On March 26 of this year, President Thieu was the key speaker at a massive rally at Can Tho, in the heart of South Vietnam’s fertile Delta region, marking completion on schedule of a major three-year land reform program. This program has probably been the most important nonmilitary aspect of the entire Vietnamization program. It marks a turning point in the battle for the allegiance of the rural population. Nearly 2.7 million acres have been turned over to 800,000 tenant farmers. Farm tenancy has been almost completely eliminated. In percent of area and population affected, this is the largest land reform measure ever carried out anywhere in the twentieth century, and the only such reform completed during a major internal war.

Farm tenancy had been a critical problem in South Vietnam for more than a century. About 75 percent of South Vietnam’s families are engaged in farming, and four out of five of them depended on some rented land. For over a hundred years, they had been paying between 30 and 60 percent of their income to landlords. In bad crop years, with fixed rents, they faced eviction or bankruptcy. The insecurity and hopelessness aroused by such conditions have caused rural unrest in every country where they occur. Tenant farmers become ripe prospects for radical agitation. The success of the South Vietnamese program in restoring land to the tillers has greatly strengthened the Thieu government, and removed one of the last sources of Viet Cong support in the countryside.

The history of land reform in South Vietnam is a major factor accounting for the frustration of American policy in that country. Shortly after World War II, the Communists began to liquidate the landlords in areas under their control, and to give the land to the peasants. They soon became identified in the farmers’ minds with rural justice. The Diem government, which took over from the French in 1954, promulgated a land reform program; but this was largely un-
workable, and the regime dragged its feet on the problem right up to the time of Diem's ouster and assassination in 1963. The weak governments that followed Diem were no more effective in putting through a meaningful program.

The United States also neglected the problem, although we had encouraged highly effective reforms in Japan during the Occupation, and subsequently in South Korea and Taiwan. In all three countries, the reform created a class of small landowners who raised farm productivity to some of the highest levels in the world, and provided a new base of stability in the countryside. The American teams that administered these reforms were available for South Vietnam in the late 1950s and early 1960s; but they received no encouragement from the South Vietnamese government or from responsible American officials. The large landowning interests retained enough power in Saigon to discourage a more active program; and the Americans involved were concerned that we should not alienate these groups, whom they considered the last bastions of stability in an already war-torn country. For several years, there were no land reform advisors in the USAID missions in Saigon.

The tragedy was that up until 1968, the US Army often became identified in the peasants' minds with the large landowners. Often the Americans would "pacify" an area, only to be followed in by landlords riding South Vietnamese Army trucks and taking back their land from peasants who had been given it by the Viet Cong. The greatest irony in this tragedy was that the Communist "land reform" was in reality a deception. In North Vietnam—and all other Communist countries—land distribution has always been followed by a "second stage" in which the land is taken back from the owners and turned over to collective farms. Some 80 percent of the farm land in North Vietnam has now been collectivized. It is significant that the Viet Cong never gave the farmers any written titles to their lands.

II

Two things happened in 1967. Opinion began to change in the US Mission, and Thieu was elected President. Most of the American press has given scant notice to the fact that Thieu came from humble origins, and from the beginning showed a livelier concern for the interests of the little man than most of his predecessors. His father and grandfather
had both been farmers and fishermen in Ninh Thuan Province on the central coast, one of the poorest in Viet Nam. He himself spent two years in the rice paddies as a boy. ("Very monotonous," he says). Soon after taking office, he issued a statement on the "Reform of the Society" in which land reform was the major part: "We want the farmers to achieve middle-class living standards in a society where we are advocating mass capitalism as economic policy."

A difficult issue in designing the so-called Land to the Tillers Law was whether the land should be given free to the peasants, with the former owners reimbursed by the government, or whether the tillers would be required to pay in installments. In most countries, the latter system has been used; but this had bogged down under Diem, and it was difficult to administer in the midst of an internal war and with the active obstruction of many landlords. A bright young lawyer on Thieu's staff, Cao Van Than, convinced him that free distribution would be most effective under existing conditions. The Minister of Agriculture was opposed. But within three months, Thieu had discharged him, appointed Than in his stead, and introduced the bill in the National Assembly.

