



*Harvest time in South Vietnam*

# Vietnam **BULLETIN**

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# VIETNAM Bulletin

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# political & military news

## **Lower House Holds Opening Session**

SAIGON, October 4 (VP)-- President Nguyen Van Thieu, in his welcoming message at the opening of the 1971-1975 Lower House, said that such an opening was a remarkable turn in the democratic process in the Republic of Vietnam.

The President stressed the necessity of close cooperation among the national institutions in an effort to encourage the national progress.

The President wished the House of the 1971-1972 term success in its legislative duty.

Earlier, Rep. Nguyen Ba Luong, Dean of the House, read a speech congratulating the Representatives elected in the Aug. 29 election.

Rep. Luong also announced that the Lower House of the 1971-1975 term begins at the second Lower House regular session of 1971.

At this session, the House will deliberate over the 1971 National Budget Bill which must be sent to the Senate before November 30.

Before beginning such deliberations, the Dean added that the Lower House must complete the validation of the elected representatives as well as elect the Lower House Speaker, members of the House Office, the permanent House committees, and draft the House's bylaw.

Then Rep. Luong in his capacity as Dean of the House, declared the opening of the 1971-1975 Lower House.

Rep. Truong Nhu Thiem (25) of Darlec Constituency, the youngest member of the House, was elected Secretary of the opening session and read the RVN President's message.

The event was attended by Senate President Nguyen Van Huyen, Supreme Court President Tran Van Linh, Inspectorate Chairman Ngo Xuan Tich, and Senators and Cabinet members.

The Lower House will continue its meeting on Tuesday, to elect two assistants to the Dean and two secretaries.

## **Over 300 Observers, Newsmen Witness Presidential Election**

SAIGON, October 4 (VP)-- 333 observers and journalists took part in the election observation tours, sources from the Election Information Center reported. Of this figure, 98 were observers and newsmen from abroad.

Over one hundred of them toured the voting sites in Saigon, 69 in Military Region I, 72 in Military Region II, 29 in Military Region III, and 44 in Military Region IV.

The Election Information Center also reserved four helicopter flights for other guests to Go Cong, Kien Hoa, Binh Duong, Dinh Tuong, Sadec and Ba Xuyen provinces.

## Foreign Minister Interviewed by Thai Radio

SAIGON, October 9 (VP)-- Foreign Minister Tran Van Lam was interviewed Friday by Mr. Achit Unhanandana, a Thai radio commentator and Prachatipatai correspondent, who came here from Bangkok to observe the October 3rd Presidential election.

The interview was centered on problems that confront the Republic of Vietnam at the beginning of the second term of President Nguyen Van Thieu amidst speculations of possible entry of mainland China to the United Nations.

QUESTION: Mr. Minister, as President Nguyen Van Thieu is beginning his second term amidst fast developments on the international scene, what is the trend of the new foreign policy of the Republic of Vietnam?

ANSWER: The objectives of our foreign policy remain unchanged although we may have to adapt ourselves to the new circumstances. Since we have to ensure our survival and try to restore peace to this land, we will need every assistance and support from friendly countries. Neutrality will not be our policy if it means that we have to refrain from calling for help when we are attacked or if it means that we have to tie our hands and isolate ourselves for the benefit of Communist aggressors.

QUESTION: What is the China policy of the Republic of Vietnam? As a divided nation, would you recognize two Chinas?

ANSWER: We recognize only the Government of the Republic of China, whose seat is in Taipei. We feel that the Republic of China, a founding member of the United Nations, has always been a peace-loving country which upholds the principles of the UN Charter. The point is not how much territory and how many people are under its control. What matters is rather the aggressive and subversive policy of the leader of mainland China. Whether China should have one or two representatives at the United Nations is actually a matter for the Chinese people to decide.

QUESTION: Will your Government have to face problems with the Chinese minority in the event Red China is admitted to the UN?

ANSWER: The Chinese minority in Vietnam has of course some elements interested in mainland China and Mao thought, but by in large, the Chinese in Vietnam are law-abiding people who think only of doing business and earning their living. Given the close and friendly relations existing between the Republic of Vietnam and the Republic of China, and in view of the fact that the Republic of China maintains full diplomatic representation in Saigon, we do not expect any modification in the status of Chinese nationals living in this country. They would continue to enjoy that special relationship with our people which has endured through centuries, and they would continue to be treated as rather privileged aliens, being nationals of a friendly country.

