

*of - Cooperative Societies - Vietnam*

REPUBLIC OF VIETNAM

COMMISSARIAT GENERAL FOR COOPERATIVES  
AND AGRICULTURAL CREDIT

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**1959**  
**ACTIVITY REPORT**

FEBRUARY 1960

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**1959**  
**ACTIVITY REPORT**

*President NGUYEN DINH THUAN*  
**FEBRUARY 1960**



*Président* NGÔ ĐÌNH-DIỆM

*Rec'd 5-12-61 thru Programs*

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IN TRADE UNIONS

Commission of Experts for Co-operation  
and Agricultural Credit



Mr. TRẦN - NGỌC - LIÊN  
*Commissioner General for Cooperatives  
and Agricultural Credit*

A. Directorates and Services at CGCAC Central Office

**PART ONE**

The Commission General for Cooperatives and Agricultural Credit Administration and Services through one Director of Cooperatives and Agricultural Credit Administration and Services, one Chief of Cooperatives and Agricultural Credit Administration and Services, and one Chief of Cooperatives and Agricultural Credit Administration and Services. **ORGANIZATION - PERSONNEL - FINANCE**

**I. - ORGANIZATION**

The most important event for Agricultural Credit and Cooperatives in Vietnam in 1959 was the establishment of the Commissariat General for Cooperatives and Agricultural Credit (CGCAC), under Presidential Decree No. 47-TTP, dated February 27, 1959. The CGCAC is directly attached to the Presidency.

With the object of putting under a single administration the Agricultural Credit Program of the National Agricultural Credit Office, and the Cooperative Program previously under the divided authority of various Departments, the Commissariat General for Cooperatives and Agricultural Credit set up the following organizations:

- A. Directorates and Services at CGCAC Central Office:
- B. Regional Field Offices:

- 1. Provincial and Inter-provincial Cooperative and Agricultural Credit Services.
- 2. Inter-provincial Cooperative and Agricultural Credit Inspectorates.

- C. Related Activities:
  - 1. The National Agricultural Credit Office (NACO)
  - 2. The Cooperative Research and Training Center (CRTTC)

## *A. Directorates and Services at CGCAC Central Office*

The Commissioner General for Cooperatives and Agricultural Credit administers the Commissariat through one Director of Cabinet, one Secretary General, one Chief of Cabinet, one Chargé de Mission, one Cabinet Attaché, one Private Secretary, and the following Directorates :

— Administration and Finance Directorate comprising two Services divided into six Bureaus:

— Planning, Propaganda and Training Directorate comprising two Services divided into five Bureaus.

— Cooperative Directorate comprising five Services plus an Accounting Advisory Bureau directly under the Director, the five Services being divided into eleven Bureaus.

— Inspection Directorate comprising a number of Inspectors and a Bureau.

To house its central office, the President authorized the Finance Department to purchase, for the Commissariat General for Cooperatives and Agricultural Credit, a three-story office building located at Vo-Di-Nguy and Chuong Duong streets in Saigon.

## *B. Regional field Offices*

1) In order not to increase the staff, pending the expansion of the cooperative movement, both the cooperative program and the agricultural credit program at the regional level are, for the time being, conducted by the NACO branches operating under the name " Provincial/Inter-Provincial Cooperative and Agricultural Credit Services. "

2) Five Inter-Provincial Cooperatives and Agricultural Credit Inspectorates have been set up :

Ist Region including the provinces of Quang-Trí, Thua-Thien, Quang-Nam, Quang-Ngai and Binh-Dinh.

2nd Region including the provinces of Phu-Yan, Khanh-Hoa, Ninh-Thuan, Binh-Thuan, Binh-Tay, Lam-Dong, Duyen-Duc, Dac-Lac, Quang-Duc, Pleiku and Kontum.

3rd Region including the provinces of Long-Khanh, Bien-Hoa, Phuoc-Thanh, Phuoc-Tay, Tay-Ninh, Binh-Duong, Binh-Long, Long-An, and Kien-Tuong.

4th Region including the provinces of Dinh-Tuong, Kien-Hoa, Vinh-Binh, Vinh-Long, and Kien-Phong.

5th Region including the provinces of Phong-Dinh, Ba-Xuyen, An-Xuyen, An-Giang and Kien-Giang.

**Related Activities**

In order to carry out its new mandate, the Commissariat General for Cooperatives and Agricultural Credit makes use of two organizations, the National Agricultural Credit Office, and an educational organization, the Cooperative Research and Training Center.

**1) National Agricultural Credit Office (NACO)**

On becoming a branch of the Commissariat General for Cooperatives and Agricultural Credit, the National Agricultural Credit Office made the following changes in its organization :

- a. The composition of the Management Committee was modified :

The chairmanship of the Management Committee is now held by the Vice-President of the Republic instead of the Secretary for Land Estate and Agrarian Reform. The composition of the Committee was increased by one member, the Secretary General for Cooperatives and Agricultural Credit.

- b. The organization of the NACO Central Office has been simplified :



Three Services (Accounting and Finance, Cooperative Credit and Direct Credit) and one Bureau (Personnel) have been established in place of the five former Services (General Bookkeeping, Cooperative Credit, Direct Credit, Administration and Legal Affairs, Propaganda, Research and Training). The problems related to administration, legal affairs, propaganda, research and training are concurrently the task of both the Administration and Finance Directorate and the Planning, Propaganda and Training Directorate, CGCAC.

c. The program for enlarging regional organizations during CY 1959 has been implemented :

(1) A number of provinces formerly under the jurisdiction of some inter-provincial agencies have been given separate provincial agencies or put under a new inter-provincial agency for geographical reasons.

(2) Sub-agencies for a group of districts have been established. Provincial agencies and district sub-agencies operating as of December 31, 1959, are listed below:

Six inter-provincial agencies :

Bien-Hoa + Long-Khanh + Phuoc-Thanh

Binh-Duong + Binh-Long + Phuoc-Long

Binh-Thuan + Binh-Tuy

Dur-lac + Quang-Duc

Pleiku + Kontum

Tuyen-Duc + Lam-Dong

Twenty-three provincial agencies :

An-Giang

Kien-Hoa

Thua-Thien

Kien-Giang

Dinh-Tuong

Quang-Nam

An-Xuyen	Kien-Tuong	Quang-Ngai
Ba-Xuyen	Long-An	Binh-Dinh
Phong-Dinh	Gia-Dinh	Phu-Yen
Kien-Phong	Phuoc-Tuy	Khanh-Hoa
Vinh-Long	Tay-Ninh	Ninh-Thuan
Vinh-Binh	Quang-Tri	

Two sub-agencies caring for the agricultural credit needs of the entire province.

Binh-Tuy Lam-Dong

**Four inter-district sub-agencies:**

One at Tam-Ky for the four districts of Thanh-Binh,

Tam-Ky, Tien-Phuoc and Hau-Duc in the province of Quang-Nam.

One at Bong-Son for the four districts of Hoai-Nhon, Hoai-An, An-Lao and Phu-My in the province of Binh-Dinh.

One at Chau-Phu for the five districts of Chau-Phu, Tri-Ton, Tinh-Bien, Tan-Chau and An-Phu in the province of An-Giang.

One at Vinh-Loi for the three districts of Vinh-Loi, Gia-Rai and Phuoc-Long in the province of Ba-Xuyen.

With the gradual increase in the number of separate provincial agencies and the establishment of sub-agencies, the policy of decentralisation to strengthen the regional level is being carried out. The following comparative chart of agencies established during 1957, 1958 and 1959 evidences this fact:

Year	Inter-provincial agencies	Provincial agencies	Sub-agencies
1957	94	7	80
1958	68	18	86
1959	61	23	84

**2) Cooperative Research and Training Center**

The Center created under Decree No. 7411/TB/MTX/NT of May 14, 1950, is under the direct authority of the Commissioner General for Cooperatives and Agricultural Credit, who is the chairman of the Administrative Board of the Center.

The Center receives financial and technical assistance from the Cooperative League of the U.S.A. and from USOM.

Arrete No. 31-TU/ND, dated July 25, 1950, established the organization of the Training Center as follows:

The Director supervises the work of the Center consisting of two Divisions and one Bureau:

Research and Documentation Division

Study and Training Division

Bureau of Administration, Bookkeeping and Supplies.

**II. - PERSONNEL**

At the beginning of 1950, the staff for Agricultural Credit and Cooperatives (including 30 members from the former Cooperatives Directorate, then under the Economy Department) totaled 577. On December 31, 1959, the number had increased to 1,124.

**Staffing Pattern, 1957-59:**

Year	Office Staff	Field Agents	Chauffeurs	Messengers	Total
1957	180	177		42	799
1958	276	216		89	825
1959	424	581		119	1124

**Staff Deployment, 1959**

ORGANIZATION	Office Staff			Field Agents			Chauffeurs Messengers Laborers			Total		
	Central	Local	Total	Central	Local	Total	Central	Local	Total	Central	Local	Total
CGCAC	116	59	175	29	54	83	17	5	22	162	118	280
N.A.C.O.	79	160	239	4	494	498	69	90	159	104	723	827
Cooperative Research and Training Center	10	—	10	—	—	—	7	—	7	17	—	17
<b>Total</b>	<b>205</b>	<b>219</b>	<b>424</b>	<b>33</b>	<b>548</b>	<b>581</b>	<b>45</b>	<b>74</b>	<b>119</b>	<b>283</b>	<b>841</b>	<b>1124</b>

**Provincial and Central Office Staffing, 1957-59**

Year	Central	Local	Total
1957	97	309	406
1958	156	423	579
1959	285	844	1129

During 1959, more than half of the clerical staff and two-thirds of the field agents were sent to rural areas to work more closely with the farm people.

**III.— FINANCE**

A. The total expenditure earmarked for CY 1959 for the CGCAC (excluding the Cooperative Research and Training Center and the National Agricultural Credit Office) amounted to VN\$17,567,000 including:

1) Expenditures budgeted in the National Budget for the Commissariat General for Cooperatives and Agricultural

Credit: VN\$12,166,000

2) An appropriation of VN\$5,231,000 residual fund coming from the former Cooperative Directorate of the Economy Department which the CGCAC was authorized to use.

However, to December 31, 1959 only VN\$15,628,299 had been used:

*Expenditures to December 31, 1959 (VN\$)*

	Personnel	Material	Total
Authorized	12,795,000	4,602,000	17,397,000
Spent	9,517,809	6,110,499	15,628,299
Balance	3,277,200	-1,508,499	1,768,701

The CGCAC did not use all the VN\$17,397,000 allotted, because, up to December 31, 1959, it had not appointed all the 356 members of the staff provided for in the budget. The unanticipated obligation to provide furniture for many Services resulted in a Materials Budget deficit of VN\$1,508,499.

The NACO budget is autonomous as defined by Decree No. 67-ET/CCDD. For CY 1959, the approved budget was VN\$40,000,000 divided as follows:

**Receipts:**

Subsidy from National Budget	VN\$10,000,000
Contribution from NACO	30,000,000
<b>Total</b>	<b>VN\$40,000,000</b>

**Expenses:**

Personnel	32,383,000
Material	7,617,000
<b>Total</b>	<b>VN\$40,000,000</b>

**NACO Administrative Expenses, 1959**

Budget Account VN\$	Authorization	Actual Expenses	Balance
Personnel	32,383,000	28,910,834.34	3,472,165.66
Supplies	7,617,000	5,436,074.45	2,180,925.55
<b>Total</b>	<b>40,000,000</b>	<b>34,346,908.79</b>	<b>5,653,091.21</b>

NACO has been exceedingly careful with its expenditure for personnel as well as for supplies.

In spite of its limited budget, NACO was able to fully equip all of its provincial agencies and to start an office construction program which was initiated by a decision of its Management Committee, May 16, 1959.

**Completed :**

<i>New Offices</i>	<i>Contractor's Price (VN\$)</i>
Gia Dinh	955,787.25
Long-An	947,018.56
Vinh-Long	1,025,936.78

**To be built :**

Khanh-Hoa	857,628.20
Quang-Ngai	789,017.94
Binh-Dinh	789,017.94

C. The Cooperative Research and Training Center was granted foreign aid funds amounting to VN\$2,000,000. By December 31, 1959, VN\$1,081,942 had been released and consigned to NACO.

