

*Classy a Finkel*

UNCLASSIFIED

MONTHLY REPORTS OF USAID PROVINCIAL REPRESENTATIVES  
for the month ending March 31, 1966.

(Region IV)

TO: Distribution List Below

FROM: Reports Officer, MRCC (Provincial Operations) USAID

This document contains the unclassified reports of USAID Provincial Representatives for the month ending March 31. The reports are summaries of the monthly reports submitted by each province and listed in order from north to south.

Distribution List:

Office of the Ambassador (1)  
Office of the Deputy Ambassador (1)  
Mr. E.G. Lansdale, Mission SLO, Embassy (4)  
USAID/Director (1)  
JUSPAO/Director (3)  
USAID Regional Directors I (10), II (16), III (16), IV (19)  
AD/M (1)  
AD/PE (3)  
AD/L (2)  
AD/TO (1)  
AD/C (1)  
USAID/PHD (2)  
USAID/PWD (2)  
USAID/Educ (2)  
USAID/PAD (3)  
USAID/IDD (1)  
USAID/Labor (1)  
USAID/ORC (2)  
USAID/Agric (3)  
USAID/Prov Cps (25)  
Embassy Political Section (3)  
Embassy Economic Section (1)  
Embassy/OSA (6)  
JUSPAO/ USAID Information Office (2)  
MAC/V J-225 (3)  
MAC/V J-33 (5)  
MAC/V J-2 (4)  
MAC/V J-332 (2)

UNCLASSIFIED

MAC/V G-5, IV Corps (1)  
MAC/V Polwar Adv. Dir. (2)  
MAC/V Controller (1)  
MAC/V Hop Tac Secretariat, Advisory Team 100 (3)  
Rand Corp. (MACV-J2) Attn: Mr. Betts (1)

March 31, 1966.

GO CONG (29)

Previous reports of considerable unrest within province has eased somewhat during the reporting period. Recommendations submitted by the USAID Rep to the Province Chief were discussed and adopted. This had to do with increased control of districts by Province. Morale of local officials has improved and there were fewer complaints of citizens against district officials. Support of Central GVN by the local populace is still good; most complaints are directed at local level.

Overall there has been slight improvement in the security situation through a shift of local forces within province. There has been no appreciable change in inter-province road conditions or in road clearing operations conducted by the military. 12th Regimental Headquarters has been temporarily withdrawn from province and one battalion from the 10th Regiment has been placed under province control.

VC activities increased sharply this period with many probing attacks at village/hamlet complexes. Removal last month of two tubes of 105mm artillery has left one district, Hoa Tan, wide open to free movement by the local VC company in that area. This action was taken by Division in Dinh Tuong. One result was a VC attack Tang Hoa, formerly one of our more secure villages. PF put up a magnificent defense, but suffered 2 KIA, 15 WIA and one PF baby killed. VC casualties were 7 KIA by body count. It is felt that if we had had the artillery the VC would have been stopped before they were close enough to do the damage they did.

For the second straight month prices in general remained stable, but high. Goods of all types are being brought into province with no apparent difficulty. The Province Chief has also instituted some price control measures on a local level, which should ease the burden of local citizens.

The social/psychological situation has improved considerably. There seems to have been a meeting of the minds concerning the Province Chief and evidently many reports of an unfavorable nature were disproved. The additional controls on district officials imposed by the Province Chief will help the overall situation within province.

Much has been accomplished in some areas of the 1966 Revolutionary Development Program. Province is still fortunate in being able to obtain commodity support from USAID/Saigon in sufficient quantity to actively support the local program. Shortages at Saigon level do hamper the momentum built-up, especially where cement is concerned. Extensive road repair and construction is underway for the first time in over a year. School construction is progressing except for problems with local contractors and increased prices for construction. The USAID imprest fund should prove to be invaluable in giving direct support to projects necessary, but not specifically carried in the 1966 budget. Hamlet construction and consolidation is slightly ahead of schedule and is only limited because of lack of adequate security in some areas. Overall, 1966 should be a year of progress in Go Cong.

March 31, 1966

KIEN TUONG (31)

Politics in Kien Tuong remains an unimportant factor. The Provincial Council continues to be in "limbo" as reported previously. It is hoped that with a new Deputy for Administration there may be some improvement.

As a result of a 7th Division operation, about 800 refugees arrived in Moc Hoa, almost all women and children. They are presently receiving emergency assistance. These people are from VC strongholds, and mostly the families of hard-core VC. At present most desire to return to their homes. Many, as a result of an operation in the same area in 1964, had been refugees before and had received assistance in relocating in GVN areas. While province is prepared to lend assistance and Saigon is supporting us in our efforts to help these people, we once again seem to be missing the core of the problem. Land is of importance to these people; if this area is controlled again by the GVN, the land will be returned to its absentee owners; if the people stay under GVN control, they will not receive their own land. To state that the people's grievances and present political beliefs are based only on land tenure would be a gross oversimplification, but it is definitely an important factor. Meaningful land reform is basic, essential and vital. We now propose massive help in producing better crops, livestock, supplying fertilizers, insecticides, etc. The peasant wants to know who these things are for and how he will benefit by improving someone else's land. The basic issue is still being avoided. We can bring tremendous resources in men and equipment to help refugees, but the same weight to force the basic reforms which are the real key to success is not being used.

After the setbacks in the security situation during January and February, province seems to have once more taken the initiative. The highlight of the month was a large operation by the 7th Division along the Cambodian border northeast of Moc Hoa. It is felt that this operation has thwarted any direct threat to the security of the province capital and surrounding areas. The operation was termed most successful, and has had a most favorable psychological impact.

Province continues to make progress along the vital La Grange canal. When all is said and done this may well prove to be of far more importance than the more spectacular large scale operations. However, Province is still hampered by the virtual halt of all commercial traffic on Route 29. The 7th Division must make serious efforts in this area so that its hard-won success in Kien Tuong is not for naught.

March 31, 1966

KIEN PHONG (32)

The usual political calm in the province was broken in March by religious and political undertones emitting from Agrovillage #4, where a rural construction cadre team is employed. The religious leader of the predominantly Catholic population in the agrovillage reportedly instructed the people not to cooperate with the team. It appears that there is a land ownership dispute in the area that could be renewed by the taking of a census.

There has been a noticeable increase in VC activity during the month, with 30 incidents versus 17 for the previous month. Significantly, these incidents have increased in intensity and forces and firepower employed. It appears that with the end of the rice harvest the VC are now able to exercise more pressure. The most significant VC attack occurred on March 17 at 0200 hours when they overran the province airfield and Chieu Hoi center. Friendly losses were 14 KIA, including five returnees and one Chieu Hoi cadre, 19 WIA, including four returnees, 23 weapons, one L-19 and one steam roller. There were no VC casualties reported.

