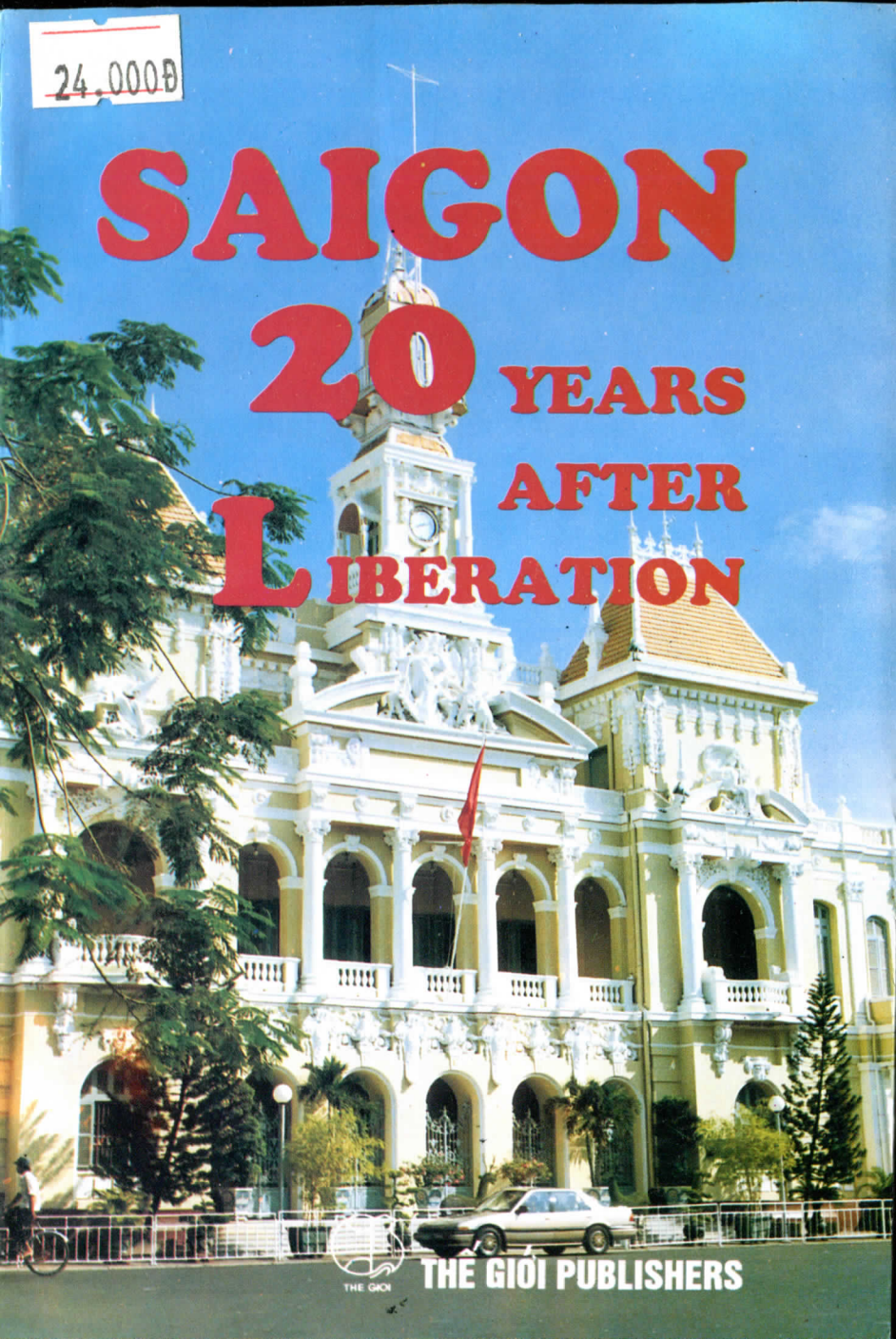


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SAIGON 20 YEARS AFTER LIBERATION



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20 years
after liberation

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20 YEARS
AFTER LIBERATION

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PREFACE

The 20th anniversary of the liberation of South Vietnam and the reunification of the country (April 30, 1975 - April 30, 1995) has recently been celebrated in Ho Chi Minh City and throughout Vietnam.

Twenty years is not such a long passage of time in the history of a city or a nation. However, during this period the authorities and the people of Ho Chi Minh City have overcome the aftermath of the past and the serious socio-economic crisis full of numerous difficulties and challenges. They managed to maintain the leading role of the city as an important national and international economic, cultural and trade centre in Vietnam and in the region.

The trend of the positive development of the City is irreversible. Yet the city is facing many questions to be resolved. For those who are interested in its past, present and future this collection is being published by The Gioi Publishers. It includes speeches, interviews and research work by the Party's and the State's leaders, the

famous historian, Dr. Nguyen Khac Vien, and other witnesses to history.

We are happy to offer you this book.

May 1995
The Gioi Publishers - Hanoi

IN THE INTEREST OF THE BUILDING AND DEVELOPMENT OF HO CHI MINH CITY

*Excerpt from the speech delivered by Mr.
Truong Tán Sang, Party Central Committee member, Deputy Secretary of the
City Party Committee, Chairman of the
City People's Committee, on April 30,
1995 — the 20th anniversary of the
City's liberation and May Day*

Twenty years ago, on April 30, 1975, at 11.30 a.m. to the cheerful shouts of the entire people and army, the glorious flag of our country fluttered over the roof of the last fortress of the Sai Gon regime, announcing the complete victory of the Hồ Chí Minh campaign, the peak of the Spring 75's general attack and uprising. The 30-year struggle for national salvation recorded total victory!

...Right after liberation, we began to heal the wounds of war, restored production, cared for the people's life, built and protected the City. This is a primary objective set by the Party, administration and people of the City at a time when such a large City - the enemy's nerve centre of the war in the recent past - confronted hundreds of thousands of questions with untold consequences: an economy paralyzed by war, millions of

unemployed, raging social evils and a "white belt zone" full of bomb craters and mines laid all over suburban districts...

...In a short period of a few post-war years, the economy was gradually restored and developed; the political situation stabilized; the material and cultural life of different social strata, mainly poor working people, improved step by step. But like the rest of the country, the City experienced a difficult stage, including the consequences of a concentrated, bureaucratic, subsidized mechanism. Like other localities, the Party, the administration and people of the City endeavoured to bring into play the spirit of "courage to think and to act", to bear responsibility, to seriously and realistically draw lessons from their experiences and organize a break-through in renovation of the economic mechanism. They accelerated the development of production and successfully cared for the people's lives. Along with other provinces and cities of the country, the City made contributions to the *all-round renovation* policy initiated by the Sixth Party Congress (1986), then reaffirmed and developed by the Seventh Party Congress.

Over the past twenty years, the City has had a dash of vigour and enthusiasm, particularly over the recent ten years with the implementation of the renovation line, the building and defence of the City has become more exciting. The open-door policy, the socialist-oriented multi-sector economy operating along the market mechanism and the diversified, multilateral foreign policy constitute

a new gust of wind and bring enthusiasm to five million inhabitants who feel more at ease in earning their living, in enriching themselves and their country. Being aware of the renovation of their Homeland, overseas Vietnamese have actively contributed their capital, drive and intelligence to the building of the City and country. There are more and more foreign countries investing and establishing economic cooperation with the City. The socio-economic potential is being aroused; all economic sectors are actively operating, many socio-economic infrastructure works have been built; industrial zones, new-populated areas and urbanized regions are rapidly developing. All of this has brought profound changes and very important initial achievements which serve as the basis for more rapid changes to the City in the next stage.

As a large economic center in Vietnam and the region, the City has been playing, at the same time, the role of a multi-function center. Over the past twenty years, the GDP has increased over three times and GDP per capita over twofold. Since 1990, the socio-economic situation has come out of recession stage and the rate of investment by all economic sectors increased ninefold of which foreign investment accounts for 30%, with both sources of capital having a tendency to increase quickly. The socio-economic infrastructure has experienced changes for the better in the inner City and suburban areas, creating favorable conditions for economic, cultural and social development. The annual average economic growth rate reached 12.5%, the GDP per capita,

810 US\$ in 1994, every year over 100,000 persons are employed, gradually reducing the unemployment rate. The annual increase of export of over 15% has actively contributed to the general balance of payments of the country and prices have been relatively stabilized.

With a population accounting for 6.4% and 7.3% of the country's labour force, the City has contributed 19% of GDP and 28% of the State budget to the successful building of the country.

Together with economic development, the City has always attached importance to cultural development, to the raise of the cultural level of the people, especially those living in remote areas. Literature and art, information and the press have incessantly developed and met the requirements of economic growth and the diversified needs of all social strata, particularly the youth. Education and training have been paid due attention; the number of general education and university students have increased. The care for the people's health has been successful, the number of beds and doctors rapidly increasing; **the rate of poor patients who are treated free of charge has also increased.** The primary health care and the gymnastic and sport movement have also gained momentum among the people.

A great number of mass movements have left favourable impressions on the people's minds over the past twenty years: the movement to encourage study, **to raise funds to sponsor talented poor students and to sponsor young talented students in their studies.** The movement

to eliminate famine and reduce poverty, which inherits and develops the good ethics of the Vietnamese, has received dozens of billion dongs contributed by all social strata to help one another and has created jobs for dozens of thousands of poor households. As a result, **famine has basically ended and part of the population has become better off.** Thank to the housing programme, the area per capita is now 7 sq.m. as against 5 sq.m in 1990 and every year over two million square metres of housing are built. The movement to construct "gratitude houses" has created some thousands of flats thanks to the contribution made by the populace. Up to now, the housing question for "policy beneficiaries" has been fundamentally solved. **Many living quarters have been beautifully rebuilt and have brought a new life to poor people who had to live miserable lives in the slums.** As regards suburban rural areas, which were seriously devastated in the war, now 98% of communes have electricity; a number of communes have implemented the electrification programme, bringing electricity to households, contributing to the improvement of the material and intellectual life of the inhabitants living in remote areas and revolutionary bases.

Over the past twenty years, the City has always been a target to be destroyed by anti-Vietnamese forces. With the undaunted tradition of our people, with the wisdom, creativeness and courage of the People's Armed forces, we always care for national defence, unceasingly consolidate our forces, heighten revolutionary vigilance,

firmly secure political and social order and resolutely defend peaceful construction and successful renovation.

On the path of construction and defence of the City, many typical examples have been set in all fields. Various strata of people, government officials and army men, individuals and collectives belonging to many generations and being trained by different sources have made every effort, have united to overcome difficulties and hardships and finally have scored the present achievements. The loftiest is that living in the Ho Chi Minh era they know how to reaffirm themselves and advance forward, for the benefit of the lofty ideal.

On behalf of the Party Committee, Administration and Fatherland Front of the City, I warmly congratulate these great accomplishments and exploits recorded in all fields by all strata of the people, government officials and armymen in the building and defence of the glorious City. I would like to express sincere congratulations to those provinces and cities which have scored fine achievements and have drawn varied and rich lessons; I also wish to express deep gratitude of fraternal feelings, wholehearted support and unfettered assistance from the whole country extended to this city over the past twenty years.

Dear countrymen,

Dear comrades and friends,

In twenty years of the building and defence of the City, all levels, branches and strata of the people have firmly maintained political stability which serves as a steady foundation for economic development and the improvement of the people's lives. At the same time they have done their utmost to gradually bring the City out of the socio-economic crisis, to give it a fair growth rate and to create bright prospects for the City to enter a new higher development stage in the final years of this century. They have made a worthy contribution to enter, along with the whole country, the period of "industrialization and modernization" and **to narrow the gap, the lagging behind, in comparison with other cities and countries of the region.**

Our City, Dong Nai and Ba Ria-Vung Tau constitute the core, the motive force of development of the key economic area in South Vietnam, of which HCM City is developing as a multi-functional center: industry, science, technology, commerce, finance, culture and services center, an important exchange place with the

outside world. From a very low starting point in comparison with the surrounding cities of the region and with a sense of responsibility towards the country, from now up to the year 2000, we are determined to reach a stable average annual growth rate of 15% and upwards. We are determined to increase GDP per capita to 1,500 US\$ in 2000, i.e. to create a twofold increase as compared with 1994 and to lower the unemployment rate to 5%. We will augment export and foreign currency services three fold as against 1994 and tightly control imports, in order to make the domestic market healthy and urgently prepare the necessary basis for the next stage of development at the beginning of the 21st century.

More than ever, the City should have great determination to ensure the tempo of development, with economic growth linked to social progress — the use of domestic resources being decisive and that of external forces, important — and to build the City in conformity with the objective of "a wealthy people, strong country, fair and civilized society". **Different strata of people and overseas countrymen should make every effort to exploit all domestic potentials and opportunities, including the expansion of cooperation with southern provinces, cities and the whole country, which will serve as the basis for obtaining external resources.** We shall be ready "to close the past, to look forward to the future" in the interest of the objective of development.

The renovation and development are closely associated with the leadership of the Party, with the renewal and reorganization of the Party, the continued building and perfection of the State in accordance with the resolutions of the Party Central Committee.

To further the improvement of the capacity of Party leadership and efficiency of the State administration in the vital relations between the Party, administration and the people.

Imbued with Uncle Ho's thought: "If we obtain the people's confidence, we will be able to do everything" (literally: we are not afraid of anything), we should do our best so that the people become more closely connected with the Party in accordance with the spirit "the Party believes the people, the people believe the Party".

General Secretary Do Mui has *"earnestly called on all Vietnamese to grasp President Ho Chi Minh's lofty thought, highly value the great cause, take the general objective as a common one, eliminate complexes, hatred, look forward to the future, and unite into one block in the interest of the country and nation"*. More than anyone else, public officials and Party members should turn the above words into feelings, thoughts and deeds. We will surely have a new force, and gain new victories.

...In the immediate future, there will be great opportunities. Our country lies in a dynamic economic area of Asia and the Pacific. Advantages and big challenges are

always intermingled; we all should be firm, vigilant, courageous and intelligent to overcome the challenges, make the most of the opportunities, drive back the dangers and bring renovation to its final success in conformity with the path chosen by President Ho Chi Minh — the socialist-oriented path to people's happiness.

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INTERVIEW GIVEN BY THE
CHAIRMAN OF THE HO CHI MINH CITY
PEOPLE'S COMMITTEE TRUONG TAN SANG
TO "DAI DOAN KET" REVIEW.

On the 20th anniversary of liberation of the City
(April 30, 1975-April 30, 1995)

Correspondent (C): According to the development plan of the City, in the year 2000, the average income per capita shall exceed 1,000 US\$. What should be done to reach this objective?

Chairman Truong Tan Sang (Chairman): In the 1991-94 period, the average annual increase of GDP was 12.5% over the preceding period (86-90). Especially in 1994, GDP increased 14.5%, the average per capita 810 US\$.

The figures prove that the economic growth of the City is quite stable and is increasing. This growth is associated with the success recorded in the social sphere: job creation, gradual improvement of the technical-social infrastructure, raising the quality of services related to science and technology, public health, education, training, finance, etc.

These results constitute the starting points for the City in making an all-sided assessment of the internal and external factors to accelerate the City's economic growth. On the basis of this assessment, we estimate that the average GDP increase from now to year 2000 is 15% and the average GDP per capita will be 1,400-1,500 US\$.

To reach these projected figures, the City will have to follow systematic solutions:

1. Investment capital:

From the present up to 2000, 12 billion US\$ of investment capital are required to ensure the average annual GDP increase of 15%. According to estimates, the City must attract 50% of domestic capital and 50% of foreign capital.

2. The renovation of development planning and programming.

Based on the development objectives of planning and programming, the method and content should be renovated so as to conform to the movement of the market mechanism. We must take the initiative in forecast and

information, shall balance inter-branch orientation and program development objectives.

3. Administrative reform and the training of a contingent of functionaries who are able to meet the requirements of the State administration in the new stage.

The Government is carrying out a deep reform of national administration in many fields in order to raise the efficiency of social administration of the State machinery. With regard to HCM City, this task is of particular importance and requires that the administration be more capable and efficient. We will focus on the rearrangement of the administrative machinery, on the improvement of administrative formalities, on the quick training and re-organisation of our contingent of functionaries.

4. The implementation of consistent, homogeneous policies and measures on the industrialization and modernization of production.