In short, during 1959, the Commissariat General for Cooperatives and Agricultural Credit, related agencies included, reduced its expenditures, saving public funds in the following

Balance	Actual Expenses	Authorization	Budget Account
	1. CGCAC	VN\$1,768,701.00	
	2. NACO	5,633,001.00	
	B. CRTG	918,058.00	
	<b>Total</b>	<b>VN\$8,309,760.00</b>	
			Personnel
			Supplies
			<b>Total</b>

NACO has been exceedingly careful with its expenditures for personnel as well as for supplies.

In spite of its limited budget, NACO was able to fully equip all of its provincial agencies and to start an office construction program which was initiated by a decision of its Management Committee, May 16, 1959.

Completed:

Contractor's Price (VN\$)	New Offices
277,787.22	Giá Dinh
944,018.50	Long-An
1,027,856.28	Vinh-Long

To be built:

827,028.20	Khanh-Hoa
780,017.94	Quang-Ngai
780,017.94	Binh-Dinh

From July 1954 when President Ngô Đình Diem returned to the country to take over the cooperative movement in Vietnam began to flourish. Many cooperatives of various types were created. At the beginning of 1955 their total number was 323.

## COOPERATIVE ACTIVITIES

According to their branch of activity, cooperatives were placed under different departments, and since there was no

### I. SITUATION OF THE COOPERATIVE MOVEMENT

For that reason, the President promulgated Decree No. 117, dated 1954, which established the Commissariat General for Cooperatives and Agricultural Credit.

The cooperative movement stepped forward in a new phase

The Cooperative movement started in our country in 1912 with the creation, in South Vietnam, of SICAM's (Sociétés Indigènes de Crédit Agricole Mutuel) which were cooperatives organized under the Raiffeisen formula.

In 1933, the French Administration established the General Office of Agricultural Mutual Aid Fund which became the Office of Popular Credit. This organization first set up a chain of agricultural cooperatives and later, handicraft and fishery cooperatives.

By December 31, 1944, the numbers of cooperatives of different types operating in Vietnam were:

- 31 Agricultural Cooperatives
- 12 Handicraft Cooperatives
- 10 Fishery Cooperatives

These did not include the 46 Agricultural Farms in the provinces which were in fact credit cooperatives.

Those cooperatives were really show-windows for propaganda purposes and intended to consolidate the French Colonialist Administration. They did not really benefit the people. After the events of 1954, most of them were dissolved.



From July 1954, when President Ngo Dinh Diem returned to the country to take over the government, the cooperative movement in Vietnam began to flourish. Many cooperatives of various types were created. At the beginning of 1959 their total number was 353.

According to their branch of activity, cooperatives were placed under different departments, and since there was no uniformity in direction, the movement did not prosper.

For that reason, the President promulgated Decree No. 41-TTP, dated February 27, 1959, creating the Commissariat General for Cooperatives and Agricultural Credit to unify the leadership for all types of cooperatives supported by Agricultural Credit. The cooperative movement stepped forward to a new phase.

**B. After the creation of the Commissariat General for Cooperatives and Agricultural Credit.**

After assuming responsibility for the cooperatives transferred by various departments according to Decree 41-TTP, the Commissariat General for Cooperatives and Agricultural Credit started taking stock of the whole cooperative movement. The result showed that as of December 31, 1959, of a total number of 353 cooperatives, only 257 were actually operating. They had 109,762 members and shares amounting to VN\$24,047,786 and were classified as follows:

**Membership and Share Values of Operating Cooperatives**

Type of Cooperatives	Number	Membership	Value of paid-in-shares
Rice	41	30,730	VN\$7,717,201
Agriculture	77	29,628	4,167,090
Forestry	3	348	105,400
Stock Breeding	2	228	164,100
Handicraft	19	24,706	5,889,772
Fishery	16	5,807	2,023,090

Consumers'	6	13,996	1,779,173
Other	2	299	866,200
<b>(Building and Credit)</b>			

<b>Total</b>	<b>257</b>	<b>109,752</b>	<b>VN\$24,047,786</b>
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Though formerly the cooperatives concentrated on a single purpose, they are now broadening their operations in multi-purpose activities, including:

- Credit**
- Production, processing and marketing**
- Supply**
- Transportation**
- Other services (tractors, motor-pumps)**

1) **Credit**

Almost all of the cooperatives are financially weak. They need working capital to carry on their business, and loan capital to make loans to their members. (See Section dealing with Credit Activities)

2) **Production, Processing and Marketing**

a. **The Thap Cham Tobacco Cooperative (Ninh-Thuan Province)** in six years of operation (1954 to 1959) produced 1,679,520 kgs. of tobacco, valued at VN\$24,771,352 making a profit of VN\$2,224,145.

The **Khanh-Hoa Tobacco Cooperative** produced during the same period 251,139 kgs. of tobacco valued at VN\$3,211,879 making a profit of VN\$558,169.

b. **The Dalat Vegetable Cooperative** exported to Singapore, from November, 1958 to June, 1959, 27 shipments totaling 1,969,936 kgs. of vegetables valued at VN\$5,470,279.

c. In 1959 the PMS (Pays Montagnards du Sud-Highland Areas) Tea Cooperative supplied the Army with 116,666 tons of tea valued at VN\$3,499,980.

d. During 1959 the Transbassac Rice Cooperatives supplied the Army Supply Directorate with 14,531 tons of paddy and 7,619 tons of rice, receiving a bonus of VN\$1,725,328.21 for this service.

e. Three out of 41 rice cooperatives, those of Cai-Rang (Phong-Dinh) Rach-Vong (Kien-Hoa) and Cai-Be (Dinh-Tuong), have their own rice milling equipment.

f. In the field of fisheries, the following cooperatives have made a profit out of their operations: Mui-Ng, Sao-Bien, (Binh-Thuan province), Thuan-Hai, Loc-Thieu, Dong-Duong, Thuan-My, Loan-Ly (Thua-Thien province), An-Khe, Xuan-Loi and Cua-Viet (Quang-Tri province).

The Camau Cooperative makes an important profit every year by exporting GOC fish (thread fin) to Singapore (452 tons 688 valued at VN\$8,433,761 in 1959).

### 3. Supply

Up to December 31, 1959, a total of 435 tons of fertilizers valued at VN\$1,491,541 had been supplied by the rice cooperatives to their members.

The Federation of Transbassac Cooperatives had received a grant of VN\$4,602,000 for supplying fertilizers, seeds, small tools and insecticides.

The Dalat Vegetables Cooperative was loaned VN\$1,000,000 to supplement its revolving capital in supplying fertilizers, rice, salt and other commodities to its members. The total volume of those transactions amounted to VN\$6,784,042.32.

The Phu-Quoc Fishery Cooperative has supplied its members with fishing equipment such as synthetic fiber, lead, floats, nets, and food stuffs such as rice, salt, sugar, etc... valued at VN\$1,944,737.00 making a profit of VN\$24,828.



#### 4. Transportation

Transportation is a very important problem with the cooperatives which must rapidly assemble products and distribute supplies to their members. All active cooperatives have come to assume the transportation task themselves. Some cooperatives such as the Cai-Rang Cooperative, the Federation of Transbassac Cooperatives, and the Dalat Vegetables Cooperative extend this service to non-member farmers.

#### 5. Other Services

The Thanh-Quoi Cooperative owns three tractors. Each tractor can plow about 500 hectares in one season. The fee for plowing one hectare is VN\$300 and that for harrowing, VN\$200. This service brought a profit of VN\$95,261.39 from 1954 to 1959.

The Luong-An-Tra Cooperative (An-Giang) owns 5 tractors valued at VN\$1,692,000 and 2 dredges valued at VN\$149,000. The plowing business from February to June 1959 earned a profit of VN\$48,600.

In Central Vietnam, 22 motor-pump Cooperatives have a membership of 5,883 and shares amounting to VN\$2,210,724.

## II. THE ASSISTANCE OF THE COMMISSARIAT GENERAL FOR COOPERATIVES AND AGRICULTURAL CREDIT

### A. Legal

On March 11, 1959, Decree No. 38-TTP was put into effect to modify the Cooperative Law previously spelled out by Decree No. 24 of August 17, 1954. Besides amending important articles so that formation procedures, publication, administration, and operation methods might be made more convenient and efficient, the new Decree also provided a way by which cooperatives might advance toward self-financing through savings. The savings idea was utterly new to the farmers.

## *B. Organization and Administration*

In order to help the existing cooperatives consolidate their organization, and to improve the movement in general, the Commissariat General for Cooperatives and Agricultural Credit sent members of its staff to give assistance and guidance to the cooperatives in reorganizing their boards of directors, selecting managers and in solving their difficulties. At the same time, Provincial Cooperatives and Agricultural Credit Services were in continuous contact with the cooperatives giving them on-the-spot help on administrative and operational problems. Moreover, a number of Cooperative field agents were appointed managers of cooperatives for a more efficient operation.

## *C. Finance*

At the time of their formation, cooperatives do not have enough subscribed shares with which to operate. Thus they need credit to provide them with capital. (See Section dealing with Agricultural Credit).

In order for cooperatives to become self-financing, the CGCAC encourages them to build up their own capital through savings. Besides buying shares out of their own money, cooperative members contribute 5% of their loans to increase their common capital. Members savings are transformed into shares. When a given cooperative deems its capital large enough for its activities, its members may continue setting aside 5% of their loans for their personal savings.

The savings program to build up self-supporting capital has met with enthusiastic approval from all cooperatives since, after twenty loans, individual cooperative members, as well as cooperatives, should have sufficient capital to carry on their activities without any financial help from credit organizations.

## *D. Technical*

**Bookkeeping.** Every month, a field bookkeeping advisory

group spends at least 15 days in the field to help cooperatives keep correct accounting books.

PART THREE

**Machinery tools.** Two field mechanics regularly visit rice cooperatives to show the members how to operate various machines such as threshers, rice polishers, rope-making and mat-making machines, etc.

The two rice mills of the Long Chau (Vinh Long province) and My-An-Phu (Long An province) Cooperatives were transferred to more suitable sites. The Long Chau mill was moved to Tas-Van Cooperative (An-Xuyen province) and the My-An-Phu mill was moved to the Thanh-Phu Cooperative (Ba-Xuyen province).

**Marketing of Products.** In order to standardize the production and marketing of cooperative products, the CGCAC has contacted producers and importers for information on the market prices of commodities and raw materials needed by the cooperatives, i.e. fertilizers, motor-pumps, tractors, marine motors, etc.

**Education.** Stated the savings project to purchasing

Education and training in connection with cooperatives have received special attention from the CGCAC. Many training courses and seminars have been organized. Every medium has been used for educational purposes to disseminate the cooperative spirit. Training and education are not only being imparted to cooperative field agents and staffs, members of boards of directors, and managers of cooperatives, but also to present members of cooperatives and to the general public which provides potential members for cooperatives.

Setting up an activity program for the second half year  
Studying the accounting problem and special matters brought up by regional offices.

d. Increase the volume of cooperative loans.

On the basis of the decisions made by the NAO MAN-agement Committee and of past experience, the agricultural credit work for CY 1959 was carried out under the following guidelines:

## PART THREE

# AGRICULTURAL CREDIT ACTIVITIES

During CY 1959, the NACO Management Committee held six regular meetings, reviewing current policies and evaluating results of Agricultural Credit activities.

In the course of the meetings the Committee:

- Approved the 1959 Agricultural Credit Program,
- Established the Administrative Budget for 1959
- Fixed interest rates for the various types of loans granted in 1959 and for deposits by individuals and collectivities,
- Simplified loan procedures,

— Started the savings project to build up self-supporting capital,

— Established Additional Provincial Agricultural Credit Agencies and Sub-Agencies.

— Appointed Deputy Provincial Credit Officers.

