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The South Vietnamese Homefront

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During the period of direct American military intervention in South Vietnam, from 1965 to 1973, an estimated 4 million South Vietnamese were displaced from their homes, or a fourth of the estimated total population of 16 million at the time. By 1974, close to 1.5 million civilians had been killed or injured. Of those injured, 178,000 were physically disabled. The number of orphans and half-orphans reached 879,715.[1] Government military casualties were estimated to be 250,000 at the minimum. The number of South Vietnamese who died fighting on the other side, for the insurgents, is not known but it has been estimated that the communist side, including North Vietnamese troops in the South and National Liberation Front (NLF) forces, suffered 1 million casualties. In addition, South Vietnamese terrain had been scarred by fighting, bombing, shelling, and defoliation.

No society could live through such a calamitous war with its fabric intact and its economy undamaged. South Vietnam would emerge scarred and transformed by the violence. The most important causes of South Vietnam's trauma, besides the collateral damage of warfare, were the introduction of half a million US combat and support troops, their ferocious firepower, and their way of waging war, and the enormous military and economic assistance that the United States poured into South Vietnam to fight the war and to achieve nation building in order to win the population's support for the government – or at least keep them from backing the communist side.

The American Presence

In his blog "Long Binh Post and the Vietnam War," Ryan Moore describes the largest base in Long Bình, about 20 miles (32 km) north of Saigon, as "A

1 "Humanitarian Problems in South Vietnam and Cambodia: Two Years after the Ceasefire," A Study Mission Report, prepared for the use of the Subcommittee to Investigate Problems Connected with Refugees and Escapees of the Committee on the Judiciary, United States Senate, Ninety-Fourth Congress, First Session, January 27, 1975.

virtual city of some 60,000 people at its height." He adds, "Long Binh … had dental clinics, large restaurants, snack bars, a photo lab, a wood shop, post offices, swimming pools, basketball and tennis courts, a golf driving range, laundromats, and even a Chase Manhattan Bank branch. It had a nightlife scene, as well. Among the offerings were a bowling alley, nightclubs, and other so-called adult entertainment establishments."[2]

Besides US military personnel, American contractor RMK-BRJ also had a sizable presence in Vietnam. RMK-BRJ was a consortium of four of the largest American companies, established by the US Navy during the Vietnam War to build bases and infrastructure to facilitate the introduction of American combat troops and materiel. The ten-year contract awarded to RMK-BRJ eventually reached $1.9 billion – or $14 billion in 2017 dollars. Over this decade, RMK-BRJ employed a large number of Vietnamese, eventually training 200,000 Vietnamese in construction and other related skills and completing an undertaking that was considered historically the largest construction program for the military at that time. To build the massive naval base at Cam Ranh Bay, for example, 1,800 Vietnamese workers were hired – a third of whom were women. Seeing opportunities to make money, Vietnamese seized the chance to meet the needs of Americans. Services such as housekeeping, laundry, food supplies, and tailors sprang up around and on these bases, as well as bars and brothels.

In large cities, such as Saigon, construction and services also grew dramatically. To house up to 60,000 American troops in Saigon, for example, BEQs (Bachelor Enlisted Quarters) and BOQs (Bachelor Officer Quarters) were established, either constructed from scratch, like the Brinks, or converted from existing buildings like the Rex. Altogether, 500 different buildings scattered around the city were used to house these Americans. The number of American civilians also grew: both to run an enlarged aid program and to staff projects such as pacification and information. This created a huge demand for clerks, maids, cooks, drivers, and other services.

The American presence had a big impact from housing to employment. In Saigon, they sparked a construction boom, enriching building contractors they hired as well as owners of properties they rented at exorbitant amounts – paying two to three years' rental in advance. They also took over the best restaurants and cafes, which became out of reach for ordinary Vietnamese, with the exception of those rich enough to afford the new high prices. Tự Do, the main street in downtown Saigon, turned into an American quarter, with

2 Ryan Moore, "Long Binh Post and the Vietnam War," Library of Congress blogs, August 2, 2017, https://blogs.loc.gov/maps/2017/08/long-binh/.

bars attended by young women in mini-skirts, and tailor shops and stands selling gaudy souvenirs, displacing the old boutiques offering imported French food, fabrics, and jewelry. Vietnamese flocked to gain employment from the Americans as clerks, maids, and chauffeurs. Taxi and cyclo drivers preferred to pick up American passengers, who paid generous fares.[3] By 1969, Americans were employing 160,000 workers directly, mainly to tend to the needs of their soldiers and build their bases, and by 1972 more than half of South Vietnam's national product was estimated to derive from services, and almost a third of employed Vietnamese earned a living in this sector.

Over the course of the war, American financial assistance grew dramatically as a component of nation-building and counterinsurgency. When the United States stepped in to replace France in 1954, South Vietnam was emerging from eighty years of colonialism with an economy still reeling from the damage inflicted by the war to end French control and dependent on French expenditures and aid. Beginning in 1955, US economic and military aid replaced that of France – eventually surpassing in magnitude what the French had been able to provide even with American assistance – in an effort to shore up President Ngô Đình Diệm. US aid helped create the Army of the Republic of Vietnam (ARVN) and an urban middle class as a base of support for his government. From 1955 to 1956, American aid surpassed half a billion US dollars, with $340 million in military assistance. The commercial assistance of $84 million allowed South Vietnam to import goods and commodities to raise the standard of living of its people, since the country was able to pay for only 20 percent of these imports. Through the Commodity Import Program (CIP), the United States provided dollars to private importers to buy goods from overseas, and proceeds from the sale of this foreign exchange – called counterpart funds – were used by the government to cover a budget gap amounting to 50 percent of its annual expenditures.[4] The American aid program enabled the country to begin recovering from the war for independence from France, and by 1960 its export earnings had risen to $85 million – the highest level it would achieve. In Saigon, a middle class of businesspeople, military officers, and civil servants, whose wages were paid by US aid, began to emerge. Gareth Porter has argued that, while the CIP created an urban middle class as the core of support for President Diệm and as a bastion against communism, it neglected economic development in the countryside and

