Food and Agriculture Organization of the United Nations and its potential contributions to Viet Nam

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THE FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS AND ITS
POTENTIAL CONTRIBUTIONS
TO VIET NAM

by

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INTRODUCTION

More than half a century has passed since the idea of international co-operation in the domain of agriculture was launched by David Lubin, American citizen, businessman at Sacramento, California. The result has been the establishment of the International Institute of Agriculture and the Food and Agriculture Organization of the United Nations (FAO).

This study is concerned with the FAO and its potential contributions to the Vietnamese agriculture.

Viet Nam at the present time is divided into two parts, according to the Geneva Agreement of July, 1954. Information in regard to the country north of the 17th parallel is almost impossible to obtain. Thus, the term Viet Nam in this paper refers to the southern part of the country only.

The activities of FAO are international in scope, and have placed heavy emphasis on technical assistance to needy countries, mostly to the under-developed countries. The term "under-developed", according to Norman Buchanan and Howard Ellis, means "poor economic performance as evidenced by the comparatively low average of consumption and material
well-being of the people, plus the potentiality of improvement through the application of known means."

Chapter I deals with the organization and the development of FAO; chapter II outlines its activities. Chapters III and IV describe the economic, political and social characteristics of Vietnamese agriculture and chapter V evaluates the contributions of FAO to Viet Nam.

1Norman Buchanan and Howard Ellis, Approaches to Economic Development, (The Twentieth Century Fund, N.Y., 1955) p. 4.
CHAPTER I

THE FOOD AND AGRICULTURE ORGANIZATION

OF THE UNITED NATIONS

During the postwar period, international organizations were created with the hope that through the work of these organizations, people all over the world would co-operate with each other to promote common welfare and to maintain international peace and security. Among these specialized agencies, the Food and Agriculture Organization, (FAO), of the United Nations was the first to be created. Since its establishment, the Food and Agriculture Organization, of the United Nations, has played an important role in world affairs since its activities concern the basic necessity of people: food.

Although the FAO was created at the first session of the Conference of the Food and Agriculture Organization at Quebec on October 16, 1945, the organization has a history dating back to 1943, when the United Nations met at the Conference on Food and Agriculture at Hot Springs, Virginia, U. S. A., where the cornerstone of the organization was laid.

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It seems to be impossible to describe the role of FAO in the world economy without taking into consideration the circumstances that led to the meeting at Hot Springs; that is, the food and agricultural situation during the 1930's and the early 1940's. Three main factors affected world agriculture during this period of time; the reorientation of world agriculture, the nutrition movement and the food emergency during the war.

During the pre-war period, there was over-expansion of world agriculture due to the impact of the First World War and the improvement of farm technology. With the expansion of agricultural production and a lag in demand, the accumulation of burdensome stocks caused a gradual but steady decline in the price of agricultural commodities. There was a spread of protectionism all over the world. Price supporting measures in exporting countries and efforts by importing countries to protect their farmers against price pressure and increased imports aggravated agricultural maladjustment. Farmers in importing countries in the situation of relative over-production began to expand output. All this forced countries to follow an agricultural policy contrary to the inherent natural and economic advantages of the farming system. In the United States, for instance, H. R. Tolley, Administrator of the Agricultural Administration, had been trying to interest the people in a program to shift from cereals and cotton to protective foods.\(^2\) In the meantime, countries in Europe,

such as Switzerland, Holland, and Denmark, whose exports of cheese, bacon and butter had diminished, applied import duties on bread and feed grain and encouraged the local production of these commodities. France, Italy and Japan adopted a policy directed toward greater self-sufficiency.\(^3\)

F. L. McDougall of Australia did not approve of this since his country produced much wheat and other foodstuffs. He argued that European countries devoted too much labor, and land to the production of cereals. Instead, they should devote the time, labor, and land to producing protective foods lacking in many diets and buy cereals from countries where the cost of production is lower.\(^4\) It was upon his idea, together with the influence of Sir John Orr of England, that S. M. Bruce, an Australian delegate at the sixteenth assembly of the League of Nations, proposed the marriage of health and agriculture and stressed the necessity of changing the incidence of state protective subsidies so that they would serve to increase consumption rather than to restrict production.\(^5\)

The Nutrition Movement. The study of nutrition in relation to public health by the Health Organization of the League of Nations dates back to 1925 when the Yugoslav delegation requested the Health Committee to study the

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\(^4\)T. D. Black, op. cit., p. 793.

"methods to be recommended in the interests of public health for the regulation of the manufacture and of the sale of food products." Since then, the newer knowledge of nutrition is available. During the 1930's the International Labor Office had approached nutrition as a factor in health from the standpoint of the welfare of labor. However, this idea did not become popular until 1935. At the assembly of the League of Nations that year, the leading proponents of the idea induced the League of Nations to adopt a more aggressive international program for grappling with the project of utilizing agricultural surplus production for better health. The group for advancement of health in using agricultural products effectively argued that:

1. The provision of food adequate in quantity and quality will have a more profound effect upon national health than any other single reform.

2. Nutritional science can lay down optimum standards for any given country.

3. The application of science to agriculture would enable us to provide all food required.

4. The adoption of sound nutritional standards on a world wide basis would have a highly favorable effect on world agricultural and world trade.

5. The accomplishment of these aims requires international coordination of national action, and also

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international assistance to many countries.\(^7\)

In the meantime, Drs. E. Burnet and W. R. Aykroyd, working with the Health Organization of the League of Nations, drew up a general report on nutrition in view of the study of nutrition in relation to public health. This report dealt with the position of nutrition in public health and preventive medicine. "Nutrition in relation to health is one of the most important aspects of preventive medicine and the recent progress in the science of nutrition makes it essential for public health to develop along new lines."\(^8\)

This report also states that nutrition is put forward, not only as a physiological problem but also as an economic, agricultural, industrial and commercial problem. Thus, it emphasizes the relationship between nutrition and economic conditions:

"Production, distribution and consumption have hitherto been considered mainly as economic problems without sufficient regard to their effect on public health, but the effect of the economic depression has directed attention to the gap which almost everywhere exists between dietary needs as determined by physiology and the means of satisfying them under existing conditions. The general problem of nutrition as it presents itself today is that of harmonizing economic and public health conditions."\(^9\)

\(^7\)J. D. Black, op. cit., p. 797.
\(^8\)League of Nations, op. cit., p. 4.
\(^9\)League of Nations, op. cit., p. 5.
The report of Drs. Burnet and Aykroyd was published in 1935, at the time when housing and nutrition were occupying a foremost position in the public health problem. Consequently, this report and argument of the group for advancement of health provided material for a general discussion of the problems of nutrition in relation both to public health and to economic recovery at the General Assembly of the League of Nations. As a result of the discussion, the Council of the League of Nations appointed the Mixed Committee for the study of the Problem of Nutrition.\(^1^0\) This Committee, including agricultural, economic and health experts, considered the subject of nutrition in relation to public health and to the effects of improved nutrition on the consumption of agricultural products, with the aim of diminishing undernutrition and malnutrition. The Committee continued to work during the war, and the national committees of many countries began to function.\(^1^1\)

**The Food Emergency During the War.** World War II did not have serious impact upon the food supply until the spring of 1942 when Axis occupations had cut off vast sources of vital food supplies. In Europe, when the North-Western areas were lost, the great dairy and hog-producing areas went with them. Fisheries in the North Sea and Iceland were virtually at a standstill. In the Far East, with the occupation of the

\(^{10}\)League of Nations, *op. cit.*, p. 5.

Japanese, the world's largest exportable surplus of rice was lost, together with large supplies of vegetable oil, fats, tea and sugar. This situation made the problem of feeding the people of the world a serious one since victory depended as much on the morale and powers of endurance of the civilian population as on the efficiency of the fighting forces. Morale and powers of endurance cannot be maintained unless the whole population is on a diet adequate to maintain health. Therefore, war food policy must be based on health requirements.\(^1\)

At the time when the essential demands of the United Nations were increasing steadily, the growing manpower shortage was affecting supply in all aspects, including production, manufacturing and transportation.

As the gap between supply and demand widened, food presented a critical problem during the war. The serious shortage of foodstuffs made it obvious that the production of essential food must be increased and close co-operation among the United Nations in regard to food supply maintained. In the meantime, the control over food consumption should be strengthened.

The problem was urgent and complex. Some means had to be found for the interchange of information and the development of an international plan to make the best use of the free world's diminishing resources of manpower, machinery, land and other materials on the food front. Recognizing the

seriousness of the problem, the United States and Great Britain created an international body with authority to consider the world food situation in all its aspects. On June 9, 1942, the Combined Food Board was established in Washington, D.C. The purpose of the Food Board was clearly stated: "the board was to be an international body through which arrangements could be made to utilize fully all the food resources of the United Nations." The principal task of the Combined Food Board was the equitable division among the various claimant countries of the total food supplies available to the United Nations. The Board also took into consideration many related commodities such as vitamins, seeds, essential oils, fertilizers, and agricultural and food machinery. The Combined Food Board carried on the job of allocating commodities internationally; production and distribution programs, shipping, consumption control and supply to civilian programs for liberated areas until the Food and Agriculture Organization took it over.

Besides these three main factors—the emergency of war, the nutrition movement, and the agricultural reorientation—there existed also a new trend of thought which emerged in the last depression in all countries that suffered from its destructive impact. The people were discontent with the

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situation in which land, machinery and other means of production lay idle while there were willing workers out of employment and the consumers needed and wanted goods but were unable to obtain them. This led to the conviction that all economic adjustments which attempt to mitigate the effects of depression by operating an economy of scarcity are wrong and ill conceived.\footnote{United States Government Printing Office, United Nations Conference on Food and Agriculture, Final Act and Section Report, (Washington, 1943), p. 59.} Moreover, it was felt that the real attack upon the evils of depression and unemployment must be directed toward an economy of abundance and the balanced and full utilization of all economic resources.\footnote{Ibid. p. 21.} The belief was also expressed that the human race is able to create a world in which all the people in every nation will have at least enough to eat at all times. These ideas so inspired the public in the United Kingdom and the United States that President Roosevelt incorporated them into the four freedoms as "freedom from want" which means "a secure, an adequate, and a suitable supply of food for every man."\footnote{Ibid. p. 1.}

The conception of freedom from want, born of the current trend of thought at that time, inspired the United Nations Conference on Food and Agriculture in 1943. The importance of world food and agricultural production and distribution, thus consumption, in the future was realized by American and
British leaders and was reflected in the invitations to the conference sent to governments on March 30, 1943.

