

VIETNAM

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FROM OUR READERS

Recently, I had the opportunity to visit Southeast Asia, specifically spending some time in the Republic of Vietnam, and have made the following observations on the struggle in Southeast Asia:

Firstly, the process of "Vietnamization" moves very well in a military sense, the ARVN, with renewed leadership and training, are developing into a creditable fighting force. They have significant logistic problems which will require some time to resolve; for example, helicopter pilots and truck mechanics are in short supply and the lead time on such training is long.

Secondly, economics has always been a major factor in the struggle, but the economic element of Vietnam is perhaps crucial. Control of inflation, devaluation, post-war economic planning, are at critical stages and actions over the next few months will indicate whether these challenges will be effectively met.

Third, politically, South Vietnam remains a fragment of many political parties, although the entry of the An Quan party into the political framework is an encouraging sign. The former « Anti-Government » forces now describe themselves as « Anti-Administration but Pro-Government. » That is, they accept the constitution and constitutional rule even though they may not like certain portions thereof.

Fourth, corruption, which in my observation results from inflation and the threats of war, is no worse than the rest of Asia and perhaps no worse than our own domestic records. Granted money manipulation exists in high places or involved those who occupied high places, but still remain free and unpunished. It is a challenge to the country and is complicated by the fact that it involves Vietnamese, third party nationals, and unfortunately, many Americans.

Fifth, withdrawal of U.S. forces from Vietnam is progressing about as rapidly as reasonably possible, considering training requirements of the South Vietnamese and the need for phased and scheduled processing equipment. The call of President Thieu for a standdown cease-fire should be met by the other side, a factor which could reasonably accelerate U.S. withdrawal.

Lastly, I was impressed with the fact that the VC violation of the Tet Holiday in 1968 did more to unite the South Vietnamese than all the oratory in the world. In the villages, long pacified and recently pacified, in the cities and on the campuses, I found a massive threat of: (1) domination by the Viet Cong and (2) loss of Vietnamese culture to other Asian nations or to the U.S.

Having been a guest of the administration opposition people including An Quan Buddhists, the clear conclusion is that the Vietnamese want peace first, but without loss of their freedom and without a dictatorial impression from any foreign or domestic power.

VIETNAM *Magazine*

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Cover: Actress Bach Lan Thanh poses by a rice field that promises a bumper crop. Once a rice exporting nation, Vietnam is nearing self-sufficiency in this product and looks forward to exporting rice again in the near future.

On balance, our assistance in the period 1965-1969 may have been an impractical way to counter a way of terrorism, but under no circumstances should it be called an immoral imperialistic venture. By coloring U.S. participation with this slogan of the new left, the acuser does no honor to either his own intellect or to what surely will be an objective reading of history.

WILLIAM F. WARD
National Chairman
American Friend of Vietnam
New York, N.Y., U.S.A.

Respectfully I am writing to ask for some documents and pictures, or your **Vietnam Magazine** which I like very much with informations about the war in Vietnam and the expansion of your international relations.

KENEEDAINÉ NOURREDINE
Office Comptable 59
Rue Bugeaud — Mers Sultan
Casablanca, Maroc.

I have been hearing the news over the radio and through newspapers about the big war in your country. I am always praying to the Almighty that this come to an end now. Because war can destroy humans and property and even spread sickness to other parts of the world. I am also praying that world leaders try to come to one conclusion and to something about the troubles of the world today.

JOSEPH H. HENRY
St. Thomas Church
Monrovia, Liberia
West Africa

We at the Peace Bureau have read a copy of **Vietnam Magazine** and we all agree that it was very interesting.

We will, therefore, appreciate that you put us on your mailing list, so that we can receive your magazine regularly.

EGIL R. HERMANNSS
The Peace Bureau
Nygardsgt. 20
N-1600 Fredrikstad
Norway

Please accept my congratulations on the standard of your publications which have helped me to understand better your country, and, especially to discover it in spite of other unoriented and untrue sources of information.

I would appreciate your sending me **Vietnam Magazine** and **Vietnam Newsletter** and others of which I am not aware.

BERNARD ASSIE
10 Paul Bert St.
25 Besancon, France

FROM OUR PRESIDENT

Would you be willing to be a Patron? Your support will assist the Vietnam Council on Foreign Relations in attaining its various objectives, including the publication of **Vietnam Magazine**.

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If you would like to learn more about our activities, we indeed would be pleased to hear from you.



President
TRAN VAN LAM

I am a student of pedagogy in Phnom Penh and I am very much interested in your **Vietnam Magazine** which had proved very useful in my studies. I have received from the Vietnam Information Office in Phnom Penh two copies of your magazine and request that you send me your forthcoming issues.

KEAN BEANLY
38 Vat Unnalom
3^e Quartier
Phnom Penh, Cambodia

My warmest congratulations for your publication, **Vietnam Economic Report**, which is not only useful but reflects the efforts which your government is putting to get the economy in good shape under the present situation.

TAN HONG LAI
P.O. Box 1136
Saigon, Vietnam

Prof. Haul De Visscher, our Secretary-General, wishes to present his compliments to the VN Council on Foreign Relations and to inform the Council of our Institute's new address.

M. WEHBERG
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Forestry products in the future may develop into a prime Vietnamese export. By 1980 wood products may be earning anywhere from US\$54 million to 119 million in foreign markets. Hard woods like these are in good demand abroad. Two-hundred or more sawmills like one shown at right are near Saigon, could make processing yard feasible project.



Planning for exports

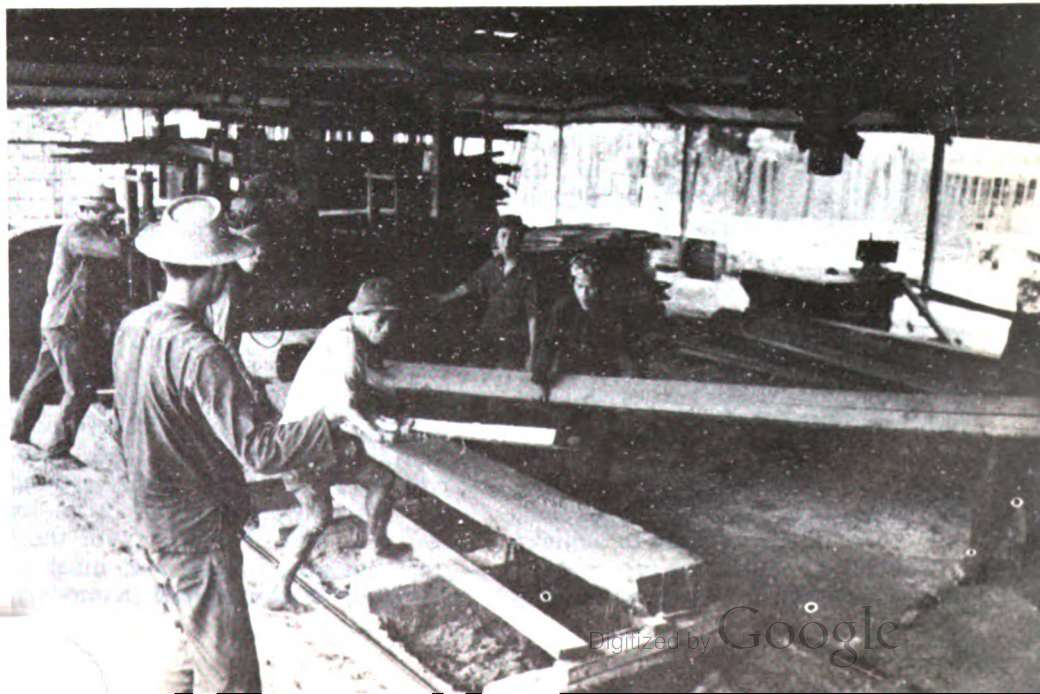
The Saigon government's announcement of a new exchange rate for exports has given the go-ahead signal to an intensified program aimed at capturing more world markets for Vietnamese products.

The ultimate postwar goal — annual trade approaching US\$1,000 million, half coming in, half going out — would require a sixfold improvement on the best overseas sales performance Vietnam has ever recorded and a 33-fold improvement on current export sales. But Saigon's official planners, encouraged by Asian neighbors' successes of similar magnitude, insist such a goal is feasible if they are given a decade of real peace. Whether or not this ambitious objective can ever be achieved in any peacetime period remains to be seen, but even the less sanguine of Saigon's analysts believe exports can at least be doubled and possibly tripled within a very few years, war or no war.

While historically a prosperous agrarian country — which it remains today, despite three decades of intermittent warfare — Vietnam has never achieved a favorable balance of trade in the contemporary annals of international commerce. Whether its governments were imperial, colonial or republican, Vietnam for years has imported more than it could export, the difference being made up by foreign subsidies of one kind or another.

Improvement in 1970

In today's abnormal wartime economy, the Republic of Vietnam imports 55 times more than it exports: 1969 figures showed US\$ 807,099, 530 in imports and \$14,500,000 in exports. Last year saw an improvement: 1970 estimates were \$750 million in imports and \$15 million in exports. This compares with a ratio of imports over exports of roughly four-to-



Efforts made to narrow trade gap

one in 1958. The trade gap will not be closed in the foreseeable future, analysts concede, but efforts to narrow it have been launched.

Part of the gap-narrowing may be achieved by curtailing imports and producing some essential commodities in Vietnam. But exports — currently US\$65 million to \$70 million below the peak years of a decade ago — certainly can be expanded appreciably, particularly when all hostilities cease. Not waiting for any cease-fire, Saigon already is developing programs with that objective in mind.

If there is to be a major expansion of exports, however, analysts believe it must come mainly in new fields. With markets having drastically changed during the intensified war period that kept Vietnam on the sidelines, world trade is "a brand new game," in the economists' words. Former overseas customers have found new suppliers, tastes have changed, synthetics have made some products obsolescent. Items that once were staples of Vietnam's export trade face dwindling demand and stiff competition. New products more suited to the world's new tastes must be developed, and research along those lines is getting underway in Saigon.