3 Duong Van Mai Elliott, *The Sacred Willow: Four Generations in the Life of a Vietnamese Family* (Oxford, 2017), 278.

4 Ellen J. Hammer, "Progress Report on Southern Viet Nam," *Pacific Affairs*, September 1957, 221–35.

made South Vietnam dependent on imports.[5] Dependency on imports would dog South Vietnam throughout the war, as production became stagnant and could not meet the demands of the population. As late as 1971, South Vietnam still required $700 million a year in US economic aid.

For the duration of the war, economic assistance would remain a core component of US involvement. In 1964, a team of economists from the RAND Corporation went to Vietnam at the behest of the United States Agency for International Development (USAID) to study ways to better align its program with counterinsurgency efforts. In their report, they recommended that the focus of American assistance should be on urban areas. According to them, cities and towns were the core areas of the government, and concentrating US assistance there would increase its support and lessen the appeal of the NLF. In the countryside, they recommended that aid should be used as a carrot and given only to those who cooperated with the authorities, in order to induce people to side with the government, instead of being provided to the entire population without regard to their political attitude. In short, economic aid should not be aimed at economic development in the rural areas but at changing the peasants' behavior and drive them away from the insurgents.[6] During the entire Vietnam War, economic aid would continue to be used as a counterinsurgency – rather than an economic development – tool. USAID would admit as much in a 1975 retrospective report, in which it stated that the goal of American aid at the time was to keep the South Vietnamese economy afloat long enough for the United States to reach its military objectives.[7]

As the war escalated, American aid kept increasing, aiming to keep South Vietnam from sinking under the weight of the war's ravages and demands because, as USAID stated in its 1975 retrospective report, the country's very existence depended on sufficient economic and military aid.[8] From 1964 to 1971, the United States provided South Vietnam with $4.3 billion in aid or about $25 billion in 2016 dollars.[9] Another source of foreign exchange for South Vietnam

5 Gareth Porter, "Imperialism and Social Structure in Twentieth-Century Vietnam," Ph.D. dissertation (Cornell University, 1976).

6 Cited in Mai Elliott, *RAND in Southeast Asia: A History of the Vietnam War*, RAND Corporation (Santa Monica, CA, 2010), 87. This theme of using aid to change the population's behavior would be picked up later by Charles Wolf, another RAND economist, in *Insurgency and Counterinsurgency: New Myths and Old Realities*, RAND Corporation (Santa Monica, CA, July 1964).

7 [US] AID, "United States Economic Assistance to South Vietnam, 1954–1975," December 31, 1975, 129, cited in Kolko, *Anatomy of a War*, 223.

8 Kolko, *Anatomy of a War*, 223.

9 USAID, "Economy of South Vietnam: A Briefing Paper Prepared by Development Policy and Analysis Branch, Joint Economic Office, USAID," Saigon, August 10, 1971.

Figure 22.1 People doing their Tết (Lunar New Year) shopping in Saigon's central market (January 20, 1970).
Source: Bettmann / Contributor / Bettmann / Getty Images.

was the purchase of *đồng* or piasters – the local currency – by the Pentagon directly from the government, at a favorable rate, for the use of its troops and military expenses in Vietnam, resulting in a windfall for the country. "In 1971, for example, the Defense Department paid Saigon $271 million [about $1.65 billion in 2017 values] for piasters which bought goods and services costing $116 million at the open-market rate [about $704 million in 2017 values]."[10]

This enormous infusion of money created a prosperous war economy in cities such as Saigon, which reached an unprecedented level of affluence, despite the reminders of war like B-52 strikes not far from its fringes, armed soldiers keeping watch from behind sandbags, and military trucks and jeeps trying to make their way in the chaotic traffic. But Saigon residents ignored these signs of a war that was raging in the countryside. For those who benefited from the American money flooding the country, life had never been so good. Later, after the US withdrawal, they would refer to the years of peak American involvement from 1965 to 1969 as "the golden age."[11]

10 Kolko, *Anatomy of a War*, 226.
11 Mai Elliott, *The Sacred Willow*, 278.

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In addition to US-financed imports, goods pilfered from American warehouses, bases, and post exchanges (PXs), for use by US in-country military and civilian personnel, provided South Vietnamese with consumer goods they could only have dreamed of – or did not even know existed – previously. Saigon, the epicenter of US military and economic aid, and now home to 60,000 Americans, acquired a frenetic atmosphere, with sidewalk vendors hawking stolen goods, like Johnnie Walker, Prell Shampoo, Colgate toothpaste, Salem cigarettes, and other American consumer products, and shops blaring the latest pop music hits like the Beatles' "Love Me, Do" and "I Want to Hold Your Hand" from huge speakers. Imported Japanese motorbikes poured into the streets of Saigon, replacing the heretofore-favored Vespa and Mobilettes, and killing Saigon's old trees with their exhaust fumes. Luxury goods such as refrigerators became more readily available. To facilitate communication and provide the government with a powerful propaganda tool, the Americans introduced broadcast television and upgraded the telephone network. Telephones, once hard to obtain, also became easier to access.

