus, according to these data, returns to capital were lower for local varieties grown with improved inputs compared to those grown without. And as in the far south, returns to capital were substantially higher for modern varieties than for traditional rice.¹¹⁵

4.3 (iii) Total Factor Productivity

Total factor productivity for both regions may be calculated using data from this same USAID report. Taking again the costs per hectare for land preparation, seed, insecticide, fertilizer, and interest, and adding the costs per hectare of labor and land rents, the following calculations emerge. In the Mekong region during the 1970 crop year, the average total cost of producing a kilogram of single transplant local rice was VN\$ 17.81/kilo while modern varieties cost an average of VN\$ 12.81/kg. to produce. The proportions in Central Vietnam were similar, local rice costing VN\$ 14.71/kg. to produce and modern rice 10.97.¹¹⁶ Some modern varieties sold for about 10% less than local varieties, but even accounting for this, higher average yields made it profitable to grow. Thus, according to this USDA report, total factor productivity was positive for high yielding rice in both major rice production regions of South Vietnam.

4.3 (iv) Returns to factors and the appropriateness of modern rice

The increase in total factor productivity provided strong incentive for farmers to plant modern rice varieties and certainly accounts for the speed with which the technology diffused. Especially revealing are the data showing that returns to fertilizer and insecticides were higher for modern rice than for local varieties. This would have added

¹¹⁵ 'Rice Cost of Production,' USAID VM 338-17318-F793.

¹¹⁶ Ibid.

to the incentive for using modern seed varieties rather than simply applying commercial fertilizers and insecticides to familiar and trusted local varieties. Also of note is the evidence that modern varieties did not produce negative returns to labor in South Vietnam, as even profitable innovations may. In this respect, despite having been introduced from outside, or 'above,' green revolution technology was particularly appropriate for South Vietnam at that time. Moreover, the innovation apparently fitted a long term pattern of innovation in East Asian agriculture. Bray observed that the Western model of agricultural development was based on capital intensive improvements while Asian wet rice farming has developed, often highly successfully, quite differently. In the Asian model, labor intensive and highly divisible innovations play the dominant role and capital investments a smaller one than in the West. Shigeru Ishikawa traced this arc of development, based on what he called 'labor-using technological factors,' for Japan.¹¹⁷ Those familiar with the Western model then, often assume that an improvement requiring greater labor inputs and relatively small capital inputs, such as green revolution technology, 'implies a corresponding reduction in the productivity of labor, but this is not necessarily true.'¹¹⁸ And so it proved in South Vietnam.

The changes in total factor productivity do not appear to have had a significant effect on regional variations in modern rice diffusion. Returns to factors increased by similar proportions in both major production regions. More likely it was the multitude of factors cited above that made innovation in Central Vietnam far riskier than in the South. Some theories suggest, however, that another factor was at work in Vietnam: that universal norms of peasant economic behavior are the major determinants in the adoption of new technology and the relationship to the marketplace.

4.4 IMPLICATIONS OF THE DIFFUSION OF MODERN RICE VARIETIES FOR THEORIES OF PEASANT ECONOMIC BEHAVIOR, AND OPTIMAL FARM SIZE

4.4 (i) Competing theories of peasant economic behavior

¹¹⁷ Ishikawa, *Essays*, 36.

¹¹⁸ Bray, *The Rice Economies*, 5, 7, 149-55.

Long before the American war, the debate over Vietnamese peasant economic behavior had focused on whether or not farmers would adopt innovations. In the 1930s Pierre Gourou claimed that Northern peasants avoided innovations only because they lacked the capital to take risks with untested methods of production. Vu Quoc Thuc saw it differently, writing in 1951 that Northern peasants were hostile to innovation because failure could be ruinous and humiliating in a tightly knit village.¹¹⁹

Two major schools of thought characterize the debate in Economic History and Development Studies circles over peasant economic behavior. The awkwardly named 'rational choice political economy' model describes a system in which economic actors are income maximizers within a limited choice set.¹²⁰ The name does not imply perfect rationality: purely objective reasoning based on full information. Rather, while there may be constraints such as imperfect markets, a dearth of information, or the need to ensure family subsistence, actors will generally attempt to maximize their profits given a perception of acceptable levels of risk. This is perhaps more aptly called a 'constrained optimizing model.' For peasants, this means a willingness to invest surpluses, even in ventures that pose some risk, in order to improve their lots. Economists seek to model how the optimizing individual or family reacts to a change in one or more variables. The most basic policy implication is that peasant farm households make predictable adjustments to changes in prices and availability of farm inputs and outputs. Hence, development policies that manipulate the prices and availability of infrastructure, inputs, land, or commodities could profoundly affect peasant resource allocation and productivity.

The moral economy model depicts peasants as risk averse members of a unique economic system.¹²¹ According to this view, being constantly on the brink of economic disaster, peasants quite rationally protect their subsistence by forgoing potentially risky

¹¹⁹ A. Terry Rambo, *A Comparison of Peasant Social Systems of Northern and Southern Viet-Nam: A Study of Ecological Adaptation, Social Succession, and Cultural Evolution*. Carbondale (Carbondale, IL, 1973), 41-2.

¹²⁰ For a good description of the rational choice political economy school of thought, see Robert Bates, *Beyond the Miracle of the Market*, introduction. For a rational choice view of peasant economic behavior, see Samuel Popkin, *The Rational Peasant: The Political Economy of Rural Society in Vietnam* (Berkeley, 1979). Popkin's research was carried out largely in the Mekong delta region of Vietnam. See also Thrainin Eggertson, *Economic Behavior and Institutions* (Cambridge, 1990), 28, and Frank Ellis, *Peasant Economics*, 74-5.

¹²¹ The originator of the term 'moral economy' was E.P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth Century,' *Past and Present*, 1971, and reprinted with further comment in E.P. Thompson, *Customs in Common* (New York, 1991).

opportunities to raise their incomes. For instance, rather than plant modern rice varieties that offer high yields but are sensitive to pests and drought, peasants will tend to plant local varieties that yield less, but are less likely to fail. Income maximizers may be risk averse as well. The dimension that separates a moral economy from simple risk aversion is a belief among peasants or workers in a moral right to subsistence: that it is intrinsically wrong that owners or consumers may flourish while producers starve. The urban and rural poor, according to this school of thought, hold owners, employers, notables, landlords, and governments responsible for maintaining their end of a moral bargain, that is, for not employing tax or rent policies that threaten subsistence. In its simplest terms, this is a bread for obedience arrangement. If the wealthy do not threaten their subsistence, the poor will not rebel. In this context –and this is a key difference between the schools of thought– what is left to producers is more important than what is taken by those empowered to take. Though scholars often misunderstand this, ‘moral’ does not imply a higher morality, merely that the deep emotions stirred by dearth, and the ‘outrage provoked by profiteering in life threatening emergencies, imparted a particular “moral” charge to protest.’¹²²

In the 1970s, James Scott linked another dimension to the idea of moral economy and focused it on peasants.¹²³ In Scott’s influential view, a well defined system of peasant-to-peasant reciprocity in food, labor, or money, to which peasants and landlords are socially and morally bound, governs their economic behavior. Scott argued that these practices are unique to peasants and global in practice: ‘there is good reason for viewing both the norm of reciprocity and right to subsistence as genuine moral components of a [universal peasant culture].’¹²⁴ These norms of reciprocity level incomes within villages or groups so that while few may prosper, few may starve. In a good year one gives, in a bad year one receives. Peasants generally eschew risky but potentially profitable agricultural practices in part because large surpluses would likely be shared out anyway, but also because farmers would risk not only their own family’s survival, but that of their

¹²² E.P. Thompson, ‘Moral Economy Reviewed,’ in *Customs in Common* ed. E.P. Thompson (New York, 1991) 271.

¹²³ James C. Scott was the first to apply the term moral economy specifically to peasants, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven, 1976).

¹²⁴ Scott, *The Moral Economy of the Peasant*, quoted in E.P. Thompson, *Customs in Common*, 341.

neighbors. Thus, Scott identified a moral dimension to these norms as well as to the subsistence ethic.¹²⁵

Scott's model of a moral economy is important to policy makers because, if it is accurate, peasants are not necessarily responsive to relative price changes in the market and will resist development programs designed simply to increase their incomes. In a good year, for instance, modern high yielding seed varieties appear promising, but the peasant operating in a moral economy would be more likely than a 'rational peasant' to cast a weather eye to the bad years, or even the average years. Peasants might resist planting high yielding crops even if necessary inputs were priced appropriately, and even if they know the practices might raise their incomes, because they are morally bound to a system that eschews such communal risks for personal gain. A peasant family would thus be especially reluctant to abandon value laden subsistence practices for a market oriented approach offered by most Western development programs. In short, according to Scott, a peasant's economic system is part of a larger system of values or beliefs, not merely a response to environment or a rational individual economic choice in unstable conditions.

4.4 (ii) The Vietnam Specialist Literature and Peasant Economic Behavior

Vietnam specialists have tended to dismiss the application of behavioral models. Neil Jamieson, a former USAID officer and longtime resident of Vietnam, argued that it is impossible to understand or model Vietnamese behavior without a profound historical sense of the society. Jamieson did not address the Scott-Popkin debate directly, but contended that an internal clash of old and new values cut across geographical, religious, political, and socioeconomic differences (which also involved differences in attitudes and values). The dynamic tension between these multiple cleavages in society produced an invisible and largely unperceived network of mutual influence so complex as to confound utterly any linear model that might be employed to manipulate any single set of variables. Yet, in Jamieson's view, such models were employed constantly by all

¹²⁵ Scott, *The Moral Economy*, 40-3.

concerned, with uniformly disastrous results.¹²⁶

Nancy Wiegersma, another former USAID officer in Vietnam, also stressed that late 20th century Vietnam could only be understood in reference to the society's older values. She criticized both Scott and Popkin as having a shallow and simplistic sense of Vietnamese history and society, charged that both overestimated the decision making power of family patriarchs while underestimating the public nature of village decision making, and claimed that Vietnam fitted no other economic or social model.¹²⁷

Wiegersma asserted that village notables allotted community land and water, neighborhood associations governed labor exchanges, and peasants families generally obeyed. `Economic decisions were not made either "rationally" or "morally" by Vietnamese peasants. Decisions were made by the village leaders and family patriarchs in the context of modern and traditional realities.¹²⁸

Wiegersma and especially Jamieson greatly enhanced the American social and political literature on modern Vietnam. But while dismissing Western models for Vietnamese society, Jamieson does not contend with the details of economic behavior. And Wiegersma seems to have missed the essence and importance of the Scott-Popkin debate. She mislabeled Popkin as a neoclassical economist, overlooked his work on public decision making, and never acknowledged evidence that Vietnamese peasants embraced profit maximizing practices. Further, like many scholars, she wholly failed to grasp the meaning of moral economy. `Peasant views of social justice are based on their view of equity and of tradition, not on "morality," which connotes religious mysticism.'¹²⁹ Wiegersma not only confused the titles of these theories with their meanings, she appears to have been writing about Central Vietnam in an earlier age. She underestimated the disintegration of village apparatuses there and grossly overestimated the power of village notables in the Mekong/Saigon region, where there was very little communal land and water to distribute.

¹²⁶ Jamieson, *Understanding Vietnam* (Berkeley, 1993), 305.

¹²⁷ Wiegersma, *Peasant Land, Peasant Revolution*, 13-15

¹²⁸ *Ibid*, 15.

¹²⁹ Wiegersma, *Peasant Land, Peasant Revolution*, 13-15.

4.4 (iii) Peasant Economic Behavior: Evidence from Vietnam and Beyond

A superficial perusal of regional variations in the adoption of modern varieties suggests that Samuel Popkin's 'rational peasant' roughly describes peasant economic behavior in the Mekong delta region, while James Scott's 'moral economy' better describes behavior in Central Vietnam. This is not surprising since the authors carried out the bulk of their research in these respective areas. If this was the case, the American perception of the peasant as self interested income maximizer did not allow for regional differences. An internal USAID staff study touched on these narrow perceptions when it criticized American programs for assuming that 'Vietnam has a uniformity that it does not possess. Our present program takes little account of the considerable differences that exist from region to region, from province to province.'¹³⁰ In fact there is convincing evidence that peasants throughout South Vietnam made economic choices as constrained income maximizers. A multitude of conditions made innovation far riskier and more difficult in Central Vietnam. These conditions, not separate forms of peasant economic behavior, explain differing rates of adoption.

The moral economy model called necessary attention to peasant culture and practices, but it does not constitute a comprehensive model for peasant economic behavior in any region of South Vietnam. Thompson, Scott, and others have demonstrated conclusively, if not universally, that both the urban and rural poor hold the right to subsistence to be intrinsically just and are often prepared to defend it with remarkable moral fervor. However, in light of strong evidence, linking a belief in the right to subsistence with norms of reciprocity to create a generalized model of peasant economic behavior is a conflation.

Roger Wells and E. P. Thompson saw that changing conditions in the developing world had largely wiped out the practices described by Scott. But Wells argued that this merely underscored the damage that meddling outsiders and market penetration can do to peasant societies, and he likely would dismiss the evidence of income-maximizing cited here. Wells asserted that Scott's model is period specific and 'does not founder on

¹³⁰ 'The USAID program and Vietnamese Reality', Staff Study, June 1968, 45. USAID PN-ARE-177.

the emergence of peasant aspirations for wealth and upward social mobility.¹³¹ Scott's model, however, founders on the very thing (moreover, he imbued the theory with no such modesty). A large percentage of South Vietnamese peasants spread Green Revolution technology largely through farmer-to-farmer exchanges. They took significant risks with radical new crops in an attempt to escape subsistence agriculture. When security conditions, physical infrastructure, and institutional arrangements allowed, they marketed their produce in both the Mekong region and in Central Vietnam. To assume that meddling outsiders destroyed Central Vietnam's moral economic system, to assume that peasant responses in the 1970s have no bearing on this debate, not only ignores peasant demand, it does so in particularly condescending fashion.

South Vietnamese peasants adopted green revolution technology as an individual income-maximizing practice without the 'deep emotions' or 'outrage' Thompson rightly identified with threats to subsistence. Norms of reciprocity did exist and were a central issue in peasant life, but they simply did not stir the same emotions, were not held as a similarly intrinsic value, right, or obligation, as was the subsistence ethic. Rather, strong peasant demand for new technology, improved inputs, and access to the market, reveals that reciprocal arrangements were essentially economic arrangements from which peasants began to withdraw when they were no longer needed to ensure subsistence.

Global evidence reveals that the most glaring weakness of Scott's model is its assumption that non-market exchanges are non-economic. Often this is manifestly not the case. As Pranab Bardhan phrased it, 'social transactions and what are usually attributed to customary practice can often be shown to have a core economic, and more generally, material interpretation.'¹³² Frank Ellis argued that on a global basis, 'a great deal of indirect evidence, especially on the responsiveness of peasants to changes in relative market prices between crops, reveals a strong element of economic calculation on the part of peasant farm households everywhere.'¹³³ The slightest exposure to peasant

¹³¹ Roger Wells, 'E.P. Thompson, Customs in Common and Moral Economy,' *Journal of Peasant Studies* 21, no. 2, January 1994, 294.

¹³² Bardhan, Pranab K., *Land, Labor, and Rural Poverty: Essays in Development Economics* (New York, 1984), 3.

¹³³ Frank Ellis, *Peasant Economics*, 74.

society reveals the serious problem of 'free riders,' those who do not contribute to communal activity but attempt to profit from it. In fact, some reciprocity systems contain elements designed to discourage free riders.¹³⁴ Free riders are obviously making economic choices when they withhold their resources but attempt to profit from communal activity and the moral economy literature does not adequately explain this pervasive element in communal arrangements. Some peasant reciprocal practices take on an overt flavor of economic exchange. Samuel Popkin noted the case of a 20th century Thai village in which officials kept a ledger with scrupulous, formal records of who owed what to whom: a clear case, he contends, of economic exchange in a non-market setting.¹³⁵ Popkin also argued convincingly that common efforts succeed where peasants find it in their own family's interest to allocate resources to the common effort, but fail if the effort appears to be counterproductive. If free riders, for instance, are not controlled, families may refuse to cooperate.¹³⁶ Yujiro Hayami traced the evolution of 'bawon', Javanese reciprocal practices in rice cultivation. Under the bawon system, able villagers who did not own enough land to feed their families all participated in the overall harvest and received a share of the produce. But recently, fewer laborers have been invited to take part in bawon, ever more labor has been required for a share of the harvest, and shares have fallen, thus the implicit 'wage' has fallen. This has been good for landowners and bad for laborers, contributing to inequality, and has the strong scent of an economic arrangement.¹³⁷ This illustrates another weakness of the moral economy model. Its literature only vaguely refers to the problem of what to make of subsistence practices that keep peasants poor without actually threatening their survival.

Evidence exists from throughout Vietnam that, historically, collective activity among peasants was not necessarily a sign of moral commitment. Some consensual activities were undertaken out of economic self interest, or even compulsion. In imperial Vietnam, for instance, peasants were obliged to perform communal labor not

¹³⁴ Jamieson, *Understanding Vietnam*, 35.

¹³⁵ Samuel L. Popkin, 'Public Choice and Peasant Organization,' in *Toward a Political Economy of Development* ed. Robert Bates (Berkeley 1988), 259.

¹³⁶ Popkin, 'Public Choice,' 252.

¹³⁷ Yujiro Hayami, 'Asian Development: A View From the Paddy Fields,' *Asian Development Review* 6, no. 1, 1988, 53-5. See also Barker et al., *The Rice Economy of Asia*, 135-6.

merely to avoid official censure, but to retain rights to the land they tilled. Under the Hanoi government, North Vietnamese agricultural officials in the 1960s and 1970s attempted to entice peasants to participate in collective activity by 'making own-account activity conditional upon such participation.' The government withheld access to the market as punishment for refusal to participate in communal activities. Because Hanoi's collective system was imposed from above, this alone does not negate Scott's theory of peasant reciprocity as a value-based vote for community welfare. But cumulative evidence demonstrates a clear effort on the part of peasants to maximize individual rather than collective income. This was the experience of a great many American officials in South Vietnam. One representative comment came from a former USAID agricultural adviser who characterized South Vietnamese peasant farmers as very astute, continually calculating the costs and benefits of various cultivation strategies. 'Like farmers anywhere in the world, if you gave South Vietnamese farmers an opportunity they could understand to make a profit, they would do it.'¹³⁸

The rational choice school has critics as well. Some object to the what they perceive as cavalier use of the term 'rational,' question the existence of 'rational man,' and the wisdom of taking individuals and their preferences as the starting point of analysis in economics.¹³⁹ They point out that individuals tend to have unstable preferences, are not calculators with access to complete data, that plenty of caprice attends human decision making, that knowledge and expectations are subjective, and that people have different abilities to sense and process data. The rational choice school, according to this view, does not take into account reciprocal behavior, charity, favors to clients, and the maximizing of prestige at the expense of income, all of which could be survival strategies, but may not be maximizing behavior. For instance, Vietnamese peasants did not ruthlessly maximize income, they also sought prestige and position, which in fact could have the opposite effect on income.¹⁴⁰

Such criticisms often over-simplify the rational choice approach, lumping it in

¹³⁸ Charlie Seckinger, USAID Assistant Director in Agriculture, January 1973-August 1974, interview with author, 26 August 1994, Potomac, Maryland, USA.

¹³⁹ See Geoffrey M. Hodgson, *Economics and Institutions: A Manifesto for a Modern Institutional Economics* (Cambridge, 1988), introduction and 79.

¹⁴⁰ For an excellent description of the political and prestige economies of the Vietnamese village, see Neil Jamieson, *Understanding Vietnam* (Berkeley, 1993), 31-36.

with neoclassical theory as purely mechanistic, accusing it of being enslaved to purely economic explanations for behavior, of ignoring the role of extra-market institutions employed by peasants to substitute for missing credit, insurance, and futures markets, and indeed of ignoring human nature altogether.¹⁴¹ Scholars from the rational choice school of thought, whether political scientists, political economists, or 'new institutional economists,' have defined 'rational,' 'maximizing,' and 'optimizing' in reasonable terms accounting for caprice, human limitations, and non-economic interests. They have no more described human economic actors as computers making perfectly rational, maximizing choices than Scott or Thompson described the poor as more moral than the rich. Both schools have been victims to their provocative names.

Rational choice theorists have demonstrated conclusively that non-market exchanges can be economic in nature, and provided plausible economic explanations for institutions such as sharecropping and norms of reciprocity— explanations that take into account social relations, moral force, human weakness, and limitations to maximization.¹⁴² Share-cropping, a basis of moral economy analysis, can be motivated by more than peasant risk aversion. It may be the optimal economic response for peasants to imperfect markets.¹⁴³ It might even represent landlord risk aversion by delegating the majority of risk to the peasant or laborer, or it might be an attempt to keep peasants at a subsistence level and leave produce, input, and credit markets to landlords' and traders' ministrations. And Haggis et al. cite several instances in South and Southeast Asia in which peasants initiated the abandonment of share-cropping.¹⁴⁴ Moreover, rational choice adherents have reckoned with criticisms of the overemphasis of individual choice. In a later work, Samuel Popkin departs from the emphasis on the individual that colored *The Rational Peasant*, describing peasant economic decision making as an effort to optimize for the family unit while paying attention to the interests

¹⁴¹ Pranab Bardhan, 'Alternative Approaches to the Theory of Institutions in Economic Development,' in *The Economic Theory of Agrarian Institutions* ed. Pranab Bardhan (Oxford, 1989), 7.

¹⁴² For a description of several explanations for sharecropping, see Ellis, *Peasant Economics*, 142-63.

¹⁴³ Pranab K. Bardhan, *Land, Labor, and Rural Poverty: Essays in Development Economics* (New York, 1984), 3.

¹⁴⁴ Haggis et al., 'By the Teeth: A Critical Examination of James Scott's *The Moral Economy of the Peasant*, *Journal of Development Studies* 18 (1983), 1437-8.

of the community through a combination of individual and collective behavior.¹⁴⁵

In sum, advocates of the rational choice school have demonstrated that peasants employ varied strategies both to subsist and to maximize, but that these strategies, while the result of accumulated knowledge and use of rules of thumb rather than perfectly rational, perfectly informed calculation, are indeed economic strategies, not traditions to which peasants feel morally bound. Peasants recognize implicitly that markets are imperfect, that the poor do not have the same access as the prosperous to credit, technology, crop insurance, fair prices for inputs, and the like. Where the market does not offer peasants an opportunity to subsist or prosper, institutions outside the market must allocate resources. Thus, norms of reciprocity are in part economic responses to the realities peasants face, a form of crop insurance, or a substitute for wage labor in a cash-poor society. These practices are certainly fortified with a sense of social and even moral obligation, as a credit card payment might be to a Western capitalist, but they are not a belief system based in intrinsic notions of right and wrong.¹⁴⁶ Finally, Scott's attempts to generalize his theory, by identifying a universal peasant culture, fall flat. A peasant culture universal to South Vietnam is difficult to identify, much less in Asia, Africa and Latin America as well. E. P. Thompson himself wrote that 'the findings of the moral economy cannot be taken across to any peasant market,' each particular society and culture must be reckoned with.¹⁴⁷

Separate models for economic behavior were not at work in the coastal lowlands and the Mekong delta. Rather, South Vietnamese peasants appear to have responded to different social and climatic circumstances as constrained income maximizers. The adoption rates of modern rice and associated inputs under widely varying circumstances reveals that peasants in Central Vietnam displayed more risk aversion, more reciprocal behavior, and more resistance to green revolution technology than did Mekong delta farmers because they were responding to objectively higher levels of risk. They were not navigating scientifically, rather they were dead reckoning through turbulent times, but they were doing so based by and large on personal and family interest.

¹⁴⁵ Samuel L. Popkin, 'Public Choice.'

¹⁴⁶ For more comment on this issue, see Bates, *Toward a Political Economy of Development*, 7.

¹⁴⁷ Thompson, *Customs in Common*, 261.

Long term research has found that there is no 'innate deficiency in the willingness of small farmers to take risks that hold them back.' It is simply that the same explicit terms will translate into far higher risk for a small farmer than for a large farmer.¹⁴⁸ These findings support the contention that peasants tend to take risks to maximize production where population density is not too great, land holdings are large enough to provide a surplus, and some cushion against subsistence failure is possible.¹⁴⁹ That cushion may take the form of insurance, affordable credit or a potential crop surplus coupled with adequate access to a functioning market.¹⁵⁰

This suggests that supplying appropriate risk-reducing factors was the key to inducing Vietnamese farmers to innovate and increase production. In Central Vietnam, as Chapter Five will demonstrate, it was not possible to create large enough landholdings to lift cultivators out of subsistence patterns. Thus, land-saving technology such as modern rice was particularly appropriate. Since risk could not be mitigated by providing additional land, it could have been reduced by providing reasonably priced credit and crop insurance. Yield variance between good and bad years could have been ameliorated through improved irrigation infrastructure. Some success may have come out of wider distribution of small irrigation pumps. The fact that up to 15% of Central Vietnamese farmers did so, often under dreadful conditions and largely without such services, suggests that more would have been willing given a reduction of risk.

4.4 (iv) The Diffusion of Modern Rice Varieties and the Optimal Farm Size Debate

Several scholars have argued that the introduction of green revolution technology harms the poor by encouraging mechanization, farm consolidation, peasant landlessness, rural unemployment, and a small class of wealthy farmers.¹⁵¹ Moreover, evidence exists that

¹⁴⁸ Hans P. Binswanger and Donald A. Sillers, 'Risk Aversion and Credit Constraints in Farmers' Decision-Making: A Reinterpretation,' *The Journal of Development Studies* 20, no.1, October 1983, 18.

¹⁴⁹ Ellis, *Peasant Economics*, 80.

¹⁵⁰ On market penetration and production increases, see Eric Wolf, *Peasants* (Edgewood Cliffs, NJ, 1966), 82.

¹⁵¹ Shari and Sundaram, for instance, found such iniquities for certain regions of Malaysia. Ishak Shari and Jomo Kwame Sundaram, 'Malaysia's Green Revolution in Rice Farming: Capital Accumulation and Technological Change in a Peasant Society,' in *Village-Level Modernization in Southeast Asia: The Political Economy of Rice and Water* ed. Geoffrey B. Hainsworth (Vancouver, 1982), 246.

as larger-scale mechanization such as tractors appears, the inverse relationship of farm size to farm productivity, described in Chapter Three, weakens.¹⁵² Such a weakening of the inverse relationship theoretically would further encourage land consolidation and induce landholders to fight agrarian reforms still harder.

Richard Grabowski, however, asserted that it is pointless to argue about whether agricultural innovations harm or help the poor laborers and small farmers without reference to the social and institutional structure into which new practices are introduced. In certain structures, 'high-yielding technologies increase the demand for labor, provide additional income for small farmers.'¹⁵³ And there is a good deal of evidence from Asia that the introduction of green revolution technology does not necessarily weaken the inverse relationship or harm the rural poor. Hayami et al. showed that smallholders and tenants captured gains of HYVs because of rent control in one Philippines village.¹⁵⁴ Cordova determined that in Laguna, the most important rice province in the Philippines, the introduction of HYVs increased demand and wages for laborers, even when accounting for increased mechanization.¹⁵⁵ A World Bank study found that small farmers have benefited from increasing productivity per hectare in world rice farming in recent decades.¹⁵⁶

The introduction of modern varieties proved generally advantageous to small farmers and laborers given South Vietnam's institutional character. Because of both NLF and Saigon government land reforms analyzed below in Chapter Five, small farmers in South Vietnam enjoyed secure property rights. Because of a diminution of the guerrilla war and improving road nets, farmer access to markets improved. Because of partial deregulation of the rice trade and input markets, price incentive to produce rose. Green

¹⁵² Graham Dyer, 'Farm Size-Farm Productivity Reexamined: Evidence from Rural Egypt,' *The Journal of Peasant Studies*. Vol. 19, No.1, October 1991, 58. See also Ajit Kumar Ghose, 'Farm Size and Land Productivity in Indian Agriculture: A Reappraisal.' *The Journal of Development Studies* 16, no. 1, October 1979, 59.

¹⁵³ Richard Grabowski, 'Agriculture, Mechanisation and Land Tenure,' *The Journal of Development Studies* 27, no. 1, October 1990, 43.

¹⁵⁴ Hayami et al., 'Anatomy of a Peasant Economy: A Rice Village in the Philippines,' International Rice Research Institute paper, Los Baños, Philippines, 1978.

¹⁵⁵ Violetta G. Cordova, 'New Rice Technology and its Effects on Labour Use and Shares in Rice Production in Laguna, Philippines, 1966-78,' *Village-Level Modernization in Southeast Asia: The Political Economy of Rice and Water* ed. Geoffrey B. Hainsworth ed. (Vancouver, 1982), 191, 205.

¹⁵⁶ 'Agricultural Diversification: Policies and Issues from East Asian Experience,' The World Bank, Agriculture and Rural Development Department, Washington, DC, March 1990.

revolution technology proved highly divisible and, as subsection 4.2 (i) demonstrated, it prompted investment in land-saving practices such as double-cropping, and in small-scale mechanization, such as irrigation pumps and rototillers. In fact, the most extensive post-1970 study suggests that new title holders were not only far more likely to make such investments than tenants, but 17% more likely to do so even than wealthy owner-operators.¹⁵⁷ Hence, at South Vietnam's level of mechanization and given its rural institutional structure, the introduction of green revolution technology did not increase optimum scale of production or encourage land consolidation. Moreover, as subsection 4.2 (i) indicated, the gains from modern varieties were captured largely by small farmers. Thus, small farms dominated the agricultural sector and the inverse relationship profited South Vietnamese farmers and the national economy.

4.5 SOUTH VIETNAM'S 'GREEN REVOLUTION' IN REGIONAL PERSPECTIVE

Efforts to increase rice production in South Vietnam fared extremely well compared with other Asian producers, which is impressive considering the wartime obstacles the effort faced. For instance, the diffusion of modern rice varieties in South Vietnam compares favorably with a similar program in Thailand, which began in 1969 with 3,000 hectares of modern rice and increased to 450,000 hectares for the 1974 crop. Thus, Thailand, a country at peace and with roughly double the population of South Vietnam, planted approximately 50,000 fewer hectares of modern rice varieties over five seasons than did South Vietnam in four.¹⁵⁸

Moreover, this chapter has demonstrated that roughly 92% of the increase of rice output in South Vietnam may be attributable to modern varieties, rather than expanded hectareage planted. Francesca Bray's research buttresses this assertion. She cited evidence that South Vietnam's production gains due to increases in yield per hectare, as opposed to increase in area cultivated, were the highest in Asia for the period 1955 to 1975. These

¹⁵⁷ Callison, *Land -to-the-Tiller*, 292-3.

¹⁵⁸ David Feeny, *The Political Economy of Productivity: Thai Agricultural Development, 1880-1975* (Vancouver, 1982), 110. For Thai population figures from 1965 and 1975, see Kamphol Adulavidhaya and Tongroj Onchan, 'Migration and Agricultural Development of Thailand: Past and Future,' in *Urbanization and Migration in ASEAN Development*, eds. Philip M. Hauser, Daniel B. Suits, and Nohiro Ogawa (Tokyo, 1985), 433.

economies were starting from different levels. Japan, South Korea, and Taiwan, for instance, had embraced chemical fertilizers and pesticides long before Vietnam. Therefore, their productivity gains for this period would have been less dramatic. Nevertheless, Vietnam's productivity gains through higher yields per hectare compare favorably with Malaysia and Thailand, which introduced green revolution technology at about the same time, and which had the advantage of being at peace during this period.¹⁵⁹

¹⁵⁹ Both Thailand and Malaysia faced insurgencies in this period, but these were small and confined generally to border areas.

Table 4.6
Relative Contributions of Area and Yield to Total Growth in Rice
Production, 1955-73¹⁶⁰

	A	B	C
Burma	1.98	1.13	0.84
Cambodia	-1.04	-2.76	1.54
Indonesia	2.84	1.31	1.50
Japan	0.64	-0.88	1.55
S Korea	4.09	0.55	3.52
Laos	3.48	1.61	1.75
Malaysia	5.91	3.97	1.86
Philippines	2.78	1.11	1.62
Taiwan	2.00	-0.15	2.15
Thailand	2.84	1.78	1.06
South Vietnam	5.27	1.08	4.18

A: Annual growth rate of output (%)

B: Change in output due to change in area (%)

C: Change in output due to changes in yield (%)

Table 4.7 below demonstrates that rice farms planting modern varieties in South Vietnam began to produce some of the highest yields in Southeast Asia, and were quickly following the developmental path in rice of South Korea, Taiwan, and Japan. Especially impressive, according to these data, the increase in returns to labor for modern over local rice in South Vietnam were extremely high on a comparative basis: more evidence that South Vietnamese farmers experienced strong incentive to shift to modern varieties just as farmers in the most productive rice-growing countries in Asia had.