As regards Chinese Nationals residing in countries which will not recognize mainland China, their position, of course, may be delicate. I believe, however, that if they want to preserve their attachment to the Republic of China, it should be possible for them to find ways and means of defending their ideological and their cultural and political loyalties.

QUESTION: Would the Republic of Vietnam join a defense pact against aggression from the outside? Do you, Mr. Minister, favor a military alliance in Southeast Asia?

continued on page

## **Minister Lam Greet New U.N. General Assembly Chairman**

SAIGON, October 2 (VP)-- RVN Foreign Minister Tran Van Lam sent a message of congratulations to Mr. Adam Malik, Indonesian Foreign Minister, who was recently elected Chairman of the United Nations General Assembly. The Indonesian Foreign Minister is the 26th prominent personality to assume this post.

In his message, Foreign Minister Lam said Asian nations were proud to share this great honor with the Indonesian Foreign Minister.

The RVN Foreign Minister expressed his belief that under the leadership of the new Chairman, the United Nations will play an important role in the maintenance and restoration of Peace all over the world and especially in war-torn countries, and in the improvement of mankind's well-being.

## **Gen. Khiem Resumes Posts**

SAIGON, October 3 (VP)-- General Tran Thien Khiem returned to his office Monday morning to resume his posts as Prime Minister and Interior Minister, after taking a one month leave without pay to stand as alternate Vice President in the "Democracy" slate.

During Prime Minister Khiem's leave, Deputy Prime Minister Nguyen Luu Vien was appointed Acting Prime Minister and Interior Vice Minister Le Cong Chat was the Acting Interior Minister.

## **Refugee Resettlement**

The latest statistics made public by the Ministry of Social Welfare show that as of July 30, 1971, only 226,037 refugees were still living in temporary camps operated by that Ministry's dependent agencies.

From December, 1966, to September, 1971, some two million Vietnamese were dislocated by the war and resettled by the Ministry of Social Welfare. In addition to this number, some 1.7 million other refugees have been authorized to return to their home villages. The total number of registered refugees to date is 3,994,822.

Resettling war refugees in South Vietnam is an endless process. Refugees who cannot find relatively stable jobs in the cities or those who do not wish to be resettled in a permanent camp are usually helped to return to their villages. The Ministry of Social Welfare has just released VN \$142 million (about US \$475,000) to various provinces for the resettlement of refugees. Among the fund-receiving provinces are:

Quang Tin: VN \$87.5 million to help 3,000 families in Thang Binh District return to their villages;

Ba Xuyen: VN \$160,000 to resettle 16 families of refugees coming from Cambodia;

Gia Dinh: VN \$8 million to help 170 families return to their villages in Long Tuong and Long Phuoc Thon;

Phuoc Long: VN \$4.2 million to assist 500 families of refugees in their community development projects;

Chuong Thien: VN \$4.6 million to help 1,207 families return to their villages in Hieu Thien District.



To improve diets and avoid over-dependence on rice, the new agricultural plan calls for increased efforts to achieve crop diversification.



Above: Mechanization of farm work is an important objective of Vietnam's five year agricultural development plan.

Right: The tropical and fertile soil in the Mekong Delta is ideal for sugar cane, as well as rice, rubber, bananas and other fruits.



## Five-Year Plan for

### **Agriculture in Vietnam**

The Republic of Vietnam has launched a five-year agricultural development plan aimed at boosting the rural economy's output by 13 percent for each of the next five years, or more than 80 percent by 1976.

Announced on the first National Farmers' Day, March 26, 1971, the plan proclaimed three objectives as national goals:

- \* to increase production to meet consumer demands,
- \* to increase the rural people's living standards while increasing the gross national income, and
- \* to increase exports while decreasing imports.

Incorporated in the plan are several already well established programs, including Land to the Tiller, the land reform program which will turn over one million hectares of riceland to 800,000 tenant farm families before 1973, and the accelerated rice production program, which will enable the nation to be self-sufficient in rice from 1972 on.