"The purpose of the conference is to provide an opportunity for an exchange of views and information with respect to the following topics and for exploiting and seeking agreement in principles as to the most desirable and practicable means and methods of dealing with the following problems:

Plans and prospects of various countries for the post war period regarding production, import and other essential agricultural products, with a view to improving progressively in each country the levels of consumption within the framework of the opportunities and possibilities of an expansion of its general economic activity. Such consideration will be entirely divorced from the question of the provision of relief.

Possibilities of co-ordinating and stimulating by international action, national policies looking to the improvement of nutrition and the enhancement of consumption in general.

Possibilities of setting up international agreements, arrangements and institutions designed to promote efficient production of foodstuffs and other essential agricultural products and to ensure for the world adequate supplies of such products with due consideration to the attainment of equitable prices from the viewpoint of both producers and consumers.

Commercial, financial and other arrangements which will be necessary in order to enable the countries of the world to obtain the foodstuffs and other essential agricultural products which they will need to maintain adequate markets for their own surplus production."19

It is upon this invitation that on May 18, 1943, at Hot Springs, the Conference on Food and Agriculture took

place, with 44 countries representing three-fourths of the world population. The conference considered the goal of freedom from want in relation to food and agriculture. Admitting that there has never been enough food for the health of the people, it expressed the belief that the goal of freedom from want of food suitable and adequate for the health and strength of all people can be achieved; that it is possible to balance world consumption and production of food and agricultural products. This is based upon the belief that modern science shows that it is economical for farmers to expand agricultural production on a world scale and it is also economically possible for consumers to get the products they need from world agriculture.20

The Conference was also aware of the importance of industry in the advancement of agriculture, since the stimulus of additional purchasing power through the sound development of industry is indispensable to any comprehensive program for the advancement of agriculture.21

Another important discussion was the place and functions which might be given to international arrangements for the control of basic staple foodstuffs entering international trade. The conference agreed that an arrangement must be made to eliminate excessive short-term movements in the

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21 Ibid., pp. 23-24.
prices of food and agricultural commodities to mitigate general inflationary or deflationary movements, and to facilitate adjustment in production which may be necessary to prevent economic misallocation. This brought up the idea of establishing a buffer stock arrangement to level out periods of shortage and surplus. 22

Aware that the work involved in accomplishing these objectives must be immense and long, the creation of a permanent and specialized organization was agreed upon by all representatives at the conference. Thus, the United Nations Interim Commission was set up in June, 1943. The function of this commission was to formulate and to recommend for consideration by each member government a specific plan for permanent organization, to prepare a report on the suggested structure and functions of the organization and to draw up a technical report to serve as a working base for the first conference. 23

The acceptance of the project of the Interim Commission by 20 nations during the period of 1944-1945 permitted a convocation at Quebec on October 16, 1945. At the opening of this session, the Food and Agriculture Organization of the United Nations officially came into being with the signing of its constitution.

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22 Ibid., pp. 58-60.

23 Preamble of the Constitution of the FAO of the U.N.
According to the constitution, FAO's activities differ from those of other specialized agencies, except for the International Labor Organization and the United Nations Educational, Social and Cultural Organization, by not having a particular and specific end. The end of FAO is as large as that of the United Nations Organization and its specialization is characterized by using certain specific methods determined by the objectives that it has proposed. In the preamble is found the following statement of objectives:

"The nations accepting this constitution, being determined to promote the common welfare by furthering separate and collective action on their part for the purpose of:
raising levels of nutrition and standards of living of the peoples under their respective jurisdictions,
securing improvements in the efficiency of the production and distribution of all food and agricultural products,
bettering the condition of rural populations, and thus contributing toward an expanding world economy."\(^{24}\)

In order to achieve this goal, FAO functions in three main ways:

1. Providing an intelligence service, including facts and figures relating to nutrition, food and agriculture and also appraisals and forecasts of production, distribution and consumption in the industry;

2. Promoting and recommending national and international action toward the improvement of scientific, technological, social and economic aspects of production, marketing, 

\(^{24}\)Constitution of the FAO, Article I.
processing and distribution of agricultural products;

3. Conservation of natural resources and the adoption nationally and internationally of policies relating to agricultural credit and of international policies with respect to agricultural commodity arrangements.25

The FAO internal structure is governed by the following principles:

1. Over-all power is vested in the Director General;
2. Decentralization at the regional level;
3. Promotion of the FAO program in member countries by National FAO Committees;
4. International co-operation through use of the co-ordinating committee.

The governing body of the FAO is the Conference, the World Food Council and the Staff, directed by a Director General.

The Conference, the policy-making body of the organization is composed of one representative of each member nation. The Conference meets once every two years to review FAO works, determine policy and approve budget. They also review the food and agricultural situation and the program and plan of the member nations to recommend national and international sections.26

26 Constitution of the FAO of the U.N. Article IV; Article III, paragraph 5, amended at the 5th session, 1949.
Between sessions, the Council of FAO, or the World Food Council composed of 24 representatives of member nations elected by the conference and one independent chairman, supervises the work of the organization, reviews the world food and agricultural situation and makes recommendations to member nations, international commodity authorities and other international agencies.27

The Director General, chosen by the Conference, heads the secretariat. Guided by the general recommendations of the conference and the World Food Council, the Director General has full powers and authority to direct the work of the organization.28 The staff is organized into technical divisions: agriculture, economics and statistics, fisheries, forestry and forest products, nutrition, rural welfare, technical assistance and information. Regional offices were established by the third conference to take advantage of regional machinery when planning and carrying out technical missions with a view of attaining the highest possible efficiency at a minimum cost.

In problems of co-ordination of technical programs, the Director General is advised by a co-ordination committee of seven members; there is also a continuing committee on commodity problems. National FAO Committees, established in 27 Ibid., Article V.
28 Ibid., Articles VII and VIII.
52 countries, serve as contacts between FAO and governmental and non-governmental agencies.

Like other specialized agencies, FAO is not a part of the United Nations, but an independent organization. It is an international organization from the point of view of its composition, its organization and its internal structure. However, with the contractual relations with the United Nations, FAO has become a lateral branch of the administrative system of the United Nations, with close co-operation with that organization from the standpoint of administration as well as financial and budget matters.\footnote{Charter of the United Nations, Articles 17/3 and 63/2.}

Furthermore, FAO is a purely inter-governmental organization; only national governments may be members; the agricultural unions and other interest groups play the role of observer or consultant only. According to the Article XI of the Constitution,\footnote{Constitution of the FAO of the United Nations, Article XI, 1 and 3.} all member nations agree to submit every year a detailed report on food and agriculture. These reports, once they have been gathered and analyzed, permit the organization to have a total view of the food and agriculture of the world. Not only do they serve as the basis of discussion among nations belonging to FAO, but also furnish the United Nations and member nations information on modes of culture, prices, production and distribution of agricultural
products. Thus, they help the member governments in formulating their agricultural policies on one hand, and on the other, help put these policies into effect.

By 1956, the Food and Agriculture Organization of the United Nations, with its headquarters in Rome, had a total membership of 73 nations, and a budget of 6.6 million dollars, not including more than 8 million dollars from the United Nations Special Fund which finances the United Nations Expanded Program of Technical Assistance.31

The work of the Food and Agriculture Organization of the United Nations tends to fall in the domain of applied science, oriented toward the establishment of an international clearing house of current agricultural information and at the same time a center of technical assistance in agriculture development. The organization has as its goal the elimination of difficulties which are encountered in agricultural production and distribution. This goal, which falls directly or indirectly in the sphere of the social sciences, has met a series of social problems that make it necessary to cooperate with other specialized agencies such as the International Labor Organization, and the World Health Organization.

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CHAPTER II

THE ACTIVITIES OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

This is the 13th year in the life of the FAO whose work is to increase the production, to improve distribution and use of food and other farm products in order to better the condition of rural people. These activities are based upon two main principles:

1. "Maintaining an intelligence service for member governments and for its own staff to be utilized in the action programs it operates;

2. Framing and developing action programs to supplement those initiated by governments and in which FAO, on the request of such governments, is in a position to participate."¹

In order to achieve these objectives, FAO's activities fall into these divisions.

STATISTICAL ACTIVITIES

One of the major responsibilities of FAO is maintaining an intelligence service so that governments and international organizations which have the responsibilities of promoting the production of food and agriculture can have adequate up-to-date and reliable information for national planning and have

periodic appraisals of the current and prospective situations in all parts of the world. Consequently, the first step taken by FAO is concentrating upon the services in statistics to meet the emergencies and the actions contemplated for the development of FAO. The major works of FAO in statistics are in the fields of collecting and publishing of statistical material on production, marketing, international trade, prices, nutrition, world food census, food balance sheets, crop and livestock estimates; promoting improvement and co-ordination of national statistics; promoting the utilization of statistics and economic intelligence in national programs; and finally working toward uniform standards and methods in statistics.²

According to a constitutional provision,³ FAO must require member governments to furnish every month statistical data pertinent to the activities of farmers, fishermen, forest workers, and processors of agricultural raw material. Once these data are collected, they are analyzed and published. FAO has published a number of statistical publications including the "Monthly Bulletin of Agricultural Economics and Statistics", "Yearbook of Food and Agricultural Statistics", "Yearbook of Fishery Statistics", "Yearbook of Forest Products Statistics"...