¹⁶⁰ Reproduced from Bray, *The Rice Economies*, 43. Original source: Asian Development Bank, *Rural Asia: Challenge and Opportunity* (New York, 1978), appendices 1-4.5c/d.

Table 4.7 Rice Yields and Labor Inputs for Selected Countries ¹⁶¹

	Years	Yields (metric tons/ha)	Human labor inputs (working-days/ha)	Yields/working-day (in kgs unhulled rice)
Japan ¹⁶²	1950	4.3	255	16.9
	1956	5.0	229	21.8
	1962	5.8	190	30.5
S Korea	1960	3.3	139	23.7
	Hwas. local ¹⁶³ 1974	5.6	126	44.4
	Hwas. modern 1974	7.2	139	51.8
Taiwan	1926	2.1	96	21.9
	1967	5.1	113	45.1
	1972	5.7	125	45.6
Java	1969-70	3.5	360	9.7 ¹⁶⁴
Thailand	Nong Sarai 1972	2.0	83	24.0
	S Buri local ¹⁶⁵ 1972	2.0	82	24.4
	S Buri modern 1972	3.4	117	29.1
Philippines ¹⁶⁶	C Luzon local 1966	1.6	60	26.6
	C Luzon modern 1974	2.9	82	35.4
	Laguna local 1966	2.5	88	28.4
	Laguna modern 1975	3.5	106	33.0
South Vietnam	Mekong local 1969	2.6	59.5	43.7
	Mekong modern 1969	4.5	66	68.2
	Coast local 1969	2.7	79	34.2
	Coast modern 1969	4.5	84	53.6

*this looks like lowish
increase...
implausibly
low*

¹⁶¹ Most yields and working days figures from Bray, *The Rice Economies*, 149. Where indicated, figures are from Barker et al., *The Rice Economy of Asia*, 127. Figures and data for South Vietnam are derived from from, 'Rice Cost of Production in Vietnam,' VM 338-17318-F793. Yields/working day calculated by author. Figures for one year's harvest could be misleading given seasonal variations, but a general picture emerges.

¹⁶² Japanese post-war figures for agricultural labor inputs are notoriously vague. Many farmers worked part time at off-farm jobs, but statisticians tended to calculate full time hours for farmers. Therefore, these human labor input figures may be exaggerated. Letter from Dr. Janet Hunter, 17 June 1996.

¹⁶³ Hwasunggan, South Korea, local and modern varieties, from Barker et al.

¹⁶⁴ Bray's productivity figures for Java appear to be low. Barker et al., however, surveyed several studies and found the following. Between 1968 and 1970, for both modern and local rice varieties, for five regions of Java, two in the west, one in the center, and two in the east, the average return to labor (kg unhulled rice per working day) was 20.9. This, however, was for preharvest labor only. Purcal found for four villages in western Malaysia that post-harvest labor accounted for about 38% of total labor for both single-cropped rice and 44% for double-cropped. Purcal, *Rice Economy*, tables 3-3, 6-3. Therefore, Javan returns to labor do indeed appear to be low compared to other areas of Asia.

¹⁶⁵ Suphan Buri figures from Barker et al.

¹⁶⁶ For Central Luzon, Barker's figures compare 63 farms with no modern varieties in 1966 with the same farms in 1974, when 64% were growing modern rice. For Laguna, 62 farms with no MVs in 1966 compared with 94% growing MVs in 1975.

4.6 CONCLUSIONS: THE APPROPRIATENESS OF MODERN RICE VARIETIES IN SOUTH VIETNAM

A preponderance of evidence indicates that the effort to introduce the widespread use of modern seed varieties, chemical fertilizers, and pesticides was profoundly appropriate given South Vietnam's institutional makeup. The results were impressive both on their own merits as well as in comparison with other Asian experiences. The trend in total factor productivity appears to have been positive, a large percentage of farmers adopted the technology, while output and productivity increased. South Vietnam became potentially self sufficient in rice again and imported rice declined sharply as a percentage of nationally available grain. Moreover, Vietnamese labor productivity with local varieties appears to have been high when compared with the rest of Asia. This suggests that, prior to the introduction of 'green revolution' technology, South Vietnamese peasant farmers were optimizing given existing constraints and available technology—further evidence that modern varieties fitted into existing modes of production. The South Vietnamese production response also generally appears to have fitted the early part of the Ishikawa curve for Asian rice sector development. Moreover, the seed technology introduced in the late 1960s persisted into the reunification period as well. Clearly, the innovation worked with rather than against underlying indigenous economic assumptions and impulses.

There are questions about the program's sustainability. The chemical inputs necessary for maximum yields were still being imported and sold to farmers at subsidized prices. Douglas Dacy contended that unsustainable economic gains cannot be called development.¹⁶⁷ It is of course impossible to predict with precision what the program might have produced over the long run. But perhaps sustainability is more appropriate as a peacetime goal. And modern varieties have performed well over the long run in many Asian settings. While it appears that prosperous farmers adopted modern varieties first in South Vietnam, and that credit shortages were a key inhibitor for the poor, there is global evidence that smaller and poorer farmers tend to catch up and make good use of

¹⁶⁷ Douglas, *Foreign Aid*, introduction.

highly divisible green revolution technology, especially where institutional structures are relatively friendly to small farms, as they were increasingly in South Vietnam.

It must be said that there were environmental and human implications to Green Revolution technology that this study has not analyzed. Some chemicals introduced under the Accelerated Rice Program were highly toxic and have since been banned globally. However, given the level of general awareness of these issues and the risks facing South Vietnam, famine among them, the new technology was the best available choice despite its harmful effects. In sum it appears that the program was economically and institutionally appropriate not only for its place and time, but in the long term as well. In any case, under such circumstances, labor-using, land-saving technology was the obvious choice. Continuing to rely on local varieties in such circumstances would have been ludicrous.

Perhaps the most important finding in the chapter is that the new technology diffused well beyond the scope of the government program that introduced it, and that both seed and inputs crossed military and political frontiers. This has implications for development planning as well as for theory. It supports the old idea that the market at times can diffuse technology far more efficiently than a development program. And it confirms the appropriateness of a basic tenet of the American approach to development in South Vietnam. Peasant farm families grasped opportunities to maximize their incomes within acceptable levels of risk. Scholars and policy makers may argue the finer points of green revolution technology, but a large portion of South Vietnam's farmers voted for the program by taking on increased risk and investing in new inputs and extra labor over a short, tumultuous period.

Chapter 5

Agrarian Development: Land and Market Reforms

Successive Saigon governments displayed an almost uncanny ignorance of rural Vietnam. President Nguyen Van Thieu was different. According to Timothy Lomperis, Thieu's attentiveness to rural issues was well known. He assiduously courted the influential Hoa Hao and Cao Dai sects, and in the 1967 elections, won more votes in rural regions than in the cities.¹ The ideas behind the 1970 land redistributions were mainly conceived by Americans, but without Nguyen Van Thieu, there would have been no agrarian reform.

Land redistribution is one of the few non-military nation building issue in South Vietnam that has received serious scholarly attention. In fact, Stuart Callison's book on South Vietnamese land reform is the only post-war monograph dedicated solely to rural economic development issues in the country.² Callison found that peasants responded positively to land redistribution, increasing investment, production, and productivity. This chapter confirms those findings and adds to existing literature on the subject in four ways. It incorporates new evidence recently declassified at the author's request. Prominent among these documents used in this chapter are studies of landlords, rent income, crop production, several USAID evaluation and project appraisal reports on land reform and agricultural technology, consultancy papers, a vital agricultural cost analysis, an extremely revealing marketing study, a number of rural political analyses and surveys, agricultural credit studies, a number of economic and political studies conducted on the province and district level, reports on the workings of the South Vietnamese government with reference to the rural economy, transport studies, and finally,

¹ Timothy J. Lomperis, *From People's War to People's Rule: Insurgency, Intervention, and the Lessons of Vietnam* (Chapel Hill, 1996), 116.

² Charles Stuart Callison, *Land to the Tiller In the Mekong Delta: Economic, Social, and Political Effects of Land Reform in Four Villages of South Vietnam* (Berkeley, 1983). The next most recent work is on economic development in South Vietnam is Callison's own article, 'The Land to the Tiller Program and Rural Resource Mobilization in the Mekong Delta of South Vietnam', Ohio University Center for International Studies, Papers in International Studies, Southeast Asia Series, No. 34, 1974. Please note that two books about macro-economic issues in South Vietnam were produced since the war: Douglas Dacy, *Foreign Aid, War, and Economic Development, South Vietnam, 1955-1975* (Cambridge, 1986), and Nguyen Anh Tuan, *South Vietnam Trial and Experience: A Challenge for Development* (Athens, Ohio, 1987).

sociological studies. This chapter also broadens the enquiry into critical agrarian reform programs. It gives more attention to the rural political implications of agrarian reform than previous studies. Moreover, by analyzing agrarian reform in greater depth and breadth than has formerly been done, this study anchors the process firmly in the context of both nation building in Vietnam and the greater war effort. For the first time, this makes possible a comparison of the efficacy of the various types of rural development attempted in South Vietnam, which is one of the major contributions of this study.

Land reform, defined here as the redistribution of property rights in land, is only part of a wider agrarian reform process. Agrarian reform is defined here as land redistribution combined with complimentary programs: credit, agricultural research, agricultural extension, along with market and financial improvements.

The issue of property rights in land plays a major role in development theories. Adherents to the property rights school of thought believe that farmers who enjoy secure rights to their land are more productive than those who do not. Lack of secure ownership is said to create uncertainty among farmers about whether they will be able to profit from investments in their land. This uncertainty produces a reluctance to invest in infrastructure improvements and inputs necessary for increasing productivity. Thus, to property rights advocates, land reform is central to any development program.³ As this chapter will demonstrate, American development planners generally subscribed to such a view of property rights. Ironically, the National Liberation Front was temporarily pursuing a land redistribution effort similar to the government's in an effort to win peasant support, and did not attempt to collectivize South Vietnamese agriculture until after the war.

Both sides were responding to the sentiments of South Vietnam's peasant farmers. Callison found that the grievances fueling the southern revolt were largely land based; peasants objected to the exploitative nature of the landlord-tenant system and the

³ See David Feeny, 'The Development of Property Rights in Land: a Comparative Study,' in Robert Bates, *Toward a Political Economy of Development: a Rational Choice Perspective* (Berkeley, 1988); Gershon Feder, 'Land Ownership Security and Farm Productivity: Evidence from Thailand,' *The Journal of Development Studies* 24, No. 1, October 1987. See also Rehman Sobhan, *Agrarian Reform and Social Transformation: Preconditions for Development* (London, 1993). For an overview of land ownership, landlessness, and poverty, see Michael Lipton, 'Land Assets and Rural Poverty,' World Bank Staff Working Papers, no. 744, 1985.

government's association with the landlord class.⁴ Like all reforms attempted in South Vietnam, agrarian and market reforms were largely politically motivated. This was particularly so with regard to land redistribution. Because of the peasant attitudes noted above, many American policy makers believed that land reform offered the greatest hope for winning political support in rural South Vietnam, both directly by satisfying the hunger to own land, and indirectly through greater prosperity that planners hoped would result from increased productivity born of secure property rights. Thus, there was a confluence of political and economic aims. After all, any program that failed economically was unlikely to curry political favor.

This chapter first sketches Vietnamese land tenure history to put the 1970 reforms into local context. Section Two examines the nature and scope of the program and explains its economic and political effects on rural South Vietnam. Section Three gauges the effects of 'second half of land reform,' programs to improve credit, research, and agricultural extension services. Finally, Section Four places the South Vietnamese experience into the larger East Asian context.

5.1 VIETNAMESE LAND TENURE HISTORY TO 1970

Several Western scholars have helped propagate the misconception that colonial policies created the tenant-landlord system in Vietnam characterized by large landowners and landless peasants.⁵ All these things, however, existed in precolonial Vietnam in various forms. Under the Vietnamese imperial system the emperor owned all land. It was separated into private lands, which were to be farmed by villagers with the right of usufruct, and common lands, which village notables were to redistribute every few years to maintain reasonably equitable land holding patterns. In theory, villagers retained usufructory rights so long as the village paid taxes to the emperor and donated its labor as required each year for public works. Local village notables were responsible for both distribution of common lands and the apportioning of water for irrigation. This gave

⁴ Callison, *Land to the Tiller*, 74.

⁵ See Joseph Buttinger, *Vietnam, A Dragon Embattled* (New York, 1967), 161-4, and John T. McAllister, Jr., *Vietnam: The Origins of Revolution* (New York, 1969), 70.

them enormous power and they often abused it.⁶

The result was a cycle which recurred throughout the past 1,000 years. In general, a continuous conflict occurred between the imperial state administration, which desired to maintain more or less equitable land distribution for the sake of social order and uninterrupted tax revenues, and the tendency of local notables to amass large-scale holdings in land.⁷ Stronger emperors generally achieved greater success in enforcing land laws than did weaker ones, under whom peasant landlessness increased.⁸ Even under stringent laws, local elites often managed to amass large land holdings at the peasants' expense because villages enjoyed a great deal of autonomy and many land laws existed chiefly on paper.⁹

Despite constant legislation during the eighteenth-century Trinh dynasty to ensure their equitable distribution, communal lands were in fact largely concentrated in the hands of the notables. In 1860 the Nguyen rulers of Tonkin again attempted to reform the inequalities of the commune. But ... the notables retained their power: the poorer peasants were either kept in ignorance of the reforms or were afraid to incur the enmity of the notables. Central government had little direct control over the notables' administration of the villages. . . .¹⁰

While the French did not introduce the tenant-landlord system, they did reverse Nguyen Dynasty policies that encouraged smallholdings, and they helped to create and maintain an extremely harsh land tenure system.¹¹ The colonial government conceded large-scale land holdings to French settlers and cooperative Vietnamese elites, which required expropriation of smallholders' lands. By the 1940s, French land concessions totaled more than two fifths of the arable land of Vietnam, most of it in Cochin China in the far South.¹² Further, French authorities established individual proprietary rights to land, which created a land market. Other vital changes took place at the same time. Population growth combined with land expropriation to force peasants onto smaller and

⁶ Francesca Bray, *The Rice Economies: Technology and Development in Asian Societies* (Berkeley, 1986), 171.

⁷ Martin J. Murray, *The Development of Capitalism in Colonial Indochina (1870-1940)* (Berkeley, 1980), 378.

⁸ See, in addition to Murray, Ngo Vinh Long, *Before the Revolution: The Vietnamese Peasants under the French* (Cambridge, Mass, 1973), 5-10, and Callison, *Land to the Tiller*, 35-38.

⁹ Callison, 37, and Buttinger, *The Smaller Dragon* (New York, 1958), 281.

¹⁰ Bray, *The Rice Economies*, 171.

¹¹ *Ibid.*, 181, Callison, *Land to the Tiller*, 37, Murray, *Capitalism in Colonial Indochina*, 50.

¹² Ngo Vinh Long, *Before the Revolution*, 18.

smaller plots, creating an ever larger landless or near landless class. The French appear to have shared with most Westerners, then and now, a belief that peasant farmers deliberately stuck to backward agronomic practices. In the 1920s the French colonial administrator to the delta province of Long Xuyen, M. Le Bret, opined that 'if the small landowner is to be encouraged, the large landowner must not be disregarded; he alone is capable of audacious initiatives.'¹³

Data on colonial land tenure are scarce. However, in 1939 the French economic geographer Pierre Gourou found that in Cochin China 12.5% of cultivated area was comprised of holdings under 5 hectares, 42.5% between 5 and 50 hectares, and 45% in excess of 50 hectares.¹⁴ In Annam, or Central Vietnam, there was far greater population density and fewer European plantations. Large farms tended to be Vietnamese owned, and the small holders and *ta dien*, or tenants, were relegated to extremely small plots. According to Gourou, 95% of peasants farmed 2.5 hectares or less while 69% farmed less than a hectare.¹⁵ The Colonial Agricultural Department director Yves Henry found that in the western Mekong region, smallholders (who owned fewer than 5 hectares) made up 38.3% of total owners but held only 3.3% of land.¹⁶ It appears that the French preference for large farms not only forced Vietnamese peasants onto ever smaller lots, it increased landlessness significantly as well. According to Henry, 36% of the population of Tonkin, in the North, were landless in 1931. Gourou estimated that by 1953 the proportion had risen to 58%.¹⁷ In the Mekong Delta region, during the same period, tenants farmed 80% of the land under cultivation.¹⁸ Pierre Brocheux asserted that Henry, for one, underestimated tenancy rates because land owners tended to farm part of their holdings and rent the remainder out to *ta dien*, whereas in surveys the whole of their land was generally listed as directly farmed.¹⁹ According to Ngo Vinh Long, communal lands became more vital even as they shrank to the point at which they were no longer

¹³ Pierre Brocheux, *The Mekong Delta: Ecology, Economy, and Revolution, 1860-1960* (Madison, WI, 1995), 31.

¹⁴ *Ibid.*, 43.

¹⁵ Murray, *Capitalism in Colonial Indochina*, 397.

¹⁶ Brocheux, *The Mekong Delta*, 43.

¹⁷ *Ibid.*

¹⁸ Callison, *Land to the Tiller*, 39.

¹⁹ Brocheux, *The Mekong Delta*, 47.

sufficient to support the village poor. Population pressure and partible inheritance continued to produce ever smaller plots. Living standards spiraled downward and farm debt increased, as did land expropriations and peasant tenancy.²⁰

Under these conditions, Vietnamese landlords practiced some of the harshest forms of tenancy in Asia. Rents tended to be fixed and averaged 50% of the crop while tenants supplied their own housing, tools, livestock, and supplementary labor. Landlords controlled credit and had the right to buy surpluses at a price they deemed fit. According to Wolf Ladejinsky, an American land reform specialist, these arrangements, combined with cyclical debt, meant that in a good year the tenants' were left with an average of one third of their crop.²¹ This tenure system had historically resulted in cyclical peasant rebellions aimed at landlord practices.²² In the mid 20th century, however, a new kind of rebellion emerged in Vietnam. The temporary conquest of much of Southeast Asia by the Japanese during World War II demonstrated the fallibility of European colonialists and spawned the first large-scale Vietnamese armed resistance in a generation, against the Japanese and later the French. Ho Chi Minh's Viet Minh army, however, did something new. They challenged not only tenurial practices they considered oppressive, but the existence of landlords. New confidence and new ideas infused the Vietnamese resistance and transformed its nature. When Wolf Ladejinsky surveyed peasants in 1955 he concluded that tenurial conflicts had gone too far to be resolved by mere rent reforms. Tenants wanted to own land and would not be satisfied with less.²³

From its early days, the Vietnamese communist party referred to its land policy as its *la bua ho menh*, or talisman. The Viet Minh dealt a fatal blow to what remained of Vietnamese tenurial tradition. In regions they either controlled or influenced, the Viet Minh lowered from about 50% to between 5% and 15% of the harvest. They also began to redistribute land. This had a spill-over effect by depressing rents in areas beyond direct

²⁰ Long, *Before the Revolution*, 16-17, Murray, *Capitalism in Colonial Indochina*, 393.

²¹ Walinsky, Louis J., Editor, *The Selected Papers of Wolf Ladejinsky: Agrarian Reform as Unfinished Business* (Oxford, 1977), 301; Callison, *Land to the Tiller*, 39. For descriptions of tenure conditions during the French colonial period, see also Ngo Vinh Long, *Before the Revolution*, 44-56.

²² For an explanation of the nature of these revolts, see Scott, *The Moral Economy of the Peasant*, especially 127-49, 198-203.

²³ Walinsky, *Wolf Ladejinsky*, 255.

Viet Minh influence as well. Viet Minh reforms in the South in the early 1950s had a lasting effect even after the anti-communist Diem regime took over in 1954. In areas near former Viet Minh strongholds, rents tended to stay below 20%. Elsewhere, rents remained between 25% to 40% of the harvest. Even this was a significant reduction from the average 50% rents paid before the Second World War.²⁴ Where the Viet Minh and National Liberation Front rebellions were strongest, in Central Vietnam and a few provinces of the Mekong delta, most landlords fled their villages and never returned. Many absentee landlords were unable to collect rents regularly, even in reasonably secure areas. Farmers knew who was responsible for these things.²⁵ Upon moving to towns and cities, many wealthier landlords invested in urban economic activity and became politically active in regional and national affairs. The policies of the Diem government make it clear that the landlord classes wielded a great deal of influence upon the regime.

Most senior officials in the Diem government sprang from the urban, mandarin, and landlord classes, as did most of its rural support. Thus, where they could, the Saigon government reappropriated land previously distributed by the Viet Minh and returned it to landlords. This landlord affiliation was to haunt successive Saigon regimes and undermine many of their development programs of the late 1960s and early 1970s. As Chapter Three demonstrated, whatever they felt about communism, few peasant farm families saw the Saigon regime as representing their interests.

The Diem regime instituted a land reform program in the mid 1950s that called for maximum rents of 25% of harvest, the restriction of ricelands ownership to 100 hectares, and the redistribution of 1.8 million hectares of land to new small landowners, who were to pay for their land over 4 years. Theoretically the Diem reforms would reduce both tenancy and rents significantly. In reality, however, they proved anemic. Ladejinsky, who had been an architect of the Diem land reform effort as well as the most important American evaluator of the program, became one of its most vociferous critics.²⁶ Later United States Agency for International Development studies were equally critical. A 1968

²⁴ Callison, *Land to the Tiller*, 40. For a discussion of tenurial conditions during the Viet Minh period, see Walinsky, *Wolf Ladejinsky*, 40-1.

²⁵ For an example of the voluminous evidence on this issue, see Robert Sansom, *The Economics of Insurgency in the Mekong Delta of Vietnam* (Cambridge, MA, 1970), 234.

²⁶ Walinsky, 255-301. See also Callison, *Land to the Tiller*, 46-7, Sansom, *Economics of Insurgency*, 61.

paper found that tenants in the Mekong delta were paying an average of about 35% in rents despite Diem's land reform policies.²⁷ The final USAID report on land reform argued that, largely because landlords remained in control of rural politics, there was no real enforcement of the Diem reforms, which rendered them 'ineffective'.²⁸

A captured 1966 National Liberation Front document indicated that land remained central to the newest manifestation of the revolution. 'The essence of the national problem is the farmer's problem. The basic problem of the farmer is land. This . . . we can never neglect.'²⁹ The Front transformed South Vietnamese land tenure in the 1960s. In much of the country they began redistributing land to peasants who paid NLF taxes and cooperated with the cadres.³⁰ Like the Viet Minh before them, the Front carried out a sustained assault on landlords' interests and persons wherever they could. It was not only landlords, however, who were early targets of the program. The NLF reforms aimed to supply peasant families with a little more land than required for subsistence. This ideal required the confiscation of lands not only from large land owners, but also from peasants who held more than a hectare or two.

By attempting to confiscate and redistribute the lands of these 'middle peasants', the NLF reforms ran into significant early troubles. The middle peasant was only vaguely defined by either side in South Vietnam. With the majority of peasants landless, and average farm sizes about one hectare in the far South and a half hectare on the Central Coast, Callison rather arbitrarily defined middle peasants as those tilling between five and ten hectares. Scott does not use the term, but identifies a group of land owning peasants in colonial southern Vietnam who owned fewer than five hectares.³¹ Both the NLF and the USAID appear to have defined the middle peasant as any landowner of one

²⁷ *Land Reform in Vietnam: Working Papers*, William Bredo et al., 4 vols., publication of Stanford Research Institute, vols 1-2, (Menlo Park, California) B17-B36, Record Group 472, National Archives, Archives II, College Park, Maryland (hereafter Archives II).

²⁸ 'Land Reform', United States Economic Assistance to Viet Nam, 1954-1975, 31 December 1975, USAID Terminal Report, PN-ABH-885, 43, United States Agency for International Development Reading Room, Rosslyn, Virginia (hereafter USAID and document number).

²⁹ 'Land Reform,' Terminal Report 1975, USAID PN-AAX-019.

³⁰ For descriptions of the NLF land reforms of the early 1960s, see Callison, 52-5, 'Land Reform', 31 December 1975, USAID, PN-ABH-885, and *Land Reform in Vietnam: Working Papers*, William Bredo et al., SRI, B17-B36, Archives II.

³¹ Scott, *The Moral Economy of the Peasant*, 78.

to five hectares.³² Captured NLF documents described landless or near landless farmers as poor peasants, small landowners (presumably of 1-5 ha) as 'middle peasants', and landowners of over five hectares as wealthy.³³ This middle group was strongly represented among village notables and generally wielded a good deal of power within their communities.

In 1965, Front leaders realized that they could not yet afford to alienate such an influential sector of rural society. A captured NLF document dated 1965 suspended all previous land reform directives, underscoring that 'solidarity with middle farmers must be properly maintained since these classes formed a solid foundation. . . in the rural areas.'³⁴ One former NLF cadre told Saigon officials that the Front 'took the land from the middle-class farmers. . . and this was a great failure.'³⁵ They halted confiscations of middle peasant lands and concentrated on that of larger landowners.³⁶ The communists' troubles with middle peasants did not end with the fall of Saigon. Ngo Vinh Long alludes to the persistent potency of this group, acknowledging that the Hanoi government had not yet curbed their power by the early 1980s.³⁷

In the 1960s, however, the ripple effect of NLF land policies pushed remaining rents in communist held areas down to about 5% to 10% of harvest by 1966, and depressed land rents in Saigon controlled areas as well.³⁸ Callison reports that 'the overall effect of VC land policies on the peasants' welfare was quite favorable.'³⁹ The effort was a political success as well, clearly establishing the NLF as the champion of the peasantry. This forced the Saigon regime to either capitulate to Front policies or take the side of the landlords, both potentially damaging political choices. Prior to 1970, Saigon's leaders chose the latter. When they regained control of territory, the government often reappropriated land previously distributed by the NLF and returned it to landlords.⁴⁰

³² 'Land Reform,' Vietnam Terminal Report, USAID, PN-AAX-019, p. 24.

³³ Ibid. This report cites captured NLF documents.

³⁴ Ibid.

³⁵ Ibid., 23.

³⁶ 'Land Reform,' United States Economic Assistance to Viet Nam, 1954-1975, 31 December 1975, Terminal Report, USAID, PN-ABH-885.

³⁷ Ngo Vinh Long, 'Agrarian Differentiation in the Southern Region of Vietnam,' in Taylor, John G. and Turton, Andrew, eds. *Sociology of 'Developing Societies': Southeast Asia* (London, 1988), 137.

³⁸ Callison, *Land to the Tiller*, 53.

³⁹ Ibid., 54.

⁴⁰ Joseph Buttinger, *Vietnam: The Unforgettable Tragedy* (London, 1977), 113-4.

By 1966 rents paid for land in the Mekong delta were determined as much by the NLF as by the Saigon regime.⁴¹ NLF influence catalyzed peasant hostility and helped make rural South Vietnam thoroughly hostile to landlords' interests and persons. Henry Bush, a prominent American researcher of land issues, estimated that only 15% of absentee landlords in South Vietnam collected rents regularly in 1969-70.⁴² The seminal American report on pre-1970 tenurial conditions observed that the Viet Cong successfully intimidated landlords not only in contested regions, but also in many areas defined as secure government strongholds.⁴³ As Chapter Four explained, from the late 1960s until the war's end in 1975, approximately 500,000 hectares of previously cultivated land remained abandoned as a result of combat, population movements, and labor shortages.⁴⁴ Many farmers simply squatted where they could. After the communist offensives of 1968, the government's rural access improved, but rent collections continued to lag, the government collected rural taxes only haphazardly, and even low level guerrilla activity continued to make absentee land ownership unprofitable for most. It was in the context of this rural chaos, and partly because of it, that Saigon's massive land reform effort took place.

5.2 THE 'LAND TO THE TILLER' PROGRAM OF 1970 AND ITS EFFECTS

5.2 (i) Nature and Scope of the Reforms

Years of American pressure had failed to move a number of Saigon governments to enact radical land reform. But Nguyen Van Thieu's sensitivity to rural issues, combined with the opportunities offered by the NLF's military defeats in 1968 created a hospitable climate in Saigon at last. Thieu and Minister of Land Reform and Agricultural Development Cao Van Than proposed the law in 1968 and pushed it through the

⁴¹ See Sansom, 60-1, and 'Land Reform,' United States Economic Assistance to Viet Nam, 1954-1975, 31 December 1975, Terminal Report, USAID, PN-ABH-885.

⁴² 'Small Landlords' Dependence on Rent Income in Vietnam', October 1970, Henry C. Bush, Control Data Corporation, USAID ISN-26769.

⁴³ 'Land Reform in Vietnam,' Draft Final Report, June 1967, William Bredo et al., Stanford Research Institute for USAID, MACCORDS 101484, Archives II.

⁴⁴ 'Agriculture', Terminal Report, 31 December 1975, USAID PN-AAX-018.

legislature in a form very near to their original proposal.⁴⁵ Under the 1970 law, landlords lost whatever land they were not themselves farming and were restricted to a maximum ownership of 17 hectares of ricelands. They were to be compensated with cash and government bonds. Peasant farmers could receive up to a maximum of 3 hectares free of charge. Most would receive just over a hectare.

The scope of the program was ambitious. According to the Saigon Government Bureau of Land Affairs, by January 1975, 999,725 titles had been distributed for 1,136,705 hectares of riceland, an average of 1.14 hectares per title, which Callison estimates to have been between 45-50% of total riceland crop hectarage in South Vietnam.⁴⁶ It is impossible to determine the precise performance of the program since complete tenancy statistics did not exist beforehand, a fact that the majority of official reports fail to mention.⁴⁷

Significantly, the 'Land to the Tiller' law elicited only minor opposition from landlords, many of whom were finding land ownership increasingly unprofitable and dangerous.⁴⁸

USAID estimated that nationwide 860,000 families, or about 5 million people—over 25% of the rural population of South Vietnam—may have been direct beneficiaries of Land to the Tiller.⁴⁹ Those who had been paying rents got an immediate and dramatic increase in disposable income. This increase in income, combined with modestly improving credit availability and growing yields from modern rice varieties, swelled investment capital.

Law Professor Roy Prosterman, whose research and advocacy helped lead to the law's implementation, calculates that the central and southern regions of South Vietnam had similar pre-reform tenancy rates.⁵⁰ The benefits of land reform, however, accrued mainly to the southern regions of the country. Most estimates of the program's results suggest that tenancy in the ricelands of the Saigon/Mekong region declined from between

⁴⁵ Callison, *Land-to-the-Tiller*, 79.

⁴⁶ 'Land Reform', Terminal Report, 31 December 1975, 93, USAID PN-AAX-018. See also Callison, *Land-to-the-Tiller*, 327-8.

⁴⁷ 'Land Reform', Terminal Project Appraisal Report, 1 October 1975, USAID PD-AAF-398-E1.

⁴⁸ See Henry C. Bush, Gordon H. Messegee, Roger V. Russell, 'The Impact of the Land to the Tiller Program in the Mekong Delta,' Control Data Corp., October 1972, quoted in 'Land Reform,' Vietnam Terminal Report, USAID PN-ABH-885, and 'Land Reform', Terminal Report, 31 December 1975, 93, USAID PN-AAX-018.

⁴⁹ 'Land Reform', Project Appraisal Report, 29 April 1975, USAID PD-AAF-398-E1.

⁵⁰ Roy L Prosterman, and Jeffrey M. Riedinger, *Land Reform and Democratic Development* (Baltimore, 1987), 131.

