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Recommended Citation

Roy L. Prosterman, *Land Reform in South Vietnam A Proposal for Turning the Tables on the Viet Cong*, 53 Cornell L. Rev. 26 (1967)
Available at: <http://scholarship.law.cornell.edu/clr/vol53/iss1/3>

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LAND REFORM IN SOUTH VIETNAM: A PROPOSAL FOR TURNING THE TABLES ON THE VIET CONG

Roy L. Prosterman†

The peasant awakening is part and parcel of the post-war revolutionary ferment in which Asia has been engulfed. It is also part of the realization that in predominantly agrarian Asia the new order of things, economic or political or both, depends primarily on the solution of the land question, namely land for the landless.

—Wolf Ladejinsky¹

The countryside, and the countryside alone, can provide the revolutionary bases from which the revolutionaries can go forward to final victory.

—Lin Piao²

The Vietminh could not possibly have carried on the resistance [against the French] for one year, let alone nine years, without the people's strong, united support.

—Joseph Alsop³

After the terrible summer of rioting in our own cities, I wonder if we can comprehend the great sense of hopelessness that sustains Viet Cong activity despite nearly a half million American troops and as many more drawn from South Vietnam and our other allies. In this country the hopeless seek a stake in an urban, industrial society. Because they are a minority, the society remains viable. In Vietnam, the hopeless seek a stake in an essentially rural, agricultural society, and they may be perilously close to a majority. The stake in a rural society consists of land ownership; thus far we have largely failed to confer land ownership upon the South Vietnamese peasant. To “rectify” the situation without accomplishing widespread land reform would be equivalent to “solving” the problems of the Negroes by stationing brigades of paratroopers in every urban slum. Either

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¹ *Agrarian Reform in the Republic of Vietnam*, in PROBLEMS OF FREEDOM, SOUTH VIETNAM SINCE INDEPENDENCE 153 (W. Fishel ed. 1961) [hereinafter cited as Ladejinsky]. An architect of the postwar Japanese land reform and generally regarded as the leading American expert, Ladejinsky acted as a United States Government mission specialist and later served as a consultant to the Diem regime in its efforts to evolve a land reform program.

² LONG LIVE THE VICTORY OF PEOPLE'S WAR! 48 (1965).

³ *A Reporter at Large*, THE NEW YORKER, June 25, 1955, at 47.

approach would be negative, costly, morally appalling, and, in the long run, probably unworkable.

I

BACKGROUND

Virtually everywhere landlords have furiously opposed land reform. They have been most successful in countries like South Vietnam, where they enjoy substantial political power. I recently proposed a new scheme to overcome the opposition of Latin American landlords by offering them inflation-resistant bonds representing *fair compensation* for their land, with payment to be *guaranteed* by a consortium of the industrialized nations.⁴

For important reasons, this scheme cannot be applied wholesale in South Vietnam. But a land-reform scheme tailored to the Vietnamese need, incorporating fair-compensation and great-power-guarantee features, might be used to solve the critical problem of distributing land to the South Vietnamese peasants at an amazingly small cost.

Roughly eighty per cent of the South Vietnamese population is rural.⁵ About a million families—constituting about a third of the total

⁴ Prosterman, *Land Reform in Latin America: How To Have a Revolution Without a Revolution*, 42 WASH. L. REV. 189 (1966). The core of the previous proposal was expressed as follows:

To thus disarm the opposition, and achieve the minimum political conditions for an effective land reform program, I think the following four basic points must be observed:

- (1) The promise to compensate cannot depend alone upon the word of the expropriating authority, since such promises have been violated in the past.
- (2) The measure of compensation must depend upon the value of the land to the present landholders, viewed in favorable, non-coercive circumstances, without downward adjustment to reflect threatened deprivation of benefits or increase of burdens.
- (3) The measure of compensation must be independent of domestic inflationary trends, although this does not preclude deferring compensation or providing for its reinvestment in other domestic undertakings, both of which may be highly desirable.
- (4) Full satisfaction of these conditions appears to require the establishment of an international consortium of the industrialized nations to guarantee the direct obligation of payment to the landlords undertaken by national governments, although the actual outlays of such a consortium, as I hope can be demonstrated fairly persuasively, are likely to remain a very minor fraction of the value of the land expropriated.

Id. at 195. Under that proposal, the actual outlay by the guarantors could be small, because the chief source of money for bond retirement would be a sinking fund created out of payments made by the recipients of the land. The payments would stand in lieu of, and indeed would be substantially less than, the rents paid to their erstwhile landlords. *Id.* at 205-09.

⁵ See J. COLE, *GEOGRAPHY OF WORLD AFFAIRS* 110-11 (2d ed. 1963). See also Sharp,

population—are tenants without their own land.⁶ About sixty per cent of these tenant families live in the southern part of the country (which includes the Mekong Delta region), and the majority of families in this region own no land at all.⁷ Conditions have been severe:

Rentals were as heavy as any to be found in Asia—50 per cent of the crop. The tenant had to provide his own hut, tools, and livestock, and hire supplementary labor at the height of the season. Often short of rice for food or seed, he borrowed from the landlord, repaying double the amount when he harvested his crop. By the time the tenant had discharged all his obligations, his share of the crop was roughly a third of the total.⁸

The history of attempts at land reform can be summarized in a nutshell.⁹ Prior to the 1954 Geneva Conference, the Viet Minh ruled sixty to ninety per cent of the villages in what is now South Vietnam.¹⁰ Where they ruled they distributed lands abandoned by absentee landlords,¹¹ and the bulk of rental payments ceased.¹² In a competitive

The Rice Economy of Southeast Asia: A Comment, in CONFERENCE ON WORLD LAND TENURE PROBLEMS 178-79 (K. Parson, R. Penn, & P. Raup eds. 1956) [hereinafter cited as LAND TENURE].

⁶ See Gittinger, *Progress in South Vietnam's Agrarian Reform (I)*, 29 FAR EASTERN SURVEY 1, 2 (1960) [hereinafter cited as Gittinger (I)], suggesting a range of 1.0 million to 1.2 million tenant households. R. SCIGLIANO, *SOUTH VIETNAM: NATION UNDER STRESS* 104 (1964) [hereinafter cited as SCIGLIANO], uses a figure of 1.2 million. South Vietnam has a population of approximately 15.3 million. 1964 UNITED NATIONS STATISTICAL YEARBOOK 35. Although no statistics appear to be available for South Vietnam, the family household in other Asian countries (such as Ceylon, India, Japan, Korea, Pakistan, and the Philippines) averages about 5 persons. *Id.* at 654-64. A fraction of these tenant families have been benefited by previous government land distributions. See p. 31 & note 24 *infra*.