³Article XI of the Constitution of the FAO: "Each member nation shall, on request, communicate to the Organization, on publication, all laws and regulations and official reports and statistics concerning nutrition, food and agriculture."
The Monthly Bulletin of Agricultural Economics and Statistics gives prices of the principal agricultural products, based on about 200 price categories and 100 indices of cost of living. The Yearbook of Food and Agricultural Statistics is composed of two volumes: the first is devoted to production and the second to trade. These give data concerning crops, cattle and trade of more than 80 products for about 150 countries and territories.4

Another fundamental activity has been the work on food balance sheets which show the estimated per capita supply of a foodstuff in a country measured by the total production, adjusted for in-and-out movements in trade, for changes in stocks, and for any quantities used for animal feeding, seed, industrial production and other purposes apart from food. In combination with the dietary studies, these balance sheets are used also as powerful tools for analyzing the adequacy of supplies for nutrition and the extent to which improvements are being achieved. In May, 1949, FAO published food balance sheets for 41 countries.5

Starting in 1949, FAO began the preparation of a World Census of Agriculture. The Census has assisted governments and their people in gathering information about their own agriculture. In addition, the Census is helpful to FAO in


making short term and long term plans. Moreover, it furnishes a basis for the initiation of current statistical programs in the under-developed countries. About 95 countries and territories participated in this program during the year of 1953.6

FAO has also established the international comparable index number of agricultural production. These numbers were available first in 1948. These numbers have been constructed for about 50 countries consisting of two main series, one for food production and the other for production of agricultural commodities. Such index numbers can summarize a mass of information in a few figures. For example, the difference between the prewar and the present pattern of world food and agricultural production is clear from such index numbers as these: if the prewar period is used as a base, the indices for food production for 1952-1953 were 100 for Austria, and 170 for Colombia, but 89 for Burma and 92 for Argentina; the indices for total agricultural production in the same year were 100 for Austria, 171 for Colombia, 90 for Burma and 90 for Argentina.7

Besides these activities on statistics, FAO has also established statistical training centers. Since a competent statistical report is difficult and highly technical, requiring fullness and accuracy, in many under-developed countries, these


reports are not satisfactory. In view of the vital importance of developing statistical data relating to agricultural production, trade and prices, FAO is assisting these governments to improve their statistics. Statistical centers are held in Paris, Cairo, New Delhi, Costa Rica—in each center classroom work is combined with laboratory exercises. In New Delhi, the students participated in a trial enumeration, with classwork adapted to the requirements of the students. Courses offered covered elementary statistics, applied statistics, sampling all aspects of agricultural censuses, demographic statistics and current agricultural reporting. Since 1949, this program has been included in the Expanded Technical Assistance Program (ETAP) and FAO has co-operated with the United Nations and UNESCO in training statisticians for member nations.

ECONOMICS ACTIVITIES

The economic activities of FAO consist of helping governments deal with immediate and longer term problems of food and agriculture. The main steps taken by FAO for agricultural development were to mobilize resources and utilize physical resources and improved technology.

The Mobilization of Resources for Agriculture Development. A regular feature of FAO’s work since its establishment has been the assistance to governments in programming and planning their various agricultural projects and to ensure

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the establishment of an order of priority related to available financial and technical resources. This assistance has taken the form of either agricultural missions, or individual experts working in close harmony with the government departments concerned. The missions were sent to Greece, Thailand, Poland—where a group of experts qualified to deal with all phases of agriculture were sent by FAO. These experts studied the place of the whole agricultural structure in the national and international economy, staying in the country from three months to a year, after which time the mission made a report, including general recommendations, so that the country could make plans in developing its agriculture.  

In recent years, individual experts have taken the place of the mission in providing assistance in planning the national programs. Sometimes their time is devoted to work along general lines while at other times specific problems demand their attention. In Cambodia, for instance, an FAO expert was working on an agricultural policy which included agricultural questions, financial arrangements, and administrative structure in the agricultural service of the government. In Jordan, work was done on a survey of agricultural problems and the development of the Jordan Valley with the improvement

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of grain production and handling—projects which are important in modifying the adverse trade balance.10

In Ceylon, the government development plan seeks to increase economic stability by encouraging the settling of new land and more efficient production in existing areas under cultivation, which will bring about greater food production. To assist the Ceylonese government in the implementation of this plan, an FAO dry farming expert has laid down an experimental basis for land use of crop selection and has established suitable systems of tillage and cropping, emphasizing the maintenance of fertility and guarding against erosion.11 In Indonesia, FAO also has provided experts in mechanical logging to prepare a plan for mechanical extraction.

FAO has also considered the consumption of the products of agriculture, forest and fisheries, since production is not the only concern. In Malaya, FAO experts helped the government in planning agricultural marketing with particular reference to rice and a series of investigations into the economic status of farmers; the system of marketing, and the price levels at various steps between the producer and consumer were made.12

Since 1953, the problem of commodity surplus in different countries has risen. The changed situation makes it

11Ibid., p. 7.
12Ibid., p. 15.
urgent to integrate national agricultural programs with the overall economic program so that measures to encourage production are planned along with methods of expanding domestic markets. The Caribbean commission of FAO has made a detailed survey of the agricultural economy to obtain the desirable direction for developing a number of islands with a view to achieving the elimination of wasteful competition and a plan or program which is in harmony with the policies of the governments concerned.

Besides national programming, FAO's activities stress the problems of financing agricultural development. Since the budget of FAO is limited and does not permit FAO to lend to needy countries, its activities are mainly the providing of intelligence services and acting as intermediary. FAO has studied the world's need for and possible uses of agricultural credit both within countries and internationally, for the unutilized or inadequately utilized areas. It also studied the possibility of utilizing credit for the encouragement of family farming and secondary industries.\(^{14}\) In 1949, FAO and the Economic Commission for Latin America co-operated in surveying the agricultural credit in El Salvador. The result of this survey was followed by the national action of that


country to meet the credit needs of small scale agricultural producers.\textsuperscript{15}

FAO has also developed the "supervised credit" for small scale farmers who are not able to provide collateral required by ordinary credit agencies. Supervised credit consists of funds granted by an agency mostly belonging to the government at low interest rates on the basis of the character of the borrower and his possibilities of using such credit to better his economic conditions; the supervision consists of help given to him by extension workers or other experts in making good use of the funds. In Guatemala, for instance, FAO and the United Nations have collaborated to survey the living conditions of the rural population. The outcome of this survey was a plan for rural betterment set up through a system of supervised credits.\textsuperscript{16}

In order to finance agricultural development, FAO has played the role of intermediary, co-operating with the International Bank for Reconstruction and Development (IBRD).\textsuperscript{17} In Pakistan, for instance, FAO has acted as intermediary between the Pakistani government and IBRD so that the latter made loans to finance the construction of grain storage facilities.\textsuperscript{18}

\begin{flushright}
\textsuperscript{17}In conformity with the draft agreement of the FAO and the IBRD at Bretton Woods, the bank has to consult FAO in its agricultural credit policy as well as in a particular case.
\end{flushright}
The Utilization of Physical Resources and the Progress of Technology for Agricultural Development.

All activities of FAO under this headline fall into the activities of the Technical Assistance Program. In 1949, the ECOSCC of the United Nations launched the Expanded Program of Technical Assistance, and FAO participated in it. This enabled FAO to enlarge the activities toward its objectives. The aim of the ETAP is to provide to under-developed countries the technical knowledge and tools of modern technology without which they are unable to develop their natural resources adequately. The work of FAO falls into three main divisions: forest and forest products, fisheries, and agriculture, with the emphasis on agriculture. The work of FAO in agriculture falls into three parts: land management, crop production, and animal production. Under the land management, FAO work concentrates on the use and control of water, soil fertility, and farm machinery. To increase the crop production, FAO's activities emphasize the use of better seeds and the control of crop diseases and insects. To increase the production of animals, FAO emphasizes the prevention of animal diseases and improved feeding methods.

Use and Control of Water. There is a large part of the world's agriculture in locations of insufficient water or where it is in excess for the best growth of crops and production of livestock. FAO has given considerable attention to

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these problems since the world's agriculture could be improved greatly by irrigation, drainage, and other means of bringing water to land or by controlling it. FAO has sent experts to assist the Pakistan government where water is the principal limiting factor in agricultural production. There are vast areas of dry arable land, and great quantities of unused flooded water discharged into the sea. It is estimated that, in the Indus valley, drainage, reclamation of water-logged and salty land, and provision of more water for irrigation could add about 8 million acres of arable land, or an increase of 8/11 of the total cultivated land. Since 1950, for instance, following the recommendation of FAO, many pilot areas were selected for drainage and reclamation and irrigation, and the Lower Sind Barrage was constructed under the guidance of FAO experts and it was completed in 1952. Since then, this barrage has irrigated about 5,000 hectares of land and thus contributed to the agricultural production.20

In 1951, FAO sent experts to help Pakistan's government in developing the Ganges-Kobadak projects where an area of 80,000 hectares has been selected to develop the right bank of the Ganges.

Both climate and soil in this area are suitable for the production of rice, jute, sugar cane and other crops. The density of the population in this area is 818 persons per

square mile, with an increasing rate of 1.25 per cent per annum. To improve the standard of living and to provide food for this growing population, the output of land must be increased mainly through supplying water and irrigation during the 7 months of the dry seasons. At the completion of this project, reported by FAO economists, the increase in production was possibly 77.8 per cent of present production. 21

The assistance of FAO as such was also given to a number of other countries, such as Lebanon, Greece, Peru, India, Thailand and Peru.

Managing Soil for Permanent Production. FAO also assists governments to maintain soil for permanent production. In many countries such as Pakistan, improper use and poor management have damaged soil greatly. To help governments to manage soil for sustained high production, FAO brings to them modern knowledge of the proper use and management of soil. The work of FAO in soil management has included assistances in surveying fertilizer needs, making recommendations on soil management problems, help by experts in the practical guide to better soil management, use of fertilizers, and training technicians.

