

\$4 billion
UNITED STATES ASSISTANCE TO VIETNAM

Since its formation in 1954 the Republic of Vietnam (South Vietnam) has received ~~\$3.3~~ billion in United States economic and military assistance. This large amount of aid for a relatively small nation (approximately 15 million population) has been necessary because of Communist-directed insurgency operations which threaten the security and independence of Vietnam. The United States policy has as its objective the strengthening of Vietnam's ability to resist these threats. In furtherance of this objective, both military and economic assistance programs are being carried on.

During the past fiscal year ending June 30, 1964, \$242 million was provided in economic assistance as follows:

\$47 million for the Counter-Insurgency program which finances costs of establishing strategic hamlets, repairs for war-damaged railways and other facilities, and provides other assistance to the rural population. Under this program, U.S. technicians are living in and providing advisory assistance to the 42 rural provinces, and commodities such as medical kits, radios, building materials, school equipment, livestock and pesticides, are provided for direct use in counter-insurgency activities at the village level.

\$113 million for the Commercial Import Program under which essential import requirements such as raw materials, fertilizer, and some industrial equipment are financed by the United States to maintain Vietnam's economic foundations. Local currency proceeds, generated from the sale of these imports through private commercial channels, are used to support the Vietnamese military budget.

\$76 million of U.S. surplus agricultural commodities under the Food for Peace program, Public Law 480 of which:

\$24 million (Title I) was sold to meet basic needs for foodstuffs and agricultural raw materials,

\$35 million (Title II) was given to support counter-insurgency activities, such as food for resettled families until the next crop harvest,

\$5 million (Title III) was donated for distribution to needy persons by U.S. voluntary organizations.

\$6 million for improvement of education, health and telecommunications facilities, and other economic development projects under the advice and guidance of U.S. technicians.

Under the Military Assistance Program, about \$215 million of military equipment, supplies and services were programmed for Vietnam in Fiscal Year 1964, and 16,300 United States servicemen are currently assisting in training and in logistical support of the Vietnamese armed forces in the war against the Communist guerrillas.

A.I.D.
August 1964