The economic situation remains stable; however, the price of rice, i.e., the official Saigon price versus the illegal price, continues to be an unsolved problem. According to the Economic Chief, there is a shortage of rice in Saigon because the illegal price is 10 to 17 piasters more per (40 kilos) than the official price.

Compared to March of last year, legal rice exports from the province decreased 30%. This is an indication that more rice is being sold now at the illegal rate. One solution recommended was to encourage private parties to set up storage facilities and export directly to Saigon. It appears that until adequate police and checkpoints are established in the province the farmer will continue to sell his rice to neighboring provinces for the illegal price.

Overall, the Revolutionary Development Program is currently running behind schedule. This is primarily due to the slow progress of the Revolutionary Development cadre and the inability of province to recruit Popular Forces. With the approach of the end of the first quarter, there have been no hamlets reported pacified; however, a number of hamlets have accomplished four of the six criteria. The goal for the first quarter is five hamlets pacified and six hamlets reconsolidated. The two criteria holding up progress are hamlet fortifications and security forces. The latter appears to be the main stumbling block to satisfying the national criteria for a pacified hamlet. According to the Province Chief, he is encountering difficulty recruiting Popular Forces and in many hamlets the people object to the role of Home Guard.

USAID economic support of the program is progressing satisfactorily with adequate commodities on hand to satisfy the May 31 goals set by the Revolutionary Development Commissioner. Presently 44 self-help projects and 30 classrooms under the education program have been approved by the Province Committee. Commodities have been issued to complete 31 self-help projects and 16 classrooms. It is also planned that 30% of the remaining programs will be completed by May 31. Sustained progress beyond May will depend on the availability of commodities and adequate security to permit present "oil spots" to expand.

The water purification program is progressing satisfactorily. The unit in Thanh Binh is finished and work is now underway in four other sites. The air shipment of water pipe to An Long has continued after a lag of about two weeks. The An Long strip is centrally located and if these shipments continue at the present rate, the four remaining water purification projects should be finished by the end of May.

The rural electrification program is still bogged down. A search has been made and the contractor is not to be found. Certain actions have been recommended, one of which is to complete this project under self-help, assisted technically and commodity-wise by USAID. One such project in Thanh Binh district was completed last year under self-help and was very successful.



March 31, 1966

DINH TUONG (33)

Except for a change in district chiefs in Cai Lay--Captain Phan Van Cao replaced Major Bui van Hai--there were no significant political changes during the reporting period. Rumors of changes of government in Saigon had little or no effect on the local GVN officials or the people.

There has been no significant change in the overall security situation in the province. The destruction of a major bridge on National Route 4 at Long Dinh on March 14 brings to four the number of bridges destroyed along this route since July 1965.

Two significant trends in the security situation were noted: 51% of all reported VC initiated incidents occurred on or near National Route 4 and thirty-three of the total of ninety four reported incidents during the month occurred in Cai Lay District.

Rice production for the 1965-66 harvest indicates a drop of 39,558 metric tons over the previous harvest with a corresponding drop of 39,265 metric tons of exported rice. This drop can be attributed to late rains, greater infestation than expected; withholding of rice by farmers complying with VC orders; less hectare available for planting of rice (a number of farmers are turning over their land for the production of produce and vegetables).

In the districts of Giao Duc, Cai Lay and Cai Be, reports have been received that the VC are permitting farmers to release only 10 to 30 per cent of their rice production to GVN control. Rice millers have reported that they are averaging three days work per week when ordinarily they would be working seven days per week, and at times would be required to work at night. Also farmers are not to release in excess of five pigs, chickens or other livestock to GVN control during a specified period of time.

It has been reported that the VC are requiring payment in cash rather than commodities and that in addition to tax on crops, a personnel tax is being levied on each member of all families in VC controlled areas. Tax reported levied is from 10 to 40 per cent of the market price on all paddy and livestock released to GVN.

It was interesting to note in reports that a number of farmers were not only paying VC taxes but were also endeavoring to either personally obtain permission passes, which are very hard to obtain, to depart areas, or were paying agents to contact local GVN tax offices to keep their taxes currently paid on their land in order to avoid confiscation by the GVN "if and when" the VC are defeated.

There has been some improvement during the last week of the reporting period in availability of cement for commercial use, which reflects in the resumption of construction of homes, offices and public buildings. A slight drop in the price of certain construction materials, i.e., cement, wood and roofing, has also been noted.

The Deputy Chief for Administration is making a determined effort to improve the administrative procedures in the province office. Within the past month there has been noticeable improvement in expediting matters related to the Revolutionary Development program; however, in other areas of administration the bureaucratic system is difficult to break down. It appears that all echelons of the office must perform a function, if nothing more than stamp the paper. Much remains to be done at district level in improving procedures. Qualified personnel are not available to assist the district chiefs in solving their administrative problems. It has been reported that there is some discontent in several hamlets with the assignment of hamlet chiefs who are not native to the hamlet but are friends or loyal followers of the district chief. These "impartial" hamlet chiefs are not familiar with the local problems and do not show too much concern for the desires of the people, but rather urge the people to carry out the desires of the district chief.

Interviews with Quy Chanh and reports of armed propaganda cadres made up of former Quy Chanh indicate that "imported" hamlet chiefs are one of the weaknesses of the GVN effort to destroy the VC infra-structure. Hamlet/village chiefs are not enforcing a close census of the people, nor are they utilizing the "inter family" organization of control. Strangers are not readily indentified, thereby making it easier for VC to visit hamlets and gather information.

USAID programs are progressing satisfactorily, but not at the rate considered possible by USAID/Dinh Tuong.

Major Charley A. Carver, a graduate of Texas A & M with a degree in Agriculture, reported for duty with USAID/Dinh Tuong. With the concurrence of the MACV Sector Advisor, Major Carver will wear civilian clothes and be on full-time duty with the USAID Provincial Office. Carver has been assigned duties as coordinator of Agriculture, Irrigation, Animal Husbandry and Fishery Affairs.

The Hamlet School program is considered to be going very well with all of the schools programmed (47) to be completed by early April. Twenty-six schools are under construction; these are programmed for 1966.