Market Changes

An indication of just how much the game has changed is evident in any analysis of the eight products that topped Vietnam's total export trade of US\$752,057,000 in the period from 1955 through 1968. In order of value, they were rubber, rice, tea, duck feathers, iron scrap, beer, fish products and cinnamon. Rubber accounted for 63.6 per cent of all exports in that period, rice 20.8 per cent. Today rubber exports have declined 60 per cent from their peak. Rice, no longer an export item, has been imported since 1964. Imports should not be necessary after 1971 and by mid-1972 the nation expects to achieve domestic self-sufficiency in rice. But if Vietnam is to re-enter the



Fisherman and wife show drying sharks' fins — highly prized gourmet delicacy — which could well be among Vietnam's marine product exports abroad.

international rice market after 1972 it would require subsidies to meet stiff price competition from other rice-surplus countries in the region, or it would have to develop special export products such as the aromatic rices for gourmets now making a showing in the market. Tea, a specialty item for distinct, well-established markets, is highly competitive today and demand is declining. Rubber, duck feathers and cinnamon face competition from synthetics around the world. Beer drinkers in many countries have come to favor their own national brews, and most of them are better suited to modern

tastes than the somewhat bitter beer Vietnam inherited from its French colonial brewmasters. Iron scrap, now being consumed as Vietnam begins development of its own steel fabricating industry, may have to be imported when present war-generated stockpiles are exhausted.

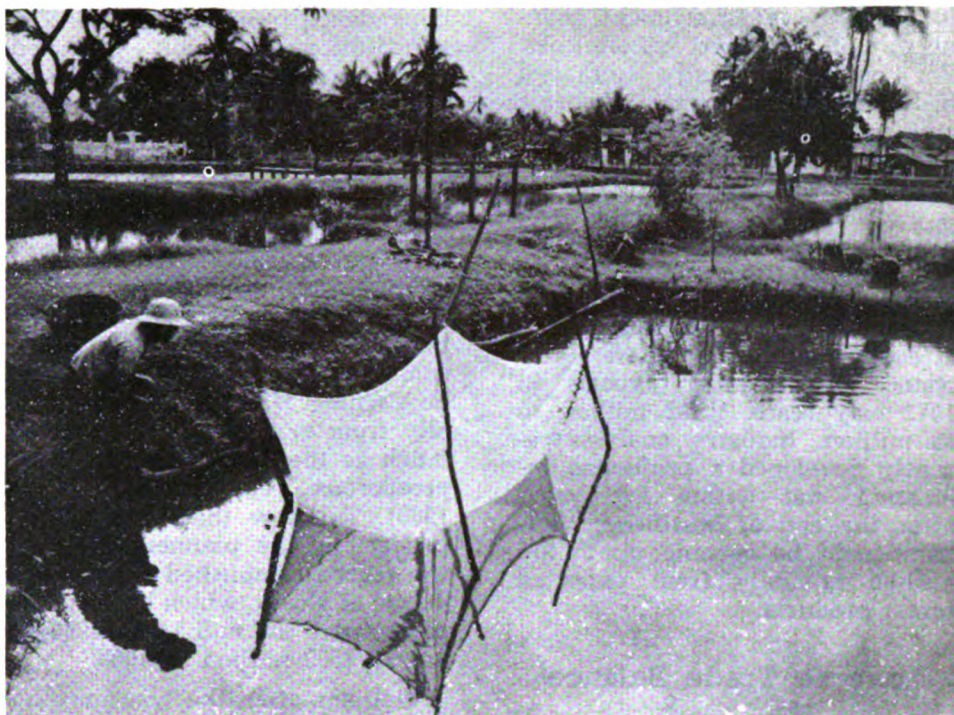
Fish Opportunities

Of the top eight traditional Vietnamese exports, therefore, only fish offers major opportunities for long-term expansion of sales in foreign markets. Here concrete progress is being made in Vietnam.

But marked expansion of marine exports cannot come until commercial fishing — just being launched this year to supplement the large but inefficient cottage industry — is combined with modern cold-storage facilities and marketing channels, and this will be a lengthy development process. Fish products, rubber, tea and cinnamon will continue to be exported, probably in gradually increasing quantities, but hopes for major expansion of Vietnamese export totals in the immediate future must rest principally on development of new products.

Forest Resources

Those hopes are good. The list of items offering good potentialities for export, if development efforts and resources are expended on them, is not a short one, and



Vietnam's fish catch is increasing every year, and in 1970 should total between 500,000 and 520,000 metric tons. Inland fishponds like that in top photo are contributing to fast rising catch. Above: rich anchovy catch.

is growing as government planners explore more possibilities. For one, a virtually untapped field — South Vietnam's extensive and rich forests — may develop into the nation's best foreign exchange earner. The world market is excellent for logs, lumber and wood products, and if Vietnam can establish a concentration yard within the next few months to take advantage of trade queries already coming in, there is a chance that lumber exports in 1971 may reach US\$2 million to \$3 million. Industry analysts recently developed a projection indicating that within five years after the end of hostilities, Vietnam could be earning up to \$76 million annually from exported forest products.

Adverse Trade Balance

Vietnam's trade deficits in the past four years have been massive — US\$466,600,000 in 1966, \$521,600,000 in 1967, \$463,300,000 in 1968 and \$792,599,530 in 1969. During those years almost half the imports were financed by foreign exchange earnings derived from the sale of Vietnamese currency to free world armed forces and other foreign government agencies resident in Vietnam. These sources will diminish as allied troops are redeployed to home bases. Almost all the rest of the import list since 1966 was financed by foreign aid. This aid is continuing, but ultimately Vietnam must bring its trade accounts into manageable proportions; it must sell enough goods abroad to buy most of the commodities it needs from foreign suppliers.

"Unless Vietnam can expand her export trade, she will have to accept a slow and unsatisfactory rate of economic growth or become a permanent dependent on concessionary aid," says Professor Vu Quoc Thuc. He heads the Ministry of Reconstruction and Development and was chairman of the Joint Development Group which prepared a comprehensive blueprint for the nation's postwar recovery effort. His planners have drafted a program that opts for increased exports and reduced imports, along with sustained internal development through Vietnamese efforts, as the road to in-

dependence from foreign aid. The substitution of locally produced goods for many of those now being imported is an important part of this program and already is getting underway, particularly at the Bien Hoa Industrial Park north of Saigon.

Professor Thuc's Joint Development Group conducted intensive studies from which it concluded that within 10 years after peace comes to Vietnam the nation might be earning US\$500 million annually from exports — six times as much as they earned in the most prosperous year (\$84,451,000 in 1960). To show that such a goal is feasible, the planners point to the record established by the Republic of Korea, which boosted exports from \$85 million in 1963 to nearly \$500 million in 1968.

Vietnam after the war may be even better situated than was South Korea after its war. While the fighting has placed serious limitations on resources and industrial skills, Vietnam has gained some structural economic strength as a legacy of the war. Postwar development will be facilitated by improved port facilities, rehabilitated rail and canal routes, expanded road networks, airfields and other components of the economic infrastructure, and a newly trained, plentiful labor force. There will be an absence of large external war debts of the type that plagued Europe's economy after World War I.

New Exchange Rate

During Vietnam's development period, already getting underway, there will be a need to import the capital goods required for even limited industrialization. This will be coupled with demands from a growing population for an ever increasing variety of consumer goods, so imports will continue at a relatively high level for the immediate future. Professor Thuc's group anticipates annual imports totaling nearly US\$500 million 10 years after the war ends, compared with about \$750 million today. Development of export markets thus is imperative to earn the foreign exchange that will be needed for essential imports.

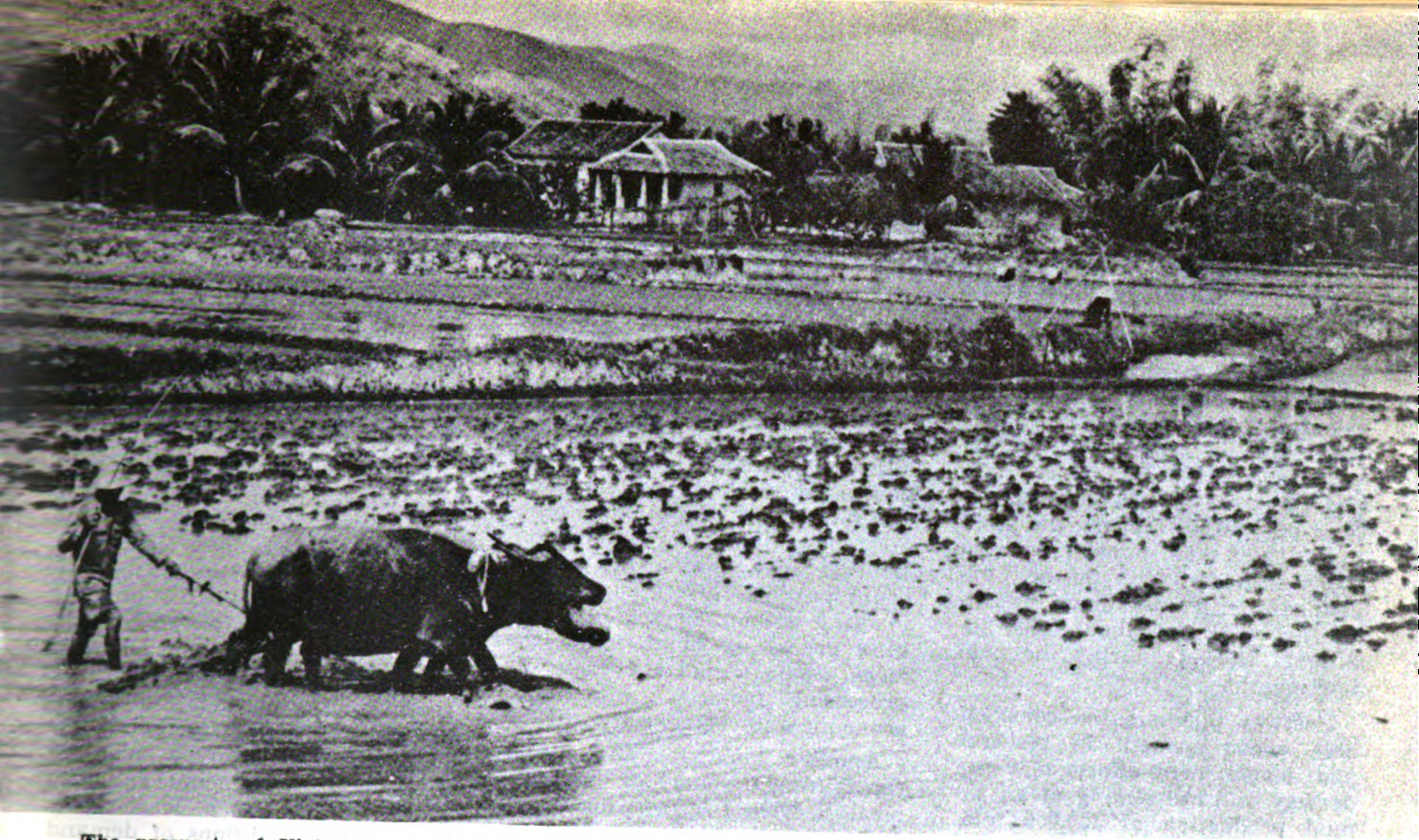
Until recently an unrealistic rate of currency exchange tended to price Vietnamese products out of the world markets and hamper the search for new markets. But in October 1970 a new parallel exchange rate was established by the Vietnamese government. While the old rate of 118 piasters per US\$1 will remain in effect for many transactions, exports will earn a more equitable rate of 275 piasters to US\$1. This partial devaluation should have the effect of making most Vietnamese export prices look more attractive.¹