A conference for the first half of CY 1959 was held on August 14 and 15 1959, attended by CGCAC executives and heads of Provincial Cooperative and Agricultural Credit Services, with a view of :

- Setting up an activity program for the second half year,
- Studying the accounting problem and special matters brought up by regional offices.

On the basis of the decisions made by the NACO Management Committee and of past experience, the agricultural credit work for CY 1959 was carried out under the following guidelines :



### *a. Widen the Scope of Loan Activities.*

While continued emphasis was placed on short-term production loans to meet the farmers' urgent needs for production capital, progress was made in broadening the program to include:

— More loans for secondary crops, especially in Central Vietnam where these crops are no small contribution to the farmers' subsistence,

— More loans for the growing of industrial crops and fruit-trees, thus implementing the " diversified agriculture " policy,

— More loans for the purchase of fertilizers, motor-pumps, tractors, work animals, and for the organization of small irrigation projects, to implement the " culture intensification " policy.

### *b. Simplify loan procedures.*

For short-term production loans, farmers who have repaid their loans promptly three times consecutively will automatically get new loans under the simplified procedure.

Medium-term loan procedures were also simplified, particularly for cooperative loans.

### *c. Stimulate the Savings Movement for Self-financing.*

This was effected both for direct credit and for cooperative credit.

### *d. Increase the volume of cooperative loans.*

This object is to replace gradually direct credit by cooperative credit.

## B. LOANS

White contained emphasis was placed on short-term loans. During CY 1959, MACO extended loans in the amount of VN\$89,583,936.88, compared to VN\$61,454,840.58 for 1958, and VN\$202,942,994.22 for 1957. The total amount of loans granted in 1959 exceeds by 35 million piasters the aggregate total of loans for 1957 and 1958.

A. Loans made during 1959, compared with those made during the two previous years, are as follows:

More loans for the country of industrial crops, fruit trees, and aquaculture. Agriculture "policy".

More loans for the purchase of fertilizers, motor pumps, tractors, work animals, and for the irrigation of small irrigation projects to implement the "culture intensification" policy.

### b. Simplify loan procedures.

For short-term production loans, farmers who have repaid their loans promptly three times consecutively will automatically get new loans under the simplified procedures.

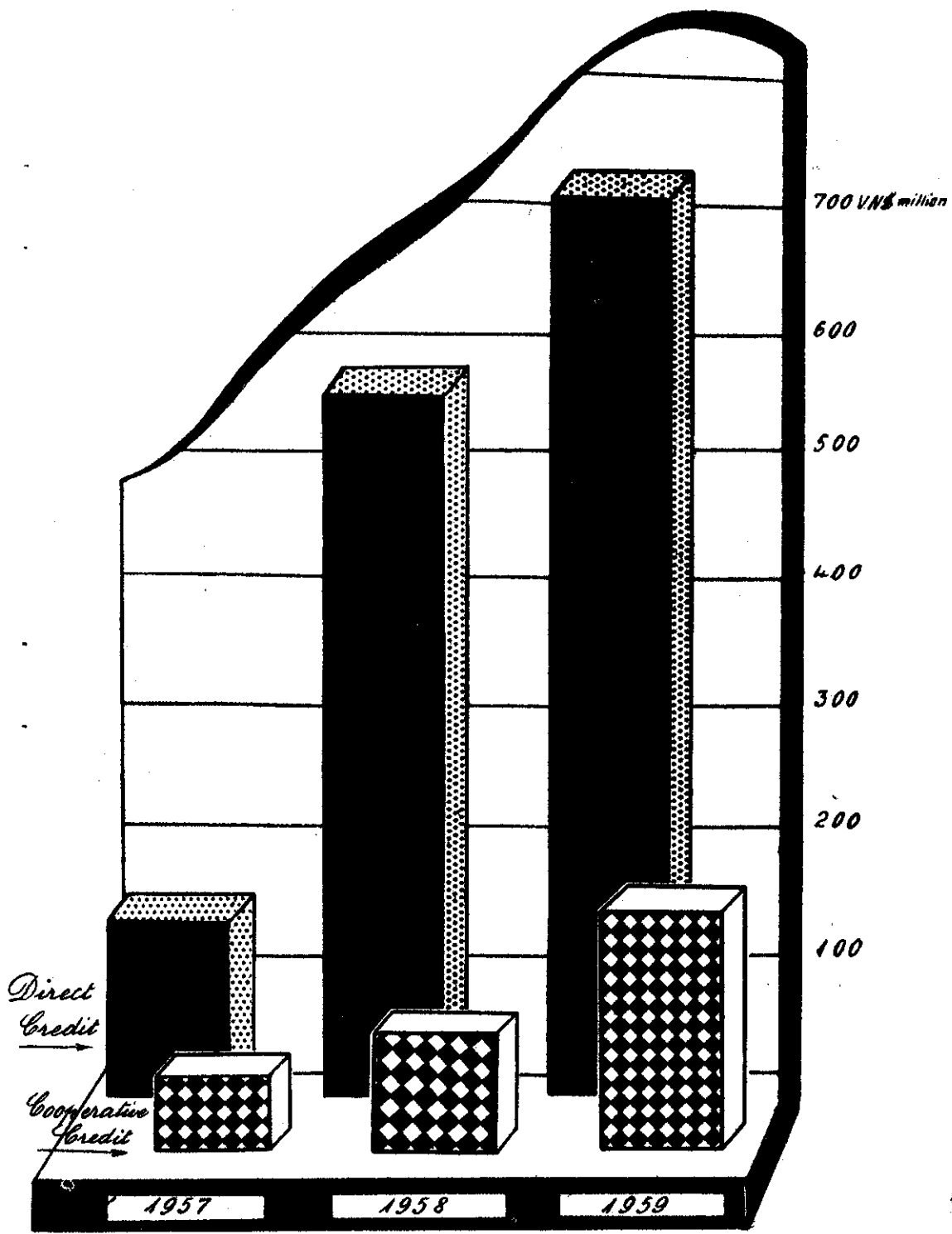
Medium-term loan procedures were also simplified, particularly for cooperative loans.

c. Stimulate the Savings Movement for Self-financing

# KINDS OF NACO FARM LOANS, 1957, '58 and '59

(in VN\$)

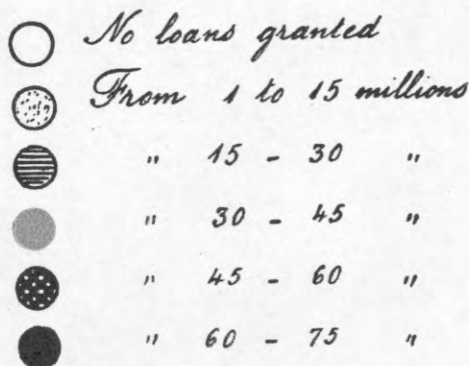
	1957		1958		1959	
<b>1. By nature of loan</b>		%		%		%
In cash	176,768,881.76	87%	628,201,753.67	96%	884,743,566.55	99%
In kind	26,174,112.46	13%	23,254,086.69	4%	4,860,369.63	1%
<b>Total</b>	202,942,994.22	100%	651,455,840.36	100%	889,603,936.18	100%
<b>2. By Credit Sector</b>						
Coop. credit	53,387,304.47	26%	89,349,197.20	14%	170,905,135.06	20%
Direct credit	149,555,689.75	74%	562,106,643.16	86%	718,698,801.12	80%
<b>Total</b>	202,942,994.22	100%	651,455,840.36	100%	889,603,936.18	100%
<b>3. By type</b>						
Short-term	160,609,565.56	80%	586,698,535.80	90%	839,349,300.76	94%
Medium-term	22,326,016.20	11%	56,683,259.16	8%	45,128,128.12	5%
Long-term	20,007,412.46	9%	8,074,045.40	2%	5,126,507.30	1%
<b>Total</b>	202,942,994.22	100%	651,455,840.36	100%	889,603,936.18	100%
<b>4. By Production Activity</b>						
Agriculture	201,442,994.22	99%	610,678,999.28	93%	861,564,970.29	96%
Stock breeding	—	—	—	—	6,278,000.00	0.7%
Fishery	1,500,000.00	1%	22,453,275.40	4%	20,964,086.89	2.4%
Forestry	—	—	18,323,565.68	3%	308,879.00	0.4%
Handicraft	—	—	—	—	488,000.00	0.5%
<b>Total</b>	202,942,994.22	100%	651,455,840.36	100%	889,603,936.18	100%



# Regional loan distributions

C. Y. 1959

## Legend



## NACO LOANS BY PROVINCE, 1957, '58, '59 (in VN\$)

Province	1957	1958	1959
An-Giang	14,736,061.42	54,494,497.12	41,206,352.30
An-Xuyen	11,792,449.85	28,215,260.—	51,324,723.70
Ba-Xuyen	23,940,453.43	44,247,914.26	61,808,431.13
Bien-Hoa	3,493,800.—	13,876,300.—	10,827,300.—
Binh-Duong	1,386,600.—	6,693,520.—	5,284,800.—
Binh-Dinh	13,838,500.—	41,866,900.—	67,231,241.—
Binh-Long	200,000.—	240,150.—	479,800.—
Binh-Thuan	3,001,570.—	22,374,166.—	17,060,255.—
Binh-Tuy	994,620.—	2,126,100.—	5,193,549.—
Darlac	1,702,050.—	2,033,800.—	6,394,136.—
Dinh-Tuong	9,141,569.46	29,418,333.84	41,292,469.37
Gia-Dinh	2,098,260.06	25,820,839.84	9,681,139.02
Kien-Giang	6,025,306.27	48,803,005.55	33,451,720.24
Kien-Hoa	10,924,797.66	7,514,030.—	18,566,182.97
Kien-Tuong	3,350,000.—	18,999,000.—	19,222,700.—
Khanh-Hoa	6,036,284.01	19,489,243.75	31,726,752.36
Kontum	—	154,600.—	926,900.—
Lam-Dong	—	5,990,100.—	7,494,304.—
Long-An	8,085,279.98	29,904,388.22	29,691,036.32
Long-Khanh	—	1,031,400.—	2,015,400.—
Ninh-Thuan	8,355,838.—	12,274,350.—	19,878,068.44
Phong-Dinh	13,217,090.54	24,745,724.03	48,197,391.04
Phu-Yen	2,229,960.—	22,697,200.—	36,346,869.—
Phuoc-Long	1,127,250.—	—	1,415,042.12
Phuoc-Thanh	—	—	4,436,300.—
Phuoc-Tuy	2,291,600.—	7,888,000.—	6,204,920.—
Pleiku	1,167,800.—	3,386,300.—	6,105,650.—
Quang-Duc	—	—	1,175,472.—
Quang-Nam	7,720,893.97	30,467,198.—	75,247,068.—
Quang-Ngai	11,164,453.47	24,603,566.13	51,580,156.83
Quang-Tri	3,859,400.—	22,694,700.—	26,921,108.—
Tay-Ninh	3,414,866.—	5,486,900.—	6,707,556.—
Thua-Thien	4,624,197.36	25,326,950.—	57,939,099.—
Tuyen-Duc	—	1,978,300.—	2,393,496.—
Vinh-Binh	4,320,033.68	18,523,266.11	25,493,503.05
Vinh-Long	8,002,015.12	27,687,327.43	29,464,396.09
Kien-Phong	10,700,000.—	20,402,310.—	29,218,650.—
<b>Total</b>	<b>202,942,994.22</b>	<b>651,455,840.56</b>	<b>889,603,936.18</b>

