

DEAFB

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SAIGON--Vietnam's rice crisis is beginning to ease, but has not been completely solved, high placed economic sources reported today.

The critical problem of rice--the price ^{which} ~~ceiling~~ had been skyrocketing, has now stabilized lower than the government's official ceiling--has been eased by an energetic program by Vietnamese Prime Minister Nguyen Cao Ky, and more important, by a multi-million-dollar program of mass emergency imports of American-financed rice.

In addition, a "rice bridge" has been established for distribution of the rice to the provinces, in order to by-pass the problem of Viet Cong control and sabotage of some of Vietnam's major roads. This "rice bridge" involves improved sea transport to the coastal provinces; turbo-jet airlifts of rice or mile-long rice convoys, reinforced heavily with military escorts, to the inland provinces.

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The threat of semi-starvation of the population in six land-locked mountain provinces has been temporarily averted. The problems of these provinces, traditionally rice deficit areas, were compounded by a severe flood last fall.

Vietnam's rice problems are more complex--and uncontrollable --than America's farm problems,. Vietnam's rice problem also reflects flood damage, Viet Cong taxes and control of the rice producing areas, ^{of the} and roads over which the rice is transported.

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When Vietnamese Prime Minister Ky took over the government on June 19 of this year, the market price of rice jumped from 575 piastres per 100 kilos to more than 850 piastres per 100 kilos. (Official rate of 73 piastres per \$1). Ky immediately announced a price ceiling of 700 piastres per 100 kilos; the rice disappeared from the market as Chinese businessmen hoarded their stocks. Saigon housewives panicked and the price skyrocketed to as much as 1400 piastres per 100 kilos. Ky promised sharp measures against rice speculators, threatening to arrest and shoot them. Only two Chinese speculators were arrested--and jailed, but not shot, but rice merchants, through government persuasion and coercion, sold 70,000 tons of rice during July to the government.

Still, however, the Vietnamese government's annual security stocks of 100,000 tons of rice was almost depleted by the end of June and the Vietnamese government entered serious negotiations with the American economic mission here to import more rice, which flooded the market, and eliminated some of the shortages.

George

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Thus far in 1965, America has ^{agreed to} financed the ^{which is} importing of 225,000 tons of rice. ~~Throughout the remainder of the year, 425,000 tons are~~ scheduled to arrive in Vietnam as follows: 25,000 tons for August and September (the first boat reached Da Nang August 23 with 11,000 tons); 50,000 tons from the United States for October and November; 25,000 tons from Thailand and 125,000 tons from the United States later in the year. An additional amount of 100,000 tons is being considered for importing at the end of 1965.

Cost of the program : US \$135 per ton plus a freight charge varying between US \$ 90 to 120 per ton. (the freight between Thailand and Saigon is cheaper). Roughly speaking, the total cost of 425,000 tons of imported rice would cost the American economic mission over US \$50 million.

25,000
50,000
25,000

100,000
125,000

225,000
18,000,000

225,000
135

30,375,000
18,000,000

48,375,000

Boops

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The current government-controlled rice stock of 170,000 tons is estimated to meet the needs of Vietnam until the end of October. The monthly consumption is estimated at 50,000 tons, of which 15,000 tons is needed ~~for~~ for Saigon alone.

However, the rice crisis is not considered by economic experts to be completely solved because Communist sabotage of the routes of communication.

The Viet-Cong (Vietnamese Communist) coupled ^{their} military ^{actions} campaign with an economic campaign in early May designed to dislocate the Saigon government's ^{by} economy, cutting the country into a number of isolated sectors. They disrupted the network of roads and ^{the} national railway system. Almost all village roads, district and provincial roads, inter-provincial and national roads were cut and bridges sabotaged. Shipping remained the only means of transport for coastal provinces. Until the beginning of September there were only 13 freighter ^{for} for the coastal ports carrying a total ^{ON} ^{Bi-monthly} ~~a freight loads of 8,500 tons during two trips a month.~~ Currently, however, the ships make only one trip a month because of shipping traffic jams, and the lack of adequate port facilities. When the ships ^{military} unloaded military equipment ^{American} for the military build-up, all boats carrying civilian goods ^{such} ~~with~~ as rice anchored far from the landing pier and the civilian porters were unavailable.

Beepo

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Consequently, 12 to 15 days of waiting elapsed ^{before} the cargoes could be unloaded. As a result black marketeering of sea freight occurred; the official rate for sea freight jumped ^{from} ~~ten~~ 600 piastres a ton to 4,000 piastres, a ton; with the consumers bearing the mark-up.

The government has taken strong measures to curb this blackmarketing and to improve transport of civilian necessities. The United States mission here, and the Vietnamese government is improving the port facilities of coastal ports. The number of barges ~~used~~ needed for unloading and the number of porters ~~has~~ has been increased.

Eight ships totalling 11,000 tons of freight have been rented, the United States economic Mission recently agreed to contract eight additional ships totalling 12,000 tons. Private Vietnamese companies--

brewery companies in Saigon--are encouraged to use their private ^{ships} ~~boats~~ to transport rice instead of beer and soft drinks. Sea-going vessels recently began unloading their rice cargoes directly at coastal ports instead of in Saigon harbour, to eliminate trans-shipments. ^{the need for}

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The Vietnamese government has another major problem of inland transportation. From the coastal beach-heads secured by Vietnamese and American troops where imported rice is unloaded, the government must trans-ship rice into six major land-locked provinces, near the Laotian-Cambodian border--threatened with semi-starvation people in these provinces were forced to eat corn or manioc instead of rice. Last August the Vietnamese Air Force reinforced the National civil airline Air Vietnam and air lifted 1,200 tons--half of their needs of rice to those six provinces. Last September the United States government agreed to supplement the Vietnamese airlift of rice with special flights of giant C-130 turbo-jet transports which can carry between seven and ^{eigh}~~ten~~ tons per flight.

As the Communists ^{cut}~~had cut~~ all roads leading from the coast to inland provinces, Vietnamese troops and American paratroopers have temporarily reopened two main roads to transport rice in mile-long convoys, escorted by strong military forces to prevent the Communists from seiz^{ing} the rice they badly need. Rice arriving at the provincial cities of these six provinces, the rice is airlifted on smaller cargo planes to various isolated parts because interprovincial and districts roads are cut.

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The Mekong Delta South of Saigon produces yearly about 2.8 million tons of rice; the 14 million people of South Viet Nam consume about 2.046 million tons yearly a year. South Vietnam should have a surplus of 734,000 tons of rice for export. But the Viet Cong military and economic pressure has prevented the Saigon government from ^{securing} ~~selling~~ ^{of} all the rice production; and South Viet Nam has now stopped exporting rice and has been forced to import it.