March 31, 1966

KIEN HOA (34)

The most significant event this month was the reopening of the Truc Giang - Mo Cay road. This road, which connects the provincial capital with the Mo Cay district capital, has been closed for almost one year. The achievement of this feat (a major engineering and security effort) is attributable mainly to the personal perseverance of the Province Chief, who has had to overcome half-hearted support from both subordinates and superiors. The psychological impact upon the population to the restoring of normal commerce between these two important points is most favorable. Inability to keep the road open, however, could produce an opposite effect.

The continued flow of USAID commodities into the province, coupled with the enthusiasm of Vietnamese officials to meet General Thang's established quota, imparted great impetus to the Revolutionary Development Program. 115 separate projects are scheduled for completion by May 25. At this time, 61 have been started and one completed. Barring such unforeseen events as a major step-up in VC activity or an extended interruption to the flow of USAID commodities, there is every reason to believe programmed projects will be completed on time.

While the above indicates a certain amount of progress, their real contribution (if any) to winning the so-called Second War is uncertain, for the "gut" issue in this war is not the lack of material things, although they are greatly needed, but rather the lack of social justice in its broadest sense. Without the latter the former could very well be counter productive. Dedicated, competent, and honest leaders are far more important than the mere erection of physical structures or the dispensing of cooking oil and bulgar wheat. Yet little progress in this area continues to be noted. The Vung Tau cadre training program is a step in the right direction. But all this excellent training goes for naught when cadre are employed under dishonest, incompetent, and arrogant district chiefs. Somewhere and somehow we must get leadership at this level. The right people are available; for example, a canton chief in one of the most remote areas of the province does not possess a secondary school education or hold a military commission, but is a natural leader and a man of the people. The people, who comprise a mixture of several religions love and respect him. He has no American Advisors, no highly trained cadre, nor does he speak English or French. He does, however, have a truly pacified area with the happiest people in the province.

One cannot help but wonder how many months shorter this war could be and how many lives could be saved on both sides if we could get 232 district chiefs of this man's caliber. Surely it is not an unattainable objective.

Food prices declined somewhat during the month. On the other hand, prices of construction materials rose. First class lumber jumped from 11,000VN\$ per cubic meter to 14,000VN\$ per cubic meter. Gravel rose from 1,300VN\$ to 1,800VN\$ per cubic meter.

The security situation in the province remains unchanged.

March 31, 1966.

VINH BINH (35)

On the surface there appears to be no trouble. Underneath there may well be additional Cambodian dissatisfaction and there are unconfirmed reports that Buddhist leaders are preparing for some sort of action as an extension of events in Saigon.

At this time the Provincial Citizens Council continues largely ineffective. It is a sounding board for elements and individuals of the population and the Province Chief gives it due consideration to the extent possible. Further, it is an embryo for further development of democratic government when it becomes possible.

There are contending factions within the provincial administration which slow government operations; there is no present solution for this without the transfer of certain officials.

At present there is no significant discernible political trend. On balance, the government appears to be doing fairly well in maintaining support of people under its control. The psywar battle between GVN and VC continues unabated. The GVN appears to be holding its own.

There has been no significant change in the security situation. Road minings and VC incidents again rose slightly for second consecutive month (145 incidents compared with 131 for last period); it is still premature to state VC activity is definitely on increase. Militarily, the GVN maintained the initiative to some extent. Politically, it is still a toss-up as to which side is making most points with the people.

There was slight improvement in the economic situation goods and services are somewhat more plentiful and prices have fallen to some extent. Industrial development and new construction continues at a very moderate rate.

At present there is no discernible change in psychological attitudes towards GVN or other issues. GVN construction continues to make some progress (schools, canals,) and this is bound to improve the social situation to some extent. Social welfare activity needs more ammunition and capability to help the needy; this will win friends and influence people in favor GVN. Much more emphasis and resources should be applied to the youth and sports area.

March 31, 1966.

VINH LONG (36)

Politically, Vinh Long province is quiet. The Province Chief, Lt. Colonel Huynh Ngoc Diep, is an old hand at establishing an excellent relationship with all political parties existing in the province. Colonel Diep has personally been present on numerous military operations in the month of March, and his presence has bolstered military and civilian morale considerably.

Colonel Diep, in his day-to-day contacts with the people of Vinh Long, has made it a standard practice to discuss all problems with individuals personally. He does not turn this duty to his subordinates. Politically this is a good practice as his policy brings him face-to-face with local problems that concern the people.

The progress on all fronts in the province can be attributed to the Province Chief. His actions bespeak a man who is truly interested in the welfare of the people and the future of Vietnam, not self-aggrandizement.

The VC destruction of the Long Dinh bridge in Dinh Tuong Province affected Vinh Long shipment of rice and exports to Saigon. Civilian truck traffic was delayed one or two days as military traffic had first priority over the floating bridge now in use.

It is still possible to travel by road to eight of the nine districts, although the VC continue road interdiction, terrorism and harassment. The number of VC incidents for the month of March decreased appreciably.

Much conversation is generated by VC propaganda to the effect that a high price is placed on the heads of the Province Chief and Lt. Colonel Roberts, Senior MACV Advisor; however, both are aware of the rumors and still travel together to all ceremonies and military operations throughout the province.

Indemnity awards amounting to 1,170,000\$VN were paid during the month. The victims of GVN operations understand that they will receive cash awards for damages to their personal property. This counters VC propaganda. A standing provincial committee meets frequently to determine the validity of all claims and pass their recommendations on to the Province Chief for his final decision.

The psychological warfare team continues to work in district and hamlets bringing current news by loud speakers and distributing newspapers and magazines.

A province civil action team is successful in running a smooth operation in Vinh Long, taking care of military action victims, refugees, RF/FF families, and widows and orphans

Many inequities existed for years in Vinh Long whereby Catholic priests of minority religious groups demanded and received 90% of foodstuffs for their personal distribution to Catholic charitable recipients. It must be recognized that the Catholic groups are aggressive and have the best organized leaders in Vinh Long; therefore, they fared better than poorly organized religious groups. In the majority of cases, religious leaders no longer distribute directly to the people, and inequities that existed are gradually being eliminated.

Prices appear to be levelling off, and some have dropped: beefsteak 20\$VN, pork 30\$VN, brown sugar 5VN, chicken 50\$VN, stone 130\$VN, gravel 50\$VN, and roofing 15\$VN.

A farmer in Sadec District who owns three hectares of land became one of the most enterprising rice grower in Vinh Long. The average rice yield per hectare in the Delta is two tons, but the farmer using crop control methods, proper fertilizer and good irrigation, harvested five tons per hectare, the highest known yield in the Delta.