Largely Agricultural

For the future, Vietnam expects its exports to show a sharp boost in processed goods and manufactured products, and plans to exploit vigorously its potential for animal protein and fish production. But principally it is depending on a widening of the list of agricultural products and raw materials suitable for export. Agriculture provides a livelihood for the majority of Vietnamese — at least 11 million of them — and it contributes by far the largest amount to the gross national product. For the foreseeable future Vietnam will continue to be predominantly agricultural, despite current expansion of basic light industries and a start on creating a small heavy industry. Exports should continue to be largely agricultural; the market structure is well attuned to the prevailing patterns of farm production, and will readily adjust, say Vietnam's planners, to changes resulting from intensified and diversified production. Vietnam has abundant opportunities to diversify farm production, and diversification is an essential step if the nation is to avoid the risks of overdependence on a few crops and reduce vulnerability to conditions prevailing in just a few world markets.

Today's depressed export totals are caused principally by the war. Vietnam's worst year, 1968, when only US\$11,694,000 worth of products were exported, was the year

^{1/} The new rate also applies to currency conversions in Vietnam, and already it has a beneficial effect on the economy: the black market rate for a US\$20 greenback in Saigon dropped from 9,000 piasters in October to 7,340 piasters in November.



The prospects of Vietnam exporting once again rice loom large. Above: highland farmer harrowing paddy land.

the Communists staged their two biggest offensives. But nevertheless a certain portion of the blame for today's depressed exports may be placed on traditional overdependence on a few crops and Vietnam's resulting vulnerability to changes in those few markets. Just two products — rubber and rice — accounted for more than four out of every five dollars earned by exports in the past 15 years. Since its peak trading years Vietnam has seen world rubber prices skid downward in 1967, while hungry nations began developing their own "miracle rice" planting programs about the same year. Rubber and rice dominated Vietnam's export lists so much that tea, the third most valuable export item, provided little more than two per cent of foreign exchange income between 1955 and 1968 while no other single product accounted for as much as two per cent. This is too great a dependence on too few crops.

The fact that Professor Thuc's group has settled on a figure like US\$500 million in exports for the tenth year of peace illustrates the Vietnamese government's recognition that rubber no longer can be relied upon to be the dominant

sales item, for the most optimistic analyst does not hope for more than \$100 million in rubber sales in any foreseeable future year. Thus implicit in Professor Thuc's estimate is the need for development of new products that would reduce rubber's share of export trade to well below 20 per cent.

Rubber Production

But today rubber remains Vietnam's most important export. During 1968 shipments of 29,200 metric tons of rubber were worth US\$ 9,706,000, or 82 per cent of total exports. The next year rubber output dropped to 26,000 tons. Vietnam still contributes four per cent of the world's supply of natural rubber, with most going to France. Other major importers of Vietnamese rubber are the United States, Great Britain and West Germany.

The new exchange rate for exports, coupled with improved security in plantation areas, is generating enthusiasm among long-depressed rubber planters. With earnings prospects greatly enhanced, plantation owners are pushing ahead with expansion

plans. "Their confidence," says a recent market study, "is based on what they consider to be a substantial reduction in security hazards as well as the fact that they will now be able to finance capital improvements and raise their wage structure to attract the manpower resources they need. Their projection is for 1971 exports of about US\$16 million, an increase of about 75 per cent over estimated 1970 exports."

During several crop years in the past 15 years, production of rubber reached 70,000 tons or more. The record year was 1961, when 83,403 tons were produced.² But within seven years the total had dropped below 30,000 tons, because rubber — like rice, tea, sugar cane, cinnamon and a number of other crops — was badly hurt by the war. Fighting raged on a number of the huge plantations (one of them 60 kilometers square), which offer excellent cover as well as

^{2/} Annual tonnage produced and tonnage exported have remained almost the same because only between 3,000 and 5,000 tons of rubber are consumed each year by local manufacturers. More than 100 Vietnamese firms, most of them family plants with fewer than 10 employees each, make latex foam articles, shoes and other small items.

Rubber planters map expansion program

hospitals and medical supplies for Viet Cong guerrillas. The war has taken six out of every 10 rubber trees out of production. A few years ago 30,000 Vietnamese tapped the trees on 100,000 hectares. Now only 10,000 tappers, the great majority of them female, work on 40,000 hectares. With the new exchange rate, planters have indicated they will hire about 5,000 additional workers during the next few months.

Postwar planners see considerable encouragement in research and development efforts now underway and are aiming at an annual production of 150,000 tons. Some insist that the nation's full potential could be as high as 300,000 tons which, at present world prices, would represent foreign exchange earnings of more than US\$100 million. By contrast, Vietnam earned \$48,797,000 from rubber exports of 75,972 tons in 1957 when world prices were higher and when the level of fighting in Vietnam was relatively low.

Expansion Program

Vietnam's 75-year-old rubber industry, founded by the famous French physician, Dr. Alexandre Yersin, now is using the war-enforced period of reduced operations to modernize. Planters are learning more productive methods of growing trees and collecting latex. Estate owners have mapped a planting expansion program involving the creation of 10,000 hectares of new plantations each year for the first five postwar years. Suitable land for the project is available in Phuoc Long province and near Tay Ninh and Ban Me Thuot.

The rubber industry is dominated by 14 major producers. A new role envisioned for the large estates after the war is that of providing technical, processing and marketing services for the small holders. Despite the poor market,

a number of small holdings have been acquired in the past decade: about 1,000 Vietnamese planters now own almost 40,000 hectares, although much of this land is not now being worked. Postwar plans call for a large plantation to process the small holders' production. In that way the small planter could put his full resources into planting without having to invest in a processing plant, while the large estate could operate its processing factories at a more economic rate of capacity.

Another hope for the future comes from the work of the Technical Service Institute for Agro-Industries (VIKYN), situated on the Big An Loc plantation near Xuan Loc in Long Khanh province. With 47 research staff members and an annual research budget of about US\$300,000, half from the government and half from clients who buy research information, the institute conducts projects in disease control and ways to increase tree productivity. Currently VIKYN is studying ways to reduce the number of worker-days needed to tap the *hevea* trees. The present 100 man-days per year expended to collect one hectare of rubber may be cut to 60 man-days. And the production rate may be raised from the present average on large estates of 1,400 kilos per hectare to as much as 4,000 kilos within the next 15 years.

1975 Projections

Projections for 1975 anticipate that world consumption of rubber will reach 10,970,000 metric tons, of which 3,264,000 tons are expected to be natural and the remainder various synthetics. By 1975 the United States is expected to be using natural rubber for 22 per cent of its rubber needs, Western Europe 30 per cent, Japan 30 per cent, Brazil 28 per cent and India, 50 per cent. Although the use of synthetic elastomers is growing

rapidly, so is the total demand for rubber. It is expected that all countries will be using up to 50 per cent more rubber of all types in 1975 compared with 1966. The "Big Four" rubber producers — Malaysia, Indonesia, Thailand and Ceylon — will benefit most from expanded rubber sales, but demand is expected to increase enough to enable all producers, including Vietnam, to swell their exports in the next decade.

Vietnam's rubber industry, with ideal conditions of soil and climate, the absence of numerous diseases that plague trees in other countries, and good stock available for planting, can quickly be brought back to a high level of production, in the opinion of most planters, as soon as the fighting ends. A recent world market study concluded: "It appears that Vietnamese rubber enjoys a favorable production environment and also a ready market in at least a few areas. Both conditions of demand and supply lead to optimism about future exports from Vietnam."

Rice Prospects

Vietnam has long been known as one of Asia's most prolific rice bowls. During the 1930s rice exports in some years reached 1,500,000 metric tons. Even as late as 1963 the value of rice exported — US\$35,700,000 — exceeded the value of agricultural products imported.

Statistics show that 20.8 per cent of all Vietnamese exports in the 1955-1968 period, by value, were rice shipments. But for four of those years Vietnam was not exporting rice. In 1963 Vietnam exported 323,000 tons, and that was the last big export year. In 1964 rice exports totaled only 49,000 tons, and there have been none since then.

In the four years of 1966-1969, nearly US\$400 million was spent on rice imports, most requirements being met through the U.S. Food for Peace program. Rice imports in 1971 are not expected to exceed 200,000 tons, compared with 587,000 tons in 1970 and 1,760,000 tons in the 36 months ended in December 1969.

South Vietnam's population is steadily growing, and is expected



Rubber is Vietnam's most important export, contributing four per cent of world's supply of natural rubber, with the bulk going to France. Plantation owners are pushing ahead expansion plans. Above: rubber trees.

Resumption of rice exports in sight

to reach 18 million by mid-1971. The nation needs a minimum of six million tons of paddy to feed its people. During the current 1970-1971 crop year Vietnam should produce about 5,620,000 tons of paddy. If the progress made in the last two crop years continues through the 1971-72 year, the harvest should total some 6,200,000 tons, thus achieving bare self-sufficiency by mid-1972.