60-70% of farmers prior to 1970 to about 10-15% by 1973.⁵¹ Approximately half the farmers in the far South became owner-operators under the program.⁵²

Land to the Tiller did not produce the same results in Central Vietnam, where tenancy rates sank only a few percentage points. Whereas the goals for land redistribution in some delta provinces were in the tens of thousands of hectares, the 1971 goal for Quang Nam, the largest province in Central Vietnam, was a mere 1,000 hectares, and the provincial government failed to achieve it. By the end of the year only 2015 farmers had applied for titles in that province and a mere 300 hectares had been distributed.⁵³ The program was ill suited to the land scarce region where the average plot was already tiny, where most of the landlords who remained were themselves smallholders and lived in economic conditions similar to their tenants, and where the government made less effort.⁵⁴ According to Gabriel Kolko, only 5% of the land targeted for redistribution was in Central Vietnam. USAID reported that 'the law simply did not comfortably fit the Central Vietnam situation. . . . Considerable evidence was developed to indicate that perhaps the majority of landlords in Central Vietnam were little better off, either economically or socially,' than their tenants. Friendly relationships often existed, and landlords 'sometimes helped their tenants in emergencies.' A joint South Vietnamese/USAID report noted that government compensation formulae were based on Mekong region land prices, but that Central Vietnam's land prices were higher, (and as a result, Central Vietnamese owners received less than market value for their land).⁵⁵

Thus, several factors inhibited tenants from applying for land to which they were legally entitled. Little was redistributed 'except for some formerly rented communal

⁵¹ See Henry C. Bush et al., 'The Impact of the Land to the Tiller Program in the Mekong Delta.' See also C. Stuart Callison, 'The Land to the Tiller Program and Rural Resource Mobilization in the Mekong Delta of South Vietnam,' *Papers in International Studies*, Southeast Asia Series No. 34 (Athens, Ohio, 1974), 2.

⁵² Callison, *Land to the Tiller*, 329.

⁵³ Province Senior Adviser Monthly Report for Quang Nam Province, December 1971, Col. George G. Tucker, Jr., Pacification (RD) Reports (Province Senior Adviser Monthly Narrative Reports), United States Center of Military History, Washington, DC. (Hereafter CMH, and Province Monthly Reports respectively).

⁵⁴ USAID Project Appraisal Report, Land Reform, 4.29.75, PD-AAF-398-E1, p.13. Gabriel Kolko, *Anatomy of a War: Vietnam, the United States, and the Modern Historical Experience* (New York, 1985), 391. See also 'Small Landlords' Dependence on Rent Income in Vietnam,' October 1970, Henry C. Bush, Control Data Corporation, USAID ISN-26769.

⁵⁵ Joint Evaluation Report, 'Vietnam Land to the Tiller Program,' Third Draft, Phi Ngoc Huyen, Ministry of Land Reform, Gerald H. Huffman, USAID, 5 November 1971, USAID 62-36605.

lands.⁵⁶ Significantly, there is evidence that most Central Vietnamese peasants were opposed to the distribution of these lands. According to Callison, 'out of 676 villagers interviewed in five provinces along the Central Coast, only 24% favored the distribution of communal land (which represented 55% of all rented land in those provinces in 1960-61) to the current tillers: whereas 76% of the 269 villagers interviewed in the southern province of Long An Province (where 10% of all rented land in 1960-61 was communal) were in favor of it.'⁵⁷ Henry Bush attributed the Central Vietnamese sentiments to the fact that communal lands there still 'provided basic welfare security.'⁵⁸ For the majority of Central Vietnamese farmers, landless peasants, or those who needed to supplement their tiny plots with rented land, communal land was a scarce and valuable commodity. It is possible that the 24% of Central Vietnamese polled who supported the distribution of communal lands were mainly those who stood to receive the titles. Jewett Burr noted that landlords opposed the reforms so violently in many areas of the central coast, that they threatened tenants who sought to apply for land titles. He believed that this contributed to the relatively weak peasant response in that region. He further pointed out that some of the most vociferous opposition to Land Reform in Central Vietnam came from village officials, who feared losing lucrative influence over the communal lands that were to be expropriated under the program.⁵⁹ Some Central Vietnamese peasants were tenacious in their efforts to acquire land titles under the program, and it appears that demand exceeded eventual supply of land titles there. Jewett Burr, who studied land reform in Central Vietnam first hand while there with USAID, found that in January 1971, 787 peasants in Quang Ngai province applied for the distribution of 1,956 hectares. By July 1971, only 27 had received titles. In one Quang Ngai village, a group of farmers applied for land under the program eight separate times, and got nothing.⁶⁰ Burr blames this failure not on lack of peasant demand, but on insufficient attention and willful obstruction by provincial government officials who profited under the old

⁵⁶ 'Land Reform,' Project Appraisal Report, 29 April 75, USAID PD-AAF-398-E1.

⁵⁷ Callison, *Land-To-the-Tiller*, 78.

⁵⁸ Callison cites two Control Data Corp. reports: Fitzgerald and Bush, 'Land Ownership and Tenancy,' pp. iv-v, 34-5, and Bush, 'Village Use of Communal Riceland,' pp. 22-3. *Ibid.*, 78.

⁵⁹ Jewett Millard Burr, 'Land to the Tiller: Land Redistribution in South Viet Nam, 1970-1973,' Ph.D. Dissertation (University of Oregon, 1976), 225, 236-40.

⁶⁰ *Ibid.*, 314-15.

system.⁶¹ By March 1973, according to Burr, the government had distributed only 28,969 hectares in Central Vietnam while 909,900 hectares gone to farmers in the Mekong/Saigon region.⁶²

Nevertheless, peasant response in the Central region was tepid in comparison to that in the South, and post-war events indicate that the region's attitude toward secure property rights in land have remained so. According to Vietnamese economists Vo Nanh Tri and Nguyen Xuan Lai, whereas Mekong peasants had furiously resisted the loss of individual property rights in the 1970s and 80s, 'in the coastal plains of Central Vietnam forced collectivization did not meet strong reaction from the peasants because of certain specific economic and political factors.'⁶³

An advocate of the moral economy school of thought might argue that the relatively muted response of Central Vietnamese peasants to land redistribution, and to later collectivization efforts, represented a resistance to the commercialization of agriculture and a desire to maintain a cooperative approach to agricultural production. Although there was a clear economic reason for most farm families in Central Vietnam to resist the distribution of communal lands to individuals, the 1970 land reforms do not provide a solid platform on which to base a comparison of peasant economic behavior in the regions of South Vietnam. As constituted, Saigon's land redistribution policy was inappropriate for Central Vietnam, which renders comparisons problematic at best. Suffice it to refer to Chapter Four's conclusion that peasants in Central Vietnam displayed enough tendency to pursue individual or family economic gain to cast doubt on the existence of a separate economic system in that region. As we will see, however, despite its failure on the coastal plains, the economic changes the law wrought in the Mekong region were enough to have a profound effect on South Vietnam. The urgent question for the Saigon government was whether the program resulted in immediate political gain.

⁶¹ Ibid., 327.

⁶² Ibid., 321.

⁶³ Vo Nanh Tri, *Vietnam's Economic Policy Since 1975* (Singapore, 1990), 79. Tri cites Nguyen Xuan Lai, 'Questions of Agrarian Structure,' 37-40.

5.2 (ii) The Political Effects of Land Reform

As with all U.S.-backed nation building programs, political goals were central to the Land to the Tiller program. A multiplicity of documentary sources indicate that land reform did win some support for the South Vietnamese government, but there is minor controversy over whether it was the political panacea that Saigon and Washington hoped for or thought they recognized.⁶⁴ Former USAID officials who helped to implement the program come down on both sides of the debate. Mike Korin, who worked exclusively on land reform while in Saigon, calls it a marked success.⁶⁵ But John Bennet, the last director of USAID's Saigon mission, calls Land to the Tiller 'a total waste of time' politically, because the NLF had already redistributed land. Land reform, he contends, did not transform peasant loyalties and was only valued by peasants because it is better to have two governments guarantee your land than one. Bennet attributes the agricultural production gains that followed to new rice varieties and market reforms, not land reform.⁶⁶

Among those who believe land reform achieved its political goals, William Colby claimed that because the reforms were carried out by local administrations, rather than Saigon bureaucrats, they produced stronger ties between rural South Vietnamese people and the government.⁶⁷ Walt Rostow agrees.⁶⁸ Several USAID reports speak of the program's political effect in euphoric terms.⁶⁹ An expansive Mekong delta study carried out in the early 1970s made use of extensive peasant interviews and concluded that land reform had significantly strengthened peasant support for the Saigon government in most villages. According to Henry Bush et al., the Saigon government increased rural tax collections, an indicator of government presence, and potentially of influence. Without

⁶⁴ For a variety of views on the subject, see Callison, *Land-to-the-Tiller*, 220-39, 282, 336-41. Kolko, *Anatomy of a War*, 389-90. Neil Jamieson, *Understanding Vietnam* (Berkeley, 1993), 367; Jeffrey Race, *War Comes to Long An* (Berkeley, 1972), 214-15.

⁶⁵ Michael Korin, USAID, interview with the author, 15 August 1994, U.S. Department of State, Washington, DC.

⁶⁶ John Bennet, USAID economic officer Saigon, 1963-65, Deputy Director USAID Mission Saigon, 1973-75, Acting Director, 1975. Telephone interview with the author, 23 August 1994.

⁶⁷ William Colby, *Lost Victory* (New York, 1989), 300-01.

⁶⁸ See Walt Whitman Rostow quoted in Dacy, *Foreign Aid*, 71-2.

⁶⁹ See, for example, 'Land Reform,' Viet Nam Terminal Report, 31 December 1975, USAID PN-ABH-885.

giving figures, the report cited increased participation in village elections as evidence that Southern farmers had become more active politically. Peasant farmers interviewed for the report also expressed greater identification with the government.⁷⁰ The USAID's terminal land reform report marveled that land reform was so popular among delta farmers interviewed for Bush's study that 'it gets credit for more than it could possibly have effected.'⁷¹ The inquiry, it should be noted, was conducted mainly in secure Mekong delta villages, which may have skewed its findings.⁷² Moreover, it would be so difficult to find a causal link between increased participation in village elections and land reform that the observation is probably fatuous. In any case, it is clear that many peasants welcomed the Saigon government's land titles.

Several factors did weaken the political effect of the Saigon program. The very chaos that helped make the program possible also blunted its political effect, as the lack of resistance by landlords suggests. Had landlords been collecting rents successfully, they would likely have fought the measure harder. Thus, land reform did not represent the universal rent relief for land recipients usually associated with such programs. And, as Kolko points out, NLF land distribution, wartime conscription, and population movement had produced conditions of land surplus and labor scarcity in many parts of the Mekong/Saigon region. This, he believes, meant that access to credit and expensive inputs had replaced land as the central issue for peasants. The Mekong delta peasant, Kolko declares, 'simply no longer needed land reform, however strong his traditional desire to own land. . . . In a situation of labor scarcity and land surplus, reform ceased to have any real meaning.' Additionally, he argued, in areas of continued land scarcity, such as Central Vietnam, land reform failed.⁷³ Later sections will demonstrate that Kolko had a point, even if he vastly overplayed it. Though land remained a central concern to peasants, issues of credit and marketing had indeed begun to loom large.

Some peasant distrust of the program was likely confirmed when a number of

⁷⁰ See Henry C. Bush, et al., 'The Impact of the Land to the Tiller Program in the Mekong Delta,' 41-51. See also Terminal Report, 31 December 1975, USAID PN-ABH-885, p. 82.

⁷¹ 'Land Reform,' Terminal Report, 31 December 1975, USAID, PN-ABH-885, p. 83.

⁷² Callison, *Land to the Tiller*, 289.

⁷³ Kolko, *Anatomy of a War*, 390, 392.

former landlords reclaimed their land with the help of corrupt local officials.⁷⁴ In many areas the program was slowed and corruption aided by the lack of accurate land registers (the keeping of which faltered during the war) and the resistance of both tenants who were renting more land than would be possible under the law, and landlords who still profited under the old system. Moreover, Saigon's land program followed two reasonably successful communist reforms. According to Jeffrey Race, by 1970 the program was 'little more than the Saigon government's stamp of approval on a land redistribution already carried out by the [communist] Party--in many cases a quarter of a century before. Communist defectors interviewed made the striking analogy that one is, after all, hardly grateful to a thief who is compelled by force of circumstance to return stolen property.'⁷⁵

However, Race's implication that Saigon simply returned the land tenure situation to a condition that the communists had previously created is exaggerated. The Thieu reforms were more extensive than the NLF had been able to mount and created far more farmer-owners than had ever before existed in Vietnam, North or South. Moreover, NLF reforms were contingent upon peasant cooperation: the payment of taxes without complaint, supplying information about government troops, attending party meetings and the like. Government reforms, in contrast, were meant to help any landless peasant who applied. In comparison, communist reforms were 'discriminatory and piecemeal.'⁷⁶

In spite of its weaknesses, peasant response to the 1970 land redistributions was clearly positive, especially in the far South. One measure of rural sentiment toward land redistribution was the National Liberation Front's response. An American author of the *Land to the Tiller* law believes that '[The NLF] opposed the program with propaganda but made no effort to physically interfere with the titling process, apparently recognizing that to do so would be extremely unpopular among the peasantry.'⁷⁷ One USAID report claims that in fact the NLF initially resorted to violence against peasants who accepted land titles, but desisted when it became clear the program was popular and that further

⁷⁴ Joseph Buttinger, *Vietnam: The Unforgettable Tragedy*, 113-4.

⁷⁵ Race, *War Comes to Long An*, 214-15.

⁷⁶ Callison, *Land to the Tiller*, 52.

⁷⁷ Prosterman and Riedinger, *Land Reform*, 139.

NLF disruption would hurt food production.⁷⁸ Jewett Burr noted that Hanoi's Liberation Radio initially down-played Saigon's land redistribution, but mounted increasingly vitriolic attacks as the program gained momentum, 'a sure sign that Land to the Tiller was construed as a very dangerous counter-revolutionary activity'⁷⁹

This alone exposes the gross inaccuracy of Kolko's contention that land reform had ceased to have real meaning for South Vietnamese peasants. There is, however, more. Comparative evidence exists that as rents go down, demand for secure property rights slackens.⁸⁰ Yet it is hard to defend the argument that demand for land disappears, and indeed Kolko does not defend it, citing no evidence in support of his claim. Kolko's argument assumes, as no peasant ever would, static conditions. Peasants, often living near to subsistence levels, habitually keep a weather eye out for potential problems, and would have taken a long term view of land rights. They knew the war would not last forever and that land scarcity might return to the Mekong region. Eric Wolf contends that he has never encountered a situation in which land issues were unimportant to peasants.⁸¹ The sheer preponderance of pre and post reform reports and rural polls, imperfect as they were, citing land as the central issue in peasant life, supplies convincing evidence that property rights retained meaning to peasants in the far South. In one example, Prosterman cites a poll in which Mekong peasants cited land five times more often than security as the most important concern in life.⁸² William Bredo's pre-reform survey for the most extensive American study of land issues in Vietnam found overwhelming empirical evidence of desire among landless farmers to own land.⁸³ Henry Bush's 1972 study found that recipients were pleased to have government titles to land.⁸⁴ American researchers, however, largely ignored Central Vietnamese farmer attitudes until after redistribution had begun. When at last they began to redress this oversight, the Americans, as subsection 5.2 (i) demonstrated, found widely diverging

⁷⁸ 'Land Reform,' Vietnam Terminal Report, USAID, PN-AAX-019, pp. 22-3.

⁷⁹ Burr, 'Land to the Tiller,' 305.

⁸⁰ Feeny, 'The Development of Property Rights in Land,' 282.

⁸¹ Eric Wolf, *Peasants*, (Edgewood Cliffs, NJ, 1966), 92.

⁸² See, for instance, Prosterman and Riedinger, *Land Reform*, 132.

⁸³ *Land Reform in Vietnam: Working Papers*, William Bredo et al., vol. IV-I, 83-6, Archives II.

⁸⁴ Henry C. Bush et al., 'The Impact of the Land to the Tiller Program in the Mekong Delta,' 41-51.

attitudes about village communal lands between Southern and Central Vietnam.

In short, peasants who gained from the program, and they were many, were glad of it. And, as the following subsection will demonstrate, the redistribution was far more successful economically than its detractors insisted. But land reform profited the Saigon government little in a political sense. But the program failed to achieve its goals, not under the weight of its imperfections, but because the South Vietnamese peasantry and the Saigon government remained unreconciled. Rural distrust of the government ran far deeper than agrarian reform could reach. It was a fact that must have been particularly galling to policy makers in the early 1970s; despite its appropriateness and popularity in the Mekong region, and despite the surging agricultural economy, Saigon's political standing in the countryside remained poor.

A general consensus, however, has formed around the idea that the reforms might have cut more political ice had they been enacted in the early 1960s. This view is supported by a remarkable variety of critics and supporters. The USAID's terminal study lamented that the United States did not push for reform in the 1950s, when it could have been the most politically effective, because Americans failed to heed other examples in economic history and "grasp the relevance of the contemporary successful Asian Land Reforms in Japan, Taiwan, and South Korea."⁸⁵ Kolko, one of the program's most vociferous Western critics, Roy Prosterman, one of the programs champions in the late 1960s, and peasant farmers who received land, agreed that Land to the Tiller was about a decade too late in a political sense.⁸⁶ It came on the heels of a series of broken promises, failed programs, and nearly two decades of government association with landlords interests. Many farmers simply did not trust the government's paper land deeds. Saigon had historically resisted land reform, and effacing its image as champion of landlord interests among the peasantry could not be accomplished in one or two seasons.

It is a crucial point that the NLF's land redistributions appear to have elicited the same response as Saigon's. Despite the popularity of the Front's land redistribution, it did not win them the profound popularity they sought, as Frances Fitzgerald, alone

⁸⁵ "Land Reform," Vietnam Terminal Report, 31 December 1975, USAID PN-ABH-885, p. 73.

⁸⁶ Kolko, *Anatomy of a War*, 391. Prosterman and Riedinger, *Land Reform*, 139. "Land Reform," Viet Nam Terminal Report, 31 December 1975, USAID PN-ABH-885, p. 65.

among scholars, observed. `It made the new proprietors see the advantage of maintaining an NLF presence somewhere in the neighborhood, but it did not by itself convince them of the necessity of an NLF government, nor did it often persuade them to give up their hopes for a quiet, secure life and go out to fight for the NLF.¹⁸⁷ As Chapter Two demonstrated, the Front only attracted the full-blooded participation of a minority of the southern population. Peasants gladly accepted their land titles from both sides, and never wholeheartedly supported either one.

Nevertheless, despite the increasing importance of credit and technology to Vietnamese farmers, despite their unwillingness to commit en masse to either side, land remained central both politically and economically. And, as we will see, the Hanoi government would discover in the post-war period that property rights remained both a deep concern to Vietnamese farmers of all regions and a key to economic success. South Vietnamese peasants, especially in the Mekong region, wanted land titles and the many peasants who profited from Saigon's reforms welcomed them. The meaningful questions are not those that most scholars have focused on, whether land redistribution succeeded economically or was popular, but whether it changed peasant sentiments toward the government. Plainly, it did not.

5.2 (iii) Economic Effects of Land Reform

Although we have only a few crop years to measure the economic effects of land reform, it appears that the program contributed to South Vietnam's economic growth. As we have seen, the program fared poorly in Central Vietnam relative to the far South. And in the flood plains of the western Mekong delta, where cultivation of `floating rice' predominated, the law's three hectare limit proved damaging. Floating rice yielded less than transplanted rice, so the optimal farm size was four hectares. The fragmentation of holdings mandated by Land to the Tiller resulted in many cases in declining farmer income and welfare.⁸⁸ Nevertheless, Vietnamese rice production was dominated by

⁸⁷ Frances Fitzgerald, *Fire in the Lake: The Vietnamese and the Americans in Vietnam* (Boston, 1972), 157.

⁸⁸ See Callison, *Land to the Tiller*, 196, and `Land Reform,' Terminal Report, 31 December 1975, USAID PN-ABH-885.

transplant rice in the Mekong/Saigon region, and the program fared well in that environment.

A 1972 USAID report based on a study of 44 villages in 9 delta provinces in the Mekong/Saigon region credits the reforms with increasing total output, income, demand for labor, investment in infrastructure, new technologies and farming methods, and decreasing village inequality by redistributing income downward to more farmers. The report also cites a growing market for consumer goods and building materials as rural incomes rose.⁸⁹ Marxian economist Rehman Sobhan criticized the 1970 law for not redistributing wealth profoundly enough, but found strong circumstantial evidence that land reform contributed to significant increases in peasant incomes.⁹⁰ Prosterman found higher yields per hectare among land recipients than among non-recipients,⁹¹ probably, as this chapter will demonstrate, because they were more willing than tenants to invest in new technology. Moreover, by severing the tie between tenant and landlord, the agricultural sector lost virtually nothing, since few landlords were investing in infrastructure or improved production methods.⁹²

The pursuit of a small farm strategy was primarily a political response to peasant sentiments. Moreover, South Vietnam's industrial sector was too small to absorb the excess agricultural labor that would have resulted from land consolidation and mechanization. As the previous chapter demonstrated, however, political and economic goals coincided in 1970. And, as Chapter Three explained, there is a general consensus among economists that smaller farms are more productive per unit of land than larger farms, given relatively low levels of mechanization. Hence, land redistribution in the small farm context was economically appropriate for South Vietnam in this period.

As established above, the government redistributed little land in Central Vietnam and the average farm size remained stable before and after 1970. In the Mekong/Saigon region, however, where population pressure was less, land reform reduced the average

⁸⁹ Henry C. Bush et al., 'The Impact of the Land to the Tiller Program in the Mekong Delta,' and 'Land Reform,' Terminal Report, 31 December 1975, USAID PN-ABH-885, 82. See also Callison, *Land to the Tiller*, 196, 292, 328-36.

⁹⁰ Rehman Sobhan, *Agrarian Reform and Social Transformation*, 25.

⁹¹ Prosterman and Riedinger, *Land Reform*, 140.

⁹² Callison, *Land to the Tiller*, 329.

size of land holdings by breaking up most of the remaining large and medium farms. Table 5.1 affords a rough comparison of farm size distribution between Central Vietnam and the far South. Please note that figures for Central Vietnam would have changed very little between this 1960-61 census and the early 1970s, since the Viet Minh had already driven most large and medium landlords to the cities. Southern region figures depict distribution before both NLF and Saigon government reforms. Table 5.2 depicts the pre-1970 distribution of operational farm size in the far South, after NLF redistribution and just before the Saigon reforms.

Table 5.1
Distribution of Rice Farms by Farm Size and Region
1960-61 (Agricultural Census, South Vietnam)⁹³

Farm Size <i>in ha.</i>	18 Provinces of Southern Region <i>% farms</i>	9 Provinces of Central Lowlands <i>% farms</i>
< 0.5	5.68	43.27
0.5 to 0.9	16.18	31.73
1.0 to 1.9	33.86	19.03
2.0 to 2.9	18.49	3.86
3.0 to 4.9	15.67	1.59
5.0 ≤	10.12	0.52

The Stanford Research Institute surveyed 440 farmers from the southern region provinces and found that in 1968 among both owners and tenants, the average farm size was 2.85 hectares. The distribution was as follows:

Table 5.2
Size Distribution of Rice Farms in Southern Region⁹⁴

<u>Hectares</u>	0.1-0.4	0.5-0.9	1.0-1.4	1.5-1.9	2.0-2.9	3.0-3.9	4.0-4.9	5.0-7.4	7.5-9.9	10-19.9	20-29.9	30-49.9	50-99.9
<u>% of owners and tenants</u>	10.5	15.5	22.5	7.5	17.7	8.9	4.8	6.6	2.3	1.8	0.9	0.5	0.7

Before 1970 in the southern region, roughly three quarters of farmers, both owners and tenants, farmed fewer than 2.9 hectares of land (the operational size of farms). Regional data are not available for the post-redistribution period and there is no way to make a direct comparison with the figures in tables 5.1 and 5.2. There is evidence, however, that the size of privately owned rice farms fell significantly. Callison studied three villages in the single transplant areas of the Mekong delta before the reforms in 1970 and again afterwards in 1972 and found the following. Whereas only 26.5% of privately owned ricelands in these three villages had been 2.99 hectares or smaller before reforms,

⁹³ Source: 'Rice Cost of Production in Vietnam--1968/69. Rice Crop and Preliminary Estimates for 1970.' Ray S. Fox, United States Department of Agriculture, March 1971, USAID, VM 338-17318-F793.

⁹⁴ Callison, *Land to the Tiller*, 361. Please note that these figures include farms growing floating broadcast rice, which averaged about 4 hectares before land redistribution, and therefore drive the average farm size well above the figures quoted for single transplant rice below.

afterwards, 61.6% were smaller than 2.99 hectares.⁹⁵ Again, these figures denote privately owned ricelands, not the operational size of farms depicted above for the pre-reform period. Many smaller farmers would have continued to supplement what they owned by renting extra land, and many larger farmers would have continued to rent portions out. Thus, in operational terms crucial to questions of optimal farm size, fewer than 61.6% of farms would have been smaller than 2.9 hectares. In any case, Callison's findings demonstrate that the number of small farms grew dramatically relative to larger farms in the Mekong region as a result of the 1970 land reforms. Moreover, smaller farms were now more likely to be owned, rather than rented, and the greater productivity of owned land has been amply demonstrated.

Callison stressed that post-reform rice farm size in South Vietnam was efficient in terms of land productivity (he does not discuss total factor productivity).⁹⁶ Bray details the different economies of scale that affect wet rice farming versus dry-land rice farming, and argues that, while profitability and productivity of household labor may decrease with farm size, small farms tend to produce higher yields per unit of land than large farms.⁹⁷ The findings in Chapter Four buttress this contention for South Vietnam where productivity of household labor on small South Vietnamese rice farms increased after land reform, and was high compared to many other Asian countries. Frank Ellis contends that farm type is more important than farm size. Family farms, he notes, are most efficient –again, on a yield per hectare basis and not in returns to labor– because families are highly motivated workers on their own land, know their land's idiosyncrasies better than a larger or commercial farmer would, and have flexibility in seasonal labor deployment.⁹⁸

Available data suggests that the reduction in mean and modal farm size resulting from Land to the Tiller contributed to the growth of the national mean for rice yields per hectare. Later research, including Ellis's, lends further plausibility to this hypothesis.

⁹⁵ Ibid., 367-74. Callison also studied Hoa Binh Thanh village in the floating rice region from which he derived only partial data. In 1972, with about 40% of designated land redistributed in average parcels of 1.86 ha, the average holding for title recipients was 4.18 ha and the average operational farm size was 5.5 ha. Please see pp. 175-87.

⁹⁶ Ibid., 330.

⁹⁷ Bray, *The Rice Economies*, 6, 115, 164-5.

⁹⁸ Ellis, *Peasant Economics*, 207.

Post-1970 tenurial conditions appear to have been a considerable improvement over any tenure system extant in South Vietnam since the beginning of the colonial era. The complementarity of development programs played a significant role in the economic success of agrarian reform. Land redistribution was especially beneficial to farmers because it occurred just after the introduction of scale neutral and highly divisible modern rice varieties which, as Chapter Four demonstrated, improved marginal returns to labor on South Vietnamese farms.

Table 5.3 below depicts rice and crop production in South Vietnam before and after the introduction of improved rice technology, as well as before and after agrarian reform. It demonstrates a strong correlation between land reform and output increases. Attributing cause, however, is more difficult. Other factors such as increased security, modern rice varieties, improved infrastructure, price policies more advantageous to farmers, and greater availability of fertilizers and pesticides also helped increase gross rice production. In fact, Callison implies that new rice varieties were most responsible for these gains.⁹⁹ The data in Table 5.3 support this, since in the post reform period only rice production per hectare increased while production of other crops, which generally had not gained from the introduction of modern seed varieties, remained stagnant. It is true that modern rice technology and concomitant production increases preceded land reform by four growing seasons. As Chapter Four demonstrated, gross rice output increased nearly 20%, from 4,366 metric tons in 1968 to 5,500 in 1970 and modern varieties may have accounted for over 90% of this increase. By then, South Vietnamese farmers had adopted modern rice varieties widely while the legislature was still debating land reform. As Table 5.3 indicates, however, rice production continued to increase after the 1970-71 season, in conjunction with agrarian reform, topping out at 7,165 metric tons for the 1973-74 harvest. At the very least, agrarian reforms and Green Revolution technology were highly complimentary endeavors. This contention is reinforced, as successive sections will show, by similar experiences in Japan, Taiwan, and South Korea. But clear evidence from South Vietnam exists, where agrarian reform appears to have contributed to production growth both through increased farmer income, increased credit available for

⁹⁹ Callison, *Land to the Tiller*, 202.

investment, and through inducing a change of investment attitude. Thus, the degree to which land recipients became more willing to invest their surpluses in improvements such as dikes, irrigation, and inputs becomes a critical test of the success of the program.

Table 5.3

Crop Production in South Vietnam between 1956 and 1974 (thousand tons)

Year	<u>Total</u>			<u>Per capita</u>		
	Rice	Other crops*	Total	Rice	Other crops*	Total
1956	3,412	1,337	4,749	0.28	0.11	0.39
1957	3,192	1,416	4,608	0.25	0.11	0.36
1958	4,235	1,429	5,664	0.32	0.11	0.43
1959	5,092	1,550	6,642	0.38	0.12	0.50
1960	4,995	1,795	6,750	0.36	0.13	0.49
1961	4,607	1,842	6,449	0.32	0.13	0.45
1962	5,205	1,934	7,139	0.36	0.13	0.49
1963	5,357	1,987	7,344	0.36	0.13	0.49
1964	5,185	1,929	7,114	0.33	0.12	0.45
1965	4,822	1,834	6,656	0.30	0.12	0.42
1966	4,336	1,613	6,949	0.26	0.10	0.36
1967	4,688	1,529	6,217	0.29	0.09	0.38
1968**	4,366	1,368	5,734	0.25	0.08	0.33
1969	5,115	1,253	6,368	0.29	0.07	0.36
1970***	5,500	1,326	6,826	0.30	0.07	0.37
1971	6,100	1,429	7,529	0.32	0.08	0.40
1972****	5,900	1,272	7,172	0.30	0.07	0.37
1973	6,600			0.33		
1974	7,165			0.35		

*Computed as 'rice equivalent' tonnages.

**First harvest of modern rice varieties from 1,000 hectares.

***Promulgation of Land to the Tiller Law.

**** 1972 was a drought year in the Mekong delta, and Central Vietnam suffered from extensive flooding.

Source: Douglas Dacy, *Foreign Aid, War, and Economic Development*, 74.

Among 985 farm families in 44 Mekong delta villages and nine provinces, Bush et al. found that farmers who had received land in the 1970 reforms made 46% more investment per farm than tenants, and crucially, 17% more than wealthy owner/operators. Land title recipients were more likely than tenants to switch from single to double cropping, increase their use of fertilizer, construct irrigation canals and dikes, invest in new farm implements, raise fish as a protein source, and increase animal husbandry. They were also more likely to plant new secondary crops than both tenants and larger owner/operators. The authors believed, and Callison concurred, that the main force behind these increases in investment was not simply the increase in income or credit availability, but that ownership gave farm families the right to make their own operational decisions and assured that they would not be legally evicted, making it more likely that they would enjoy the fruits of their investments. Yet another factor creating incentive to invest would have been that as owners, peasants would receive 100% of the returns on investment, rather than a mere share. Indeed, Bush found that land title recipients were seven times more likely to name new agricultural techniques and investments as causes for improvements and nine times as many recipients as tenants claimed to be using these new techniques.¹⁰⁰

Other research has bolstered Callison's findings for South Vietnam. Francesca Bray makes a strong case for land reform as a prerequisite to rural growth in rice economies.¹⁰¹ Political scientist James Putzel asserted that land redistribution to break the dependence of peasants on patrons 'is a precondition to rural progress' and long term development.¹⁰² Gershon Feder, a World Bank economist, has found for Thailand a clear linkage between secure landed property rights and the increasing use of inputs and higher output.¹⁰³

While land redistribution is essential, it cannot stand alone if meaningful development goals are to be achieved. The economist Yujiro Hayami pointed out that modern crop varieties compliment the land reform process. Agrarian reforms such as land distribution and institutional credit 'will have little chance of success to achieve

¹⁰⁰ Bush et al., 'The Impact of the Land to the Tiller Program in the Mekong Delta', cited in Callison, *Land-to-the-Tiller*, 292-3.

¹⁰¹ Bray, *The Rice Economies*, 191.