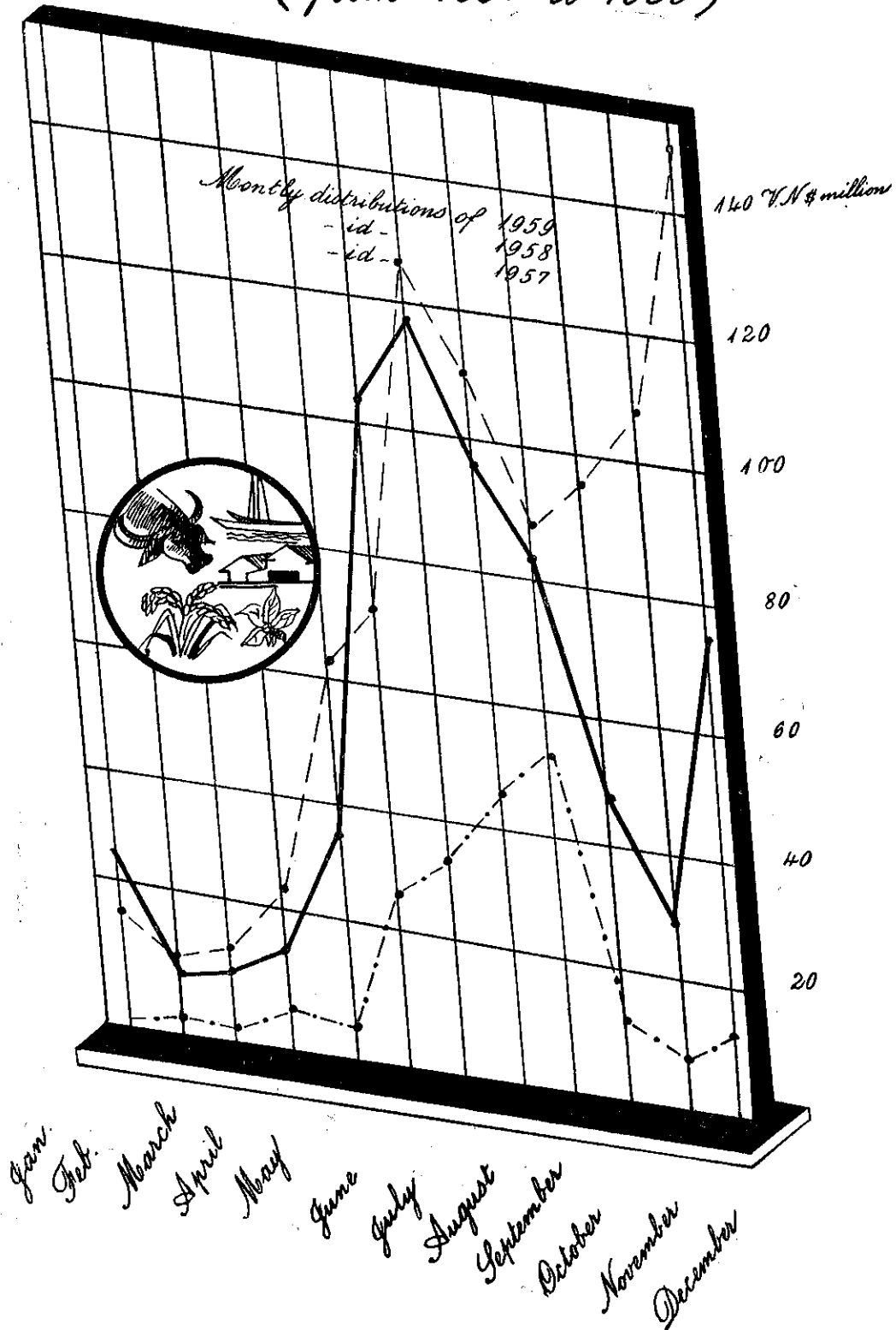
**(NACO LOANS BY MONTH, 1957, 1958, 1959)**

Month	AMOUNT OF LOAN		
	1957	1958	1959
January	167,560.00	24,274,814.00	19,179,754.69
February	1,400,600.00	9,843,350.00	10,668,650.25
March	827,730.00	10,923,222.00	14,299,634.81
April	4,645,880.00	16,231,012.00	24,697,438.28
May	3,804,050.00	36,452,012.00	62,941,390.10
June	27,440,585.50	105,911,949.00	71,458,443.68
July	35,202,991.30	118,947,221.00	128,682,237.58
August	45,322,391.00	95,996,774.00	111,348,799.38
September	54,133,837.55	83,071,006.00	85,631,087.54
October	11,079,920.00	43,418,602.00	96,062,379.23
November	6,569,507.00	29,880,702.00	109,760,328.32
December	12,347,941.80	76,505,004.36	154,873,394.32
<b>TOTAL</b>	<b>202,942,994.22</b>	<b>651,455,840.36</b>	<b>889,603,936.18</b>

In the loan charts above, it will be noted that:

(a) The percentage of loans in kind has decreased from 13% of the total for 1957, to 4% for 1958, and 1% for 1959. The reason for this is that loans in kind for 1957 and 1958 include, for the greater part, the value of work animals granted under direct aid for imported animals. Early in 1959, work

# Loans by month (from 1957 to 1959)





animal imports were stopped and cash loans were made instead, with which the farmers purchase local animals at their own convenience.

(b) The percentage of cooperative credit loans compared with the total amount of loans appears to be 26% for 1957. As a matter of fact, out of the VN\$53,387,304.47 loaned to cooperatives in 1957, VN\$22,120,753.74 represent loans previously made by other organizations and transferred to NACO. The real percentage of new loans was actually only 15%. In 1959, it went up to 20% in accordance with the CGCAC policy to progressively enlarge the sphere of cooperative credit.

(c) The percentage of medium and long-term loans has decreased each year. NACO has met with many difficulties in getting good securities because many deeds and land records were lost during the war years. For this reason, the NACO Management Committee has given special attention to the simplification of procedures for medium and long-term loans. Moreover, the volume of short-term production loans has been increasing very fast, leaving medium and long-term loans far behind percentage-wise.

(d) In regard to production activities other than agriculture and forestry, NACO during 1959, especially encouraged brood-breeding, fishery, and handicraft in order to completely realize the broad objectives of agricultural credit.

(e) During CY 1959 every province in the country was granted agricultural credit loans, except Con-Son which is a small island with 1,000 people and negligible farming activities. Even newly created provinces such as Phuoc-Thanh and Quang-Duc have received appropriations from NACO to make loans to their farmers.

(f) The breakdown of loans by month shows that agricultural credit loans fluctuate during the year according to the cadence of the crops.

B. From the very beginning, NACO has stressed direct short-term production loans. Loans of this type (were made as follows:

**Total and Ratio of Short-Term Production Loans, 1957-58-59 (VN\$)**

Year	Total Loans	Short-term Production Loans	Percent of Total
1957	201,641,994.22	143,151,989.75	71%
1958	651,457,840.16	510,874,884.00	78%
1959	889,603,936.18	636,434,620.00	71%

**Distribution of NACO Short-Term Production Loans, 1957-58-59 (VN\$)**

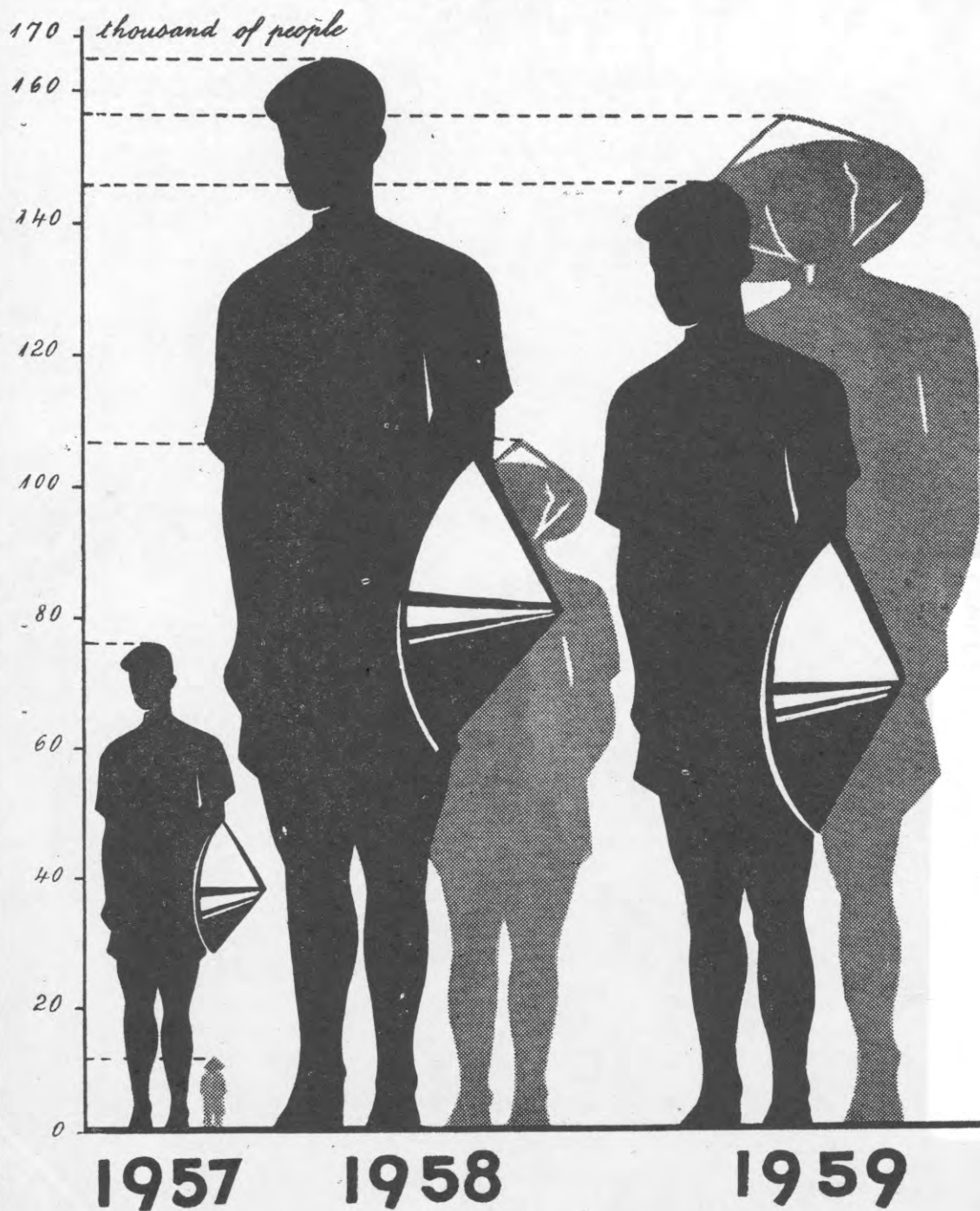
	1957	1958	1959
Number of beneficiaries	86,224	271,258	302,389
Amount of loans	143,151,989.75	510,874,884	634,434,620
Cultivated acreage	245,172 ha.	731,539 ha.	766,067 ha.
Average loans per capita (VN\$)	1,650	1,900	2,100
Average loan per hectare (VN\$)	580	700	830

(b) An increase in the average loan per person and per hectare has been possible because of the increase in capitalization for NACO. The Management Committee decided at its meeting of April 9, 1958, to increase the loan rates per hectare.


**Increase of Maximum NACO Loans per person, per hectare, 1959 (VN\$)**

	Rice (of direct sowing)	Transplanted Rice
South Vietnam	500 to 800	800 to 1,000
CVN Lowlands	1,000 to 1,500	1,500 to 2,000
PMS Highlands	1,000 to 1,500	1,500 to 2,000

# Number of land rehabilitation and crop production borrowers



 *Tenant farmers*

 *Small land owners*

C. Cooperative Credit loans made during CY 1959 amounted to VN\$170,905,135.06 divided among 139 cooperatives. The chart below shows details in comparison with the two previous years.

*Distributions of NACO Loans 1957, '58 '59 (VN\$)*

Type of Cooperatives	1957		1958		1959	
	No. of Coops.	Loans	No. of Coops.	Loans	No. of Coops.	Loans
Rice	20	21,598,295.23	35	47,172,184.64	35	128,868,211.80
Other Agr. Cooperatives	8	30,289,009.24	16	19,723,737.16	44	21,072,836.37
Fisheries	1	1,500,000.00	29 and 236 fishermen groups	22,453,275.40	60	20,964,086.89
Total	29	53,387,304.47	80 and 236 fishermen groups	89,349,197.20	139	170,905,135.06

## II. ADMINISTRATION OF THE RUBBER DEVELOPMENT FUND

The Fund for Rubber Development was created by Presidential Decree N<sup>o</sup>. 214-KT of August 18, 1958, to encourage the replanting of rubber plantations and the development of new acreages.