Vietnam climbed from a rice-deficit area six years ago to a nation on the verge of self-sufficiency thanks to the introduction of such "miracle rice" strains developed in Los Banos, in the Philippines, as IR-8 and IR-5, which have yields four to five times the local varieties'.

Experimentation on more than 100 rice strains is underway at the My Tho and Hiep Hoa testing

stations in Vietnam, and a new variety, IR-20, is being introduced to farmers. The new strain has the same high-yielding qualities as IR-8 and IR-5, but cooks to a dry, fluffy rice especially suited to the tastes of local consumers. Adaptive research trials also are being run on another new strain known as IR-22. Already such high-yield strains developed in the Philippines are contributing some 20 per cent of all Vietnamese paddy.

Self-sufficiency

With domestic self-sufficiency in sight, postwar planners hope that Vietnam will be able eventually to export 500,000 tons of rice annually. Previous markets included Hong Kong, Singapore, Indonesia, Japan and India. But some of these former customers now are self-sufficient, for a number of once-

hungry nations have developed their own "miracle rice" planting programs. Some in fact have become exporters: Japan, for instance, is sending rice to Indonesia and is reported to have warehouses loaded with the common varieties of rice for which it can find few overseas customers.

"Miracle rice" is a common kitchen variety no longer in great demand on the international market. But some traditional Vietnamese varieties have long been admired by connoisseurs, and there is the possibility that Vietnam could grow some of the expensive, aromatic rices more palatable to the gourmet taste — rices making a good showing in world markets today.

If Vietnam does have exportable rice by 1973, it will face a grave price problem. At the present level of domestic rice prices, a Vietnamese exporter would need considerably more help than that given by the 275-to-one exchange rate in order to compete in world markets. Just to equalize existing Saigon wholesale prices with world market prices would require an exchange rate of about 340-to-



Duck feathers are Vietnam's No. 2 export. Duck eggs are potential export.

one. It would take an exchange rate of about 530-to-one, however, to match Bangkok wholesale prices. Thailand, for one, could easily undersell today's world market prices if it chose to do so, so Vietnam would face formidable competition on reentering the international rice market. If "Saigon rice" is once again to become a prime commodity along the Asian trade routes, it may well have to be a special variety of export rice, one suited to expensive tastes rather than peasant appetites. This would make it "a brand new game" for the rice merchant in Vietnam, so odds are little better for rice than they would be at the outset for any new trade item the nation may decide to export.

Secondary Exports

With rice sidelined as an export product, tea, duck feathers and cinnamon have jostled for position behind rubber as Vietnam's foreign exchange earners in the past five years, but all have been badly hurt by the war.

For tea, 1965 was its best year, with 2,341 tons worth US\$2,135,000 being exported. But the damage and the insecurity of war, coupled with a generally depressed world tea market, have brought Vietnamese tea exports to a virtual halt. Overseas sales dropped to \$689,000 in 1968 and to \$149,000 the next year. In the first six months of 1970 only \$5,000 worth of Viet-

namese tea went overseas. But Vietnam has not yet had to import tea, so the industry remains important as a source of green tea for domestic consumption.

Tea Stations

Tea research stations have been set up in the Central Highlands to help growers improve quality and yield by the use of fertilizers and insecticides and by the introduction of new varieties, both green and black. In hopes of once again cornering a slice of the world tea market, the Vietnamese government has built a tea factory at Bao Loc, in the Highlands, for the production of black tea of export quality. So far the experiment has not succeeded and output is small; high production costs and the loss of skilled pickers to the armed services have prevented stockpiling of black tea for the London market. The new exchange rate is not expected to help too much, because subsidies already granted tea exporters had raised the effective rate to about 228-to-one. A slight improvement in exports is expected for next year, but a major expansion in the face of a depressed world market is not likely.

Duck Feathers

Duck feather exports, which in 1964 earned US\$1,100,000 and in 1969 were valued at \$248,000, should rebound with the new ex-

change rate. The principal exporter in Saigon suggests that \$750,000 may be within reach for duck feathers exports in 1971. The main constraining factor is the need to reestablish the supply system on its previous scale. Although exports of duck feathers are down 75 per cent from their peak, they still constitute Vietnam's No. 2 export product at the present time.

Another traditional item hard hit by the war but now attempting to come back is cinnamon. This product has been traded ever since Japanese merchants found it during the 15th century in what now is called Hoi An. Its best year in contemporary history was 1959, when 1,478 metric tons were exported, but intensification of the war cut production in the 1960s. In 1964, Vietnam shipped 553 tons worth US\$931,000 from 1,820 of its 3,500 cultivable hectares, which gave employment to 16,000 pickers. Exports in 1969 totaled \$18,000.

Cinnamon Decline

The worst decline in cinnamon's fortunes date from June 1965, when trade in this commodity was banned by military authorities because the trees bearing cinnamon bark grow most thickly in wooded mountain regions then infiltrated by the Viet Cong, and there was evidence indicating the communists were siphoning off production for foreign sale. What few cinnamon exports are listed from that year on constitute oil from previously stored cinnamon leaves — the cassia oil that first attracted traders to Hoi An — while statistics for previous years are for cinnamon bark and cinnamon products of all kinds.

On February 28, 1970, the ban on cinnamon trade was lifted as security conditions improved in I MR (First Military Region) to the north and in the Central Highlands. With high-quality cinnamon valued at up to US\$2.60 per kilo — and Vietnamese cinnamon always has earned the highest prices — quick profits were anticipated, but they did not come. Both supply and demand seemed to be the problems. After five years of inaction, the old supply system for cinnamon no longer was operative and could not be revived promptly. Administrative

problems, both military and civilian, apparently contributed to Vietnam's inability to collect quickly a stock of exportable cinnamon that could be used for bargaining purposes. And world reaction to the news that Vietnamese cinnamon once again was available was lukewarm; the flood of orders anticipated by the Vietnamese did not materialize.

The ban on cinnamon trade has been lifted for a relatively short time, so it is too early to judge potentialities in today's market. But some worldly wise traders express the opinion that Vietnam will not have an easy time re-entering the international market. Since 1965, they say, foreign cinnamon buyers, particularly those in the United States, have come to fear dealing with small producers. Bakeries, the biggest buyers of cinnamon, have had considerable difficulty because of irregular availability of stocks. Since bakeries must maintain uniform levels of quality in their products, many in recent years have settled for uniform levels of mediocrity rather than risk promoting a product containing genuine, top-grade cinnamon, then find themselves forced to use low-quality or artificial cinnamon later on.

Most large American bakeries today are reported seriously considering a complete switchover to a new artificial cinnamon flavoring. Natural cinnamon is produced in North Vietnam, South China, Malaysia and Indonesia, in addition to South Vietnam, and purchasers complain that these sources cannot assure steady, adequate, consistent and high-quality supplies for the future.

The Saigon government, in order to save what may be a disappearing market for one of its oldest exports, is studying the possibility of establishing a government co-operative to deal with foreign buyers, one that would be able to assure steady supplies. Left to their own means, individual dealers have been unable to awaken any interest in large cinnamon purchasing contracts. If the government succeeds in uniting the various scattered producers, the force of this common front may convince U.S. bakeries that natural cinnamon of high quality is here

to stay. If sufficient stocks can be collected at the piers, if a united front of producers under government aegis can assure foreign purchasers of future deliveries, if the former internal supply system can be revived, and if administrative and military red tape in producing areas can be cut, then the new 275:1 exchange rate should do much to help revive a healthy export trade in cinnamon. Thanks to that rate, Vietnam now could probably sell top-quality cinnamon for as low as US\$1.75 per kilo — well below the \$2.60 some U.S. importers have recently offered on commodities exchanges. But if demand is not fanned and supply assured, Vietnam faces the danger that cinnamon will be relegated to the status of a minor domestic product, supplying cassia oil for medicinal uses.

Fish Products

The future is brighter for fish. Between 1958 and 1966 Vietnam increased its annual fish exports from a value of US\$171,000 to \$959,000. The peak export year was 1963, when 928 tons of fresh fish and frozen shrimp were shipped to foreign markets. But lack of security in the mid-1960s and the manpower drain of national mobilization depressed catches while domestic demand was increasing, so exports slacked off

drastically. Since then motorization of more of the fishing fleet, improvements in fishing gear and methods, establishment of fish hatcheries for inland stocking purposes and development of transportation facilities raised the catch of sea fish, river fish and shell fish to 464,000 metric tons in 1969 and this year's catch is expected to total between 500,000 and 520,000 tons. The high price of fish products in domestic markets, however, has tended to discourage resumption of exports. But now efforts are being made to regain former overseas markets as a base from which to launch a major export expansion program for the future. Nearly 40,000 tons of Vietnam's annual catch are shrimp and similar crustaceans, and economists say a good market for such products exists not only in traditional regional markets but in the U.S. and much of Europe. Plans are well developed to resume shipments of frozen shrimp to Hong Kong and Singapore, and the Fisheries Directorate is devising means of quick-freezing fillets of red snapper from the Rach Gia area for export to the United States.

Immediate prospects are probably limited to certain categories like frozen shrimp and thread fin. A modest resurgence of these exports is likely in 1971, with shrimp exports in the US\$350,000-to-\$500,000 range and perhaps ano-

This expert candling eggs may one day be working in a prime export trade.