First of all, we will focus on modernization of the system of education and training and of research centres; on the modernization of the network of information and telecommunications; the modernization of processing and manufacturing industry sector and of technology used in the State administration.

5. Due attention is to be paid to the planning of human resources development in order to serve better the process of industrialization and modernization.

- The City is focusing on research of the estimates of the quantity, quality and structure of professional and technical human resources required in each branch in order to help orientate training.

We will coordinate training organizations (supply) with labour-using organizations (demand) to work out training plans to meet the requirements of socio-economic development. The city has a policy to foster and train a contingent of "grey-matter" labourers which constitute the basis of the process of industrialization and modernization.

C: Apart from the economic development, from now to the year 2000, are there any other urgent questions to be solved by the city to enter the 21st century?

Chairman: In recent years, HCM City has had a continuous and stable growth (on an average: 12.5% for the 1991-94 period).

However, to obtain further GDP growth means attention has to be paid to 3 indicators: namely, population growth rate, inflation and unemployment growth rate.

These are the pressing questions to be solved by the City before entering the 21st century:

- The basis for growth is not yet steady. Though the annual average is 12.5%, the absolute level of growth is still modest because of its very low starting point. Industry which is the main source of growth is in an unstable state. The industries which play the role of speeding up the process of industrialization and modernization of

the City are still young and the rate of unemployment is still high (10%).

- The services sector accounts for a high proportion of the City's GDP, but its structure is unbalanced in comparison with the requirements of urban and regional development. Services to business, commerce and hotels account for a high proportion (23.5%) while other services such as transport, postal, banking, financial, science, technology, insurance, economic information, etc., make up a modest part and do not create a motive force to accelerate the process of industrialization and modernization and improve the people's living conditions. On the other hand, economic development has not yet created a qualitative factor in economic structural change.

- Poor infrastructure is hindering the economic development of HCM City. A lot of effort and investment capital are required to gradually overcome this weakness. With regard to social infrastructure (education, training, public health, science), investment has been inappropriate as compared with the requirements of such a large City, and this is a factor causing possible falling behind in our projected position.

- Besides this HCM City still has to overcome its high population growth rate.

- The ecological environment is still weak though the scale of the City's industrialisation is not large. It is mainly due to the aftermath of development of the past and other reasons, such as a high population growth rate,

a lack of jobs, the low living standards and low level of people's common background.

The above questions should be settled in the years to come and up to 2000 in order to create a steady and important transitional period ushering in the 21st century - the era of industrialization and modernization of the country.

C: Would you please give us some comment on the contribution made by intellectuals, patriotic personalities and overseas Vietnamese to the development of the City in the past 20 years. In the immediate future, what do you think they will do to contribute to the prosperity of the City?

Chairman: With the correct policy of the Party and State, intellectuals, patriotic personalities and overseas countrymen have made active contributions to the building and development of the City. Together with other strata of people, they have recorded initial achievements in the construction of the City. In new stage of development, with the existing potential of the City and an expanded cooperation in international relations, different strata of the City's inhabitants, **including the important role played by intellectuals, patriotic personalities and overseas countrymen**, will make a worthy and glorious contribution to the building of the City.

C: HCM City is a place where the many social strata of the population are concentrated. Over the past 20 years, what has the City done to consolidate all these forces to contribute to the development of the City in the implementation

of the great line of the Party and State, namely national concord, national conciliation and national unity in the interest of "a wealthy people, strong country"?

Chairman: HCM City is the place where there is a convergence of talented people and material resources ever since the formation of Ben Nghe, then Sai Gon and now Ho Chi Minh City. This is a strength as compared with other localities, where it is difficult to find such superiority. In the old times, with the tradition of national unity, the inhabitants here united in the building of the country, in the struggle against natural calamities for the protection of their lives, and against aggression to defend national independence and freedom. With the correct line and policy of the Party and State, this solidarity has been strengthened and has undergone positive qualitative changes. As a result, the City has overcome many difficulties including some dangerous situations and has recorded significant achievements in the struggle for liberation and in peaceful construction. The Fatherland Front and mass organizations that represent the interest of all circles and strata of people has important significance. Together with the administration, they gather and unite all of the people in the pursuit of the objective of "a wealthy people, strong country and fair and civilized society" on the path of rapid development of the City.

C: Thank you, Mr. Chairman.

**TO DESERVE BEING A MAJOR
ECONOMIC CENTRE, AN IMPORTANT
CULTURAL, SCIENTIFIC
AND TECHNOLOGICAL CENTRE,
AN IMPORTANT CENTRE
OF INTERNATIONAL COMMERCE**

Excerpt from the address by Do Muoi, General Secretary of the Communist Party of Vietnam to the Vth Congress of the Ho Chi Minh City's Party organization (second round) - October 22, 1991.

... With the Communists' sense of responsibility to the Party and the people, we must realize that besides the achievements recorded, the City has a number of aspects that are not good and do not correspond to its great potentialities.

The views expressed by Party cadres, members, revolutionary veterans, representatives of the various social strata, members of the Fatherland Front, intellectuals, writers and artists in contribution to the draft documents of the current Congress of the Party's Organization, include heart-seated and sound remarks. We had not realized the dual character of the market mechanism,

nor foreseen the problems which would arise, we had not made proper preparations when entering the market economy to promote its positive and dynamic aspect and limit its spontaneous negative one. The State management with regard to a big city like ours had not received proper attention. The Party Organization is working in an area where the commodity economy is more developed than in the rest of the country, and where there are intense activities on the domestic and foreign market; for this reason, care should be taken to temper the political personality, intellectual capability and moral qualities for the Party's organization and for each cadre and party member with firmness on a new intellectual and moral level, the City can gain greater successes in the struggle against negative manifestations, corruption, bribery, smuggling, manufacture of faked goods, bankruptcies of credit organizations, major cases of loss and theft of the property of the State and the people, defects in business with foreign countries, loose management of culture, information and press, including in cultural cooperation and cultural services with foreign countries, running after profits in cultural activities, non-selective acceptance of foreign culture, eroding the national features of the traditional culture and ethics of the nation. The host of severe criticisms made by comrades and countrymen constitute a sound reminder for each party member and cadre. The people demand that defence and security be maintained, discipline and law observed, that corrupt elements be severely punished, all attempts at covering crimes be opposed, the Party organization and the State apparatus be pure and strong.

This reflects the eager aspirations of the people for stability, a healthy living and working environment, observance of the citizens's rights, correct and broad implementation of democracy.

From the forum of the Party's Municipal Congress, I wish to recall the Party's role in an industrial city having a numerous working class. **It must be recognized that the Party's base in the working class is not strong enough, the comprehension of the Party in the working class has not been appropriately fostered, the promotion of the working class and the Party work among the workers are still weak.** The commodity production and the market mechanism do not in any way cause the role of the working class to fade away. On the contrary, the new conditions of socialist construction require all the more strongly an increased position and role of the working class. It is proceeding from the stand of the working class and acting as representative of the interests of the labouring people that our Party is carrying out the development of a multi-sector commodity economy. It is also from this point that the Party organization achieves the alliance between workers, peasants and intellectuals, brings into play the great potentialities of the intellectuals in the City in the implementation of national policies on education and training, science and technology. Proceeding also from the working class stand, the Party organization must renovate and strengthen its leadership over the mass organizations and the diverse social organizations which reflect the peculiar features of a big urban centre.

The contingent of cadres in the City is very numerous, dynamic and sensitive; it is constantly enlarged from the revolutionary movement; the young forces are increasing, many comrades have rapidly attained maturity. However the cadre work does not catch up with the new situation. Many problems of concern remain to be solved, from the planning to the training and appointment of cadres, both members and non-members of the Party, in order to turn each cadre into a faithful militant, a creative talent dedicated to the people's cause. The development of the commodity economy cannot be a reason weakening the quality of the cadre, but instead requires all the more that the cadre be steadier, more creative and more capable of rallying the people. The cadre work must proceed from a broad, scientific outlook; great esteem must be given to those cadres who are faithful, capable, morally good, steered in practical work, and meet the requirements of the revolutionary tasks. Any manifestation of opportunism, particularism, narrow-mindedness and fractionalism must be criticized.

One weak point in the work of the municipal Party organization is failure to sum up in time the practical work in various fields or in case the summing up is undertaken but the quality of the work is not high. The lessons drawn in a systematic way from the realities of a big centre like Ho Chi Minh City will raise the quality of the Party organization's leadership, and add to the common treasure of experience of the Party. The summing up of the work helps us discover the contradictions to be solved, correctly assess the strong and the weak

points, the correct and the wrong aspects, carry out self-criticism and criticism, thereby raising the standards of cadres and party members, detecting good cadres, eliminating the degenerated ones, consolidating our ranks and heightening the revolutionary leading capacity.

The Central Committee is in part responsible for the weaknesses and shortcoming of the City. Macro-management with a series of general policies, especially about banking, finance, currency, and the activities of many branches at the central echelon must be improved in a spirit of renovation, thereby creating favourable conditions for the development of the various localities in the national economy, and at the same time, restoring order, maintaining discipline and the effectiveness of the laws. The central branches must help the City overcome the difficulties and obstacles. Our major orientation now is to bring our country out of the socio-economic crisis and to strive for a prosperous future of the Vietnamese nation. All activities in the whole country must aim at this direction.

... Ho Chi Minh City is a major economic centre, a cultural, scientific and technological centre, a major communication link and an important centre of international exchanges. Its economy is closely linked to a rich agricultural, forestry and fishery area, it is endowed with a developing commodity production, great resources in manpower and land, which ensures it a rear area abounding in food, foodstuffs, agricultural products and raw materials. The development of the oil and gas industry will open up great prospects for its industrial and services

branches. Of course, there are difficulties and complexities in the political, economic, cultural, national defence and security fields. **Yet on the whole, no other province or city in our country enjoys such great advantages and potentialities.**

The Party's line of renovation gives us more knowledge and sets higher requirements with regard to the promotion of the central role of the City on the path to the development of a multi-sector commodity economy which operates in accordance with a State-managed market mechanism and which has a socialist orientation. To meet this requirement, the City must determine a rational economic structure, capable of turning out high-quality products diversified in variety and abundant in quantity with high-productivity quality and effectiveness.

The city must make the most of its strong position, attract the raw materials available in the area to strongly develop processing industries for agricultural, forestry and aquatic products and consumer goods industries, to meet the domestic needs and replace a noticeable part of imports; it must also strive to raise the quality of its products so as to meet the requirements of exports.

At the same time, appropriate attention must be paid to the development of manufacturing industries, in the first place, engineering and electronics, the manufacture of means of production so as to be in a position to equip or reequip the City and the whole area, especially to further the development of local agriculture, forestry and fishery, and that of the industries processing agricultural,

forestry, aquatic products and turning out consumer goods. Particular attention must be paid to the upgrading of the infrastructure and the construction of new facilities.

The agriculture of our country, especially in the South, is rapidly shifting to commodity-producing agriculture in the direction of all-round development, taking productivity, quality and effectiveness as criteria. For this reason, it requires the development of water conservancy works, mechanization, electrification, the promotion of chemical and biological industries. To carry out this process, on the one hand, it is necessary to clearly determine the orientation of the shift of the City's economic structure as mentioned above, on the other hand, particular attention should be paid to re-equipment and technological renovation, to overcome at an early date the present protracted technological backwardness in order to meet the requirement of developing a commodity agriculture in the whole area as well as in the suburban countryside. Along with making the most of the existing equipment and the traditional techniques, it is necessary to daringly apply new scientific and technological achievements, and to raise the technological standards in order to meet the requirement of developing the City's industry.

To develop the structure of production, of branches and technologies in the above direction is precisely to make the City attractive to the whole area, to build firm foundations for the City to actually play its role as a regional economic centre and reach out to the whole country.

Of course, due to its important position and its favourable conditions, the City will continue to develop the service branch to ensure the supply of production materials, the sale of products, financial and banking services, information services, investment services, export-import services, transaction services, tourist services etc. to further production and life in the City and in the whole region.

It is to be noted that in the market mechanism, the City must entertain with the provinces in the region equal and mutually beneficial relations in a spirit of mutual trust and cooperation, making it possible for each party to develop. This relationship bears a deep significance in the strengthening of the alliance between workers, peasants and intellectuals; it makes a positive contribution to the strong growth of the Mekong Delta and of the former B2 area. That is the duty and responsibility and also the interest of the City, of the region and of the whole country. Let each member of the Party organization in his or her field of work make all creative efforts to promote the City's central role in the endeavour to make the people wealthy and the country strong. I hope that the Mekong delta, eastern Nam Bo and Tay Nguyen (the Central Highlands) will further strengthen commercial relations and effective cooperation with Ho Chi Minh City and with the other regions of the country as well.

It is a consistent policy of ours to strongly develop the multi-sector economy operating in accordance with the law. This is a major content in the economic line

and economic structure of our country. It is all the more significant for Ho Chi Minh City, a place endowed with great potentialities in human and material resources and a great, multiform capability in commodity production.

There is in various social strata a great source of capital which may greatly speed up the tempo of socio-economic development of the City if it is exploited for investment in the right direction. Our policy is to encourage all people to invest in the development of production and business, to enrich themselves by legitimate means; we ensure to the various economic components and equality before the law. However the commodity economy must develop in a healthy way. An end must be put to the fairly widespread state of affairs in which private individuals indulge in unlawful activities under the cover of the State, fraud, tax evasion, perturbing order and discipline, negatively affecting social life and restricting the development of the economy itself.

The Party organization must show concern for the re-arrangement and consolidation of the State economic sector to increase its effectiveness. The State-run economic establishments, including the local and the central ones in the City's area, must be readjusted so as to operate with profit in conformity with the law, and to put an end to the state of affairs in which losses are incurred on a prolonged basis. The increase of productivity and effectiveness must exceed the increase of income. Only in this condition, can the State economy attain to its leading role. We must seriously review the State sector and take fundamental correcting steps.

We attach importance to the development of the State-capitalist sector as well as the cooperative economy with diversified forms on the principle of voluntary acceptance. Forms of cooperation in agriculture, with a new content, have emerged, you need to consider them with care, and draw experience to multiply them.

We encourage private capitalists to develop production and business to the advantage of the national economy. We encourage foreign organizations, companies and individuals, and over-seas Vietnamese to undertake production and business in our country in keeping with the Law on foreign investment which has been promulgated.

Our economy may be said to be one which operates according to an "open" mechanism in the full meaning of the word, "open" to all economic components, "open" to all opportunities for the people to get rich along with a reduction and eventually an elimination of poor households, "open" in commerce and economic cooperation with the other countries on the principle of equality, mutual benefit, and respect for each other's independence and sovereignty.

The "open" mechanism must go along with State management. Our country is still very poor. So in parallel with the development of production and business, it is necessary to practise thrift as a national policy. Thrift in both production and consumption, thrift of materials, and raw materials, lowering of production and circulation expenses, lowering of production costs; strict prohibition of turning public into private property, using State funds for personal expenses, distribution to

individuals, purchase of gifts, vanity. The Party Committees' administrative bodies and the people must exercise supervision and take severe sanctions with regard to such phenomena. Let every person, every household, every establishment strive to spare money for investment to develop production and business and build the country. **Everybody must be encouraged to use commodity articles of domestic production.** Our country is often ravaged by natural calamities. Therefore it is advisable to study the establishment of a security fund against natural calamities to make it possible to assist the regions in difficulty, and those which are underdeveloped due to disadvantageous conditions. On this occasion, I would like to convey the expression of solicitude of the Party's Central Committee to the **flood victims in the Mekong delta.** I deeply appreciate the assistance afforded by the other cities and localities. I wish that the countrymen in the whole country, in a spirit of solidarity and affection, will continue to help the affected areas to overcome the difficulties and restore their normal life soon. Along with economic development, care needs to be taken to implement to social policies, improve the people's international intellectual standard and health conditions, resolve the employment problem and care for those people who have rendered services to the revolution, check the social evils, and protect the bio-environment.

... Our country is carrying out the renovation in a very complex international context. Besides the favourable opportunities which are arising and will arise and

which we need to make the most of, there are also difficulties to be overcome, and challenges to be faced.