⁷ See Ladejinsky 155-56.

⁸ *Id.* at 156 (describing conditions "on the eve of the Second World War"). The author goes on to cite a study by a French agricultural economist showing how a tenant might wind up with "little more than 10 per cent of what he has harvested." *Id.*, quoting P. GOUROU, *L'UTILISATION DU SOL EN INDOCHINE FRANCAISE* 408 (1940).

⁹ Details may be found in B. FALL, *THE TWO VIET-NAMS: A POLITICAL AND MILITARY ANALYSIS* 308-12 (rev. ed. 1964) [hereinafter cited as FALL]; G. KAHIN & J. LEWIS, *THE UNITED STATES IN VIETNAM* 102-06 (1967) [hereinafter cited as KAHIN & LEWIS]; J. MONTGOMERY, *THE POLITICS OF FOREIGN AID* 121-28 (1962); SCIGLIANO 104-05, 120-24, 199-200; Gittinger (I); Gittinger, *Progress in South Vietnam's Agrarian Reform (II)*, 29 FAR EASTERN SURVEY 17 (1960) [hereinafter cited as Gittinger (II)] (Gittinger was the United States Government expert who succeeded Ladejinsky as land-reform advisor to the regime); Ladejinsky 158-75; Wurfel, *Agrarian Reform in the Republic of Vietnam*, 26 FAR EASTERN SURVEY 81 (1957) [hereinafter cited as Wurfel]. Aspects of the textual account which are reiterated in virtually all of the discussions will not be separately cited to the particular sources.

¹⁰ KAHIN & LEWIS 102.

¹¹ *Id.*

¹² J. MONTGOMERY, *supra* note 9, at 122; Ladejinsky 157. Although they imposed taxes which largely offset the rental formerly collected by the landlords, the Viet Minh "posed

response, the Bao Dai government in 1953 declared that thereafter rents were not to exceed fifteen per cent of the crop. This nominally drastic change, probably unenforceable at best, was rendered useless by a provision allowing additional charges for buildings, tools, draft animals, seed, and fishing and grazing rights.¹³ The charges were to be agreed upon without limit as to amount. Ordinarily the "agreement" reached gave the landlord about the same total return as he had enjoyed before, even if he bothered with formal compliance. Of course, "[f]or the tenants who had been farming land of absentees or 'traitors' under the Vietminh, and were paying no rent, [even a mere fifteen per cent] . . . was regression, not reform."¹⁴

In 1954, the United States pressed Ngo Dinh Diem to undertake agrarian reform as a condition of increased aid.¹⁵ As one part of such reform, the Diem regime in 1955 promulgated a law providing for a maximum rent of twenty-five per cent and for tenure security for a three- to five-year period. After a slow start, the number of tenants holding contracts under the new law grew to about three-quarters of a million in mid-1959,¹⁶ but the rent effectively paid was closer to one-third of the crop.¹⁷ Though theoretically this could be compared favorably with the higher rents collected in the pre-Viet Minh days, the important fact is that rents were *collected*. "[T]he meaningful past for many tenants . . . is the pre-1954 wartime period, during which they enjoyed great freedom from landowner influence, though not, of course, from that of the Viet Minh tax collectors."¹⁸

successfully as fighters for the national cause and defenders of the peasants against the rich gentry." *Id.* Apparently this resulted from the formalities of reform and the fact that the money was no longer going to the despised landlords. "[U]nder the Viet-Minh regime the poor farmers are in no better economic condition, but they are happy because they are more important in the village, while the landlords are becoming poorer and have lost their former prestige and importance." J. MONTGOMERY, *supra* note 9, at 122, quoting J. Gittinger, "Agrarian Reform Status Report" (undated manuscript). There is, however, evidence that the Viet Minh allowed a theoretically maximum rent of 25% for land held by landlords remaining in residence, though apparently this applied only to small and medium-size holdings. See also Wurfel 82.

¹³ Wurfel 82.

¹⁴ *Id.*

¹⁵ SCIGLIANO 121.

¹⁶ Gittinger (I), at 2.

¹⁷ *Id.* SCIGLIANO 123.

¹⁸ SCIGLIANO 123. As time has passed, the authors have tended to be more forthright on this point. Writing in 1960 or 1961, Ladejinsky stated:

Many a tenant had not paid rent in years, and thus even the admittedly low rent of 15 to 25 per cent appeared to be an imposition. Others, whose occupation of land had been sanctioned by the Communists, believed that their owner-

The second and really crucial part of agrarian reform—land distribution¹⁹—was provided for in a 1956 ordinance and was seriously underway by 1958.²⁰ The reform ordinance suffered from fundamental defects in the maximum-ownership provisions and the terms of payment.

The ordinance set an ownership limit of one hundred hectares (247 acres) of riceland,²¹ plus fifteen hectares (about 37 acres) of inherited land to support the continuance of ancestor worship, for a total of about 284 acres. The total riceland in cultivation (including land

ship had already been confirmed, and that signing a contract now would invalidate their claim to ownership.

Ladejinsky 161. Compare his tone, suggestive of a peasant mood of polite surprise and mild remonstrance, with that of Kahin and Lewis, writing in 1967:

Large numbers of peasant tenants were suddenly obliged to pay rent to landlords who, during the nine years of the colonial war, had sat safely in Saigon under French protection. Having come to regard the lands they were tilling as their own, these peasants were hardly overjoyed when Diem's officials not only collected taxes from them but also demanded rent in behalf of these landlords. Saigon's decree that rents be reduced to 25 per cent of crop value held little attraction for peasants who had paid no rent at all under the Viet-minh. Landlords, in fact, frequently did charge more than the prescribed 25 per cent, and "agrarian" courts established to settle landlord-tenant disputes soon came under the domination of landlords and officials friendly to them, to the obvious disadvantage of the ordinary peasants.

KAHIN & LEWIS 103.

Ladejinsky may have been more candid in April 1955, when he stated that "in contrast to experience in other countries, tenants in South Vietnam were more hostile to the land reform than the landlords." Wurfel 85 (referring to N.Y. Times, April 5, 1955, at 1, col. 8).