Opinion in US circles was also swinging around. In 1967, while Ambassador to India, Chester Bowles wrote that if South Vietnam had had an effective land reform like Japan, Taiwan, and Korea, "it is unlikely that our troops would now be involved in that tragic country, fighting against peasant guerrillas." This opinion began to be echoed in the Agency for International Development, the State Department, and Congress. By 1969, USAID in Saigon made the decision to support Thieu in his efforts.

Thieu had a difficult eight-months struggle to get the bill through the National Assembly. Some Saigon politicians represented landlord interests. Others opposed it because they feared the land reform would give Thieu too much political appeal. Thieu's Administration carried out a vigorous campaign of lobbying. Minister Than was in the balcony of the Assembly day after day to relay word back to the Presidential Palace on the progress of the debate. Three Senators who finally swung over to the bill in a burst of patriotism are said to have given up $1 million in land each. Under the bill's terms, they are now being reimbursed in cash and bonds; but at the time of passage, there was some doubt as to whether this reimbursement would be effectively carried
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out. The measure was finally passed in February 1970, and became law on March 26. The date was declared a national holiday, Farmers Day.

The United States pledged to support the program with commercial imports designed to sop up purchasing power created by the reimbursement payments. The total cost to the US is estimated to have equalled only about four days of fighting the war. The USAID Land Reform office in Saigon was built up from one man to a staff of 35 advising the Vietnamese in administering the program. The Vietnamese Ministry of Land Reform was greatly expanded to assist implementation in the countryside.

The procedure, in three steps, was simple and effective: (1) Tenants tilling the land could register their claims and name the amount of land. They could claim up to 7.5 acres in the Delta, or 2.5 acres in the other, more land-poor provinces. (2) Local village officials and Ministry of Land Reform personnel would audit the claims and set values, depending on the land's yield. The local people were assumed to have the best knowledge of who was farming what and how much it was worth. Local officials also had the use of very detailed aerial photographs, which were used widely throughout the country in the absence of good, up-to-date land records. (Almost every square foot of South Vietnam had been photographed by this date in the war effort.) (3) Approved claims were sent to Saigon, where they were processed by computer in the Ministry. The deeds were then forwarded back to the villages and the reimbursement process started.

Owners are being reimbursed 20 percent in cash and the rest in negotiable bonds due in eight annual installments. (The government is planning to open a stock exchange in Saigon later in 1973 to create a more active market for these bonds, as well as for the stocks of several government-owned corporations that are being denationalized). Owners could keep a maximum of 38 acres if they till it themselves or actively manage it. Owners could also retain five acres for religious purposes. There was some resistance from landlords, and other delays. Many landlords tried to obstruct the program, some even suing on the basis that the law was unconstitutional. A few were sent to jail for misrepresentation. Compliance and enforcement varied somewhat by province and village; but overall, compliance was good.

The target distribution of almost 2.7 million acres was reached by the March 26, 1973, deadline. The government is now proceeding to
use the existing organization to distribute another 620,000 acres during the rest of this year, mainly pagoda- and village-owned lands which have been made available to the program. Thus, a total of about 3.3 million acres will have been distributed in all. The area of South Vietnam is 43 million acres, of which 15 million are arable and 28 million are mountains and forests. Of the arable land, 7.5 million acres are under cultivation and another 7.5 million are not. The land to the tillers program has affected about 44 percent of the entire cultivated area (60 percent of the ricelands), and it has virtually eliminated farm tenancy in the country.