In Indonesia, FAO soil scientists have been assisting the staff of the Soil Institute of Bogor to modernize the methods of analysis. This has resulted in a very good output from the laboratories. FAO soil chemists have been helped

with the processing of rice yield data in Java as the first step toward determining the productivity of the different soil types of the island. In Teheran, FAO soil chemists assisted in the establishment of a soil laboratory under the Irrigation Corporation and also helped to train staffs in methods of analysis of soil, manures, fertilizers.\textsuperscript{22} FAO soil conservation experts gave field training to technicians in Israel and also made a survey of half the country to construct base maps for planning land development. Besides these, FAO also has training centers on soil fertility in different regions. In 1952, at Coimbatore, India, an international training center on soil fertility was held and was attended by students from South East Asia countries.\textsuperscript{23}\

Farm Machinery. FAO has emphasized especially farm machinery since it is one of the most fundamental means of improving the efficiency of agricultural production. In many places where large scale power machinery is not economically and physically possible, the production still can be increased greatly by improving and extending the use of better hand tools, animal drawn implements, and so on. One of the first projects in improved small tools was introduced by FAO in Afghanistan in 1951. FAO experts have been demonstrating the use of scythes and cradles, and have trained demonstrators

to bring new techniques and new tools to several thousands of Afghan farmers. FAO has also supplied samples of tools which were demonstrated extensively during 1953-1954 under the supervision of an expert who has also instructed local blacksmiths in their reproductions. These small tools, although less spectacular than large scale mechanization, are suitable for local conditions and bring immediate results in improving output.24

FAO has been emphasizing the improvement of workshops and more efficient field operations. These depend much on mechanical training of personnel and are essentially long-term projects and often involve administration re-organization.

In India, FAO's assistance has concentrated on improving government workshops and training personnel. In 1954, FAO trained more than 500 instructors and tradesmen who will form the foundation of an efficient corps of mechanics. These people have helped to prolong the life of equipment. FAO experts have also assisted the Thai Development Authority in reorganizing its maintenance and supply services as well as its field services. Other FAO experts have given instruction in servicing and workshops organization. As a result of mechanization in the Thai region, 600,000 acres of land were

reclaimed; sugar cane acreage was increased 12,600 acres in 1954.  

**Better Seed.** The use of better seed is one of the quickest and most effective means of increasing agricultural production. FAO's working Party on Rice Breeding of the International Rice Committee has carried on seed research at the Experiment Station at Cuttack, India. Work has been carried out to breed new varieties of rice, combining the desirable characteristics of the 'indica' and 'japonica' types. These seeds yield a greater output and are more resistant to diseases. By 1955, nearly half a million hand pollinations had been made (only 200,000 are required for adequate selection), and second generation seed of 270 cross combinations between indica and japonica varieties of rice had been distributed to different countries.  

A technical training center on rice breeding was arranged by FAO to remedy the shortage of technicians in the Far East region, which is the chief obstacle in carrying out the program of rice improvement. Similar projects organized in 1952 on wheat and barley breeding were carried out by a Committee on Wheat and Barley Breeding. By 1955, about 363 varieties of wheat and 64 varieties of barley had been made.  

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Besides rice, wheat and barley seed, FAO has experimented with the improvement of forage legumes, sugar beets, sugar cane, cotton, coffee, tea and tobacco. As a result of FAO's services in regard to seed and other planting materials, many countries are now testing various grasses, and other crops with a view to increasing returns from land.

**Control of Crop Insects and Disease.** In its development program, the FAO has been giving much attention to the control of crop insects and diseases. In 1951, the International Plant Protection Convention was established by FAO. The task of the experts in this field is to assist governments in the establishment of a nucleus of plant protection services and to give instruction in modern methods of pest disease control.

FAO gave assistance to Afghanistan by sending plant pathologists who carried out surveys of the incidence of disease and assisted in the formation of the nucleus of a plant protection service. In Libya, plant protection experts worked on the control of olive and fruit flies.

In Europe, FAO has been sponsoring a long term cooperative research program against the fall webworm, beginning with technical assistance to Austria and Yugoslavia. The work is under the direction of the Commonwealth Institute of Biological Control in Canada. The Institute collects webworm

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parasites in Canada and sends them for processing and release to Yugoslavia and Austria where a laboratory for this purpose is being equipped by FAO. In 1954, over 8,000 parasites arrived in Yugoslavia in excellent condition.29

In the fight against the locust, FAO has assisted governments in the Near East and Far East and Latin America. Besides research work to fight against this insect, FAO has also established reserves of vehicles, machirery and insecticides amounting to about $400,000 at several strategic centers in the Near East. By the loan of these supplies to supplement local resources, FAO contributed materially to the success of the anti-locust campaigns in the Near East and East Africa.30

Control of Animal Disease. Every year, there is a great loss of livestock due to disease. In Europe alone, in 1952, it was estimated that the outbreak of foot and mouth disease caused losses to the amount of $400 million dollars. This problem has assumed such magnitude that in 1954, the European Commission for the Control of Foot and Mouth Disease was established by FAO. The control of animal disease plays an important part in the technical assistance of FAO since livestock losses which not only reduce the production of the livestock industry, also have serious effects on the small farmers who depend much on the animal to till their fields.


In addition to the losses, large numbers of animals are rendered unproductive when they are recovered from the disease. 

FAO assistance in controlling animal disease is either directed by veterinary teams or by improving facilities at existing laboratories. For instance, in Burma FAO veterinarians had been assisting the Burmese government in the control of animal disease, the rinderpest. The work carried out by the veterinarians in Burma was very successful. The laboratory produced many of the vaccines against rinderpest, anthrax and haemorrhagic septicaemia. It is estimated that the application of the haemorrhagic septicaemia vaccines obtained in Burma would have saved the United States about 18 million dollars a year due to the annual loss caused by this disease. 31

Correction of Institutional Obstacles to Agricultural Development. At its sixth session, the FAO conference stated that reform of agrarian structures is essential to human dignity, freedom, and the achievement of the aims of the FAO. It encouraged member governments to ask technical assistance for aid in the development of programs of rural reforms. 32 Since then, FAO's activities in the field of land tenure became more pronounced.

Since the problem of land tenure is a matter of national action, FAO's activities in this field were limited to furnishing

32Report and Resolution on Agrarian Structure by the Sixth Session of the FAO Conference.
intelligence services. Its program of action has two phases: research and aid.\textsuperscript{33}

The first phase is a series of basic studies designed to clarify issues and determine the characteristics and effects of different types of land tenure on capital, labor, and standards of living in different situations. Three important publications of FAO on this subject are "Land Settlement for Agriculture", "The Consolidation of Fragmented Agricultural Holdings" and "Land Reform—Defects in Agrarian Structure as Obstacles to Economic Development". These publications deal with the process of agricultural settlement and resettlement, the general problems of fragmentation, including its types, effects, insecurity, insufficient credit, inflexible and regressive taxation, and proposed remedies.

The second phase of FAO work in this field is to help member governments in preparing and carrying out action programs designed to promote desirable reforms including land tenure, agricultural credit, and agricultural co-operatives. Under the ETAP, FAO has been working in various countries. Agricultural credit was studied in Latin America as it was presented above. Co-operative consultants were sent to Mexico to work as educators and to organize co-operatives among the 'ejidos'.\textsuperscript{34}


\textsuperscript{34} FAO, \textit{Activities of FAO under the ETAP, 1952-1953}, (Rome, 1953), p. 57.
Furthermore, FAO also organized meetings and seminars in different regions so that participant countries could contribute toward a better understanding of land use problems in the regions. The Latin American Land Problems Seminar, for instance, was sponsored by FAO and ECLA, and held at Campinas, Brazil, with 39 participants from 12 Latin countries.
CHAPTER III

THE ECONOMIC, POLITICAL AND SOCIAL FRAMEWORK
OF THE VIETNAMESE AGRICULTURE

Since 1940, Viet Nam has been passing through the most important period of her history. In this period, the economic life of Viet Nam has been affected seriously, especially agriculture. World War II, the Japanese Occupation, the Revolution of August in 1945, the presence of the Allied Army, and the nine-year war against the French, have all contributed to the economic collapse of the country. The situation has been aggravated by the partial paralysis of transportation. In addition, the economic situation, bad as it is, has been complicated by the struggle between communism and capitalism, resulting in the partition of Viet Nam in accordance with the Geneva Agreement of June 21, 1954.¹ According to this agreement, the communists control the area north of the 17th parallel, and the country south of this parallel still is associated with the free world. Ho Chi Minh in the North, as well as Ngo Dinh Diem in the South, although their governments are based upon different doctrines, face the same problem: a paralyzed economy with inefficient economic

¹The United States and the Republic of Viet Nam did not sign this Agreement.
performance and the pressure of the people for an improved material well-being.

THE DOMINANT ROLE OF AGRICULTURE
IN VIET NAM ECONOMY

In highly industrialized countries, efforts are made to develop domestic and international trade so as to increase the industrial production on one hand, and at the same time to prevent a surplus in the home market. In such a country, economic activities have to follow the course of trade so that the efficiency of the economic mechanism can be improved and the material welfare of the people may be increased.

In an agricultural country, the relationship between segments of the economy is quite different from that of an industrialized country. For instance, in Viet Nam where more than 90% of the people earn their livelihood from the land, trade, handicraft and small industry are strongly influenced by agriculture. This also holds true in all political and social activities. All historical events which have occurred, no matter how significant or insignificant, are directly influenced by whether harvests are poor or good. These reasons lead us to conclude that in Viet Nam at the present time and in the near future, agriculture will play the dominant role in all phases of economic and social activities.²


³Each village has a Tho Than, or agrarian genie. Whenever the people in the village meet with some difficulties, they come to the genie to pray for relief.
The slogan "Di Nong Vi Ban" which means "the origin of everything is agriculture", has been followed faithfully by Vietnamese authority not only in the past, but in the present as well. Thus agriculture is the industry upon which the Vietnamese economy largely depends. It is the main source of the national income. Consequently, it is the most important determinant of the level of income, and thus, the material well-being of the people.