The current legal status of land retaken from the Viet Cong is controlled by an executive decree issued December 15, 1965, which, at least in theory, prohibits landlords who were unable to collect rent during the period of Viet Cong domination from attempting to collect *back* rent, but goes on to provide that (1) a landlord can proceed to collect *current* rents, no matter how long he has been off the land; (2) if he owned less than 5 hectares (one hectare equals approximately 2.47 acres), he can repossess the whole property; (3) if he owned 5 hectares or more, he can repossess *two-thirds*—removing the present cultivators, no matter how large the estate or how long the incumbents have farmed the land—but he must rent the remaining one-third at "fair rents" to the cultivators put there or allowed there by the Viet Cong. N.Y. Times, Sept. 27, 1966, at 5, col. 2.

19 "The Vietnamese landless, like the landless the world over, were after one thing—land of their own." Ladejinsky 164.

20 The Bao Dai regime had also promulgated a land-distribution law in 1953, but it was virtually meaningless. It allowed a landlord to retain 100 hectares (247 acres) in the southern and 45 hectares (about 110 acres) in the central part of the country, *plus* a 25% increase for the fourth and each succeeding child. "Landlords with wives and concubines had large families." Ladejinsky 165.

21 The bulk of the land in South Vietnam is riceland. Land devoted to other crops was excluded from the reform. The ordinance permitted a wife and each minor child to hold separate land up to the retention limit if the land had been registered in their names before the law's promulgation. Wurfel 89. There were probably some insiders who took advantage of this provision before its promulgation.

temporarily abandoned) is between six and seven million acres.²² The land subject to reform, however, was only 1.7 million acres, since the balance was held within the lawful retention limit of 284 acres.²³ Apparently the program stalled after the appropriation of about one million acres and partial distribution to approximately 111 thousand tenant households, or about ten per cent of the tenants.²⁴ This amounted to about fourteen to sixteen per cent of the riceland, about sixty-five per cent of it formerly French-owned land for which the French government supplied the Diem regime with the funds needed for purchase.²⁵ Even if the 1.1 million acres still available under the law were distributed in approximately the same ratio—5.6 acres per family²⁶—only another twenty per cent of the tenants would benefit. Thus, with a maximum retention of 284 acres, between 700

²² Calculations in SCIGLIANO 122, suggest a figure of 6 million. The table in note 49 *infra* provides a 1957-58 figure closer to 7 million.

²³ A figure of 685 thousand hectares, or about 1.7 million acres, is suggested in Ladejinsky 170. Gittinger, writing in late 1959, offered the following breakdown from a South Vietnamese government tabulation:

TABLE 1. AREA SUBJECT TO TRANSFER (Thousands of hectares)

Nationality of owner	Cultivated	Abandoned	Total
Vietnamese	347	90	437
French	131	131	262
Total	478	221	699

Gittinger (I), at 4. A figure between 685 thousand and 699 thousand hectares would mean that some 24% to 28% of the total riceland was subject to redistribution. Ladejinsky, however, adds that his figure is "roughly a third of all the *tenanted* [riceland] in South Vietnam." Ladejinsky 170 (emphasis added). This indicates that 1 to 2 million acres were owned by persons who cultivated the land themselves. Owners of more than 10 hectares (about 25 acres) "can safely be assumed to be non-cultivators." Wurfel 82.

²⁴ See KAHIN & LEWIS 105-06; SCIGLIANO 123. Two relatively recent articles summarizing in some detail the prior efforts at land reform state that 1.1 million acres were acquired, but that the tenant farmers (the figure 116 thousand is used) received only 620 thousand acres, while some 570 thousand acres of former French-held lands were retained by the government with the intention of forming state farms. Instead, much of this land was taken over by squatters, and it is now to be distributed to them. N.Y. Times, Sept. 26, 1966, at 3, col. 1; Sept. 27, 1966, at 5, col. 2 (city ed.). It will not, however, be distributed gratis, but in return for payments to be made over a 12-year period. N.Y. Times, Oct. 2, 1965, at 2, col. 1. The distribution process appears to have bogged down. See note 41 *infra*. Other figures for land distribution, prepared in 1961, agree with those above. See FALL 311.

²⁵ KAHIN & LEWIS 105-06; Gittinger (I), at 4. It appears that the taking affected substantially all 262 thousand hectares (about 650 thousand acres) of French-owned lands, but only some 150 to 200 thousand of the 437 thousand hectares of Vietnamese-owned lands theoretically subject to reform. See table in note 23 *supra*.

²⁶ The figure is obtained if one takes 620 thousand acres as the land actually distributed. See note 24 *supra*. Seven acres may be a better goal. See note 30 *infra*.

thousand and 900 thousand tenant families would necessarily remain landless.

How far down can the retention limit be pushed, and how much additional land would be made available?²⁷ If the retention limit were reduced to fifty hectares (about 124 acres), an additional 625 thousand acres would become available for distribution.²⁸ But if the retention limit were lowered to five hectares (about 12.4 acres), older figures indicate that in the southern portion of the country some 87.5 per cent of the land would then be available for distribution.²⁹

The exigencies of achieving widespread land reform in South Vietnam, the already-established pattern indicating that an average of six to seven acres is adequate for a family,³⁰ and experience elsewhere

²⁷ The drastic lowering of the retention limit would not cause serious problems of subsistence or inefficiency. An area containing as little as 1% of the land in the present 284-acre retention limit could probably support a family, although my proposal does not go nearly this far. Rice-paddy farming is normally an intensive hand-farming operation, and there is no indication that greater efficiency would be achieved in South Vietnam through the exploitation of large tracts. See Gittinger (I), at 20.

Formosan productivity rose by one-third when the land was distributed, although in that case most of the original holdings were of medium size. See Prosterman, *supra* note 4, at 206.

²⁸ SCIGLIANO 122.

²⁹ Wurfel 81 (using data from a major study done in 1931). "Unfortunately the most reliable data are even less up-to-date than elsewhere in the area." *Id.* Ladejinsky appears to rely on the same study. He notes that, by contrast, in the central part of the county (the rice-growing central lowlands run up the coast, and are associated with such places as Da Nang and Nha-Trang):

The great mass of landlords own five to ten hectares [about 12 to 25 acres] each; the system closely resembles the petty landlordism once prevalent in Japan, Korea, Formosa, and a number of Southeast Asian countries, and this explains why the current land redistribution program does not apply to Central Vietnam.

Ladejinsky 155. The explanation is merely descriptive; a 284-acre limit does not catch a 25-acre landlord. But Ladejinsky subsequently states that "the reform, clearly and correctly, was meant for South Vietnam alone," since "[t]he government did not feel that it should begin with a retention limit which would eliminate Vietnam's rural middle class overnight." *Id.* at 168. It seems significant, however, that the very examples he cites—Japan, Korea, and Formosa—are often considered to have had the most successful land reforms of all, even though they were based on acquisition and distribution of just such "petty landlord" holdings. See ALLEN, JAPAN'S ECONOMIC EXPANSION 78-79, 84-86 (1965).