Even remote places like Kontum and Pleiku in the Central Highlands, inhabited by tribal ethnic minorities called the Montagnards by the French, were transformed by the American military presence into honkytonk towns. As Kontum became the rest and recreation (R&R) center for US troops serving in the region, shoddy bars and restaurants, which also served as brothels, appeared overnight to meet their needs and desires.[12] Pleiku was even more drastically transformed by the arrival of the US 4th Division in October 1966, which launched huge construction programs to build military installations, air bases, and roads. A large number of Vietnamese workers were imported to build these projects. Pleiku's population mushroomed, and rickety huts and shops suddenly appeared out of nowhere. The main part of Pleiku became a GI enclave, with bars, snack shops, and steam baths. Jeeps, military trucks, bulldozers, and long convoys clogged the streets. Outside these cities, firebases, airstrips, helipads, truck parks, and billets marred the verdant plateau.[13]

The huge increase in money in circulation and the imbalance in supply and demand for goods spurred inflation. In urban areas with a large American presence, free-spending GIs added to the economic strain. It was estimated that in one year American soldiers spent 8.12 billion piasters – about $70 million at the time. Prices rose steeply and suddenly. In Saigon, from April 1965

12 Mai Elliott, *RAND in Southeast Asia*, 284.
13 Ibid.

to July 1966, prices rose 125 percent. USAID estimated that on average prices rose 42 percent per year from the end of 1964 to the end of 1969.[14] Besides the large amount of money in circulation, inflation was also attributed to ineffectual government control, interdiction of transportation of goods by the NLF, fear of further devaluation of the local currency, and hoarding. Peasants still able to farm held on to large quantities of rice in the expectation that prices would continue to rise, and their hoarding caused the price of this basic staple to soar by up to 385 percent. While the urban rich, peasants who remained productive, and those who earned a good income from the Americans managed to maintain their standard of living, those employed in the Vietnamese government and military, estimated at one-third of the population, saw their real wages drop and whatever economic gains they had achieved eroded by inflation.[15]

War and the Countryside: Population Control and Refugee Flow

The booming economy in urban areas such as Saigon stood in stark contrast to conditions in the countryside, the main locus of fighting. The Vietnam War was not one war but several wars fought simultaneously. While US combat forces waged a war of attrition against North Vietnamese regulars in the sparsely populated areas, the United States and the South Vietnamese government were engaged in a war for the "hearts and minds" of the people in the more populated regions. It was a war – called pacification – to root out the insurgents, destroy their regional and main-force units, and eliminate the cadres (the infrastructure) who operated among the villagers by proselytizing, collecting taxes, and recruiting fighters. This was accomplished with sweep operations, bombing and shelling, and economic support to win the peasants' allegiance. In addition, from 1967 to 1972, a special program called "Phoenix," initially coordinated by the CIA, was set up to identify, capture, and/or assassinate people suspected of operating on behalf of the NLF.

All these wars had a profound effect on South Vietnamese society. But it was the war for "hearts and minds" that transformed it the most. While NLF

14 USAID, "Economy of South Vietnam," 10.

15 Charles A. Cooper, William D. Sharpe, and Albert P. Williams, Jr., Memo on "The Economic Situation and Outlook in Vietnam," prepared at the behest of the Vietnam Special Studies Group, June 1970, Vietnam Subject Files, NSC Files, Box 92, Richard Nixon Library, Yorba Linda, California [hereafter cited as RNL].

attacks contributed to the damage, it was mainly the US and government use of their enormous firepower – through bombing and shelling, helicopter attacks, sweep operations, "free fire zones," and harassment and interdiction artillery fire to keep insurgents off balance – that forced millions of peasants to flee to urban areas such as Saigon, Đà Nẵng, Biên Hòa, and Vũng Tàu. As Gabriel Kolko has noted, after 1964 firepower would determine the "demography of South Vietnam … reducing the issue for a substantial portion of the peasantry to one of physical survival."[16]

In his book about the communist movement in Định Tường province in the Mekong Delta, David Elliott states, "No issue is more complex than the question of refugee movement. It was difficult to define 'refugee' in the fluid conditions of the time."[17] For the government, refugees were people who had been driven from their homes in an area controlled or contested by the NLF and had lost their livelihood. They became more or less "'permanently' resettled long enough for the government to see and count them and recognize their request for assistance."[18] But this definition excludes refugees who were not registered for assistance, temporary refugees – those who fled for a short period of time and then returned to their homes – or those who moved from one hamlet to the next, within hamlets, or to open areas in hamlets away from clumps of trees and vegetation to avoid bombing and shelling. It also excludes displaced people still living in areas controlled by the insurgents. If all types of refugees are included, the total of displaced people – including 1 million who fled to Saigon[19] – would be higher.

According to Stanley Karnow and David Elliott, American strategists deliberately drove peasants into urban areas controlled by the government to deny the insurgents the protection and support they needed to survive and succeed – a strategy described as "forced draft urbanization and modernization" by Harvard professor Samuel Huntington.[20] General William Westmoreland, overall commander of US forces, and Robert Komer, his civilian deputy in charge of pacification, believed in this strategy. Komer stated that reducing the rural population would weaken the insurgency.[21]

16 Kolko, *Anatomy of a War*, 200.
17 David W. P. Elliott, *The Vietnamese War: Revolution and Social Change in the Mekong Delta, 1930–1975* (Armonk, NY, 2007), 263–4.
18 Ibid., 263.
19 "Humanitarian Problems in South Vietnam and Cambodia," Report prepared for United States Senate, 17.
20 David Elliott, *The Vietnamese War*; Samuel Huntington, "The Bases of Accommodation," *Foreign Affairs* (July 1968), 642–56; Stanley Karnow, *Vietnam: A History* (New York, 1997).
21 Karnow, *Vietnam: A History*, 454.