The government passed a new land decree in December 1972, under which the 7.5 million acres of arable land not yet under cultivation, mostly government-owned, will be distributed. Soldiers, refugees, and others will be able to obtain plots of less than seven acres free. Those desiring larger plots will be charged. Foreigners cannot buy, but can lease land up to any size. Since the area involved in this program is equal to the entire present cultivated area in South Vietnam, the long-range impact on the country, says Minister Than, should be comparable to the opening of the West in the United States.

III
Thieu's "Reform of the Society" included two other programs affecting rural prosperity that are intimately connected with land reform: farm credit, and improved agricultural techniques, that is, the "Green Revolution." All three programs are interacting and have had a cumulative effect on rural prosperity and stability since 1970.

Credit for farmers was almost as serious a problem in Vietnam as farm tenancy. In former years, tenant farmers had little access to banks; and with no land to pledge as collateral, they were at the mercy of moneylenders charging interests rates of 60 percent or more. Between the landlords and the moneylenders, many tenant farmers spent their lives in virtual bondage. The Thieu government's answer to this, with the advice and assistance of USAID, has been the Agricultural Development Bank.

Earlier attempts to promote farm credit had been ineffective. The ADB's record has been much better. Its loans increased from 1.8 billion piastres in 1967 to 18 billion in 1972. Branches were opened in every province to provide facilities closer to the rural levels. Deposits were
encouraged from individuals, and grew from only 69 million piastres in 1967 to 2.5 billion in 1972. As a further effort to bring credit closer to the farmers, a private rural bank program was started in 1969. Forty-four of these rural banks have now been organized, with half the capital (nonvoting) subscribed by the ADB and half by local stockholders—small businessmen or farmers. Loans by rural banks have grown to 2.8 billion piastres, and individual deposits to 522 million.

“Our main purpose is to help the small farmers,” says Colonel Nguyen Dang Hai, Director of the ADB. “Ninety percent of our loans are for less than 100,000 piastres ($250). Our collection rate is now about 83 percent, but the remaining 17 percent are mainly past due because of war problems and not necessarily bad debts. We have had few real losses . . . When rural banks are founded, we want to encourage ownership by smaller farmers and businessmen. No one family can own more than 50 percent of the voting stock, which is 25 percent of the total stock. In contrast, I know that in many Philippine provinces, the rural bank is owned 100 percent by one rich family. Many of our banks have as many as 30 small stockholders.”

The radically new farming methods—the “Green Revolution”—that have been sweeping much of Southeast Asia, have had particularly dramatic results in South Vietnam because they have been accompanied by land reform. Farmers owning their own land for the first time in generations have more incentive to invest in the new methods, and can retain the increased income themselves. (In contrast, in some countries like India, where land reform has lagged, many of the benefits of the Green Revolution have gone to the large landowners.)

The largest and most dramatic program in the Green Revolution is “miracle rice.” This new variety was developed at the International Rice Research Institute (IRRI) in the Philippines in 1962, a genetic breakthrough with a worldwide impact comparable to hybrid corn developed in the US in the 1930s. It has a growing season of only 120 days compared to 150 days for earlier types, thus increasing the possibilities of multiple cropping. It also has shorter stems and is less likely to be knocked over by wind or rain. But most important is its much greater yield. Farms planted with miracle rice in Vietnam have been yielding an average of five tons per hectare, with some getting as much as 15 tons, compared to an average of two tons with earlier strains. Thus farmers who had a yield of only two tons and a subsistence profit
margin might start getting yields of four tons or more, which catapulted them into prosperity.

Miracle rice was introduced into Vietnam in 1967 in a program nearly as ambitious as the land reform. The first large quantities of seed to start a trial program began arriving in Saigon on January 29, 1968. That night, the Communists launched the Tet Offensive. In spite of the fighting, the program went forward. President Thieu attended ceremonies in several provinces where he waded through the paddies planting miracle rice seedlings, to demonstrate its importance. Hundreds of Vietnamese agricultural cadres and dozens of USAID advisors were mobilized to educate the farmers and administer the distribution of seeds, fertilizers, and pesticides. The Thieu Administration took the distribution of supplies as much as possible out of the hands of the government and put it into private channels, either through the Tenant Farmers Association and other farm groups or by small businessmen. By 1972, more than two million acres were planted with the new varieties. Production rose steadily after 1967, reaching a peak of 6.2 million tons in 1971, the largest harvest in history. The invasion and the bad weather that plagued all of Asia cut the crop somewhat in 1972, and may again in 1973; but with normal weather and reasonable security, the trend should continue upwards.