An outstanding feature now is the all-round and deep crisis of socialism. The socialist regime in the Soviet Union no longer exists. The activities of the Communist Party of the Soviet Union have been suspended. This is the heaviest loss for the people and Communist Party of the Soviet Union, the international communist and workers movement, and the revolutionary and progressive forces in the world. Hostile forces are intensifying their attacks in an attempt to liquidate the remaining socialist countries. In face of this situation, some people are wondering whether or not our country can stand and continue to develop along the socialist path.

In answer to this question, we affirm that our country will stand and continue to develop for the following reasons:

One, over the past half century, our people, in response to the appeal of the Party and Uncle Ho, have waged a protracted struggle, full of sacrifices and hardships, and carried out in an outstanding way the Party's line: "The protracted resistance war will end in victory, independence and unity will be achieved". At present, whatever the form of the struggle, our people, who are master of their destiny are resolved to defend their revolutionary gains against infringement by any force, are also resolved to carry out Uncle's Ho teaching: "Nothing is more precious than independence and freedom", and "We would sacrifice everything rather than lose the country and be enslaved". We are resolved to preserve



- The roundabout of Nguyễn Huệ - Lê Lợi boulevard in the center of the City.
- Thống Nhất Palace



- Bến Thành Market
- Nhà Rồng wharf

- A commercial center of the City
- Đức-Bà (Notre-Dame) Church





stability to build the country and bring happiness to ourselves and to the future generations. Such is the iron will and the eager aspiration of the entire people following several decades of fight for freedom and independence.

Looking back farther into the age-old history of national construction and defence, we affirm all the more strongly the Vietnamese will, Vietnamese character and Vietnamese tradition of standing firmly on our feet and going up with our own hands and brains. Our people built our country in the past and will build it from now on mainly with their own forces. The experience of history affirms that the destiny of our nation standing and marching forward steadily is decided by our people, and not by external forces.

Two, a real trial has confronted us. On the threshold of 1991, there was no longer any source of aid. However the people strove hard to overcome the difficulties and tests. Not only have production and the living standards been maintained, but in some respects, development and improvement have been recorded. The important achievements recorded in the recent period have testified to this. An outstanding fact is that despite the chronic food shortage which prevailed in the past and the natural calamities which have stricken many areas this year, we have managed to maintain stability, to ensure enough food supply for the country, and moreover to spare a part for export. In other fields, progress has also been recorded. We have accumulated initial experiences, have learned to do business in the new circumstances, and are striving to create conditions to enter 1992 with even

- Petrolimex (Vietnam) and BP (England) Lubricant Joint-Venture
- Zoological Garden

Photos by Hữu Cây, Hữu Vinh, Thế Hải

firmer confidence. With the records of this year and the active preparations for the next, we believe that our economy and our society will make new steps forward in the implementation of the Resolution of the 7th Congress.

Three, since the 6th Congress, the renovation we have undertaken has proved to be a correct step in its orientation, tempo and way of proceeding. The renovation line has been unanimously approved and eagerly carried out by our entire Party and people.

The multi-sector commodity economy is developing, the living conditions of the great majority of the people have been improved, political stability has been maintained, democracy is being gradually promoted.

With the preparations under way for the promulgation of the Constitution, the correct determination of the Party's leading role, the renovation of State management, the gradual building of a law-governed State, we are actively carrying out political renovation with correct steps and ways of proceeding, promoting ever broader democracy while maintaining discipline to meet the requirements of the new situation, gradually fitting the superstructure with the infrastructure, bringing the renovation to a new height with an ever deeper and more comprehensive content. That is a basis to stabilize the country, to preserve stability for the sake of continued renovation, carry on the renovation to promote development and create increasing stability.

The renovation now under way has been undertaken in time, not to say rather early, with appropriate orientation,

tempo and manner of proceeding. This work and the precious experience collected in its process may be said to be of utmost importance to ensure that our country may stand harsh trials and to create great opportunities for our continuing growth.

Four, the line of national independence and socialism that our people have persistently pursued is fully in keeping with the law of development of mankind. This is a historical necessity that all countries, all nations will sooner or later attain to. The great revolutions in the world had to go through temporary setbacks, but sooner or later, they are to triumph. The new which is in keeping with the law may encounter obstacles, go through twists and turns, ups and downs, but in the end, it will necessarily come to life and replace the old.

The revolution in our country during the past half-century went through ups and downs, and harsh trials; at times, it encountered setbacks, but in the end it achieved glorious victory, the country was liberated, became independent and free, was reunified, and entered the period of transition to socialism. In the process of socialist construction, we committed the mistake of dogmatism and voluntarism, and applied an erroneous pattern of socialism. Nevertheless we reached an early realization of the mistake, made our best efforts to correct it, undertook the renovation drive which was initiated at the 6th Congress, reasserted and developed at the 7th Congress. We managed to consolidate the confidence of the people and to rally the broad forces of the entire people to bring the revolutionary cause forward. The

initial achievements recorded in the past years constitute a worthy cause of joy and pride.

From the above, we affirm that our Party and people will overcome the difficulties and challenges in the new context, stand firm and bring our country forward along the socialist path chosen by the Party, Uncle Ho and the people. Of course, that is not old-pattern socialism. We must carry on researches, draw experiences in the work in order gradually to build up new conceptions of socialism, and determine on this basis a correct pattern of socialism which really serves the people's freedom and happiness.

The above reasons consolidate our confidence. Yet the implementation is to pass by action: to build and strengthen the Party's organization from the central down to the grassroots echelon, to strengthen the united bloc of the Party, the people, and the army, to achieve international solidarity, to step up the all-round renovation in the right direction, with appropriate steps. Only through action is it possible to stand and march on forward. So the answer to the question is not only an affair of the Central Committee, but of the entire Party, of all party organizations with among them that of Ho Chi Minh City, of all party members including those in the City. National construction and defence are the cause of the whole people. The revolutionary cause of the Party is achieved by the whole Party, all party organizations, and party members. Of course, the Central Committee, the Political Bureau and the Secretariat are to bear a heavy responsibility, yet the revolutionary cause has

always been the cause of the whole people and Party. For this reason, your question is in the first place a question which is posed to yourselves and the answer is also in the first place the own answer of each comrade.

Whether or not to stand and march forward, whether or not to achieve stability and development, this is to be decided by ourselves, by the entire Party, people and army, by all the party organizations, by all party members with their prodigious endeavours to contribute to the common cause.

At the present Congress of the City's party organization, I propose that the party organization discuss the burning issues which touch upon it, make a profound and serious analysis, look straight at the facts, and refrain from evasions. This is an answer given through practical action in the Congress, and especially after it.

Experience has shown that the threat of instability usually begins from within the Party. Division within the party disorients the people. A weakening of the Party causes loss of confidence to the people. That is an opportunity likely to be seized by hostile forces to deepen the division, to achieve peaceful evolution, to create troubles and to attempt subversion from within.

That is the reason why the Party-building problems I have dealt with above are very pressing tasks for our Party now. We have to lay down a correct line, clear orientations and tasks, precise steps. We must strengthen unity and cohesion in the Party on the basis of Marxism - Leninism and Ho Chi Minh's thought, apply very correctly the principle of democratic centralism in Party's

life. We must resolutely fight opportunism, fractionalism, dividing attempts, corruption, authoritarianism, detachment from the people. We must resolutely build our Party into a pure and strong one, remove from office the degenerated elements. The people are very fair, a well-intentioned mistake will meet with a comprehensive attitude on their part, and they will join the Party in correcting it. However, if an attempt is made to misuse some imperfection in the mechanism for personal benefit, they will be dissatisfied and will not pass over it.

In the endeavour to make the Party pure and strong, the Central Committee, the Political Bureau and the Secretariat always stand at your side and support you. The State will gradually perfect the new mechanism, but it is essential that you do it yourselves. Only an evolution in a healthy direction from within the Party will strengthen the confidence of the people. You must educate yourselves first if you are to educate others.

To actively participate in Party building, each party member needs to ponder deeply over what he or she should do, how he or she should live and learn with regard to moral quality so as to make the Party pure, strong and capable of leading the people through cascades and falls so as to make it possible for the country to stand and develop. To answer these questions by practical action is now the key in Party building, especially in the building pure and strong grassroots party organizations...

A HISTORIAN'S VIEW

Interview given by Dr. Nguyen Khac Vien, a historian and psychologist, to the correspondent of "Vietnamese Studies" Review.

Correspondent (VS): I know that you have been in Ho Chi Minh city since early 1995, and now three months have elapsed. As a knowledgeable senior journalist who met with a great number of people, and visited many places, could you be so kind as to give us your impressions of the current situation?

Nguyen Khac Vien (NKV): My dear friend, I gave up journalism twelve years ago. At the age of over 70, one doesn't have the physical strength to engage in such a daring profession. An old man cannot catch up with topical developments. I am no longer a well-informed person.

VS: But during the past twenty years you came to Ho Chi Minh City every year for some months. You wrote many important reports on the first post-liberation years: "The 15-Year History (1975-1990)" in 1990 and the last chapter (1975-1993 period) of "Vietnam - A Long History" in 1993. In all these reports and books a rather important coverage is reserved for Ho Chi Minh

City. If you didn't keep up with topical issues, you wouldn't have a long-range view which, in a word, bear a historic character. Would you please tell us some of your views on the history of this City?

NKV: For some years now, I've given up studying history so as to be engaged in child psychology. The main purpose of my visit to Ho Chi Minh City is to examine and treat a number of drop-outs, "bed-wetter", those who tried to commit violent disturbances or even suicide. As for adults, especially those who hold a high position, I've rarely met them. Anyhow, the "blood" of a historian still remains. But I don't need to go far to know important events. Daily life is enough to make me ponder over one thing or another.

VS: Let's come straight to the point. Which event of the beginning of 1995 do you think has important historic significance? Is it large foreign investment, the bringing of offshore gas to some power plants on the mainland or Lee Kuan Yew's and the Australian President's visits to the City...?

NKV: The most important event, I believe, is that the City observed the Government's Decree on prohibition of setting off firecrackers on Lunar New Year Eve and during three days of Tet. Its observance was the strictest of all cities, even Hanoi. It can be said that during New Year's Eve, though millions of people didn't let off firecrackers, they spent a restless night waiting for some eventual or unexpected explosion of firecrackers. They did the same during all the three

following days. Not a small number of inhabitants and government officials including some high-ranking ones who called upon the people to comply with the order doubted whether the State order would be strictly executed. The At Hoi (1995) New Year's Eve really has been an important landmark in our history. The Vietnamese State "has won the bet" because it has proved its efficiency, especially in a City known for its "obduracy". You know, our people in past years were used to thinking little of the law and considering the Government as not so stern a father who takes a rod but never beats his children.

VS: It is normal that the inhabitants obey the State law; there is not much to speak about that!

NKV: It is a common occurrence for a stable regime with long-established regulations and institutions, and the majority of the population having a relatively clear concept of Law, as well as for a society which is to some extent homogeneous. Vietnam and particularly Saigon City after liberation have not been in such a situation. The past twenty years have been full of upheavals; the situation at home and our economic relations have experienced lots of ups and downs. That is the general situation of newly independent countries of the Third World. After 40 years of war (1939-1979), Vietnam found itself in a position where many of the contradictions of the world today focus. The situation therefore is all the more complicated. In Vietnam, Saigon is the

place which concentrates the most numerous of the contradictions.

VS: Is there any way to analyze the situation so as to understand in what "position of chess" Vietnam and especially Ho Chi Minh City is. Can you foretell where they will go, and more clearly, in the year 2000 what they will be?

NKV: My friend, you want me to practice prophecy. In our era, no honest man believes that prophecies can be made. Let's have a look at so many predictions by a great number of scholars of the world since the beginning of this century; they proved to be only a series of errors or illusions including those coming from the most reputed, erudite savant-Nobel Prize winners.

VS: So, should we not ponder over anything, giving a free hand to destiny?

NKV: It's not so. We can still identify some lines of development to define an either correct or wrong orientation, landmarks of transition, favorable moments or crisis periods.

Saigon City is the place where these lines of development are most clearly seen. First of all is the evolution of a traditional society into a modern one. In this process, various regions, different ethnic groups in the country should proceed to integration to become a nation in its real modern sense. The process of national integration will go hand in hand with that of international integration. Saigon is the city where the earliest

and also quickest modernization has taken place in comparison with other regions. Here, many of the questions of national integration stand out in relief. It has a great number of international contacts which create both advantages and disadvantages.

VS: Some people oppose Saigon to Hanoi, and in general, the South to the North. On the contrary, others say, the country is reunified, the national State is complete, there is nothing to ruminate over.

NKV: For thousands of years the Vietnamese nation has had a Homeland, a common language and a common history. That is clear. But a complete National State in its modern sense is rapidly taking shape, beginning immediately after the liberation of South Vietnam. The North-South reunification, the founding of the State with only one government were easily accomplished in 1976. The intention to separate the country, as dreamed of by some foreign-backed Saigon statesmen in the past, no longer have a foothold. The illusion of a number of refugees, encouraged by some imperialist reactionary forces, to use violence to wrest back power in Saigon were shattered after 20 years. (The majority of those who nurtured such schemes are now about 70 years old, and their children think otherwise.)

VS: But sometimes there is still a manifestation of separation between the North and the South. What do you think about it?

NKV: The unification of territory and administrative power and integration of a complete national State are

However, in their culture, habits and customs they have kept their own characteristics quite different from that of the Vietnamese community. In Saigon prior to 1975 the Hoa gathered in certain places considered as their own areas, particularly in Cho Lon. Here, shop-signs were written in Chinese script; The Chinese language was used at school and in daily life. The inhabitants had their own hospitals, press, festivals and performance-arts troupes. When entering Cho Lon one might seem to have left Vietnam. In this community there are, of course, very rich people and poor workers. But most of them are small traders, handicraft-men but no farmers.

VS: What is their attitude vis-a-vis historic upheavals?

NKV: From the XVIIIth to the end of the XIXth century, they were allowed by the Vietnamese State to settle in Vietnam. They were gradually transformed into Vietnamese generally known as the Minh Huong people. In the third, the fourth generations, they became real Vietnamese. They no longer have the authentic characteristics of the Chinese. The only particular trait left is they are keeping the tradition of being better traders than the average Vietnamese.

Then, the French turned Saigon into the main export-import trade center of the whole country. They used Hoa businessmen as go-betweens who, on the one hand, purchased and brought agricultural produce to Saigon to be exported by French companies, and on the other, received French industrial products for retail sale in the country. Little by little, almost Saigon commerce fell into

the hands of the Hoa people. The French worked out a specific statute for the Hoa people, splitting the latter from the Vietnamese national community and endowing them with some certain interests. The Hoa gathered in Cho Lon and in 1975 they numbered about 700,000. Cho Lon had become a separate town in the heart of Sai Gon City.

V.S.: What was the situation during the American occupation of Sai Gon?

NKV: The United States poured dozens of billion of dollars into Vietnam, of which 80% was focused on Sai Gon. Cho Lon big businessmen had an opportunity to become great capitalists. Many high-ranking officials of the Sai Gon administrative machinery colluded with Cho Lon businessmen to get rich.

V.S.: What about the others?

NKV: The majority of the Hoa engaged in services for the US army and the Sai Gon administrative machinery or worked as laboriously as the Vietnamese did. Their earnest wish was to end the war. So, the majority of them were elated at the liberation of Sai Gon. ~~most~~ **of the big businessmen fled abroad.** If after liberation, the economic situation had been stabilized and they had the opportunity to conduct business easily, integration would have been gradually carried out. Unfortunately, that post-liberation economic situation underwent ups and downs. For Sai Gon, the end of US aid meant that the umbilical cord which fed the whole City was cut. **Sai Gon cannot live without international relations. The erroneous economic management (which was clearly**

analyzed by the Sixth Congress of the Communist Party of Vietnam); the economic encirclement and embargo by hostile forces caused the city serious socio-economic crisis.

V.S.: With regard to the Hoa people, is there anything different?

NKV: They were happy at the reestablishment of peace. However as small traders, handicraftsmen, that is to say, belonging to the private economic sector, the majority of them were worried about a possible "reeducation". Would they be allowed to carry on their former occupation? Or would they have to go to new economic zones to plough the fields or to engage in slash-and-burn cultivation?

V.S.: What about politics?