In his study of Định Tường province, David Elliott wrote that "forced draft urbanization … turned what most people regarded as a moral and practical problem, the vast refugee displacements in the rural areas, to advantage" for the South Vietnamese government because, as the people fled into towns and cities under its control, "forced draft urbanization" would act like an "industrial revolution, bringing progress and modernization, and immunizing the population from revolutionary mobilization."[22]

The result was an enormous refugee crisis. In the cities, refugees from the countryside suffered physical and psychological degradation. From being productive members of society living in functioning communities in a verdant countryside, they found themselves crammed into slums lacking sanitation and amenities, and reduced to a struggle for mere economic survival. Family cohesion became strained as individuals searched for employment and food on their own. According to Kolko, up to one-fifth of these refugees eked out a living by selling food, shining shoes, peddling, and engaging in other forms of petty commerce. By 1974, this "sidewalk economy" would turn into the largest source of nonfarm employment in South Vietnam. A large number of young women would drift into prostitution to support themselves and their families.[23]

The influx of refugees into Saigon, eventually reaching 1 million, changed the city profoundly and frayed its social fabric. Many of the refugees built lean-tos with flattened tin cans, abutting against the walls of villas or in stinking alleys. Garbage piled up in many parts of town, attracting flies and rats as well as people who picked through it for something they could salvage. Orphans and homeless children, called the "dust of life," slept on flattened cardboard boxes under the eaves of shops, pestered passersby for money, offered to shine shoes, or stole to survive. Crime soared as social norms cracked. Hospitals were jammed full of those civilians injured in the fighting who had managed to get treatment. Those who were not so lucky joined the number of the dead and wounded who were never registered in the war's statistics.

Not everyone flocking into urban areas was fleeing the war. Some were looking for economic opportunities. Gerry Hickey, an anthropologist and long-time resident of Saigon, said in an interview that the presence of Americans in cities like Saigon also acted like a magnet, drawing people from

22 David Elliott, *The Vietnamese War*, 238. Bing West, a RAND consultant, cited examples of districts that had been depopulated by indiscriminate firepower: Mai Elliott, *RAND in Southeast Asia*, 380.

23 Kolko, *Anatomy of a War*, 202–3. Kolko estimated that prostitution, "in its various forms, involved at least 200,000 women": ibid., 203.

the countryside to get jobs which earned them more money than they had ever made. These voluntary transplants discovered urban amenities such as electricity, modern transportation, cafes, and entertainment and – unlike the refugees driven from their homes – they would not return to their villages even if they could do so. According to Hickey, those who had managed to establish themselves physically and socially had discovered a new, better way of life.[24]

The United States accelerated pacification after the Tet Offensive, which in turn escalated the refugee crisis. The clear-and-hold strategy adopted by Westmoreland's successor, General Creighton Abrams, amounted to the depopulation of the countryside, exacerbated by the heavier reliance of the administration of Richard Nixon on bombing and shelling to degrade the enemy's capabilities and buy time for the government as US forces withdrew. Both sides of the South Vietnamese conflict also contributed to the crisis: the continued push for population control by the Republic of Vietnam (RVN) government following the departure of US troops worsened the refugee situation, as did NLF attacks on cities during the Tet Offensive of 1968 and afterwards. Following the ceasefire of 1973, both the South Vietnamese government and the communists embarked on a giant land grab, creating more refugees and war victims. The 1972 communist Easter Offensive and the final drive in 1975 to take over South Vietnam would bring the total of displaced people to more than 11 million people at the end of the war.

This massive movement of people turned South Vietnam into a predominantly urban society. In 1960, 20 percent of the population lived in urban areas. This number kept growing: 26 percent in 1964, 36 percent by 1968, and 43 percent by 1971, by which time "three-quarters of the urban residents were not native to their city."[25] According to the US Senate report on refugees, toward the end of the war 65 percent of South Vietnamese lived in urban areas.

Problems of Land and Labor in Rural Areas

The vast influx of people from the countryside into the cities, the government draft of 2 million men into its army, police, and paramilitary forces, the insurgents' own draft of able-bodied males, and the number of civilians killed

24 "Can South Vietnam Make It on Its Own? Interview with Dr. Gerald C. Hickey, a Leading Authority on Vietnamese Society," *US News & World Report*, August 13, 1973.
25 Kolko, *Anatomy of a War*, 201.

and injured: together these created a labor shortage in rural areas and a sharp drop in rice production. The countryside faced a paradoxical problem. There was plenty of land available because so much of it had been abandoned by those who fled, but there were fewer people to take advantage of this land surplus. Those who were left to cultivate the land were mostly old men and women. USAID estimated that 2.2 million acres (900,000 hectares) were abandoned (out of a total of 5.7 million acres or 2.3 million hectares of rice land) and taken out of production between 1964 and 1966, and that by 1973 about 1.4 million acres (560,000 hectares) of abandoned farm land still existed.[26] "Rice production, once the mainstay of South Vietnam's exports, dropped dramatically and by 1967, the country had to import 700,000 tons of rice."[27]

Land had been one of the core issues for the communist movement. During the fight against French colonialism, the Việt Minh had carried out land reform to win the support of the poor and landless peasants. They took land from large absentee landlords, from smaller landlords who had fled into the French-controlled zone, or from landowners who collaborated with the French, and distributed it to poor peasants. Altogether, the Việt Minh distributed 1.5 million acres (600,000 hectares) of land – about a third of the available land in the areas they controlled, estimated at 60 to 90 percent of the territory in the Mekong Delta toward the end of the war in 1954. Since landholders still owned 65 percent of the land in the South at that time, and landless peasants were paying exorbitant rents for the land they tilled, the Việt Minh also pressured landowners in areas they controlled to reduce rent to 25 percent of the tenants' crop at the most.[28]