POVERTY IN VIET NAM

As other under-developed countries, Viet Nam is a poor country. Its level of poverty is reflected in the following data:

**Per-capita income.** Using per capita income as indicative of the level of poverty, Bui Van Thinh of the Vietnamese National Bank, estimated the total income of Viet Nam to be 61,829 million piasters in 1955, or 504 piasters per capita for a population of 12,261 million.\(^4\) The average per-capita income in the United States in 1955 was 1,847 dollars.\(^5\) This is the equivalent of 64,645 piasters, or 128 times the average earnings of a Vietnamese.

**Food Consumption.** Because of the low level of income of the Vietnamese, their level of consumption is disastrously low and most of the people are undernourished. The comparison

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\(^4\) *The Times of Viet Nam*, November 9, 1957, p. 10.

of food of different countries is almost impossible since food consumption is oriented by habits, customs and taste. The most we can do in regard to this subject is to use the calorie intake measurement of comparison.

According to a study of the Food and Agriculture Organization of the United Nations, (FAO), the minimum number of calories that an average person doing average work must have daily is about 2,750 calories. In Viet Nam, the calorie intake is estimated at about 2,000 calories, which is far below what is needed for good health, and only meets the normal minimum energy requirements of the human body at rest.6

However, the calorie intake does not tell the full story. At lower levels of intake the food consists mainly of cereals, which are the cheapest satisfiers of hunger. A diet sufficient for health must contain a large proportion of animal products and fruits and vegetables. These supply calories at a much higher cost, and are rich in other constituents necessary for health.

Therefore, it is evident that there is no allowance for muscular activity. This is one of the reasons why labor productivity in Viet Nam is very low compared to that of Western Nations.

The remarkable improvement in health and physical well-being following an improvement in diet in the developed countries shows that inadequate food is one of the main

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causes of preventable diseases and premature death. In Viet Nam the majority of people suffer from one or more of the following: pellagra, beriberi, nutrition blindness, anemia, and tuberculosis. Before the war, the expectation of life at birth was estimated at about 35 years. Infant mortality was high—280 for every 1,000 live births, compared with 32 in European population in New Zealand. 7

In a study of the population problem Vu Quoc Thuc pointed out that:

a. More than 40% of the sick people in the free hospitals were undernourished.

b. Most of the young men who volunteer to join the army do not have good health.

c. Within two months after the harvest, a great part of the people cannot earn enough money for one meal a day.

d. The people cannot raise hogs and chickens because of the lack of feed. 8

It should be noted here that during the year the study was made, 1941, the majority of the people were hungry, yet the total amount of rice exported reached 1,586,696 tons, 9 or more than 23% of the total production of the country.

7U. N. Interim Commission on Food and Agriculture, op. cit., p. 11.


Furthermore, the majority of the revenue from agricultural exports serves to provide the support of foreign intermediaries. Ngo Dinh Diem pointed out that only 12% of the total value of exported rice went to the farmers, whereas 88% represented the salaries and benefits of banks, insurance companies, importers and exporters.\textsuperscript{10} Evidently foreign intermediaries transferred these revenues to their countries thus aggravating the poverty of Vietnamese peasants.

The decrease of Agricultural Production. During the Franco-Vietnamese war, agricultural production in Viet Nam decreased enormously, since a large area of land was uncultivated. In 1930 the total area of rice cultivated was 3,612,860 hectares and production was 4,020,980 tons of rice. In 1956, the area in rice amounted to 2,624,860 hectares and total production was only 2,400,000 tons, a decrease in output of about 43\%.\textsuperscript{11}

The second main agricultural product in Viet Nam is rubber. In 1941, the rubber production reached its peak, and total production was 74,795 tons. In 1955, the production of rubber amounted to only 66,000 tons, a decline of 8,795 tons or about 12\%.\textsuperscript{12}

The Increase in Population. While agricultural production in Viet Nam decreased, her population increased. In 1939


\textsuperscript{11}Truc Chi, \textit{op. cit.}, pp. 24-25.

the total population of Viet Nam was 6,357 million, but within 18 years it had grown to 11.5 million. Since then, the population has soared due to the relative decrease of infant mortality and the considerable improvement in sanitation and hygiene conditions. Up to 1956, estimates of total population included more than 850,000 refugees who went south after the signing of the Geneva Agreement. Thus, Viet Nam had to provide for this population also. 13

POLITICAL AND SOCIAL FRAMEWORK

In studying the economic situation of Viet Nam, as in other under-developed countries, one cannot leave aside the social, political, religious and cultural environments in which economic activities operate, since "the social, cultural and even religious aspects of land cultivation...are interwoven with the purely economic end of food production." 14 Furthermore, more capital and improved techniques are necessary to have a greater output, but these provisions alone do not assure that output and material well-being will increase. Early in the 19th century, Malthus had realized the importance of the social environment in regard to the increase of wealth. He wrote:

"...the powers of production, to whatever extent they may exist, are not alone


14 N. Buchanan and M. Ellis, op. cit., p. 74.
sufficient to secure the creation of a proportionate degree of wealth. Something else seems to be necessary in order to call these powers fully into action. This is an effectual and unchecked demand for all that is produced. And what appears to contribute most to the attainment of this object, is, such a distribution of produce and such an adaptation of this produce to the wants of those who are to consume it, as constantly to increase the exchangeable value of the whole mass. The distinction of wealth and value, it was observed, that where wealth and value are perhaps most nearly connected, is in the general necessity of the latter as a stimulus to the production of the former, unless the estimation in which an object is held, or the value which an individual or the society places on it when obtained, adequately compensates the sacrifice which has been made to obtain it, such wealth will not be produced in future. 

Although poverty has existed in Viet Nam for centuries, yet its significance was different from what it is now. Attitudes of the Vietnamese toward poverty have changed. In the old times, before occidental thoughts influenced deeply the thinking of the people, there existed a peasant civilization which was concentrated mainly in the villages. Village life, with all its lusterless and wretched appearance, was by comparison intense and rich in emotion and provided the peasant with interest and enthusiasm. The numerous events in political, religious and social life of the community gave the peasant the opportunity to experience the satisfaction of ruling, of escaping from the rancor of defeat and the

bitterness of suffering a humiliation; of enjoying the pleasure
of intrigue, the "pomp and power" of a splendidous ceremony
in which the whole village participated with a single heart.
These things drew the peasant away from meditating on his too
poor condition, from thinking of the debts which overwhelmed
him and the repayment of which absorbed the better part of
his modest income. 16

Political Life. Before World War II the village was
an independent community which administered itself, resolved
the differences which arose among its members, and which
collected the taxes of the country from them. Thus, the
village was an intermediary between the central government
and the citizens in the village. Once the village fulfilled
the obligation which it had toward the central government,
it could govern itself freely. This autonomy of the village
was manifested in the saying "phep vua thua le lang" or "the
law of the king yields to the customs of the village."

The village was an independent institution. The people
living in the village formed together under the Assembly of
the People which elected a council of Notable. The Council
administered the community and elected an executive, the
ly-truong, or mayor, who had an assistant, the pho-ly, and
so on. These people were respected and watched by the peasant
in the village. Moreover, they received all the honors

16 See Pierre Gourou, Les Paysans du Delta Ton Kiois,
(Paris, 1936).
rendered to them by the people living in the village. This hierarchy dominated the political life of the village, and above all, it preoccupied the peasant with his classification in the order of precedence. Once he was in a position he not only had authority on village affairs such as dividing the public land, determining the regulation of current affairs of the commune, representing the people in the worship of Thanh Hoang, or the village protector, but he also had the privilege to participate in the feasts following each public meeting which were paid for by the community.\footnote{17 Philippe Devillers, \textit{Histoire du Viet Nam de 1940 a 1952}, (Editions du Seuil, Paris, 1952), pp. 20-21.} Besides these public feasts, the quan-vien, or officers of the village, were also invited to numerous private and semi-private festivities such as the new year, the mid-autumn festivals, the ceremonies of marriage, burials, etc.

Since the quan vien received such privileges, to become one of them was the aim of every one living in the village. The desire for position was so strong that a person who did not have any hope of attaining it was willing to buy the name, such as ly mua, or buying mayor. The sum was generally so large that he had to sell all his property or had to borrow it at a high interest rate. Once he received the name, he enjoyed the same privileges as the other quan vien, in regard to the affairs of the village. However, this action could lead him to live a miserable life, and even worse,
his wife would have to leave the village to work as a servant in the city. But this did not matter since, "Mot mieng giua lang bang mot san xo bep", or "a piece (of meat eaten) in the middle of the village is better than a basket (of meat eaten) in the kitchen."

Living in an environment in which the position and honor were regarded as the goal of a person in his lifetime, the Vietnamese peasant tried his utmost to reach this goal even by intrigue and trickery. Once he reached this goal, he would try his best to benefit from it. It was the cause of party rivalry in the village. Such a struggle for position was so strong that the peasant devoted all his time toward it and did not try to improve his material lot.

Social Life. Besides being an essential component of the landscape, the village also played a primary part in the moral and social life of the peasant. The peasant was not an isolated individual but a part of the religious, political and social life of the village, which was so intense, and such a matter of daily concern, that all peasants participated in it with faith, with fervor, and with the ambition of playing an ever greater part in it.

The most outstanding characteristic of the social life of the Vietnamese village was the tendency that the peasants had to form groups. All these groups participated

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18 See Ngo Tat To, Viec Lang, (Nha in Mai Linh, Hanoi, 1943).
more or less actively in the village festivals, and of course had their own, that is, their individual feasts. Besides the groups which were usual and of great importance like the xom, thon, giap, ho...there existed innumerable quantities of others born of the peasant's taste for meetings and feasts; associations of singers, musicians, wrestlers, cockfight fanciers, etc... In these little groups the young peasant became initiated to public life, and received training for the role which he would later play in the village.