NKV: As a thunderbolt, the hostilities provoked by Beijing against Vietnam caused panic among all the Hoa people. Many of them in Phnom Penh fled to Sai Gon and spread horrible news. They couldn't cease worrying about their fate: how would they be treated by the Vietnamese Government, because they were both businessmen and of Chinese origin? At this juncture, everyday tendentious allegation from the US, Europe, Southeast Asia countries and Beijing, instigated the Hoa people to leave Vietnam to avoid a massacre. The Hoa community, mainly in Cho Lon, experienced a frightful time, tens of thousands sought by every means to leave the country. It can be said that from 1978 to 1986 (when the Sixth Congress of the Vietnam Communist Party was held)

the Vietnamese Government took some measures of strict control but they didn't bear the character of a harsh repression against the Hoa community.

V.S.: The relations between Vietnam and China, though much improved, are not yet satisfactory. Does this have an influence on the Hoa people?

NKV: The primary aspiration of the Hoa people is to have a stable life to earn their living, to enjoy all the rights of a Vietnamese citizen. With regard to feelings and some economic relations, they are linked to China and to the Hoa Community in Southeast Asia as well. This does not mean that they wish to return to China or they blindly obey Beijing's policies. Only a small number, due to their personal interests, want to take advantage of Beijing's strong position to force the Vietnamese Government to make concessions. I think that the political relationship between Beijing and the Hoa in Vietnam as well as in other Southeast Asian countries doesn't constitute a decisive factor. It is essentially a question of daily livelihood. In this aspect, the relationship among the Hoa in Southeast Asian countries plays an important role. Big companies of the Hoa in Hong Kong, Singapore, Taiwan, Indonesia, the Philippines, Malaysia and Thailand have made up a transnational network with a total capital of hundreds of billions of dollars that can be invested anywhere. The open-door policy and the strengthening of relations with Southeast Asian countries have to some extent created conditions for the Hoa in Vietnam to stabilize their material and emotional lives.

The open-door policy together with the development of the private economic sector applied since 1988 have facilitated the living conditions of the majority of them. Since then, their confidence in the present regime has been reinforced. Their own schools and hospitals no longer exist. Hoa and Vietnamese children learn at the same school; the number of the Vietnamese living with the Hoa in Cho Lon is increasing. Together with the Viet, the Hoa participate in cultural and sporting activities.

VS: So it is no longer a question, is it?

NKV: When one contradiction has been solved, another will come into being. It is the law of history. Hoa capitalists in Southeast Asia invest in Vietnam so that the two sides will be mutually benefitted, or to make the Vietnamese people dependent. A number of strikes in some joint venture enterprises in Saigon demonstrate that conflicts in the relations between the two sides are inevitable. In face of such conflicts, whom will a Hoa outsider support? Either the Vietnamese worker who demands for salary increases or the Hoa boss? To open the door for foreign investment is a two-edged sword and the result may be either mutual benefit and lasting cooperation, or explosive conflicts. This is not a specific question for Vietnam but for the whole world, not only for Hoa capitalists but for all those who invest in Vietnam. It is impossible to think that a nation who had dauntedly conducted a struggle for their independence would be resigned to being slaves for some masters. One can believe that in the course of their history the Vietnamese people

solved the above contradiction resolutely and flexibly, not leading to any tragedy that would set the Hoa against the Vietnamese nation. In all Southeast Asian countries, for instance, Indonesia, Malaysia... the Hoa also confront the same question, more clearly, both the Hoa and China. The position of Vietnam in this issue is similar to that of other Southeast Asian countries. In the integration into the Southeast Asian bloc, Saigon - Ho Chi Minh city is the outpost.

VS: Perhaps the question on the Hoa people has been clearly elaborated. Shall we shift to other subjects?

NKV: The second question I want to bring up is Catholicism. We will also analyze the two trends: centripetal and centrifugal. If speaking about Saigon, then prior to 1954, the key to the question of Catholicism didn't lie in this City but in the all-Catholic areas of the Red River delta. Before 1954, Saigon Catholicism had an urban modern character: the Catholics and non-Catholics lived together; they engaged in various occupations and only depended on dignitary titles as far as religion is concerned. On the contrary in the North, Catholic villages were turned into all-Catholic areas. In each commune, each diocese, the Catholic inhabitants formed a separate community, and strictly organized their religion and life, which was regulated by the authority of the congregation. Moreover, the socio-cultural life here was completely different from that of surrounding communes in terms of rituals related to birth, weddings, funerals, etc. Catholic people did not observe the cult of ancestors. Even

the architecture of the church was completely alien to Vietnamese traditions. Every day, all villagers attended services and all instructions given by priests in all fields were considered laws. Catholics were not permitted to marry non-Catholics and use contraceptives to carry out family planning. This is a type of religious organization having a medieval and extremist character, which could easily make the Catholic community oppose other social strata.

V.S: What do you mean by "medieval extremism"?

NKV: In the French language, "intégrisme" means a religious organization which considers itself the only one to grasp the truth with a view to seizing all power to rule over all social life. That was the orthodox view of European Catholicism in The Middle Ages, considering all other religions as heresy. This view prevailed up to the XVIth century. However, with the 1789 French Revolution, it lost its predominant position and the Catholic congregation split (was disestablished) from the State.

VS: Some say that it is chiefly the contradiction between Catholicism and Marxism?

NKV: In Europe, Marxism appeared only at the end of the XIXth century and the Soviet State in 1917. But as from the XVIth century sharp contradictions arose between Catholicism and Humanism, between Catholicism and other religious sects, mainly Protestantism. Though both of them worshipped Jesus Christ, they were in serious dispute which led to repeated bloody wars for a hundred years. For Vietnamese who learn the history of France and Europe, it is the most difficult to understand why

two religious communities could wage wars only because of different religious beliefs. In the age-old Vietnamese history, various religions and doctrines sometimes caused heated discussions, as happened with Confucianism and Buddhism, but there was never a religious war. On the contrary, they co-existed peacefully; moreover, many young Confucian scholars, faithful disciples of Confucius and Mencius, turned towards Buddhism or Taoism in their old age. So, a mixed tendency took shape: "The simultaneous existence of three religions" (Tam giáo đồng nguyên). Worshipping the ancestors, genie of the earth, village's tutelary genie, the inhabitants also go to the pagoda, but they don't make up separate religious communities. Great religions and doctrines coming from India and China, have completely integrated into the culture and life of Vietnamese society.

V.S: Catholicism was imported into our country a long time ago, since the XVIth century. Why is there still the question of integration?

NKV: It can be said that 200 years ago, between the Catholic community and other strata of the Vietnamese nation occurred a great historic tragedy. It experienced an acute development even before the birth of the Vietnam Communist Party. Its root was the strict adhesion of beliefs and politics.

V.S: What is then the contradiction in the religious doctrine?

NKV: Western priests (first Portuguese and Spanish, then mainly French) came to Vietnam with a medieval

extremist religious view. For them, Buddhism and Confucianism were heresies. Therefore right from the beginning, they met with sharp opposition from Confucian scholars and Buddhist believers. Nevertheless, till the XVIIIth century, this newly-arrived religion was tolerated by the Vietnamese people and authorities.

V.S: Why did that historic tragedy take place then?

NKV: At the end of the XVIIIth century, French capitalists were driven out of India by the English. They turned towards East Asia, in the first place, to Vietnam. At that time, the Vietnamese feudal monarchy fell into a serious crisis; many factions and parties wrested for power: Le, Trinh, Nguyen, Tay Son⁽¹⁾. Each of them had the intention to look for some military, economic or political support from a foreign country. Whether it was casual or intentional, French clergymen became the pioneer brigade of the French colonialists; typical was Bishop Adran who helped Nguyen Anh to defeat the Tay Son and be enthroned on condition that Prince Canh should be a Catholic. After Gia Long's death, his successors, especially King Minh Menh, who were fervent Confucians, resolutely refused to accept the Catholic tenet. But among persons of royal blood and in the Court, the faction of Prince Canh supported by Catholic believers and French clergymen continued to realize the plan to enthrone a Catholic King. In the old times, if the

King was a religious devotee, he would easily conquer the people's heart. And the consequence was that in the political field France would easily conquer Vietnam. Only until the XXth century, could the scheme of having a Catholic heir be carried out, namely Prince Bao Long, son of King Bao Dai⁽¹⁾.

V.S: So, in general, the scheme ended in failure. Why did the political question remain acute?

NKV: That The French colonialists, it can be said, succeeded in having the Vietnamese Catholic community serve their scheme of occupation. Therefore, even before the birth of the Vietnam Communist Party, right from the beginning, Vietnamese patriots of all factions, parties and social strata already denounced with hatred Catholics who served as "fifth columnist" for the French. A section of Catholic believers, whether willingly or unwillingly, helped the French to attack Van Than⁽²⁾, the resistance war⁽³⁾ and Viet Minh⁽⁴⁾. As mentioned earlier, up to the end of the anti-French Resistance War, the question of Catholicism had not been brought out in Saigon. After 1954, the emigration of about one million Northern Catholics to South Vietnam created a new situation. The majority of them were concentrated around

1. Another name: Vinh Thuy -- the last king of the Nguyen dynasty from 1925 until 1945.

2. Anti-French colonialists movement of Vietnamese Confucian scholars-patriots at the end of the XIXth century.

3. The war of resistance under the leadership of the Communist Party of Vietnam (1945-1954) against French colonialists for the national independence.

4. Secret organization under the leadership of the Communist Party of Vietnam (before 1945).

1. Feudalistic dynasties and forces of Vietnam (from the XVth cent. to the 1st half of the XX cent.).

Saigon into a belt to support the pro-US administration. Diem and Thieu both were Catholic Presidents. The generals, ministers and important personalities of the Saigon regime were also Catholic. When there was a mass introduction of US troops into Vietnam, the American Cardinal, Spellman, himself came to Saigon to lead the Vietnamese Catholic congregation, which received large US aid to increase its reputation.

V.S: In world Catholicism in the 1960's there was an open tendency to eliminate extremist views, which was affirmed by the Vatican Congress II. Did this tendency have any influence on Vietnam at that time?

NKV: We can say that after the Vatican Congress II at the end of the 60's, the Catholic community in Saigon was apparently differentiated. On the one side, the majority of pro-US dignitaries rejected the new arguments put forward by Vatican II. (One Cardinal sent by the Vatican to Saigon to make known the new line was not received by the Saigon council of bishops). On the other, several young Catholic monks and priests trained in Western Europe deeply understood and shared the Vatican II line. In the same years when US intervention massively increased, brutally trampled underfoot all human values and national culture, and the Saigon administration turned out to be all the more corrupt, the group of young Catholic monks and priests began to launch a campaign for peace, against corruption, for the return to the nation and rejection of the anti-communist line.

V.S: Which trend prevailed after liberation?

NKV: Probably, in 1975 the anti-communist line among Catholic people was defeated. At that time, the extremist elements were neither able to mobilize the Catholics with their medieval extremist arguments as in 1954, nor capable of sponsoring another flood of emigration. The revolutionary leaders made public a policy of respect for the freedom of beliefs and the high-ranking Catholic dignitaries (of them, Archbishop Nguyen Van Binh played an important role) also tactfully called on the Catholic community to carry out the line of concord.

V.S: How could a radical anti-communist line be easily shifted to that of national concord?

NKV: In the Catholic congregation, the supreme leader plays a decisive role. In fact, in 1975 this role belonged to the objective historic factors. The emigration (in 1954) brought about one million Catholics — the majority being poor peasants of North Vietnam — out of the close framework of poor all-catholic villages. Despite the fact that in the South they were concentrated under the tight control of Catholic dignitaries, their lives basically changed, and there was no longer a favorable terrain for medieval extremism to exist. The upheavals that occurred continuously over twenty years, the compulsory military service to wage an atrocious war made aspirations for peace prevail over all other thoughts. In 1978, on the day of the election of the new Pope, I stood together with hundreds of thousands of persons in Saint Peter's Square (Roma) to wait for the election results. When I was told that the new Pope was a Polish bishop well

known for his anti-communist tendency I really felt very worried about the forthcoming orientation of the Vietnamese Catholic congregation.

Back in Vietnam, after some meetings, I found that the page of history had turned over. The objective situation in the country and the world had not permitted anyone to launch a movement to partition the Catholic community from the Vietnamese nation. The policy to open the door for the development of the private economic sector, for foreign investment have strongly shaken the foundation of medieval extremist thoughts.

V.S.: So from now on, there will be no more question?

NKV: It's not so simple. In principle, it is not difficult to understand the split of the religious and secular life. Either one believes in Jesus Christ, in Buddha or one is atheist, that is one's personal affairs. But to fight aggression or not, to build which political regime, are the common task. Citizens of a country must coexist to build up a new society. During the war, I still remember, I was evacuated from the city and stayed with a Catholic peasant family. The host was a 60-year-old man whose son was a military man in the anti-US resistance war. Everyday, at 4 a.m. he woke the whole family to say prayers, and they did the same again in the evening before going to bed. At every air alarm, the old man and I shared the same shelter. Once he told me: "Suppose that a bomb explodes over our shelter, I would go and see Jesus - what about you, where will you go?". I laughed: "I've never thought about it. I only know that

you and I share the same destiny. For us the main concern now is how to drive out US troops".

V.S: Why is there, from time to time, some incident which still denotes the contradiction between the Catholics and the State?

NKV: The general line exists, but it is implemented through the cooperation of the State's authorities and the religious dignitaries. The officials of these two administrations grew up and worked in a historic period full of tense developments. Thus, they can hardly give up their simple ways of thinking and practices in their daily life.

Moreover, strong centrifugal trend is one of the characteristics of Catholicism. The Catholic congregation of any country always strictly abide by, and carry into effect the instructions from the Vatican. The implementation of their religions doctrines cannot avoid touching some concrete issues of secular life. Located in the West, the Vatican hardly make decisions that evade, willingly or unwillingly, the influence from the great Western powers. For the State's part, it has a not insignificant number of officials who were dogmatically trained and experienced hardships under the administrations of Ngo Dinh Diem and Nguyen Van Thieu, i.e under the ruling power of Catholics. Not only communists but also the majority of Vietnamese patriots, especially Buddhist believers, find it difficult to forget the historic tragedy between the Catholic community and non-Catholics. Only a long historic process of jointly building a new society will gradually heal the past wounds.

Outside intervention will only aggravate the contradictions and prolong the tense situation, which is not beneficial to any side.

V.S.: The question of Catholicism is now rather clear. Would you please take up another complicated issue - Saigon's intellectuals?

NKV: Saigon is the outpost which had the earliest contact and closest relations with the west of all other regions. The contact with the West has two aspects:

- Opposition against military aggressions.
- Acceptance of culture and the lifestyle.

Patriotic Confucian scholars, typical was Nguyen Dinh Chieu, resolutely fought against foreign invasion with their traditional culture. Saigon intellectuals have inherited this patriotic spirit for over 100 years. 1975 can be considered the end of the military struggle against foreign aggression. What is more complicated is the cultural assimilation. For a long time, intellectuals of Asian - African countries have had an earnest aspiration for the earliest, quickest, most abundant acquisition of scientific knowledge from the West. Hence, there is the tendency to venerate the West, to belittle traditional culture and acquire the western lifestyle irrespective of good and bad manners. In the past Saigon, many families used to have their children learn French from childhood. When they grew up, they could only babble their mother-tongue. It is quite understandable that after liberation our country confronted

a diversified picture of cultures: traditional, French American, and South Vietnamese officials regrouped in the North or those sent to support the South brought here what they had learnt in Hanoi or other socialist countries. Never before has Saigon been so obvious a cultural exchange place (in the past, Chinese and Indian cultures) as today. The question is whether this hodgepodge would lead to harmonious integration creating a new Vietnamese culture with a national and modern character or to chaotic heterogeneous one. This question is pressing for large cities, especially HCM City, to solve.

V.S.: Which is the strongest tendency now?

NKV: It is how to catch up with the scientific and technological achievements recorded by the world in the past thirty years while Vietnam was plunged into war and cut off from international relations. Vietnamese intellectuals think that living in a country technically backward or occupied by foreign aggressors is not different. They feel all the more humiliated to note that neighbouring Southeast Asian countries which, 20-30 years ago, were inferior to Vietnam in some fields, have now become teachers for Vietnam.

V.S.: Will Vietnamese intellectuals be able to catch up with other countries in the scientific and technical field? More concretely, will Sai Gon intellectuals be able to keep pace with their Bangkok counterparts?