The majority of USAID supported programs got into full swing during the reporting period. Fifty-nine self help projects were approved, and construction has started on many. In addition, 35 hamlet school classrooms out of 45 programmed were started. These projects should be completed before the May 31 deadline. Sufficient cement appears to be the only obstacle. Enough cement has been received to start most projects, but if the pipeline stays dry for any length of time construction will be halted. Additional project approvals are being held up, to prevent more cement commitments (presently in excess of 5,000 bags). Several high impact, unprogrammed projects are being held up until the present cement shortage is remedied, and several proposed for Seabee assistance are pending because of the shortage.

During the reporting period, bids were called three times for purchase of rock for two provincial roads programmed for resurfacing in 1966. No one came to bid at any of the three bid callings. The problem is critical and the present supply will not be able to satisfy the demand. Provinces where rock is available are reluctant to release it. If it is released, transportation is difficult to come by and extremely expensive.



March 31, 1966.

AN GIANG (37)

Friction between the new Province Chief and the Provincial Council developed during this reporting period. The divergence of views is over the degree of Council authority in province administration to be exercised under the provisions of Title II, Article 9 of the Council charter decreed April 9, 1965. Under a broad and literal interpretation by the former Province Chief the Council has had an increasingly active and direct participation in province decisions--a condition generally attributed to the mutual bond of Hoa Hao sentiment. Though also of the Hoa Hao faith, the new Province Chief is intransigent in his determination not to be bound by precedents and to effect that reduction of Council voice in province affairs which he conceives to be an urgent prerequisite to the proper exercise of his executive authority. It appears that he has the backing of IV Corps Commander General Quang and Revolutionary Development Minister General Thang on this issue.

The recent proposal looking to a national consultative civilian body appears to be favored by a consensus of the local civilian intelligensia. Paradoxically they voice no views on the local contest between the Province Chief and Provincial Council.

There has been no significant change in the security situation. Abductions have increased. This action is in the area of the Tram Forest and the major waterway, the Ba The canal. The purpose is to challenge GVN control and is an annual cycle timed with the rice harvest. This cycle, over a three year period, shows a steady decline and the present action is less than it was this period last year. A National Police agent assigned to the Seabee team at Nui Sap reports a seven-man terrorist group in the vicinity with intent to harass the Seabees. In the same district of Hua Duc the initial sixty laborers employed on the priority Hue Duc canal have been scared off by VC, according to a report from a usually reliable source.

No appreciable change in the economic situation occurred during the period. While some sources attribute the slow movement of rice to a shortage of barges, it appears that farmers and merchants are simply holding some rice for a better price. Outside private industry has shown recent interest in exploring production and market possibilities in animal feed. But local business people are disappointed to learn of IDC's waning interest in the private enterprises discussed at the meeting last November organized with IDC representatives from Saigon for the purpose of stimulating and assisting private industry.

US capacity in psychological warfare has increased during this period, thanks to the personal interest and push of the new Province Chief. On the Vietnamese side, however, this element continues to be weak. In other words the Province Chief's interest is funneled principally through the American structure.

On the civil side there is a watchful atmosphere on the part of the people in general and Hoa Hao in particular while they assess the Province Chief on the basis of his pronouncements and actions as he moves vigorously to execute the programs approved and funded.

The province is moving quickly in the execution of USAID programs in the fields of education, public works and agriculture as budgeted for 1966, including absorption therein of some unfinished public works items which has been delayed pending additional funds required by an unforeseen increase in costs subsequent to the original estimates. Procedures have been streamlined, with expenditures preceding or concurrent with materiel on site. In this connection between 44 and 49 million piasters have been expended since January 1. Thus the Revolutionary Development Program is on schedule as established by the Minister of Rural Construction General Nguyen Duc Thang on the occasion of his visit to Long Xuyen with a working staff--and duly scheduled by the province administration for the year with special emphasis on accomplishments by June in harmony with the spirit of the Conference of Honolulu.



March 31, 1966.

KIEN GIANG (38)

In this province, as throughout South Vietnam, the removal of General Thi as I Corps Commander did not pass without notice. The demonstrations that followed, along with the many rumors of a possible coup, were topics for conversation throughout the local area but did not appear to create any concern. This could reflect a firm belief in the strength of the central government or an apathetic attitude toward the GVN. Generally, the overall attitude is difficult to judge. Because of the interest shown toward visiting dignitaries, and the response provincial officials receive when traveling through the various hamlets, one is led to believe, in the final analysis, that the leaning is toward the central government. Saigon and provincial bottlenecks have prevented the full impact of the USAID and MACV advisory efforts from reaching the hamlet level. However, an overall strengthening of the political attitude will not occur until GVN has reached the man at the hamlet level with some impact.

The military is in the process of re-establishing the outposts in Kien Binh District which were reported abandoned during the last reporting period. Viet Cong harassment decreased noticeably, but an increase was noted in kidnappings and assassinations. Intelligence reports indicate a decrease in the VC force from 2,500 to 2,000 (approximately). It should be noted that about 1/25 of the original force became Quy Chanh during the month of March. It is known that a number of VC defected who did not turn themselves in to local Chieu Hoi centers but the exact count could not be ascertained. Morale in the local Viet Cong forces is reported to be low. Compared with the last reporting period, a definite improvement was noted in the security situation.

A slight increase occurred in the price of commodities over the previous month, but the only significant increase was that of lumber, which rose from 11,500\$ to 13,000\$VN a cubic meter. As in the past, there is no indication that commodity prices are spiralling out of proportion to the average local income. Wages and prices are still higher than they were six months ago, but adjustment has been good and the local economic situation appears to remain stable.

During the month, 89 Quy Chanh reported to the local Chieu Hoi Center. This is better than three times the normal monthly average. Several factors could have contributed to this increase: stepped-up military operations in the area, a full time JUSPAO representative in province, and increased Chieu Hoi benefits (better training facilities, Chieu Hoi village, etc.). Although there has been no noticeable increase in intelligence from the hamlet level, most of the information received is reportedly good. Overall, the social/psychological situation appears to have improved over last month.

Complaints are still being received from hamlet officials that province is slow in releasing funds and commodities budgeted for the Revolutionary Development Program. Those hamlets which do not have sufficient funds to start self-help projects are especially hard hit. Conferences with the Finance Chief and Province Chief have not relieved the situation. Commodities are still disappearing in some districts but there has been a noticeable decrease in such activities. A Corps inspection team is reported to have visited one of the districts during the month, and even though it is early to make a final determination as to the effects of this visit, the attitude of this particular district chief seems to have improved. In Rach Gia, four military personnel received eight day sentences for stealing USAID cement. Fifteen bags of cement were recovered from the approximately one hundred that were taken. There is still a critical need for cement and reinforcing bar. Some cement was received during the month but accounted for only about one-fifth the total amount needed to satisfy current demands.