Prodded by the United States, President Ngô Đình Diệm launched his own land reform in 1955–6 to wrest political control from the Việt Minh. But his policy did not recognize the Việt Minh land reform and essentially returned to landowners the land that had been confiscated for distribution to peasants. Under Diệm's policy, those peasants who received land – seized from the now-departed French – did not get it free and had to pay for it under terms they considered onerous. By 1960, 75 percent of the land would be in the hands of 15 percent of the population. Poor peasants who tilled the land found themselves thrust back into the situation of having to pay rent once more

26 Ibid., 245. As of 1970, approximately 255,000 acres (103,507 hectares) were abandoned in the five northernmost provinces of South Vietnam, out of a total of 730,000 acres (295,000 hectares) of rice land: Arthur Combs, "Technical Change in Wartime in South Vietnam (1967–1972)," *Études Rurales* 151–2 (1999), 225–53.

27 Kolko, *Anatomy of a War*, 226.

28 Ibid., 92–3.

and, although Diệm fixed maximum rent at 25 percent, this policy was not enforced and peasants could find themselves having to pay up to 40 percent of their crops in rent.

After Diệm's overthrow, the issue of land reform was pushed into the background. Until President Nguyễn Văn Thiệu (about whom more below) implemented the Land to the Tiller program in 1970, governments in Saigon were not interested. US officials themselves feared that meaningful land reform would anger the landlords, who were influential supporters of the government. They were also concerned that land reform would be badly implemented and backfire. One of the influential voices counseling caution was Edward Mitchell, an economics professor at the University of Chicago and a consultant to the RAND Corporation. In his study of the correlation between land tenure and rebellion, he concluded that government control was strongest in areas where land ownership was unequal, where landlords remained powerful and could keep tenants submissive. When the government enacted land reform, it destroyed this relationship and created an authority vacuum which the NLF, adroit at seizing political opportunities, would move in to fill.[29] Robert L. Sansom, who conducted his own study of land reform on the ground in South Vietnam – as opposed to Mitchell, who had used statistical analysis at a remove – refuted this conclusion. Through his own field research, Sansom found that land ownership was more equitable in communist-controlled areas because of the land reform they had carried out, while it remained unequal in zones controlled by the government because of lack of reform. In short, "The fact that land was more inequitably distributed in GVN [Government of Vietnam] than in Viet Cong areas did not mean that the Viet Cong gained control in areas of equitable land distribution but that, in the areas they controlled, the Việt Minh and the Viet Cong, through their land reform programs, caused the land to be more equitably distributed."[30]

It was Mitchell's work, however, that influenced US policymakers, many of whom believed that land reform would destabilize the situation and chip away at government control. Thiệu's Land to the Tiller program aimed to win political support and neutralize the potent appeal of the communists. By this time, the insecurity in the countryside and the labor shortage had induced landlords to shift their resources into more lucrative investments in

29 Edward J. Mitchell, *Land Tenure and Rebellion: A Statistical Analysis of Factors Affecting Government Control in South Vietnam*, RM-5181-ARPA, RAND Corporation (Santa Monica, CA, June 1967), cited in Mai Elliott, *RAND in Southeast Asia*, 233–4.

30 Robert L. Sansom, *The Economics of Insurgency in the Mekong Delta of Vietnam* (Cambridge, MA, 1970), 232.

real estate and commercial ventures in the more secure urban areas. This, combined with the government's compensation for land they had already lost due to the communist land reform or for land they no longer had access to or could not farm because of the labor shortage, dispelled the resistance of most of the landlords. Land to the Tiller was implemented only in the Mekong Delta. The law gave permanent legal title to peasants who were already tilling the land – up to 6 hectares (15 acres) – regardless of how they had come into possession of it – in fact recognizing the communists' land redistribution during the Việt Minh era and in the 1960s, when the insurgents took the land abandoned by those who had fled and distributed it to those villagers who were clinging to their hamlets. In addition, other peasants in the Mekong Delta could get up to 3 hectares (7.4 acres) free of charge. The implementation was slow and marred by corruption, and produced uneven results. Nevertheless, it ranked as the only meaningful reform in the countryside.

In David Elliott's judgment, this land reform to some extent might have had a short-term impact on support for the government, but it was "too little, too late." First of all, land was only one of many issues that fueled the war. Second, the Land to the Tiller program ratified what the communists had already implemented. And, third, transferring land ownership to the peasants was only as valuable as their prospects for survival in a war that gave no sign of letting up.[31] Land to the Tiller probably benefited the landlords more than the peasants, and land without peace was meaningless to people trying to survive. American experts who conducted an opinion poll about the program with 6,000 peasants found that it "did not create a decisive shift in political support" for the South Vietnamese government.[32] However, in his study *Land to the Tiller in the Mekong Delta*, based on interviews in four villages in the delta in 1971 and 1972, Stewart Callison argued that, although the "exact degree of the greater political support creditable to the LTTT [Land to the Tiller] Program alone cannot be identified, support for the insurgents in the Delta was waning in the early 1970s."[33]

What transformed the countryside, especially in the Mekong Delta, more than the Land to the Tiller Program was the modernization of agriculture by Americans, who introduced high-yield Miracle Rice and mechanization – such as small tractors and rototillers. Miracle Rice, however, required heavy