NKV: I don't think this is too difficult to do. Vietnam has a long-standing tradition of acquiring new knowledge and learning in general. The experience drawn from the

community of overseas Vietnamese affirms that, if there are good conditions for learning and displaying talent, the Vietnamese will not be inferior to any other nation. At present in France, the United State, Canada, Australia, etc., a significant number of Vietnamese are holding high office at universities, scientific research institutes and large companies; a number of overseas Vietnamese experts are sent to work abroad as specialists from Western governments or transnational corporations. When a new technique, for instance, computerization or any other technology, is imported, the Vietnamese learn it very quickly. I think that in the domain of intelligence and learning, there is nothing to worry about.

V.S: Then what is the concern?

NKV: The situation in Sai Gon over the past 20 years has shown up two great concerns:

- The hotchpotch import of various cultures has become a foreign cultural aggression gradually undermining the values of the national culture and troubling social order.

- The foreign-oriented tendency of the majority of intellectuals may lead to the loss of grey matter to foreign countries. I met a Filipino professor who complained that in his country intellectuals learned English from childhood. After graduating from Universities the majority of those qualified went to the United States for work. He didn't know whether Vietnam confronted such a situation.

- "Not now, I said - because few Vietnamese intellectuals have good command of the English language.

But in some years to come - there will be lots of persons fluent in English and I don't know whether the majority of them will stay or leave the country".

V.S: What can retain them or make them leave the country?

NKV: The first factor is whether the State and society is able to create the conditions for intellectuals to bring their professional skills into full play. We should admit that the majority of Vietnamese intellectuals have quite low salaries so far but a lot of research or study work to do. The market economy has divided them into two categories: the small high-income number who work with foreign countries or as experts for important national programmes and the low-income majority having poor living conditions. In a City like Sai Gon, there are many opportunities to work at non-State offices. However, in a newly developing country, an intellectual will only have the conditions to display his talent fully when he is given an important position by the State. Confucian scholars used to say: "one must come out into the world (to go into mandarin) to have the opportunity to govern the State and help humanity". Apart from the salary, the 30-year war and the building of a State machinery have led to an inadequate mechanism of employing and promoting intellectuals, especially those, who had worked with the former regime in Saigon. In the first years after liberation, this was the most urgent question in relations between the State and Saigon intellectuals. In the following years, many positive changes were recorded.

V.S.: That deals with the State's part. As for the part of the contingent of intellectuals, what are their inmost feelings and thoughts?

NKV: According to the Vietnamese tradition, an intellectual (in the old times known as "*nho sĩ*" — a Confucian scholar) is an erudite and qualified person (having profound knowledge on laws, regulations and partly, management of trades) and at the same time a "*kẻ sĩ*" — an individual who has an ideal and personal ethics to orientate his private life. Therefore, he either "*xuất*" or "*xi*" — to go into or to resign from the mandarin. Today intellectuals cannot completely solve the same question on their own. This attitude depends upon the view on the value of the individual vis-a-vis the national community. Before liberation, almost no one placed themselves outside of the community; and the ethic was to sacrifice everything for the community when necessary. An intellectual who had a comfortable life in Saigon could leave everything behind to go to the resistance base. In times of peace, the values of an individual were again brought to the fore, while the influence of Western thoughts prevailed over Confucian ones. It must be made clear that even Confucianism never compels the individual to sacrifice himself wholly for the community. A number of persons devote themselves entirely to the technical field; like ostriches, they only know their own professional knowledge and the broader task of a scholar "*kẻ sĩ*" being left outside their scope. This way of thinking may be right for some time, but sooner or

later, they should take a definitive attitude. If they have only technical knowledge, why shouldn't they leave for a richer country to do business when conditions arise.

V.S. How is the question of "Xuất-xi" (To go into or resign from the mandarin) posed for Saigon intellectuals?

NKV: During the occupation, among the Saigon intellectual circles appeared existentialism — an adaptation of a similar trend in France. This ideological current absolutised the individual freedom and belittled the question of "*xuất*" — known at that time as "*dấn thân*" (translated from the French "*engagement*"). In fact, this was a form of non-cooperation with the pro-US regime. The majority of existentialists gradually participated in the anti-war movement, adhered to the "third force", and advocated national concord and cooperation with the liberation forces.

V.S.: How about the post-liberation period?

NKV: After liberation, it is difficult for existentialism to exist. The question of participation or non-participation in or even opposition to the new regime aroused a lot of controversy. Even those who took part in the anti-US war felt puzzled by the State machinery coming from the resistance base and the North, which was built for about 30 years according to a special model. To adjust oneself to this machinery required some changes in their lifestyle and way of thinking. To return to the nation, to build up a new society was the ideal enthusiastically accepted. However, to put into practice this ideal, one couldn't stay outside the State machinery. In an under-developed country with the market economy which

creates conditions for private, non-governmental activities, one cannot gain a significant career unless one works or at least collaborates with the State machinery. Working privately, the best achievement they may record is a life of plenty, yet they have almost no chance to do valuable scientific or cultural work.

Ancient Confucian scholars deeply understood this question; they secluded themselves and led a leisurely life only to relax themselves to some extent, but there was no opportunity to help the people and save the country.

V.S.: Is the present different from the old times?

NKV: Unlike period under French and US domination, national independence has created favorable conditions for intellectuals to bring their talents into full play. What is different from the time of Confucian scholars is that the present era has opened up a great number of scientific and cultural options. Saigon intellectuals grasped these questions more profoundly than any from other localities.

V.S.: Some say, Saigon and Hanoi are opposite; Is it correct or not?

NKV: From the geographic and historic viewpoints, the South and the North have many differences; Objectively speaking, it is bipolarity. Subjectively, there are two possibilities, either opposite or supplementary to each other.

In the material aspect, Saigon is much richer than Hanoi; hence some people have parochialism and want to split the South from the North, turning it into the

"State of South Vietnam". Such a State was set up by the French colonialists in 1946 under the name: "*State of Cochinchina*". Dr Nguyen Van Thinh, a Saigon intellectual, was appointed the Prime Minister. After only some months, he realized his erroneous act and committed suicide. During twenty years of pouring hundreds of billions of dollars and massively introducing half a million troops in the South, the United States failed in its scheme to have a separate Republic of South Vietnam established here. After liberation it took us only a few months to ~~form~~ a unified state machinery over the South and North, with out the pressure of armed force but thanks to the concept of unification that had penetrated deep into the people's mind. Everyone understood that one "State of South Vietnam" could only survive in the shadow of aggressor troops. The question is how to turn the differences into a diversified but unified whole. This is not an issue only for Saigon or the North-South relations, but also a matter between the plain and mountain areas, among the 54 nationalities living together on Vietnamese territory.

V.S.: Has Saigon got any particularity in comparison with other regions?

NKV: Saigon has only 6% of the total population of the country, but possesses nearly 40% of cash in circulation in Vietnam. On the one hand, it is a leading center in the economic development of the State speeding up the development of other localities. On the other, it is like an "octopus" sucking the resources of other regions.

The differentiation between the rich and the poor is an inevitable consequence of the market economy. Can the people of Saigon, especially the intellectual circle, clearly see this differentiation between their City and other localities? In the City itself, the differentiation among social strata is the deepest of all other areas. I think, the most pressing question for the whole country, mainly for Saigon intellectuals to ponder over is how to develop the market economy and not broaden the gap between the rich and the poor. This question also seems to be of primary importance to all nations today. I would like to call to mind the words of a sage who lived 2000 years ago: "People are afraid not of poverty but unfair distribution". The Vietnamese, probably, still remember that during the war, they were of one mind, sharing weal and woe. In the resistance bases, however poor they might be, no-one felt unhappy. Of course, we do not dream of an everlasting poor life; I think, due to current development, it is possible to produce enough food and clothes; but it is rather hard to avoid the differentiation between the rich and the poor. Has human intelligence got the ability to find a solution?

V.S.: Do you think Vietnam will be able to solve this question?

NKV: I've already told you I am not a prophet. And I don't believe anyone in our era can predict all the affairs of this world, even though he holds ten Harvard Doctorates. The United States has the most up-to-date computer technology, the most talented experts of

marketing, management, communication, etc., Yet in the past 20 years it has known not a few failures. American society has exposed many deadlocks. Even Japan, a country considered to have marvelously solved the question of socio-economic development, has begun to reveal serious defects. For myself, although I've realized that so many illusions were nurtured by me in the past, I've kept the confidence in the human beings' ability to find an outlet without needing to pray to any god. Human intelligence is the basis to search for a way to go. Humanities, including history — an important science, are able to help human beings create counterweights to the sternness of the market economy. Now, again with Sai Gon intellectuals, if they wish to make a profound study, they cannot plunge along the foreign-oriented centrifugal trend. They should integrate in and collaborate with other regions of the country, especially with Hanoi. In the field of computers or electronics, close relations with the United State or Japan are the most preferable. But ten or twenty years at Sorbonne or Harvard will be insufficient and unnecessary for the Vietnamese to have a profound understanding of society and human beings. After the successful national liberation when the economy started to develop, we cannot entertain such backward humanities. In this aspect, may I say openly that **Sai Gon intellectuals have not made the proper efforts; they are obsessed by technology and the economy which are absorbing almost all their vitality.**

V.S.: Do you intend to belittle the market economy?

NKV: I've almost not touched the market economy because so much information on it can be found in any book or newspaper today. My additional views would be superfluous. Through the eyes of a historian, I'd like to have a comprehensive view, so that any careful analysis of whatever subject will enable me to reason the other ones. Here, I am only analyzing, and putting forward a number of questions, not making suggestions or recommendations to any-one.

V.S.: *Nevertheless, would you please outline some sketches of this City in the year 2000?*

NKV: Saigon-HCM City now has about five million inhabitants. Like all other large cities of the third world such as Manila, Bangkok, Jakarta, Cairo, Sao Paulo, etc., it is facing numerous urgent issues. First of all, **it is impossible to prevent poor inhabitants coming from the rural areas throughout the country to Saigon.** No matter how strict the residence registration is, hundreds of thousands of inhabitants from Hoang Lien Son, Quang Binh, Binh Dinh are streaming here every year. Certainly, by the year 2000 the question of family planning will hardly be resolved in the Vietnamese countryside. (Even China following a very strict policy in this area is still unsuccessful — much less Vietnam having such loose regulations!). **It will be difficult for Sai Gon to avoid the existence of "ghost hamlets" where non-registered inhabitants gather, vagrants who have unstable lodging and occupations; or to solve the question of street children.** In Saigon, if one works a little hard

or is a little bit cunning, one can earn 5,000-10,000 dongs a day — an amount that is not easy to gain in rural areas. The authorities and mass organizations have realized the importance of these issues. But it is not known whether their subjective efforts can confront the objective tendency to pour money of the whole country into this city. Will the State, the central level be able to coordinate, to invest in the areas far from the world economic exchange? Besides, the differentiation between the rich and the poor...

V.S.: *Are there any more questions?*

NKV: Like other large cities, Saigon's infrastructure is inadequate. It always faces communications, water, electricity, and residential housing shortages, in spite of the fact that it is the best equipped city in Vietnam. How much longer will this situation last? With the scientific-technical progress of the present time this problem is not difficult to resolve; in some dozens of years, Saigon together with Bien Hoa-Vung Tau will be turned into a large and modern urban center. If interested only in economics, science and technology, the Saigon intellectual circle easily find their own lifestyle. As greatly as they may be absorbed by informatics or economic management, they can hardly deny what they have to confront and deal with in the street, at home in the conversations with their children, such as environmental pollution, prostitution, drug addiction, gangs of law-breaking youth and juvenile delinquents, etc., and the silhouette of AIDS which begins to pose a threat to this City. People

currently are only interested in for whom to work? For the State to help the State bodies with managing the country or for private foreign companies to double the salary? They don't care probably, what and who they are to serve. Over the past years, like the whole of Vietnam, this City went through a serious crisis. A way out of the crisis has most likely been found, but there is more than just the economy! To accept low payment as Confucius said: "It is not necessary for the gentleman (quân tử) to be full" is clearly a question of ethics. Can Vietnam overcome the current ethical crisis?

V.S.: You have repeatedly referred to Confucius. Do you advocate a return to Confucianism?

NKV: No. Yet in the present society, there are still people who wish to restore Confucianism. You might have seen the posters in many schools with the words: "First, learn the rites (morality); then, the literature (knowledge)". This is also a common trend of some Asian countries which were deeply influenced by Confucianism such as China, Taiwan, Korea, Japan and especially Singapore. It can be said that at present a current of neo-Confucianism is prevailing in the hope of importing the most up-to-date technology, while maintaining a society with the rituals and strict regulations of the past, a society where individuals are ready to sacrifice their interests for the sake of the stable order of society. I am reluctant to sympathize with such a prospect. As a historian, I find it difficult for the country to go counter to history. The Vietnamese nation accepted many foreign

ideological currents. Having faced new ideologies, such as Catholicism, Democratic liberalism, Marxism for 200 years, our nation could hardly reject them and obstinately stick to the old ones. On the basis of folk and traditional culture known to many people as Dong Son culture - occurred an integration of three religions: Taoism, Confucianism and Buddhism. Now three more are added. Will there be "a coexistence of six religions"? Of course, I can't solve this question by myself. I only put it forward.

HO CHI MINH CITY: A PANORAMA

A. REQUIRED INFORMATION

Topography

Ho Chi Minh City (formerly Saigon) now comprises Saigon city, Gia Dinh province and a part of the former Cho Lon province.

It lies between parallels 10°38' and 11°10' Lat N, and meridians 106°22' and 106°54' Long E. Its center is 50 km east of the Eastern Sea as the crow flies, and 1730 km from Hanoi by road.

Located between the Mekong delta, eastern Nam Bo, southern Trung Bo, southern Tay Nguyen (the central Highlands), the city adjoins Tay Ninh and Song Be province in the north, Dong Nai province and the Eastern Sea in the east, and Long An province in the west and the Southwest. Its average altitude is 5.3 metres above sea level; its northern part is 10-25 metres high; its central part is 5-10 metres high; the lowest part in the south and the southwest is 0.5-2 metres high.

Thirty kilometres north along No.1 National Highway is the Bien Hoa industrial zone. At a distance of 125 km from Ho Chi Minh City is Vung Tau City — a centre of oil and gas exploitation and an ideal holiday resort.

The Mekong delta lies in the southwest. Two major rivers flow through the City: the Saigon river and the Dong Nai river.

The City itself is an important port as the Saigon river is accessible to 30,000-tonne ships. It is linked by a river transport network to the eastern and western part of the country and to Cambodia. There are many arterial roads and national highways. Tan Son Nhat is a large international airport.

Area

2,056 sq km, including 84,000 ha of agricultural land, 41,000 ha of forest and fisheries and 38,000 ha of residential area and land for specialized use. In the urbanization process, an average of 700-1000 ha of cultivated land have been turned to other uses over each year.

The soil is old and new alluvium. It consists of alum (30%), grey earth of old alluvial origin (19.4%), and salted earth (12.3%).

Population

By late 1994, the city counted 4,753,000 inhabitants with 2,603,000 people of working age; 1,698,000 of them are working mainly in industry, commerce, agriculture, forestry, transport, communications, building, etc.

Climate

There are two clearly distinct seasons - the dry (from November to April) and the wet (from May to October). Annual average temperature: 27°C. Annual

rainfall: 19,000 mm; the heaviest rain fall is in September. Average humidity: 79.5%. Annual number of sunny hours: 2,299.

Administrative organization

The City is divided into 18 wards and districts including 12 urban wards, namely wards No1, 3, 4, 5, 6, 8, 10, 11, Binh Thanh, Go Vap, Tan Binh, Phu Nhuan and 6 suburban districts, namely Cu Chi, Ho Mon, Thu Duc, Binh Chanh, Nha Be and Duyen Hai.

The administration comprises three levels: municipal, ward (or district) and phường (or commune).

Outline history of the city

Saigon - Ho Chi Minh is a young city. It is only four centuries old. In the 16th century, the place was a wild forest and marshy area. Unable to endure the oppression of the Trinh and Nguyen feudal lords⁽¹⁾, Viet people from northern and central provinces came and settled here to reclaim land. In 1698 Nguyen Huu Canh⁽²⁾ a mandarin under the Nguyen lords reign, had the Tran Dinh *phien* established on the site of the present city. Gradually Saigon became a major political - economic - cultural center.