¹⁰² James Putzel, *The Captive Land: The Politics of Agrarian Reform in the Philippines* (London, 1992), 33.

¹⁰³ Feder, 'Land Ownership Security and Farm Productivity,' 17.

more equitable distributions of income and assets unless they are supported by the efforts to counteract the decreasing return to additional labor applied per unit of land area.¹⁰⁴ Michael Lipton argued succinctly that `redistributive and market reforms are not successive, nor rivalrous, but complimentary.¹⁰⁵ And Rehman Sobhan, while he badly underestimated the positive effects of South Vietnamese agrarian reform, made a highly convincing case for radical land redistribution and secure property throughout the developing world, arguing that any country failing to do so has little chance of escaping the bottom of the global economic food chain. `Only those very few developing countries that have achieved reform sufficiently radical and egalitarian to eradicate effectively conditions of social differentiation in the countryside have made headway in achieving sustained economic growth, as well as rapid industrialization, and have thus made the greatest advances in eliminating both endemic hunger and relative deprivation.¹⁰⁶ In South Vietnam itself, Bush's extensive 1972 study for USAID found a high correlation between land reform implementation and improved economic conditions.¹⁰⁷ The combination of new technology and agrarian reform boosted the South Vietnamese economy as a whole because both produced increases in production which in turn resulted in increased marketable surpluses. Peasant families consumed more, but output increased by a greater degree.¹⁰⁸

This may not have been a forgone conclusion. As Chapter Three made clear, increased foodgrain production has been observed to lead, indirectly, to decreased marketed surpluses by creating more `middle peasants' who are wealthy enough to consume more of their produce and market less when prices rise.¹⁰⁹ Although the easing of price controls allowed the price of rice to rise even as production increased, there is

¹⁰⁴ Hayami, Yujiro, `Assessment of the Green Revolution,' in *Agricultural Development in the Third World*, eds. Carl K. Eicher and John M. Staatz (Baltimore, 1990), 395.

¹⁰⁵ Michael Lipton, `Market, Redistributive and Proto-Reform: Can Liberalization Help the Poor?' *Asian Development Review*. Vol. 13, No. 1, 1995, 9.

¹⁰⁶ Sobhan, *Agrarian Reform and Social Transformation*, 4.

¹⁰⁷ See Henry C. Bush et al., `The Impact of the Land to the Tiller Program in the Mekong Delta,' 41-51.

¹⁰⁸ Callison, *Land-to-the-Tiller*, 202-3.

¹⁰⁹ P.N. Mathur and H. Ezekiel, `Marketable Surplus on Food and Price Fluctuations in a Developing Economy,' *Kyklos*, 1961, 316-406, and Directorate of Economics and Statistics, Indian Ministry of Food and Agriculture, *Report on an Enquiry into the Pace and Pattern of Market Arrivals of Food grains (Seasons 1958-9)*, cited in T. N. Krishnan, `The Marketed Surplus of Food grains,' in *Readings in Indian Agricultural Development*, ed. Pramit Chaudhuri (London, 1972), 99.

evidence that middle peasants in South Vietnam did not suppress marketed surplus. Ngo Vinh Long estimated that by 1975, approximately 70% of farmers in the Mekong region were middle peasants, and that they owned 80% of the cultivated surface.¹¹⁰ Had so large a portion of the country's farmers been reluctant to market their rice, national rice availability figures would have been far lower than the evidence indicates. Lacking sufficient data on pre-reform marketing habits of poor and middle peasants to make a quantitative case, we may conclude from the production data at hand that the confluence of new technology and land reform increased participating peasants' production well beyond levels they could retain for their own consumption.

Moreover, land reform may have been one of those rare programs that helped to increase productivity where it was most needed. Callison found evidence that, after land redistribution, farmers in villages with the smallest increase in income and the least available credit were 70% more likely to invest in productive inputs than in villages enjoying mean or greater increase. And farmers from poor provinces were more likely than those from wealthier provinces to credit land reform with improving their incomes, perhaps because there was more inequality in these provinces to begin with.¹¹¹ In an economic sense the combination of agrarian reform, especially land redistribution, and improved, highly divisible agricultural technology, was the most successful endeavor of the era. As one USAID official marveled, 'Rice production even exceeded the previous highest production years (in the 1930s) when Vietnam was an important rice exporter--and this was done on only 60% of the paddy land used in the 1930s as the statistics then included both North and South Vietnam.'¹¹²

5.2 (iv) Post War Evidence of the Appropriateness of Secure Property Rights

Another indication of the economic and political appropriateness of both NLF and Saigon government land redistribution is the post 1975 history of agrarian practices and land tenure in the Mekong delta region. The Hanoi government originally attempted to

¹¹⁰ Ngo Vinh Long, 'Some Aspects of Cooperativization in the Mekong Delta,' in David Marr and Christine Pelzer White, eds., *Postwar Vietnam: Dilemmas in Socialist Development* (Ithaca, NY, 1988), 169

¹¹¹ Ibid., 196.

¹¹² 'Crop Production,' Terminal Project Appraisal Report, March 1975, USAID, PD-AAF-584-D1.

revoke NLF and government land titles and to communalize farming in the southern regions.¹¹³ But collectivization attempts brought about `fierce resistance from the restive peasants of the Mekong Delta, including those who actively supported the communists during the war with the United States. This was evident from their boycotting of the cooperative movement, refusing to harvest crops in time, abandoning large stretches of land, slaughtering livestock, destroying fruit trees, selling machines and farm implements before joining the production collectives, and even challenging the cadres-in-charge.¹¹⁴ As a result of these land policies, as well as pricing and distribution policies unrelated to supply and demand, agricultural production in the Mekong region fell considerably after 1975 and had reached a crisis by 1978. Rice production in the south dropped 21% between 1976 and 1978.¹¹⁵ Even Secretary General of the Communist Party Truong Chinh later admitted that `Had our policies. . . been rational, the peasants would certainly not have given up tilling.¹¹⁶

Peasant unrest and plunging production forced Hanoi to reverse its policies in the mid-1980s and reinstate a smallholding system resembling the Land to the Tiller campaigns of the 1960s and 1970s.¹¹⁷ Ngo Vinh Long found that in the Mekong delta region there was a large majority of middle peasants, and that even poor and landless peasants joined them in resisting the cooperativization of agriculture.¹¹⁸ Hanoi's own statistical services suggest that the cooperative system in the far South collapsed in the years 1979-80. By 1988 only 6.9 percent of Mekong farm households were registered as members of cooperatives, in contrast to 99.4 percent in the Red River delta in the

¹¹³ Vo Nhan Tri, *Vietnam's Economic Policy Since 1975* (Singapore, 1990), 46, 76-81.

¹¹⁴ *Ibid.*, 79.

¹¹⁵ *Ibid.*, 80-5.

¹¹⁶ *Ibid.*, 80.

¹¹⁷ Vo Nhan Tri, a Vietnamese economist and former Hanoi official, points out that the Hanoi government rationalized this reversal by claiming that production decreased because their policies were too progressive. Collective `production relations [were] far more advanced than the level of productive forces. *Ibid.*, 243. For Hanoi's policy changes, see 82-3. See also William J. Duiker, *Vietnam Since the Fall of Saigon*, 2nd ed., (Athens, OH, 1989) 23, 56, 90, 97, 246-7. Jamieson, *Understanding Vietnam*, 368-370. Michael C. Williams, *Vietnam at the Crossroads* (London, 1992), 40-1. Tran Hoang Kim, *Vietnam's Economy During the Period 1945-1995 and its Perspective by the year 2020* (Hanoi, 1996), 214-18.

¹¹⁸ Ngo Vinh Long, `Some Aspects of Cooperativization in the Mekong Delta,' in David Marr and Christine Pelzer White, eds., *Postwar Vietnam: Dilemmas in Socialist Development* (Ithaca, NY, 1988), 166-9.

North.¹¹⁹ Benedict Kerkvliet demonstrated conclusively that peasant farmers in the Red River delta of northern Vietnam objected to agrarian collectivization as well, and resisted passively but effectively until the system shriveled in that region as well in the 1980s.¹²⁰ Socialist economists in Vietnam have been nearly as critical as their non-socialist colleagues of collectivized agriculture. In 1994, state Institute of Economics member Vu Tuan Anh termed collective agriculture an uneconomic mode of production. He noted that peasants began behaving in a capitalist manner covertly in the 1980s and that this increased production so much that it induced the Hanoi government to codify the privatization of agriculture. During the 1980s, the government allocated land to peasant families and made them 'masters of their own farming business.' Peasants were free to make productive and marketing decisions in order to 'maximize their surplus. In the five years from 1981 to 1985, this model proved a major engine driving the country's agricultural production.'¹²¹ Another government economist, Nguyen Van Bich, stated at a 1989 Hanoi conference that in post war Vietnam 'there was an excessive emphasis on collectivization of the means of production and we did not encourage the household and individual economy or recognize the role of the private economy in agriculture.' Hence, productivity fell steeply. Partial reforms in 1982 improved productivity, but not enough. Thus in 1988 the government undertook sweeping reforms which Bich termed a 'multi-sector economy with the socialist economy in the leading role.' This approach included recognizing private capital and individual 'small owners' in agriculture.¹²² Hanoi economist Tran Thi Que used equally careful language in proclaiming that his government had increased agricultural production by codifying the move away from cooperative labor, marketing, and land sharing practices in 1988, partly 'through the allocation of land for long-term use to households.'¹²³ Thus, land policies favoring

¹¹⁹ Le Thanh Nghiep, 'Agricultural Development in Vietnam: Issues and Proposals for Reform, in Mya Than and Joseph L.H. Tan, eds., *Vietnam's Dilemmas and Options: The Challenge of Economic Transition in the 1990s* (Singapore, 1993), 148.

¹²⁰ Benedict J. Kerkvliet, 'Village-State Relations in Vietnam: The Effect of Everyday Politics on Decollectivization,' *The Journal of Asian Studies*, 54, No. 2, May 1995, see especially 402-7, 413-15.

¹²¹ Vu Tuan Anh, *Vietnam's Economic Reform: Results and Problems* (Hanoi, 1994), 140.

¹²² Nguyen Van Bich, 'Renewal of the Organization of and Policies for Agriculture, Forestry and Fisheries,' in Per Ronnäs and Orjan Sjöberg, eds., *Doi Moi: Economic Reforms and Development Policies in Vietnam, Papers and Proceedings from an International Symposium in Hanoi, December 12-15, 1989* (Stockholm, 1990), 121-5.

¹²³ Tran Thi Que, 'Economic Reforms and Gender Issues,' in *Economic Reform and Development in Vietnam*, ed. Vu Tuan Anh (Hanoi, 1995), 216-17.

secure property rights similar to those of two decades earlier achieved similar production results.

The Hanoi government officially confined property rights to the government and to collectives. There is significant evidence that in reality, most peasants in the Mekong region continued to farm the land they had held before reunification.¹²⁴ Government policy increasingly reflected this reality. In 1981, collectives began allocating land plots on short term bases. In 1988 they expanded this practice and allocated long term rights of usufruct on land plots. This system closely resembled the precolonial system of usufruct in that peasants maintained rights to their land as long as they paid taxes on it and donated labor to collective land as well. In theory, these new rights of usufruct did not allow land transfers, and so land could not be used as collateral for loans. In reality, however, the Hanoi government has generally practiced benign neglect in the far South, and there has been something akin to a free market in land in the Mekong delta region throughout the postwar period.¹²⁵ Through the techniques described by James Scott,¹²⁶ resistance, unrest, and daily practice, Vietnamese peasants in the far South again voted for secure property rights. Like the NLF and the Saigon government the decade before, the communist government in Hanoi moved to supply those rights, and yet again Vietnamese agricultural production rose.

5.3 THE 'SECOND HALF OF LAND REFORM': CREDIT, RESEARCH, EXTENSION, AND MARKET REFORMS

The mere redistribution of land and introduction of new technologies were insufficient to foster economic development. Agrarian reform: affordable credit, crop insurance, appropriate research, effective extension services, and marketing improvements were also necessary in order to realize potential gains from land reform and new technology. These programs came to be referred to among USAID staff as 'the second half of land

¹²⁴ Ngo Vinh Long, 'Some Aspects of Cooperativization in the Mekong Delta,' 166-9.

¹²⁵ For a cogent summary of actual versus theoretical land tenure practices in postwar Vietnam, see The World Bank, *Vietnam: Transition to the Market* (Washington, DC, 1993), 25-29.

¹²⁶ Scott, James C. Scott, 'Everyday Forms of Resistance,' *Every Day Forms of Peasant Resistance*, ed. Forrest D. Colburn (Armonk, NY, 1989).

reform.¹²⁷ Without sufficient affordable credit, farmers who wish to use new varieties may not be able to afford chemical fertilizers and pesticides or the water control that high yielding rice varieties require. Without some form of affordable crop insurance, farmers who teeter on the verge of subsistence crisis may not take the risks required to change to more productive techniques. As we will see, without sufficient local, on-farm research, optimal practices under local conditions may not be found. Without widely available extension services, especially during times of technological change, farmers may not use new and sometimes dangerous inputs safely or efficiently, or may avoid them for lack of information.¹²⁸ Without reasonably efficient and accessible markets, incentives to produce may remain limp. As the following sections will show, U.S. development planners knew that these issues were vital to the success of land redistribution, but were unable to implement a sufficiently complete agrarian reform package.

5.3 (i) Agricultural Credit

Gabriel Kolko argues that, by 1970, credit and marketing institutions were more important to the peasantry than land ownership. The oligopoly of about a dozen ethnic Chinese firms over rice marketing and their domination, along with the landlords, of money lending had been a 'continuous source of exploitation.' After land reform, according to Kolko, the power of the ethnic Chinese merchants and lenders diminished, but expropriated landlords reestablished their hold over the agrarian economy through new means, by lending money to peasants at interest rates running 60-72% per annum and by buying and renting out tractors and rototillers. Because one third of South Vietnam's cultivated surface was planted with high yielding rice varieties which required credit for expensive inputs, and nearly half its cultivated surface was mechanically plowed, 'it was not long before real economic power in the Delta was based not on land but on ownership of horsepower and control of credit.'¹²⁹

Kolko is generally correct about the inadequate and usurious nature of money

¹²⁷ 'Land Reform,' 1 October 1975, USAID Terminal Project Appraisal Report, PNAAF-398-E1.
¹²⁸ In this case, one of the inputs was DDT, which, of course, cannot be used safely in any circumstances.
¹²⁹ Kolko, *Anatomy of a War*, 393.

lending as practiced by rice merchants and former large landlords, but he commits a dangerous error by not analyzing the rural credit market in South Vietnam in any depth. Few observers doubt the critical role that credit plays in agricultural development. But governments and economists generally assume that traditional sources of rural credit in the Third World are exploitative of the poor and an impediment to efficiency. The economic historians Gareth Austin and Kaoru Sugihara have demonstrated that often this is an ahistorical view. There is ample and widespread evidence, they argue, that local 'informal' moneylenders in the Third World are often efficient given the context in which they operate, are adaptable to change, and in some cases able to contribute to general economic growth.¹³⁰ Anthropologist Polly Hill maintains that Westerners and Third World urban elites have a generally simplistic view of traditional rural credit. Money lenders are not necessarily an external force to the peasants. Many rural lenders are themselves cultivators. Richer peasants are sometimes obliged by custom to lend money, and many creditors are also debtors. Moreover, interest rates that may appear usurious to outsiders are often not strictly adhered to.¹³¹ Further complicating the issue, lenders and borrowers are frequently related, and interest 'rates' can be difficult to determine since repayment is often not formal.¹³²

No U.S. or South Vietnamese government source familiar to me displays detailed knowledge of local credit markets, but it appears from peasant complaints that the major sources of 'informal' rural credit were indeed the ethnic Chinese rice merchants as well as landlords.¹³³ According to Brocheux, Chinese merchants had long been a source of credit to Vietnamese cultivators large and small. In the precolonial era they had viewed rice trading as their main source of profit, and their rates of interest had been reasonable. But when the French introduced roads, improved canal and irrigation systems, and

¹³⁰ Gareth Austin, Kaoru Sugihara, eds., Introduction, *Local Suppliers of Credit in the Third World, 1750-1960* (London, 1993), 19.

¹³¹ Polly Hill, *Development Economics on Trial: the Anthropological Case for a Prosecution* (Cambridge, 1986), 83-7.

¹³² *Ibid.*, 88-91.

¹³³ See, for instance, Pacification Attitude Analysis Survey, Vietnamese Evaluations Field Operations Division, CORDS IV CTZ, Can Tho, Ba Xuyen Province, Survey conducted in 27 hamlets and 9 villages, 16 June 1970, MACCORDS PP&P 1970, Box 10, File 1602-01 (Hereafter MACCORDS PP&P followed by box and file number where appropriate).

commercial agriculture early in the 20th century, it drove up both the demand for and the price of credit. Several French efforts to improve the availability of reasonably priced credit to Vietnamese cultivators failed.¹³⁴ In the late 1960s and early 1970s the introduction of improved technology, infrastructure, and secure property rights continued this trend. The increased inputs required to produce modern rice varieties or diversify into other crops put tremendous pressure on an inadequate credit market.

Established commercial banks preferred to supply short term urban industrial credit, a small part of South Vietnam's GNP. In 1969, commercial banks devoted only 1.1% of their VN\$ 30 billion lending capacity to farmers.¹³⁵ Nguyen Van Hao, the director of the Agricultural Development Bank of South Vietnam and one-time Minister of Agriculture, complained to USAID officials in 1969 that small farmers, or 90% of the total, did not get the credit service they need because of the absence of sufficiently widespread banking and credit facilities readily accessible to them and sympathetic to their needs.¹³⁶ This was the situation that Saigon and U.S. officials sought to rectify in 1970.

Kolko contends that Saigon and the U.S. ignored credit shortfalls: 'nothing was done about these traditional peasant grievances during the American occupation.'¹³⁷ But while his stress on the growing importance of rural credit is accurate, his assertion that nothing was done to address the problem is patently false. Efforts to alleviate the credit problem fell short of need, but development planners in South Vietnam recognized the problem and attempted to rectify it. First, by giving peasants title to the land they tilled, land reform itself removed the biggest obstacle to getting loans: lack of collateral.

Moreover, the Saigon government and USAID collaborated in setting up and funding the Agricultural Development Bank of Vietnam (ADBV). The government founded the bank in 1967 with 48 branches, one in each of the 44 province capitals and the four major cities.¹³⁸ In order to decentralize lending efforts and bring them to rural areas, the bank

¹³⁴ Brocheux, *The Mekong Delta*, 72-9.

¹³⁵ Dr. Nguyen Van Hao, President, National Economic Development Fund, 'Agricultural Credit Requirements of Vietnam,' undated, USAID PN-INJ16.

¹³⁶ Memorandum from Mr. Nguyen Van Hao, Director General, Agricultural Development Bank, Saigon, to Mr. D.G. McDonald, Director, USAID Vietnam, 19 May 1969, USAID ISN-15874.

¹³⁷ Kolko, *Anatomy of a War*, 392.

¹³⁸ 'Rural Credit,' 31 December 1975, Vietnam Terminal Reports, vol. II, pt. II, USAID PN-AAX-018, 22-3.

oversaw the opening of 84 small private rural banks between 1969 and 1974, and 25 more were planned for 1975.¹³⁹ The ADBV offered South Vietnamese farmers comparatively affordable interest rates: 24% per annum on short term production loans (6-12 months) and 14% per annum on medium and long term loans (18 months and upwards).¹⁴⁰ This was radically cheaper than credit available from most local sources. Robert Sansom reported that in 1967 farmers in Bac Lieu province borrowed from neighbors, rice merchants, or *hui* (village cooperative credit pools) at an average interest rate of 4% per month, or 48% per annum.¹⁴¹ According to USAID research, the number of loans made by the bank increased from 89,405 in 1969 to 580,177 in 1974.¹⁴² Clearly the ADBV aimed those loans at small farmers. As Chapter Four noted, the bank did not require collateral for most of its small rural loans between 1971 and 1974.¹⁴³ In 1974, 484,777 of its loans, or 84.1%, were for VN\$ 100,000 or less and averaged VN\$ 65,000.¹⁴⁴ In an effort to cast its net wider, the bank also experimented with a pilot village credit program. The 'Rural Development Credit Program,' administered by CORDS, made its debut after 1968 in 260 villages. Under its auspices village credit committees allocated and processed loans to small farmers on the bank's behalf, thus encouraging banks to lend to peasants by reducing the high transaction costs of making and managing numerous small loans in remote areas.¹⁴⁵

It is difficult to determine levels of credit demand with any precision. Nguyen Van Hao's report used Ministry of Agriculture estimates for cost of production per hectare for various crops, but most reports cite data without revealing methodology. While the extent of the shortfall is unknown, numerous Saigon government and USAID reports, as well as peasant surveys, attest that peasant demand for affordable credit

¹³⁹ 'Agricultural Credit,' Project Appraisal Report, 27 April 1975, USAID PD-AAF-353-C1.

¹⁴⁰ 'Rural Credit,' 31 December 1975, Vietnam Terminal Reports, vol. II, pt. II, USAID PN-AAX-018, 22-3.

¹⁴¹ 'Two Revolutions in Bac Lieu,' Robert L. Sansom, CORDS Economic Office, 24 August 1967, MACCORDS PP&P 1967.

¹⁴² For 1969 figures, see *Ibid.* For 1974 figures, see 'Agricultural Credit,' Terminal Project Appraisal Report, 4 September 1975, USAID PD-AAF-353-C1.

¹³⁸ 'Agriculture,' Vietnam Terminal Report, Volume II, 31 December 1975, USAID PN-AAX-018.

¹⁴⁴ *Ibid.* At the official 1972 exchange rate of VN\$ 270 to USD 1 the average loan was for USD 240.74. However, the real value of the U.S. dollar was far higher in South Vietnam, and the purchasing power of those loans were smaller than this rate suggests.

¹⁴⁵ *Ibid.* See also 'Rural Credit,' 31 December 1975, Vietnam Terminal Reports, vol. II, pt. II, USAID PN-AAX-018, pp. 22-3.

remained largely unsatisfied despite rural credit programs. A 1970 survey of 80 farmers from four hamlets of the lower Mekong delta province of Chong Thien revealed both a demand for and a shortage of official credit. Farmers noted that bank or government sponsored credit came with lower interest rates than 'informal' loans, but complained that official credit was usually unavailable when needed. The timing of the loans to planting and harvesting cycles is critical, and often red tape rendered the loans untimely and necessitated expensive trips to fulfill multiple application procedures. One respondent complained, 'this time is suitable for transplanting and manuring, but [we] can't get money from the ADB [Agricultural Development Bank].' In a few months, he continued, 'the money may be available, and farm families would spend it on food and drink, rather than improved cultivation methods.'¹⁴⁶ A 1972 USAID report estimated that the various rural banks accounted for only about 10-14% of South Vietnam's rural credit demand between 1969 and 1971. The report predicted that, even given optimal growth of the formal rural credit market, it would supply only 35% of demand under prevailing conditions. USAID economists believed that there would be follow-on benefits even at these levels, estimating that if institutional credit accounted for 25% of the rural market, it would drive down the price of informal rural credit.

Table 5.4

Credit Requirement and Formal-Sector Supply¹⁴⁷

Year	ADBV loans (VN\$ billions)	# loans	Est. credit requirement (VN\$ billions)	% of requirement fulfilled (by ADBV)
1969	4.6	89,405	46	10.0
1970	7.0	116,663	65	10.7
1971	11.0 ¹⁴⁸	170,611	80	13.7
1974	43.0	N.A.	120	35.8

Kolko asserts that, because of this shortfall, former landlords achieved 'virtual

¹⁴⁶ Pacification Attitude Analysis Survey, Vietnamese Evaluations Field Operations Division, CORDS IV CTZ, Can Tho, Chong Thien Province, carried out 1 - 9 July 1970, MACCORDS PP&P 1970, Box 10, 1602-01. Figures for 1973-4 were not given.

¹⁴⁷ Source: 'Agricultural Credit,' Project Appraisal Report, 29 February 1972, USAID PD-AAF-354-F1.

¹⁴⁸ Includes private and rural banks.

domination' of the government banking system's credit supply. Having monopolized the credit market, these wealthy farmers then 'began to modernize their own farming and moved to exploit changes which occurred in the South's agriculture as a result of the introduction of miracle rice.'¹⁴⁹ He cites no evidence in support of these claims, however, and a mass of documentation as well as peasant response to modern variety introduction suggest that he is mistaken. As Chapter Four demonstrated, the average rice farm size in South Vietnam was approximately one hectare. Kolko himself claimed that one third of the country's rice crop (as opposed to hectareage planted) was produced from modern varieties by 1973.¹⁵⁰ The conclusion is inescapable that South Vietnamese peasants managed to adopt new rice varieties in numbers far too large to support claims, even if by implication, that former landlords expropriated the advantages of green revolution technology by controlling credit. Plainly, the new technology was divisible enough that many peasants were able to exploit it to their advantage. It is equally evident from the increased general prosperity in many rural areas that a fair percentage of small farmers were benefiting from increasing production. All of this suggests that small farmers were indeed gaining access to some forms of affordable credit in order to afford the inputs required to increase production.

However, Kolko's implication that the poorest farmers were left behind by the inadequate credit supply is almost certainly correct. With 84 Agricultural Development Banks concentrated in province and district capitals and village credit programs in their infancy, it seems a safe assumption that more educated, less remote farmers had better access to institutional credit. Both the Saigon government and their American allies recognized this, and the fledgling rural credit market appeared to have some promise, but South Vietnam fell before the programs could be judged on a long term basis.

5.3 (ii) Inadequate Agricultural Research and Extension

South Vietnamese and U.S. agricultural research efforts proved inadequate. The

¹⁴⁹ Kolko, *Anatomy of a War*, 393.

¹⁵⁰ Ibid. Chapter Four demonstrated that the percentage was higher.

Ministry of Agriculture and USAID made good use of Thai and Philippine rice variety research and planned a national research station at My Tho, in the Mekong delta, but, according to the USAID itself, did not pay enough attention to local, on site research. In March 1975, the month before Saigon fell, a USAID official lamented that agricultural performance would remain sub optimal 'unless and until host country officials properly understand the function of agricultural research.'¹⁵¹ Another USAID report made clear what these functions were. It stressed that South Vietnam need not have waited for formal research institutions. Good adaptive research, that is, research carried out on local farms to test performance of various elements under specific conditions rather than at research stations, 'would have been highly rewarding in terms of increased rice production.' A lack of fertilizer research was especially damaging. 'The failure to do on-farm fertilizer research in Vietnam early in the program resulted in lower than potential production, the purchase by farmers of unneeded fertilizer elements and the import by USAID of fertilizer materials out-of-balance to that actually required for maximum rice production.' Nitrogen requirements in various conditions received inadequate attention, and agriculture officials carried out even less research on whether or not phosphorous increased production in various Vietnamese conditions.¹⁵²

Agricultural extension programs designed to increase productivity, output, and crop diversification, fared particularly badly. The Vietnamese Ministry of Agriculture administered extension services through a number of sub-agencies and directorates, resulting in a fractured organization. Moreover, the national manpower shortage and low pay for civil servants led to an acute shortage of extension agents, or cadres as the government called them. By early 1975 the extension program for the entire country was based on five 100 hectare demonstration areas.¹⁵³

Agricultural extension services are no panacea, as Robert Chambers has pointed out. Extension agents in the developing world often bring outsiders' bias to their jobs, and their advice to farmers has suffered from a concentration on 'what is exotic rather than indigenous, mechanical rather than human, chemical rather than organic,

¹⁵¹ 'Crop Production--Research,' Terminal Project Appraisal Report, March 1975, USAID PD-AAF-584-F1.

¹⁵² 'Crop Production,' Terminal Project Appraisal Report, USAID, PD-AAF-584-D1, p. 1.

¹⁵³ Ibid., 8.

marketed rather than consumed.¹⁵⁴ Moreover, as demonstrated in Chapter Four, many Vietnamese farmers, being well versed in the particulars of their lands and regions, grew modern rice varieties successfully while ignoring government guidelines and reckoning their own way.¹⁵⁵ However, in the case of South Vietnam, as Chapter Four also demonstrated, farmers had demonstrated strong demand for the chemical and exotic, which were disseminating rapidly to farmers. Poor extension services hampered the dissemination of vital information such as how, when, and what kind of fertilizers to apply to modern rice varieties and how best to use pesticides. This left a large percentage of farmers to learn by expensive trial and error.

5.3 (iii) Market Reforms

Until the late 1960s, Saigon government policy and internal barriers to trade depressed rice prices and were a disincentive to production of Vietnam's most important economic product. The southern rice trade had traditionally been dominated by relatively few ethnic Chinese firms which had managed to keep farm gate prices low.¹⁵⁶ In the post World War II era, Chinese firms began to lose their grip on the processing and trade of rice. For instance, from having owned over 80% of the rice mills in the Saigon region in 1930, ethnic Chinese firms owned only about 25% in 1970.¹⁵⁷ By this time, however, the government had shouldered its way into the rice business, to keep consumer prices down and stem urban inflation. The Mekong delta region was a rice surplus area while most of the rest of the country ran rice deficits.¹⁵⁸ Thus, inter-regional trade of Mekong rice was vital to the health of the country. The government, however, set up a series of 'resource control checkpoints' designed to deny rice to the NLF. The checkpoints became a source of harassment and extortion, kept the rice market unstable, and helped to prevent an

¹⁵⁴ Robert Chambers, *Rural Development: Putting the Last First* (London, 1984), 77, see 77-80.
¹⁵⁵ 'Report on IR Culture Development in Vinh Loi District, Bac Lieu Province,' Translation 20 July 1970, MACCORDS PP&P, Box 9, 1602-01.
¹⁵⁶ Kolko, *Anatomy of a War*, 392. See also Tran Khanh, *The ethnic Chinese and Economic Development in Vietnam* (Hanoi, 1993), 46-9, for the business networks of Chinese rice merchants.
¹⁵⁷ Tran Khanh, *The Ethnic Chinese*, 65.
¹⁵⁸ 'Rice Marketing and Situation Report, Vietnam,' William J. C. Logan, USDA and William F. Doody, CIP Program, January 1971, USAID, VS338.17318. (Hereafter 'Rice Marketing and Situation Report, Vietnam,' followed by date and file no.).

efficient inter regional rice trade.¹⁵⁹ In the 1960s rice production in South Vietnam fell well below national need, and the Saigon government began importing American rice, which arrived mainly at Central Vietnamese ports. Imported rice was kept below local rice prices partly to keep urban retail inflation in check, and partly for sale to families of soldiers and civil servants on fixed incomes who were especially vulnerable to urban inflation.¹⁶⁰ In 1967 imported rice sold at subsidized prices `dominated the structure of local rice prices.¹⁶¹ All of these factors combined to favor urban dwellers by depressing the price of rice at the farm gate and in town.

In the late 1960s, as both the Americans and the Saigon government increased their emphasis on the political importance of the peasantry, they began to see low rice prices as a disincentive to growth. They partly countered subsidy effects by raising the price of imported rice by 20% in March 1967.¹⁶² Moreover, government purchases of large portions of the rice crop drove rice prices up. In 1968/9, the government bought up 20% of domestic rice production; in 1970, it bought 40% of the crop.¹⁶³

In 1970, under the new Minister for Economy, Pham Kim Ngoc, market deregulation accelerated. With President Thieu's backing, Ngoc endeavored to diminish government interventions, internal quotas, rationing, and price controls. Instead, the government attempted to increase the use of price mechanisms to encourage production and to ease licensing restrictions in industry and commerce.¹⁶⁴ These reforms were an effort to `get prices right,' and took three major forms: interest rate reforms, exchange rate reforms, and the diminution of government economic controls such as transaction licensing and other internal trade restrictions. The government attempted to spur domestic savings interest rate reforms in September 1970. New regulations allowed banks to pay higher interest on time deposits, which until then had been shunned by

¹⁵⁹ Dacy, *Foreign Aid*, 115.

¹⁶⁰ Pham Kim Ngoc, interview with the author, 28 August 1994, Seven Corners, Virginia.

¹⁶¹ `Economic Context,' Viet Nam Terminal Report, 31 December 1975, USAID PN-ABI-250.

¹⁶² *Ibid.*

¹⁶³ `Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS 338.17318 L831. Not surprisingly, wholesale rice prices nearly doubled from 1969 to 1970.