³⁰ See p. 31 *supra*. See also Gittinger (II), at 19; Wurfel 87-88. Gittinger and Wurfel discuss the attempted showcase refugee resettlement program at Cai San, which was based on 3 hectares (7.4 acres) of riceland for each household. Considerably less land would probably support a household. In Taiwan, while the average rice productivity per acre was 40% greater than in Vietnam (about 1500-1600 pounds of milled rice equivalent per acre up to the mid-50's as against some 1100 pounds per acre in South Vietnam, see COMMONWEALTH ECONOMIC COMMITTEE, GRAIN CROPS, A REVIEW 121, 122, 125-26 (1962) [hereinafter cited as GRAIN CROPS]), the average amount of land distributed in the reform was only 1.8 acres. See CHEN CHENG, LAND REFORM IN TAIWAN 75-77 (1961).

with land reform based on acquisition of the parcels of "petty landlords" strongly suggests that, given a program of adequate compensation, there is good reason to reduce the maximum-retention limit to 12.4 acres or perhaps even less.³¹ This would make available approximately 3.5 million acres,³² in addition to the 1.7 million already made distributable. If tenants were given the land they now cultivate,³³ the land distribution would probably reach between sixty-five and seventy-five per cent of all tenant families.³⁴ If the reform were likewise extended to non-riceland, a large part of some two million additional acres would probably become available,³⁵ and, if roughly three-quarters of this acreage were divided into seven-acre plots, another twenty per cent of the tenant families would receive their own land. Hence, with a more realistic acreage-retention figure, it is reasonable to expect that

³¹ There probably should be rough regional variations in the amount, depending on the quality of the land. This was figured elaborately in Taiwan. See CHEN CHENG, *supra* note 30, at 29-32, 204-05. Because of the need to move quickly in South Vietnam, a rough regional approximation will probably have to suffice. Indeed, one might be inclined to permit retention of owner-cultivated land only. That is, any land presently tenant-occupied would be outside the retention limit and available for land reform. This would have the advantage of great administrative simplicity, which might be a crucial feature. It would be almost as simple to use absence from the village as the touchstone—any land presently tenant-occupied and belonging to an absentee landlord would be outside the retention limit. A standard just slightly broader would be all land held by a landlord who was not himself a cultivator (*i.e.*, did not himself work a parcel, whether in the village or elsewhere). Even if a five-hectare retention limit were set on owner-cultivated land, the non-cultivator quite probably should be allowed no retention.

³² The figure is roughly derived by taking 75% of 7 million acres (a conservative adjustment of the 87.5% figure, *see* p. 32 *supra*, to compensate for the smaller parcels in the central region), or 5.25 million, less 1.7 million. If 6 million acres is the figure used, the added amount is about 2.8 million acres. *See* note 22 *supra*.

³³ Where tenants cultivate plots that are barely large enough to allow subsistence, a few departures may be necessary, accompanied by well-thought-out compensation. This could not be done, of course, for Viet Cong controlled areas.

³⁴ Even using the somewhat higher 7.4 average that prevailed at Cai San (*see* note 30 *supra*), 3.5 million acres could accommodate close to 500 thousand families. (If one uses 2.8 million acres as the amount available, *see* note 32 *supra*, and divides by the 5.6 acre average of the earlier reform, one also gets a figure of 500 thousand families.) Since about 300 thousand families could be accommodated on the original 1.7 million acres (111 thousand plus those placed on the additional 1 million or so acres), using for this purpose an average figure of 5.6 acres per family, about 800 thousand of the 1 million to 1.2 million tenant families would be affected.

³⁵ Scigliano appears to estimate non-riceland at somewhat over 2 million acres. SCIGLIANO 122. (His text reads 235 million—presumably a misprint for 2.35.) A figure greater than this is unlikely, since figures both for Indo-China generally and for Cambodia indicate that about 80% of the cultivated land was devoted to paddy rice farming. Ba Thein, *Land Tenure and Agrarian Problems of Burma*, in LAND TENURE 153, 155 table 14; Tep Youth, *Some Aspects of Land Tenure in Cambodia*, in *id.* at 172, 173. If there are 7 million acres of riceland, 2 million acres of other crops is 2/9, or 22% of the total land under cultivation.

between eighty-five and ninety-five per cent of South Vietnamese tenant families would receive land distributions averaging about seven acres.³⁶

The second major defect of the Diem land-distribution scheme can be sketched quickly. The landlords were to be paid ten per cent in cash and ninety per cent in three per cent bonds amortizable over a twelve-year period.³⁷ The payment was figured at about two and one-half times the value of the main crop, the ratio used in Taiwan.³⁸ The tenants were to repay the government this same amount in six annual installments.³⁹ Thus, even the few tenants benefited by the land distribution could have been expected to react in the same fashion as the tenants supposedly benefited by the earlier twenty-five per cent rent limit.⁴⁰ Kahin and Lewis summarize the reform program by observing:

Under continued American prodding, Saigon's "agrarian-reform" program finally got underway in 1958. It was restricted to rice-growing lands, but even here landlords were allowed to retain up to 284 acres—a tremendous area for land so fertile and remunerative. Even absentee owners, despite American advice, were permitted to keep rice lands up to this maximum. Where "excess" properties were actually relinquished, the peasant did not receive the redistributed land as a grant. The state insisted that the land be paid for in full, and the peasant actually got title to it only after paying the final installment. Since the Vietminh had simply given them ownership of plots belonging to absentee landlords, the peasants naturally resented having to purchase what they already regarded as their own.⁴¹

The major shortcomings of the land-distribution scheme from the tenants' point of view were underscored by two striking provisions of the governing ordinance. Article 32 provided a punishment for the "crime" of total insolvency on the part of the land-receiving tenant

³⁶ If the first possibility suggested in note 31 *supra* were adopted as to riceland, a number of smaller plots might be made available which could raise the proportion of tenants receiving land to more than 95%.

³⁷ Ladejinsky 166

³⁸ See Wurfel 90.

³⁹ Ladejinsky 166.

⁴⁰ See p. 29 *supra*.