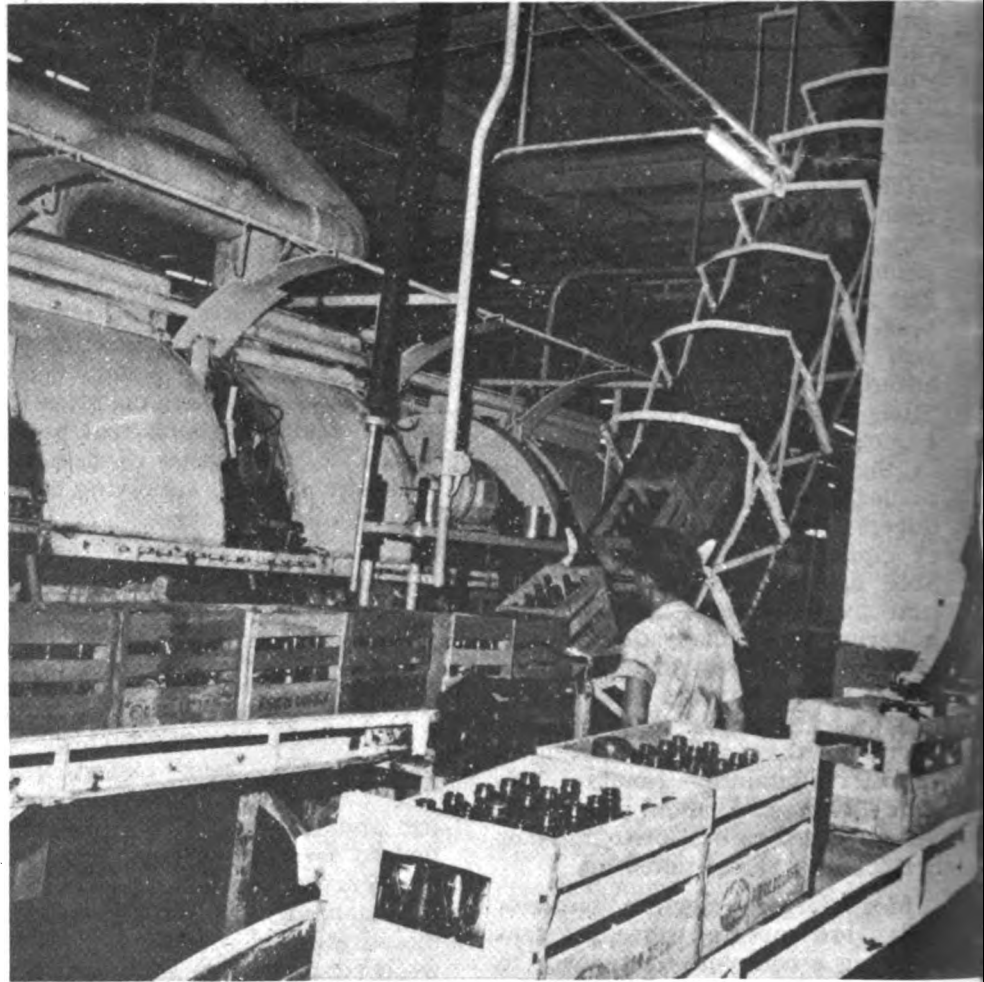
ther \$100,000 from thread fin. That compares with a total of \$149,000 for the entire fish and seafood category of exports in 1969. But a breakthrough into the international market must await large-scale upgrading of the fishing industry.

Fishing Fleet

The Vietnamese fishing fleet now has 16 steel craft and more than 81,000 wooden craft, of which about 36,575 are motorized. The 16 steel craft, all second-hand, were bought from Japan last year. The largest of the vessels, two of 290 tons and one of 300 tons, cost US\$200,000 each. A Saigon group of investors recently ordered four 20-meter steel fishing boats and a tug from an Australian shipbuilder; total cost, including fishing equipment, was US\$890,000. Another group of Saigon investors plans to build 60 ferro-cement fishing craft, each 16 meter long. Still other investors are planning to establish cold storage plants and refrigerated transport systems near catch areas and possibly run a fleet of refrigerated barges from fishing villages to market areas. Introduction of fish canning and fish meal plants also is being considered. "Private businessmen are showing a great interest in fishing and the fields related to fishing," says Fisheries Director Tran Van Tri, "especially now that we are preparing to export more fish and fish products again."

If Vietnam is to enter world markets as a large-scale exporter of marine products, however, it must have large commercial fleets with modern equipment roaming its shores. Importation of used vessels from Japan and the ordering of new vessels from Australia represent the first steps in this direction. One of the major factors in the development program will be the type of fishing boat selected for the future. The United Nations Food and Agriculture Organization has completed nearly half of a three-year study to determine the boat most suitable for Vietnam's waters. The study also includes other facets of the local industry, from fishing techniques to transportation and marketing. From this study, and from the accelerated efforts of the Fisheries Directorate

Level of exports to bo



growth from own resources is goal



Vietnam not only produces enough beer (left) for its own needs, but for years has been selling an export brand overseas. Along the sea coast (above) are virtually inexhaustible deposits of silica sand for export. Ceramics and lacquerware (bottom left) have won markets abroad. Below: trade fair.



to improve the annual catch, should come an appreciable increase in fish exports within the near future. For the longer term, a development and resources study projects marine exports into the \$30 million-to-\$50 million range for 1980.

Future Winner

Vietnam has natural resources hardly developed as yet. Of these, perhaps the forests offer the best opportunities for tomorrow's market. Vietnam's bountiful but unexploited forest resources, in the opinion of most analysts, are capable of supporting a major export industry. Development will take some time, for Vietnam has virtually no experience in the exportation of wood and wood products. It will require substantial investment, domestic and foreign, as well as management and marketing expertise. But conditions are ripe for Vietnam's entrance into this market: there is growing world consumption of wood and wood products and there is a vigorous and expanding market in Asia alone for logs, sawn wood, plywood, veneer and pulp.

Three-quarters of the nation's land is forested, and about half of this area has trees of sufficient size and maturity for industrial use. Tropical hardwoods are predominant. Some of them — like the very hard *sao* woods of the Central Highlands — are among the world's most prized. Military operations have made logging and transportation difficult and dangerous, but as security steadily grows in the Highlands, plans for immediate export of lumber and logs have been drawn up and orders already have been received. One Japanese firm is making arrangements to buy 10,000 cubic meters of conifer logs on a trial basis, indicating an intention to order 100,000 cubic meters if the logs prove acceptable. This would represent about US\$250,000 in earnings.

Log Exports

Log exports alone, aside from other wood products, may be in the neighborhood of \$350,000 during 1971, analysts believe. But the potential is great. A development and resources study estimates 1980

exports of forest products anywhere from \$54 million to \$119 million annually. This is considered a conservative estimate in the face of a world market already demanding US\$1,000 million annually in tropical hardwoods.

Vietnam already has one wood pole treatment plant operated by the Vietnamese National Union of Electrical Cooperatives that is selling its treated poles for 528 piasters per cubic foot; a normal 35-foot pole protected against insect and weathering damage up to about 35 years costs 10,000 piasters, including a 15-per cent profit. Says the Phan Rang plant's manager, Phan Van Tri: "Since our selling price is far lower than international market prices, we are planning, after satisfying local needs, to export poles to neighboring countries in the future." The plant is not quite ready for the export trade, however. Operating at 30 per cent of capacity, it produces only 800 to 1,000 poles monthly compared with a domestic demand of 3,000.

Future Trade Items

There are other products once exported by Vietnam that have dwindled or disappeared entirely from the export lists — items that once again may be revived, such as duck eggs, copra, spices, medicinal plants, salt, bones, lard, and handicrafts. There are items now being produced on a limited scale that might be boosted to export levels of production: cotton, kenaf, feed grains, grapes and baby chicks. But new products are the hope of the future. Research and experimentation are underway to develop many such items for export. Based on experiences of other developing countries in Southeast Asia, these may include cassava, palm oil, milk, seeds, processed fruits, citronella, straw mushrooms, castor bean, cocoa and silk. According to the Joint Development Group, at least two million hectares of land now uncultivated have agricultural potential. South Vietnam has a climate allowing for year-round cultivation, and can produce tropical, subtropical and temperate crops.

Vegetable production has an almost unlimited potential, and practically all vegetables can be grown.

Vegetables produced on the high Dalat plateau can be readily exported as their quality already meets international standards. Opportunities are offered by fruit tree crops such as bananas, pineapples, mangoes and citrus, as well as industrial tree crops: coconuts, oil palm, cocoa, coffee and pepper. If prices can be kept competitive and a preservative industry established, South Vietnam could become a major supplier of fruits and vegetables to other Asian countries, where consumption is increasing considerably in both fresh and processed items.

Vegetable Oils

Vegetable oils and their byproducts, oil cake and meal, have never ranked as major Vietnamese exports, but they have provided a source of foreign exchange that could easily be increased in the future. Between 1955 and 1968 the value of vegetable oil exports, largely peanut and coconut oils, was US\$3,952,000, while oil cake exports totaled \$3,092,000. A recent study predicted that by 1980 Vietnam could expect between \$6 million and \$9 million annually from such exports. That is nearly as much as rubber is bringing today.

Vietnam also has a potential as an important producer of animal protein — chickens, ducks, swine, buffalo and cattle. While once an exports of buffalo, pork, poultry and duck eggs to Hong Kong and Singapore, Vietnam has not shipped any of these products since 1965. Of the animal products previously exported, only duck feathers and dry bone of cattle and horns continue to be shipped abroad, but in diminished quantities. To capitalize on this potential, Vietnam will have to expand greatly its feed-growing industry. Priority now is being given to the raising of corn and sorghum for feed grain; peanuts and soybeans also are being planted to provide livestock feed as well as oil.

Handicrafts

Interest in Vietnamese handicrafts has been spurred by trade fairs and principally by the firsthand experience of free world military personnel stationed in



Vegetable farmer (above) may some day contribute to export of such product.

Vietnam. There are abundant supplies of such raw materials as mahogany, rosewood, lacquer, bamboo, tortoise shell, ivory, buffalo horn, mother-of-pearl, silk, rattan, marble, seagrass and a great variety of other materials. The most sought-after articles are lacquerware, ceramics, pottery and embroidery. They have already secured limited markets in the United States, France and West Germany.

Salt Production

Vietnam historically has produced more salt than required for local consumption and prior to the war Vietnamese salt was exported in substantial quantities. Sea-water evaporation beds near Phan Thiet provide excellent salt for industrial use and a program of modernization and expansion has been undertaken.

Silica Sand Deposits

Vietnam's sea coast possesses virtually inexhaustible deposits of silica sand, used in Japan and the United States for the grinding of fine optical lenses and glassware. About 200,000 tons were exported in 1964, but the shores of Cam Ranh Bay alone offer opportunities for future expansion of these sales. Cam Ranh is said to have 400 million to 500 million tons of silica sand deposits, which should last a

minimum of 50 years at normal trade levels. It also has six million tons of coral limestone deposits to support a cement and chemical manufacturing industry.