Any owner of over 10 hectares of rubber trees, not mortgaged or obligated, may apply for a loan for extension or replanting.

The amount of the loan available is calculated as follows:

(a) If the plantation acreage is below 100 hectares, each kilogram of rubber sold during 1957 entitles the owner to a loan of VN\$5.00.

(b) If the plantation acreage is over 100 hectares, each kilogram of rubber sold during 1957 entitles the owner to a loan of VN\$3.00.

The interest is fixed at 2% per annum, starting from the day the loan is made.

The principal and simple interest will be repaid in five yearly installments, starting from the ninth year after the date of the first disbursement of loan funds.

In addition, each year, starting from the date of loan, the borrower must pay NACO a commission of 0.25% on the unpaid principal balance.

Presidential Anrete No. 287-KT of August 18, 1958, established an Inter-Departmental Committee for examining loan applications. It includes:

The Director General of Plans or his representative  
A Representative of the Department of Agriculture  
President  
Member

Cooperatives. The credit below applies to requests for financing of rubber plantations with the two sections A and B of the ANS (1952-1953) (1954-1955) (1956-1957) (1958-1959) (1960-1961) (1962-1963) (1964-1965) (1966-1967) (1968-1969) (1970-1971) (1972-1973) (1974-1975) (1976-1977) (1978-1979) (1980-1981) (1982-1983) (1984-1985) (1986-1987) (1988-1989) (1990-1991) (1992-1993) (1994-1995) (1996-1997) (1998-1999) (2000-2001) (2002-2003) (2004-2005) (2006-2007) (2008-2009) (2010-2011) (2012-2013) (2014-2015) (2016-2017) (2018-2019) (2020-2021) (2022-2023) (2024-2025) (2026-2027) (2028-2029) (2030-2031) (2032-2033) (2034-2035) (2036-2037) (2038-2039) (2040-2041) (2042-2043) (2044-2045) (2046-2047) (2048-2049) (2050-2051) (2052-2053) (2054-2055) (2056-2057) (2058-2059) (2060-2061) (2062-2063) (2064-2065) (2066-2067) (2068-2069) (2070-2071) (2072-2073) (2074-2075) (2076-2077) (2078-2079) (2080-2081) (2082-2083) (2084-2085) (2086-2087) (2088-2089) (2090-2091) (2092-2093) (2094-2095) (2096-2097) 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A Representative of the Department of Finance	Member
A Representative of the Department of Economy	Member
A Representative of the Foreign Aid Administration	Member
A Representative of the National Agricultural Credit Office	Member
A Representative of the Vietnamese or French Rubber Planters' Federation	Member
A staff member of the Directorate General of Plans	Secretary

The fund for Rubber Planting Development is administered by NACO, which disburses loans to applicants recommended by the Inter-Departmental Committee and approved by the Vice-President of the Republic, services loans and collects mature loans.

The amount earmarked for rubber development loans is VN\$350,000,000 supplied by the National Budget.

The amount released to NACO as of December 31, 1959, was VN\$200,000,000.

These loans were started during 1959 and money was paid out to 20 applicants, consisting of six societies and fourteen individual planters.

Total amount of loans approved : VN\$237,461,378

Total amount of loan applications with

loan dockets completed 149,421,378

Actual loans disbursed during 1959 127,223,378

Balance to be paid out during 1960 110,238,000

With the above-mentioned loans, the planters concerned have agreed to grow or replant 3,297 hectares of rubber-trees.

### III. COLLECTION OF LOANS

A Representative of the Department of Economy  
Member  
Member

During CY 1950, the total amount of loans collected by NACO was VN\$617,336,584.32, of a total of mature loans of 761,548,829.15, for a collection percentage of 87%. Below is shown breakdown of collections :

A Representative of the Vietnamese or French Rubber Planters Federation  
Member  
Secretary  
A staff member of the Directorate General of Plans

SNCAAC loans	VN\$ 713,352.34
CAP loans	10,285,585.00

Livestock loans 14,418,461.76  
The fund for Rubber Planting Development is administered by NACO. Loans in kind 50,654,612.80  
Inter-Departmental Committee and approved by the Vice-President of the National Rubber Development Loans and collection

NACO loans	591,097,144.62
------------	----------------

Total VN\$617,336,584.32  
VN\$200,000,000 supplied by the National Budget

The amount released to NACO as of December 31, 1950, was VN\$200,000,000.

These loans were started during 1950 and money was paid out to 20 applicants, consisting of six societies and fourteen individual planters.

Total amount of loans approved : VN\$337,461,378

Total amount of loan applications with the amount of loan docket completed

Actual loans disbursed during 1950 were VN\$238,000. Balance to be paid out during 1950

With the above-mentioned loans, the planters concerned have agreed to grow or plant a new hectares of rubber trees.

# NACO LOAN COLLECTION, (VN\$) - 1957, 1958, 1959

	Prior to April 1, 1957	April to Dec. 31, 1957	CY 1958	CY 1959
<b>Direct Credit</b>				
Mature loans	154,751,964.76	127,395,950.69	337,453,667.06	888,868,850.36
Collected	27,356,014.07	89,475,207.30	272,925,830.34	769,841,109.80
Per Cent	24%	70%	81%	87%
<b>Cooperative Credit</b>				
Mature loans	34,499,679.97	31,340,239.97	64,019,162.91	198,387,777.14
Collected	3,155,440.00	21,543,260.66	52,781,768.01	173,203,072.87
Per Cent	9%	69%	82%	87%
<b>Total</b>				
Mature loans	189,247,644.73	158,736,190.66	401,472,829.97	1,087,256,627.50
Collected	30,511,454.07	111,018,467.96	325,707,598.35	943,044,182.67
Per Cent	16%	69%	81%	87%



**B.— NACO Collections by province, 1959 (VN\$)**

Province	Amount collected in 1959	Percentage of collections on mature loans
An-Giang	43,640,782.71	70%
An-Xuyen	27,461,851.37	87%
Ba-Xuyen	62,347,848.21	73%
Bien-Hoa	10,487,992.—	85%
Binh-Duong	4,772,250.12	87%
Binh-Dinh	37,662,125.—	87%
Binh-Long	242,280.—	89%
Binh-Thuan	15,080,353.—	75%
Binh-Tuy	1,423,454.—	83%
Darlac	1,139,486.50	35%
Dinh-Tuong	31,566,083.99	90%
Gia-Dinh	8,913,308.09	75%
Khanh-Hoa	18,332,820.94	83%
Kien-Giang	39,396,806.34	70%
Kien-Hoa	9,294,015.25	69%
Kien-Phong	18,694,255.—	93%
Kien-Tuong	16,645,505.—	97%
Kontum	259,600.—	100%

**COMMENT ON LOAN COLLECTIONS (continued)**

Province	Amount collected in 1959	Percentage of Collections on mature loans
Lam-Dong	1,388,577.55	22%
Long-An	25,473,587.64	76%
Long-Khanh	749,717.—	92%
Ninh-Thuan	14,040,800.50	90%
Pleiku	1,807,472.—	47%
Phong-Dinh	29,258,659.88	94%
Phu-Yen	23,664,621.—	99%
Phuoc-Long	9,950.—	8%
Phuoc-Thanh	1,478,972.40	82%
Phuoc-Tuy	8,299,965.34	90%
Quang-Duc	378,154.50	57%
Quang-Nam	29,822,773.42	85%
Quang-Ngai	25,222,224.88	96%
Quang-Trung	30,994,902.—	96%
Tay-Ninh	6,432,171.00	89%
Thua-Thien	29,622,152.—	94%
Tuyen-Duc	1,181,470.82	64%
Vinh-Binh	23,384,239.87	87%
Vinh-Long	27,676,142.47	93%
	617,236,584.32	87%

**IV — DEPOSITS AND SAVINGS TO BUILD UP SELF-SUPPORTING CAPITAL**

## COMMENT ON LOAN COLLECTIONS

The collection percentage of 75% for 1957, 81% for 1958, and 87% for 1959 shows that there has been steady improvement from year to year. Consideration must be made of the fact that the above figures include loans made haphazardly by former credit agencies and left uncollected by them. With regard to the 1959 collections, in some regions, loans do not mature until the very end of the year and would be collected early in the new year 1960.

The best result in collections have been in the Central Vietnam provinces. For 1959 Phu-Yen, Kien-Tuong, Quang-Ngai, Quang-Trí provinces have achieved the highest percentages. Special mention goes to Quang-Ngai which had the highest total collection (96%).

The Personalist Credit policy does not require physical collateral against production loans made to individuals. Honesty and farming ability serve as the primary guaranty, a fact, which we believe, makes our loan collection record remarkable indeed. It evidences understanding and a sense of responsibility on the part of the farmers, and a good job done by the entire NACO staff. Also it reflects continuous and careful education of the farmers, exhaustive pre-loan investigations, timely disbursement of loan and a sound practice of working directly with the farmers.

### IV.— DEPOSITS AND SAVINGS TO BUILD UP SELF-SUPPORTING CAPITAL

The Second National Agricultural Credit Conference, held during February 1959, considered the problem of increasing working capital for Agricultural Credit activities.

According to an agricultural credit expert's estimate, a capital of five billion piasters is necessary to meet the needs of the Vietnamese farmers. This is indeed a tremendous sum of money and exceeds the subsidizing possibilities of the National Budget at a time when the Government needs money for

reconstruction work in many other fields. Therefore, the COOAC policy is to gradually build up for NACO a self-supporting capital through deposits and savings.

The method actually in force for building up such self-supporting capital provides that any farmer or any cooperative getting loans from NACO shall put into the Savings Fund a small percentage of the loans (no more than 5%). Non-borrowing farmers and villages owning communal lands may make voluntarily deposits with NACO. Procedures for the latter are very simple and non time-consuming, and deposits immediately earn an interest for the depositor.

Deposits and savings operations were started in March 1959 following a decision taken on February 17, 1959 by the NACO Management Committee. The project is already well known in rural areas and has bright prospects for the future.

## NACO SAVINGS AND DEPOSITS DURING CY 1959

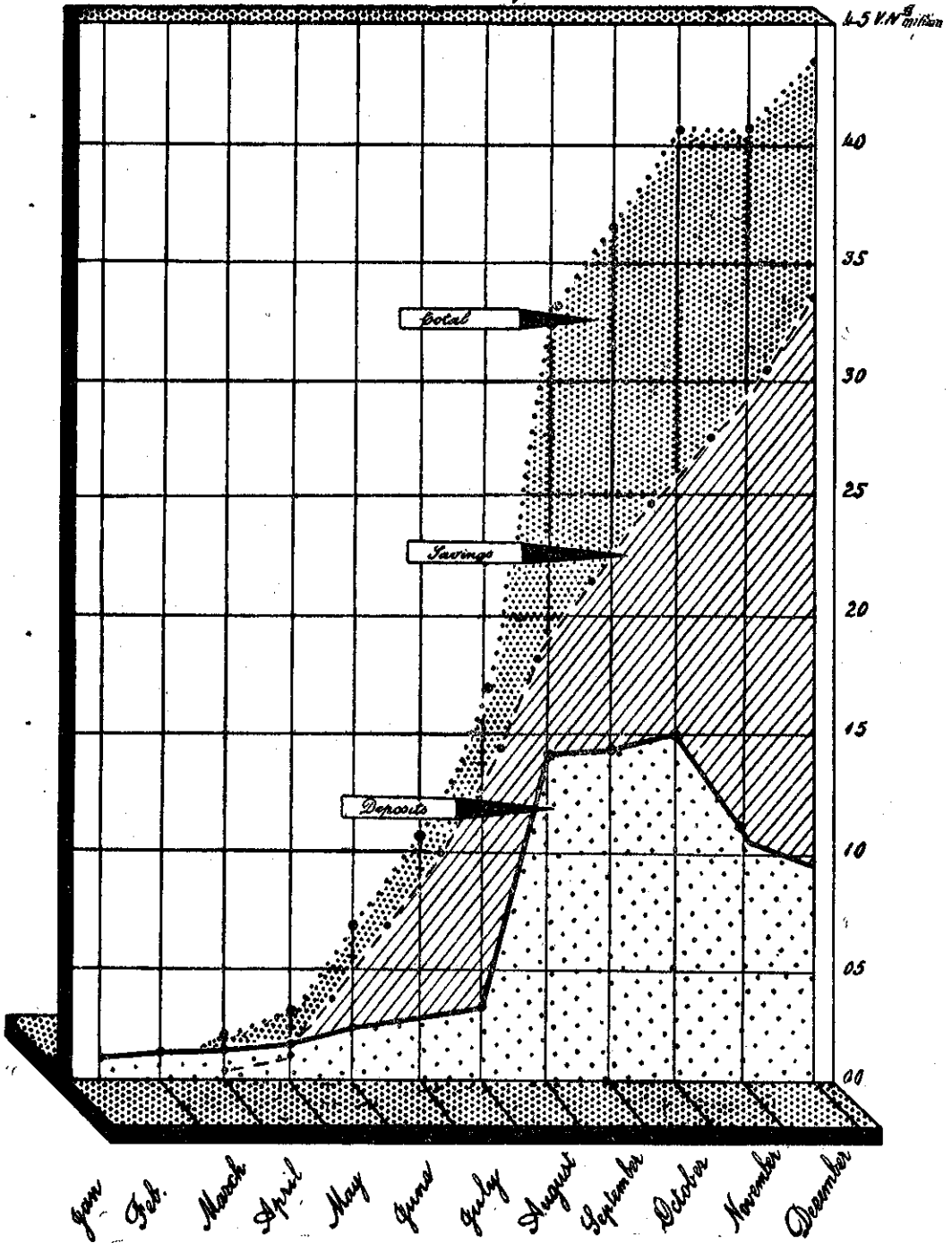
*(Balance as of the end of each month)*  
(VN\$)