The inception of the five-year agricultural development plan was preceded by a survey of the situation that took the Agricultural Ministry a year to complete. From it came a plan that includes a detailed nationwide summary, plus blueprints for 25 projects in such fields as crops, livestock, farmer associations, farm credit, research and extension work, plus specific programs for each of the 44 provinces and four of the major cities. To reach the goal of an 80-percent-plus increase in the production value of the agricultural, forestry and fisheries sector within five years, the plan stresses agricultural intensification, diversification, and mechanization.





Helping to boost agricultural production is a more widespread use of fertilizer.



Increasing protein production is an important goal of the five-year agricultural development plan.



Ten percent of Vietnam's cattle before 1967 died of diseases which were 70 percent preventable by vaccination. Now 26 million doses of vaccine are provided annually to meet the demand.





Fish products are Vietnam's second most important food item.



By mid-1973, some 800,000 landless peasants will be given one million hectares, ending tenancy in the Republic of Vietnam.



"Miracle" rice, high-yield hybrid strains plots in South Vietnam produce nearly seven metric tons of paddy per hectare.

# economic news

## Development Loans

### US \$16 Million Japanese Loan

An agreement was signed last September 18th at the Ministry of Foreign Affairs between the Republic of Vietnam and Japan concerning a US \$16 million loan extended by Japan to the Republic of Vietnam for the purpose of building an electric power plant in Can Tho.

The plant is designed to supply power to eleven provinces and two autonomous cities in the western areas of the Mekong Delta. In coordination with the government-owned Vietnam Electric Power Company, the Japanese firm West Japan Engineering has made a feasibility study of the project which calls for two 33 megawatts power plants to be installed in the Can Tho Industrial Park, and power lines to serve the provinces of Phong Dinh, Vinh Long, An Giang, Kien Giang, Sa Dec, Ba Xuyen, Bac Lieu, An Xuyen, Vinh Binh, Chau Doc, Chuong Thien, and the cities of Can Tho and Rach Gia.

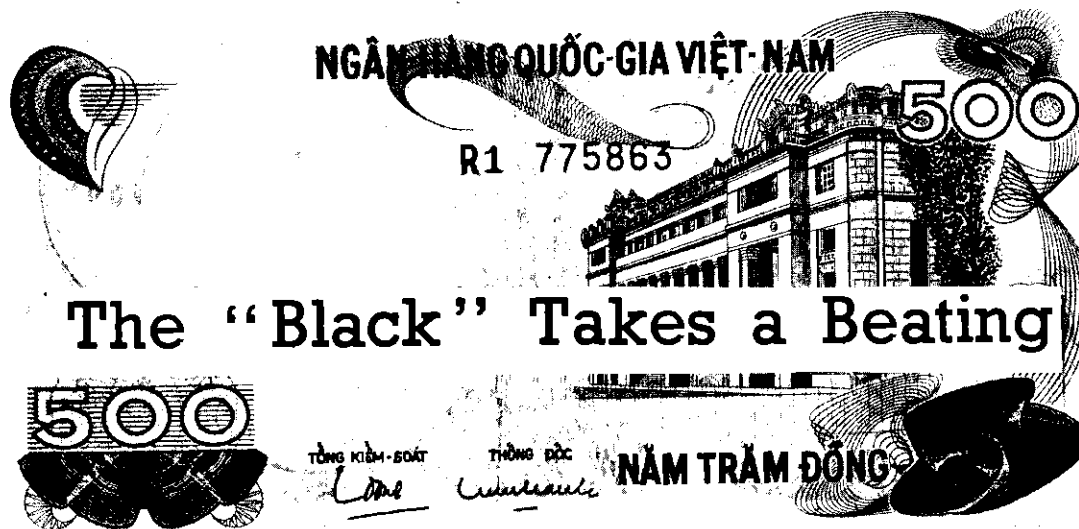
The project, costing some US \$50 million, would be implemented in two phases by the Vietnam Electric Power Company. The first phase will be financed with the US \$16 million loan from the Japanese Government. The loan is to be repaid in 25 years inclusive of a seven year's moratorium, with an interest of 3 percent per year. The first phase is expected to be completed by July, 1974. The entire project upon completion will bring electricity to some four million people and provide an impetus to the modernization of agriculture and industrialization of the Can Tho area.