⁴¹ KAHIN & LEWIS 105 (footnotes omitted). To the same effect, see SCIGLIANO 122-23. There have been virtually no new initiatives in land reform in recent years. See *Basic Data on the Economy of South Viet-Nam*, U.S. DEP'T OF COMMERCE OVERSEAS BUS. REP. No. 67-70, at 7 (March 1967) [hereinafter cited as *Basic Data*]. No new land has been taken under the Ky regime, and even the plan to sell land already in government hands to squatters (see note 24 *supra*) appears so far to have led to the distribution of no more than 50 thousand acres. 113 CONG. REC. 10,736 (daily ed. Aug. 3, 1967) (remarks of Senator Proxmire).

whose repayments to the government were not completed. He was to be evicted from his holding without reimbursement for the installments he had already paid.⁴² Article 11 tied land distribution to the widely unpopular twenty-five per cent maximum-rent contracts,⁴³ by providing that cultivators "[w]ho have not signed farm lease contracts or paid either rent or land tax during the past year, and who refuse to pay them by March 31, 1957 . . ." could not be distributees of land under the reform.⁴⁴

II

A PROPOSAL

A. *The Program*

As in other areas of the world, landlords' concern for their economic welfare, coupled with their political power, has been largely responsible for the very unsatisfactory progress of land reform in South Vietnam.⁴⁵ The present proposal protects the landlords' interests by assuring them full and fair compensation for land taken. Further, the United States Government should be able to support such land reform openly, since it adheres to our basic legal standards.⁴⁶

South Vietnam competes with the Viet Cong for the allegiance of the peasants. Since the prior communist reforms have led them to believe that the land is already their own, it seems unwise to make the peasants pay for the land they receive.⁴⁷ Nevertheless, even with full compensation to the landlords, the total cost of sweeping land reform in South Vietnam would be miniscule compared to our staggering military outlays. The reform can be accomplished for less than five per cent of what we are paying to prosecute the war for a single year.⁴⁸

The six to seven million acres of South Vietnamese riceland normally produce more than five million metric tons of paddy (rough)

⁴² See Wurfel 90.

⁴³ See p. 29 *supra*.

⁴⁴ Wurfel 91, quoting Ordinance No. 57, art. XI (Oct. 22, 1956).

⁴⁵ See KAHN & LEWIS 103-05; N.Y. Times, Feb. 24, 1957, § 3, at 1, col. 5.

⁴⁶ Although the United States pushed the Diem regime into starting a land-distribution program, it refused to provide the \$30 million needed to acquire the land (though it did provide \$4 million for administrative costs). "It appears that the United States was unwilling to support the appropriation of private property openly." SCIGLIANO 200.

⁴⁷ The proposal is, in this respect, different from that suggested for Latin America in Prosterman, *supra* note 4, at 204-05.

⁴⁸ About \$22 billion was requested for prosecution of the war in the 1967-68 fiscal year (see N.Y. Times, Jan. 25, 1967, at 1, col. 8 (city ed.)), and many commentators believe even this figure is considerably too low. The suggested reform would cost less than \$1 billion. See p. 39 *infra*.

rice annually, or more than three million metric tons of milled rice equivalent.⁴⁹ Detailed data on the wholesale price of rice in South Vietnam indicates that this production should be valued at from 1.5 to 1.7 cents per pound as paddy rice, or 2.0 to 2.7 cents per pound as milled rice.⁵⁰ Even if the high figures of 1.7 cents per pound for paddy rice and 2.7 cents per pound for milled rice are applied to the highest production figures, the resulting crop values are 199 and 202 million dollars.⁵¹ If the lower figures of 1.5 cents a pound for paddy rice and

49 Area under rice in South Vietnam (000 acres);					
1955-56;	1956-57;	1957-58;	1958-59;	1959-60;	1960-61;
5,384	6,276	6,716	5,661	5,930	5,728
Production (in 000 metric tons, milled rice equivalent)					
1,743	2,149	2,010	2,668	3,208	3,121

GRAIN CROPS 122, 125. This table converts from paddy (rough) rice production figures to milled rice figures at a ratio of 64%. *Id.* at iv.

The rough or paddy rice figures for the same and subsequent periods, ranging up to a high of 5.3 million metric tons in 1963, are shown in 1966 UNITED NATIONS STATISTICAL YEARBOOK 144.

50 ECONOMIC AND STATISTICS ADVISER, MINISTRY OF FOOD AND AGRICULTURE, RICE ECONOMY OF INDIA 202-03 tables 9.1-9.2 (1961). The average price of paddy rice in Vietnam (No. 1 wholesale price, Saigon) for the 5 years 1955-59 is approximately 270 piastres per 100 kilograms. (The authors are nearly unanimous in using a figure between 70 and 85 piastres to the dollar rather than the official rate of 35, as reflecting the actual exchange ratio during this period of time. *See* SCIGLIANO 198; Gittinger (I), at 3 n.3; Ladejinsky 170; Wurfel 84 n.18.) Using 75 piastres to the dollar, the value of paddy rice can be fixed at \$3.60 per 220 pounds, or 1.64 cents per pound. (The figure shown for United States paddy rice during the same 5-year period is 4.82 cents per pound.)

The same table shows the average price of milled rice for the 5 years of 1955-59 (No. 1 white, 25% broken, wholesale price, Saigon) as 446 piastres per 100 kilograms, about \$5.95 per 220 pounds, or 2.7 cents per pound. (The comparable figure for milled rice in the United States is 8.97 cents per pound.)

In terms of export price, 242 thousand long tons of milled rice equivalent were worth 819 million piastres in 1959. *See* GRAIN CROPS 130-31. This works out to just over 2 cents per pound.

"Upland rice production is averaging about 1 metric ton of paddy per hectare valued at 2,500 piastres (\$34.36 at the free market rate) per [metric] ton." Gittinger (II), at 18. Gittinger's figures work out to 1.56 cents per pound.

The recent Vietnamese inflation appears to have affected the relation between dollars, piastres, and rice, if at all, in the direction of increasing the purchasing power of a dollar relative to that of a pound of rice. In June 1966 the official rate for piastres was raised to 80 to 1. *Basic Data* 5. To this was added a "subvention," or premium, raising the official rate to 118 to 1. PRICE WATERHOUSE & CO., CURRENT FOREIGN EXCHANGE INFORMATION (AT DECEMBER 31, 1966) 36 (1967). Yet, at the most recent harvest, it was readily ascertainable that peasants received about 200 piastres per gia (a measure equal to 40 kilograms) of rice. (Interviews were conducted by the author in South Vietnam in September 1967.) Thus, even at the official rate of 118 to 1, the farmers were receiving the equivalent of 1.92 cents per pound, while at the Hong Kong rate of 140 to 1 (and local black market appears to be around 200 to 1), the farmers were receiving 1.62 cents per pound. For the Hong Kong rate, see NEWSWEEK, Sept. 25, 1967, at 47 (Asian ed.).