Month	Deposits	Savings	Total
January	928,965.30		928,965.30
February	1,053,603.00		1,053,603.00
March	1,111,253.60	286,365.00	1,397,618.60
April	1,200,206.10	1,187,000.—	2,387,206.10
May	2,258,306.96	4,335,525.—	6,593,831.96
June	2,567,050.86	7,507,200.—	10,074,250.86
July	3,363,820.82	13,330,765.—	16,694,585.82
August	13,723,106.92	18,858,822.50	32,581,989.42
September	13,969,708.02	22,890,970.—	36,860,678.02
October	14,762,501.16	25,866,374.—	40,628,875.16
November	10,660,780.11	29,390,775.—	40,051,555.11
December	9,816,967.15	33,382,481.47	43,198,548.62

# Savings and Deposits

C. Y. 1959

Totals at the end of each month



## V. PROFIT AND LOSS

Results of NACO's activities for 1959 are shown in the following Profit and Loss Statement and Balance Sheet :

### NACO PROFIT AND LOSS STATEMENT, 1959 (VN\$)

	<u>DEBIT</u>	<u>CREDIT</u>
Debts Cancelled	342,538.50	
Contribution to		56,190,081.93
Administrative Expenses	30,000,000.00	
Bad Debt Reserve	6,736,959.31	
For questionable debts.....	6,140,275.00	
For litigious debts.....	596,684.31	
Net Profit paid into Reserve	19,110,584.12	
Total	<u>56,190,081.93</u>	<u>56,190,081.93</u>

RECEIVED FROM NATIONAL BANK  
 1959 (AM\$)

LIABILITIES

## NACO BALANCE SHEET FOR 1959 (VN\$)

ASSETS		LIABILITIES			
Loans	Good	1,015,800,225.48	Capital	In cash	780,275,929.93
	Questionable	6,440,275.00		In kind	84,024,130.78
	Litigious	596,684.31	Surplus Reserve	40,341,948.86	
Bonds	23,000.00	Net Profit, 1957	7,937,829.18		
Miscellaneous debtors	20,087,953.46	Net Profit, 1958	13,293,534.06		
Cash in transit	29,130,479.92	Net Profit, 1959	19,110,584.12		
Cash at General Treasury	36,307,405.36	Reserve for bad and litigious debts	6,736,959.31		
Cash in the Provinces	23,370,308.66	Deposits	9,816,067.15		
Banks	2,176,982.00	Savings	33,382,481.47		
		Loans from National Bank	100,000,000.00		
		OCP (former GVN credit agency)	521,761.41		
		Special Development funds	72,852,622.00		
		Miscellaneous creditors	5,681,414.78		
Total	<u>1,133,633,314.19</u>		<u>1,133,633,314.19</u>		



Cooperative and Farmers' Associations  
Agricultural Credit  
Bookkeeping  
Methods of working with people

### PART FOUR

# RESEARCH, TRAINING, EDUCATION, PROPAGANDA

From its start on July 24, 1959 to December 31, 1959, this Center organized:

## I. — RESEARCH AND TRAINING

(a) One class of in-service training for Rice Cooperatives

Research and training responsibilities for cooperatives are assumed by the Cooperative Research and Training Center.

This organization conducts short in-service training classes and complete courses of training on Cooperatives and Agricultural Credit.

The Curricula for the two six-month and one-year courses started in 1959 are:

### Six-month Course: No. of hours

Vietnamese Economy	30
Cooperative and Farmers' Associations	160
Agricultural credit	50
Bookkeeping	180
Methods of working with people	40
English	50
<b>Total</b>	<b>450</b>

### One-year Course

Vietnamese Economy	30
Civil Law in connection with Coops	140
Commerce in connection with Coops	40
Political Economy in connection with Coops	40
Rural Sociology	30

Cooperative and Farmers' Associations	200
Agricultural Credit	80
Bookkeeping	250
Methods of working with people	50
English	80

**RESEARCH, TRAINING, EDUCATION  
PROPAGANDA**

From its start on July 24, 1959 to December 31, 1959, this Center organized :

(a) One class of in-service training for Rice Cooperatives employees :

Number of students : 50

Duration : July 27 to August 8, 1959.

(b) One seminar for Chiefs of Provincial Cooperatives and Agricultural Credit Services and responsible staff mem-

bers of the Commissariat General for Cooperatives and Agricultural Credit :

Number attending : 56

Duration : Aug. 10 to Aug. 13, 1959

(c) One full-year course :

Date of examination : Sept. 9 and 10, 1959

Number of candidates : 101

Number of students : 99 (25 civil servants and 14 selected students)

Date of opening : Oct. 5, 1959

Duration : Oct. 5, 1959 to Oct. 1st, 1960.

(d) One six-month course :

Date of examination : Sept. 11 and 12, 1959

Number of candidates : 1,007

applications for loans, provide guidance on the use of the loans, follow up the correct use of loans, advertise cooperative policy, help establish cooperatives, and educate people on Farmers' Associations.

In this work, they cooperate with village councils, village heads, hamlet heads, and the agents of Information, Youth and Civic Action. Through periodic conferences, monthly reports, and inspection tours, the central office and the provincial services maintain a permanent and close control over the work of the field agents.

**B. Diffusion and Propaganda**

To disseminate agricultural credit and cooperative policies, regulations, and results, Radio Saigon has scheduled one broadcast per week for agricultural credit and cooperatives. Provincial services also organize special radio programs.

2. "The Cooperative and Agricultural Credit Monthly" started on July 1958, with a circulation of 3,000, disseminates related policies, procedures, experience gained in operations and other pertinent information.

3. The CGCAC has edited the following books and documents:

- Agricultural Credit in Vietnam (the contents of the Commissioner's speeches in Hue and Saigon).
- The Cooperative Movement in Vietnam and the Establishment of the Commissariat General for Cooperatives and Agricultural Credit.
- The Cooperative Movement in Vietnam.
- Credit Applied to Agriculture in Vietnam.
- NACO Activity Report for 1958.
- Guidebook for Cooperative and Agricultural Credit Field Agents.
- The Contribution of the Commissariat General for

**Cooperatives and Agricultural Credit to the Achievements Made in Five Years by the Republic of Vietnam.**

— Speech made by Mr. Tran-Ngoc Lien, Commissioner General for Cooperatives and Agricultural Credit, at the Conference on «Social Development and Welfare in Vietnam», organized by the «American Friends of Vietnam» in New York on October 23-24, 1959.

The Guidebook for Cooperatives and Agricultural Credit Field Agents, carefully edited, and providing the basic knowledge and information that an agent working in rural areas should have, has been widely distributed.

All documents edited in Vietnamese by the CGCAC have been translated into English or French (except the Guidebook for Cooperatives and Agricultural Credit field agents) for distribution abroad.

Information on the role played by agricultural credit in the struggle against Communism is in preparation, and will be sent to a Press and Radio network in the USA, with a view to helping the American public understand more thoroughly the fundamental policies of the Republic of Vietnam.

4. In Saigon as well as in the provinces, CGCAC branches have participated in exhibits organized during the Republic Day (October 26, 1959) and the Lunar New Year Days to publicize the results of their work.

5. In regards to foreign countries, the many overseas trips made by the Commissioner General have drawn attention on the cooperative and agricultural credit movement in Vietnam, particularly his visit to New York to attend the conference on Social Development and Welfare in Vietnam, and his trips to Canada and Belgium to observe cooperatives there.

Among the foreign personalities who came to study Cooperatives and Agricultural Credit in our country were : Mr. David J. Goldberg, Deputy Director of the Asia Foundation ; Mr. Gilbert Jones, Representative of O.R.A.M. (an

important press organization comprising many newspapers in the USA, Mr. René, Deputy Director General of the International Labor Organization, and Mr. Brossard, FAO expert from Indonesia.

### III.— TRAINING OF FIELD AGENTS

To be effective, the work of Agricultural Credit, and that of Cooperatives and Farmers Associations must be done among the people. The field agents must keep close to the people in order to understand their situation and their aspirations. On that principle, the Commissariat General has strengthened the field agents staff, increased their number and improved their qualifications.

At the beginning of 1959 the total number of field agents was 216. At the end of the year, it has reached 581, with:

78 cooperative field agents

214 agricultural credit field agents

289 detailed civic action agents

581

The establishment at the CGCAC of a special Bureau to promote the training of field agents has helped the Central Office control their activities and improve their morale.

Several short training classes have been organized at the provincial agencies to provide credit agents and Civic Action agents with the technical knowledge needed in their job.

During December 1959, the CGCAC organized the following classes for complementary training of field agents:

Central Vietnam 3 places 17 agents

South Vietnam 4 places 26 agents

7 places 281 agents

Besides aiming at giving the field agents complementary technical training, these classes are designed to test their individual proficiency and morale.

#### IV. POLITICAL AND TECHNICAL STUDIES

At the CGCAC Central Office, as well as at the provincial agencies, talks on civics and economics are held every week in order to impart a thorough understanding of Government policies. Talks on technical matters have been organized to improve the staff's professional knowledge. At the Central Office, during 1959, there were 44 talks on the following subjects:

The Development Policy of the Republic of Vietnam.

The Economic Policy of the Republic of Vietnam.

The Industrialization of the Republic of Vietnam's Economy.

The Accomplishments made by the Republic of Vietnam in five years.

The Administrative Organization of the Republic of Vietnam.

The Farmers' Associations.

The Initiative Contest.

**PART FIVE**

**CONTROL AND INSPECTION**

The Inspection Directorate at the CGCAC Central Office, as well as at the provincial level, was established under Decree No. 275/ND dated April 5, 1959. The Chief Comptroller and Comptrollers of the National Agricultural Credit Office are concurrently the Director of the Inspection Directorate and the Cooperative Inspectors respectively.

In order to more conveniently follow up the development of the program, the country has been divided into five regional inspection areas. Each area is under one Comptroller, acting at the same time as Inspector, entrusted to follow up, guide and control the implementation of Agricultural Credit and Cooperative policy in his region. He also serves as liaison between the Central Office and the provinces.

With a common constructive spirit, the inspection and control aims at detecting errors committed inadvertently or through lack of experience, in order to correct them on the spot or to report them to higher authorities, and at assuring the regularity and reliability of all operations.