¹⁶⁴ *Ibid.*, Ngoc's assertions are supported by documentary evidence. For the easing of restrictions on rice milling, see `Operation of Rice Mills,' Ministry of Economy Circular, 10 April 1970, Pham Kim Ngoc to all Prefect Mayors and Province Chiefs. Attached to `Small Rice Mills in the Delta,' Memorandum for Assistant Chief of Staff for CORDS from W.E. Colby, 4 March 1970, Record Group 472, MACCORDS PP&P 1970, Box 8. See also, `Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS 338.17318 L831.

investors because they rendered a net loss against inflation. The government began selling bonds as well. In the same year Saigon devalued the piaster in order to limit the import of luxury goods.¹⁶⁵

The easing of government controls on trade and prices mitigated the problem of depressed rice prices, and of the urban bias in the South Vietnamese political economy. The producer price of rice and the purchasing power of rice producers increased, along with farmer prosperity, consumption, and output. As Chapter Five indicated, after privatization began in the input markets, the price per kilogram of rice to fertilizer had shifted in favor of farmers from 1:1 in 1967 to 2.5:1 in 1970, providing not only higher farm incomes but also increased incentive to use fertilizer.¹⁶⁶ Dacy claims that the purchasing power of a kilogram of rice rose by nearly one third between 1968 and 1973.¹⁶⁷ As Chapter Four demonstrated, increasing rice prices contributed to a significant proportion of the overall increase in rural incomes. When considered in light of increasing yields per hectare enjoyed by many farmers during this period, the rural income gains through government pricing policy changes begin to look substantial. One USAID economic officer who worked with Ministry of Economy officials on interest rate and exchange rate reforms felt that the policies contributed directly to the increased domestic savings, investment, and exports that followed.¹⁶⁸ Nguyen Anh Tuan, Douglas Dacy, and W. W. Rostow support this view.¹⁶⁹ But price disincentives were not the only obstacle to trade and production. Table 5.5 indicates that imported rice was falling as a percentage of the national rice availability. Nevertheless, its presence still depressed the price of Vietnamese rice, inhibited shipments from the delta region, and constrained production.

¹⁶⁵ Dacy, *Foreign Aid*, 14.

¹⁶⁶ Plans and Budget for FY 1972, 22 Aug. 1970, CORDS Country Field Submission, CMH DEPCORDS file.

¹⁶⁷ Dacy, *Foreign Aid*, 116-18.

¹⁶⁸ Peter Davis, USAID Economic Officer, Saigon, 1970-1972, telephone interview with the author, 10 August 1994.

¹⁶⁹ Nguyen Anh Tuan, *South Vietnam Trial and Experience*, 167. See Walt Whitman Rostow cited in Dacy, *Foreign Aid*, 85, 92-3.

Table 5.5 Rice Imports as a Percentage of National Availability.¹⁷⁰

1967	1968	1969	1970	1971
28%	22%	12%	18%	2.8%

In 1971, imports represented 11.8% of deficit area rice needs. Ironically, by 1971 South Vietnam produced enough rice, but internal barriers to trade and lack of transport infrastructure blocked nearly all trade between the Mekong region and rice poor Central Vietnam.¹⁷¹ Government licensing procedures were formidable barriers to trade of almost any kind, and until the late 1960s the government prohibited direct inter-provincial rice trade in a futile effort to deny rice supplies to the NLF. All delta rice shipments of over 500 kilos had to physically pass through Saigon via rice traders.¹⁷² Government Order 382 of September 1968 lifted that ban. Farmers and traders reported in 1971 that some local governments were still refusing to allow rice shipments outside the usual barges and trucks to Saigon, supporting the assumption that local officials were collecting significant kickbacks for these rice shipments. A senior American adviser in the delta reported in 1969 that, although the NLF did their best to block trade and the movement of strategic materials, the Saigon government was 'a bigger obstacle to economic growth than the Viet Cong.'¹⁷³ Rice market efficiency did, however, improve over time. By 1971 rice merchant and transporters in An Giang and Sa Dec provinces were reporting that restrictions had relaxed considerably in the delta generally. One exception was a district chief in Chuong Tien province, who refused to allow rice shipments to leave his area because his wife had an interest in local rice milling.¹⁷⁴

Other substantial barriers to domestic trade existed. Delta traders did not have contacts in Central Vietnam, and had no idea how to go about selling rice there. Coastal ships needed to transport rice were scarce, though the government purchased three

¹⁷⁰ Source: 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS 338.17318 L831.

¹⁷¹ Ibid.

¹⁷² 'Rice,' undated, Pacification Files, Safe #75, CMH.

¹⁷³ Province Monthly Report for January 1969, An Xuyen Province, George M. Nagata, CMH.

¹⁷⁴ 'Trip Report: An Giang and Sadec Provinces, Memorandum from Arthur L Kobler, Sector Analysis Branch, JEO, to Mr. Willard D. Sharpe, Chief, Joint Economic Office, 16 April 1971, Deputy Chief of Staff for Economic Affairs, Box 15, Record Group 472, National Archives II (hereafter DCSEA).

vessels in the early 1970s. Deep water loading facilities in the delta were inadequate.¹⁷⁵ By 1971, farmers were holding back rice sales in the face of dipping prices while imported American rice satisfied rice deficit areas in Central Vietnam.¹⁷⁶ The Saigon government was not idle in the face of this. Minister of Economy Pham Kim Ngoc secured wide support in his efforts to facilitate an inter regional rice trade and transfer all rice marketing in Central Vietnam to the private sector.¹⁷⁷ However, in 1972, according to Kolko, rice surpluses in the delta continued to mount.¹⁷⁸ Economic policies, transport facilities, and market infrastructure, though improving, did not keep pace with rice production, and inhibited development.

To alleviate some of these problems, USAID attempted to organize farmers' cooperatives and organizations. They hoped strong organizations would serve to rationalize and increase production, assure adequate supplies of essential inputs at reasonable prices, help to market produce, and not least, serve as a political alternative to the NLF's farmers' organizations. The Saigon government, as usual, shunned extra-government organizations that might wield power over rural populations.¹⁷⁹ USAID failed to interest Saigon's Ministry of Agriculture in supporting the program, let alone taking an active role. In late 1972, the government slapped a 45% tax on the organizations' savings, effectively destroying their ability to build assets or member equity.¹⁸⁰ On top of that, farmers' organizations could not get enough credit to guarantee a steady supply of inputs to their members.¹⁸¹ By 1971 there were 694 cooperatives and 135 farmers' associations registered in South Vietnam, but few of them actually met, let alone functioned. USAID called the effort to this point a 'near failure,' suggested its early termination, and the program languished until the country fell.¹⁸²

¹⁷⁵ 'Presentation on the Economic Situation in SVN by a Special National Security Council Committee Headed by Dr. Charles Cooper to Mission Council on 16 June 1970,' Memorandum for Record, MACCORDS PP&P 1970, Box 13, 1601-11A to 1608-11.

¹⁷⁶ 'Rice Marketing and Situation Report, Vietnam,' January 1971, USAID VS 338.17318 L831.

¹⁷⁷ 'Direct Shipment of Delta Rice to Central Viet Nam,' Memorandum from Arthur L. Kobler, Sector Analysis Branch, JEO, to Mr. Willard D. Sharpe, Chief, Joint Economic Office, 19 April 1971, DCSEA.

¹⁷⁸ Kolko, *Anatomy of a War*, 392.

¹⁷⁹ 'The USAID Program and Vietnamese Realities,' Staff Study, June 1968, USAID PN-ARE-177.

¹⁸⁰ 'Farmers' Organizations,' 31 Oct. 1973, USAID PN-AAF-353-F1.

¹⁸¹ 'Attitude and Resource Survey of Twenty-Nine Farmers Organizations, Vietnam, 1971,' 15 Nov. 1971, USAID ISN 33941 see also 'Farmers' Organizations,' 31 Oct. 1973, USAID PN-AAF-353-F1.

¹⁸² 'Farmers' Organizations,' 31 Oct. 1973, USAID PN-AAF-353-F1.

In sum, the 'second half' of land reform in South Vietnam fell short of most of its goals. Efforts to supply affordable credit to small farmers fell short of demand, though it is a safe assumption given available statistics that formal sector loans put downward pressure on the price of local credit. Agricultural extension was inadequate during a time of radical technological change. And probably more harmful yet, local agricultural research efforts were desultory at best. Incipient market reforms, however, did accomplish a good deal. Efforts by the ministry of the economy to minimize the obstructionist policies of the Saigon government and 'get the prices right' began to free up trade, improve access to markets, and propel the economy. These policies also helped redistribute wealth toward the rural sector, hitherto undervalued by successive Saigon regimes.

5.4 SOUTH VIETNAMESE LAND REFORM IN THE EAST ASIAN CONTEXT

The South Vietnamese Land to the Tiller law came in the second wave of Asian land reform. In the first wave, three other capitalist countries, Taiwan, Japan, and South Korea, carried out land redistribution schemes in the immediate post World War II era with United States backing. Some of the American planners who lobbied Saigon to implement land reform had worked on these earlier programs, and naturally used them as models. South Vietnamese agrarian reforms, especially land redistribution, compare well to these first wave experiences, which suggests that, had the Saigon government survived, land reform might have contributed to long term economic growth.

The first wave countries carried out agrarian reforms under tense conditions, but with several advantages over South Vietnam. While South Vietnam's economy was essentially preindustrial, Japan had long been industrialized and its agricultural sector had already made significant contributions to that process. True, much of Japan's industrial base had been destroyed during the Second World War. Even so, it enjoyed a significant technical advantage over South Vietnam and began rebuilding at a rapid rate soon after the war's end. Taiwan and South Korea had, under Japanese colonial rule, begun industrializing well before land reform as well. Japanese colonial administrations

had formed farmers' cooperatives and gone to great lengths to disseminate scientific farming methods and inputs.¹⁸³ Both Japan and Taiwan had workable tax systems, reasonably compliant populations, and were producing agricultural surpluses prior to agrarian reform.

South Vietnam was experiencing very different security situations than the first wave countries. Taiwan did exist in a state of high tension and military preparedness against the Chinese threat, but was not fighting an external or internal military force. By the time South Korea carried out the majority of its land redistribution in 1951-2, UN troops had fought to a military stalemate, and though communists still wielded influence in the countryside, the threat of a military invasion was remote. Neither, by then, did Seoul face an internal military threat as did the Saigon government from the NLF.

South Vietnam also faced greater technological hurdles. The French, as Chapter Two explained, made little effort to bring technical improvements to Vietnamese peasant farmers. And the modicum of industrial investment that took place in Vietnam under the French was mainly confined to mining regions and the Hanoi/Haiphong area, all in the North.¹⁸⁴ Thus, both agricultural and industrial sectors in Japan, Taiwan and South Korea were further developed than those in South Vietnam.

The four land reform experiences share several commonalities as well. All conducted reforms in a variation of post-war political chaos. Economic and social change accompanying war, revolution, industrialization, changes of government, or population increases, had put vested interests off balance, making far reaching reform easier to carry out. And all four programs had political as well as economic goals. The South Koreans were as desperate as the Vietnamese to effect radical change in order to win influence among peasant society. Finally, reform did not stop at land redistribution, but was coupled with programs to increase availability of agricultural credit and introduce new technology through extension and education services.

¹⁸³ Alice H. Amsden, 'Taiwan's Economic History: A Case of Etatism and a Challenge to Dependency Theory,' in *Toward a Political Economy of Development: A Rational Choice Perspective*, ed. Robert Bates (Berkeley, 1988), 146.

¹⁸⁴ Murray, *Capitalism in Colonial Indochina*, 213.

Japan is generally regarded as a model for successful Asian land reform.¹⁸⁵

Reforms were similar to those later carried out in South Vietnam, except that farmers were required to pay for their land. The program reduced the proportion of cultivated land farmed by tenants, as well as the total percentage of tenants, as it increased farmers' incomes.¹⁸⁶ Investment in agriculture, especially long term investment, expanded. This, combined with technical improvements, increased overall agricultural productivity and agricultural production rose 13% between 1933 and 1955.¹⁸⁷ The expanding domestic consumption market was especially good for Japanese industry, in which farmers spent most of their extra income. Partly because of generally improving Japanese incomes, staple food consumption fell nationally while non-staple food consumption increased, encouraging further crop diversification where non staple crops were more profitable to grow, and putting still more upward pressure on farm incomes.¹⁸⁸

Agrarian reform in Taiwan achieved a good deal of success as well. Like Japan, Taiwan departed from a point of considerable advantage compared to South Vietnam. Taiwanese farmers had moved well beyond subsistence under Japanese colonial rule and the recently arrived Chinese Nationalist Government was virtually without landed interests. As a result of land redistribution, the percentage of land cultivated by tenants dropped and the proportion of owner operators increased.¹⁸⁹ Taiwanese agricultural production increased 18% in the aftermath of land reform, between 1953 and 1960.¹⁹⁰ Obligatory land repayments inhibited the growth of farmer consumption, but consumption of non-staple foods and industrial goods increased significantly.¹⁹¹

¹⁸⁵ Hans Binswanger and Miranda Elgin call Japanese reforms 'outstanding', 'Reflections on Land Reform and Farm Size,' in *Agricultural Development in the Third World*, 342. W.G. Beasley, *The Rise of Modern Japan* (New York, 1990), 223. See also Bray, *The Rice Economies*, 190-91, 215-16.

¹⁸⁶ For decrease in proportion of land farmed by tenants from apx. 50% to apx. 10%, see R.P. Dore, *Land Reform in Japan* (London, 1959), 175-6. For the drop in the percentage of tenants from apx. 70% to apx. 30%, see Antonio J. Ledesma, 'Land Reform Programs in East and Southeast Asia: A Comparative Approach' (Madison, WI, 1976), 10. For increased farm incomes, see Kang Chao, 'Economic Effects of Land Reforms in Taiwan, Japan, and Mainland China: A Comparative Study' (Madison, WI, 1972), 22. See also Bray, *The Rice Economies*, 191 and Ledesma, 'Land Reform,' 8.

¹⁸⁷ Callison, *Land to the Tiller*, 29.

¹⁸⁸ Chao, 'Economic Effects of Land Reforms,' 22. Dore, *Land Reform in Japan*, 203-4.

¹⁸⁹ Percentage of land farmed by tenants decreased from 46% to 15% between 1948 and 1956, while the percentage of owner-operators doubled to about 60%. Callison, *Land to the Tiller*, 25.

¹⁹⁰ *Ibid.*, 29.

¹⁹¹ Chao, 'Economic Effects of Land Reforms,' 30.

According to Martin Yang, rural incomes increased and income distribution in the agricultural sector began to level out. Rural nutritional and educational standards rose. Agricultural productivity and production grew, as did employment creation.¹⁹²

The South Vietnamese land reform of 1970 compares reasonably well with Japanese and Taiwanese reforms of the 1940s, especially when viewed against the numerous advantages enjoyed by the latter countries. The number of workers that Japan particularly was able to dedicate to land reform far outnumbered Saigon's best efforts. Nonetheless, South Vietnam was able to reduce tenancy in the Mekong region from about 65% to 12% of farmers, and create a potentially prosperous smallholding sector.¹⁹³ As in Japan and Taiwan, much would have depended on ancillary programs had South Vietnam survived. In any case, the example of Taiwan especially underscores that thriving smallholders can contribute to early industrial development by creating agricultural surpluses, consuming manufactured or processed goods, and providing a larger tax base.

The Korean land tenure system under Japanese rule was, according to James Putzel, particularly harsh. When the Japanese were banished in 1945, 2.7% of South Korean households owned two thirds of all cultivated land, 58% of farmers were landless, and tenants cultivated 65% of the land.¹⁹⁴ The South Korean government was frantically attempting to instigate land redistribution when war broke out in 1950. North Korea's occupation forces distributed land to farmers widely. After United Nations troops retook the South, the Syngman Rhee's southern government re-confiscated the land and belatedly began their own redistribution system. Putzel asserted that between 1951 and 1952, Rhee redistributed land 'with a vengeance,' virtually wiping out the landlord classes. By December 1952 only 7% of South Korean farmers were landless and only 18% of the land was farmed by tenants.¹⁹⁵

The rural economic effects of reform in South Korea were mixed. As table 5.6

¹⁹² Martin Yang, *Socioeconomic Results of Land Reform in Taiwan* (Honolulu, 1968), 276-385. Ledesma, 'Land Reform,' 19.

¹⁹³ Callison, *Land to the Tiller*, 191.

¹⁹⁴ James Putzel, *The Captive Land*, 78, 82. Francesca Bray put at 49% the percentage of Korean tenants in 1945. Bray, *The Rice Economies*, 191.

¹⁹⁵ Putzel, *The Captive Land*, 82.

illustrates, farm production increased significantly between 1953 and 1961. Bray claims that it is unclear why agricultural production was fairly stagnant during the immediate post reform period.¹⁹⁶ Antonio Ledesma, however, identifies several problems that stunted agricultural growth in the aftermath of land redistribution. Seoul, he claims, confined its reform movement to land redistribution, made farmers' payments too steep and perpetuated a dangerous trend by breaking up holdings into minuscule plots from which families had difficulty making a living. Average farm size fell from 1.6 hectares to 0.8 hectares from the 1930s to the late 1960s.¹⁹⁷ The government compounded this error by officially banning tenancy, an unenforceable law that resulted in much disguised tenancy and actually made conditions worse for some farmers. Finally, the South Korean reform package did not sufficiently stress credit reform and technology introduction. The net result was that many South Korean land recipients were unable to pay off their new debts, and many of those who managed to hang on to their small plots barely scratched out a living, even as the industrial sector began to flourish.¹⁹⁸ Sociologist Norman Jacobs pointed out that holes in the Korean law allowed landlords to weaken reforms and collect rents secretly, resulting in an increase in tenancy during the 1960s of over 30%.¹⁹⁹

Despite its shortcomings in the agricultural sector, South Korean land reform had an immediate positive effect on the industrial economy by providing a significant number of landlords with both capital and incentive to invest in industry, thus converting many of them to industrial actors.²⁰⁰ Albert Keidel called South Korean redistribution 'imperfect,' but argued that improvements in education and industrial infrastructure 'possibly formed the richest fuel for sustained and pervasive economic combustion.'²⁰¹ And finally, judging from the aftermath, it appears that the political effects of South Korean land reform were positive from the government's point of view. Syngman Rhee was able to consolidate his hold over rural South Korea and create a stable platform for the country's later economic successes.

¹⁹⁶ Bray, *The Rice Economies*, 191.

¹⁹⁷ Ledesma, 'Land Reforms,' 28.

¹⁹⁸ Ibid.

¹⁹⁹ Norman Jacobs, *The Korean Road to Modernization and Development* (Chicago, 1985), 84-5.

²⁰⁰ Putzel, *The Captive Land*, 82.

²⁰¹ Albert Keidel, III, *Korean Regional Farm Product and Income: 1910-1975* (Seoul, 1981), 23.

The South Vietnamese law sidestepped some of the flaws of the Korean effort, but shared others. In Vietnam, unlike Korea, land recipients did not pay for their new plots, and so had more to invest and saw greater short term gains. Moreover, average farm size in South Vietnam was reasonably appropriate, and productivity increased as a result. Thus, in the short term, though Saigon's formal agricultural credit network was less successful than Seoul's own flawed effort, Vietnamese land reform had a greater positive effect on agricultural output.

Table 5.6 depicts a rough comparison of post World War II land reform ventures in East Asia. The South Vietnamese effort did relatively poorly politically, and there is no basis for comparison in industrial effects. But agriculturally Saigon's reforms compare favorably.

Table 5.6 Asian Land Reform Comparisons²⁰²

	Japan	Taiwan	S Vietnam	S Korea
Tenancy reduction²⁰³	48% - 12%	36% - 15%	65% - 15%	65%-18% ²⁰⁴
Rent reduction²⁰⁵	16% - 0.2%	yes	15.9% - 0.5%	yes
Farmer income increased	yes	yes	yes	yes ²⁰⁶
Ag. output increased	13% ²⁰⁷	18% ²⁰⁸	30%	29% ²⁰⁹
Investment increases²¹⁰	yes	yes	yes	yes ²¹¹
Redistributed income	yes	yes	yes	no
Credit availability	increased	increased	increased	increased ²¹²
Extension and research	improved	improved	poor	improved
Rural labor demand	increased ²¹³	increased	increased	n/a
Political participation²¹⁴	greater	greater	little changed ²¹⁵	n/a
Ind. investment from ag.²¹⁶	increased	increased	insignificant ²¹⁷	increased ²¹⁸

²⁰² Sources: Callison, *Land to the Tiller*, Dacy, *Foreign Aid, War, and Economic Development*, 74, Nguyen Anh Tuan, *South Vietnam Trial and Experience*. Putzel, *The Captive Land*.

²⁰³ Tenancy reduction = % farmers renting more than 50% of the land they cultivate.

²⁰⁴ Putzel, *The Captive Land*, 82.

²⁰⁵ % of gross output.

²⁰⁶ Farmer incomes would have increased by the amount of rent they saved immediately, but gains from greater marketed surplus were delayed for two years until after the war ended.

²⁰⁷ 1933-1955.

²⁰⁸ 1953-1960.

²⁰⁹ 1953-61. Measurement does not include 2 wartime years just after redistribution. Sung Hwang Ban, 'Agricultural Growth in Korea, 1918-1971,' in *Agricultural Growth in Japan, Taiwan, Korea, and the Philippines* eds. Yujiro Hayami, Vernon W. Ruttan, Herman M. Southworth (Honolulu, 1979), 92-3.

²¹⁰ % of land recipients who reported making improvements since receiving titles.

²¹¹ Chemical pesticide and fertilizer use rose dramatically after 1953, Ban 'Agricultural Growth,' 104-5.

²¹² According to Ledesma, however, credit reforms were insufficient, 'Land Reforms,' 28.

²¹³ The increase in rural labor demand was very slight, but unlike the periods considered for Taiwan and Vietnam, land reform in Japan was accompanied by dramatically increased agricultural mechanization.

²¹⁴ Based on voter participation in elections. All four countries were undergoing major national political reforms, obscuring the role of land reform in political participation.

²¹⁵ This assumption is based on the lack of evidence of significant post-land reform changes in peasant identification with the Saigon government.

²¹⁶ Increased agricultural profits invested in domestic industry.

²¹⁷ Again, this is an assumption. Since little industrial growth took place in South Vietnam at any time, it is fair to assume that little farmer investment in industrial ventures took place.

²¹⁸ Putzel, *The Captive Land*, 82.

5.5 CONCLUSIONS: THE POLITICAL FAILURE AND ECONOMIC APPROPRIATENESS OF AGRARIAN REFORM AND COMPLIMENTARY AGRICULTURAL DEVELOPMENT

The USAID extensive Terminal Report on land reform concluded that it was `a major causal factor creating political support for and identification with national Government.'²¹⁹ Gabriel Kolko, at the other extreme, claimed that land reform had no real meaning for peasants. Both exaggerated.

By bringing new evidence to bear, and widening the scope of previous inquiries, this study has found that agrarian reform, in which land redistribution in a small farm context was the central pillar, was appropriate in light of the country's employment and technological situation. As a result, the reforms achieved most of their economic goals in impressive fashion. And though the program was clearly popular with the bulk of the peasantry in the Mekong/Saigon region, it met the same macro-political fate as NLF reforms. The government remained unpopular. Thus, the program fell short of its central political goal.

However, the findings here underscore that property rights remain important to peasants, and that the contentions of analysts such as Rehman Sobhan that improving technology ameliorates the need for land redistribution require greater scrutiny. For highly divisible technologies at least, the contention is misplaced. These findings, combined with the post-war Vietnamese experience plainly refutes Kolko's assertion that land availability in South Vietnam rendered reforms unnecessary.²²⁰ Far from marginalizing land reform or rendering it unnecessary, improved agricultural technology combined with newly secure property rights to produce dramatic economic growth in South Vietnam. Rural polls provide persuasive evidence that peasant farm families welcomed secure titles to their land, both from the NLF and from the Saigon government: the more secure the title, the better. But production figures tell us more than any poll. By the 1970-71 crop season, the hectareage of modern rice nearly reached its maximum, and in the wake of land reform, production continued its steep climb for four years, until the country fell. Land owners, even of small plots, were more likely to invest

²¹⁹ `Land Reform,' Terminal Report, 31 December 1975, USAID PN-ABH-885, 84.

²²⁰ Sobhan, *Agrarian Reform and Social Transformation*, 25, 136-7.

in their farms. Tenant farmers, with no collateral, security, or fall back, were far less likely to venture the expensive and risky investments necessary for making improvements in their land or growing modern rice varieties. And this study is no voice in the wilderness.

A preponderance of post-war research, by Bray, Hayami, Lipton, Putzel, Sobhan, and others, indicates that the approach to agrarian reform which the Saigon government and its USAID advisers took can contribute to greater economic growth and equality, and that such reforms remain popular among landless peasants. In the end, Callison was correct that in those countries with little industry to absorb excess rural labor, it is vital to create an agricultural sector of smallholders using scientific techniques.²²¹ Even when land-saving and labor-using technologies result, as they often do, in decreasing returns to labor along with the expected increasing returns to land, the improvements can lead to general economic growth and improve farmer welfare. Clearly, this is not an achievement to rest upon, but a stage of economic growth. However, as Chapter Four demonstrated, South Vietnam appears to have enjoyed a slight increase in returns to labor as well to land. In short, depending on a society's institutional structures, modern varieties can help make small farms more profitable because the associated technology can be used on a small scale without mechanization. Without such divisible input improvements, technological gain would accrue to larger farmers with better access to credit and mechanization, possibly reversing the inverse relationship of farm size and productivity discussed in Chapter Four, making larger farms more productive than smaller farms and encouraging land consolidation. This did not happen in South Vietnam. The performance of new divisible rice technology enhanced the results of land redistribution in South Vietnam, and the combination had the positive effect Hayami later lauded as a general approach to agrarian development.

Observable peasant behavior in Vietnam reinforces this assertion. Peasant farm families had several growing seasons to observe the results of Green Revolution technology, and voted for it with their extra investment and labor. They did the same with most of the agrarian reform program and the result was a general improvement in

²²¹ Callison, *Land to the Tiller*, 190-91.

peasant welfare, especially in the Mekong/Saigon regions. As Kolko himself admits, peasants accepted the 1970 land reform in South Vietnam, and they did so despite the NLF's political opposition.²²² The timid nature of that opposition demonstrates the NLF's recognition that the program was popular among their peasant constituency. Moreover, as this chapter has demonstrated, land reform contributed to improvements in peasant welfare in the most populous and agriculturally important region of the country.

This chapter has demonstrated that land redistribution and wider agrarian reform were economically appropriate for the vast majority of the Mekong region, which held almost two thirds of South Vietnam's population and accounted for 85% of its staple food production.²²³ In the context of pre-1970 Vietnamese land tenure history, the law appears to have created comparatively favorable tenurial conditions for peasants, at least in the Mekong region. Under the circumstances of the day, with a growing population and war-induced chaos, South Vietnamese agrarian reform, and especially land redistribution, was remarkably successful economically.

From the point of view of Washington and Saigon, however, the goals of land reform and new farm technology were primarily political, and here they failed by and large in all regions. Despite some noteworthy misperceptions and exaggerations, then, the critics of USAID policy are correct in their final assessment; politically, agrarian reform in South Vietnam was too little too late. It failed to achieve its central goal, helping to win a critical mass of the rural population over to the government side. The Thieu regime never came near to popularity in rural Vietnam. The general unpopularity of the Saigon government, the behavior of its soldiers in the field, its association with a huge and unwelcome foreign presence in many villages, the history of land tenure in South Vietnam in which the government was long the champion of the landlords, the historical focus of villagers on their local administrations as a gauge of government performance, the generally poor quality of Saigon's rural administrations, and the narrow regional focus of the Land to the Tiller program, all mitigated against

²²² Kolko, *Anatomy of a War*, 391.

²²³ 'Land Reform,' Terminal Report, 31 December 1975, USAID PN-ABH-885, 82.

major gains in peasant goodwill and cooperation.

Chapter 6

Village Development: Community Projects, Development Cadres, and Village Receptivity

By 1968 most South Vietnamese villages were in social, political, and economic chaos. In the majority of those villages the NLF wielded greater influence than did the Saigon government. Since its inception in the mid 1950s, the government had managed its rural administrative operations from afar, at the province or district level. The National Liberation Front, on the other hand, based its operations in the villages, long the basic Vietnamese political unit. Hence, while local government officials came and went in the villages, local NLF officials tended to remain in place, able to watch, woo, cajole, and intimidate. Many South Vietnamese and American officials recognized that they were on the losing side of this asymmetrical relationship to the villagers. The 'self development' approach at the village level was an attempt to redress this problem. Its American planners hoped that villagers would coalesce around an opportunity for economic gain, thus strengthening the village government that would eventually administer the program and creating a more unified polity.

This chapter explores two issues that have never received scholarly attention: the methods and problems of establishing a government presence in the hamlets and villages of South Vietnam, and small scale economic development within those villages. It does the latter by analyzing the performance of the flagship Village Self Development Program (VSDP). Much of the analysis is based on documents from the MACCORDS PP&P files (Policy, Planning & Programs). These files represent the richest source available for the CORDS village or

community development campaign, and were declassified at the author's request. The VSDP was a nationwide scheme that implemented small scale economic development projects at the local level. Since the role of the village was so crucial to rural attitudes and behavior in South Vietnam, this chapter sheds light on the claims of those like William Colby who believed that nation building succeeded in creating a stable, cohesive economy and polity in South Vietnam and that the U.S. abandoned its ally as victory hove into view.¹

The chapter also assesses the way in which peasant economic behavior affected the implementation and performance of village development projects, something heretofore not attempted in the case of South Vietnam. Previous chapters discussed long-established non-market arrangements in rice cultivation. This chapter considers such arrangements in village development, attempting to further illuminate the kind of society and economy in which South Vietnamese peasants operated. If something akin to a moral economy existed in Vietnam, one might expect peasants to have made some decisions within the Village Self Development Program on a reasonably collective basis. If they were operating within the framework of a rational choice system, they would have tended to make decisions based on their own benefit and that of their family even while taking part in a cooperative venture.

The VSDP program is useful for exploring peasant economic behavior in South Vietnam for two reasons. It required villagers to form cooperative groups and thus affords a view of peasant responses to collective economic activities. These groups constituted essentially non-market rural institutions and arrangements, which adherents to the moral economy school cite as evidence of economic behavior unique to peasants, behavior based on a moral adherence to the idea of the good of the whole over the good of the individual. This school of thought has criticized mainstream economists for having been, until fairly

recently, 'defiantly uninterested in' non-market arrangements.¹ Economists and historians of the rational choice school of thought, however, would see the cooperative unions –the non-market institutions called for by the self development scheme– simply as an attempt to provide goods and services that the market failed to furnish for South Vietnamese peasants. Some of these goods and services were public, such as roads and school houses. Some were private, such as livestock projects. Earlier chapters on agricultural development demonstrated that, in that context, South Vietnamese peasants operated in a manner more consistent with the rational choice school of thought than that of the moral economy. The evidence below will be analyzed to determine whether the same can be said of peasant response to the village self development approach.

The Village Self Development Program is an apt vehicle for exploring other issues as well. It was the largest development program attempted at the village level in South Vietnam. It was implemented nation wide and can be examined for both the central and southern regions, thus allowing some comparison with the larger scale rural development approach examined in earlier chapters.

When combined with previous chapters, this investigation of a small scale village or community development approach affords several useful comparisons. It allows a comparison of competing and very different U.S. bureaucracies and their general development philosophies: of a smaller scale, politically oriented, village based approach versus a larger scale, economically oriented, agrarian and infrastructural approach to development. It also sheds further light on the kinds of development approaches that tend to succeed or fail in insurgent or wartime environments. Finally, the chapter finds some answers to a puzzling aspect of development in South Vietnam, and indeed in all conflicts, that of the relationship of physical security and economic development. It is clear that

¹ Samuel L. Popkin, 'Public Choice and Peasant Organization,' in *Toward a Political Economy of Development: A Rational Choice Perspective* ed. Robert Bates (Berkeley,1988), 146.

although South Vietnamese villages were never terribly secure, many experienced significant economic growth.