Human Hair

While there is some reluctance to look upon human hair as a commodity to be traded on the world market, it does, in fact, represent a potentially lucrative and untapped source of earnings for Vietnam. The phenomenal growth of the industry in recent years is best shown by Korean export figures, which in 1964 were valued at US\$137,000, reached \$30,600,000 in 1968 and this year may reach \$45 million. That is three times all Vietnamese exports lumped together. Provided that cultural objections can be overcome, there is every likelihood that Vietnam could earn between US\$5 million and \$10 million annually from exports of human hair and wigs.

Government Efforts

The Export Promotion Center, established in 1964 by the Foreign Trade Directorate, is exploring new ways of providing incentives to exporters, including guaranteed credits, crop insurance, participation intrade fairs and an advertising campaign to promote Vietnamese products overseas. Particular

attention will be paid to public relations activities in countries that traditionally have constituted Vietnam's major overseas market. While Vietnam has had trade dealings with a large number of countries, the bulk of its exports have gone to not more than about 10 of them. The main markets have been in East Asia, with Japan, Hong Kong, Singapore and Indonesia the most important customers, and in Western Europe, with France, West Germany, the United Kingdom and Italy the heaviest importers. Outside these two principal regions only the United States and India have been significant customers. Shipments of food, particularly rice, were mostly absorbed by the Asian markets while industrial commodities such as rubber found their way to the markets of Western Europe and the United States. But now Vietnam is widening its sights, and such nations as Nationalist China, Korea and Thailand are being invited to seminars to discuss trade requirements that Vietnam might fill. Taiwan is sending an expert to help with development of the forestry industry and Japan has proposed a whole series of postwar development measures for Vietnam, including an economic development center to promote trade, tourism and foreign investment.

To insure that Vietnamese products meet world market standards, a Bureau of Standardization is being set up by the Ministry of Economy in Saigon, and plans are underway for a much-needed quality control board.

"With a vigorous program of export promotion," says Le Than Loi, director of the Export Promotion Center, "Vietnam should be able to achieve a level of exports that will permit her to maintain growth from her own resources. The world demand outlook for potential Vietnamese exports in the 1970s is favorable. Expectations vary from commodity to commodity, but on the whole there is reason for optimism. Even now during the war it is feasible to raise exports from the very low levels of recent years. It is entirely possible to double or triple exports within two or three years, and thus lay firm foundations for an even more successful long-term effort."

AID FOR THE UGLY

Since Le Van Duyet welcomed visitors to Saigon Port, travelers have attested that Vietnamese are among the beautiful people. There are exceptions, as can be expected in a nation experiencing three decades of war and 10 decades of medical neglect. But today, Vietnamization — a word usually associated with redeployment of military forces and turnover of war materiel — is coming to the aid of the ugly Vietnamese.

With Vietnamese dentists and surgeons for the first time learning advanced techniques of prosthetic facial restoration, there is a ray of hope for the

thousands of servicemen, veterans and civilians who suffer from mangled jaws or faces disfigured by disease, war or accident.

A minor advisory project started in July 1970 as part of the Vietnamization effort has made such headway that it is being expanded into a major two-year training program. Originally intended to familiarize the Vietnamese Navy's four dentists with maxillofacial prosthetics, it now is being opened to all dentists in the Republic of Vietnam Armed Forces (RVNAF) and the students at the University of Saigon dental faculty. There are 118 fulltime military

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Vietnamese dental technicians make dentures under the direction of Major Pham The Khai, chief of the dental ward at Cong Hoa hospital (left) and Lieut. Duong Quang Hien.

Hope comes to victims with disfigured faces

dentists and about 200 dental students enrolled in any one term, and it is hoped that most of them will have opportunities to work with the training team. Dentists and plastic surgeons at facilities operated by the Ministries of Health and Veterans Affairs also are being drawn into the program, which is scheduled to run through the summer of 1972. By that time at least 25 Vietnamese oral surgeons should be qualified to teach prosthodontal skills. Each such practicing teacher should be backed by about three Vietnamese technicians, and some of them too will be qualified to teach.

Training the Vietnamese to rehabilitate their scarred countrymen is a team of three dentists, a male nurse and three dental technicians from the U.S. Navy. Their job is not to treat patients, but to advise and train Vietnamese practitioners in methods of oral surgery they can employ in treating their own patients. Part of the U.S. Navy's Operation ACTOV (Accelerated Turnover to the Vietnamese), the team's mission is to demonstrate accepted, nonexperimental techniques not previously taught in Vietnam, then stand alongside Vietnamese professional personnel until they can use the techniques effectively. « We call the program About Face, » says Captain Henry J. Sazima (of Cleveland, Ohio), who heads the first of two teams slated to carry out the program. « We want to work ourselves out of a job. »

Patients Healed

Since July 23, members of the U.S. team have consulted with local practitioners on nearly 2,000 cases and helped plan treatment for about 100 patients each month. At the various hospitals where team members teach, patients are being returned to society with faces restored by major surgery at a rate of about one a day. Patients benefiting from the new techniques have been roughly 50 per cent military and 50 per cent civilian, including military dependents.

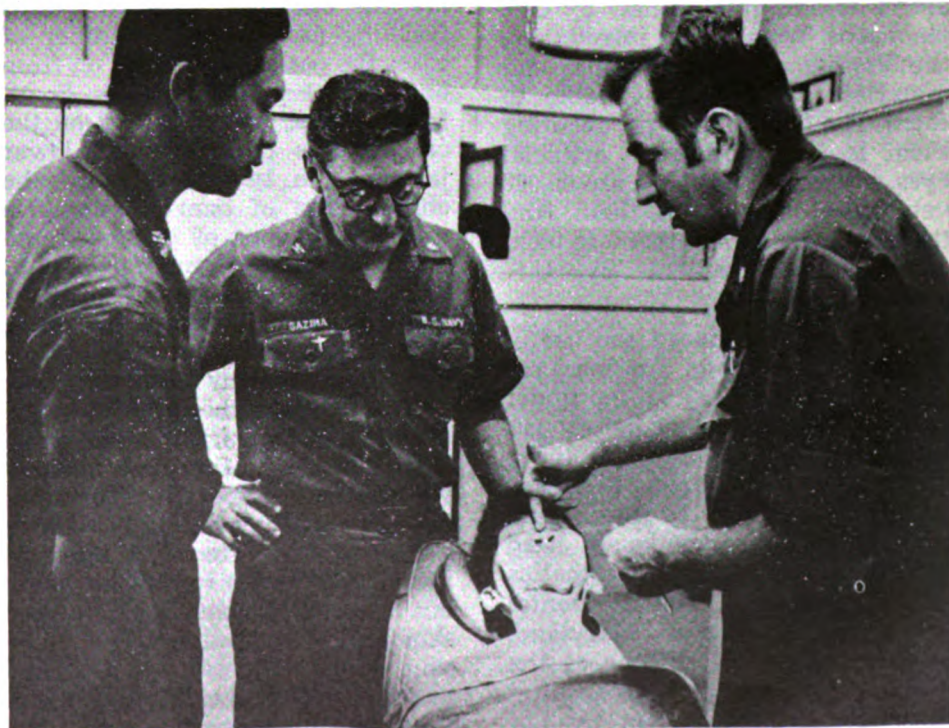
The program is helping the Vietnamese to tackle a large backlog of cases. Says Sazima: « No RVNAF dental officer had been formally trained in oral surgery,

prosthetics or maxillofacial prosthodontics. Victims of accidents or combat trauma or disease were left with disfiguring scars covering areas lacking in facial bone or jaw structure. Unless treated by a maxillofacial team, such patients can become society's wards, unable to eat properly or speak clearly. Severe cases in a number of countries have chosen suicide to remaining social outcasts. »

Sazima, a veteran of 17 years in the profession, is impressed with the capabilities of his Vietnamese colleagues, both military and civilian. « They are doing things here now that they wouldn't have attempted 10 weeks ago. » he says. « More important, they are doing them well and they are gaining confidence in their abilities. »

Sazima gives instruction primarily in oral surgery while Commander Dorsey J. Moore (of Bo-

oneville, Missouri) and Commander William J. Scott (of Clearwater, Florida) advise on prosthetics. A male nurse, Lieutenant (j.g.) Michael L. Feris (of Woodland, Washington), supervises the operating room. Dental Technicians First Class who work behind the scenes are Ronald C. Henricks (of Colville, Washington), a prosthetics technician; Charles R. Anderson (of Gooding, Idaho), a maxillofacial specialist, and Charles D. England (of Henderson, Nevada), an operating room assistant. Members of the team gradually will be replaced as their tours of duty come to an end so that by 1972 an entirely new team will be advising the Vietnamese. Already Dr. Sazima's replacement, Captain Peter W. Connole, has arrived in Saigon and is working with the team in preparation for taking over its leadership.



Major Lam Ngoc Chau (left), dental surgeon at Cong Hoa hospital, calls in two consultants in the case of Private Nguyen Van Thanh, whose lower jaw was broken in a Viet Cong shelling. Dr. Henry J. Sazima (center) is head of U.S. Navy dental advisory team. Dr. Peter W. Connole explains a view.

Dramatic Results

Some of the results of the operations they have assisted at have been dramatic. Recently a man unable to open his mouth for 20 of his 23 years went on the operating table at Cong Hoa Hospital. In a two-hour operation, his jaw — frozen by persistent childhood infection — was replaced with prosthetic devices prepared by Commander Moore, who specializes in fabrication of nonliving substitutes for natural tissues, teeth or bone.

Both Dr. Moore and Dr. Scott work with various forms of metal, silicone rubber, vitalium, plastic or acrylic materials. Dr. Scott primarily teaches dental restoration and work inside the month. Dr. Moore is training Vietnamese to work inside or outside — from the cheekbone down to just below the jaw, and from the front of the ears across the front of the face, including tissues inside and outside the mouth. Dr. Moore has trained Vietnamese technicians to produce artificial eyes, noses, ears and even an esophagus and the entire side of a man's face.