During 1959, the following inspection tours were made :

CGCAC Provincial Offices	Cooperatives	Total
Region I	12	22
Region II	15	27

Region III	15	14	29
Region IV	16	21	37
Region V	22	14	36
Total	53	49	102

II. COOPERATIVES

Besides the regular inspection and control trips made by the Inspectors, there have been spot inspections made by CGCAC key offices to further study the situation and solve difficulties particular to the area.

During their inspection tours the visiting CGCAC officers, as well as the inspectors, also contact local administrative authorities to promote common understanding, and to gather constructive ideas to strengthen the cooperative and agricultural credit movement.

I. AGRICULTURAL CREDIT

A. Financial Control

During 1959, due to a continuous follow up by the Inspection Directorate on the financial and bookkeeping situations at NACO branches, collections and disbursements were well balanced, thus preventing cloggings such as occurred at some provincial credit offices and regional treasuries in previous years.

There had been a few wrongdoings on the part of the field staff, but they were immediately stopped and appropriate measures were taken to protect public funds.

B. Control of Bookkeeping

After several adjustments and changes in bookkeeping methods, the Central Office assigned additional personnel to the provincial agencies and provided additional supplies and printed



matter. Although the bookkeeping system is not yet perfect, it has been greatly improved and records more accurately the agricultural credit activities in the provinces.

## II. COOPERATIVES

The control of cooperatives which has been given special attention by the Inspection Directorate is not yet functioning perfectly but it has provided the Central Office with factual data on cooperative activities.

The Inspection teams give guidance to Cooperatives on the opening of accounting books, the timely drawing of period accounting reports, and the carrying out of the projects agreed upon at the first semi-annual conference. As a result of these inspections, 96 of the 353 cooperatives transferred by various departments, were dissolved because they had been found unsatisfactory and made no prospects for the future.

### A. Financial Control

During 1954, due to a continuous follow up by the Inspection Directorate on the financial and bookkeeping elements of NACO branches, collections and disbursements were well balanced, and the preventing closing such as noted in some provincial monthly offices and regional centers in 1953 was not repeated.

There had been a few wrongdoings on the part of the field staff, but they were immediately reported and appropriate measures were taken to protect public funds.

**PART SIX**

**CONCLUSION**

CY 1959 is indeed a year to be remembered in the annals of Agricultural Credit and Cooperatives. With the creation of the Commissariat General, the Cooperative and Agricultural Credit Movement in Vietnam was given the efficient machinery needed for its rapid development. The results obtained during CY 1959, the third year of existence for the National Agricultural Credit Office but the first one for the Commissariat General, have been very satisfactory and very promising for the future.

Although we still do not have enough data by which to accurately evaluate the effect of the young agricultural credit organization on the national economy in general and on the rural economy in particular, nevertheless, one could conjecture that with a total volume of 2,210 million (as of Dec. 31, 1959) Agricultural Credit has made a substantial contribution to the Government's rural development program.

**Yearly Volume of NACO Transactions:**

1957	202,942,994.22
1958	651,455,840.81
1959	889,603,936.18
Rubber development loans	237,000,000.00
<b>Total</b>	<b>2,009,544,324.07</b>

With agricultural credit loans, approximately 900,000 families of farmers and landowners have been able to farm 2,300,000 hectares of land (total acreage in Vietnam : 17,080,600 hectares ; total cultivated acreage : 3,500,000 hectares ; total acreage planted to rice during the 1958-1956 season : 2,917,860 hectares). The rice production for the 1958-1959 crop has risen to 4 million tons which, compared to the 1957, is an increase of 800,000 tons.

In regard to organizational structure, a number of new provincial agencies have been created, and we have begun to establish sub-agencies. At the same time, heads of provincial credit offices have taken charge of cooperative and agricultural credit agencies, thus solving once and for all the problem of a single direction over the Cooperative Movement in different areas.

The consolidation of our organization has naturally been carried out concurrently with a quantitative and qualitative increase of office staff and field agents. The question to which the Commissariat General for Cooperatives and Agricultural Credit pays particular attention is not that of recruiting more employees, but that of increasing the professional knowledge and strengthening the revolutionary morale of both old and new personnel.

In-service study sessions in civics and techniques, training courses both at the Central Office and in the provinces, studies overseas and regional inspection tours by top officials, all aim at these objectives.

Regarding the leadership of the Cooperative Movement, the Commissariat General has firmly set up the preliminary steps. After taking over the cooperatives from various departments, it started immediately to check the general situation of the movement, to investigate the growth potentialities of each unit and to provide increased spiritual, technical and financial assistance in order to improve the status of these cooperatives. We may say that the establishment of the Commissariat General for Cooperatives and Agricultural Credit has brought new life to the Cooperative Movement.

For the same reason, the Agricultural Credit Movement

has been strengthened because loans made through cooperatives are more secure. The amount of loans exceeded the appropriation set at the beginning of the year. On the basis of its estimated financial possibilities, the National Agricultural Credit Office earmarked 720 million piasters for loans, but at the end of the year, actual loans totalled VN\$889,603,936.18, proving that the working capital of the Agricultural Credit has a rather healthy turnover rate. Continuous emphasis has been given to increasing cooperative loans whose percentage amounts to about 1/5 of the total loans (1958 percentage : 1/7). With the merging of cooperatives and agricultural credit into one organization, it is believed that cooperative credit will thrive more vigorously.

In order to help implement the present Government policy which gives strong support to Farmers' Associations, the Commissariat General for Cooperatives and Agricultural Credit has taken necessary steps to ensure coordination between Cooperatives and Farmers' Associations. It gives unreserved assistance to Farmers' Associations' activities, detailing its personnel and agents to help, and has set up a special loan program to Farmers' Associations.

Debt collection has also been satisfactory, considering all factors. Although the average total collection is only 87% of mature loans, it is as high as 90 to 99% in many provinces.

Another very encouraging fact is the result scored by the deposits and savings program to build up self-supporting capital. Over 33 million piasters have been saved in only nine months.. This speaks eloquently for the confidence of all classes of farmers toward the Government Agricultural Credit Policy, and points out clearly that the farmer is now ready to assume his role not only as a recipient but as a co-builder of Agricultural Credit in Vietnam by bringing in good will and capital of his own.

We do not think it necessary to say more about the achievements of the Cooperative and Agricultural Credit Movement in Vietnam. They are already well-known even on the international scene. The most recent and most striking example is the warm welcome extended by the American people when the Commissioner General for Cooperatives and Agricultural Credit visited New York on October 23 and 24, 1959, and

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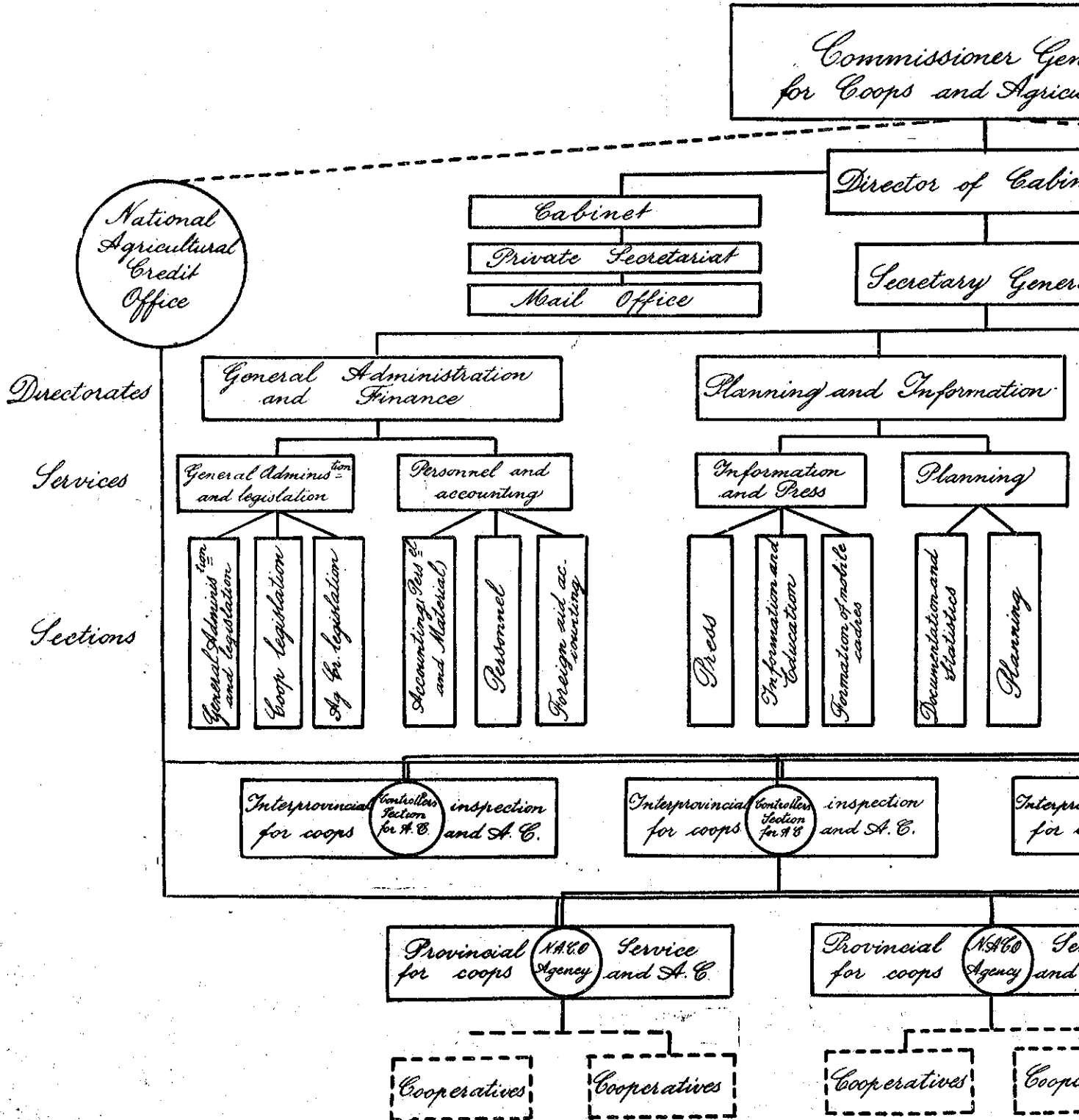
presented a briefing on the Agricultural Credit and Cooperative Movement in Vietnam, at the Conference on Social Development and Welfare in Vietnam, organized by the American Friends of Vietnam. The tribute paid to the accomplishments made by the Cooperative and Agricultural Credit Movement in Vietnam testifies to the sympathy of the friendly countries toward the Government of the Republic of Vietnam under the leadership of President **NGO DINH DIEM**.

In order to help implement the present Government policy which gives strong support to the Agricultural Credit, the Council of Ministers for Cooperation and Agricultural Credit has taken necessary steps to create a coalition between Cooperatives and Farmers' Associations to give increased assistance to help Agricultural activities, handling the personnel and agents to help and has set up a special loan program to Farmers' Associations.