51 These are, of course, the figures developed as the wholesale values of rice in Saigon,

2.0 cents a pound for milled rice are applied to the same high production figures, the resulting crop values are 182 million and 150 million dollars, respectively.⁵² In light of all the data, a crop value figure of around 180 million dollars would be a fair one.⁵³

In the Formosan land reform, land valuation was based on two and one-half times the value of the main crop.⁵⁴ This may have started as the general guideline used in the Diem reform program, but one and one-half times crop value probably comes closer to the actual result.⁵⁵ By contrast, several factors suggest that a valuation closer to five times crop value is often more appropriate.⁵⁶ Use of such a valuation as a

and they therefore contain an even greater element of leeway vis-à-vis the prices actually received by the growers. The value is calculated by applying 1.7 cents per pound (about \$38 per long ton) to the 1963 paddy rice production figure of 5.3 million tons or 2.7 cents per pound (about \$60 per ton) to the equivalent 3.4 million tons of milled rice at the 64% conversion factor. *See* note 49 *supra*.

⁵² This is calculated by using 2.0 cents per pound (about \$44 per long ton) and, instead of 1.5 cents per pound, Gittinger's slightly higher figure of 1.56 cents (\$34.36 per ton). *See* note 50 *supra*. If the same values are applied to the *average* production for the years 1960-64, which is about 5.1 million long tons of paddy or 3.26 million long tons of milled rice equivalent (*see* 1966 UNITED NATIONS STATISTICAL YEARBOOK 144), the crop values are about \$147 million and \$173 million, respectively.

⁵³ This coincides with the figure derived from a value, Gittinger's 1.56 cents per pound, that does not purport to be a wholesale or middleman's price, applied to the highest paddy rice production figures. *See* note 50 *supra*.

⁵⁴ CHEN CHENG, *supra* note 30, at 78.

⁵⁵ Wurfel indicates that the compensation was to be about 2.5 times the annual production. Wurfel 90. But Gittinger states that the tenants' 6 equal annual repayments were expected in most instances to be "equal to or slightly more than" the legal maximum rent of 25% of the gross yield, indicating a total price more nearly 1.5 times annual production. Gittinger (I), at 3. In light of the actual experience, Gittinger's figure seems more accurate. *See* p. 39 *infra*.

⁵⁶ This same valuation was suggested in my proposal for Latin American land reform. *See* Prosterman, *supra* note 4, at 206 nn.38, 40. This figure was believed to reflect what the Formosan figure would have been in the absence of a prior forced reduction of rents—*i.e.*, in a noncoercive normal setting. (The 2.5-times-crop-value figure was set after a compulsory rent reduction had reduced land values by about one-half. *See* Prosterman, *supra* note 4, at 192 n.13. The actual dollar figure into which the payments in Formosa were translated is probably too high, since the price of rice used appears out of line with that in other Asian economies for which figures are available.) The 5-times-crop-value figures also seem in line with capitalization rates employed in valuing United States commercial properties.

In picking a fair multiplier for Vietnam (or any other country), it should, of course, also be proper to investigate the values at which real estate may actually change hands in secure areas of the country where a land-market may exist, and also to take into account the decline in landlords' reasonable economic expectations from their "property" where it lies in areas long occupied by the Viet Cong (a value-affecter due to the acts of a third party, and much like any *force majeure* that even the most scrupulous could regard as impairing value).

Because of the need for rapid action in Vietnam, the figure chosen—whether 5-times-

starting point (and accepting the burden of bringing forth facts, such as those on land-market transactions, to support any modifications) would affirm our adherence to standards of full compensation under international law.⁵⁷ It would also reassure the American public that the program is not significantly different, in terms of the yardstick of value used, from our own government condemnation proceedings.⁵⁸ Lastly, the valuation would serve the fundamentally important task of disarming as much as possible the political opposition of the landlord class.

If the maximum-retention limit were set low enough to make another 3.5 million acres of riceland subject to distribution,⁵⁹ then, assuming a portion of the original 1.7 million acres subject to reform still requires acquisition, four million acres might have to be acquired from the landlords. The acreage to be distributed would probably account for two-thirds or less of the total riceland.⁶⁰ The rice produced on the land to be distributed would, therefore, be worth up to 120 million dollars,⁶¹ and, even if compensation to the landlords is to average five times gross crop value, rather than two and one-half times, the cost of acquisition would be only 600 million dollars.

Although 600 million dollars is a small amount in relation to the total costs of the war, it would be sufficient to reimburse the landlords much more handsomely than under the very limited Diem program.⁶² Under the Diem land transfer, prices were apparently set at different levels for different provinces, with further variations within each province, depending on the quality of the land.⁶³ These prices ranged from a high of 170 dollars per hectare (about seventy dollars per acre) in the province of Binh Duong to a low of fifty-seven dollars per hec-

crop-value or some other—should be employed quite rigorously (at least for secure areas), not merely as a general guideline. Fortunately, South Vietnam does not suffer significantly from the complicating Latin dichotomy between capital-intensive plantations producing cash crops and inefficient, non-capital-intensive hacienda farms. For our purposes, virtually all of South Vietnam is hacienda. (Japan and California produce 2.5 times as much rice per acre as South Vietnam; Formosa and the United States South produce 1.5 times as much. See GRAIN CROPS 122, 125, 126.)

⁵⁷ See RESTATEMENT (SECOND) OF FOREIGN RELATIONS LAW OF THE UNITED STATES § 185 (1965); Prosterman, *supra* note 4, at 192-95.

⁵⁸ See note 46 *supra*.

⁵⁹ See p. 33 *supra*.

⁶⁰ This depends on whether total riceland is viewed as 6 million acres, 7 million acres, or something in between. See p. 31 & note 22 *supra*.

⁶¹ See pp. 35-37 & note 52 *supra*.

⁶² Terms and methods of payment much more favorable to landlords should also be supplied. See pp. 41-42 *infra*.

⁶³ Only 19 southern provinces were involved, since the reform did not affect the central area. See note 29 *supra*.

tare (twenty-three dollars per acre) in An Xuyen.⁶⁴ The average price received by a Vietnamese landlord in cash and bonds was apparently about sixty to sixty-five dollars per hectare (twenty-four to twenty-six dollars per acre).⁶⁵ For cultivated land the average price was about ninety-six dollars per hectare at the free-market conversion rate.⁶⁶ It appears reasonable to take one hundred dollars per hectare (approximately forty dollars per acre) as the average price of cultivated southern riceland in the prior reform.