March 31, 1966

CHUONG THIEN (39)

There has been no change in the political situation, even though the new Province Chief is not a member of the Hoa Hao. The Provincial Council has participated in several social improvement activities; this is a milestone in democratic practice in this province. The flow of refugees seeking security in district towns indicates that the VC are losing their influence on the populace.

During the month, VC activities were concentrated in harrassment of small and poorly defended outposts. No large-scale VC operations were reported. Kien Hung and Long My district towns have been mortared; Can Duc outpost and Dinh Hoa village were attacked, but no heavy casualties were suffered by friendly forces. The vital road linking Vi Thanh to Can Tho is still subjected to roadblockings, kidnappings and snipers. The most insecure section of this road is under Thong Dinh Province control, and because it is of little importance to them they have not allocated resources to provide security. Chuong Thien Province, with the assistance of the 31st Regiment has tried to keep this road fully open at least two days a week, but this activity cannot become routine. Improvement in the security and physical condition of this road would effect a notable increase in the morale and confidence of the populace. Most of the waterways linking the provincial capital town to the districts of Kien Hung, Kien Long and Kien Thien have been physically blocked or interdicted by the VC. Canal travel is becoming very difficult, if not impossible. Kien Long district is seriously affected.

The economic situation is still deteriorating. Rice could not be shipped out of some districts or to Saigon because of VC interdiction. The price of rice has remained the same, but for other consumer goods prices have increased substantially from last month. In regard to construction materials, not only has the price skyrocketed during the month, but supplies are very low or exhausted. In general it is only the GVN or USAID supported projects that are making much headway.

The most significant activity carried out under the joint efforts of MACV and USAID during the month was an airlift of water and consumer goods to Kien Long district town, a most welcome relief to these thirsty people. Blankets, soap, cooking oil, beans, rice and clothing were presented by the province S-5, VIS, MACV and USAID to refugee families in Vi Hung Hamlet of Duc Long district and in Kien Long district town.

USAID-supported programs have been going well. Construction of all 30 classrooms of the 1966 program has been started; construction of a 5,200,000\$ bridge across Sa No canal is in full swing; an extension of the fish market will be started some time next month. Other Revolutionary Development projects are being undertaken. Provincial officials are concentrating their efforts on the bigger projects to get as much done as possible before the rainy season.

March 31, 1966

PHONG DINH (40)

The Province Chief continues to work hard developing political rapport. He is slowly but surely exerting his influence and personality on people and events. During his tenure significant events have taken place, such as the approval to establish the University of Can Tho, movement of the VIVN radio station from Ba Xuyen to Can Tho, which, incidentally, will have a decided impact upon counterinsurgency-pacification efforts not only in this province but throughout the Delta. When the station becomes operative the Government Delegate in Can Tho will have easier access to this communications media and thus be in a better position to conduct "fireside chats", etc. It will also permit the various and sundry information services to conduct a more comprehensive psywar campaign. Many other advantages will accrue from this relocation.

The Provincial Citizen's Council is working in very close coordination with the Province Chief and the provincial staff. Recently, the chairman of the Council accompanied the Province and Deputy Province Chief for Administration to Saigon to attend the four-day administrative conference. Significantly, the Chairman of the Citizens Council has in the past made a point of witnessing every relocation payment no matter where it occurred in the province; he is always present at official ceremonies and he usually presents a well-prepared and pointed speech, and is always accorded the honors that befit his position. Quite significant is the fact that he is on good terms with the Government Delegate.

Dissident elements (emerging political parties) have not yet made an appearance.

Operation "Big", the 21st Division plan to pacify and secure rural Route #4, commonly referred to as the Ba Se road, commenced on March 15. The purpose behind this project is to secure the joint civilian-military Can Tho airfield, the VNAF/USAF Tra Noc airfield, the RVNAF ammunition storage facility and other important installations which will be located in the area alongside the Bassac river. Ultimately the plan is to relocate predominantly all military installations now within the confines of Can Tho to the area referred to above. Satisfactory progress is being made. The VC have not yet reacted in strength, although numerous sightings have been made in the vicinity of the area undergoing construction. On or about March 20, the O'Mon district company (VC) was severely pummeled by an accurate and timely VNAF/USAF air strike. When last observed the remnants were fleeing toward Chuong Thien Province.

Small arms harassing fire continues in operation "Big" area. Mines are usually found and destroyed, although all attempts at discovery have not been successful resulting in three fatalities, two P/F and one 8-year old girl.

Travel on Route 4 from Can Tho south to Ca Mau has improved somewhat due to the establishment of a series of newly constructed watch towers between Caitac and Phung Hiep village.

The VC are relatively inactive; however, the consensus is they will react violently to operation "Big". As mentioned before, sightings have been made of large groups. Apparently these elements are transiting through the province.

Information has been received that a US troop billet in Can Tho will be the next terrorist target. Precautionary measures are being taken. In summation, there was a slight improvement in security during the reporting period; hopefully this trend will continue.

Prices for many consumer type items have leveled off; others have returned to levels of one year ago. The price of one bag of cement has lowered to approximately 300-350 piasters. Hopefully this downward trend will continue. Earlier in the month the Economics Service Chief informed the USAID member that 5000 bags of cement allocated to the province by the Ministry of National Economy under the CIP had not yet been received; however it is noted that Taiwan and Ha Tien cement are available. No Siam cement has been observed in use in this area.

Quantitative figures on rice production are somewhat indistinct. When the Economics Services and agriculture extension people reach an agreement, production figures will be reported.

Paddy is moving freely along waterways and by road to rice mills. Apparently the VC are extorting taxes at their resources control points, but are not hindering movement to any great extent. From Can Tho to Saigon, milled rice and paddy are moving freely. Transportation has not yet become a difficulty.

Fruits and vegetables are plentiful and varied. Prices for some items are rather high primarily because this is the beginning of the season.

Construction of reinforced concrete business and residential type buildings continues at a rapid rate, although one constantly hears that sand, stone or gravel are in short supply. Somehow, mysteriously, these items appear and construction continues.