31 David Elliott, *The Vietnamese War*, 374–5.
32 Kolko, *Anatomy of a War*, 392.
33 Charles Stewart Callison, *Land to the Tiller in the Mekong Delta: Economic, Social and Political Effects of Land Reform in Four Villages of South Vietnam* (Lanham, MD, 1983), 337.

use of fertilizers, insecticides, and water, all of which necessitated the import of electric pumps and chemical products. By 1973, Miracle Rice accounted for almost one-third of South Vietnam's rice production. Former landlords, now enjoying increased capital, were the ones who benefited the most since they had the means to buy the equipment, fertilizers, and insecticides, and to dominate the credit market, lending money to peasants at usurious interest rates. Mechanization also exposed farmers to the vagaries of the international market for chemical products, especially gasoline and fertilizers. Nevertheless, this modernization increased income for many peasants living in pacified areas – enlarged following communist setbacks after the 1968 Tet Offensive – and created a "middle peasant" class which would present problems for the communists when they tried to integrate these farmers into their socialist system of production following their takeover of the South in 1975.

Political Power and Social Structure

The war created a new power and social structure. After the overthrow of President Diệm in 1963, power fell into the hands of the military. Following a series of revolving door governments, General Nguyễn Văn Thiệu emerged as president and strongman of the country in 1967. He would retain this position until he was replaced by General Dương Văn Minh just before the war ended in 1975. Thiệu consolidated his control by coopting a small group of senior military officers who owed their military, political, and economic power to him. Through him, they had access to American military and economic aid and a system of patronage and corruption. Thiệu himself selected the four corps commanders – generals loyal to him – as well as the military officers who ran the forty-three provinces, all of whom reported to him directly.

Under them were officers who were poorly paid and had few benefits. As of 1967, there were about 25,000 officers, 25 percent of whom were refugees from the North who had moved south in 1954. A large number of these were Catholics, who also accounted for one-third of the generals. Officers were overwhelmingly urban and from families that could afford to give them an education, since the ranks required a high school baccalaureate degree. Rank-and-file soldiers could not, therefore, aspire to become officers. The upper echelons of the army became a homogeneous, elite, urban power structure.

Second in influence in South Vietnamese society at the time were the entrepreneurs, merchants, and businesspeople who were allied with the senior military officers in business schemes facilitated by the vast import program and the enormous US military and economic aid. Among these, the

most powerful were the overseas Chinese from Fujian operating in the district of Saigon called Chợ Lớn. In return for kickbacks to the powerful military elite, they gained control of major sectors of the economy, including banking, insurance, textiles, scrap metal, construction, food processing, and especially imports. The most powerful, Lý Long Thân (popularly nicknamed Thiệu's *kinh tài* tsar), was rumored to manage President Thiệu's personal financial and business holdings.[34] Chinese economic dominance in the countryside, however, was waning with the dramatic drop in rice production and the end of rice export trade, which they had controlled. Right below the Chinese were a growing number of Vietnamese who were simply taking advantage of the economic opportunities afforded by the booming war economy. With the emergence of the military, their Chinese economic allies, and the newly rich Vietnamese, the old elite created under French colonialism became marginalized. Toward the end of the war, a new but small elite of technocrats educated in the United States would emerge and gain influence in the government. The most prominent was Hoàng Đức Nhã, President Thiệu's nephew, who became his advisor.

Thiệu and the generals were able to acquire vast political and economic power because of the fractious nature of South Vietnamese politics. Political parties could not marshal any meaningful opposition due to their own very narrow base of support and their propensity for being coopted and outmaneuvered by Thiệu. While US support allowed Thiệu to consolidate his power and control, and kept the generals loyal to him, the estimated eighty political parties – headed by urban residents interested mainly in advancing their own interests, concentrated in Saigon and devoid of a nationwide following, and lacking in meaningful programs and policies – made it impossible for them to coalesce into a significant opposition bloc. The only notable bloc was an amorphous group referred to as the Third Force, which advocated neutralism and an end to the war. Although the Third Force, beginning in 1972, captured the pervasive war-weariness of the country and the desire for peace, its members could not agree on how to achieve their goals. It remained a Saigon-based group with little influence beyond the capital.

Under pressure from the United States, which wanted South Vietnam to project an image of a democracy worthy of support in the eyes of the American people, South Vietnam adopted a constitution and electoral democracy in

34 Kolko, *Anatomy of a War*, 219–20. The number of overseas Chinese in South Vietnam was estimated at 1.2 million, with about 70 percent concentrated in the Chọ Lớn district of Saigon. A *kinh tài* was a financial and economic advisor whose goal was to enrich the client.

1967. But elections were usually a sham, and the generals could manufacture victories with lopsided majorities. Even when an opposition candidate could win a large number of votes, he could be thrown in jail under a trumped-up charge. Such was the case of Trương Đình Dzu who ran as a presidential candidate on a peace agenda in 1967, and was thrown in military prison after the election and imprisoned for most of the duration of the war.

In this situation, the army remained the most cohesive, best-organized, and largest group, and was therefore best positioned to retain power. As he began to withdraw US combat forces, President Nixon – fearing instability and seeing no viable alternative – would continue his support for President Thiệu, reinforcing his power and, by extension, the power of the South Vietnamese military. American reliance on Thiệu to keep the ship of state from listing gave him leverage to resist US pressure to enact political, economic, and social reforms. Although there was some truth in Thiệu's claim that reforms were not possible in a time of war, the fact remained that the status quo he favored allowed him and his coterie to retain their control and privileges.