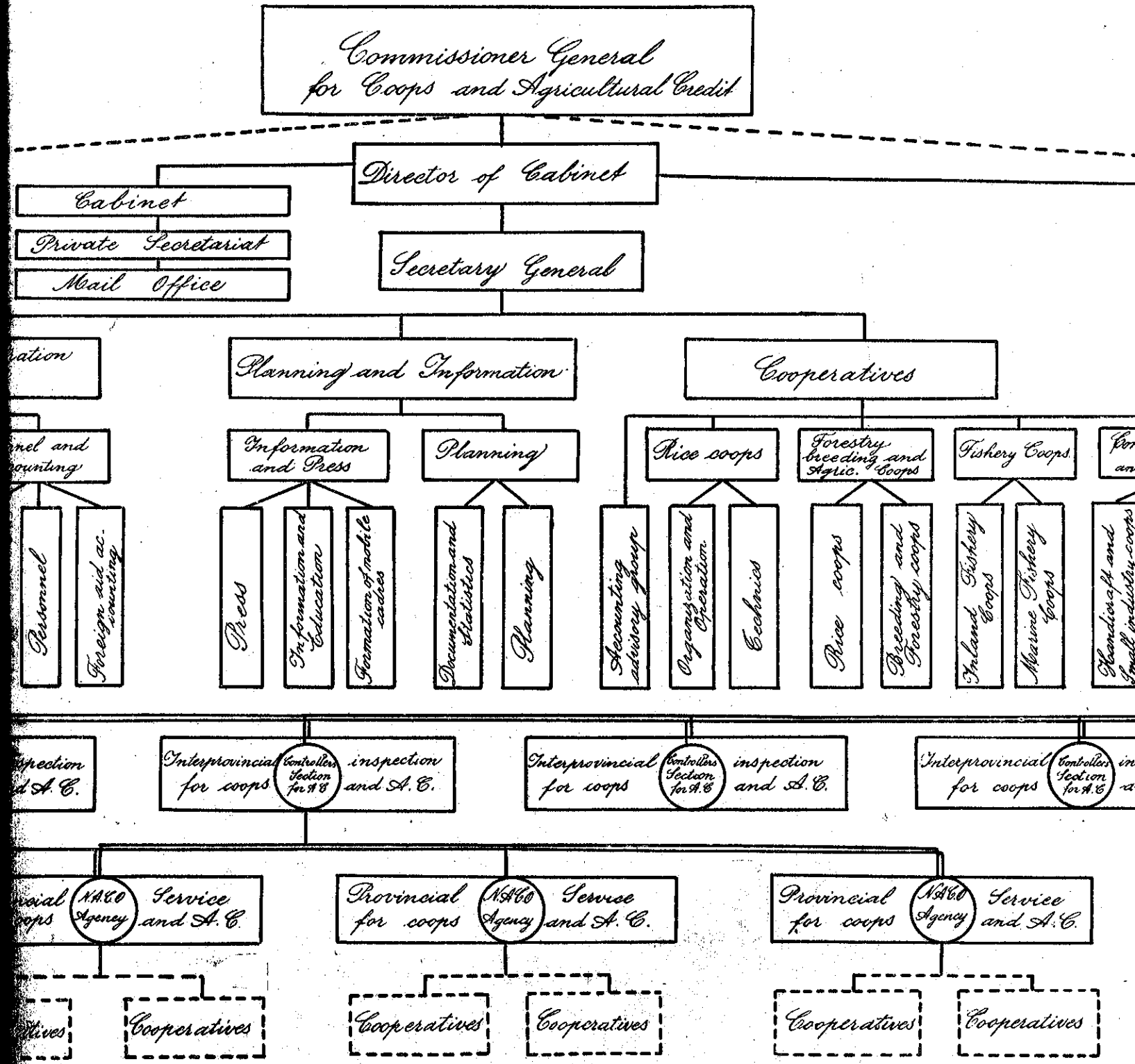
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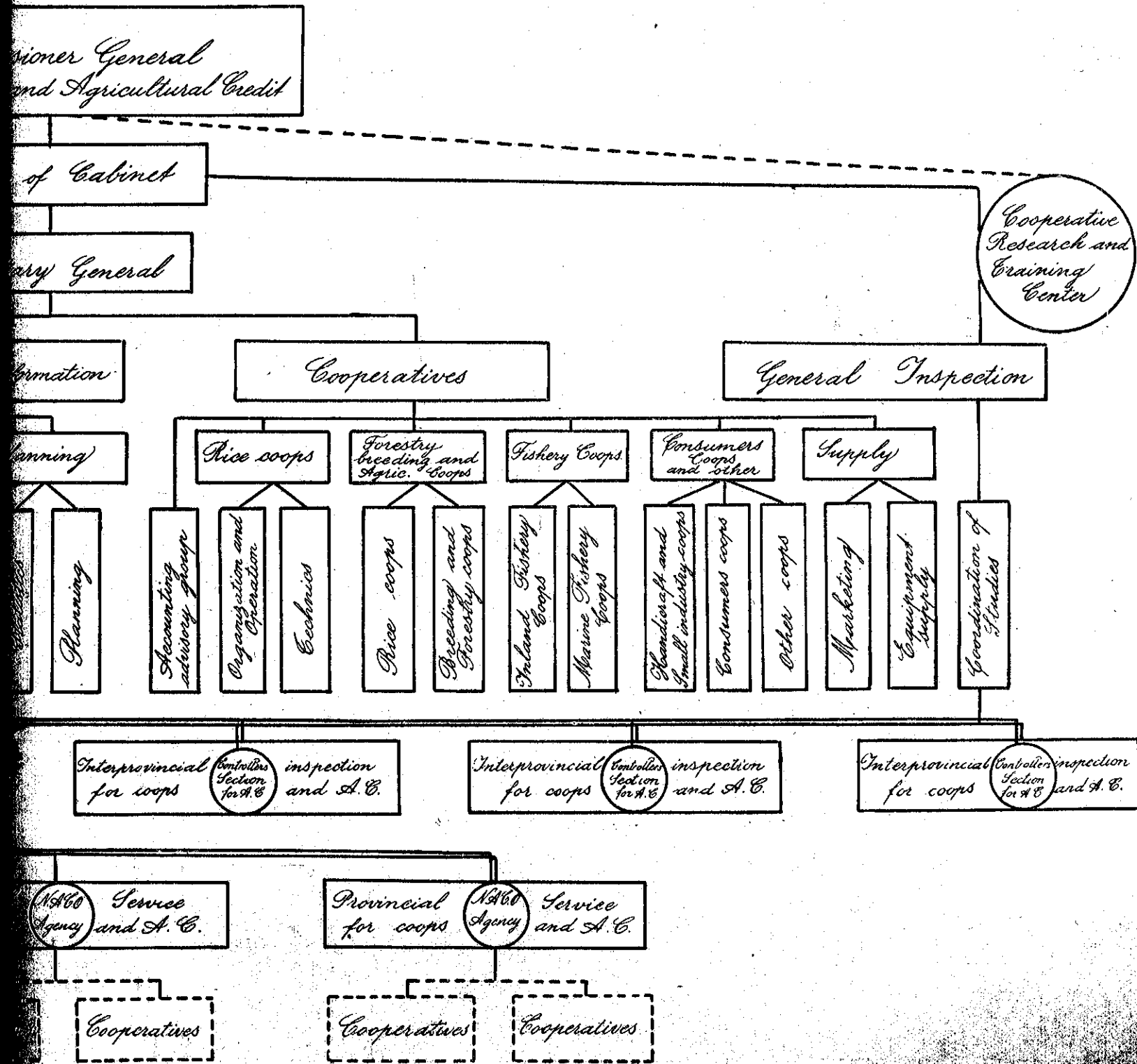
# Commissariat General for Cooperatives directly responsible to the President



Ministry of Agriculture and Forestry  
 Commissioner General for Coops and Agricultural Credit  
 Responsible to the Presidency of the Republic

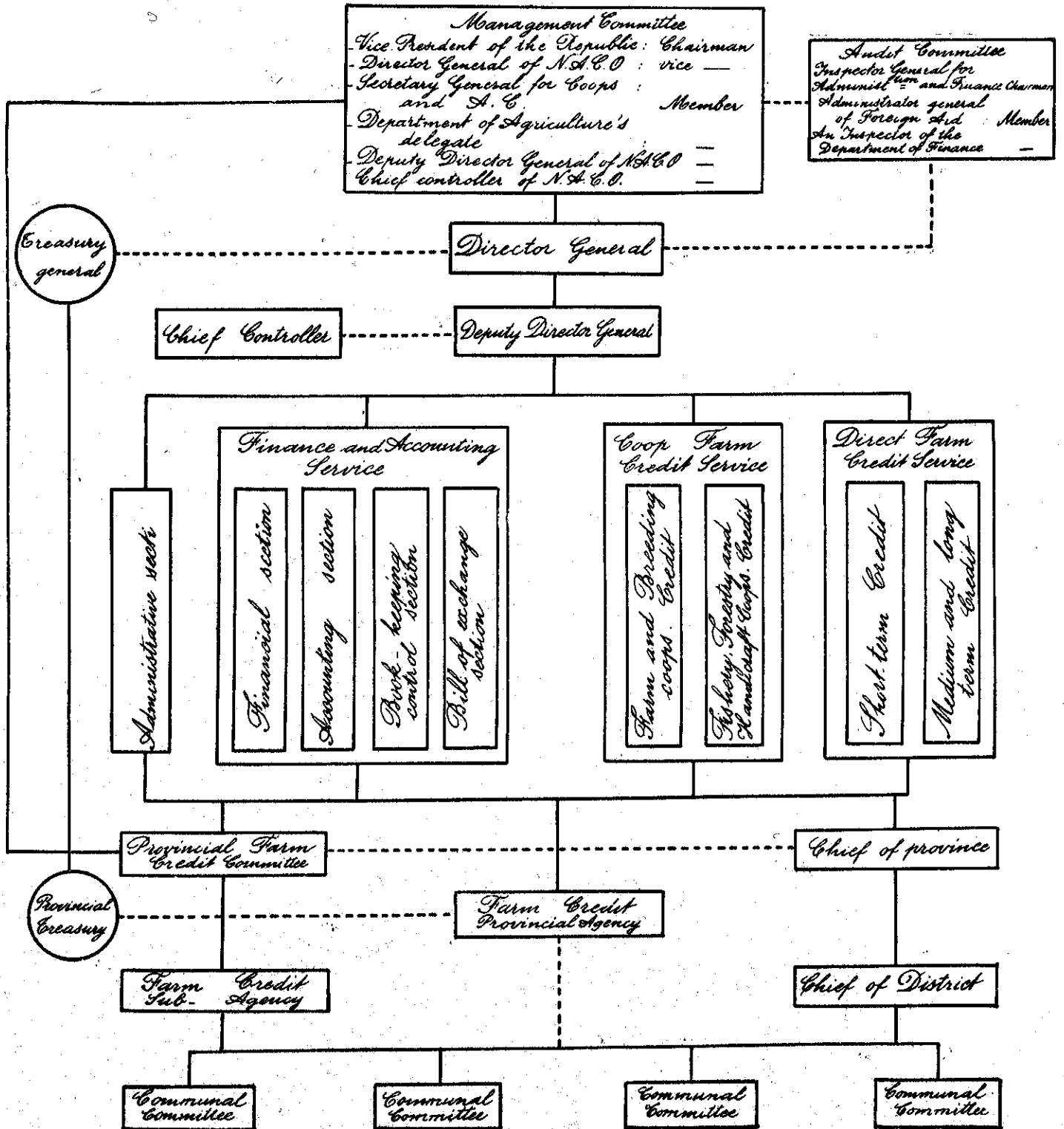


# Cooperatives and Agricultural Credit Presidency of the Republic





# Organization of N.A.C.O.



# Organization chart of the Cooperative Research and Training Center

Commissariat General  
for Cooperatives and Agr. Credit

## Administrative Board of Directors:

- Commissioner General for Coop. & A. C. Chairman  
 - Representative of the Depart. of Economy. Member  
   - id - Agriculture -id-  
   - id - Education -id-  
 - Representative of the Directorate of Planning -id-  
 - Representative of the Directorate of Budget  
   and Foreign Aid -id-  
 - Director of Planning and Information of  
   C. G. C. A. C. -id-  
 - Representative of the National Federation of Coop. -id-  
 - Director of the Cooperative Center -id-

## Disciplinary Council

- Director of Center. President  
 - Chief of Division of  
   instruction and Training Methods  
 - 2 professors and  
 - 1 students' representative -id-

## Professors Staff

- Director of Coop. Center President  
 - Staff Professors Member  
 - Assistant Staff-  
   Professors -id-

Director

instruction and Training Methods  
- 2 professors and  
- 1 students' representative -id-

- Representative of the Directorate of Budget  
and Foreign Aid -id-  
- Director of Planning and Information of  
C. G. C. A. C -id-  
- Representative of the National Federation of Coop. -id-  
- Director of the Cooperative Center -id-

Staff Professors  
- Assistant Staff-  
Professors -id-