The alleged bilateral decision promoted by Corps IV Advisory Staff to place entire areas of Can Tho "off limits" to US troops has caused ill feeling toward the American military. People in these areas are highly incensed at the stigma which they feel is attached to this callous and ill-timed act. Areas in which decent respectable civil servants reside have been posted with "off limits" signs. It would have been considerably more diplomatic and much more in line with the principles of democracy if the individuals responsible had presented the problem to the Provincial Citizens Council and by the democratic process arrived at a solution which would have been satisfactory to all concerned, which would have prepared the people for this necessary but regretful act, and as a side effect added to rather than detracted from the status of the US advisory effort. Even at this late date, the USAID member feels that something could be salvaged if the Citizens Council were consulted and a recommendation made that the houses of ill-repute be individually and specifically posted "off limits". This act would better relationships and at the same time give the Provincial Citizens Council additional status as the GVN/US "friendship committee."

Those programs requiring the use of construction materials and commercial import items, to wit hamlet schools, animal husbandry, PF dependent support, and self-help, have been curtailed and irreparably damaged due to the shortage of these items. The monsoon will soon be upon us and already six weeks of dry weather suitable for construction have been lost.

The target date for completion of 1965 hamlet schools has passed without any appreciable progress. If and when these classrooms are completed, we shall in all probability be well into the "rains" and dutifully attempting to construct 1966 classrooms.

Chieu Hoi activity is increasing. The Quy Chanh rate is steadily going up and the type of returnee is shifting from the local guerrilla type to seasoned cadres and agit/propaganda cadre. Improvements in the physical plant are gradual.

Agriculture, agriculture extension and animal husbandry are steadily processing. The animal husbandry service was forced to relocate in order to make room for the construction of the radio station. Bids were opened for construction of a dike and replacement of three water gates destroyed by VC activity. The low bidder on the dike project submitted an increase of 33% over 1,000,000VN\$. The same bidder submitted an increase of 33% over 400,000VN\$ for repair of the water gates.

March 31, 1966.

BA XUYEN (41)

The military side of the picture has brightened considerably in Ba Xuyen in the past month. For perhaps as long as a year, the 21st Division conducted very few operations in the province, but in recent weeks multi-battalion ARVN units have frequently operated jointly with provincial RF/PF troops. Several of these operations have been quite successful, and on March 26, one resulted in 245 VC dead (by ARVN estimate; there has been no US estimate, but Americans who participated agree that VC losses were heavy). This increased pressure on the VC has also flushed out more Quy Chanh, among whom are several who had held positions of importance in the VC's politico-military structure.

On the other hand, travel by road continues to be more dangerous than it was several months ago; RF/PF troops essential to the defense of secured areas remain in short supply, and as indicated in last month's report, these are important factors which necessarily limit the geographical scope of USAID supported programs.

Those whose political horizons extend as far as Saigon have watched with concern the events surrounding General Thi's dismissal, but there have been no visible repercussions in Ba Xuyen, and the two Provincial Council members who attended the Saigon meeting of March 21-26 have indicated that almost all of those in attendance from the Delta were very quiet.

The immediate social/psychological situation remains favorable. With a good rice crop just harvested, a rainy season which appears to have started six weeks early, employment up, inflation apparently less severe than elsewhere in Vietnam, and overall security improved, Saigon seems a long way off to the farmer or laborer. Morale among the military is up, and the general feeling among others is that, barring serious political upheavals in Saigon, things will continue to look up.

Rice stocks have built up steadily and now stand at about 45,000 tons. Ba Xuyen has agreed to contract (nantir) 14,000 to Government stocks during April, which is double the figure for Rach Gia, and much larger than the 4,000 from Bac Lieu and 2,500 from Phong Dinh.

Prices in general may be high, but there is no sign of serious dislocation or discontent. Civil servants mention the rise in prices frequently and building materials are very expensive. The little man is suffering because he is without land or a job rather than simply because of the increased cost of living. The key economic question is whether the Government will follow economic policies which will continue and expand present employment opportunities or whether the end of the military-base boom will mean contraction once again.

So far, although the Government and USAID have talked about an economic policy, there is none in this key area. Now is the time for the Government to develop a policy promoting industry and construction so that the people will have confidence in prosperity.

Chieu Hoi have little encouragement to leave the VC if there are few jobs, and relocatees sometimes return to VC areas because they can not find jobs and have no choice but to return to their land. Demobilization is difficult and many veterans remain unemployed for long periods. Jobs suitable for the better educated are even more rare. Land reform will remain difficult so long as farming is virtually the only means to a livelihood, and in short, the political implications of an economy of job scarcity are anti-democratic and noxious in every respect.

Schools, health programs, and various forms of USAID assisted social welfare programs are not a political or economic substitute for jobs and an economic program. Experience in this relatively secure province is that USAID's program is not an economic aid program at all, but a social welfare program with some useful economic repercussions in the form of demand for labor, teachers, and some Vietnamese produced materials. If there is to be real progress in the province the Government's program must go much farther on the economic side.

USAID/Ba Xuyen remains pessimistic with respect to the over-all effectiveness of USAID supported programs and related pacification and economic development efforts, both for reasons pointed out above, and for those set out in the classified portion of the monthly report for February.

As indicated in that report, however, there is evidence that considerably more progress will be made in implementing most components of the Revolutionary Development Budget than was made last year, assuming that the logistics log jam is broken within the very near future (approved projects now call for 400 bags more cement than are in the warehouse and ~~is~~ will be several weeks before more is available).

Foundations are in already for 18 of the 45 schools programmed this year (vs. 29 last year); construction materials in some instances have also been delivered to sites selected for self-help projects already approved; contracts for a few canals have been let, and 110 additional hamlet school teachers are now undergoing the initial phase of their training.

The fisheries, public works, and Chieu Hoi Programs remain very doubtful in view of manifest incompetence or worse on the part of the respective Technical Service Chiefs, and unfortunately, their closest rival in this regard (insofar as he is responsible for projects within the Revolutionary Development Program) is the District Chief for My Xuyen, which is the area into which most of the resources will be poured.

By extracting firm commitments and deadlines, and by threatening to draft lagging Technical Service Chief, General Thang has infused a sense of urgency into the situation. But in the rush to prepare projects, get building materials out to the sites, and spend money, it would appear that the increased pace may well be at the cost of even more waste and chicanery than is normally the case.

Provincial officials began in September 1965 to comply with the sign-off procedures set up by the decree of June 22, 1965, and have continued to do so to date, with one copy of each document being returned to the USAID office.

March 31, 1966.

AN XUYEN (42)

Political activities of the GVN increased on all fronts during the reporting period. This heightened emphasis on making the provincial government more responsible to the aspirations of the people followed General Thang's visit to the province on March 1. He discussed the Revolutionary Development Program with government officials and required the GVN to set achievement goals for the 1966 revolutionary Development Program. Since General Thang's visit, the Province Chief has taken personal direction of all projects and has embarked on a program to make the force of GVN revolutionary activities felt throughout the province.