Politics and Religious Groups

For a time, the Buddhists – representing three-quarters of the population – were able to organize opposition to the government. After reaching the peak of their power in 1963 with the overthrow of President Ngô Đình Diệm, however, their influence began to wane. Their lack of organization and the fragmented nature of their following, divided into two main sects of Mahayana and Theravada Buddhism, eventually weakened their power. An attempt to unify into a political bloc – the Unified Buddhist Association – floundered after the leadership became split between a militant faction and a moderate faction after 1967 (some would say that the United States deliberately weakened the Buddhist organization to end the instability its followers fomented after the overthrow of President Diệm by coopting the moderate faction with monetary inducement).

Catholics, on the other hand, remained a formidable political force. Numbering about 1.5 million faithful, they were more cohesive than the Buddhists, had a well-organized hierarchy, and enjoyed a powerful reach within the military and civil administrations. They first acquired this power under the government of Ngô Đình Diệm, a Catholic. For a while following his overthrow, their influence diminished as that of the Buddhists rose. But under President Thiệu, another Catholic, their influence rose once again, thanks to the number of Catholics within the officer corps – especially among

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those holding senior ranks – and in the civilian branch of the government. Tension between Catholics and Buddhists, dating from the days when Diệm favored Catholics, continued to simmer below the surface.

The two other main religious groups, the Hòa Hảo and the Cao Đài, had limited political influence. The Hòa Hảo Buddhist sect, located in the southwestern part of the Mekong Delta, had about 1.5 million followers. Their strength was concentrated mainly in the provinces of An Giang and Châu Đốc. Their leadership was split, and infighting prevented them from gaining traction as an opposition group. Like the Hòa Hảo, the Cao Đài were splintered as a political force, and had little political influence.

At one juncture, South Vietnam's polity appeared to overcome its divisiveness and closed ranks against the communists. The shock of the 1968 Tet Offensive angered the many factions, including the Buddhists – the group most in favor of an end to the war and negotiation with the communists – who opted to rally together in reluctant support for a flawed government out of fear of the violence and oppression the communists could inflict on them and the country should they win. Encouraged by the spirit of determination and their newfound solidarity, they begged Thiệu to implement reforms to strengthen the fight against the communists. However, the government squandered this golden opportunity, and Thiệu instead gathered more power into his own hands.[35] Meanwhile, in the countryside, the troops continued to alienate the population with their abusive behavior as well as their failure to provide protection and their reluctance to fight. So, rather than seizing this chance to turn the situation around and put its house in order, South Vietnam sealed its own fate – long before communist tanks drove into the presidential palace in April 1975.[36]

Social and Cultural Disruption

Below the military and the newly rich who made their money from the American presence, a new economic class emerged: those who catered to the needs of the Americans, such as cyclo and taxi drivers, bar girls and prostitutes, tailors, maids, laundresses, and suppliers of foods like bananas, who could earn more than a cabinet minister. At the bottom were peasants, displaced from their homes and land who became the *Lumpenproletariat* in the cities and towns.

35 Sean Fear, "How South Vietnam Defeated Itself," *New York Times*, February 23, 2018.
36 Ibid.

This social transformation and what they viewed as "decadent culture" (*văn hóa đồi trụy*) that American culture and money was fostering alarmed and dismayed social conservatives, older traditionalists, and many among the intelligentsia. But their protests remained limited to articles in newspapers and periodicals, and had little impact against the much stronger forces of war: dislocation and American monetary and cultural influence. The students, with the bravado of youth, were more prone to protests, which disrupted Saigon and Huế and sometimes turned violent. They struck a chord among the population, tired of the endemic corruption and suppression of the government. But they, too, could not extend their influence beyond Saigon and Huế. Their protests were impotent against the entrenched power of Thiệu and his generals.

As the fighting dragged on, war fatigue became pervasive. A 1969 American survey found that 85 percent of the people interviewed in twenty-one provinces wanted peace and security. While exhausted peasants struggled to survive physically and longed for peace, the war-weary city dwellers attempted to shut the destruction and killing out of their minds. They tried to carry on as normal, and to escape the unpleasant reality by embracing consumerism, the antiwar and romantic ballads of composer Trịnh Công Sơn, the languorous and poetic songs of the pre–World War II period – when popular Vietnamese music reached its creative peak – and other more recent *lãng mạn* (romantic) compositions. They also turned to Hong Kong–produced kung fu movies, cheap novels, love stories, Chinese *kiếm hiệp* or martial arts fiction,[37] and – for those who could afford it – the good life. "The young in particular lived hurriedly, as though the good times would end too soon. To the distress of their elders, they started to imitate the freer lifestyle of the Americans. Children of middle-class families attended 'boom' parties, where they listened to loud rock music and gyrated to the latest dance from America. Or they crowded smoky nightclubs, where they could listen to singers imitating Johnny Mathis or Elvis Presley."[38] This turning away from the traditional lifestyle alarmed social conservatives who lamented that the young were *"mất gốc"* – losing their national identity and cultural roots.

Another way of coping for urban as well as rural South Vietnamese was to retreat into the family and focus on its interests and protection. The family

37 Hoang Ngoc Thanh, "The Social and Political Development of Vietnam as Seen through the Modern Novel," Ph.D. dissertation (University of Hawaii, 1968), cited in Ray Smith, *Social Change in Vietnam, 1955–1975* (Berkeley, 1984), 18. Thanh ascribes this escapism to war-weariness, which took hold beginning in 1967.

38 Mai Elliott, *The Sacred Willow*, 281–2.

had been the center of life for Vietnamese, but now it became even more important as a bastion against forces that could threaten its survival. Families with enough money or the right connections would do whatever they could to ensure that their sons, if drafted, would not have to serve in combat roles.