By contrast, the present proposal allows for purchase of some four million acres for as much as 600 million dollars (150 dollars per acre), nearly four times the price given for non-abandoned land acquired from Vietnamese landlords in the prior reform. Indeed, this average price probably substantially exceeds what older data indicated to be the average prices in private land transactions.⁶⁷ The proposed price to be paid the landlords should, therefore, be considered a fair one from any point of view.

If roughly 1.5 million acres of non-riceland is included in the reform,⁶⁸ even at a slightly higher figure of 200 dollars per acre, an additional 300 million dollars seems to be the most that would be required for completion of the land distribution. The maximum total cost for achieving land ownership by eighty-five to ninety-five per cent of tenant families⁶⁹ would therefore be 900 million dollars.

B. *The Implementation*

(1) *The government of South Vietnam should declare—with maximum publicity throughout the country—that all land belongs to the tillers of the soil.*

⁶⁴ Ladejinsky 170. The author notes the prices in piastres (4,000 to 12,000) and converts them at the rate of 70 to the dollar.

⁶⁵ *Id.*

⁶⁶ Gittinger (I), at 3 (7,000 piastres). The difference between this and the prior figure appears to turn on the exclusion of abandoned land.

⁶⁷ "[T]he going price for a *hectare* of rice land is about \$200." FALL 311 (emphasis added). The figure used as an average in the text is about half that (60 thousand piastres per hectare—\$320 per acre at a conversion rate of 75 to 1) cited by Wurfel as the upper limit of prices in private land transactions in central Vietnam in the mid-1950's, a period of relative stability. Land values in southern Vietnam are much lower. Wurfel 89. The average value of Iowa farmland, including buildings, is about \$250 per acre. STATISTICAL ABSTRACT OF THE UNITED STATES 615 table 875 (1965).

⁶⁸ See p. 33 *supra*. At least the value of sweet potatoes, a major nonrice crop, does not differ markedly, in value produced per hectare, from that of rice. Gittinger (II), at 18 (\$27.48 to \$41.23, as compared to \$34.36 for paddy rice). But certain other crops are higher (ranging up to ramie, used for fish nets, which yields about \$687 per hectare). *Id.*

⁶⁹ See pp. 33-34 *supra*.

The declaration should cover peasants who have been given their land by the Viet Cong or have become de facto owners (*i.e.*, have stopped paying their rent), as well as those in government controlled areas who have continued to hold as tenants or workers of others' land.⁷⁰

(2) *The declaration of ownership should be unconditional.*

Since many peasants already regard the land as having become theirs, it does not seem feasible to condition the grant on their making payment, at least not in the case of those peasants to whom the Viet Cong have given the land. And if they do not have to pay, it would be very unwise to insist upon payment from those peasants who have remained subject to government control. To do so would be to give a reverse reward with a vengeance to the peasants who have remained loyal.

(3) *The confirmation of titles in Viet Cong occupied areas should take place as soon as they are reoccupied.*⁷¹

Of course, problems of survey and title will have to be unsnarled. Probably the most important will be to assure that the administrative bodies set up for the purpose are well-paid and incorruptible. The peasants should get along perfectly well by habit on the land they are used to farming; the main danger will be the efforts of corrupt officials to get part of the land, or something else of value, in return for their imprimatur on the paper title.⁷²

⁷⁰ The declaration should define "tiller" in such a way that a cultivator-owner would be allowed to retain up to 5 hectares (with the precise limit to vary depending on the soil-quality region). An additional 3 to 3.5 million acres of riceland and perhaps as much as 1.5 million acres of other cropland would therefore be made available for transfer to peasant ownership. The operational meaning of "tillers" would be intended roughly to achieve immediate justice based on actual patterns of cultivation, with later adjustments to take account of tenant parcels which are unusually large or clearly too small to be viable. A former tenant probably would not be allowed to receive any more than a former owner could retain.

⁷¹ This involves a significant slice of South Vietnam. See KAHN & LEWIS 238 (map showing areas of control as of January 1966). Out of a total of 2,535 villages and 13,805 hamlets, recent elections have been held in "the most secure"—988 villages and 4,476 hamlets—and are tentatively scheduled for another 275 villages and 1500 hamlets in late autumn. N.Y. Times, June 25, 1967, at 3, col. 1 (city ed.). Thus, half the villages and substantially more than half the hamlets are not regarded as sufficiently secure to permit local elections.

One might, incidentally, build a rather potent campaign around the theme that the Viet Cong stand, ultimately, for the taking and collectivization of the land being given.

⁷² The very successful Formosan procedures involved a good deal of grass-roots participation in the administrative process. For a detailed blueprint, see CHEN CHENG, *supra* note 30, at 16-17.

(4) *All rental obligations should be cancelled.*⁷³

This is consistent with the goal of giving the peasants in the Viet Cong controlled areas what they already regard as theirs and giving the loyal peasants no less. Perhaps the timing could be such that peasants in government controlled areas will just have finished making payment of a portion of their current crop. But the need for such timing is not absolute, even considered from a landlord's point of view, since landlords in government controlled areas could be compensated for unpaid current-crop rentals.⁷⁴

(5) *Landlords should be paid full value for land taken, and payment should be in anti-inflationary form and guaranteed by the United States.*

Again there will be administrative problems, particularly in regard to proof of title and establishment of fair value. Tribunals above reproach must be established; an American officer should probably be chairman of each such tribunal.⁷⁵ Under these procedures the landlords would give up all claims to the land and in return would be paid its reasonable value, in a genuinely realizable form. Compensation might consist of several different elements in varying proportions: (a) South Vietnamese government bonds tied to a general-commodity index or to the index for the price of rice (and hence inflation-proof),⁷⁶

⁷³ An exception should be made where a tenant occupies owner-retained land. This would not arise, of course, if owners were allowed to retain only owner-cultivated land, as suggested in notes 31 & 36 *supra*. Theoretically, obligations to pay back rent in Viet Cong controlled areas have already been cancelled. See note 18 *supra*.

⁷⁴ The maximum allowable rental of 25% on a riceland crop worth \$120 million (see p. 38 *supra*) would amount to \$30 million of potential added outlay. In areas where there are two yearly rice crops, the rental currently due should be considered to be that for only one crop.

⁷⁵ The same arrangement might be appropriate for the tribunals discussed at p. 40 *supra*. It would be especially suited to the present case, since the tribunals would operatively dispense United States funds. See pp. 42-43 *infra*.