In the area of relocation, the province has been unusually successful. From the beginning of January, 1,725 refugee families have been relocated and the province has distributed 4,382,000\$VN for housing and 21,910\$VN for rice allowances. The attention and speed with which the relocation program has been carried out has had a positive political effect on refugees, for reports from IVS cadre working in relocatee areas indicate that refugee families are the most pro-GVN of all groups in the province.

Because of Colonel Duc's personal initiative, the long delayed hanlet school programs for 1964 and 1965 are underway again and will be completed during the next reporting period. Fifteen classrooms of the 1966 program are under construction and will be completed by May 31 to meet General Thang's deadline.

Song Ong Doc district has been given particular emphasis this month. The long proposed drill rig for the district capital was delivered and the drilling operation is now underway. On March 12, the Province Chief distributed 1,300 kilograms of fish netting material to fishermen and plans to distribute 1,800,000\$VN in loans to fishermen within the coming week.

The program of personal contact between the Province Chief and the rural population described in last month's report was expanded during the month. Colonel Duc continues to make more frequent visits to outlying areas and receives an average of ten rural people per day in his office, for no one, regardless of his station in life, is ever refused permission to see the Province Chief when he has a problem.

On March 17, Colonel Duc attended a ground-breaking ceremony for a Cambodian refugee pagoda, during which he contributed 10,000\$VN of his private funds for the construction and told an audience of 500 Cambodian refugees that his government considered all people as Vietnamese, regardless of their ethnic origins, and that the Cambodian people would always be given equal treatment. After his address, the Cambodian religious leader thanked Colonel Duc for his contribution and for his sympathetic understanding of the Cambodian people and pledged their unfailing support to the GVN in its fight "against



Communist aggression." After the ground-breaking ceremony, Colonel Duc distributed food commodities contributed by USAID and Catholic Relief Services to all the Cambodian refugees in the area.

During the reporting period, the Province Chief has made an expanded effort to motivate his service chiefs and Rural Construction Cadre with the fervor needed to carry out the Revolutionary Development Program, telling them that it is up to the GVN to be more revolutionary in its activities than the Communist insurgents. He also warned that any Service Chief or cadre man who failed to perform his duties would be removed.

On March 14, the Provincial Representative accompanied Colonel Duc on a trip to the cadre training center at Vung Tau in order to visit the An Xuyen cadre currently in training and to get a better understanding of the entire cadre training program. After being briefed by Vung Tau officials and inspecting the facilities at the camp, Colonel Duc made a surprise visit to the billets housing the An Xuyen cadre. He was given a standing ovation for five minutes and everyone was quite surprised and very happy to see their chief so far from home. When the cheering subsided, he sat down on the floor with his cadre and talked with them for two hours, exchanging ideas about the training; he told the men he was counting on them more than on any other GVN organization to make pacification a success in An Xuyen. During the last half hour of the visit, he joined the cadre in singing local An Xuyen songs and in shouting several victory cheers.

In general, the GVN political initiative is gathering momentum. In the absence of stronger VC political efforts, the events of the past month could mark the beginning of a positive turning point in the province.

The military situation in An Xuyen is basically unchanged. However, in the Ca Mau - Quan Long area there has been a marked increase in the activity and effectiveness of the 32d Regiment and its 3d Battalion. This has resulted in significantly decreasing guerrilla operations and forces in and around these areas. The situation at Dam Doi has improved with the introduction of another RF Company and initiation of offensive ground operations. The outpost of Kinh Xang, re-established after being overrun on 23 February, is much stronger now and should provide a focal point for continued improvement in the 1966 Revolutionary Development plan for that area. RF and PF forces throughout the province are well below authorized strength, and outposts require large scale rehabilitation. The lack of resupply helicopters has severely decreased overall supply levels at these outposts.

Prices of some basic food commodities decreased slightly during the reporting period, but this represents normal price fluctuations in the market rather than a general trend downward. Prices of construction commodities continue to rise and could seriously threaten the 1966 Revolutionary Development Program if this trend is not checked. Construction stone, sand, and



gravel have risen 100\$VN/m<sup>3</sup> over last month's price and current shortages of these commodities will probably force prices even higher next month. One indication of VC control over the economic life of the community is the reluctance of local house owners to rent to Americans except at ridiculous prices. When questioned on this, local proprietors almost invariably admit that VC tax agents have instructed them not to rent to Americans unless they receive a very high rental, of which the Liberation Front takes 60%. Consequently, a two bedroom house without electricity or water rents for 60,000\$VN per month. However, in spite of a VC production tax of 14 gia per hectare and a marketing tax of 60% on rice, farmers continue to sell at normal levels in GVN controlled areas. From January 1 to the present, 4,978 tons of paddy rice and 535 tons of milled rice have been shipped to Saigon from An Xuyen under official license.

There were two developments which indicate that VC psychological efforts are running into difficulty. For the month of March, Chieu Hoi officials report a total of 52 returnees, with an increasing frequency of small groups of three and four people turning themselves in together. In the past, most returnees (generally averaging 15 per month) were support personnel types, such as messengers and road saboteurs. Recently, however, the majority of returnees are combat personnel and some had been serving in this capacity for as long as eight years. Military officials also report that intelligence on VC activities coming from the local people is more reliable and more readily available than in the past. It is still too early to determine whether these trends represent a growing popular dissatisfaction with the VC organization or a temporary VC psychological setback because of increased GVN military pressure.

USAID-supported programs are moving satisfactorily, but difficulties are anticipated unless delivery of commodities continues on a regular basis. During the next two months, province requires 1,200 bags of cement for the 1966 hamlet school program, 500 bags of cement for self help projects and 5 tons of rebar (all sizes) for self help and hamlet schools. Every effort should be made to expedite delivery of these commodities since GVN officials have promised General Thang that all projects for the first quarter will be completed by May 31. In the event they cannot meet the deadline for lack of USAID supplied commodities, our reputation as a "can do" organization will be jeopardized and our advisory position threatened.

March 31, 1966.

BAC LIEU (43)

In the sense of political parties offering opposing ideologies, programs, and candidates, no political activity in Bac Lieu during the month of March was observed; the people in general seemed satisfied with the ideals of the group in power, with the programs of the government, and with the local officials. In the absence of political activity, two types of semi-political activity were observed:

1. Within the bureaucracy, there was some indication of the formation of cliques and of infighting for petty powers within the governmental structure;

2. The publicity given to the trials of corrupt officials and entrepreneurs in Saigon has perhaps caused some scrutiny of and reflection about the activities of local officials and their relations with the business community. A feature writer for a weekly newspaper advocating clean and socially responsible government has been in Bac Lieu off and on during the month; his visits may not have been merely social.