In four eventful centuries, the city went through many ups and downs and witnessed fierce internecine

wars: the victory of Nguyen Hue⁽¹⁾ over Nguyen Anh⁽²⁾ in 1782-1783, the uprising of Le Van Khoi⁽³⁾ in 1833 against the Nguyen dynasty...

With the French conquest in the second half of the 19th century and the 20-year-long war of resistance against US aggression (1955-1975), Saigon has been the theatre of seething patriotic struggles against invaders.

Famous cultural and political personalities: Vo Truong Toan⁽⁴⁾ Trinh Hoai Duc⁽⁵⁾, Nguyen Dinh Chieu⁽⁶⁾ carried out activities in the area. From here Ho Chi Minh left the country on a 30-year-trip (1911-1941) in search of a path to national liberation.

After the victory of the August 1945 Revolution Saigon was the first to rise against the French colonialists attempt of reconquest. On September 23, 1945, together with the whole of Nam Bo, it fired the first shots of the anti-French resistance war followed by the war against

(1) Nguyen Hue (1753 - 1792), a military genius and hero of the Vietnamese Nation, the founder of the Tay Son Dynasty. He defeated the Nguyen and Trinh lords, the Siam (1785) and the Tshing (1789) invaders.

(2) Nguyen Anh (1762 - 1820) (still called Gia Long) the founder of the Nguyen Dynasty. He reigned as a king for 18 years.

(3) Le Van Khoi (...? - 1834), a general of the Nguyen Court. He later led an uprising against the Court but was defeated.

(4) Vo Truong Toan (...? - 1792), a famous Confucian Scholar living in the times of the Nguyen lords' reign. He secluded himself but educated many talented disciples, for which he was greatly venerated.

(5) Trinh Hoai Duc (1765 - 1825), a famous intellectual, a mandarin of the Nguyen Dynasty. He wrote several literary books and research works on history and geography.

(6) Nguyen Dinh Chieu (1822 - 1888), a famous poet and cultural researcher. He was venerated by the people for his patriotism and hatred towards the aggressors.

(1) Still called *Lords Trinh* and *Lords Nguyen*. Their fight for power lasted from 1570 to 1786, causing the Northern and Southern people many sufferings.

(2) Nguyen Huu Canh (1650 - 1700). A talented general and mandarin under the Nguyen lords reign, he greatly contributed to the reclamation and settlement for the Southern inhabitants.

the US aggressors and their puppet administration. The struggle lasted 30 years. The Spring 1975 general offensive ended with the liberation of Saigon on April 30 that year and opened a new page in Vietnam's history, which became completely independent and reunified, began healing its war wounds, and embarked on national construction.

Like the rest of the country, Saigon was confronted with many postwar difficulties in the restoration of the economy. From 1975 to 1986 it searched for appropriate steps for socialist construction. Being dynamic, but at times subjective and hasty, it advocated mistaken policies, especially on the transformation of private capital, which resulted in an economic crisis.

The Sixth Congress of the Communist Party of Vietnam (1986) laid down a renovation and open-door line to shift from the subsidy-based bureaucratic centralized mechanism to a State-regulated market mechanism.

Since 1987, more particularly since 1991, Ho Chi Minh City has undergone strong, positive changes showing that it deserves to be the biggest economic, cultural and center of international relation in the country.

It is marching in the van of the renovation and open-door cause.

B. FACTS AND FIGURES

I. General features

There are at present in the Ho Chi Minh City region 800 state enterprises, over 3,000 private companies and

firms, over 200 enterprises with foreign investments, and more than 350,000 individual establishments operating in the main areas of the economy.

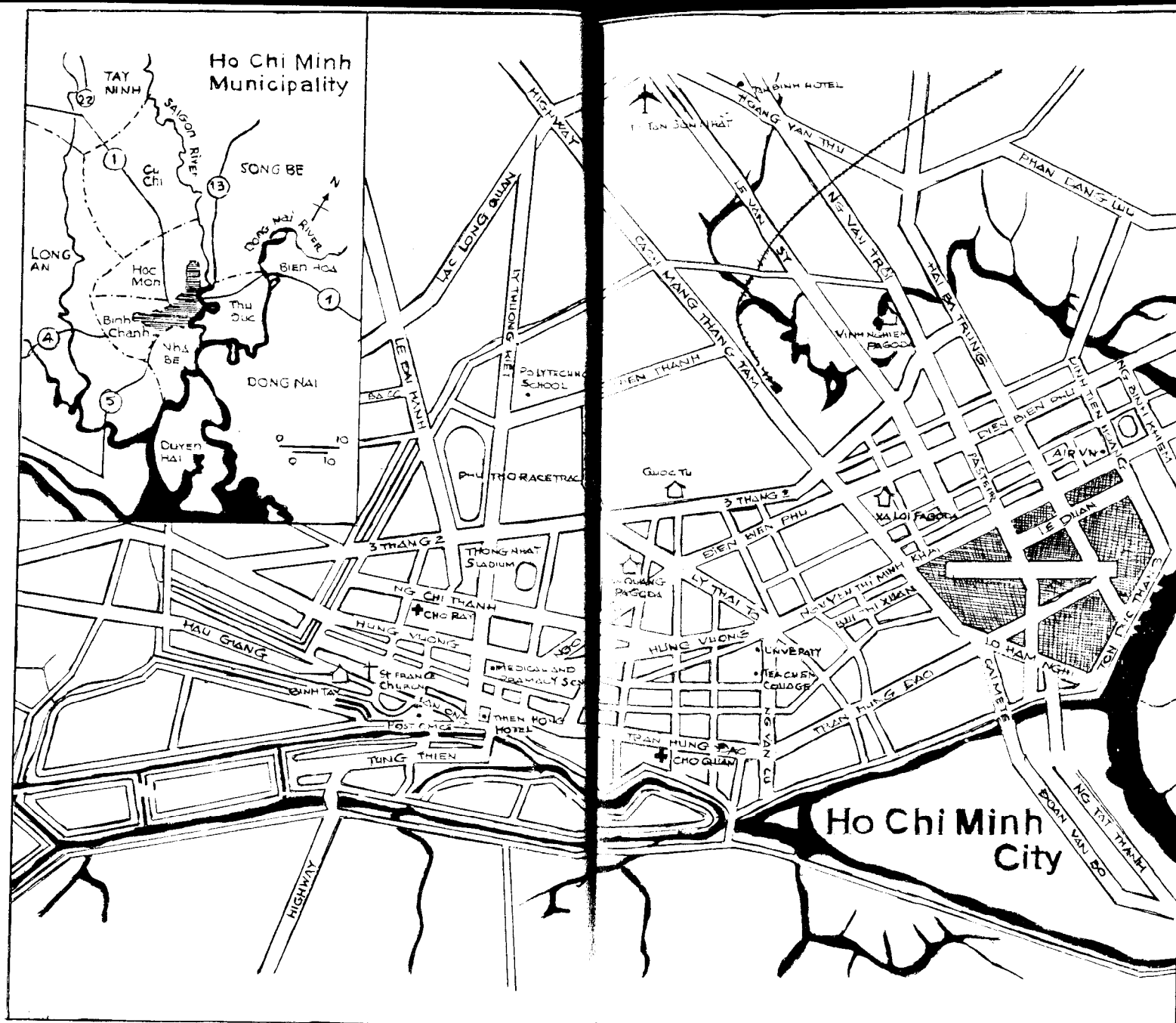
In 1994 the City produced 63,016 billion *dong* of products and 29,731 billion *dong* of GDP and the total budget receipts amounted to 12,264 billion *dong*. In comparison with the rest of the country, the City accounted for 6.3% of the population, 5.2% of the labour force, 19% of production, 17.5% of GDP and made a contribution of 25% to the State budget. It remained a major economic center in the whole country.

Its GDP recorded in 1994 a 14.6% increase over and above the 1993 figure (the 1993 increase over the 1992 was 12.5%). The average increase of GDP over four years (1990-1994) was 11.9%

The centrally run economic sector increased more rapidly than the local sector. The non-state component and that with foreign investment increased more rapidly in the processing than in the service and mining area. Processing industries, construction, hotels, shops PTT, financial and banking service... increased more quickly than the general growth rate.

The faster economic growth rate of the city (8.5%) in comparison with the rest of the country positively helped to overcome stagnation, check inflation and gradually stabilized the socio-economic situation.

In comparison with previous periods (1976-1980, 1980-1985, 1986-1990), the economic development of



Ho Chi Minh City in 1991-1994 marked a progress not only in growth rate, but also in stability. The growth rate in all areas of economic activity increased every year and were at a steady temps. This is clearly evidenced by the figures recorded in 1993 and 1994:

| | 1993 | 1994 |
|-----------------------------------|-------|-------|
| GDP increase | 112.5 | 114.6 |
| State sector | 109.4 | 113.4 |
| Non-State sector | 110.1 | 113.4 |
| Sector with foreign investment | 165.5 | 129.6 |
| Exploitation sector | 102.5 | 106.8 |
| Processing sector | 118.5 | 118.2 |
| Service sector | 108.6 | 112.0 |
| Sector of services for production | 112.1 | 113.7 |

It is significant that the above growth was not based on subsidies and external aid, but mainly on the City's self-motivation. The decisive factor of development was not the increase in the number of laborers (14%), but the great efforts made by the City to invest in science and technology, to renovate techniques and production processes, to change the structure of products and to reorganize production in order to increase productivity (86%).

With regard to the economic structure, Ho Chi Minh City advocates an open economy with many components and economic forms. In the 1990-1994 period, over

3,000 private companies were established in various fields, mostly in trade, tourism, industry, transport and construction. There were a number of large-scale establishments. About 15% of private companies and enterprises in industry had capital funds exceeding 3 billion *dong* and turnover of more than 20 million *dong*/year. In the commercial field, 15% of private companies and businesses had capital funds exceeding 5 billion *dong* while annual turnover reached 60 billion *dong*. The households and individual groups undertaking production and business also increased in numbers, value and scale. As a result, the value of the private sector in 1994 increased by 13.4% over and above the previous years and accounted for 40.4% of the GDP of the City.

In 1994, 90 projects with foreign investment were licensed in the City; the registered investment fund amounted to 1,077 million US\$. Currently 356 projects are still valid with a total registered fund of 3.68 billion US\$. This includes 252 joint-venture projects, 24 cooperation projects and 80 projects with 100% foreign capital. The turnover of these units in 1994 amounted to 476 million US\$, a 27% - increase over 1993. The total value reached 625 billion *dong*, a 29.6% - increase over 1993.

The consolidation and rearrangement of the economy continued. Small organisations or ones sustaining losses were either disbanded or merged for the sake of greater efficiency. In three years (1992-1994), the number of industrial establishments declined from 425 to 369 - that of commercial and tourist businesses; declined

from 238 to 215 - The State economy continued to grow (a 9.4% increase in 1993 and a 13.4% increase in 1994). Out of 20 economic sectors, 12 belonged to the State and accounted for over 50% of GDP. The State had a monopoly over the production and distribution of industries such as electric power, water, post and telecommunications, technological science. It held a smaller percentage in eight others, such as agriculture, forestry, aquaculture, hospitality, dealing in immovable property... The total value of these industries represented 23.4% of the regional GDP, which included 34% from the State sector and 66% from other economic sectors.

Positive changes occurred in the structure of all economic sectors. The primary industries (agriculture, forestry, aquaculture, mining) accounted for a smaller and smaller percentage. Processing industries, production and distribution of electric power, water and house-building were on the increase both in absolute and in percentage terms. The percentage of the service sector which includes the remaining economic activities, was reduced to some extent due to its slower growth rate.

Structural changes also occurred within each industry. For instance, there was an increase in the percentage of manufacturers of food and drinks, garments, paper and paper derivatives, rubber and plastic products, telecommunications equipment and in the printing industry. In agriculture, the percentage of animal husbandry and related services increased while cultivation

declined. In commercial activities, foreign trade increased more rapidly than domestic trade.

II Major economic relationship

1) Relationship between production and consumption

The spending funds of the city in 1994 amounted to 20,485 billion *dong* including 18,612 billion (90.9%) for personal consumption and 1,873 billion (9.1%) for social consumption. The total consumption funds represented about 69% of the city's GDP. Thus the City was not only able to cater to its own needs, but also achieve savings and to make a contribution to the rest of the country.

Goods used by the inhabitants of the City (mainly food, foodstuffs and high-quality consumer goods) included no less than 65% of imported products bought from other provinces. On the other hand, no less than 70% of the City's products were exported or sold to other provinces in the country.

2) Relationship between GDP and investment

The investment in fixed capital construction in 1994 amounted to 9,557 billion *dong*. Total capital including working capital was 13,905 billion *dong*, an increase of 31.3% in comparison with the previous year. Between 1991 and 1994 the average annual increase was 43%. But if the price changes are not taken into account, the actual increase was 26%. As the growth rate of investment was 2.35 times higher than of GDP, to get a 1% increase of the GDP the city had increased the investment fund by 2.35%. In comparison with other countries,

investment in Ho Chi Minh City was not high, especially with the high waste in the capital construction (over 30%). This reflected the fact that to increase GDP such factors as management, maximum exploitation of the potential available from capital are very important.

3) Budget percentage of GDP

The total income of the City in 1994 recorded a 65.9% increase thanks to the development of the economy and the stepped-up struggle against tax evasion. Domestic receipts increased by 57.4% and the revenue from import-export taxes increased by 66.9%. Following is a breakdown of increases in domestic receipts by economic sectors: the State sector: 39%, the private sector: 54%, the sector with foreign invested capital: 347%, from other sources: 124%

In 1994, the budget percentage was 25.2% of the GDP. It was higher than in previous years (1992: 14.3%, 1993: 19%) and higher than the figure for the entire country (15%). In spite of the existence of an adjustment system, the difference among the various economic sectors remained fairly high, and increased from year to year.

| | 1993 | 1994 |
|--|------|------|
| Budget percentage of GDP (%) | 19.0 | 25.2 |
| - State sector | 27.7 | 35.7 |
| - Private sector | 9.9 | 12.3 |
| - Sector with foreign-invested capital | 7.7 | 22.4 |

The State sector had an advantageous position. It enjoyed a number of privileges, with a subsidised character in regards of credit interest, capital, tax on the use of resources and land and in a number of activities giving high profits and paying high taxes (brewery, cigarettes, import-export...). The percentage of the budget from the non-State sector had increased 1.24 times, yet taxes were not collected at a similar rate, mainly because of attempts to hide the accurate figures of the turnover. Surveys have shown that the turnover used as a calculation basis for collecting taxes from traders' households amounted to only 45-50% of the actual figures, and the percentage was 60-70% for handicraft households. However, cases did occur where tax was collected in excess to an extent that it was unbearable to the businessmen concerned. In the sector with foreign investment, the percentage had increased in a notable way, but management work was not tight enough and control regulations were not seriously observed.

The income of the City continued to increase at a quick tempo and made important contributions to the national budget, yet there was practically no increase amount for the local budget. Furthermore, the percentage was continuously decreasing between 1991 and 1994 (34% in 1992, 31% in 1993, 19% in 1994). It is expected to be only 13% in 1995. This has resulted in great difficulties for the municipality in its budget expenditures.

4) Economic growth and the living conditions of the population

The living conditions of the population have been improved. The GDP per capita has been on the increase since 1991. It was 611 US\$ in 1990 and 810 US\$ in 1994. The average annual increase in the past four years was 8.3% but due to the high rate of population increase, per capita GDP remained low although GDP had increased beyond the expected figures.

The normal expenditure per capita in 1994 was 283,200 *dong*/month, a 12.5% increase over the previous year. If expenditure for house repairs and house rentals were included, the total would amount to 323,657 *dong*/month. The gap between the average expenditures of the urban and rural population was narrowed (16.3 times in 1993 and 1.55 times in 1994). The number of poor households was reduced.

The people who had a relatively decent livelihood were the most numerous (63%). Besides attending to their food needs, they managed to save 35%-40% of their daily expenditures for clothing, education, health care and cultural enjoyment.