American Withdrawal and the End Game

The departure of US troops, starting in 1969, brought its own set of problems. The economy began to deteriorate. Economic development had been anemic, even nonexistent, because military expenditures consumed two-thirds of the government budget and corruption siphoned off whatever economic aid could have gone into boosting the economy. With the war raging, South Vietnam was unable to attract foreign investment. The overseas Chinese, who possessed the largest pool of capital in South Vietnam, were themselves unwilling to invest. Knowing that the generals' power might not last, they preferred to transfer money abroad to keep their options open.[39]

In 1973, industrial output decreased 8 percent; in 1974, it dropped 24 percent.[40] While agricultural production had increased due to modernization, the country still had to import 400,000 tons of rice in 1973. By 1970, the trade imbalance had worsened: South Vietnam exported $13 million worth of goods and imported $662 million in foreign products and commodities – with the shortfall being covered by American aid. War in the Middle East in 1973 fueled a dramatic rise in the prices of world commodities – such as oil and rice – and this created a huge problem for import-dependent South Vietnam. Although US support for imports kept growing – from $591 million in 1972 to $727 million in 1974 – South Vietnam could import only half of what it used to buy in 1972.

Inflation surged, and those on fixed incomes in the army and the bureaucracy had the hardest time making ends meet, which in turn destabilized the government's legitimacy from within. Prices in Saigon rose 26 percent in 1972, 45 percent in 1973, and 63 percent in 1974. In an added blow, the departure of US troops deprived the economy of a large source of foreign exchange as the American purchase of piasters dropped from $347 million in 1969 to $97

39 Kolko, *Anatomy of a War*, 222. American officials concluded in 1972 that "The Chinese … for the most part 'do not consider themselves a part of the nation in which they live. For the large entrepreneurs, the business decision to invest here or transfer funds abroad is made on business calculations … – exactly, in fact, like any foreign investor does'" (ibid.).

40 Ibid., 490.

million in 1974. The currency had to be devalued again and again, making imports more expensive and inflation worse. Since a third of the jobs were in service occupations catering to the Americans, the US withdrawal threw many people into unemployment. Income dropped precipitously. With fewer and fewer buyers, businesses and enterprises had to lay off their workers. Ambassador Ellsworth Bunker reported from Saigon that the business recession was serious. South Vietnam was purchasing only essentials. Importers had stopped importing and were finding it hard to sell the merchandise they had. All new investment projects were being postponed. The fighting had reduced the export of rubber and lumber. As a result, manufacturing had slowed to a snail's pace.[41] In all, 2 million people – a third of the work force – lost their jobs. In Saigon, the Thiệu government made some feeble attempts to address the crisis, such as hiring workers to sweep the streets and the gutters. But lack of planning and inefficiency, coupled with forces beyond its control – such as worldwide inflation – the continuing disruption and destruction of escalated warfare, and endemic corruption doomed Saigon.[42]

The economic crisis hit the urban areas the hardest. But the countryside also suffered. Modernization of agriculture had led to an increase in production but it also had made farmers dependent on the import of fertilizers and fuel for their pumps and equipment to grow Miracle Rice. Between 1972 and 1974, there was a worldwide shortage of fertilizers, and prices increased 285 percent. Prices for diesel fuel doubled. Although the price of rice the farmers could command rose 143 percent, this increase could not cover their costs. It was in this climate that the fertilizer scandal erupted in 1974, implicating Thiệu's family and cronies, a minister of trade, and many province chiefs. As fertilizer prices rose in 1973, two-thirds of the $85 million in imported fertilizer was diverted, hoarded, and sold at inflated prices. The scandal provoked widespread protests.

In this crisis, hostility to President Thiệu and the endemic corruption of his government – which had been muted while American money was plentiful – grew alarmingly. Urban protests erupted on a scale not seen in years. Most significantly, Catholic priests – the most ardent of anticommunists – took to the street to protest the corruption which they feared would aid a communist victory. They were joined by students, Buddhist monks, and war veterans demanding assistance. The sight of riot police with their shields and the smell

41 Ellsworth Bunker to Henry Kissinger, May 19, 1972, Vietnam Subject Files, NSC Files, Box 130, RNL.
42 Mai Elliott, *The Sacred Willow*, 334.

of tear gas became a common occurrence in Saigon and other areas. In a 1970 intelligence assessment, the CIA stated that "Political stresses … may in the long run significantly affect the ability of South Vietnam to hang together and continue the war as US forces withdraw." Protests, it continued, had become more and more common, and there was a crisis of confidence within the government.[43] On the military side, "economic contraction and reduction in aid that followed the withdrawal of American troops" forced the South Vietnamese army to fight "a poor man's war" with less airpower and artillery support.[44] At the same time, the difficulty of making ends meet and disillusionment about the continued fighting was sapping military morale, reflected in an unwillingness to fight.[45] In the countryside, the peasants were sullen and exhausted by the violence and destruction, and in no mood to support a government they viewed as venal and abusive.

As the communists prepared their Spring Offensive of 1975, the South Vietnamese homefront, sapped by the long war, weakened by mismanagement and corruption, losing confidence in its government, and beset by uncertainty over continued American support, was teetering on the edge. The communist final push brought its collapse.

43 CIA, Intelligence memo, "South Vietnam: National Cohesion and Vietnamization," August 20, 1970. Vietnam Subject Files, NSC Files, Box 92: Vietnamization, RNL.
44 David Elliott, *The Vietnamese War*, 418.
45 Report of July 18, 1973, Vietnam Subject Files, NSC Files, Box 109, RNL.