As the introduction to this study explained, village or community development, sometimes called project development, is here defined as small scale, economic and political projects implemented at the village or hamlet level.² The text uses the terms interchangeably. Such projects would include things like the construction of wells, small rice mills, animal husbandry projects, school rooms, and medical facilities, along with the formation and election of village and hamlet governments.

In this chapter, the term peasant (carefully defined in this study's introduction) is used interchangeably with 'villager' or 'hamleteer.' This is not precise usage, but prevents repetition. Not all villagers were peasants. A small percentage were merchants, scholars, or religious officials. But the vast majority of rural villagers were peasants, and where they were not by reason of profession or demographics, the text makes clear.

In this chapter, Section One briefly reviews the general CORDS approach to village development, which Chapter Three introduced. The remainder of the section considers the character and practices of the agency in greater detail to place it in the context of the subject at hand. Section Two describes the Rural Development Cadres, the advance troops of the village pacification and development campaign. Section Three analyzes hamlet and village receptivity to CORDS programs in general. Section Four sets out the goals and specifics of the VSDP program. Section Five recounts the varieties of success and failure with which the program met. Section Six considers the implications of the VSDP for peasant economic behavior. Section Seven draws conclusions for the VSDP specifically and the village approach to development in general, then compares its

² In a UNESCO paper, Dore and Mars described the 'community development' approach, which was summarized in Chapter Three. Ronald Dore and Zoë Mars, *Community Development: Comparative Case Studies in India, the Republic of Korea, Mexico and Tanzania* (Paris and London, 1981).

efficacy to an infrastructural and agrarian approach to development.

6.1 CORDS AND ITS APPROACH TO VILLAGE DEVELOPMENT

As previous chapters detailed, the United States Agency for International Development (USAID) initiated most of the infrastructural and agricultural development and reform programs in South Vietnam. Village development, on the other hand, was the domain of the omnipresent pacification and development agency, Civil Operations and Rural Development Support (CORDS), which was made up of military, State Department, USAID, and Central Intelligence Agency personnel. The primary mission of CORDS was political: to help the Saigon government win over the support of the majority of its people and defeat the insurgency so that the North Vietnamese threat could be met from a position of strength. In its purview, CORDS counted on far more than economic and social development; it also ran intelligence and anti-insurgency programs and coordinated some military operations. Its director, William Colby, was a high CIA official and the agency's future director. His deputy was an Army Colonel. Thus, CORDS took a far more political approach to development as opposed to USAID's economic emphasis, and focused on village development projects as the quickest and highest impact approach to wooing the rural population away from communism and toward the Saigon regime.³ Economic goals were clearly important in that more in a long line of failed rural programs would not impress the skeptical peasantry. But there is evidence that CORDS did not sufficiently emphasize economic results.

Not only did the two agencies bring different approaches to development, they brought different training and expertise. Unlike USAID, CORDS employed

³ For comment on this political dimension, see Memorandum, Ambassador William Colby, Deputy for CORDS, to Mr. D.G. MacDonald, Director, USAID South Vietnam, 19 May 1970, GVN Economic Policies, DEPCORDS Files, United States Army Center for Military History, Washington, DC (Hereafter CMH).

few economists or specialists in economic development, and its programs suffered as a result. A staff economist for the U.S. command complained in 1972 that 'economic expertise within CORDS is almost nonexistent.' The CORDS headquarters staff employed no professional economists, but relied on 'Mssrs. Cooper (U.S. Embassy) and Sharpe (USAID) for analysis and assessment of economic issues. . . . However, in a conversation with Mr. Sharpe, he indicated that his contact with CORDS is sporadic and often not too meaningful. He felt that CORDS is neither staffed nor oriented toward problems of economic development.'⁴ This lack of economic emphasis worked from the top down within CORDS. A MACV staff economist attending a development seminar in Central Vietnam returned to Saigon with the discouraging news that CORDS province and district advisers had 'only the most general knowledge of economic development.'⁵

Despite this lack of economic and development expertise, CORDS village development plans rightly attempted to empower villagers and made several accurate assumptions about South Vietnamese peasant economic behavior. For instance, the general idea behind much of the CORDS approach to village development was that it must be self directed and self sustaining from within the village, which required the fostering of political cohesiveness. Planners hoped to introduce development programs using specialized personnel while simultaneously improving village governments. As local administrations and institutions improved, they were to take over development responsibilities from

⁴ Memorandum for General Wickham from Captain J.W. Helmuth, Staff Economist, Subject: The economic advisory infrastructure of CORDS-USAID, 28 July 1972, Record Group 472, Military Assistance Command, Vietnam (MACV), Deputy Chief of Staff for Economic Affairs, Box 8, National Archives and Record Administration, Archives II, College Park, Maryland (Hereafter MACV Economic Affairs followed by Box number and File where available).

⁵ Memorandum for: Deputy Chief of Staff, Economic Affairs, Subject: Trip Report: USAID/CORDS Industrial Seminar--MR II, 16 July 1971, MACV Economic Affairs, Box 15.

the visiting specialists.⁶ Moreover, CORDS planners correctly identified the desire among villagers for public goods such as schools, roads, bridges, and medical facilities. They also correctly assessed the danger of the 'free rider' problem. Samuel Popkin defined the free rider problem as the central disjunction between what may be good for a society and what the individual might feel is in his or her best interest. That is, while all citizens may be better off with such projects completed, a rational individual economic choice might be to take advantage of public goods without contributing to their formation. Thus, according to Popkin, it is necessary to create and enforce institutions that dampen this disjunction.⁷ As this chapter will demonstrate, CORDS identified this disjunction and attempted to create institutions and practices both to control the profits of public goods and to induce participation in their creation. It will also demonstrate, however, that whatever the strengths and weaknesses of the CORDS approach, the atmosphere for village development was inhospitable.

6.2 ESTABLISHING A PRESENCE IN THE VILLAGES: A PREREQUISITE FOR COMMUNITY DEVELOPMENT

South Vietnamese and American planners in Saigon were well aware of the problematic nature of the U.S. presence in South Vietnam's countryside and made substantial efforts to give pacification and development efforts a Vietnamese face. To accomplish this, and to compensate for weak village governments, they created an organization that sent teams of 30-50 young Vietnamese men from hamlet to hamlet introducing various development programs. This spear point of the civil campaign was the Revolutionary Development Cadre (or RD Cadre). One of the originators of the specialized Vietnamese development cadres was Tran Ngoc

⁶ Talking Points for President Thieu's Visit to the National Training Center at Vung Tau, undated, Record Group 472, Headquarters, Military Assistance Command, Vietnam (MACV), Directorate of Community Development, Box 11, File 1602-09, National Archives and Records Administration, Archives II, College Park, Maryland (Hereafter Archives II).

⁷ Samuel L. Popkin, 'Public Choice and Peasant Organization.' Popkin drew his ideas mainly from Mancur Olson Jr., *The Logic of Collective Action* (Cambridge, Mass, 1965), 242.

Chau, a former Viet Minh officer, governor of hotly contested Kien Hoa Province and National Assembly member who was for a time in charge of training RD Cadres.⁸ Each year the Saigon government's Central Pacification and Development Council chose a number of the approximately 12,800 hamlets as priority pacification areas. Theoretically, these were contested and underdeveloped hamlets. Once military units had established a modicum of security and local militia forces were in place, cadre teams went in.⁹ There they attempted to initiate defense and development projects, organize citizen's groups to perpetuate this work after their departure, generally create identification with the government among the hamleteers, and possibly most important, to improve local administrations that would do away with the need for roving development cadres. They had a checklist of '11 criteria and 97 points or tasks' to be accomplished during a few months before they could list the hamlet as a 'Completed New Life Hamlet' (Ap Doi Moi) and move on.¹⁰ (See Chart 6.1 below).

The 97 tasks assigned to the cadre teams were more a wish list than a realistic expectation. Chau originally hoped to keep the RD mission in the political and economic realm, but the CIA pressured the government to convert the cadres to a counter-insurgency mechanism.¹¹ Thus, the official program goals became unwieldy. The first criterion was the elimination of the National Liberation Front's political apparatus, or 'Viet Cong Infrastructure,' a mission impossibly beyond their capabilities. RD Cadres were charged not only with developing intelligence on the local NLF, but with 'apprehending,' 'destroying,' or 'annihilating' them where exhortation or argument failed to win over the communists. Since few RD Cadre had more than cursory intelligence or military

⁸ Zalin Grant, *Facing the Phoenix: The CIA and the Political Defeat of the United States in Vietnam* (New York, 1991), 286-9. Tran Ngoc Chau, Interview with the author, June 21-23 1996, University of Colorado, Boulder, CO.

⁹ For doctrine on pacification immediately prior to the introduction of Revolutionary Development Cadres, see Vinh Long Province-General Information, RG 472, MACCORDS 101463.

¹⁰ 'Vinh Long Province-General Information,' 1967, Record Group 472, MACCORDS 101463.

¹¹ Grant, *Facing the Phoenix*, 287, Tran Ngoc Chau, Interview with the author, June 21-23 1996, University of Colorado, Boulder, CO.

training, they rarely clashed with Front forces. More reasonably, cadres were expected to aid in the implementation of a plethora of civil programs run by various agencies. Thus, they assisted in land reform, the construction of school and medical facilities, rice programs, road building, well digging, and assorted self development projects. They were also expected to take an active role in civic affairs: hamlet elections, adult literacy and hygiene education, the organization of farmers and other associations. Finally, Saigon charged the teams with dozens of tasks that amounted to social engineering and came under a criterion entitled 'Develop a New Spirit.' RDC teams were to discourage drinking, gambling, and obscene dancing and songs, laud a scientific approach to life, quell superstitions, and ensure that children were courteous. In order that their good work should not be undone, the cadre sometimes left temporary five man 'stay behind' teams. To avoid 'regression' of a hamlet, they attempted to create 'Revolutionary Development Committees' and 'Peoples' Self Defense Forces' (PSDF) to carry on the programs after the team's departure.

The performance of the Revolutionary Development Cadre was mixed at best. The most glaring weakness was a shortage of quality personnel and especially of good leaders. There were several reasons for this. First, the cadres received low pay and little prestige. Second, much of the rural population considered them draft dodgers and layabouts. Third, the job could be dangerous. Teams were lightly armed and vulnerable yet were often sent to insecure villages. Thus, RD Cadres had one of the highest desertion rates of all South Vietnamese field organizations.¹² These factors, combined with manpower shortages, made good cadre leadership a rare commodity indeed. Outgunned, the cadres often had an implicit arrangement with the local NLF. Each left the other alone and the teams reported little enemy presence.

Beyond this general shunning of security duties, the RD Cadre mission

¹² 'RD Cadre Attrition,' CORDS Evaluation, 10 May 1968, MACCORDS 101443.

remained ill-defined. The struggle between Saigon proponents of security first and believers in development sometimes caught the RD Cadres in the middle. In 1969, for instance, the Central Pacification and Development Council announced that the cadres would be more heavily armed and used as security teams, a job for which they were not trained. Colonel Nguyen Tai Lam, the director of the RD Cadre program, argued furiously against the change. 'What is the real aim of the 1969 [pacification and development] plan? - to control people and territory by "occupying" D, E, and V hamlets? Clearly not. We can "control" 100% of the people and territory in Vietnam, but if we do not win the support of the people, we will lose this war.'¹³ The cadres themselves evinced a good deal of resentment at being ordered to perform a military mission without proper training and weapons, but the plan went ahead. The cadre thwarted this effort to regulate their performance as they had done in the past. Finding this assignment unreasonable, most teams simply ignored it.¹⁴

Relationships with local governments posed another problem. The teams' job was to make themselves obsolete by helping to improve local governments. These governments theoretically had some authority over cadres assignments. Sometimes this arrangement worked well. But often, incompetent or corrupt local officials assigned the cadres to inappropriate areas, or, seeing them as interlopers, barred them from certain activities. There is evidence that in the early 1970s some of South Vietnam's village administrations were taking on the jobs previously done by RD Cadres, but it is unclear whether this was due to successful cadre teams, shortages of such teams, or improving village governments.¹⁵ In any case, in the early 1970s the government began phasing the cadre teams out.

¹³ 'CPDC Guidance to MORD on Employment of RD Cadre,' Memorandum for the Record, 12 April 1969, MACCORDS PP&P 1969, 1601-10A.

¹⁴ 'RD Cadre Attrition,' CORDS Evaluation, 10 May 1968, MACCORDS 101443.

¹⁵ Talking Points for President Thieu's Visit to the National Training Center at Vung Tau, undated, Headquarters, Military Assistance Command, Vietnam (MACV), Directorate of Community Development, Box 11, File 1602-09, Record Group 472, Archives II.

Chart 6.1, on the following page, contains the previously unpublished '11 Criteria and 97 Points' that RD teams were charged with achieving in each hamlet. It is reproduced here in full.

**Chart 6.1. Revolutionary Development Cadre Teams:
11 Criteria and 97 Points 16**

- I. **Eliminate the VC Infrastructure:**
1. Outline the VC infrastructure.
 2. List the infrastructure membership.
 3. List hamlet natives now with the VC.
 4. List families with VC members or Sympathizers.
 5. Convert, apprehend or annihilate VC.
 6. Maintain surveillance over VC families.
 7. Appropriate or destroy VC installations.
 8. Map the hamlet to include structures, property boundaries, defense and topography.
 9. List the hamlet's natural resources and manpower. Establish a family census booklet system.
 10. Establish population and resources controls.
 11. Establish an intelligence net.
- II. **Eliminate Corrupt Practices and Discharge Corrupt Officials.**
1. List officials accused of corruption.
 2. Investigate thoroughly each accused official.
 3. Investigations should be completed quickly and judiciously or referred to higher authority.
 4. Establish an intelligence net to monitor the friendly infrastructure in the hamlet.
- III. **Develop a New Spirit.**
1. Reconcile differences between individuals, families, or groups.
 2. Encourage families to work together for the good of the community.
 3. Assist in the organization of a monthly 'Community Rally.'
 4. Organize competition among hamlets and villages.
 5. Assist families who return to the village.
 6. Assist VC families and encourage returnees.
 7. Encourage good candidates to stand for office in hamlet elections.
 8. Encourage freely conducted community meetings.
 9. Develop courtesy and national pride in the children.
 10. Encourage the people to remain in the hamlets rather than migrating to the cities.
 11. Discourage drinking and gambling.
 12. Discourage prostitution and suppress obscene publications.
 13. Encourage adult education.
 14. Emphasize exclusive use of the Vietnamese language, teach the national anthem and discourage obscene music, songs and dances.
 15. Honor national and local heroes with monuments, poems, and songs.
 16. Encourage thrift.
 17. Assist in the organization of the monthly 'Community Rally.'
 18. Discourage superstition and encourage the scientific approach.
 19. Encourage compliance with the draft regulations.
 20. Urge young people to participate in people's groups.
 21. Encourage prompt loan repayments and government allowance payments.
- IV. **Establish Popular Government and Organization.**
1. Encourage and assist qualified persons to assume leadership in government and people's organizations.
 2. Organize people's groups.
 3. Elect the hamlet RD committees.
 4. Assist in the organization of a monthly 'Community Rally.'
 5. Assist RD committee to establish a hamlet charter.
 6. Assist in the election of a Hamlet Board of Administration and Village Council.
 7. Train officials if requested to do so.
 8. Organize a ceremony for the proclamation of the charter and for the empaneling of the Board and Committee.
- V. **Organize the People for Self Defense.**
1. Encourage qualified people to lead the anti-VC organizations.
 2. Organize the hamlet against the VC.
 3. Assist in training and organizing the people against the VC.
 4. Assist the RD committee to organize the defense.
 5. Advise the combat cells.
 6. Establish an inter and intra-hamlet communications system.
 7. 8. 9. 10. 11. 12. (same as V.3).
 13. Encourage nearby families to move into the hamlet.
 14. Encourage young people to join RD teams and the Self Defense Force.
- VI. **Improve Literacy.**
1. List illiterates between 10 and 45 and available teaching resources.

¹⁶ Source: Vinh Long Province, General Information 1967, R.G. 472, MACCORDS 101463.

2. Organize classes.
 3. Organize discussion meetings.
 4. Organize the construction and improvement of classrooms.
- VII. **Eliminate Disease and Insanitary Conditions.**
1. Teach hygiene.
 2. Dig wells for potable water.
 3. Build or improve the dispensary/maternity.
 4. Provide transportation for the sick.
- VIII. **Implement Land Reform.**
1. Formalize farm leases.
 2. Keep rents within legal limits.
 3. Publicize tax and rent exemptions.
 4. Assist in the listing of abandoned lands and recommend their disposition.
 5. Organize meetings to discuss land distribution and exploitation.
 6. Assist in the adjustment of previous VC land distribution.
 7. Assist in the adjustment of previous illegal claims on public land.
 8. Assist in the adjudication of all land disputes.
 9. Assist in issuing titles to land bought from dispossessed landlords.
- XI. **Develop Agriculture and Handicraft Industries.**
1. Assist in the functional organization of the Farmers Association.
 2. Assist the agriculture cadre in the hamlet.
 3. Request provincial assistance for the agricultural program.
 4. Request that the province assume responsibility for irrigation systems.
 5. Assist in the improvement of agricultural production.
 6. Establish agriculture pilot centers.
 7. Assist trained farmers at agricultural pilot centers.
 8. Recommend trained farmers for agricultural loans.
 9. Assist in the negotiation of contracts between agricultural cadre and farmers.
 10. Assist agricultural cadre and encourage equipment and money loans.
 11. Assist agricultural cadre to collect loans and to follow up agricultural development.
 12. Encourage handicrafts and organize cooperatives.
- X. **Improve Communications.**
1. Develop a road improvement program.
 2. Organize the people to execute the road improvement program.
 3. Recommend that the province maintain main roads and that recognition of individual participation in the road program be made.
 4. Recommend that the province sell 3-wheeled vehicles on credit, sell radios cheaply and install a post office and information hall in the hamlet.
- XI. **Reward Deserving Soldiers, Public Servants And Citizens who have Contributed to R.D. Programs.**
1. Compile a list of individuals who have contributed to revolutionary development.
 2. Honor RD combatants at celebrations.
 3. Recommend land distribution to RD combatants.
 4. Recommend priority consideration for allowances and loans to RD combatants.
 5. Recommend allowances for families of deceased RD combatants and use of their names for village streets.

Vietnamese evaluation teams from the Ministry of Rural Development carried one American adviser and followed the RD Cadres, reporting on their progress. These advisers, however, often found their quality control job impossible. As one of the advisers complained, Vietnamese inspectors sometimes rubber stamped poor performances, many advisers were too busy to do more than confirm that the teams were in place, and most were anyway unequipped to do their jobs. 'Fluency of advisors in Vietnamese in this most Vietnamese of all CORDS programs is almost totally lacking.'¹⁷

A 1967 evaluation of a hamlet in Gia Dinh province illustrates this problem. The hamlet lay 5 kilometers from a Saigon suburb, had a strong government presence, and was considered relatively secure. The RD Cadre team entered the hamlet in January 1967 and departed in October. Ministry of Rural Development inspectors and their American adviser visited in September. The inspectors reported to Saigon that nearly all the assigned projects had been satisfactorily completed and declared the hamlet completed, which was reflected in subsequent HES ratings. The accompanying American adviser had refused to sign their final report, complaining to CORDS that inspectors questioned only the cadres, ignored the villagers, overlooked obvious lies, and reported slipshod and uncompleted tasks as satisfactory. 'These inspections are becoming a farce and are an insult to the intelligence of the U.S. personnel on the delegation.' In response to the adviser's complaint, a Vietnamese/American CORDS inspection team visited the hamlet a few weeks later and found that the NLF political infrastructure had not been touched. Viet Cong units still entered the village at will, development successes were not apparent, and the committees that the team claimed to have created had ceased to function as soon as the cadres departed.¹⁸

According to some reports, not all the results were so abject. The senior

¹⁷ 'RD Cadre Attrition,' CORDS Evaluation, 10 May 1968, MACCORDS 101443.

¹⁸ 'Completed ADM Tan Tao II, Gia Dinh Province,' CORDS Evaluation, 29 January 1968, MACCORDS 101433.

adviser in Vinh Binh lauded the RDC as 'a very useful group. . . probably the most effective organization' involved in development.¹⁹ The senior adviser in Chuong Thien province wrote in May 1969 that RD Cadre teams were the fundamental strength of the villages. 'In spite of VC terrorism, and government ineptness the RD Cadre continue to march and exceed expectation.'²⁰ Two years later, his successor reported that only the efforts of the cadres prevented the development process from stagnating completely.

More often, however, the reports resembled that of Frederick Barbour, a district senior adviser in the Mekong delta region who believed the peripatetic cadres were achieving little.²¹ An even bleaker view came from the senior adviser for Quang Nam, who called RD Cadre leadership in his province as 'useless as they are incompetent.'²²

Possibly even more damaging than poor personnel was the temporary nature of the cadres commitment to each hamlet. While the NLF did target RD cadres for assassination, more often they simply went to ground when cadre teams appeared. Front agents often preserved influence by maintained the ability to retaliate against villagers who informed against them. When the RD teams departed with their 'completed' checklists, the NLF reemerged. The following South Vietnamese evaluation of a hamlet near Saigon is particularly revealing. One year after the certification of Ta Dien as a 'New Life Hamlet', 'there is no sign of a "new life." The VC control two thirds of the hamlet day and night, the elected hamlet government has dissolved and village officials cannot enter without an escorting platoon.' Hamlet residents who had cooperated with the cadres had been punished by the Front. Much of what they built had been dismantled. A small stretch of new road remained, but the new school house was without teachers, the

¹⁹ 'Province Senior Advisor Completion of Tour Report,' 12 February 1972, Robert C. Hallmark, Pacification Files IV CORPS (Closed Files), 1968-1972, CMH

²⁰ Province Monthly Report for Chuong Thien, May 1969, Phillip W. Hamilton, CMH.

²¹ Province Monthly Report for Kien Tuong, July 1969, Frederick L Barbour, CMH.

²² Province Monthly Report for Quang Nam, 1969, Warren E. Parker, CMH.

maternity clinic lacked a medic, five crop sprayers had been destroyed, and the peoples' groups were mostly inactive.²³

This problem of `regression' was well known to high officials. The senior American RD Cadre adviser in the Mekong region informed his superior in Saigon: `It takes about as many forces to keep a hamlet pacified as it does to pacify it in the first place. Therefore, the idea of our cadres completing hamlets and moving on to new ones with their security forces, leaving only a small contingent behind, and being able to look over their shoulders after a time and see a long line of "completed" hamlets simply is not valid. . . . When we go into a hamlet, we have to stay in the hamlet.'²⁴ The resources necessary for maintaining RD Cadre presence were, however, unavailable. Hence, RD planners hoped to create effective local government and credit organizations to obviate the need for special visiting teams. The idea had merit, but its execution proved far beyond the capabilities of the RD program.

In short, the cadres sometimes served as a useful bridge between dysfunctional and improving village governments. But when viewed on a national scale, their job was impossibly large and their program's resources and talents far too meager. South Vietnam recognized approximately 12,800 hamlets, the majority of which were contested and in need of economic help, but would never be the subject of an RD mission. A 1969 study noted that while 58% of South Vietnam's population was on the three tiered priority list for pacification and development, there were not the resources to satisfy the first priority requirements, let alone the second and third.²⁵ Clearly, needs far exceeded resources in the `other war.'

In order to succeed, the CORDS village-level approach depended on

²³ `Failure of Pacification in Ap Doi Moi Tan Dien,' Rural Technical Team Survey Report, RTT Reports, Long An Province, 1967-70, Pacification Files III CORPS (closed files), CMH.

²⁴ Memorandum to Chief RDC/O, from Chief RDC/O South, 26 February 1967, MACCORDS,101559.

²⁵ Pacification Priority Area Summary, Prepared for ACofS CORDS,undated, 1969, MACCORDS 101720.

numerous interlocking factors: well-conceived programs, competent local government and development personnel, diminutive NLF presence, decent advisory relationships, reasonably effective local armed forces, and the resources to enter and remain in the villages until local government could take over development tasks. These prerequisites were in short supply. This leaves perhaps the most vital variable: the receptivity of villages to the ministrations of development planners. Subsequent sections will attempt to determine to what extent South Vietnamese hamlets and villages were receptive to pacification or village development during the 1968-1972 period, especially with regard to the flagship Village Self Development Program.

6.3 VILLAGE AND HAMLET RECEPTIVITY TO THE CORDS COMMUNITY DEVELOPMENT APPROACH

The government and its American ally devoted insufficient resources to village security and development, even in the first priority areas of South Vietnam. But perhaps a more important issue to future research is whether the village programs they did deliver were efficacious in the average hamlet of South Vietnam.

CORDS planners seem to have believed that, where programs failed, internal factors were most to blame, a startling fact considering the existence of the NLF. A typical critique cited 'personality conflicts between advisors and counterparts. . . professional incompetence, corruption, cumbersome bureaucracy, political instability and infighting, and the Viet Cong.'²⁶

The quality of programs and personnel was indeed vital, but the nature of a given community appears to have been more important than South Vietnamese or US inputs. If a local population was either fervently anti-communist or for some reason already receptive to government ministrations, then village development projects had a chance of succeeding. If villagers were resistant for

²⁶ Report on VSDP for Phong Dinh Province, 1969, MACCORDS, 101567.

any reason, projects were likely to fail, even if they were planned and carried out competently.

A joint US/Vietnamese CORDS evaluation of 1968 illustrates this concept. The evaluators used hamlet citizens' committees set up by RD Cadres as a proxy for public cooperation and support of the program. If those committees continued to function after the teams departed, RD programs had a chance of sustaining themselves, and the evaluators considered the population to have been at least somewhat supportive of the cadres' goals.

This enquiry confirmed that preexisting village attitudes and the disposition of the local NLF organizations were more important variables than the quality of government inputs in the establishment of citizens' development and security organizations. The study suggested the type of hamlets most and least likely to cooperate in the security and development effort and their relation to RD Cadre teams of varying quality. 1) A competent, well led RD Cadre team and fervently anti-communist populace (for instance Catholic, Hoa Hao, or Cao Dai, religious groups to whom communism was anathema) was found likely to lead to the successful establishment of citizens' groups. 2) Likewise, an effective RD team was likely to succeed by this criterion in a hamlet located near a district or province capital with large security forces nearby, so long as hamlet leadership was reasonably effective. 3) However, a hamlet with a good government and strongly anti-communist populace was not a guarantee of success. A poorly led RD group usually would be unable to form citizens' groups even in this environment. Some programs might succeed with inferior inputs, but programs like the VSDP, which depended on intensive education and organization efforts, stood little hope without good Cadre leadership, the rarest commodity internal to the program. 4) The following finding was the bleakest yet from the government's perspective. Even Revolutionary Development Cadre teams of good quality were likely to fail, not only in anti-government hamlets, but in politically ambivalent ones as well,

which described most hamlets in South Vietnam.²⁷

One consultancy study conducted after the demise of CORDS interpreted the efforts of RD teams differently. This report concluded that the most important variable in the success or failure of RD Cadres efforts was not their own quality, but the quality of the provincial and district governments under which they worked.²⁸ Indeed, this study has presented a good deal of evidence to show that province and district officials smothered all kinds of village activities. In either case, the performance of even the better RD Cadre teams appears to have depended in large part on external factors over which they had no control.

Hence, the outlook for the VSDP program was grim; the vast majority of South Vietnamese hamlets were populated with Buddhists who tended to be more ambivalent about communism than Catholics, Hoa Hao, and Cao Dai; province and district governments generally resisted decentralizing power to villages; and studies of South Vietnamese RD teams reveal a dearth of good personnel and even fewer good leaders. Where cadre teams or village governments implemented successful community development projects, they may have been preaching to the converted rather than fulfilling the vital aspect of their mission: winning influence and loyalty for the government in contested hamlets.

One example of a program that failed primarily because villagers proved unreceptive was the 'People's Self Defense Forces (PSDF) program. Local officials or visiting RD Cadres set up PSDFs. Self defense committees were to carry on the task of perpetuating the militias after government personnel had departed. Many critics have claimed that the self defense forces did not stand up to Viet Cong units

²⁷ 'Revolutionary Development Peoples' Groups in II CTZ,' Evaluation Report, 6 July 1968, MACCORDS, 101567.

²⁸ *The American Experience with Pacification in Vietnam*, Report to the Pentagon, submitted by The Institute for Defense Analyses, Chester Cooper Et al., Vol. 2, 171-2, Microfiche Collection, AD-763 953, RG 472, Archives II.

and that the program was therefore a failure.²⁹ But the militias were, in the words of William Colby, 'basically a political device and not para-military.'³⁰ The key question then is whether villagers embraced the concept, whether the program invited the willing participation of villagers who wanted to protect their rights and property against the NLF, and strong evidence exists suggesting that few did. In late 1969, research showed that the majority of South Vietnamese did not view the Peoples' Self Defense Forces as a popular movement –not in Saigon where the government's constituents were concentrated, and especially not in rural South Vietnam, where the struggle for political influence was fiercest.³¹ The NLF infiltrated the militias with impunity. One American adviser informed Saigon that the South Vietnamese Province Chief in Phu Yen would not let the PSDF within rifle range of him.³² PSDF participants often led the NLF against their own members.³³ A CORDS report noted that partly because of fear of Viet Cong retribution, 'there is a distinct consensus among both GVN officials and U.S. advisors that a significantly large segment . . . of the rural and urban population . . . does not want weapons. In all provinces there are rural New Life hamlets where a majority of the population would prefer that no active combat cells be formed, let alone armed.' There were even cases of villagers giving the weapons back in order to avoid antagonizing the Vietcong.³⁴ Thus, the PSDF can be said to have failed not only militarily, but politically, and these findings have significant implications

²⁹ See Province Monthly Report for Vinh Binh, January 1969, Paul E. Suplizio, LTC PSA. See also Province Monthly Report for Phuoc Thuy, December 1971, Frank C Gardner LTC, for Clifford C. Nunn, Jr. PSA, CMH.

³⁰ See Memorandum from W.E. Colby, DEPCORDS/MACV, to ACofS, CORDS, 11 December 1970, MACCORDS PP&P, 1970, Box 7.

³¹ Pacification Studies Group Report, Attitudes of People in Saigon Towards PSDF, 16 December 1969, MACCORDS 101723.

³² Province Monthly Report for Phu Yen, April 1970, James Engle, PSA, CMH.

³³ See Province Monthly Report for An Xuyen, December 1971, Franklin F. Kelly FSR-3, Acting PSA, CMH. See also Province Monthly Report for Thua Thien, December 1970, William R. Blakely, Jr LTC, Acting PSA, CMH.

³⁴ Evaluation Report, Revolutionary Development Peoples' Groups in II CTZ, 6 July 1968, MACCORDS, 101567. See also Evaluation Report, Revolutionary Development People's Groups in II CTZ, 6 July 1968, MACCORDS, 101567.

for the village development approach preferred by CORDS.

Security issues are also critical to a hands-on approach such as community development. Previous chapters demonstrated that highly divisible agricultural technology and physical infrastructure could cross military and political frontiers with relative ease. Community development, however, and the VSDP in particular, required the presence of development or administrative personnel, and often provided physical targets in the villages. Earlier in the war, as previous chapters explained, many policy makers had argued that development would have to wait for the post war period. Indeed, before 1968, development had proved largely unpracticable. And even in the post-1968 period, only a modicum of physical security existed.

Given that modicum of security, however, there is much evidence that a surprising degree of economic development can be achieved. Richard Haynes, an American staff economist in Saigon, noted in 1971, 'economic growth has taken place in the Republic of Vietnam largely without complete security.' In the Mekong delta the economy grew dramatically after 1968. Conventional wisdom had it that increased security paved the way for this growth. Haynes, however, suggested that economic improvement also stimulated the need for adequate security.³⁵ In other words, economic growth and security were symbiotic. Once agricultural marketed surpluses began to increase, political pressure on the Saigon government to keep markets open increased as well.