A problem to be mentioned is the programme for the elimination of hunger and reduction of poverty. The City's fund for this purpose extended assistance to about 41,000 households (over 80% needing monetary assistance), organized vocational training for 1,438 laborers, found jobs for 18,580 people in the inner city and allotted 107.13 ha of agricultural land and

1,356 ha of forest land to poor households in rural areas, thereby creating stable incomes for many families. In 1994, the City built from its welfare funds 1,967 dwellings for donation to families of war invalids and martyrs. It also delivered 1,527 savings cards to beneficiaries of the same category.

The percentage of households having a decent life increased from 7% in 1992 to 13.2% in 1994; conversely the number of families with low living standards was reduced. This can be seen from a classification of households according to their livelihood from 1992 to 1994 (Per hundred households).

| | 1992 | 1993 | 1994 |
|--|------|------|------|
| - Poor families | 30.7 | 23.9 | 15.3 |
| - Average families | 57.0 | 59.2 | 63.3 |
| - Families with a decent life | 7.0 | 9.7 | 13.2 |
| - Families with relatively high living standards | 5.3 | 7.2 | 8.2 |

Structural changes occurred in households' expenditures at the same rate as social development, in particular, the spending on education and culture recorded significant increases.

Consumer goods in the families also increased. Following are the percentages households having acquired some of them in the past few years.

| | 1992 | 1993 | 1994 |
|--------------------------------------|------|------|------|
| - Families possessing a TV set | 55.2 | 64.7 | 71.3 |
| - Families possessing a video set | 16.8 | 19.7 | 33.0 |
| - Families possessing a motorcycle | 46.8 | 54.3 | 63.0 |
| - Families possessing a refrigerator | 22.1 | 23.5 | 24.7 |

In the rural areas, electricity has been delivered to 97.6% of communes, 94.7% are provided with roads, 100% with primary schools, 75% with junior secondary schools, and 48.9% with medical stations.

On the whole, the living standards of the inhabitants of Ho Chi Minh City have undergone notable improvements, but have remained low.

III. Economic and cultural activities

1. Industry

Industrial production in the City area continued to develop in 1994 at a quick tempo. Private industry with the rapid development of such form as limited liability companies, joint-stock corporations and private firms brought about a rapid growth of production. By late 1994, there were 23,481 industrial establishments pertaining to different economic components and employing 306,023 labourers. This represented a 5.5%-increase in terms of installations and a 1.2%-increase in terms of manpower. The total capital of the above-mentioned units was 24,000 billion *dong*, a 4% increase in comparison with 1993; the capital

of the State-run enterprises accounted for 56% of this figure, an increase of 4.8%.

The value of production in 1994 recorded a 17% increase over and above the 1993 figure. It represented 29.9% of production in the country. Adding the enterprises with foreign investment, the total value of the industrial production of the city amounted to 8,069.4 billion *dong*, an 18.3% increase, exceeding the figure for the country (13%).

State industry maintained a leading role with regard to the scale and tempo of production. No less than 69% of the value of production in the municipal area came from State enterprises, 2/3 of this figure were turned out by centrally run industrial establishments. There are now 369 State enterprises with 151,532 labourers (49.5% of the total labour in the whole sector). These include 138 establishments under central management, 168 under municipal management and 63 under district management.

The total capital of the State enterprises in 1994 was 13,548 billion *dong*, a 4.8% increase in comparison with late 1993. As compared with 1993, the capital of the central enterprises recorded a 4.8% increase while that of the municipality had increased by 1.2% and that belonging to the district level, by 16.7%. The average capital of a central enterprise was 77 billion *dong*, that under municipal management was 13.4 billion while the figure at district level was 13 billion. The State-run industrial enterprises had made in recent years steps in overcoming a position in which they "gnawed away their fixed capital".

An important reason why State enterprises have maintained a high tempo of increased production is the investment made to renew equipment. In 1994 the industry invested 3408 billion *dong* to renew equipment and workshops, this figure represents 41.4% of the total investment in capital construction. Thanks to this investment, many industrial establishments managed to raise their production both in quantity and in quality. The Viet Thang textile plant increased its production by 25.5% over and above the 1993 figures, the Dong Nam factory invested 1.7 million US\$ to equip itself with German automatic spinning machines which resulted in a 29.7% increase in production, 75% of this figure were earmarked for export. The Thu Duc Viettronic company completed an assembly line for Panasonic colour TV sets and increased its production capacity to 30,000 sets (14 inch and 21 inch) a year. Generally speaking, the weaving, printing, plastics, electronics industries managed to increase their production capacity and to turn out new, high-quality products.

However a number of others failed to achieve renovation, for instance, those in the manufacture of metallic products, the processing of foodstuffs, vegetables, the fabrication of office equipment...

Centrally-run State industry in Ho Chi Minh City enjoys an advantageous position with regard to equipment, capital, manpower. The products of the State industry predominate now in the areas of power, metallurgy, food processing, chemicals, building materials and notable

increases have been recorded for such products as steel (23.3%), cement (16.5%), beer (24.7%), T.V. set assembly (9.7%)...

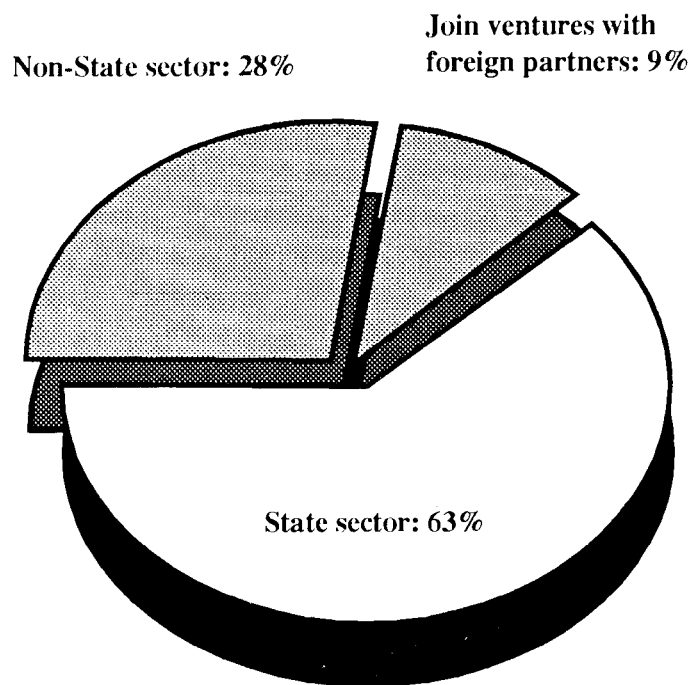
The *private industry* now possesses 23,112 establishments with 154,491 laborers. In 1994, the activities of this sector enjoyed stability and a high growth rate (18%). The overall production increase exceeded 20% with some industries such as garments (+39%), paper (+28%), radio, television and precision instruments (+60%) and it was concentrated in a number of industries: textiles (16.7%), foodstuffs (15.4%), metal products (13.5%). It is worth noting that over recent years, a number of high-technology enterprises in the private sector rapidly developed, for instance, the assembly of electronic equipment (TV, radio sets), the making of clothes for export.

A significant development was also noted in the form of private companies: limited liability companies, joint-stock corporations, private businesses. Some instances: In 1994, the City counted 583 operating enterprises with a capital of 2,755.5 billion *dong*, a labour force of 59,051 people. On an average, each enterprise possessed 4.7 billion *dong* and employed 101 labourers. Some are big enterprises endowed with modern equipment, for example, Minh Phung (capital: 353 billion *dong*, labourers: 8500), Huy Hoang (capital: 151.3 billion *dong*, labourers: 1,777), Binh Tien (capital: 90 million *dong*; labourers 1696).

Almost all enterprises with foreign investment are equipped with new modern assembly lines; as a result,

the products are equivalent in value to imported goods. This has helped speed up the growth rate.

*Value structure of total industrial production
according to economic sectors
1994*



On the whole, however, delays have been noted in the investment to renew equipment, and the process has not been carried out in an integrated manner in various industries. Many State-run enterprises have not fully brought into play the potential available (workshops,

machinery, equipment). Industrial production lacks capital while large amounts of funds remain idle among the population. Production efficiency of many enterprises (about 2/3 of total) is still low.

2. Agriculture and forestry

There are in Ho Chi Minh City 260,000 rural households out of which 89,854 are farms with 474,680 people and 280,000 farm-hands. Agricultural lands have an area of 84,000 ha out of which 91.8% are planted with annual crops. Rice and auxiliary crops account for no less than 85% of this figure. The area of agricultural land is being reduced due to the urbanization process. In 1994 weather conditions were unfavorable, and pests caused damage to 7,000 ha, yet the output of many crops and stock continued the same growth rate as in the previous year.

The value of agricultural production (in terms of actual prices) was 1,263 billion *dong*; forestry and aquatic products accounted for respectively 59 billion *dong* and 199 billion *dong*. The increases in value for agriculture, forestry and aquatic products were respectively 733 billion, 43 billion and 120 billion *dong*.

Rice production in 1994 dwindled and failed to achieve the targets (paddy production for the whole year: 242,291 tonnes; 93.2% of the plan). However, the area planted with alternative crops or high-yield paddy was on the rise: the area planted in high-yield paddy was 26,000 ha (32.7%) - an increase of 1,000 ha over and above the 1993 figure. New varieties of rice were put

into production such as perfumed rice TD1, KSB 199, Jasmine, Khaodawk Mali, Chinese hybrid rice... The production of vegetables of all kinds amounted to 296,278 tonnes, 118.5% of the target figure, an increase of 20.8%

Animal husbandry developed. The number of pigs (over two-month old) was 180,287 heads, an increase of 1.06% over the same period last year. Fowls numbered 2.01 million head, an increase of 5.7% and of this number, 22.4% are industrially-bred fowls, an increase of 6.3%. The breeding of industrially-bred fowls strongly developed in Thu Duc, Binh Chanh, Hoc Mon, Nha Be... areas. Dairy cows numbered 10,420, an increase of 4.5%, 5,388 of them are giving milk, 119.7% of the target of the plan, an increase of 37.3%. The annual production of milk was 12,270 tonnes, an increase of 25%. The breeding of dairy cows by families strongly developed in Go Vap, Tan Binh, Hoc Mon districts and was expanding to other districts like Cu Chi, Thu Duc, Binh Chanh. The good care taken of the breeds has made it possible to supply them to other provinces. In 1994 the City imported a number of new breeds of fowls and pigs giving high yields and good quality.

In the forestry field, the value of production in 1994 recorded a 2.4% increase over the previous year. The City grew 939.5 ha of protective forests with no less than 90% success rate, it also planted 2.2 million trees in several places. New species were imported to be multiplied and used in the transformation of gardens

planted with various ordinary trees. The City also stepped up the allotment of land and forests to the care of households. By the end of 1994, 261 households had accepted responsibility for 14,000 ha of forest lands.

3. Aquatic products

Thanks to the investment made in the repair and renewal of the means of exploitation, the catch of aquatic products in 1994 reached 14,000 tonnes including 9,000 tonnes caught off the coast. Aquatic products were bred on a total area of 4,289 ha including 1190 ha devoted to fish, 2,361 ha to shrimps and 738 ha to *ngheu*. This brought in 2,732 tonnes of fish, 283 tonnes of shrimp and 14,760 tonnes of *ngheu*. The types of species bred also changed.

4. Fundamental constructions

In 1994, along with investment for economic development, the city concentrated efforts on checking the degradation of the infrastructure. With budget appropriations, self-procured fund and in joint ventures to build or repair infrastructure installations, renovate technical equipment, raise production capacity and improve the living conditions of the population.

The total investment in capital construction amounted to 9,556.8 billion *dong*, equivalent to 32% of the City's GDP, an increase of 31.3% as compared with 1993.

In recent years, budget appropriations were concentrated on investment for the restoration and upgrading of infrastructure installations and for major socio-economic programmes. As a result, the percentage of

budget appropriations for capital construction showed a downward trend (it was 11.3% in 1990 and 7.8% in 1994).

In outlying and rural districts, new residential areas took shape and rapidly developed. Both the City's and the people's funds for house-building increased rapidly.

Structure of investment capital

(By economic sector — %)

| | |
|----------------------|-------|
| - Service sector: | 62.3% |
| - Processing sector: | 36.4% |
| - Mining sector: | 1.3% |

The result of investment in some main production areas

(In VND billion)

| | |
|--|---------|
| - Processing industry: | 3,283.3 |
| - Hotels, restaurants: | 1,560 |
| - Transport, warehouse, communication: | 1,973 |
| - Real Estate: | 1,461 |

Major objectives of the Infrastructure Development and Improvement Plan have been basically completed such as: Hydraulic system (irrigation system) (An Ha drain and canal, N31A canal), important traffic hub (Hàng Xanh), several roads and bridges etc...

The City has been upgrading its electricity network by improving 25 km and the erection of a further 8.3 km of Medium voltage transmission lines and 18 km of low

voltage transmission lines, and 752 electricity generator stations.

The project of house demolition on Nhieu Loc canal have been stepped up (515 houses of total 2,373 buildings under constructions). Many large-scale hotels have been completed to international standard (New World Hotel with 509 rooms which had 62 million US\$ of investment capital, Omni Hotel with 248 rooms and 35.2 million US\$ of investment capital, etc.).

4. Transportation - communication

Ho Chi Minh City is an important traffic hub not only for the southern part but the whole country, has created a basis for broadening trade, attracting foreign investment.

Investment for air and seaports improvements have increased the traffic and loading capacities to meet the constantly rising requirements.

Infrastructure

| | |
|--------------------------|-------------|
| - Trucks: | 6,160 units |
| - Buses: | 471 |
| - Sea ports: | 3 |
| - International airport: | 1 |
| - Railway stations: | 3 |
| - River ports: | 7 |

Tan Son Nhat International airport is utilized by 20 international aviation companies operating more than 27 different airroutes. Vietnam Airlines alone has 15 airroutes (8 international and 7 domestic). Some new routes have just been opened such as Ho Chi Minh - Osaka, Ho Chi Minh - Dubai - Berlin - Paris. In addition to further widening its international connections, since December 1994, Ho Chi Minh City has assumed the Ho Chi Minh FIR, everyday it guides hundreds of aircrafts across its territory.

The City's harbour and riverports are located on a total area of 878,800 square metres, in addition to 100,700 square metres of warehouses and 247,100 square metres of commodity stores. Harbours like Saigon, Ben Nghe has received continual investment to further enhance infrastructure, catering for different kinds of shipping and transport.

Current state of Ho Chi Minh City's road network is as follows:

| | | |
|---------------------------|----------------|------------------|
| - Total | No. of roads: | 786 |
| | length: | 1,273,312 meters |
| - asphalt concrete roads: | 184,410 meters | |
| - normal asphalt road: | 599,922 meters | |
| - macadam road: | 50,336 meters | |
| - normal road: | 438,644 meters | |

However, good quality roads only account for 20%. The problem of traffic jams and the polluted environment needs to be solved. **Public transport** could handle only

5% of passenger needs, the remaining 95% have to rely on personal means of transportation with 2 million bicycles and 800,000 motorbikes. Through the form of Joint Ventures and cooperation, **the City transport sector is trying to improve the quality of the public transport system, while restoring and developing the bus network.**

The City is concentrating on upgrading and improving urban roads and bridges.

The City's postal service continues to implement the modernization program of the information system, expanding the service network and innovating operational forms.

By the end of 1994, the number of telephones installed in Ho Chi Minh City accounted for one-third of the country's total, twice that of Hanoi but still insufficient to meet market demands (up to 2.2 units per 100 persons). Other means of communication such as mobile phones, phonelink, and fax machines are increasing. Following is an indication of the postal services activities:

| | |
|-------------------------------------|---------|
| - Numbers of post offices: | 105 |
| - Numbers of subscribed telephones: | 134.068 |
| - Numbers of mobile telephones: | 7,289 |
| - Numbers of phonelinks: | 35,124 |
| - Number of fax machines: | 3,500 |
| - Number of public telephones: | 3,497 |

5. Trade

Service and commodity business activities of the City are being expanded and acquiring stability. There are

many enterprises entering the market, competing with each other for survival and market share.

Regarding the State-owned trading network in the City, there are approximately 215 enterprises with 51,300 employees. There are 1,800 enterprises registered under the Private Business and Corporations Law (as at the end of 1994), but in fact, only 70% of those enterprises are operating, an increase of 395 compared with that of 1993. The number of privately owned enterprises is 141,300, an increase of 5.5%. Total operating capital is around VND 24,000 billions (excluding 35 joint ventures with foreign partners).