« One they learn to use the available materials, » says Dr. Moore, « it isn't a big step to move from inside the month outside. We aren't doing anything new by U.S. standards. We are just introducing the Vietnamese to techniques and materials which are available to them. The field of activity awaiting them is large. Just for artificial eyes, it's estimated there are 20,000 veterans alone needing them. And the eyes made by Vietnamese technicians are excellent by U.S. standards. »

The team introduced the use of silicone to Vietnam. An inexpensive rubber, it can be stored under refrigeration for a year before use. In the United States it has been used successfully for making such replacement parts as noses and ears. Dr. Moore, previously head of the maxillofacial prosthetics division at the Naval Dental School at Bethesda, Maryland, teaches the use of silicone at the Nguyen Van Hoc teaching hospital in Saigon, which is run by the Health and Education Ministries. One of his best students there is Dr. Nguyen Dieu Lien Huong, an attractive young woman dentist.

Before the team's arrival she was doing general dentistry at the outpatient clinic, but now is specializing in prosthetics. « Here, » she says, « I can help with artificial parts, which I think are more often helpful than plastic surgery. »

One of the patients Drs. Huong and Moore are treating is a veteran of Dien Bien Phu who lost his nose, his right eye and the cheek area adjoining them. Dr. Moore has made a silastic nose and eye socket with an artificial eye which the patient wears with the aid of an adhesive. Dr. Huong is learning to make replacement parts for this veteran, as he will need new ones about every six months.

New Procedure

Also introduced to Vietnam was the chrome-cobalt technique for making partial dentures. « It is lighter and better wearing, » says Dr. Scott. The U.S.S. Sanctuary, the hospital ship in Da Nang harbor, used to make the team's denture frameworks from wax models of the impressions Dr. Scott made at Cong Hoa. « But now, » he says, « the Vietnamese have the capability to make these themselves. »

Dr. Scott explains that « the only patients we work on personally are the ones we want to use as teaching cases. » In a number of cases the patient is handed on from one dentist to another. Dr. Scott, for instance, was consulted on the case of one patient whose lower jaw was in two parts, with the chin section of bone missing. He took impressions of the teeth and gums to size a temporary splint which held the jaws together. When everything was in place, Dr. Sazima took over. He built a new lower jaw by a modern procedure utilizing the jelly-like marrow from the patient's hip crest. During surgery, the bone marrow was placed in a specially fabricated chrome-cobalt mesh crib lined with a microporous filter. The filter allowed vital fluids to flow through, but was thick enough to prevent skin and muscle tissue from passing. The mesh crib was fastened to the healthy jaw bone by small chrome-cobalt screws and the wound was closed. After six weeks the jelly mass had formed a healthy bone joining together the fractured bones.

« This new procedure which Vietnamese oral surgeons now are learning, » says Dr. Sazima, « is better than a regular bone graft in many cases because the healing process is faster, less painful and more complete. »

Visit Hospitals

Besides Nguyen Van Hoc, team members visit the Bach Dang Naval Hospital in Saigon, the reconstructive surgical center run by the Children's Medical Relief International, and the Saigon University dental school. But most of their work is done at the big Cong Hoa military hospital in Saigon, which has 1,800 beds for more than 3,700 patients.

Before the team's arrival Cong Hoa had no fulltime advisory program and the dental clinic consisted of three rooms deemed inadequate for the demands of modern dentistry. As a result of the combined efforts of Vietnamese and American dentists, a « showplace » clinic has been opened at Cong Hoa that includes 13 examination rooms, two maxillofacial operating rooms, a central sterilizing room, a 90-kilovolt x-ray machine and a 25-bed dental ward. Under Operation ACTOV, much of the equipment came from the former U.S. Navy dental station hospital in Da Nang.

A number of dental students follow the three American dentists on their rounds of the hospitals to observe and learn as they consult with Vietnamese dentists. At Cong Hoa, four fulltime dental trainees have received six-month military leaves, two to study specialized surgery and two working in prosthetics. The eight staff dentists in the maxillofacial clinic consult daily with American team members. At the Nguyen Van Hoc hospital, sessions are usually attended by seven or eight students, while naval trainees and staff dentists witness operations and consultations at Bach Dang. With classes resuming for the new term at Saigon University, more of the team's work will be conducted on campus.

« Teachers in the medical and dental schools at Saigon University are themselves becoming students, » says Sazima. « Our team

'About Face' big success



Dr. Do Cu Vi (second from right) operates on a patient, Corporal Nguyen Ba Chi, whose jaw was broken by a bullet. Vietnamese and U.S. doctors assist.

members are lecturing to instructors at the graduate school level, preparing them for teaching some of the material we are making available."

Higher Goals

The training program is making progress not only in passing along modern techniques but in getting the Vietnamese to think on a higher level of skills. "When we arrived," says Dr. Sazima, "the Vietnamese realized they had a problem but they felt they had no way of solving it. They were frustrated by the backlog of cases and the complete lack of skills to rehabilitate many of them. French policy had been to train Vietnamese only up to certain limits, retaining specialized skills for the French practitioners.

"One of the biggest problems the Vietnamese face is the lack

of a heritage in the medical and dental professions. Their schools are comparatively new and their students were trained under a different teaching philosophy. In the past the work was done by the advisory team, not by the Vietnamese themselves, so the training retained was comparatively small. We have done an about face. We consult with them, but we have no patients of our own. Each case is a patient of the Vietnamese practitioner and he plans the total rehabilitation program. We consult with him in the planning and assist him in the treatment. But he makes the decisions, he writes the orders for all treatment, and he does the work. Now we are seeing a change in the Vietnamese dentists' attitude toward their work. They are planning ahead and scheduling their work. They are taking aggressive action to organize their rehabilitation program now that they can

see that they will have the necessary skills to handle the problems."

Some of the work being done by the Vietnamese today could not have been contemplated six months ago, including:

- * Replacing a child's nose lost to infection by an artificial nose fabricated in Saigon;

- * Constructing a new base for the mouth of a woman who had suffered a gunshot wound that tore out the bottom of her mouth, permitting her tongue to hang out on her throat;

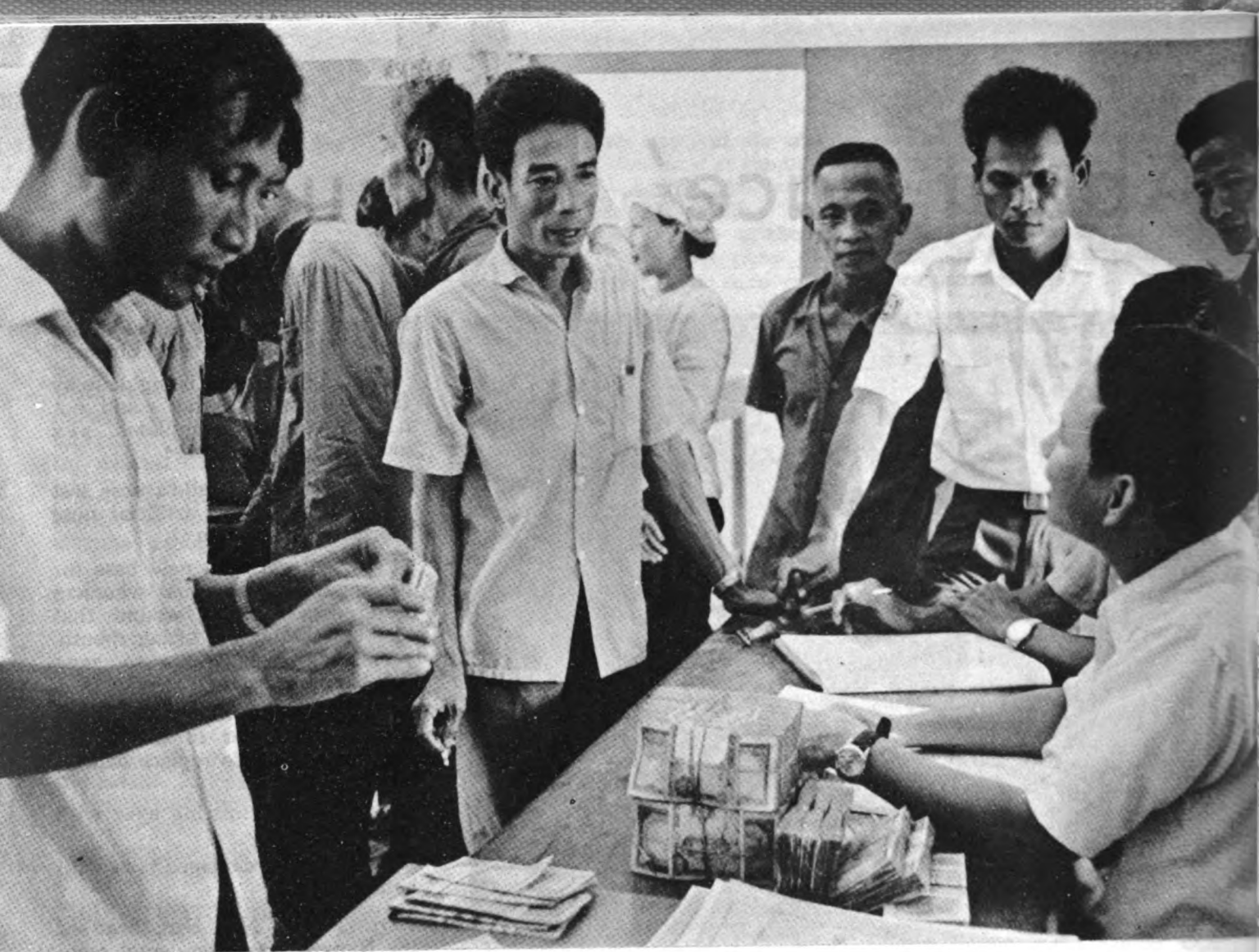
- * Fabricating skull plates from materials familiar to dentists to enable surgeons to replace damaged skull portions;

- * Replacing missing eyes with artificial eyes;

- * Repairing damaged jaws with bone grafts.

Dr. Truong Nhu San, head of the Nguyen Van Hoc dental service and chief of its four fulltime dentists, is enthusiastic about Operation About Face, whose benefits she says "will remain with us for a long time." Her oral surgeon, Dr. Dam Bao Kiem, agrees. She is now learning advanced surgical procedures from Dr. Sazima.