The rice import situation has also improved. South Vietnam exported rice as late as 1963; but by 1967, because of the war, imports had reached 700,000 tons a year. Since then, production has recovered so much that import requirements were only 100,000 tons in 1971. The invasion in 1972 and the bad weather caused increased imports in 1972, and will probably again in 1973; but as soon as reasonable security is reestablished, the country should be able to export heavily again.

Sorghum, swine and poultry have been the other agricultural programs given priority in the Green Revolution by the South Vietnamese and USAID. These programs have also shown considerable success. Indeed, the production of all agricultural products has increased during the past two years. The rates of growth for the major crops for the crop-year ending May 1972 were as follows: rice, 11 percent; corn, 7 percent; sweet potatoes, 5 percent; manioc (cassava), 25 percent; vegetables, 12 percent; pineapples, 2 percent; bananas, 3 percent; tree fruits, 8 percent; rubber, 14 percent; and sugarcane, 1 per-
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cent. All of these products hit new production highs in 1972, except for rubber, tree fruits, and sugarcane. As these figures show, the impact of bombing on South Vietnamese agriculture has been greatly exaggerated. The great bulk of the bomb tonnage fell on forests and mountain areas where the VC were concentrated, and a few embattled provinces like Quang Tri, Kontum, and Pleiku, and did relatively little damage to agricultural production.

IV

Increased farm production, combined with the effects of the land reform, have caused a new wave of prosperity in South Vietnam's farming areas, increased buying of consumer products, and a booming agribusiness (fertilizers, insecticides, farm equipment, and so forth). Visitors returning to the Delta after a few years absence are surprised at the number of TV aerials, Honda motorbikes, outboard motors on sampans, tractors replacing water buffalo in the rice fields, new brick and concrete homes, and other evidences of prosperity.

To assess the progress of the land reform program, USAID retained the Control Data Corporation to conduct a two-year survey. This was not a publicity ploy. The results have not been publicized, and have had only a limited distribution. The survey was mainly designed to give USAID some guidance for the future.

The field work was carried out in the Delta among a scientifically selected sample of villages, including some considered highly insecure. One of the directors of the survey, Gordon Messegee of CDC, is a short, stocky American with a fluent command of French, who used his French as a cover during the survey.

"I wore a blue shirt and pants and sunglasses and posed as a French newspaperman when I went into many of the villages," he said. "Frenchmen are less likely to be targeted by the Viet Cong. I met one tough-looking little Vietnamese in a remote village, and noticed a look of relief on his face when I started talking French. I think he was relieved when he decided I was a Frenchman and he wasn't going to have to shoot me. We got into areas never covered by American survey teams before. I visited some hamlets in the southern Delta where they had never even seen a white man before. They were fascinated by my blue eyes, and the kids would come up and tug at the hair on my arms, something the Vietnamese notice as different about whites."
"We didn't ask direct questions. We tried to work the conversation around gradually to a discussion of conditions in their village and whether things were better or worse, and why. We found that the Land to the Tillers Law was mentioned by 68 percent of the people as a major reason for improvement in their village life. Improved security came second with 67 percent, and better farming methods next with 20 percent."

Some other conclusions of the study emphasize the long-range significance of the Land of the Tillers Law:

1. There has been a major shift of income downwards; and also an increase in available cash.

2. New owners of land have a greater incentive to risk more, invest more in farming, produce more, and work harder than do tenants. They also buy more consumer goods than tenants.