In the realm of community development and security, an extensive study commissioned by the U.S. command indicated, as had several before it, that the RD Cadres could achieve some success in an insecure environment so long as the population was receptive. More striking, it found that the effect of economic strength on political influence, as measured by the Hamlet Evaluation system, was strongest in areas of lower security. That is, in areas of relatively low security, 'the

³⁵ Memorandum for the Record, Subject: Economic Growth and Security, 18 August 1971, Richard W. Haynes, Agricultural & Forestry Officer, MACV Directorate for Economic Affairs, Box 15.

payoff of economic strength in terms of popular behavior was largely independent of security.³⁶ Areas already experiencing high levels of security had probably already seen some economic gain as a result of markets reopening, which might explain the diminishing political returns for economic improvements. But it points to the possibility that security-minded pacification planners underestimated the positive effects of successful economic development, and calls into some question the almost universal assumption that the local population would not cooperate with the Saigon government until their security could be all but assured. A note of caution is in order here. As the report pointed out, 'hamlets with really low security do not even get into the data, so the results should not be interpreted as a mandate to improve the economy of all hamlets without any regard to enemy threat or safety of the RD cadre team given the job.'³⁷

6.4 THE VILLAGE SELF DEVELOPMENT PROGRAM: AN ATTEMPT TO WIN POLITICAL LOYALTY THROUGH ECONOMIC DEVELOPMENT

The Village Self Development Program was initiated by CORDS in June 1969 and was implemented by Saigon's Ministry of Rural Development through local Vietnamese governments. The program was an effort to overcome the two major flaws of most previous village development efforts in South Vietnam, the lack of local participation and inappropriate project choices. In theory, each village under the self development program received a checkbook drawing from a set budget. Villagers were to form cooperative unions, officially designated People's Common Activity Groups (and inevitably called PCAGs), which, by popular vote, would choose, implement, and maintain small scale development projects using these budgets. The government funded entire projects in the VSDP's first year, but in

³⁶ Final Report, vol. 1, Analysis of Vietnamization: Summary and Evaluation, November 1973, Bendix Corporation, Sponsored by the Defense Advanced Research Projects Agency, Vietnam Collection, Jack Taylor Donation, Box 4, National Security Archive, George Washington University, Washington, DC. I, 1-5, IV, 4.

³⁷ Ibid.

1970 required participants to donate approximately half the value of a project in labor, commodities, or cash while the government furnished the rest through grants. This sequence was calculated to elicit immediate participation and gradually create proprietary feelings among villagers toward their public and private enterprises. By 1972, Saigon planned to fund its half of all projects through local credit organizations. Projects varied by region, but the most commonly chosen were livestock cooperatives, wells, roads, bridges, school rooms, medical facilities, electrical generators, small rice mills, and cooperatives for fertilizers, pesticides, farm equipment, and rice milling.³⁸

In keeping with the CORDS approach to village development, American planners designed the VSDP primarily with political goals in mind. One training manual went so far as to suggest that the economic results were a 'secondary consideration' to political results.³⁹ A CORDS program description defined its goals as improving 'the security, economic, social and political standards of the country. . . . to place greater administrative authority in the hands of village governments.' The democratic processes contained in the program were meant to involve people with their village authorities. Though conceived by Americans, the program was to be 'essentially Vietnamese,' and U.S. participation 'peripheral and limited at all levels.' CORDS officials also hoped the program would help lead to greater village economic self sufficiency.⁴⁰

From the VSDP's inception, leadership training began to shift focus from the RD Cadres to village officials.⁴¹ Theoretically, as village governments

³⁸ Situation Report, Village Self Development, Sector Project Guidance FY 71-74, submitted to USAID/CORDS, June 1970, MACCORDS PP&P, 1970, Box 7, File 1601-09A, Record Group 472, Archives II. See also Province Report for Hau Nghia, August 1969, LTC Carl F. Bernard, CMH.

³⁹ Training Seminar Outline--Village Self Development, 1969, RG 472, Headquarters, Military Assistance Command, Vietnam (MACV), Civil Operations and Rural Development Support, Directorate of Community Development, Box 11, File 1602-09, National Archives II, College Park, Maryland, USA (Hereafter CORDS/DCD with Box and File numbers).

⁴⁰ Sector/Project Guidance FY 71-74, CORDS/USAID Vietnam, June 1970, MACCORDS PP&P, 1970, Box 7, File 1601-09A, Archives II.

⁴¹ Talking Points for President Nguyen Van Thieu for his visit to the National Training Center, Vung Tau, 1969, CORDS/DCD, Box 11, File 1602-09.

improved, the cadres were gradually withdrawn and development, including the VSDP, was increasingly administered by local personnel. Indeed, the South Vietnamese government began training village and hamlet administrators at Vung Tau, the training center that turned out RD Cadres. Planners hypothesized that cooperative, and profitable projects would not only empower village governments, but promote people's participation in community affairs, habituate them to democratic processes, and collaterally increase the popularity of the Saigon government.⁴²

The VSDP's economic goals were rather less clearly stated than its political goals. Nevertheless, it was economic gain that was meant to attract villagers to participate. Projects focusing on private goods would enrich those villagers who took part, thus attracting enough interest to increase the wealth of the village as a whole. Projects for public goods would increase village amenities and perhaps benefit overall economic activity, and again lifting the village as a whole.⁴³ Some CORDS documents mention village self sufficiency as a VSDP goal, but they never define the concept, which is not surprising given the paucity of professional economists on staff, and in any case would appear to conflict with a stronger national economy.⁴⁴ CORDS recalibrated the program's goals slightly for 1970, its second year, and made explicit the aim of reaching beyond 'a few special interest groups.' The program was to be applied 'without discrimination between rich or poor in order that both people who have property and people who can furnish labor' could participate for the common good of their communities.⁴⁵

While the political and economic results of any program were closely

⁴² Village Self Development, Situation Report, Sector Project Guidance FY 71-74, submitted to USAID/CORDS, June 1970, MACCORDS PP&P, 1970, Box 7, File 1601-09A.

⁴³ Ibid.

⁴⁴ Ibid. Since CORDS never defines self sufficiency, and since the Americans hoped to interest peasants in improved markets generally, it is hard to see self sufficiency as a viable goal. One is tempted to conclude that the lack of economic expertise in CORDS ranks noted earlier in this chapter was at work here.

⁴⁵ 1970 Pacification and Development Plan, Annex XI, Village Self Development Program, attached to Memorandum for the Record, Subject: Congressional Proposal for Vietnam Local Programs, 10 February 1970, MACCORDS PP&P, 1970, Box 8, File 1601-10A.

related, focusing especially on political goals may not have been entirely misplaced in the context of village and hamlet projects, because the political climate of a village appears to have been a vital determinant of success or failure in small scale rural development. However, this was a risky approach. Unlike USAID, CORDS appears to have undervalued economic results. In the wake of so many failed programs over two decades, another economic failure could only deepen village cynicism toward the Saigon government.

6.4 (i) Performance of the Village Self Development Program

The VSDP generated high hopes among CORDS personnel. In late 1969 one senior U.S. adviser saw potential salvation for Kien Hoa, a hotly contested delta province, pronouncing it 'the most satisfactory and worthwhile success story' of his tenure. 'It has all the elements required to mold the villages into cohesive social entities which will form the basic structure of a real nation.' He cited one district in which 242 projects had been completed and estimated that 40% of the province's population had benefited from the program, 20% substantially.⁴⁶

In contrast to most village programs ushered in by Saigon, the VSDP captured the interest of a lot of villagers. One Vietnamese survey team reported a phenomenon that commonly appears in VSDP evaluations. Those villagers who did understand the Village Self Development Program were very interested in it, but where education efforts were poor, villagers showed little interest.⁴⁷ In Kien Hoa province, the home of a potent National Liberation Front organization, VSDP appeared to be making significant inroads after a difficult start. 'The early

⁴⁶ Province Monthly Report for Kien Hoa, October 1969, A.L. Kotzbeue, CMH.

⁴⁷ Rural Survey Team Report, Cho Lach and Binh Minh districts, Vinh Long province, 4 November 1969, MACCORDS PP&P, 1970, Box 9. See also Pacification Research Survey, Translation of a survey of Than Hung village, Kien Giang province, Vietnamese Evaluation Branch, 21 May 1970, MACCORDS PP&P, 1970, Box 10, File 1602-01. Finally, see Pacification Studies Group Confidential Report, Village Self Development Program, Binh Duong, 8 October 1969, MACCORDS PP&P, 1969, File 1601-10A.

skepticism with which many of the villagers greeted this program has turned to enthusiastic acceptance.' The program was 'surging forward' under sincere if inexperienced province and district governments. Wells, irrigation pumps, school rooms and agricultural improvement projects were appearing even in the most contested districts, and local organization seemed to be playing a vital role.⁴⁸ Thus, early evaluations suggested that the VSDP showed a good deal of promise, and many discrete projects succeeded admirably. Reports by the dozen cite numbers of Village Self Development Projects completed, piasters spent, and estimated population benefiting.⁴⁹ But critical problems lurked beneath those simple statistics.

A particularly convincing illustration of the program's overall failure came from An Giang, the most prosperous, peaceful, politically unified province in South Vietnam. In February 1970, a South Vietnamese survey team visited the six hamlets of My Hoa Hung, a physically secure, relatively wealthy, Hao Hao village of about 14,000 people. Statistically, village officials and RD Cadre leaders reported that 100% of My Hoa Hung VSDP projects had been completed for 1969. The survey team found, however, that village and hamlet governments had mishandled the program and did not cooperate with RD Cadres. Villagers were unimpressed, and only a small minority had benefited economically. Moreover, the program had not increased identification with the national government. Even those villagers who liked the program, had benefited from it, and recognized it as evidence that the central government was interested in village development, did not alter their basic enmity toward Saigon. The report summed up, 'this program is very good on theory, but it was useless for practical purposes.'⁵⁰

⁴⁸ Province Monthly Report for Kien Hoa, June 1969, A.L. Kotzbeue, PSA, CMH.

⁴⁹ Province Monthly Report for Kien Hoa, October 1969, A.L. Kotzbeue, CMH. See also Province Monthly Report for Binh Dinh, March 1970, Billy Mendheim, Col., PSA, CMH. And Province Monthly Report for Ba Xuyen, Dec. 1969, John D. Evans, JR. FSR3 PSA, CMH.

⁵⁰ Report, Political Capacity of R.D. Cadres in My Hoa Hung Village of Chu Thanh District, An Giang Province, 18 February 1970, MACCORDS PP&P, 1970, Box 7.

The South Vietnamese context served up a variety of problems that neither officials nor villagers could overcome. Such problems were most often perceived by rural survey teams composed partly or entirely of Vietnamese evaluators, and not all American advisers were impressed by the numbers. One U.S. adviser in Central Vietnam observed that the people seemed to like the program, but that it was `retarded by administrative and procedural problems.'⁵¹ A delta adviser reported that villagers seemed willing to participate, but that unnecessary red tape inhibited them and unrealistic rules prevented them from taking part.⁵² Another adviser in Central Vietnam said that if lack of commodities and education continued in Binh Dinh province and bureaucratic requirements were not reduced, the VSDP would `continue to be a miserable failure.'⁵³ By 1971, village officials and group members were doing a better job with the self development program in Binh Dinh, but by then inflation was crippling the program.⁵⁴

The VSDP may have made some progress toward delegating more authority to some village administrations, but district and province authorities were often consumed with military affairs or simply uninterested in village development. Alternatively, they sometimes smothered village administrations in an effort to defend their bureaucratic turf. In one Delta province, such attributes rendered all development efforts `immobilized or in a vacuum.'⁵⁵ Moreover, province and district governments jealously guarded their power over village budgets and decision making, thwarting one of the major goals of the program. Often district governments chose projects themselves. And many, if not most, took a cut of VSDP money before it reached the villages. One U.S. adviser put the usual district

⁵¹ Kanh Hoa Province Overview, February 1970, Pacification Files 1968-1972 [Closed Files], CMH.

⁵² Province Monthly Report for Ba Xuyen, August 1969, John D. Evans, Jr., FSR3, CMH.

⁵³ Province Monthly Report for Binh Dinh, August 1969, Clayton B. Gompf, Col., CMH.

⁵⁴ Province Monthly Report for Binh Dinh, April 1971, Billy Mendheim, Col., CMH.

⁵⁵ Province Monthly Report for Vinh Binh, May 1970, R.W. Ellison, CMH.

cut at 10% off the top of the program.⁵⁶ In other areas the cuts taken by various local governments, from province down to village, were far larger.⁵⁷ Once the money got past district officials, it often ran afoul of village administrations. Weakened by province and district meddling, saddled with a baffling array of red tape, and inadequately trained for a radically new role, most village governments failed to administer the Village Self Development Program successfully.⁵⁸

These perversions of the program often meant that its benefits did not reach the poorer villagers. A large percentage of village governments did not delegate power to the people's groups that were supposed to choose and run projects. One American adviser working in the Mekong delta noted at the 1972 cease fire that, 'the people do not select projects, the village or district chief [chooses them].'⁵⁹ A South Vietnamese rural survey team in the Mekong province of Vinh Long reported that 'just a small number of people have really participated in the VSDP, the others have not benefited by the program because they have not been friends of the local government.'⁶⁰ Still another report noted that, possibly because of officials and their cronies capturing the benefits of the VSDP, 'the program was not very successful in reaching and involving poor families.'⁶¹

In Bac Lieu province, near Saigon, village officials in Long Dien ran VSDP projects themselves, choosing to use government funds for pig and fish breeding and an expansion of the market and school. A Vietnamese research team found

⁵⁶ Province Senior Adviser Completion of Tour Report, 12 February 1972, Vinh Binh province, Advisory Team 72 HQ, LTC Robert C. Hallmark, Pacification Files IV Corps, 1968-1972 (closed files), United States Army Center of Military History, Washington, DC. (Hereafter CMH).

⁵⁷ Village Self Development Program, Binh Duong Province, 8 October 1969, Pacification Studies Group, submitted by Mr. Phun Thanh Hai, and Mr. Stevenson McIlvaine, MACCORDS PP&P 1970, Box 8, File 1603-01.

⁵⁸ Talking Points for Ambassador Ellsworth Bunker for his testimony before the Senate Foreign Relations Committee, 23 April 1970, MACCORDS PP&P 1970, Box 6, File 1601-09A.

⁵⁹ Province Senior Adviser Completion of Tour Report, 12 February 1972, Vinh Binh province, Advisory Team 72 HQ, LTC Robert C. Hallmark, Pacification Files IV Corps, 1968-1972 (closed files), CMH.

⁶⁰ Local Survey Detachment Report, Vinh Long Province, 26 March 1970, MACCORDS PP&P 1970, Box 9 File 1602-01.

⁶¹ Problems as Posed by the Vinh Long Report on VSD for 1969, Pacification Files (closed files), Vinh Long Province, CMH.

that the villagers had hoped for wells and medical facilities. While perhaps grateful for the things they did get, villagers complained to researchers that the breeding projects benefited very few people. The research team concluded that province and district officials had not adequately educated the village and hamlet administrations about the aims of the self development scheme. The Long Dien village government in turn was unable to explain the program to its people. Thus, according to the researchers, the people of Long Dien did not know that this self development scheme was meant to solicit their choice or participation.⁶²

Early misapprehensions about the program sometimes led to farcical results. In urban Phu Cuong village, whose government wrongly believed the program to encompass only livestock cooperatives, participants complained to a research team that raising pigs in the city simply was not working out.⁶³ Overall, villager participation in the program was poor enough that ambassador Ellsworth Bunker carried talking points to Washington for a 1970 Congressional hearing which read in part, 'many of the people's common activity groups, formed to implement and maintain projects, were mere paper formalities and not new political units of some vitality.'⁶⁴

Because local officials tended to coopt the resources for self development, the spreading economic benefits envisioned by CORDS and the Ministry for Rural Development failed to materialize from many projects. A survey team in one Mekong village reckoned that only about 5% of the nearly 10,000 inhabitants enjoyed the benefit of the program, and most of those beneficiaries were military

⁶² Summary Report, Subject: To survey the people's knowledge of the Long Dien Village [Self] Development Program (Bac Lieu), undated, MACCORDS PP&P, 1970, Box 9, File 1602-01.

⁶³ Village Self Development Program, Binh Duong Province, 8 October 1969, Pacification Studies Group, submitted by Mr. Phun Thanh Hai, and Mr. Stevenson McIlvaine, MACCORDS PP&P 1970, Box 8, File 1603-01. Again, in Vietnam a village is merely a geographical designation that contains several settlements or hamlets. Thus, some villages, on the outskirts of fast growing cities or large towns, took on an urban character but maintained their political designation as a village.

⁶⁴ Talking Points for Ambassador Ellsworth Bunker for his testimony before the Senate Foreign Relations Committee, 23 April 1970, MACCORDS PP&P 1970, Box 6, File 1601-09A.

families, civil servants, village and hamlet officials, and their relatives.⁶⁵

Some hard pressed South Vietnamese officials made progress in educating village leaders and citizens in the Village Self Development Program, and as the evidence demonstrates, a great many villagers liked the idea. But even as these improvements accumulated, problems associated with the war or, more often, with corrupt or inefficient elements of the Saigon government, nullified gains. Sometimes scarcity of materials at the village level thwarted development projects. In the delta province of Chong Thien, according to a U.S. adviser, the program was coopted by vested interests during its inaugural year. Then, in its second year, when the populace was just beginning understand the VSDP and, more important, to accept and participate in it, the government cut off all deliveries of construction materials and other commodities.⁶⁶

Such gaffes were a common problem.⁶⁷ One former District Senior Adviser remembers his tour of duty as months of telling people there was no more steel reinforcing bar or concrete to be had.⁶⁸ Another Delta adviser complained in October 1970 that a 200 ton shortage of rebar in his province was defeating all that the program promised.

Some 334 bridges are included in the 842 VSDP projects for 1970. These bridges reflect the aspirations of the people, and were selected as projects after discussions and meetings at the village level. We now understand that rebar will not be available to complete these bridges as no further rebar is scheduled for delivery in 1970. . . .The selection of VSDP projects was made by villagers, following guidelines furnished by GVN. No restrictions on rebar, or indications that rebar would not be available were included in the directions for project selection and approval.⁶⁹

⁶⁵ Self Development Program at Tien Thuy village, Ham Long district, Kien Hoa province, Local Survey Detachment Report, 11-18 February 1970, MACCORDS PP&P, 1970, Box 7.

⁶⁶ Province Monthly Report for Chong Thien, October 1970, Thomas J. Levasseur, Jr. LTC PSA, CMH.

⁶⁷ See also Province Monthly Reports for An Giang, July 1970, author unknown, and for Gia Dinh, July 1970, Roy W. Burley, COL, PSA, CMH.

⁶⁸ Dan Strasser, former District Senior Adviser, Pacification Evaluator, Cease fire Observer, 1970-1973, Central Vietnam, interview with the author, 2 August 1994, Washington, DC.

⁶⁹ Province Monthly Report for October 1970, Vinh Long Province, John H. Clary FSR-5 Acting PSA, CMH.

Over-ambitiousness on the part of Saigon planners, poor technical support, and lagging education efforts in the villages resulted in a significant number of inappropriate projects. The glaring example of this is animal husbandry. Ministry and CORDS officials believed that profit generating projects would have the most immediate and dramatic political effect in the villages. Local livestock, like local rice varieties, tended to be hearty but not prolific and thus were generally raised for subsistence rather than profit. By importing more productive varieties of swine and poultry, development officials hoped villagers could turn a profit. In its first year, the Village Self Development Program therefore placed heavy emphasis on livestock programs in the belief that projects generating quick profits would also generate quick political gain. But problems plagued animal husbandry projects before and during the VSDP.

Villagers in Hoa Loa village began raising foreign chicks with promises of prolific growth and breeding in comparison to local breeds. The extra work and expense combined with high mortality rates, however, made the villagers 'less than enthusiastic' about the whole effort, according to evaluators. The imported chickens were not well suited to local conditions and 'required total maintenance.' Villagers complained that foreign chickens would not eat rice, as local ones did. They required expensive foreign feed, medicine in their drinking water, and warming lights, but still they died. One villager told evaluators that 'if foreign chickens were as easy to raise as domestic ones, every family in Hoa Long village would raise at least ten.'⁷⁰

Swine-raising fared equally poorly. Rural surveys revealed widespread problems and dissatisfaction with imported livestock under the VSDP program. In one delta village, people complained to evaluators of a shortage of sties, the

⁷⁰ 'Chick Raising in Hoa Long village,' Phuc Tuy province, RTT Field Survey Report, 30 December 1968, DEPCORDS Files, folder: Agriculture 1969-1970, CMH.

high price of swine feed, and mortality among livestock.⁷¹ Upland villagers reported that a quarter of their swine had died within the first year.⁷² In some villages people lost all but a few animals.⁷³ Another survey stated bluntly that 'pig breeding projects don't bring any benefit to the people.'⁷⁴

A province adviser took for granted the marginal effectiveness of such inappropriate projects when he reported that although Village Self Development statistics in his area were impressive, 'it must be noted . . . that 80% of these are animal raising projects and therefore of doubtful lasting quality.'⁷⁵ Higher officials were aware of these problems. In 1970, CORDS director William Colby was aghast to find that a recent visit of a Ministry of Agriculture livestock vaccination training team to Central Vietnam was the first in three years. 'If this is any indication of the effectiveness of this operation,' he wrote, it illustrates some of 'the difficulties with VSD animal projects.'⁷⁶ Some enterprising or lucky people made their livestock projects work, but, as village officials and people's groups began to understand their range of choices better, they began to move away from such projects and focus on more appropriate efforts.⁷⁷ In short, CORDS perhaps did not sufficiently heed lessons from previous imported livestock projects in which inadequate credit, technical support, training, and disease control resulted in high mortality rates.

Even when chosen projects were appropriate, Saigon's complicated bureaucratic requirements often obstructed their progress. Donald Colin, a

⁷¹ 'Self Development Program at Tien Thuy village, Ham Long district, Kien Hoa province,' Local Survey Detachment Report, 11-18 February 1970, MACCORDS PP&P, 1970, Box 7.

⁷² 'Self Development Program and Political Organization in Four Villages of Phuoc Tuy,' Local Survey Detachment Report, 20 March 1970, MACCORDS PP&P, 1970, Box 7, File 1602-01.

⁷³ 'Research of the VSDP,' Local Survey Detachment Report, Phuoc Dinh province, MACCORDS PP&P 1970, Box 8, files 1602-01.

⁷⁴ 'Village Self Development in Long Dien Village, Bac Lieu Province,' Local Survey Detachment Report, undated, MACCORDS PP&P 1970, Box 9, File 1602-01.

⁷⁵ Province Monthly Report for Phuoc Long, October 1970, Robert T. Haydon, LTC, PSA, CMH.

⁷⁶ Memo from William Colby to Assistant Chief of Staff, CORDS, 6 May 1970, DEPCORDS Files, folder: Agriculture: 1969-70, CMH.

⁷⁷ Province Monthly Report for Chuong Thien, Norman L. Olson, FSR-4, Acting PSA, CMH.

Foreign Survive Officer and an experienced U.S. adviser in the Mekong delta, noted that the self development program, complicated to begin with, was even more difficult to administer because planners in Saigon were constantly tinkering with it. Moreover, 'mistakes often ended in jail terms. Therefore, village officials have largely avoided risk by ignoring the VSD program.' Colin pointed out that an open and formal vote among people's groups did not work well in a culture which generally shunned open social confrontation.

Village officials more often seem to operate through informal caucuses and polls while sipping tea or beer with village residents. When a consensus develops, then a meeting can be held with a minimum risk of open disagreement. The PCAG is an admirable concept for small, rural Vermont villages, but it has always been viewed with suspicion in small, rural Vinh Binh villages.

Colin also believed that by simply handing village officials a budget and telling them to choose projects, the VSDP was doing its citizens a disservice. Villagers, he argued, knew what they wanted and needed in broad terms, such as 'education,' 'livestock,' or 'clean water,' but did not have the technical knowledge to draw up a detailed project. Colin suggested that development officials survey each village and draw up project plans from which villagers could choose. As the VSDP was practiced, villagers had to 'rush into projects to spend money with only the vaguest notion of what will be accomplished.'⁷⁸

Colin's suggestions never became policy. And while village governments improved in the early 1970s, they never got out from under powerful provincial and district governments to gain the autonomy CORDS planners had envisioned. Both South Vietnamese and American evaluations of the VSDP reveal that bureaucratic turf battles, corruption, and insufficient education were widespread.

The Village Self Development program might have had a positive economic and political effect in a different environment. Many villagers showed

⁷⁸ Deputy Senior Province Adviser, Completion of Tour Report, 12 February 1972, Vinh Binh province, Advisory Team 72 HQ, FSO-4 Donald I. Colin, Pacification Files IV Corps, 1968-1972 (closed files), CMH.

a willingness to participate, in contrast to almost all other hands-on programs. The VSDP, however, failed to spread prosperity or win political influence among villagers on a scale necessary to declare it a success, and this was as much the effect of political and social conditions in South Vietnam's villages as of the program's deficiencies.

Even successful rural programs were no guarantee of political gains for the government. We have seen evidence of this from both the NLF and government land reform programs. And a Vietnamese evaluation of Rural Development Cadres in An Giang province found that although the cadres themselves were popular among villagers, and that they had been partly responsible for introducing the popular modern rice program, none of this popularity had accrued to the national government.⁷⁹

6.4 (ii) Rural Receptivity and Regional Variations in VSDP Performance

As Section One suggested, local government and citizen receptivity, while not sufficient alone, was integral to the outcome of the VSDP, and indeed to the community development approach as a whole. A Vietnamese survey of four villages in Phuc Tuy province, just north of Saigon, illustrates this point. In the program's first year in Phuoc Tinh village, people's groups had chosen and begun work on seven pig raising projects, one auditorium, and one fish sauce factory using a VN\$300,000 budget. This represented one project for each of the village's nine hamlets. The hamlet people had evinced receptivity to the program by actively choosing the projects with the aid, but not the interference, of the village chief, Ngo Minh Khang. Khang reported that he had received a good deal of assistance, but again no interference, from higher officials at the district and province level. The three other villages in the study reported similar successes.

⁷⁹ Report, Political Capacity of R.D. Cadres in My Hoa Hung Village of Chu Thanh District, An Giang Province, 18 February 1970, MACCORDS PP&P, 1970, Box 7.

Villagers were especially pleased with the economic effects of road building carried out with program funds, and the VSDP appears to have pleased many of the area's inhabitants, although it is difficult to know how the popularity of this project might have affected their attitudes toward the Saigon government.⁸⁰

The performance of the assorted projects, however, varied widely in different hamlets within Phuoc Tinh village. Commenting on this report, Martin Christie, the senior American adviser for Phuoc Tuy province concluded that hamlets made up of Catholic refugees from North Vietnam tended to run successful self development projects, while those with Buddhist South Vietnamese populations tended to fail. In one Buddhist hamlet, Christie wrote, 'grievances expressed by the respondents from Phuoc Huong were primarily of their own making. They look at every offer by GVN with suspicion, distrust their neighbors and therefore find it difficult to form groups that qualify for VSD funds. Principally they are open to hand-outs and prefer not to invest their own money [even though they are comparatively affluent].'⁸¹

Another Vietnamese/American research team found that VSDP tended to work well in villages that had either a sense of community or an 'effective, responsive local government.' Since many villages had been dislocated by the war and many more had poor governments, this presented a paradox. The villages that needed the program most were least likely to profit from it. 'The critical problem is to make the sick healthy, not the healthy healthier.' Their report did see hope, but it would require commodities that were in short supply in South Vietnam in the early 1970s; 'Better information, better training, and time are the only cures available.'⁸²

⁸⁰ Self Development Program and Political Organization in Four Villages of Phuoc Tuy, Local Survey Detachment Report, 20 March 1970, MACCORDS PP&P, 1970, Box 7, File 1602-01.

⁸¹ Ibid.

⁸² Village Self Development Program, Binh Duong Province, 8 October 1969, Pacification Studies Group, submitted by Mr. Phun Thanh Hai, and Mr. Stevenson McIlvaine, MACCORDS PP&P 1970, Box 8, File 1603-01.

These surveys indicate that the self development scheme could indeed succeed in certain conditions, but those conditions did not often exist in South Vietnam. The following subsection will examine the major productive regions of the country to determine whether self development fared differently in one or the other.

As noted in previous chapters, there were substantial climatic and socioeconomic differences between the Mekong/Saigon region and Central Vietnam. Because cooperative economic practices were more prevalent in Central Vietnam, one might expect the Village Self Development Program, which required cooperative economic unions, to fare better there. The documentary evidence, however, reveals little difference in the performance of the VSDP between the regions, with the notable exception of the Central Vietnamese provinces that had been the site of especially heavy fighting.

Some reports from Central Vietnam boast statistical achievements in the program, just as they do in the Mekong/Saigon region.⁸³ Others lament the lack of political and economic impact of the program. One evaluation report for Quang Nam noted that there was a lack of village leadership throughout the province in 1970. Combined with the cruel effects of an especially fierce guerrilla war and a great deal of conventional combat as well, this crumbling of village administrations had rendered all government programs, including VSDP, nearly useless. The enemy's forces had been decimated, but 'the GVN has made no progress whatever in solving underlying political and socioeconomic problems.' The report ended on a what must have seemed a grim note, but one that later proved to have been optimistic. 'It is our opinion that in a province such as Quang Nam there will be no fundamental shift in allegiance to the GVN until the

⁸³ For claims of success, see Province Monthly Report for September '70, Thua Thien Province, Robert H. Wenzel, PSA. See also Province Monthly Report for Dec. 1971, Thua Thien Province, Donald J. Zurbriggen, LTC, DPSA. Province Monthly Report for August 1969, Quang Nam Province, Frank W. Dixon LTC, acting PSA, who claimed that the VSDP was progressing at 'high levels of success.' All references for CMH.

war has ended.⁸⁴

Binh Dinh, another province in the Central Vietnam, saw far less conventional warfare but like Quang Nam was an NLF stronghold. There, according to the senior American adviser, the VSDP program appeared to falter for reasons more familiar to evaluators in the far South: local governments failed to educate villagers, insisted on massive red tape requirements, and failed to deliver necessary commodities. The Adviser concluded that people were disinclined to participate for such bureaucratic reasons.⁸⁵ He did not cite the influence or popularity of the NLF in this region, which may be a reflection of the American habit of underestimating these vital factors.

The documentary evidence is sufficient to conclude that the VSDP fared no better in Central Vietnam than in the Mekong/Saigon region. It had the same bureaucratic problems and found villagers no more receptive on the whole. If anything, because of its greater exposure to combat and more potent NLF presence, Central Vietnam was a more hostile environment for the community approach to development despite its tighter village structures.

Clearly, the VSDP found a largely hostile environment in both major agricultural regions and failed to achieve its goals. The vast majority of the South's rural population was Buddhist rather than the more politically cohesive and anticommunist communities of Catholics, Hoa Hao, or Cao Dai. Concerted but dubious efforts to revitalize village governments through Western style democratic elections (examined briefly in Chapter Two) were just getting underway during the early days of the village development program, hence village politics were highly unsettled. Moreover, powerful district and province governments, a recent administrative invention, were too often 'guilty of

⁸⁴Special Evaluation, VSSG Study on Quang Nam Province, March 1970, Quang Nam Province Monthly Reports File, CMH.

⁸⁵ Province Monthly Report for August 1969, Binh Dinh Province, Clayton B Gompf Col., PSA, CMH.

dangerous negligence or suffocating control measures' over village affairs.⁸⁶ A significant percentage of the rural population had been made refugees by the war or migrated to urban centers. And villagers had good reason for not trusting Saigon and American programs, since so many had promised much and delivered little. Nevertheless, Martin Christie, the American adviser from Phuoc Tuy quoted in the previous section, appears to have concluded that the South Vietnamese people, rather than some aspect of the VSDP, the local government, the American presence, or the effects of the war, were responsible for the program's problems. To succeed, the program would have to make headway with those people whom Christie described as suspicious and in search of hand outs, who lived with social and economic dislocation, who had seen government programs come and go, who had grown accustomed to impotent village government, and some of whom had suffered or witnessed the worst excesses of behavior on all sides. The self development program would have to perform in villages like Binh Nham, where 'the internal lack of cohesion amongst the people. . . produced a decisive defeat for the program. If anything, there is less cooperation than before and the village government has lost respect.'⁸⁷ The program did not succeed in eliciting the participation of most South Vietnamese villagers in such places, and deeper questions need to be addressed to determine why this was so.