Total commodity sales turnover of the market in 1994 was VND 60,000 billions, an increase of 31.1% over 1993.

Sales Structure

| | 1992 | 1994 |
|--------------------------------------|-------|-------|
| * <i>Total rate</i> | 100.0 | 100.0 |
| - Wholesale | 62.1 | 60.7 |
| - Retail | 37.9 | 39.3 |
| * <i>Division by economic sector</i> | | |
| - State-owned units | 57.9 | 47.6 |
| - Collective units | 1.8 | 2.2 |
| - Non-public units | 39.2 | 48.5 |
| - Foreign joint venture | 1.1 | 1.7 |

With regard to the business efficiency of the public sector in 1994, it is calculated that 91% are

profit-making enterprises, 6% are making a loss and 3% are breaking even.

An investigation of 1,406 private enterprises it has found that 68% have less than VND 1 billion of capital. Staff numbers in these enterprises are normally small (less than 10 employees) and most management have not been professionally trained in business administration; with only 38% of them having university qualifications.

The source of capital for the operation of those enterprises is mainly acquired as loan capital (interim use, deferred payment...). Average income per employee is VND 505,000. In respect of business efficiency, financial reports of trading companies normally reflect turnover and sales figures lower than actual activities in what we call the "Fraud loss - Actual profit" system.

The business activities of privately owned enterprises are tending to stabilize with service and trading sectors rapidly increasing. Average income per capital is VND 826,000/month. In this sector, however, ~~real~~ turnover is twice as large as that reported for taxation purposes.

6. External Economic Activities

- Foreign Investment:

In 1994, there were 90 investment projects licensed in Ho Chi Minh City, with a total invested capital of US\$ 1,077 million and legal capital of US\$ 525.6 million.

Average investment capital per project is US\$ 11.9 million, lower in comparison with that of 1993 (US\$ 14.2 million).

Background to the capital contribution of projects

- Numbers of Joint venture projects: 55
- Numbers of 100% foreign invested capital: 28
- Numbers of business cooperation projects: 7
- Capital contribution ratio by foreign party: 74%
- Capital contribution ratio by Vietnamese party: 26%

It is noted that despite the lifting of the American economic embargo against Vietnam, there are not large numbers of foreign investors coming into the country. In 1994, there were 18 countries having invested in the local market:

Foreign countries with large numbers of investment projects (1994)

- Republic of Korea: 19
- Hong Kong: 16
- Taiwan: 13

Foreign countries with increasing numbers of investment projects (1994)

- Republic of Korea
- Hong Kong
- Taiwan

Foreign countries with decreasing numbers of investment projects (1994)

- Russia
- Malaysia
- Singapore
- Thailand

Foreign country with the largest invested capital (1994)

- Switzerland (US\$ 452,8 million)

The investment structure has not yet shown any apparent change in which production and infrastructure development projects are tending to decline while investment in hotel, restaurant and real estate is increasing.

Investment structure (in 1,000,000 US Dollar)

| <i>Industry</i> | Numbers of investment projects | <i>Amount</i> |
|-----------------------|--------------------------------|---------------|
| - Processing industry | 215 | 1,235 |
| - Hotel, restaurant | 53 | 1,139.8 |
| - Construction | 14 | 196 |
| - Real Estate | 22 | 186 |
| - Finance and credit | 7 | 95 |
| - Culture and sport | 3 | 91,6 |

Investment Partners

(At the end of 1994)

| <i>Country</i> | <i>Numbers of projects</i> | <i>Amount (In 1,000,000 US\$)</i> |
|---------------------|--------------------------------|---------------------------------------|
| - Hong Kong | 63 | 885 |
| - Taiwan | 59 | 679 |
| - Republic of Korea | 46 | 140 |
| - Singapore | 36 | 282 |
| - France | 26 | 203 |
| - Switzerland | 11 | 462.8 |
| - U.S of America | 5 | 3.7 |
| - China | 1 | 1.5 |

CURRENT PERFORMANCE OF INVESTMENT PROJECTS

So far, the total amount of foreign invested capital for projects stands at almost US\$ 1 billion, accounting for 29.5% in terms of total invested capital and 52.1% in terms of statutory capital. Average foreign capital inflow invested into the city is around US\$ 100 millions. The majority of foreign invested capital are in the form of equipment and facilities with the remainder in cash. Invested capital contributed by Vietnamese parties is most often in the form of the right to land use, water area, plant and factories etc...

Currently, there are around 32,000 people working in foreign invested companies of which 98% of them are

Vietnamese, working in the processing industry, hotels and restaurants.

By the end of 1994, around 52.5% of foreign invested projects had gained an initial turnover from their operations. The total turnover was US\$ 474 million in 1994, an increase of 48% over 1993.

Export turnover of foreign invested companies is getting larger and larger. Their total export turnover in 1994 was almost US\$ 100 million, accounting for 20% of their aggregate turnover, 2-3 times higher than that of 1993. Export goods mainly come from the processing industry (accounting for 86%) such as textiles, garments and clothing, shoes etc.

Total export turnover of foreign company branches in the City was US\$ 180 million in 1994, an increase by 28.5% compared with that in 1993. Major export goods are materials and equipment.

Efficiency has been enhanced in those enterprises. Their tax obligations have therefore increased rapidly, paying VND 592 billion (equivalent to US\$ 53.8 million), 5-6 times more than that in 1993.

In general, the current critical challenge is to improve the investment environment which should be started by accelerating regional and different sector investment development programs. Especially, **investment formalities and procedures** should be streamlined. In practice, before project owners can receive their investment licences, they must have gone through approximately 20

various big and small "doors", (12 "doors" at central level and 8 "doors" at local level). Finally it must be ensured that electricity, water and other public utilities are adequately supplied.⁽¹⁾

House and office rental prices, hotel room rates, etc... are too high in comparison with neighbouring provinces and countries, Although its infrastructure have made significant improvements, it is still too poor to attract foreign investors. Controls after licensing remain too loose and inefficient.

7. Export-Import

Total local export-import turnover over period 1993-94

Export 1994: 902.1
 1993: 846.7

Import 1994: 555.3
 1993: 480.6

(In US\$ 1,000,000)

On the Export side:

Total export turnover of the City increased in comparison with that in 1993, but its growth rate is still slower than other provinces and the whole country.

(1) At this moment of time, since April 1995, Ho Chi Minh city has started reforms to its administration apparatus.

Industrial products have risen while that of agricultural and forestry products have declined

| | 1993 | 1994 |
|---------------------------|------|------|
| - Agricultural products | 35.7 | 34.9 |
| - Fishery products | 22.0 | 21.0 |
| - Forestry products | 9.7 | 6.1 |
| - Light industry products | 32.5 | 36 |

Major export commodities are rice, beans, coffee, garments and fishery products. Recently, new markets have been found in China, America and some North European countries.

Foreign markets where Vietnam's export turnover are increasing are Singapore (increase of 77%), Republic of Korea (increase of 3.65%), some North European countries with an increase of 44%.

Foreign countries where Vietnam's export turnover are declining are France, Thailand, Indonesia.

Key export markets (in 1994)

| Country | Turnover (in US\$ million) | Percentage in total (%) |
|---------------------|-------------------------------|----------------------------|
| - Singapore | 90.1 | 16.6 |
| - Japan | 66.8 | 12.9 |
| - Taiwan | 76.2 | 13.7 |
| - Republic of Korea | 31.8 | 5.6 |
| - Hong Kong | 58.6 | 10.5 |

Other markets consist of Russia, France, China and Germany which account for only 3-4% of total export turnover by the city.

On the Import side:

Total import turnover of the city in 1994 was US\$ 1,182 million, an increase of 17.2% over 1993 in which central enterprises accounted for 23.7%, and the remaining 76.3% by local enterprises.

The structure of import has seen some changes. Parts and equipment increased by 19% in comparison with those in 1993, consumer-goods increased 3% while materials declined 1.56%.

Export goods (In 1994)

| | |
|-------------------|------------------|
| - Fibre | : Increase 13.9% |
| -Wheat flour | : Increase 48% |
| - Garments | : Increase 11% |
| - Plastics | : Increase 69.6% |
| - Fertilizer | : Decrease 70.4% |
| - Glutamate natri | : Decrease 31.5% |

Import markets (In 1994)

| | | |
|-------------|------------------|---------------|
| - Japan | US\$ 97 million | Increase 42% |
| - Taiwan | US\$ 147 million | Increase 17% |
| - Indonesia | US\$ 25 million | Increase 129% |
| - France | US\$ 58 million | Increase 20% |

Markets like Hong Kong, Singapore, SNG countries are now tending to increase while markets like Republic of Korea, Thailand, Indonesia, Malaysia are tending to decrease.

8. Finance, Credit

By the end of 1994, the City had 47 finance and credit institutions with a broad network throughout the region, spreading to sites like Hanoi, Da Lat, Da Nang.

By the end of 1994, numbers of local banks, financial institutions and foreign bank branches located in the city are as follows:

| | |
|---|--------------------|
| - Joint stock commercial bank: | 17 |
| - State-owned commercial bank branches: | 18 |
| - Joint stock commercial bank branches: | 2 |
| - Joint stock finance companies: | -2 |
| - Joint venture banks: | 3 |
| - Foreign bank branches: | 5 |
| - Insurance companies: | 2 |
| - Lottery company: | 1 |
| - Total manpower: | 5,055 people |
| - Total capital: | VND 15,000 billion |

Recently professionalism and qualifications such as foreign languages, computer skills of the staff in local companies have been considerably upgraded which help them actively meet the challenges that arise during the

renovation process occurring in their sector. In order to expand business and strengthen competitiveness, many enterprises have attached importance to raising their own capital. Total loans outstanding in December 1994 was VND 8,661 billion, twice that of Hanoi.

The performances of finance and credit institutions in the city have become more and more efficient. In 1994, their total turnover was VND 1,650 billion, an increase of VND 801 billion and accounted for 2.7% of the whole city's GDP.

Activities of the City's Lottery company help contribute and consolidate the State budget's revenue. This company's turnover was VND 315 billion in 1994, an increase of 35.3% over 1993, and its obligated contribution to the State Budget was VND 74.2 billion. The total turnover of insurance companies was VND 134.7 billions, an increase of 30% over the previous year.

9. Living conditions and environment

The environment in Ho Chi Minh City is now in an alarming state as pollution increases due to the poor infrastructure, old public transport system, rampant waste water, dust and garbage disposal in disorder. Dust density in the air has exceeded 2-3 times, in some places 4-6 times the allowed limits. Daily garbage is around 2,800 tonnes, a 12.5% increase in comparison with that of 1993. In addition, noise levels are accelerating at 0.5-0.7% each year. In some locations, after heavy rain, storm water levels rise up to 1 meter higher than normal and are unable to drain away for 2-3 days.

Confronting these conditions, the City Environment Committee has adopted anti-pollution measures to protect the City's environment: Promoting to the public together with implementing "clean and green weeks", controlling pollution from road transport and industry... Especially, the Clean Water Program for Rural Areas was carried out during the 1987-94 period in which 6,020 water wells were dug with a total invested capital of VND 15.5 billion.

At present, Ho Chi Minh City is launching a campaign "No litter on the roads". However, in order to make this practice become routine, promotion and education on environmental protection must be done frequently.

10. Culture-Society

Education

In 1994, the City's budget for education was its largest ever with VND 338 billion, an increase of 49% over 1993. As a result, 18 new elementary schools have been put into operation:

- District I : 1 school
- District IV : 3 schools
- District VI : 4 schools
- District X : 2 schools
- Binh Thanh District : 3 school
- Tan Binh district : 1 school
- Hoc Mon District : 1 school
- Thu Duc District : 2 schools

Most high schools have been computerized. Total numbers of pupils in 1994-95 period is 741,000, achieving a level of 1,580 pupils per 10,000 people. The number of classrooms for those pupils is 18,017, i.e an average of 41 pupils per classroom.

However, the big issue of concern facing the City's education authorities is how to improve its teacher's living conditions and reduce the school drop-out rate of pupils. Statistics show that only 50-60% of teachers who are working in elementary schools and in the suburbs intend to stay in the education system after they have benefitted from training courses and programs provided by the system.

The ratio of school drop-outs in the suburbs still remain high (the ratio in the suburbs is 3% while in the city 1%).

In 1993-94 period, there were 122,300 students attending universities, colleges and specialized high schools, a 13% increase in comparison with the previous year in which, were 99,000 university and college students (88%). The number of graduates was 10,802, one-third of the country's total graduates. The ratio of graduates of the various universities located within the City in 1993-94 is as follows:

| | |
|-----------------------------------|---------|
| - Economic College | : 20% |
| - Polytechnic College | : 11.5% |
| - Medical College | : 8% |
| - Finance and Accountancy College | : 8.6% |
| - Ho Chi Minh University | : 7% |

The number of graduates from specialized high schools in 1993-94 period was 4,896 which is approximately equal to that of the previous year.

The movement to study informatics and computers, foreign languages or to attend evening classes is continuing with currently about 130,000 people learning at 130 centers inside the City.

Up to now, 11 districts of the City have reached the national indicators of elimination of illiteracy and the elementary education proliferation program. Those districts are Districts I, III, V, X, Phu Nhuan, Go Vap, Binh Thanh, Tan Binh, Hoc Mon and Thu Duc.

Health

The City's activities in health-care and health protection during 1994 were regularly maintained. The number of hospital beds have been increased by 16% over that in 1993. Today there are 2,800 private consultant rooms, 300 stations for diagnosis and treatment of disease by traditional methods, 1,500 pharmacist's shops available to serve the public. In 1993 and 1994, this network was essentially broadened and made a vital contribution to the City's health-care activities.

The conditions to prevent epidemic outbreaks in the City have been clearly improved. In 1993, typhoid and cholera outbreaks occurred but not on a large scale. The City currently has 2 free-of-charge hospitals with a total of 550 hospital beds and there are approximately 50 charity health-care stations scattered in various districts.

Family planning has been widely promoted, and in 1994 there were 79,000 people applying contraceptive measures, of which 70% contraceptive devices fitted.

A volunteer blood donation program commenced for the first time in which 1,000 people have registered to donate their blood that was utilized by 90%.

Culture

In 1994, the City's media networks were expanded, and equipped with a Central Relay Station helping to diversify the electronic media for its audience. The City's radio programs and newspapers have also been supplemented and advanced, designed to improve public knowledge. Saigon Video, a music tape production company, has been expanded and reequipped. Various forms of song festivals, traditional dancing and song celebrations are also being well maintained and organized.

In term of art, theatre and cinema, despite the increased numbers of shows and performances, its audience declined; details are as follows:

- Video film: Increase 7%
- New plays : Increase 19%
- Video and films shows : Increase 6.7%
- Numbers of art performances : Increase 17%
- Audience numbers attending video and film shows : Decrease 16%

- Audience numbers attending art performances : Decrease 15%

A series of investigations have been made by the City's Authorities to prevent illegally-imported video tapes whose content is crime, violence and unhealthy sex.

Order and Security

A big city of great social and economic importance in the region and Vietnam, a focus of opposition and harassment by domestic and overseas hostile forces, Ho Chi Minh City has been struggling against social evils and crimes.

In general, the current stable of order, security and politics have been fostered and sustained. Several attempts to abuse freedom, religions in order to oppose and act against the City's administration have been prevented. Although crime is still increasing, social order of the City is reliably secured.

It is remarkable that the number of rapes (in which 50% of victims are children), prostitution, drug-addiction have not decreased despite extensive measures applied by the Government. Conflicts causing injury, robberies... are tending to rise. In addition, traffic accidents have not been decreased: 1,592 accidents in 1994, (an increase of 21.9%) in which 591 people were killed and 1,706 injured. The City is now implementing extensive measures to reinstate the order for traffic safety, such as dislodging obstacles on the

surface and pavements of 12 major roads, readjusting signals, inspecting means of transport, etc.

The City has 5,012 orphan children and 5,089 handicapped children facing difficult living conditions. Currently, 3,243 orphan children are being cared for within the community or at specific child-care centres. (accounting for 64,7%).

Front cover: The office of the People's Committee of Ho Chi Minh City.

Photo by Quang Minh

Back cover: Festival on the 20th Anniversary of the liberation of the City (April 30, 1975 - April 30, 1995)

Photo by Vietnam News Agency