It would require only brief research into South Vietnamese land transactions and the local land markets to put together a 1- or 2-day course that would train any officer of moderate intelligence to reach fair results. Difficult cases could be held over, pending the periodic visits of "circuit riding" experts. A general land valuation for the southern part of the country might be established by taking the figures developed as standard for 19 provinces in the earlier reform and multiplying them by some fixed factor, such as 3.5 or 3.75 if the very highest valuation approach is chosen. See pp. 38-39 *supra*. This would greatly ease the burden on the tribunals.

⁷⁶ Tying the bonds to stated quantities of rice (*i.e.*, the quantity that could be bought with the *nominal* number of South Vietnamese currency units initially calculated as compensation) was recommended in the original reform, but apparently was not implemented. See Wurfel 89. Both the Taiwan and Korean land reforms tied their bonds to rice. See Prosterman, *supra* note 4, at 198-99. It would also be possible to use a general commodity index. *Id.*

and *guaranteed* as to payment of both principal and interest by the United States;⁷⁷ (b) American consumer goods; (c) American dollars or the equivalent, such as short- and medium-term Treasury bills;⁷⁸ and (d) Vietnamese currency or participation in Vietnamese industrial concerns.⁷⁹

If such a mixture of compensation is applied to the 900 million dollars maximum-reasonable-cost estimate, the program might be financed as follows:

(a) *Fifty per cent*: 450 million dollars in South Vietnamese bonds to be retired in equal installments of ninety million dollars over a five-year period, payable in Vietnamese currency adjusted for inflation. Annual interest of perhaps six per cent on the declining balance would be paid. If the United States were initially to supply the amounts needed each year, by purchasing ninety million dollars worth of local currency, there could well be an accompanying agreement under which the South Vietnamese government would use the dollars to buy such American goods as are calculated to encourage agricultural and industrial development. Alternatively, perhaps one-half or one-third of the annual amount might be paid in dollars directly to the landlords, depending on how much sweetening is needed.

⁷⁷ See generally Prosterman, *supra* note 4, *passim*. The extent to which the ultimate obligation over a period of years might be borne by the South Vietnamese government—one would hope it might be willing to bear a small proportion for long-term repayment—would, of course, be a subject for negotiation between our governments.

The extent to which the landlords might be expected to shy away from bonds backed only by the South Vietnamese government's promise to pay is illustrated by the case of the French owners of 262 thousand hectares included in the prior land acquisition. The French owners were offered the choice of (1) selling their land on the same terms and prices as South Vietnamese citizens (10% cash and 90% 12-year bonds, with total compensation, in piastres, equal to an average of \$96 per hectare for cultivated land and \$28.57 per hectare for abandoned land), or (2) accepting payment in French francs from the French government at a price set by a French-Vietnamese Commission and averaging \$13.90 per hectare for cultivated land and \$3.62 per hectare for abandoned land. The French prices were 13% to 14% of the compensation offered by the Vietnamese. "Despite this, more than 90 per cent of all French citizens owning riceland have chosen to sell for francs, including all the French firms owning large holdings." Gittinger (I), at 3-4. The size of the cash component in the proffered Vietnamese compensation indicates that francs in Paris were preferred to piastres in Saigon, and that the additional amount in bonds was discounted as virtually worthless. Moreover, the Diem regime appeared quite stable at the time (1958-59), and there was virtually no inflation of the local currency in the period 1955-60. See 1966 UNITED NATIONS STATISTICAL YEARBOOK 538.

⁷⁸ Items (b) and (c) recognize that even piastres in hand would be considered far less desirable than American goods or dollars. See note 77 *supra*.

⁷⁹ Such participations were offered in the earlier reform bonds, but there was essentially nothing attractive in which to participate. See Ladejinsky 168.

(b) *Ten per cent*: ninety million dollars worth of United States consumer goods to be made immediately available (and perhaps ordered from a Sears-like catalog).

(c) *Twenty per cent*: ninety million dollars in United States currency, and ninety million dollars in United States Treasury bills with a one- to two-year maturity.

(d) *Twenty per cent*: 180 million dollars in Vietnamese currency (possibly with a small admixture of equity interests in new Vietnamese industries) to be paid in four annual installments of forty-five million dollars. This portion of the compensation should be borne ultimately by the South Vietnamese government, even if the United States must advance part of it at the beginning.

(6) *All present obligations of the peasants should be acquired from the landlords.*

The land reform should completely eliminate additional sources of landlords' power such as any tenants' indebtedness for loans to buy seed and implements. Landlords should be required, as part of the total transaction, to assign to a special agency of the South Vietnamese government all outstanding obligations owed them by tenants. In return, the landlords would receive payment in Vietnamese currency adjusted for the fair value of the debt, including its collectibility. Thus, those landlords whose holdings are now occupied by the Viet Cong would probably receive only a nominal consideration for assigning the indebtedness; this hardly seems unfair, since even payment for their land has some aspects of a windfall.⁸⁰ After reducing each debt to an amount that represents a fair per-unit price for goods sold and a fair rate of interest, the government could collect all, part, or none of the amount from the former tenant, up to the amount actually paid the landlord. In areas controlled by the Viet Cong the debt would be reduced to zero, since the amount actually paid the landlord would be nominal.

CONCLUSION

For no more than 900 million dollars, it should be possible to carry out one of the most sweeping land reforms in history. Title to virtually all cultivated land in South Vietnam would be conferred upon small

⁸⁰ Consistent with point (4), p. 41 *supra*, the release should include nominal claims for past years' unpaid rental obligations. Since virtually all such claims could fairly be considered uncollectible, no added payment would be made. At least with respect to absentee landlords, tenants' non-rent indebtedness is almost certainly nominal.

peasant tillers. At the same time, the landlords would be compensated according to the high standards that we ourselves uphold; the use of such standards should disarm political opposition to land reform. The significance of this conclusion can be stated in a rather startling way: The United States now spends close to two billion dollars a month, perhaps more, on the war.⁸¹ If the land reform shortens the war even by *two weeks*, it will pay for itself.⁸²

⁸¹ See note 48 *supra*.

⁸² As this article went to press, it was my privilege to spend several weeks in Vietnam as a consultant to a Government-sponsored research project on land reform. More than ever, I am convinced of the need for land reform and of the soundness of my proposal for meeting the need.

It is worth emphasizing that the \$900 million *maximum* figure has a great deal of built-in leeway. I am now persuaded that a more realistic figure (in terms of the actual land market, the presence in Viet-Cong dominated areas of substantial amounts of the land to be taken, and so forth) would probably be *less than half* the stated amount. Thus, one can read the textual conclusions as "doubled in spades"; the cost of the program would very likely be less than \$450 million.