Another characteristic of the social life of the Vietnamese village was the complete supervisory control of the public opinion over the private life of the individual.19 The village was composed of families which were founded according to Confucianism. In such a family, the individual did not have any rights of his own, but the rights of the family. Sacrificing his individuality for the honor and prestige of the family was the moral obligation of each individual. While the family controlled the individual, the village or community controlled the family. Since the fact that the happiness of the village depended upon a complete harmony of families, reflecting good customs, traditions and the prestige of the village, the individual had to follow the will of the public. It is evident that the family and thus the village demanded a great deal of sacrifice from the

19 Virginia Thompson, French Indo-China, (New York, 1937), pp. 41-42.
individual. The individual did, however, receive some rights offered by them such as the right of ownership of a small piece of land. He also had opportunities in satisfying his ambition, his religious feelings, his intrigue and his desire for position. The political organization and the numerous festivals, public celebrations or private celebrations of the well-organized village life were assured the Vietnamese peasant. To him this moral and social life was of greater value than anything else in the world. He considered the religious, moral and social richness to be far better than material well-being. Consequently, the stress was not on material progress.

That was the situation of the Vietnamese before Western thoughts influenced his thinking. At that time, there existed in Viet Nam a social, cultural and religious environment in which there was a complete harmony between man and nature. It was on this harmony that the personal equilibrium and happiness of the peasant depended. These existed also a social and moral stability of the Vietnamese peasant, animated by the combination of traditions and customs which afforded him a rich social life and enabled him to endure strikingly wretched material conditions.

But at the present time, the traditional civilization of Viet Nam has collapsed. The old cultural values no longer exist. This was due to the arrival of Western civilization
and the bitterness of war and the fight between communism and capitalism.\textsuperscript{20}

With the declining influence of Buddhism and Confucianism and the rise of Christianity and atheism, with the breakdown of the village institution due to the war, and the propaganda of communism and capitalism, the stress upon the family as a social unit is losing ground. This unit is now being centered upon the individual. Social organization, which formerly tended to be hierarchical and stratified, has been replaced by a semi-democratic system. Since the ascetic philosophy of the East is losing to the activist philosophy of the West, the most respected person is no longer the one who withdraws from economic activities. The person who tries his best to better himself and his community materially now gains the greatest respect.

As noted above, changes have caused a new culturally recognized value to shape up. The spiritual value does not play the dominant role in the thinking of the people, partly because of the collapse of the traditional civilization in which the peasant depended for the consolation of his poverty, and partly because of the diminishing influence of Buddhism and Confucianism.

Nowadays, the peasant has to face by himself his extreme poverty without the consolation from his family,\textsuperscript{20}

society or religion. His thoughts now center on this since there is nothing else other than material things. Contrary to the past where the desire for material things was considered to endanger the happiness of oneself as taught by Buddha and Confucius, the total amount of material wealth that the peasant possesses scores his happiness now. This new attitude of the Vietnamese toward material things is responsible for his realization of the poverty that exists among the peasants. He wants to improve his lot since he is now aware of his poverty. In the past material accomplishments were little esteemed and the people devoted little effort to their achievements, but today the peasant of the present time is engaged in the search for happiness through material wealth. Thus he applies most of his time in trying to improve his material lot with the conviction that something can be done about it.

This determination to achieve a higher material level is accompanied by the desire to achieve it quickly. The expectation that a higher level of economic well-being can be achieved depends upon increasing agricultural production in the near future.
CHAPTER IV

THE CHARACTERISTICS
OF VIETNAMESE AGRICULTURE

In Viet Nam, a humid tropical region, agriculture has many characteristics different from those of other countries. The most important will be presented here.

THE INTENSIVE AGRICULTURE

The principal characteristic of Vietnamese agriculture is its intensity, an intensity unlike that of the West. In Western countries, the aim of intensive agriculture is to obtain the highest return possible by applying scientific techniques, using a great quantity of fertilizer and using machines which permit the farmer to reduce his cost of production. The Western farmer cultivates his land intensively because he wants to have the largest total net revenue from each unit of land.

In Viet Nam agriculture is governed by a different principle, which is based not upon total net return, but upon total annual net production which is needed to meet the daily requirements of the people.¹ In order to have a larger

total annual production, the Vietnamese farmer does not use much fertilizer since it is costly to do so; he does not use machinery since he and his family supply more than enough manpower to farm his small piece of land; nor does he try to select a better seed since he does not have the means to buy it, yet he will try to increase the output of his crops. Since the product from the land is the only source of income, (fisheries play a minor role), farming is the only industry to which the peasant can turn. For this reason the farmer does try repeating his crop many times a year. In most of the coastal area, the farmer cultivates his land three or four times a year. At places where the water and climate are not favorable for growing rice, other crops such as potatoes, beans, manioc, taro, etc., are planted instead during the interval seasons. Of course, these practices impoverish the land in the long run and the fertility of the soil decreases, but there is no other way for the peasants to increase their food supply. For the Vietnamese peasants, intensive farming keeps the family labor force gainfully employed contributing to the total food supply of the family.

Another reason for the intensive use of land in Viet Nam is land tenancy. Once a share-cropper (most of the Vietnamese peasants are share croppers) takes the responsibility for the land, he has to pay the landowner a very high rent, either in the form of money or in grain. Consequently, the peasant has to produce as much as possible so that after
meeting the rent he still has enough grain to meet his family's food requirements and to provide other basic necessities.

The uncertainty of weather is also connected with the intensive use of the land. Lacking meteorologic services, the peasant has no means of knowing whether the weather conditions during the rest of the year will be good or bad, so that he can plan his future crop. Weather forecasting is almost unknown to the peasant; so, if the weather conditions permit him to grow a crop at any time he will profit by doing so at that time. It is his conviction that if he does not grow a crop now, he may never be able to do so in the future.

In short, for a Vietnamese peasant, the only problem he has to face is to live and to feed himself. He has no future other than to continue his country life. If he wants to subsist, he has to harvest all the necessary food he can, since the vision of famine disturbs him all the time. To live, he must produce, no matter what the cost, even at the cost of mining the soil.²

**MONOCULTURE**

Monoculture is the second characteristic of Vietnamese agriculture. In studying agricultural production of Viet Nam, Virginia Thompson wrote: "Rice plays such an important role in the colony's economy that it has made Indo-China a country

of monoculture."³ With the same idea but expressed differently, Charles Robequain wrote:

"The Indo-Chinese owner or grower whose main business is not rice cultivation is still a very rare specimen. Almost everywhere rice is the crop which demands the most care, covers the largest cultivated area and constitutes the main food supply. Local capitalists prefer to invest or speculate in rice lands. The Indo-Chinese civilization is a rice civilization in the plain as in the highlands..."⁴

Thus, rice growing is the main crop in Vietnamese agriculture; that is not to say that Viet Nam does not grow any other agricultural product other than rice. Sugar, cotton, coffee and mangrove are also raised, but until recently, they have played an unimportant part in the economy of Viet Nam and have been more or less inadequate for local consumption.⁵ Table I compares the land devoted to rice as compared to that for other crops.

<table>
<thead>
<tr>
<th>Crops</th>
<th>Area Cultivated (Hectare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>3,412,860</td>
</tr>
<tr>
<td>Maize</td>
<td>65,000</td>
</tr>
<tr>
<td>Cane Sugar</td>
<td>30,940</td>
</tr>
<tr>
<td>Rubber</td>
<td>99,410</td>
</tr>
</tbody>
</table>

Source: Truc Chi, Viet Nam Kinh Te Luoc Khao, (Saigon, 1947), pp. 21, 25, 43, 52, 56.


The total area devoted to crops other than rice represents about 6% of the total land cultivated. (See map on page 68.

Most of the crops depend upon natural conditions and Viet Nam enjoys all the material and climatologic conditions favorable to the production of rice. Rice has numerous varieties, each with its own particular characteristics and requirements, but all must have high temperatures in order to germinate, to bloom and to mature. Usually, rice is best grown in areas where temperatures are above 20 degrees centigrade, and where average annual temperatures do not fall below the freezing point. In addition to high temperatures, rice requires large amounts of water, both in and upon the soil.

In regard to the temperature requirements, Viet Nam has average temperatures of 28 degrees centigrade, with an oscillation between 22 and 34 degrees centigrade, a perfect condition for rice growing. Viet Nam also has an abundant supply of water. Except in the high mountain region, Viet Nam has a good system of rivers and canals which not only irrigate the land and make possible the permanent cultivation of almost the entire delta, but also facilitate the transportation of rice. These rivers and canals, with a total length of more than 2,000 kilometers of main waterways, not including the

secondary lateral branches, also make drainage possible. In the province of My Tho, for instance, where flood conditions previously lasted from two weeks to three months and the depth of water varied from 0.60 to 1.60 meters, the construction of the canal which unites Arroyo Commercial with My Tho river, reduced the time of flood to only one day. In his field surrounded by little dikes, the peasant now can easily regulate the level of water necessary for his grain.

Another advantage of rice growing is the low seed requirement, thanks to the transplanting techniques. Usually a hectare of rice field which can yield an annual average of 1,300 kilograms of rice requires only from 18 to 60 kilograms of seeds.

Rice is the main food of the Vietnamese since it is not only easy to prepare but it is easy to conserve in the form of a paddy, a necessity that is sine qua non to the peasant living in a country where storage techniques are under-developed. Besides, rice is a universal product in the country and enjoys a more stable market than other agricultural products. For the vast peasantry, rice is the sole product, the only article for both consumption and exchange. Rice production is then an indicator of the country's prosperity, and the keystone to the Vietnamese economy. "Rice forms three-fifths of all the agriculture, four-fifths of the native diet

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8 Pierre Gourou, *op. cit.*, p. 49.
and 69 per cent of the total export. 9

However, heavy dependence on rice is a source of economic weakness for Vietnamese economy. The instability of the world market, accompanied by the increase in production in other countries, especially in the United States and Italy, has made it increasingly difficult for rice producers in Viet Nam to find world markets.

RURAL OVERPOPULATION

Except for the ethnic groups living in the highland, most of the Vietnamese peasants are concentrated in the areas close to the coast line and near the oldest cities. About three-quarters of the total population are rural, and one-fourth urban.