The general security situation remained unchanged with the government in control of the centers of population and a narrow strip along National Highway 4, the communists solidly entrenched in several strongholds and their adjacent territories, and the remainder of the province under the control of neither side except during the brief periods when GVN or VC forces were actually in the area. Statistically, there were 44 VC actions reported for the period: 1 ambush, 2 cases of heavy fire on outposts, 1 New Rural Life hamlet destroyed, 21 harassing fires on outposts, 3 road cuts, 5 cases of political action, and 11 acts of terrorism. A USAID-furnished truck was damaged by a mine while hauling self-help materials to Vinh Chau on March 20. A demolition charge was set off on March 23 near the barge used as living quarters of the crew of the dredge currently digging a new canal near Bac Lieu. Although damage to the barge was slight, a passerby was killed and six others wounded, two of them members of the dredge crew. Since the extension of the government-controlled area is impossible with the small forces under the command of the Province Chief, it was encouraging that toward the end of the reporting period the 21st Division was a little more active in the province.

The increase in prices that has marked recent months slowed during March and improvement was noted in some items; chicken dropped from 90VIN\$ to 80VIN\$ a kilo, fish from 60VIN\$ to 55VIN\$, brown sugar from 30VIN\$ to 27VIN\$, laundry soap from 38VIN\$ to 35VIN\$, and beer from 18VIN\$ to 17VIN\$ a bottle. On the other hand condensed milk went from 28VIN\$ to 30VIN\$ a can and onions from 12VIN\$ to 15VIN\$ a kilo. Although the prices of building materials

remained high, there seemed to be no shortage on the market except for cement, which was unobtainable even at the quoted price of 400 piasters a bag. Casual unskilled labor by the day was priced at 100VN\$, house servants were hard to find and harder to keep, and the driver/mechanic of the Bac-Lieu USAID office quit because he claimed he could not support his family on the 19VN\$ an hour rate he was paid. Rents remained high, and housing is hard to find. Complaints were heard on the failure of government salaries to keep up with the cost of living. The town of Bac Lieu seems to have almost full employment, but that situation may change when RMK finishes its projects here. The local shops are full of consumer goods, the theatre play to full houses, and the restaurants, bars, and cafes do a good business. If this is war, one wonders what peace would bring.

During the reporting period, Bac-Lieu shipped to the Saigon market 15,123 tons of rice, 3,980 pigs, 4,805 chickens, and 135 tons of fish and shrimp.

Except for the growing number of complaints from persons living on fixed incomes about the rising cost of living and the slight awareness of the possibility of doing something about chronic corruption aroused by the recent events in Saigon, the social and psychological situation remained unchanged. Several of this month's visitors to Bac Lieu asked the Provincial Representative whether he felt that the Vietnamese were tiring of the war, whether they were losing the will to continue the struggle until victory is achieved. The same answer was given to all: that to the ordinary peasant or urban citizen, there is no struggle or war that involves them; the present state of affairs is one that has lasted during the greater part of the lives of most Vietnamese, and it differs from the situation that has prevailed during most of the history of Vietnam only in the terms used to describe the factions. The ideal of conduct is to remain uncommitted, comply with whatever conditions are laid down by the immediate power, and stay in business. The American presence in Bac Lieu Province is so slight that it passes unnoticed except in Bac Lieu City itself and to a lesser degree in the district cities of Vinh Chau and Gia Rai; the presence of the 21st Division provides a market for vice, but the entrepreneurs are not natives of Bac Lieu and the profits presumably go elsewhere.

USAID supported programs continued to show progress during the month. However, in the critical self-help program, although the documentation of 25 projects was completed, no actual construction was begun because no cement was available. Insofar as the average hamlet citizen was concerned, this shortage probably went unnoticed because the province was active in completing the 1965 projects that had not been finished because of the shortage of sand and gravel for construction, 1965 cement having been previously delivered to most sites. Great concern is expressed by provincial officials

that the 1966 program is falling behind schedule and that they will be held accountable by the Ministry for a failure to meet the May 31 deadline for completion of 35% of the planned projects of the calendar year. Since the program depends upon USAID-furnished construction materials, the procurement and transportation of which depends upon higher echelons of USAID, the Provincial Representative is rather unjustifiably held locally responsible for a situation beyond his control.

March 31, 1966

CHAU DOC (44)

A major effort during the month was the speeding up of progress of programs supported by USAID commodities. The progress of the 1966 hamlet school program has been encouraging, while the 1965 self-help program has been considerably less so.

In the past two months the prov rep has visited all but a handful of the 1965 self-help projects that are complete or are supposed to be under construction. Of 213 projects, only 40 have been completed at this late date, and work is in progress on only 45 more. The major problem is the fact that the province did not release the money for most of the projects until this month, but in a disturbing number of cases the villagers have had the money and commodities for some time and still have made no effort to begin serious work. At the pro rep's urging, province and district officials are for the first time getting out regularly to check the projects, and it is hoped that their efforts will enable them to meet General Thang's deadline of May 31 for the completion of all 1965 self-help projects.

The hamlet school program is a different story, with 24 of 27 classrooms budgeted for 1965 actually completed. In the middle of February the education chief and the district chiefs met and chose the sites for the 75 classrooms budgeted for 1966. As usual the list was presented to USAID as an accomplished fact, but this time it was made clear that every site would be visited before approval. As a result, a provincial delegation was formed, including USAID, and sites for 63 of the 75 classrooms have been approved. The funds have already been released; USAID is now beginning to release commodities. General Thang's requirement of 25 classrooms to be constructed before May 31 should be accomplished easily.

The major political development this month has been the appointment of Captain Nguyen Dang Phuong, an exceptionally capable district chief of Chau Phu district for more than two years, as Deputy Province Chief for Security. Captain Dang Hui Binh, formerly chief of the Operations Planning Center, succeeds Captain Phuong as district chief of Chau Phu.

The economic situation has been in a state of flux. One factor has been the reaction to the execution of Ta Vinh. A second factor has been a campaign by provincial authorities to enforce official prices. The result has been significant, though drops in the prices of several commodities may be only temporary. The price of rice, on the other hand, has risen from 8.50\$ to 9.50\$ for No.1 25% broken.

From January 1 to March 15, only 3000 tons of rice were exported from Chau Doc through legal channels. Province officials say that the reason the figure is so low is that the barges that were used for shipment last year are being used full-time in Saigon this year.