During the first seven months of this year, the Industrial Development Bank (IDB) granted loans totalling VN \$337,554,872 (about US \$1.3 million) for the purchase of machinery and equipment. In the same period, the technical department of the IDB completed 24 feasibility studies concerning industrial projects of various branches. This is a service provided at nominal charge to local investors.

Sources from the IDB also said so far this year 27 investment projects to be developed in the northern part of the Republic have been submitted to the IDB for financing. Total investment capital involved in these projects amounts to some VN \$4 billion (about US \$15 million). Three of the projects submitted have been approved by the IDB, namely: VINATON (galvanized roofing sheets), food canning by the Trung Viet Company and plastics by the Hung Viet Company; the remaining projects being: 5 metal goods, 5 food processing, 3 chemical, 2 textile, 2 detergent, 2 feed mills, 1 fish storage, 1 fish-boat building, 1 rice mill, 1 cement block plant, and 1 fishnet factory.

## Selectected Imported Commodities

	Jan. 1968	Mar.9 1971	May18 1971	Sept.14 1971
Imported Rice (100 kgs)	2,200	5,700	5,350	5,850
Motorcycle (each)	40,000	203,000	230,000	260,000
Transistor radio (each)	3,376	11,500	11,200	10,800
Fertilizer (Urea)	9.1	13		12.1
Auto. gas.	9.7	20	20	20
Cement (50 kgs)	280	550	550	600
Refined sugar (kg)	23	110	180	120
Brown sugar (kg)	—	75	80	82



The South Vietnamese piastre, for years one of the world's most unstable currencies, has become unusually solid in recent months. Severe, unpopular economic reforms and improved agricultural conditions are credited with drastically reducing its inflation.

Since 1965, when American troops began pouring into South Vietnam, the piastre's annual rate of inflation has been 30 % to 35 %. But on the basis of the past three months, the annual rate has dropped to a scant 6 %. Still more surprising, the country's July 1971 price index shows only a 3 % rise over last year. Other indicators reflect the same degree of piastre strength. At the start of this year there were VN\$186,000 million in circulation, but by June 1 the supply had dropped to VN\$177,500 million. Even the black market value of a US\$100 note has dropped from well over VN\$400 the dollar in late 1970 to VN\$385 by July 5.

American advisers consider the economic reforms announced by Economy Minister Pham Kim Ngoc late last year to be the greatest single contributor to the current and health of the piastre. These moves included partial devaluation of the currency, a two-fold increase in interest rates, and increases in deposits made by importers. While the measures made Ngoc one of Saigon's least popular government figures, each of them has had a vital effect on the strength of the piastre.

Devaluation, the least popular, resulted in a sharp rise in the foreign exchange inflow. Instead of receiving VN\$118 for their U.S. dollars, American servicemen now get VN\$275. The average soldier previously spent about US\$4.50 monthly. He now spends US\$20 to US\$30. These extra dollars have made possible increased imports which are, in turn, deflationary. Imported goods not only soak up currency but as one economics official puts it, they are the only way the government has of taxing the rich. An imported luxury item can cost as much as VN\$1,300 per U.S. dollar of value, after taxes.

The extra dollars also make possible imports of such production-boosting items as fertilizer (VN\$ 118 per dollar of value) in greater quantity. Another effect of the rise in imports is an increase in

the deposits importers are obliged to make to the government. These now range from 100 % to 500 % of the value of an imported item, and are designed to discourage hoarding of imports — common in the past.

Increased interest rates, however, are the most revolutionary of Ngoc's reforms. In the past, South Vietnam's economic planners felt that cheap credit to facilitate imports was the more realistic approach. But Ngoc gambled that people would deposit their savings if interest rates were increased from 10 % to 20 %. He ordered the Commercial Bank of Vietnam to raise its rates. Since September, savings deposits have more than doubled, reaching VN\$46,500 million. Between import deposits and savings accounts, more than 30 % of the currency supply has been absorbed.

With this, imports of fertilizer and tractors have been a factor in boosting South Vietnam's rural production. Increased productivity coupled with improved military security has made it possible for significant numbers of refugees to return to the land. Although the war continues to generate refugees, three refugees now resettle for every two that come into government camps. With fewer people on government welfare the public debt is reduced.