3. Especially in poorer provinces, new owners of land credit the land reform with having made them less poor. More farmers and new owners seem to support and identify with the government, both central and local.

4. The reform has greatly reduced inequality among villagers. It seems to have largely eliminated the traditional sense of inferiority among lifelong tenant farmers. This new sense of equality, of having the superior landlord off one's back, should decrease disaffection and reduce revolutionary potential in the Delta.

5. The reform seems to be a major causal factor creating political support for and identification with the national government. It seems to have reduced the farmer's neutralism and indifference. It also seems to have helped to create unity and mutual trust among farmers, local officials, and local military personnel.

Another consultant retained by USAID was Dr. Roy Prosterman, Professor of Law at the University of Washington, Seattle, and one of the world's leading experts on land reform. Prosterman has visited Vietnam several times since 1967 on land problems. "If the Saigon government had launched this land reform program in 1954 when the US first
became involved,” Prosterman has said, “we might never have had to
fight this war.”

The Land to the Tillers program threw considerable confusion into
the ranks of the Viet Cong. They have usually been noted for the mono-
lithic unanimity of their policies in all parts of the South. But on land
reform, they showed considerable variation in different provinces. In
some areas, they denounced the law as a fake and said the new written
land deeds were forgeries, urging the peasants to tear them up. In other
areas, they advised the peasants to go along, but said the law only was
the result of VC pressure. In some areas, they even approached the
landlords and advised them to resist implementation of the law.

While as late as four years ago, the Viet Cong could count on the
cooperation of thousands of distressed tenants, now they are more apt
to be faced with small independent landowners fighting for their
own farms. In the 1968 Tet Offensive, the Communists were able to
organize and mount major drives all over the country, and the popula-
tion provided almost no hints of this to the South Vietnamese or US
military intelligence. But by the time of the 1972 Easter Offensive, the
picture had changed completely. The battles of Quang Tri and An Loc
showed that the Regional and Popular Defense Forces, fighting for
their own homelands, were surprisingly effective. Viet Cong recruiting
dropped from a rate of 7,000 a month in 1967 to 1,000 a month by
July 1972. The government quickly retook most of the 150 hamlets
seized by the Communists just before and after the cease-fire.

By undercutting the VC in the countryside, the Land to the Tillers
Law and its companion farm measures in the Reform of the Society
program have increased stability in the South, and made it more likely
that the Saigon government will survive in the ongoing struggle with
the Communist North.
ENORMOUS changes in Asia, and the world at large, were initiated as a result of two major US policy decisions during the first Nixon Administration (1969-73): (1) winding down the US involvement in Vietnam through the gradual withdrawal of American forces from Indochina without seeking an assured outcome that was indisputably favorable to South Vietnam or to the other Indochina states and the United States; (2) abandonment of longstanding China policy, under which the Republic of China—holding sway over Taiwan, the Pescadores, and some offshore islands—was treated as the only China, in favor of developing a new set of relations with both the Communist-controlled People's Republic of China and the Nationalist Republic of China on Taiwan.

The two sets of events have certain common characteristics. Both represent processes of gradual adjustment that are still far from finished. The end results are as yet unclear, not only for the two Vietnams and the two Chinas, but also for the United States, especially if we bear in mind the long-term ramifications of the changing international environment in which the United States will find itself. Both sets of events, and the uncertainties they have engendered, have been perceived by other Asian nations as radically modifying the conditions to which they must adapt their own policies as best they can. These adaptations have, in general, primarily involved a reassessment of their own relations with the USSR, the United States, and the PRC. Throughout Asia, we are now faced with the processes of change set in motion by Washington's decision to scale down the effort it must make to maintain international security—a course apparently forced upon the Administration by severe limitations on the country's psychological resources. There are also signs that this is a dynamic process which the United States, perhaps mainly for domestic reasons, is finding less and less susceptible to purposeful control.