At first glance, it seems that Viet Nam does not have a great population pressure since the population density is 80 per square kilometer. This ratio is not very high compared to many countries in Asia and Europe. For instance, Japan has a population density per square kilometer of 241, India, 116, United Kingdom, 210, Germany, 198. 10

However, these figures do not give a true picture. In a country which has many natural resources, the capacity of production is high and the population density can reach a high

9 Virginia Thompson, op. cit., p. 123.

ratio without a population problem. But, in an agricultural country like Viet Nam, where the production capacity depends entirely upon the productivity of the land, then population pressure depends upon the ratio of the population to the land cultivated, or the nutrition density. In this respect, Viet Nam suffers strong population pressure. Since large areas are virtually unpopulated and only about 3% of the country is cultivated and settled, the agricultural areas usually have a density of over 1,000 per square mile, thus repeating the Southeast Asia pattern of congestion in one area, and land lying unused in another.

The reasons for this maldistribution of the population are multiple, but the main one can be defined as follows:

UNHEALTHY CONDITIONS OUTSIDE THE SETTLED AREAS

The forest and mountain regions are considered to have endemic malaria from which the delta is free, and unhealthy conditions do frequently prevail in these more remote regions, characterized by serious types of malaria. The undernourished condition of the Vietnamese peasant naturally makes him more susceptible to this disease. The belief is still rather widely held that the coastal plains, the delta where the Vietnamese live, and the fields which are flooded at least part of the year must be free from fever. As a matter of

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11 Dobby, op. cit., p. 306.
12 See map on page 65.
fact, attacks of malaria in the cultivated plains are rare and usually mild.

Thus, malaria is one of the main obstacles to the settling of the hinterland by the peasant. He knows that areas opened to settlement do exist outside the delta and coastal plains, but he also knows that he cannot escape malaria if he moves from the delta. Thus, he prefers the wretched life of the delta to mountainous regions where he could gain greater wealth only at the expense of good health.

Another reason for the concentration in the coastal and delta area is that the Vietnamese are greatly attached to their native land. Ancestor worship is very strong among the people, the rites of which require that the place of performance be the native home where the written tablets are kept, or at places not far from the soil where the bones of the dead are buried. Consequently, religious practices help to keep the peasant from moving away from the land that his ancestors settled, which is the coastal plain and the delta.

The social framework is another reason for the rural overpopulation. The Vietnamese peasant is accustomed to living in a social framework which sustains and protects him and wards off difficulties. If he moves away from this social environment to be isolated in a world new to him, he does not know how to face his problems. Furthermore, the belief that abandoning his birth place is a sacrilege which will harm not only himself but also the entire community, keeps him at home. Besides, the regions bordering the mountains are
not heavily populated, the zone which really suffers from overpopulation is at a great distance from the settlement area. In order to reach these areas, the peasant has to go a long way from his village, which demands more money than he has and deprives him of the social environment that he cannot afford to lose.

The difficulty of transportation is another obstacle that deters the peasant from moving from the delta to the interior land. Until the present time, most of the modes of transportation in Viet Nam have not been developed. Although train and bus and automobile exist, they are only found in the big cities of Viet Nam. Consequently, the rural people do not enjoy the fruits of modern mechanical advancement.

The gravest obstacle to the settlement of the underpopulated areas is poverty. The peasant of easy means does not consider leaving his native village because of the attachment to the land of his ancestors. But, a pauper who might wish to set himself up in a new land could not meet the cost of travel even if he could manage to subsist during the period elapsing between the day he plants his crop until the time of the first harvest, even supposing all things to be favorable.

Finally, the political situation does not permit the peasant to move away from his native land. Under the French, moving from one place to another required many papers and was subject to security police investigation. At the present time,
Figure 1

DENSITY OF POPULATION IN VIET NAM

LEGEND
Persons per square mile

0

25

125

250

ZONE NEARLY FREE FROM MALARIA

the fear of communist infiltration and the fight with the religious sects limits the movement of the people.

UNDER-EMPLOYMENT IN AGRICULTURE

Unemployment in the agricultural sphere of Viet Nam falls under two main categories: seasonal and under-employment. Seasonal unemployment is usually brought about by natural circumstances. Ordinarily, the only way to maintain employment in agriculture throughout the year is by making improvements which will enable the land to be productively employed for longer periods. This does not seem possible since the growth of rice and rubber and other crops depend entirely upon the weather; consequently, the only way of meeting the difficulty would be to find employment for the peasant in other occupations for the rest of the year. In many cities near the coast line, people can engage in fishing during that period of time. But, in the delta where people do not live close to the sea, they do not have enough skill to engage in fishing, thus a secondary industry seems to be the only answer to this problem.

The second type of unemployment in agriculture in Viet Nam is under-employment or disguised employment. This type of unemployment exists in Viet Nam since there is a deficiency of the resources which are necessary to employ productively the available supply of labor. As was presented in Chapter I, the farming unit in Viet Nam is based upon the family, which generally has a great number of working members.
The supply of land available to the average family is limited in the delta, the land area is too small to keep the entire family employed throughout the year, and there exists no opportunities for directing part of the labor supply into other occupations at appropriate times. It is hard to estimate how many people are under-employed, but according to a study of Pierre Gourou, each agriculturist does not work more than half of a year to farm his land. Consequently, the lowest estimate of surplus population was placed between 40 to 45% of the rural population.

LOW LEVEL OF TECHNOLOGY

One of the most striking features of Vietnamese agriculture is its low level of technology. Agricultural techniques, from the point of view of management, distribution and production, are no better today than centuries ago.

The idea of using machinery in agriculture is very new to the Vietnamese peasants. For them, machinery to save manpower is not necessary since labor is very abundant. For many centuries, Vietnamese agriculture has never aimed at economizing manpower. Thus, agriculture equipment in Viet Nam is very simple.

From the point of view of soil conservation, much damage has been done to the soil because of erosion by wind and water. But the farmer has no knowledge of the technical

\[13\] Pierre Gourou, op. cit., p. 50.
Figure 2

LAND USE IN VIET NAM

SOURCE: Dobby, E. H. G., op. cit., p. 312
methods that would enable him to make the best of such adverse conditions.

The peasant farms his land as his ancestors farmed it for thousands of years. It is true that a given field has grown rice for a thousand years without rotation of crops and without rest. The productivity of the land depends upon weather conditions alone. The peasant does not know how to improve the land by using better seed since this requires research and education, and the Vietnamese social framework does not provide him such information. The rice field needs manure and the Vietnamese peasant knows it. But it is impossible for him to get fertilizer since every possible source is used, both human and animal. But these sources are limited and chemical fertilizers are either too expensive or not available.\footnote{C. Robequain, \textit{op. cit.}, p. 228.}

The lack of insecticides and phyto-sanitation is evident in that every year damage caused by locusts and pucerons is enormous, and the soil cannot produce effectively since there are many weeds in the fields. Labor alone cannot completely destroy these weeds, and new technology is needed.

The low level of technology can be explained by two main categories; the lack of education and the lack of capital. In general, a minimum level of education and literacy is the basic need in order to achieve widespread advances in technology. Viet Nam is one of the countries of Southeast Asia
that at the present time has a high illiteracy rate. Besides this, there is no educational and administrative structure through which the producers can learn new technology.

Education would enable the peasant to utilize new technology, but without capital there is nothing to work with. In Viet Nam, where the peasants are too poor to buy even relatively inexpensive producer goods such as improved seeds, fertilizers, or insecticides, the cost of capital goods is far beyond their purchasing power.

LACK OF CAPITAL

One of the predominant features of Vietnamese agriculture is the low ratio of capital to labor and to land. The capital shortage is sometimes relative in the sense that labor and land could be made more productive if more capital were available; sometimes absolute in the sense that the supply of capital is insufficient to employ the population fully even in the least capital-intensive activities.

Relatively, capital shortage is very true in Viet Nam since labor and land could be more productive if more capital were available. Excepting the big land owner who has enough capital to farm his land, most of the small landowners or share-croppers do not have sufficient capital. Many have only land or seeds. For instance, some do not have a plow to till the land. The picture of the man pulling the plow while his woman pushes it is a very common sight in Viet Nam. It is obvious that with this kind of plowing, the soil could not
be very well prepared. Consequently, productivity of the land is very low. A tractor, or even a buffalo, would increase greatly the capacity of the land to produce.

The capital shortage is absolute in the sense that, due to the lack of capital, numerous people must stay in their village, content with their small piece of land, even though much unused land exists in the mountains. Seeds, inexpensive tools and such that make up working capital are very much needed.

The shortage of capital becomes more and more acute since the peasant is too poor to accumulate it. Capital in the form of seed is frequently consumed by the farmer during periods following crop failures. Furthermore, capital invested by the big landowner does not aid the development of agriculture since the high interest rate only furthers the decline of the borrower.

The lack of capital has caused many grave problems: usury for one. Threatened by famine, the peasant borrows money and, since he has eaten his seed during the hard days, he must also borrow seed which is indispensable to his next crop. Chinese and Chettiar money lenders are ready to lend money and seeds at a high rate of interest. If a peasant must borrow seed, he has to turn over to the lender a certain quantity of paddy after the harvest. Depending on the contracts, this quantity varies from one-third to one-half of...
the normal harvest. In case of a poor harvest, the peasant usually must sign a note for the paddy that he has failed to turn over to the lender at an increased rate of interest. Under this condition, it becomes practically impossible for him to discharge his debt, since at the next harvest he must pay approximately three times the initial rent.

In case money is borrowed, the peasant has to pay as much as 120 per cent per annum as the rate of interest. Interest rates are so heavy that the peasant who begins to borrow most often can only free himself by selling a portion of his property.

Above all, usury leads to the dispossession of the small landowners and to the bondage of the rent farmers, share-croppers and proletarians. Besides, it has the unhappy effect of stripping agriculture, trade, and industry of its capital since no agricultural improvement, no trade or industrial enterprise could bring in profits equal to the profits of usury.

It should be noted here that agricultural credit has existed in Viet Nam. The loan was made to the farmers through credit institutions such as Credit Populaire Agricole, Caisse Centrale de Credit Mutuel, and Hop Tao Xa Nong Nghiep, with the normal interest rate of 10 per cent per annum. However, this kind of loan does not benefit the peasant since a loan

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15 Truc Chi, op. cit., p. 46.
17 Pierre Gourou, op. cit., p. 82.
was made only with a lot of procedure and a great deal of papers. Because Vietnamese peasants are not educated and do not have experience in such matters, he does not borrow from these institutions. Consequently, loans are made to big landowners, who in turn lend to the peasant at a much higher interest rate.