Rice production in the provinces south of Saigon is now sufficient to supply the rice-starved North. Rice imports have stopped. Price controls, lifted in South Vietnam's Military Region II, III and IV last October, were abolished in central South Vietnam in March. Now there are only two government influences on the price of rice — neither of them direct. The first is a subsidy paid to cover transportation cost for suppliers selling rice in central provinces. The other is the price for rice the government buys.

To feed its armed forces and certain other employees, the government buys nearly 40 % of the southern crop surplus. Accordingly, the government price acts as a floor. The current market price is considerably higher than that which the government pays. An important factor both in in-

creased agricultural production and in the present coordination of marketing activity is the ADB (Agricultural Development Bank). The ADB provides loans at interest rates carefully tailored to encourage the most critical production-orientated activities.

Despite these healthy economic conditions, however, the rate of inflation for the whole of 1971 is expected to be considerably greater than the first quarter's 6 %. One reason the current rate is so low is simply that the government is behind in paying its bills. When piastres are printed to pay the public debt, the inflation rate will jump. The current economic environment, too, is expected to deteriorate significantly in the near future.

American troop withdrawals will upset the economic balance in two ways. First, security deterioration will result in more refugees on the public payroll plus fewer acres of productive land. Already, Military Regions I and II are experiencing an increased refugee influx. Secondly, with fewer troops to convert dollars, there will be less

foreign exchange available to finance anti-inflationary import programmes. USAID (U.S. Agency for International Development) hopes to make up some of the difference through direct dollar transfusions to the South Vietnamese government, but U.S. Congressional approval for funds to South Vietnam is increasingly difficult to obtain.

With no import tax revenues the public debt will climb as there are no other effective taxes to fall back on. Under South Vietnamese law, a man cannot be imprisoned for non-payment of taxes; so the only hope of collecting, without a long court fight and tremendous administrative effort, is to have something the taxpayer wants. Luxury imports are the answer for the moment.

In the next few months, however, the piastre is expected to remain relatively stable. If in the meantime a responsible fiscal policy including a realistic tax programme is introduced, South Vietnam might again achieve real, long-term currency stability.



## The First Discovery of America?

Interest in Vietnamese archeology seems to have a revival in the forthcoming publication by Columbia University Press of a collection of papers, some of which reexamine the relationships between the Dongson civilization and other early Pacific cultures. A book recently published in Germany is also entirely devoted to the Dongson civilization and its spread.

Dongson is the name of a village in Thanh Hoa Province (presently in North Viet-Nam). It was here that, acting on clues deduced from his previous studies in France at the Ecole du Louvre, Professor Olov R.T. Janse discovered the relics of an important ancient settlement dating back some 2,500 years ago. Working from thousands of artifacts belonging to an original local culture and methodically excavated in the mid-1930's, Dr. Janse has been able to draw up the main characteristics of this civilization to which the term "Dongsonian" is now permanently affixed. The original finds excavated at Dongson have been partially described in print by Dr. Janse himself (Archeological Research in Indochina, 3 volumes, Cambridge and Brussels, 1947-1958), awaiting further study and complete inventory. The artifacts themselves are preserved in collections all over the world, ranging from Viet-Nam (The National Museums of Hanoi and Saigon) and France (Musée Guimet and Musée Cernuschi in Paris, Musée Saint-Germain near Paris) to the Musée du Cinquantenaire in Brussels (Belgium) and the Peabody Museum in Cambridge, Mass.

The abiding interest of the Dongsonian civilization and its motifs is further enhanced a few years back when the late Emilio Estrada, excavating ancient mounds on the coast of Ecuador near the small port town of Bahia, discovered many items of types not found elsewhere on the American continent but strangely reminiscent of various objects found earlier in Viet-Nam. Among these, for instance, are miniature houses of terra cotta with upturned gables not unlike those found in ancient tombs in Central and North Viet-Nam. Also, there are terra cotta figurines representing individuals seated in the Buddhist cross-legged position and pottery decorated with pictures showing a person carrying loads on the two ends of a pole put across the shoulder. It should be noted also that rafts with movable center-boards, the same type as those still found in use today in Viet-Nam (Sam-son, Thanh Hoa), occur only in Ecuador and nearby northern Peru.

On the basis of analyses made (carbon-14 technique), it can be safely stated that the oldest South American artifacts discovered so far date back to the beginning of the Christian era. For some unknown reasons, the Bahia culture seems to have been wiped out around the middle of the first millenium A.D.