6.5 THE VILLAGE SELF DEVELOPMENT PROGRAM AND PEASANT ECONOMIC BEHAVIOR

6.5 (i) Evidence of Income Maximizing in the VSDP

⁸⁶Village Self Development Program, Binh Duong Province, 8 October 1969, Pacification Studies Group, submitted by Mr. Phun Thanh Hai, and Mr. Stevenson McIlvaine, MACCORDS PP&P 1970, Box 8, File 1603-01.

⁸⁷ Ibid.

While there is much to be learned from the administrative failings of the Village Self Development Program, the question of peasant economic behavior is perhaps more important if lessons from the program are to be generalized. Since the VSDP required villagers to work within cooperative groups, the program's performance speaks to issues of cooperation and individuality in economic endeavors: that is, whether peasants tend to be maximizing economic actors, or generally cooperative members of a moral economy attuned to the good of the community. This section will attempt to determine whether the VSDP allows for a conclusive statement about peasant economic behavior in South Vietnam.

As was demonstrated above, Village Self Development projects could work where a village retained some social cohesiveness and had an effective local government operating without undue interference from higher officials. Where these conditions did not exist, villagers tended to shun participation in the development schemes (and in many cases were excluded by local officials). These were the most obvious reasons for either participating in or avoiding VSDP projects. But peasant behavior with regard to cooperative development projects may have been governed by a general approach to economic decision making. Samuel Popkin theorizes that peasants faced with an opportunity to participate in a common economic effort will make a calculated but also subjective decision based on possible risks and benefits to themselves and their families of allocating their scarce resources to a common interest. These decisions, he adds, will be based in large part on the credibility and capability of local leadership.⁸⁸

There is evidence from village development efforts that South Vietnamese villagers made economic choices as constrained maximizers in a manner consistent with the rational choice school of thought. In fact, American reports regularly lamented such attitudes among villagers. For instance, one representative evaluation of the program observed that 'popular motivation has

⁸⁸ Samuel L. Popkin, 'Public Choice and Peasant Organization,' 252.

been for individual gain,' and deplored the failure to harness that 'motivation for personal gain [to] guide individuals into community structures.'⁸⁹ The questions at hand are whether that evidence is reasonably conclusive and whether the central and southern regions evince any differences in their approach to the cooperative aspects of the program.

The Village Self Development Program asked peasants to take part in a new, non-market, rural institution: the development cooperative. Adherents to the moral economy school of thought tend to identify such a cooperative approach to economic ventures as part of an intrinsic belief system rather than an economic choice. Nevertheless, although the new institution was in large part non-economic, and although a successful project would profit not merely an individual, but a group of villagers, the decision to participate or not appears to have been mainly economic. For example, one farmer told a South Vietnamese research team that he had withdrawn his name from a VSDP union because there were too many participants. With only VN\$ 30,000 to work with, a group of twenty would have to share the profits from six or seven piglets. That did not leave enough profit to go around after expenses and time in caring for the piglets was accounted for.⁹⁰ Participation in the VSDP required an expenditure of scarce resources in both time and money from peasants, and so each project had to overcome their aversion to risking these resources. The probability of reward had to be great enough to overcome that risk. In the estimate of this farmer, it was not.

In order to educate peasants in what was a radical new approach to development, explain the risks and rewards, and control the benefits, good leadership was indeed necessary. Without it, the projects naturally dissolved into mere grant programs, since villagers were required to spend their budgets

whatever the state of their development cooperatives. In other words, the bulk of

⁸⁹ Problems as Posed by the Vinh Long VSD for 1969, undated CORDS document, Pacification Files, IV CTZ, 1968-1972, Vinh Long Province (closed files), CMH.

⁹⁰ 'Understanding about the Self Development Program in the Villages of Vinh Thanh Van, Mong Tho, and Giuc Tuong,' Vietnamese Survey Report, MACCORDS PP&P, 1970, Box 10, File 1602-01.

any profits had to be contained within the cooperative group. If villages were not able to prevent non-participants from benefiting from a collective project, such as a bridge or road improvement, without making an investment, participation would dwindle and the universal problem of the 'free rider' would undermine the program.⁹¹ South Vietnamese and American evaluations of the VSDP disclose that such problems were legion. One Vietnamese survey team found that villagers in four relatively prosperous villages Phuc Tuy province were angling for hand outs and avoiding personal investment in VSDP projects.⁹² Another South Vietnamese study of two villages of Phong Dinh province found that in the second year of the program, the majority of cooperative members 'still thought [the VSDP] fund furnished by the government [was] for their personal use.'⁹³ A CORDS inspection team made up of one American and one Vietnamese evaluator found on one trip that in three of four villages the VSDP had dissolved into a 'giveaway program.' The public understanding of VSDP in one village seemed to be easily summed up: 'The government gives us pigs to raise.'⁹⁴ The existence of free riders further suggests that many people were making economic choices about the Village Self Development Program rather than a value judgment about the intrinsic right and wrong of cooperative behavior.

Poor administration, besides creating opportunities for free riders, could debilitate the self development program in other ways. Clearly in those villages where local governments were skimming heavily or directing resources to relatives or to their political superiors, most peasants opted not to participate. As one Vietnamese survey in Phuong Dinh province reported, 'the benefits brought

⁹¹ For a description of the free rider problem, see Samuel L. Popkin, 'Public Choice and Peasant Organization,' 252.

⁹² See for instance, 'Self Development Program and Political Organization in Four Villages of Phuoc Tuy,' Local Survey Detachment Report, 20 March 1970, MACCORDS PP&P, 1970, Box 7, File 1602-01.

⁹³ Local Survey Detachment Report, Research of the VSDP in Two Villages of Phong Dinh Province, 10 May 1970, MACCORDS PP&P, 1970, Box 8, File 1602-01.

⁹⁴ Confidential Report, Pacification Studies Group, CORDS, Village Self Development Program/Binh Duong Province, 8 October 1969, Stevenson McIlvaine, Phan Than Hai, Field Evaluators, MACCORDS PP&P, 1969, File 1601-10A.

in by the cooperatives is (sic) just for a small number of people. Generally, the projects do not bring realistic benefits for the populace.' In such villages, therefore, people tended to be reluctant to participate.⁹⁵ But in those villages with decent local governments attempting to run the program fairly, we have a good example of economic calculation taking place in non-market settings. Aside from the existence of the free rider problem, the best evidence that cooperative behavior within the VSDP was the result of calculation of benefit rather than inclination of values is the difficulty that even respected local governments had in convincing villagers to participate.

The overwhelming majority of South Vietnamese villagers in the southern region exposed to the VSDP program resisted its cooperative aspect. Even in those cases where people did work together to some degree, they did so reluctantly and only after considerable prodding. A CORDS evaluation found that in 3 of 4 villages, the potential for increased income did not overcome a distaste for the cooperative ventures. Even in the one village where the people were experimenting with cooperative economic ventures, local officials had worked to overcome initial resistance.⁹⁶ A Vietnamese research team reported that many villagers were expressing dissatisfaction over the idea of collective or 'union' group projects and that most were distrustful of cooperating so closely with neighbors in an economic venture.⁹⁷ So marked was this resistance that U.S. development officials told President Nguyen Van Thieu in 1970 that the program was foundering partly because 'people preferred to work separately for their own

⁹⁵ Local Survey Detachment Report, Research of the VSDP, Phuong Dinh province, MACCORDS PP&P 1970, Box 8, files 1602-01.

⁹⁶ Confidential Report, Pacification Studies Group, CORDS, Village Self Development Program/Binh Duong Province, 8 October 1969, Stevenson McIlvaine, Phan Than Hai, Field Evaluators, MACCORDS PP&P, 1969, File 1601-10A.

⁹⁷ 'Research Poll on the Village Self Development Program, Binh Duong Province, September 1969, Pacification Files III Corps, 1968-1972 (closed files), RTT Reports, Hau Nghia, 1967-70, CMH.

interest rather than working in collectivity for community interest.⁹⁸

Villagers evinced resistance to the cooperative nature of VSDP projects in projects whether or not they were an economic success. One joint Vietnamese/U.S. research team working just north of Saigon compared people's responses to cooperative projects in two contrasting villages. (It bears repeating here that a South Vietnamese village was a small region comprised of several settlements, whereas a hamlet was the sort of settlement that most westerners associate with the term village). Phu Cuong village encompassed several hamlets and a part of the Binh Duong province capital, a small urban area. The village 'had no apparent sense of community,' and its leaders were enfeebled by the proximity of a meddling province government. It is not surprising then that Phu Cuong's self development projects fared poorly and that its people were 'generally hostile to the idea of raising animals together.' This hostility to cooperative effort could be attributable to the urban nature of much of the village and the 'uncertain mix of rich and poor, urban and rural, typical of newly urbanized villages in Vietnam'. In Phu Cuong, therefore, the VSDP's failure comes as no surprise.

In contrast, in rural Tuong Binh Hiep and Tan Hao villages, whose hamlets had a greater sense of social and political cohesiveness, active and respected governments managed to guide several successful projects through the community. This led CORDS researchers to the same conclusions noted in previous sections. 'VSDP in Binh Duong is successful where the village has a sense of community and/or effective, responsive local government.' This economic cooperation, however, does not appear to have sprung from an indigenous impulse. Even in this successful case, 'strong popular resistance to the concept of cooperative projects was evidenced' and was only overcome after

⁹⁸ 'Briefing documents on progress of pacification and development program for first quarter 1970,' Memorandum to William Colby from Harry T. Johnson regarding briefing for President Thieu, 20 May 1970, RG 472 MACCORDS PP&P, Box 7, 1970, File 1601-09A.

considerable persuasive efforts by village officials.⁹⁹

Data for peasant response to the cooperative unions in Central Vietnam are not comprehensive enough to state conclusively whether or not there were regional differences in peasant attitudes toward the VSDP. Central Vietnamese peasants did not embrace the program and clearly resisted its cooperative elements. However, the insurgency and the conventional war may have prevented a community or project approach to development from succeeding, whatever peasant economic impulses may have been. Certainly the fierce nature of the war in that region makes it difficult to judge the program there. It is clear that peasants in the far South resisted economic cooperation in the VSDP as well. Why peasants in all regions resisted cooperative behavior, however, a complex question.

6.5 (ii) Conclusions to Peasant Economic Behavior and the VSDP

While it is possible to identify a general resistance to cooperative ventures under the VSDP, it is difficult to determine the precise effect of each factor. Poor local government, social dislocation, and insecurity sapped community spirit in many villages. Moreover, the VSDP program may have been trying to fabricate a form of cooperative behavior ill adapted to local custom. The cooperative practices around rice farming developed over generations. In contrast, the cooperative unions of the VSDP were imported overnight by government officials, had been spawned by foreigners, and contained at least some decision making processes foreign to the Vietnamese. Finally, as one evaluator noted in Central Vietnam, 'the rural population. . . have a long memory of unfulfilled promises' and 'deep-

⁹⁹ Village Self Development Program, Binh Duong Province, 8 October 1969, Pacification Studies Group, submitted by Mr. Phun Thanh Hai, and Mr. Stevenson McIlvaine, MACCORDS PP&P 1970, Box 8, File 1603-01.

seated suspicion of the government's ability and intentions.¹⁰⁰ The marked resistance to cooperative self development projects, then, rather than precluding the existence of something akin to a moral economy, might have resulted from unique and temporary wartime conditions.

Even allowing for the influence of these factors, however, it appears that a more fundamental resistance to cooperative ventures existed among Vietnamese villagers. For instance, this resistance appeared in villages that retained social cohesion, had good governments, and in which villagers expressed a good deal of interest about the program. And villagers exhibited such resistance in all regions of South Vietnam, even those in which cooperative rice farming practices were still deeply rooted.

The willingness of large numbers of villagers to free ride coupled with this resistance to cooperative behavior strongly indicates that villagers had their own good and that of their families in mind, rather than the good of their communities. It appears that, being reasonably efficient of their resources and efforts, peasants calculated in each case whether cooperative projects presented under the Village Self Development Program offered them a decent return on investment, just as they made these decisions in the cultivation of rice. They decided on the basis of subjective estimates of the credibility and capability of the particular venture and their village government. They were not purely rational individualists operating in perfect markets. Nor is there evidence that they were wholly unmindful of the good of their communities. But there is no evidence whatever that they were working first and foremost for the good of the community within a moral economy framework. Apparently, no intrinsic and overriding belief in reciprocal and cooperative behavior for the good of the larger community was at work within the VSDP depicted in these studies. In fact, one

American researcher lamented this individually maximizing approach to

¹⁰⁰ CORDS Evaluation of the First Phase of the 1969 Pacification Program, Binh Dinh Province, 9-14 June 1969, Mr. John S. Figueira, Pacification Files, II Corps, 1968-1972, CMH.

economic decision making as a problem for the nation as a whole: `rural economic development needs more dynamic governmental encouragement if it is to foster developing communities and not just family prosperity.'¹⁰¹

Despite the lack of evidence for a functioning moral economy element in the Village Self Development Program, there is not enough evidence here to dismiss it. The evidence for Central Vietnam, where communal rice farming practices were more deeply rooted, is insufficient to rule out a regional difference in economic behavior with regard to the program. Thus, the program may not provide an apt platform for determining conclusively whether or not elements of a moral economy were at work in Central or southern Vietnam. The most conclusive statement to be made here is that no evidence for such a system has yet turned up, and that strong evidence exists for a family income maximizing ethic within and without the VSDP program and throughout South Vietnam.

6.6 CONCLUSIONS: ECONOMIC GROWTH AMIDST THE FAILURE OF INDIVIDUAL PROJECTS

The project approach to village development did not achieve its goals in the 1968-1972 period in South Vietnam. In order to succeed, it would have required several things that did not exist in sufficient quantities at that time: sufficient resources, qualified personnel, cooperative and competent district and province administrations, functioning village governments, significant diminution of NLF political and social influence. Moreover, village development proved vulnerable to National Liberation Front tactics of physical threat and attack. Even where it was not popular, the Front did not need to destroy a lot of development projects in order to hamstring the campaign. It merely had to establish an implicit threat, intimidate vulnerable development personnel, exploit villager cynicism about

¹⁰¹ CORDS Evaluation of the First Phase of the 1969 Pacification Program, Binh Dinh Province, 9-14 June 1969, Mr. John S. Figueira, Pacification Files, II Corps, 1968-1972, CMH.

government programs in general, and attack selected targets. Perhaps the NLF's greatest success in the assault on nation building in South Vietnam was its ability to enfeeble local governments. It may have been necessary to introduce development cadre teams and special projects, but these were insufficient for community development to sustain itself. Such success would have required village governments to improve dramatically, and this the Saigon government's chequered history and the NLF prevented.

Some effort at improving the government's rural political presence was, however, necessary. Programs like Village Self Development, as established above, were not designed merely to create short term economic success, but to foster political improvements in village government that would have promoted long term economic development. Development planners did not know how long their programs would be able to function, but they realized that no one had succeeded in creating potent village administrations in South Vietnam before 1968. However, familiar village government practices had been radically altered in the late 19th and early 20th centuries by French colonial policy, driven underground by President Ngo Dinh Diem in the 1950s, and, with American prodding, restored in a foreign guise in the 1960s and 1970s. These administrations were highly vulnerable to NLF pressure, especially at night when South Vietnamese and American troops returned to their relatively secure compounds. Under these circumstances, it is unrealistic to suppose the government could have forged a working village government system that would earn legitimacy among villagers within a few wartime years. Nevertheless, such structures must exist and win legitimacy among villagers or South Vietnam could expect its social, political, and economic woes to persist. And some village governments did begin to show signs of life in the early 1970s. Thus, community development, though politically doomed by poor performance, the unpopularity of the Saigon government, the presence of Americans in the country, and the

influence of the NLF, had a good deal of merit as an approach.

Economically, the village development campaign fared poorly as well. This was due partly to the lack of economic expertise which CORDS brought to its development planning. But more damaging was the nature of the village development approach and its relationship to the political turmoil and insurgency in rural South Vietnam. Even with its dearth of economic talent, CORDS did manage to conceive a village development plan that compares well with later approaches and theories. VSDP planners saw the need for self-starting projects and the dangers of a foreign presence. They recognized the need for education and the potential for corruption. They tried to enlist village choice and participation by sharing out risk and limiting project profits to those who took part. Again, however, the circumstances under which the Saigon government attempted these programs all but assured failure in the short time it had to work. Village governments were not ready for the responsibilities VSDP required them to accept, village development projects presented specific targets that the NLF was able to exploit, and the rural population was generally and rightly pessimistic about Saigon government programs and their American sponsors.¹⁰² Thus, village development projects could succeed where good local development personnel or effective village governments worked with a population that was predisposed to be receptive for political or religious reasons. This left the majority of rural South Vietnam unsusceptible to government sponsored village development programs.

It is a salient point, however, that despite this overall failure, it proved possible to foster both general economic growth and some village development in an insecure environment. Obviously, the rural agricultural boom occurred despite widespread physical insecurity and strong NLF influence. Indeed, village

¹⁰² CORDS evaluation of The First Phase of the 1969 Pacification Program, Binh Dinh Province. Visited 9-14 June 1969, Mr. John S. Figueira, Pacification Files, II Corps, 1968-1972, Binh Dinh Province. CMH.

development within the program was possible, if not common, in areas of low security. The rural economic boom in South Vietnam during this period occurred, however, not merely because of village development projects. Security improvements after 1968, though far from comprehensive, made development possible by reopening markets and releasing peasants from a more subsistence oriented economy to which they had been confined in part by the war. At the same time, government market reforms, infrastructural development, agricultural development, and agrarian reform began to take hold. The diminution of government barriers to economic activity, the provision of inter village and inter-province roads and other infrastructure, the introduction of modern rice varieties, the development of an incipient official credit system, and land reform led to economic growth: not cooperative livestock projects, or village amenities.

A multitude of South Vietnamese and American documents produced in the early 1970s lament the failure of project after project while noting that economic activity was increasing strongly. In 1969 in the troubled province of Kien Hoa, for instance, the senior American adviser noted the ineffectiveness of local government and specific programs, but marveled that 'the private sector is rebuilding at an amazing rate.'¹⁰³ Also in 1969, Ambassador Ellsworth Bunker informed President Thieu that, although pacification was generally progressing in the Mekong delta, and the economy was showing signs of strength, individual programs were 'disappointing,' 'inadequate,' and 'lagging.'¹⁰⁴ In February 1973, the departing American senior adviser in Vinh Long province cited dramatic economic growth. These realizations among American officials predated the 1980s movement among development theorists, most prominently from the World Bank, away from individual development projects and toward a 'structural

¹⁰³ Province Monthly Report for Kien Hoa, June 1969, A.L. Kotzbeue, CMH.

¹⁰⁴ CORDS to President Thieu, Possible Points, President's Trip to II CTZ - 25 April 1969, MACCORDS PP&P, 1969, 1601-10A.

adjustment' approach in which general economic policies were to be made friendly to development. It should be noted here, however, that South Vietnam does not offer the best vehicle for judging the efficacy of the project approach to development, and that some synthesis between the general and project approaches appears to be emerging.

The VSDP had contributed bridges and schools, but real prosperity had resulted from a boom in farming and the spinoff activity it created. Agricultural equipment sales were surging, production and prices were both rising because of a combination of development and a lifting of government regulations, rural banking was beginning to respond to unmet credit demand, tenant farming was vastly decreased, and modern rice production was the highest in the country. As a result, farmers were more prosperous than anyone could remember, and the province had begun collecting taxes. A Vietnamese evaluation team working in Vinh Long province accurately exposed the overall trends in rural development. 'VSDP projects have not satisfied people because much attention has been paid to formality while implementation has not been properly carried out. . . . Life in 1970 is better than in 1969 due to good harvests of IR rice and improved security.'¹⁰⁵

Some of this success was due to the different natures of the USAID and CORDS approaches. The NLF found it increasingly difficult to block trade and collect taxes as new road nets appeared. Moreover, they found reform and agricultural development harder to oppose than village projects. Attacking new, divisible, generalized agricultural technology, such as new rice varieties, was far more problematic than destroying a new school house, scaring off a teacher or extension agent, or burning a chicken coop. Project development, which required local government support, was therefore vulnerable to the NLF even after 1968. Moreover, overbearing Saigon government regulation and red tape posed a lesser obstacle to general rural development than to village projects. Bureaucratic

¹⁰⁵ Format for Pacification Research Team Reports, 26 March 1970, MACCORDS PP&P 1970, Box 9, File 1602-01.

requirements could be nullified by farmer-to-farmer seed and technology sharing and weakened by improving road and communication nets. In contrast, a requirement for several hard-to-come-by signatures could kill a small livestock or village construction project, and the budgets for these discrete projects were easier to skim from.

Village development efforts did not succeed economically in a general sense, and such success as it had did not sufficiently sway the rural population to have succeeded politically. Evidence was presented in throughout this study to suggest that villagers were willing to accept from anyone things that helped them, but generally maintained their political ambivalence. If land reform, which positively affected the lives of many more villagers than did community development, failed to win abiding support for either the NLF or the Saigon government, VSDP certainly had little chance politically.

In sum, this chapter has confirmed that the project approach to village development did not win the political support of the average South Vietnamese peasant for their government. Nor was it significantly responsible for the rural economic growth and more equitable income distribution that parts of South Vietnam enjoyed in the 1968-1972 period. Its success depended mainly on the predisposition of a given village population, and most South Vietnamese villages were not receptive to their government's hands on ministrations.

Upon leaving Vietnam in 1973, an American adviser named Wallace Veaudry groped with what appeared to be a conundrum. The economy kept growing, security seemed better in many ways, and yet the NLF hung on and on. Colonel Veaudry lamented that in the delta province of Vinh Long, South Vietnamese forces had killed and captured thousands of Viet Cong, only to see them replaced. Five years after the Tet Offensive, two thirds of the province was still heavily contested. 'Despite this rather bleak picture, there are rays of sunshine,' Colonel Veaudry wrote. The economy was booming and in the realm

of economic development, 'progress is inevitable; only a catastrophe could stop it.'¹⁰⁶

¹⁰⁶ Province Senior Advisor Completion of Tour Report, Vinh Long Province, Wallace F. Veaudry, Col., 4 Jan. 1972 - 15 Feb. 1973, submitted 12 February 1973, Pacification Files Corps, 1968-1972 (Closed Files), CMH.

Chapter 7

Conclusion

Two schools of thought have dominated scholarship of the American war in Vietnam. The prevailing school suggests that the South Vietnamese/American effort failed in nearly every sense: militarily, politically, socially, and economically. Revisionists argue that the United States abandoned its South Vietnamese ally just as the foundation for victory had been laid. Both are made on the basis of insufficient evidence, and both are mistaken.

Scholars have largely ignored the years after 1968, the period most vital to judging the accuracy of these assertions. They have given especially short shrift to rural society and economic issues. In an effort to fill these gaping holes in the literature, this study has demonstrated that the truth lies somewhere in between the two dominant schools. Rural economic development achieved remarkable success and proved possible even in local environments which ranged from low intensity conflict to outright war. The nation building effort, however, foundered on its political goals. Nothing the Saigon government or its American ally attempted created an environment for South Vietnam's survival. Even if it had been able to defend itself, the South Vietnamese government had little real support among its people.

This study has reached its conclusions by bringing to bear evidence from a multiplicity of sources. Previously unexploited documentation from the United States Agency for International Development revealed much about agrarian reform and the introduction of new agricultural technology. Material from the now-defunct nation building agency, CORDS, makes possible new and more comprehensive conclusions about community and village development, the

nature of the American presence in South Vietnam, and the rural strength of the National Liberation Front during the last years of the war. Since the fall of Saigon, two decades of economic research has accumulated. Until now, it had not been used to shed light on the nation building effort in South Vietnam. Interviews with former policy makers and participants was invaluable in bringing a sense of operational perspective to this inquiry.

Several of Saigon's development programs, especially land reform and the introduction of green revolution technology, were popular with a large portion of rural South Vietnamese, particularly in the Mekong region. Revisionists have often cited this as evidence that the government itself was gaining popularity, and therefore that nation building was therefore succeeding. But this claim has a lot in common with well-worn claims of strategic victory based on the adage that the Americans never lost a major military battle in Vietnam. Both have a basis in truth, and both are irrelevant. Just as military victories did not make the Saigon government strong, successful programs did not make the Saigon government popular. As one senior American adviser observed, GVN and U.S. forces managed to occupy large areas, open new farmlands, introduce new rice varieties, popularize new technology, and instigate local elections in which people, though frightened, were willing to vote and run. But, 'I was troubled that the people felt as little identity with the national government. There was little popular responsiveness to [government ministrations]. I had hoped that given time, local democracy would grow up, and with education and experience there would be greater confidence in a national government. But it was weak while I was there.'¹

Part of the problem lay with the South Vietnam's government and part with its American ally. The urban-dominated Saigon government alienated itself from its majority rural population. It was profoundly corrupt. Its dependence

¹Hugh Appling, oral history interview, Georgetown University Library, 26 January 1990, p.17. Appling was the Province Senior Adviser to Tay Ninh province in 1968-9, and the Deputy Chief of Mission at the U.S. embassy in Saigon in 1973-4.

upon its ally emasculated the government in the eyes of its people and crippled its appeal to Vietnamese nationalism. Finally, it faced an implacable external foe in the North and a deeply-rooted internal enemy in the NLF. Hence, without American support, the Saigon government could not survive militarily. The American commitment, however, was extremely problematic. The presence of hundreds of thousands of American troops in a country they neither knew nor understood created a tremendous amount of animosity among Vietnamese. Moreover, the US commitment was confined to a political window of opportunity, and the window proved far too narrow for an immense nation building task that had not begun in earnest until 1968. Ronald Spector put it succinctly: for the United States this was a limited war, for the Vietnamese, it was an unlimited war for survival.²

Additionally, the GVN faced a far more difficult job than did the NLF. The government needed both influence and control in rural South Vietnam in order to win the cooperation of its people and build a foundation for secure nationhood. The NLF needed only influence. With influence, the Front could deny Saigon victory and wait out the Americans. In this, they succeeded. This study has demonstrated that Vietnam revisionists have underestimated the degree of NLF influence over a large portion of South Vietnam's rural territory in the post-1968 period. The Front, despite the intense loyalty of its core followers, was not especially popular with the majority of the South Vietnamese people; but then it did not have to be.

One of this study's chief scholarly contributions is the discovery that physical insecurity affected different rural development programs in different ways. This makes the case of post-1968 South Vietnam an immensely valuable model for development studies and economic history. The Americans and South Vietnamese attempted an extraordinary number and variety of development

² Ronald Spector, *After Tet: The Bloodiest Year in Vietnam* (New York, 1983), 314.

programs in a large assortment of conditions. They tried small-scale community development, whose schemes required micro-management and local presence. They tried large-scale agrarian development and reform using market forces to disseminate ideas and technology. They also tried to provide infrastructure both on local and national levels. They attempted these things in combat zones, in low-intensity conflict conditions, and in regions so peaceful that programs there could be described as post-conflict reconstruction.

Insecurity and NLF influence damaged the Saigon government's functions in the countryside and hampered hands-on government projects--the kinds of programs generally championed by the nation building agency, CORDS. Insecurity, however, did not prevent all elements of the rural economic development effort, especially those generally advocated by USAID, from achieving some remarkable successes. Programs seeking to disseminate economic ideas, reforms, and technologies into the countryside achieved a remarkable number of their economic goals. The programs and products that succeeded tended to share three critical commonalities; there was local demand for them, they diffused through local market mechanisms (such as farmer-to-farmer seed exchange), and they did not require micro-management from government personnel.

This study also found that the general economic approach underlying the rural development campaign worked far better in the Mekong/Saigon regions of the far South than in Central Vietnam. Development plans were tailored to conditions in the far South, where almost two-thirds of the country's population resided and which produced 85% of its staple food. In Central Vietnam, agricultural, military, and political conditions created an environment that was far less susceptible to Saigon government and U.S. ministrations. While farm families in Central Vietnam manifested demand for both green revolution technology and, to a lesser degree, land redistribution, most development plans

proved inappropriate there.

The introduction of Green Revolution technology—modern seed varieties and chemical inputs—proved both economically successful and appropriate in South Vietnam. Output and productivity increased, incomes rose for many farm families, and economically damaging rice imports plunged. Evidence of highly positive trends in total factor productivity is especially impressive. The fact that the technology introduced in the late 1960s persisted into the unification period is further testimony to its appropriateness in the Vietnamese context.

Environmentally, however, some of the new chemical inputs introduced under the program were terribly damaging. This study does not analyze environmental damage when judging the Accelerated Rice Program's performance. The full damage to habitat and humanity by these inputs, DDT among them, is yet to be understood, but it is clearly significant. It is a mitigating circumstance, however, that as the American commitment wavered, a real possibility of famine existed in wartime South Vietnam. It is also true that the purveyors of these inputs did not yet understand their potential for destruction.

Agrarian reform failed to win abiding support for the Saigon government and thus proved a political failure. The program was, however, a profound economic success in the circumstances, and proved extremely compatible with the concomitant introduction of new agricultural technology. Newly secure property rights for peasants in the small farm context changed the way many people farmed and lived. Peasant families with land titles were far more likely to invest in improvements to their land, and take risks with new technology. This contributed to both increased agricultural productivity and production. The Hanoi government discovered this in the post-war years. As it dismantled its collective agricultural system in 1990, an official government economic report proclaimed that a piece of land needs `an actual, real person who values and

protects it as one's own precious property.³

The present study has also confirmed that the community or project approach to rural development fared poorly. Projects that required micro-management generally found neither the local government competence nor the villager receptivity necessary to succeed. Moreover, discrete projects and their support personnel were more vulnerable to NLF subversion than was popular divisible technology. In the end, this finding does not stand as a general criticism of the community development approach, merely as evidence of its failure in South Vietnam.

Writing in 1988, Yujiro Hayami argued that two decades of research has demonstrated that the best development policy in South East Asia has been a combination of labor-saving and land-using agricultural technology, land reform that establishes strong individual property rights in pursuit of a small farm strategy, and investment in public goods such as roads, irrigation, and research.⁴ Twenty years after the fact, and on the basis of extensive research by a variety of scholars, Hayami prescribed for Southeast Asia that same development approach the USAID had championed in South Vietnam.

Perhaps the greatest testimony to the economic success of agrarian reform and the introduction of new technology, however, comes from a persistent and articulate critic of the US presence in Vietnam. The Vietnamese scholar Ngo Vinh Long, a resident of the United States, has pointed out that from 1975 until Hanoi attempted its collectivization policies in 1979, middle peasants dominated the Mekong region. They made up 70% of the regional population and owned 80% of the cultivated surface, 60% of the farm equipment, and over 90% of the draft animals. They produced significant rice surpluses after 1975, culminating in

³ Benedict J. Tria Kerkvleit, 'Village-State Relations in Vietnam: The Effect of Everyday Politics on Decollectivization,' *The Journal of Asian Studies*, 54, No. 2, (May 1995) 413.

⁴ Yujiro Hayami, 'Asian Development: A View from the Paddy Fields,' *Asian Development Review*, 6, No. 1 (1988), 58.

1979 with a surplus of 1.5 million metric tons out of a total crop of 2.39 million tons. Pierre Brocheux reports that Hanoi officials have recently come to the same socio-economic conclusions that Hayami and Long did: `Today, realizing that the collectivization introduced after reunification in 1975 has failed, reformist communists and others are emphasizing the crucial role of the middle sized farmers of [the Mekong region] who still retain some knowledge and experience of export-oriented agriculture.'⁵

It is noteworthy that the Hanoi government has come full circle in its views of peasant agriculture while many Western scholars continue to argue that Saigon's land reform was a sham, that green revolution technology harmed peasant farm families, and that peasants eschewed programs tendered by the South Vietnamese government. Both before and after the war, large numbers of South Vietnamese peasants signaled their demand for and approval of public infrastructure, free markets for their produce, secure individual property rights, and improving agricultural technology. When denied these things, they produced less. When given access to these things, they produced more. They voted with their toil and risk-taking.

It is no less noteworthy that some scholars continue to argue that the United States should never have abandoned its ally in Saigon. But rural Vietnamese could hardly have displayed a stronger preference than they did for an end to foreign domination. Thus, governments and scholars too often have ignored peasant demand and peasant preferences in Vietnam with almost uniformly disastrous results for policy and for scholarship, but especially for the people of Vietnam.

⁵ Pierre Brocheux, *The Mekong Delta: Ecology, Economy, and Revolution, 1860-1960* (Madison, WI, 1995), 211.

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