The combination of these factors presented in this chapter determines the productivity of the Vietnamese agriculture. Compared to the other countries, the yield of rice per unit of area has been very low. Table II shows a comparison of rice yield in Viet Nam with other rice producing countries.

**TABLE II**

<table>
<thead>
<tr>
<th>Countries</th>
<th>Yield per Hectare (Kg. 1955)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>5,800</td>
</tr>
<tr>
<td>Italy</td>
<td>5,100</td>
</tr>
<tr>
<td>Japan</td>
<td>4,810</td>
</tr>
<tr>
<td>Australia</td>
<td>4,590</td>
</tr>
<tr>
<td>Argentina</td>
<td>4,010</td>
</tr>
<tr>
<td>Malaya</td>
<td>1,950</td>
</tr>
<tr>
<td>Burma</td>
<td>1,480</td>
</tr>
<tr>
<td>Thailand</td>
<td>1,430</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>1,300</td>
</tr>
</tbody>
</table>

CHAPTER V

POTENTIAL CONTRIBUTIONS OF FAO TO VIET NAM

From Chapter IV where the characteristics of Vietnamese agriculture were presented, we can conclude that the cause of low productivity and low standards of living of the Vietnamese rural people are under-employment, old techniques, shortage of capital, and unfavorable agrarian structure. Any measures taken by FAO to improve the agricultural production, and thus the economy as a whole, must correct these defects.

First of all, FAO can contribute to the improvement of production of farmers. Efficiency of labor can be improved by improving farm management, by enlarging the area cultivated, or by seeking employment outside the agricultural industry.

Even for a family who must obtain a larger farming unit before their labor resources will be fully employed at average efficiency, the first step should be the improvement of practices. Through better farm management practices, such as using better seeds, adding fertilizers to land and employing scientific care of livestock, the output per farmer can be greatly increased. Furthermore, work in non-agricultural industries during times when farming does not require all the farmer's time, may materially supplement farm income.
FAO could also contribute to the welfare of the Vietnamese through reducing under-employment, by assisting in opening up new lands and reclaiming lands whose resources are still untapped. In 1956, the FAO co-operated with the United Nations Economic Commission for Asia and the Far East and the International Labor Organization in making an economic survey in Viet Nam. From this survey, recommendations have been made and the Vietnamese government has made plans to develop these areas. In the "five-year plan for the economic and social development of Viet Nam, 1957-1961", the Vietnamese government is emphasizing the development of the regions of Bac Lieu, Ca Mau, Cai San and the Jonas-Plains.¹

In the matter of rice culture, thanks to the research of FAO and to the receipt of various varieties of rice,² it is now possible to grow various varieties of rice in the areas which were flooded during the growing season. Here, the traditional method of growing the ordinary types of rice is not possible since flood water mounts rapidly in the rice fields, submerging the young plants in the water and causing them to rot. With the special varieties of seeds, the cultivation of floating rice crops is possible. They are very


²During the fiscal year of 1955-1956, Viet Nam received 411 varieties of rice from abroad. (Government of Viet Nam, Record of Governmental Achievements, 1955-1956, Sai-gon, 1956, p. 161.)
vigorous and mature rapidly in the water during the growing season and, when the water recedes, the plants continue to develop normally. Moreover, the cost of cultivating floating rice is about two-thirds of the cost of the transplanted rice. However, the quality of floating rice is somewhat inferior to that of transplanted rice. It is hoped that through the research of FAO and of Viet Nam herself, the improvement of higher quality seeds of this kind of rice will improve the production and at the same time reduce the cost of production.

Vietnamese economy was based on rice. Up to 1945, it was one of the world's biggest producers with an annual export of 1.3 million tons of rice. As a result of war, rice export has dropped considerably, amounting to 4,750 tons in 1956.\(^3\) This decline was due to the decrease in demand from France and French territories and loss of an international market caused by large crops in Burma, Thailand, Italy and the United States. The dependence of the Vietnamese economy upon rice, subject to international price fluctuations, is one of the weaknesses of the Vietnamese balance of payments. Diversification of crops, for which there is excellent opportunity in the sparsely populated interior plateau regions, would reduce the dependence on rice and rubber exports. In the past, the French tried many different crops but they were unsuccessful. An attempt at diversification was the growing

\(^3\)Vien Quoc Gia Thong Ke, Bo Kinh Te Quoc Ga, Su Tien trien qua nen Kinh te Viet Nam trong nam 1956, (Sai Gon 1957), p. 65.
of coffee, but this venture proved unsuccessful because of poor quality and destruction by insects and diseases. But today, because of the intensive research done by FAO and Viet Nam, many diseases can be controlled. Consequently, the diversification of agriculture is possible.

Diversification of Vietnamese agriculture is necessary not only to render Viet Nam self-sufficient in many products, but also to save Vietnamese currency. In 1955, alone, Viet Nam imported 7 million dollars worth of sugar to meet the internal consumption demand. The importation of fruits, coffee, and other agricultural products also places heavy strain on the currency.

The Vietnamese government has been attempting to promote agricultural diversification through experiment stations and by the distribution of seeds and plants to farmers. As an example, in 1956, the government set up experiment stations with a view to promoting the sugar cane industry. These stations carried out experiments concerning the multiplication of plants by cuttings imported from Java and India. As a result of these experiments, production of sugar cane has developed satisfactorily. Within six months the area of sugar cane cultivation increased from 2,500

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4Press and Information Office, Embassy of the Republic of Viet Nam, News from Viet Nam, Volume 2, No. 33, June 23, 1956, p. 3.
hectares to 4,500 hectares, an increase of 2,000 hectares or 80 per cent. The choice of the most profitable supplemental crop to rice production does not depend on local potentialities alone, but to a great extent on the size and knowledge of the market, nationally and internationally. Through marketing information contributed by the FAO, the government can make plans for adjusting the agricultural program so as to meet the domestic and foreign demand for agricultural products.

Another contribution that FAO may render to Viet Nam is to increase the level of technology. Most Vietnamese farmers are still using old farming tools and antiquated methods of farming. In other under-developed countries, FAO has introduced farm machinery and improved small tools adaptable to the country in question. Such a program in Viet Nam could bring about an immediate increase in output. Although less impressive than large scale mechanization programs, improved small tools are more suitable to the conditions of the Vietnamese farmers. Small tools are not only suitable for local farming conditions, characterized by small holdings and by an abundant supply of labor, but also effective toward improving methods of cultivation which, in turn, result in increased efficiency of the farmers. The unfamiliarity with

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5 The Times of Viet Nam, "Sugar Cane Cultivation: Program for Production Expansion," April 6, 1957, p. 10.
power machinery, the high cost of fuel, the difficulty in getting spare parts and the lack of capital show that it is more favorable to use improved small tools than to use power machines.

However, power machinery should be introduced into Viet Nam, but cautiously and under certain conditions. The machinery should be simple in construction, inexpensive to buy and operate, easy to repair and to adapt to the soil. Moreover, there must be enough trained mechanics, operators and management personnel, and workshops for maintenance and repair work.

The technical problem of constructing simple agricultural machinery, according to FAO, already has been satisfactorily solved in some other parts of the world, but the problem of training the Vietnamese to operate and maintain such machinery remains. In recent years, FAO has concentrated its activities on the training of technical personnel in regional centers, such as the Far East Regional Technical Study Groups on Farm Mechanization in Ceylon. Moreover, FAO has also sent farm mechanization experts to assist countries in organizing and conducting training programs aiming at improving the methods of operations, maintenance and repair of all types of agricultural machinery which could be used in the country.

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The problem of obtaining adequate agricultural credit facilities also could be solved, in part at least, by FAO. At the present time, the National Agricultural Credit Office is the only financial organization in Viet Nam. This organization makes loans to the small farmer for buying livestock and purchasing capital for crop production. These loans enable the farmer to acquire seeds, fertilizers, livestock, and farm implements, allowing him to build up sufficient capital to become self-sufficient. The future crop is the main collateral for this type of loan. However, this type of credit is not sufficient to increase greatly the output of agriculture. The farmers who seek loans are generally uneducated and unable to think purposefully and precisely enough about their business. Few of them have practical knowledge of technical improvements in farming, nor are many willing to adopt them. Under these circumstances, farmers have four main needs--practical knowledge of technical improvement, confidence in new techniques of farming, adequate credit facilities and practical guidance by agricultural experts.

These needs can be met by the introduction of the supervised credit system developed by FAO as presented in Chapter II. This kind of supervised credit system, however, is costly and depends heavily on the character and training of the staff.

7The Times of Viet Nam, "NACO Officials' Visit to the Philippines and Japan," November 2, 1957, p. 10.
and on having worthwhile technical improvements to recommend. But, neither staff nor technical knowledge represents great obstacles. FAO's experience in other under-developed countries has qualified it both to train staff and to transmit scientific agricultural methods to the Vietnamese people.

In summary, the main contributions that FAO may render to Viet Nam are: the reduction of under-employment, diversification of agriculture, high level of agricultural technology and better farm management. Among the most valuable programs would be research in breeding seeds of various varieties and controlling plant insects and diseases. Such programs would assist in the diversification of agriculture, thereby contributing to the stabilization of the Vietnamese economy and to a more adequate diet for the people. Moreover, as Charles Robequain puts it, diversified agriculture

"would not only improve his (Vietnamese farmer) standard of living, but it would also help to develop his skills and mental alertness. Rice is a very old cultivation—the most deep rooted of all—and in the face of progress its powers are shackled by the inertia of centuries. The methods and care required by new crops, or rather, those which had formerly been little grown, are like a fresh wind blowing among the peasants. Even commercial traditions, such a serious hindrance to the progress of rice culture, can more easily be improved for the native's own benefit in the case of other crops." 9

9Charles Robequain, op. cit. p. 238.
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