Archeologists have long been puzzled by certain definite similarities between ancient Central and South America and the civilizations of the Far East. The possibility of direct contacts between what is now Latin America and China or Viet-Nam some 2,000 years ago being so remote, the temptation is great that one dismiss these similarities as pure coincidence. But coincidences have a way of nagging at one's consciousness. If individually the similarities might be dismissed as of little consequence, cumulatively the effect is so overwhelming as to bear out some of the boldest conceptions and reconstructions by non-conformist scholars who see

direct or indirect contacts between the ancient Far East and Southeast Asia on the one hand and the American continent on the other. The Bahia finds thus will bear important implications with regard to Vietnamese and American archeology.

Who could be the brave mariners who ventured across the Pacific some 2,000 years ago? The most likely answer would be: a southern group of Dongsonians, possibly in conjunction with other ethnic groups of Micro- and Polynesia. It should be recalled that by the beginning of our era, the Dongson people had been developing their culture for some five centuries already and spread their civilization to the whole of Indochina and the East Indies. In southern Viet-Nam, the Dongsonians must have come in contact with the highly developed Funanese, gifted maritime traders with links to the Indian and Hellenistic world. The voyage across the Pacific may have been motivated by either pedestrian prospects of further trade or mystic beliefs in an overseas Blessed Island--not unlike the Greeks.

The spread of Dongsonian culture towards the South Pacific has been dated with a fair degree of accuracy at around the beginning of our era. Can it be a mere coincidence that the earliest findings at Bahia also date from that time? Moreover, it should be noted that one of the important sea currents (the Equatorial Counter-current) skirts the coast of New Guinea and from there runs across the Pacific to the coast of Ecuador. The Kon Tiki voyage of the latter-day Viking, Thor Heyerdahl, has proven the possibility of a return voyage, following a current which took him from Peru to the Society Islands (Tahiti). Thus, a two-way traffic is perfectly imaginable, even for that early date.

The reason for the disappearance of the Bahia culture around 500 A.D. is as yet an unfathomed secret. It is worth mentioning, however, that this coincides with the disappearance of Oc-eo in Funan (southern Viet-Nam) as well, possibly the result of a cataclysmic quirk of nature (a tidal wave?). Thus, relations between the original country (Oc-eo) and its settlement abroad (Bahia) could have been severed as a result. Conceivably also, left to itself, the settlement on foreign shores just withered away.

Should the above reconstruction come close to the truth, it will call for an entire reexamination of world history before and after the birth of the Christian era. The period might very well prove to be a great age of exploration antedating the voyage of Christopher Columbus by some fifteen hundred years and the Vikings' explorations of America by a full millenium. It is, no doubt, too early to affirm the relationships between Dongson and Bahia, further extensive study and excavations in Viet-Nam and America will be needed before one could come to a certain conclusion, but doubters will only have to be reminded that who before 1942 would believe that Mark Antony gold coins would be discovered at Oc-eo, near Rach Gia in the Republic of Viet-Nam?





FOREIGN MINISTER LAM INTERVIEWED BY THAI RADIO  
(continued from page 4)

ANSWER: Although the Republic of Vietnam does need the help of friendly nations in its struggle against external aggression, our country is not a member of any formal military alliance. We are not considering participation in any mutual defense pact, for the simple reason that there is at present no tendency in Southeast Asia for forming such a pact.

However, believing as we do in peaceful coexistence, and cooperation with all nations for the development of our Southeast Asian region, we would naturally welcome all efforts at regional cooperation. In fact, the Republic of Vietnam has been receiving valuable cooperation and assistance, not just in the military field, from a number of friendly nations. For example, participation units of the Royal Thai Army in the defense of this country against the current aggression of the Communists.

Such cooperation, however, is only for the specific purpose of meeting a particular threat to our freedom and national integrity at a particular moment in time: we do not form or enter any kind of formal military alliance of a lasting character.

QUESTION: What would South Vietnam do if the Communist threat were still present once peace is restored?

ANSWER: We are organizing our defense in depth. This calls for an efficient regular army and the maintenance of local security by regional forces and people's self-defense forces. Our strategy also has social and political aspects. If our government can raise the standard of living of our people and maintain political stability, we can face the Communist threat with confidence.

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