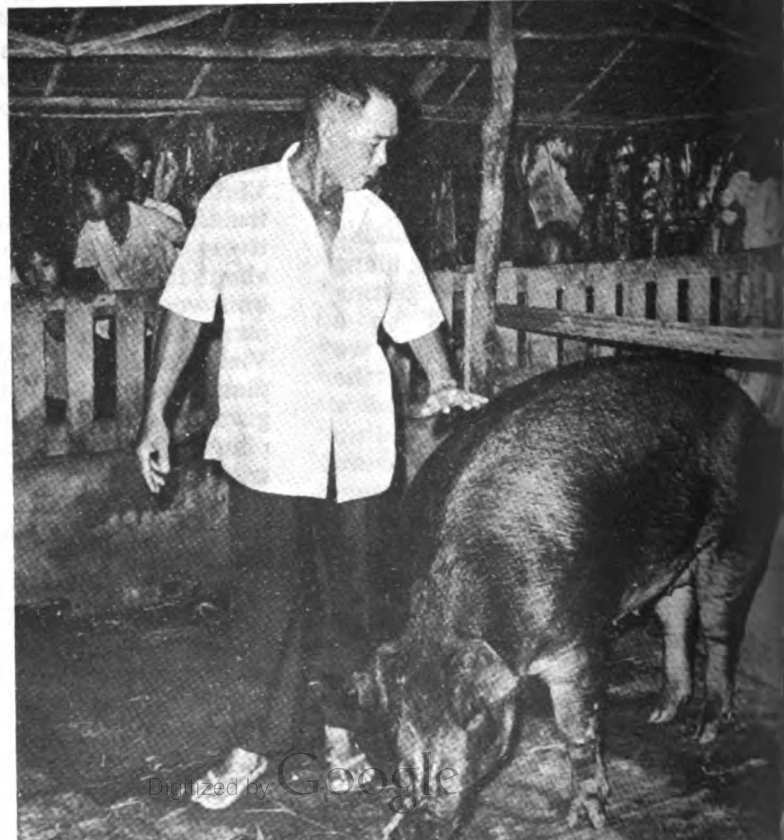
At the Ministry of Health, an administrative official who is also a practicing physician gave this judgment on Operation About Face: "One of their biggest successes has been in amalgamating the academic, civilian and military medical and dental communities into a single effort directed at improving the rehabilitation program. In effect, the U.S. team has acted as a catalyst in this amalgamation. They will leave knowledge behind them when they return to the United States, but even more important, they will leave behind a hard core of practitioners convinced they can handle a problem once considered insoluble — Vietnamese practitioners determined to get this mass rehabilitation job done well."



He and chief of his four children
 health is enthusiastic about

of his four children
 health is enthusiastic about

Fisherman Thai Van Chi (left) counts his 40,000 piaster loan from ADB. Photo at left : Phu Ngoc Luc (with dipper) shows ADB official vat of « nuoc mam » fish sauce. Another ADB borrower is Lam Van Ban, shown with prize Duroc pig.



LOANS FOR PROGRESS

Farm credit has reached record numbers of small farmers and fishermen in the Republic of Vietnam during 1970, and it is expected to grow by another 55 percent during 1971.

The Agricultural Development Bank (ADB), the government institution that grants loans of all sizes to farmers' organizations and to individuals, expects to aid a record 120,000 families with loans totaling 6,800 million piasters (57 million U.S. dollars) during the current year.

The ADB, with 43 provincial branch offices, has steadily increased its volume of loans — from 70,000 in 1968 to 90,000 loans in 1969. By the end of September, the

bank's 1970 program had already reached 99,503 borrowers.

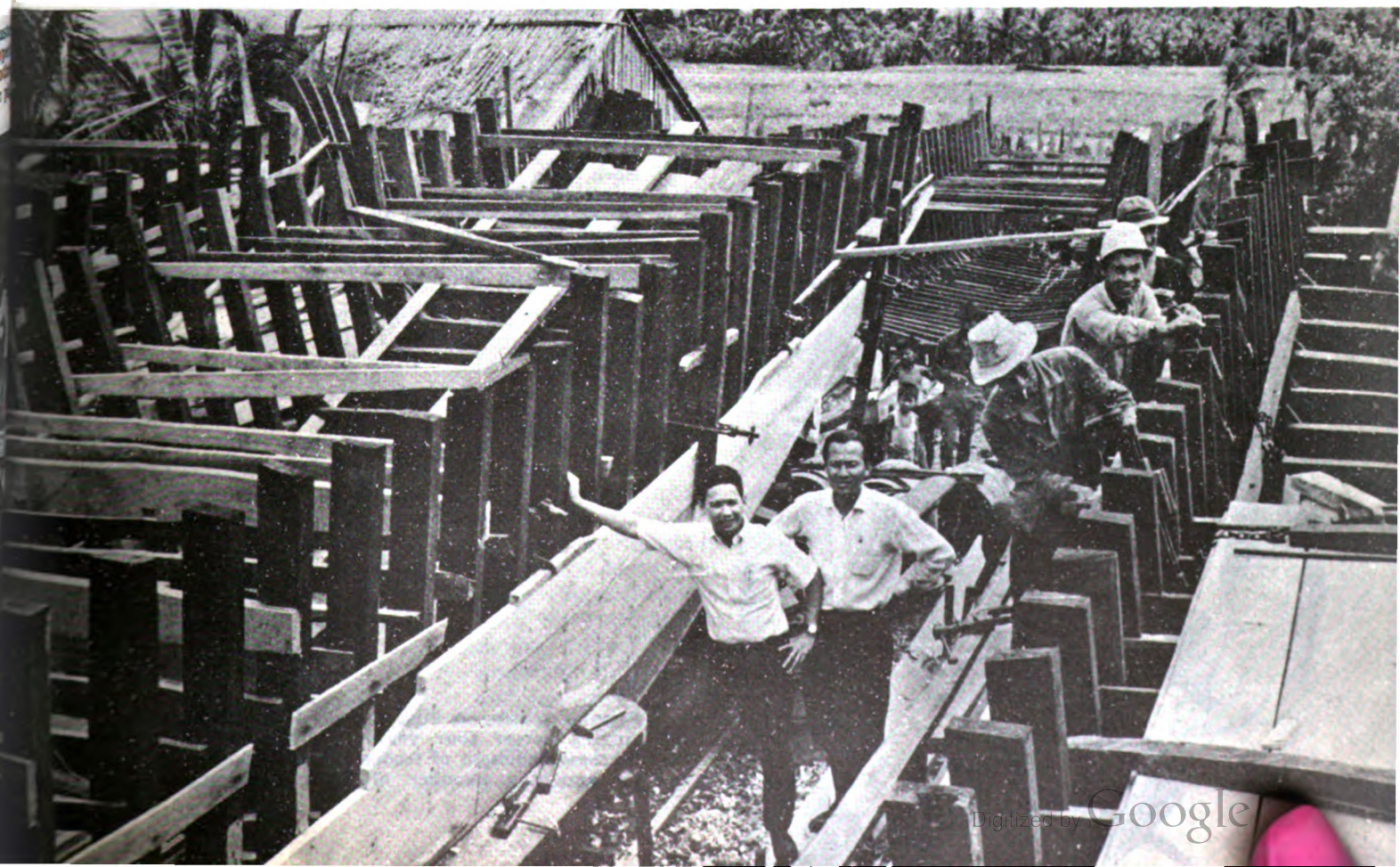
Nine out of ten ADB customers are small farmers or fishermen, according to Truong Quang Canh, ADB Deputy Director General. Their loans average around 36,000 piasters (300 dollars). Two-thirds of the ADB's loans in 1969 were granted without collateral backing.

Most ADB loans support national farm-production goals (and pacification goals), such as achieving self sufficiency in rice by 1971. Cultivation of the improved, high-yield rice strains that are achieving rapid acceptance by Vietnamese farmers requires more fertilizer and insecticides than farmers use for traditional rice varieties.

ADB loans can help farmers with such short-term pre-harvest expenses. ADB credits also are used extensively for fishermen's equipment and livestock-raising projects.

The ADB branch office in Kien Giang, a Mekong Delta coastal province, provides an example of local loan-program priorities. Since fishing is particularly important in that area, almost half of the 129 million piaster (1,093,000 dollars) loaned during 1970 went to fishing families. About seven percent of the loans were used to help improve livestock, and the rest went to rice farmers who were buying tractors, fertilizer or insecticides.

ADB branch manager Nguyen Thanh Tung (left, below) visits Bui Nam Trieu, boat builder in Kien Giang province. Most of his customers, Trieu says, finance half the cost of their new boats with loans from the ADB.



Women of Vietnam



Born in a family of musicians and artists, Bich Son, is a movie star and a singer. She started her career on the stage at the age of 16. When she was 20, she won the Thanh Tam award as best actress of the year. A member of Vietnamese theatrical groups that recently toured Asian and European countries, she drew much audience acclaim.

Popular songstress Miss Phuong Hong Hanh, 19, began her singing career four years ago. For her contributions to the entertainment of troops in the field, she has been made an honorary member of Fifth Division of the Army.

BOOK REVIEW

Business in Vietnam

Simultaneous with improvement of the business investment climate in Vietnam, a publication called "Doing Business in Vietnam, Legal and Commercial Consideration," has been issued. Financing for the preparation and publication of this work was provided by the Vietnam Council on Foreign Relations. This book is remarkable for many reasons. It is particularly noteworthy because the work was commissioned in 1969 during a period which was one of the most discouraging of the war. At that time "Vietnamization" was a term surrounded by doubt and uncertainty both within and without Vietnam; only the U.S. troop pullout was a reality. It was a time when it was fashionable to talk seriously of a coalition government and so-called informed persons were asking how many months before a face-saving accommodation would be made with Hanoi. The Vietnam Council on Foreign Relations, however, had the perceptivity to look beyond the uncertainties of the moment.

The book is significant in another sense, because it is the first comprehensive and authoritative guide to investment in Vietnam — with an emphasis on the foreign investor. The authors, Vietnamese and American attorneys, have distilled out much of the mystique of doing business in Vietnam. The authors, Messrs Sesto E. Vecchi and Leonard A. Chinitz of the international law firm of Kirkwood Kaplan Russin and Vecchi, and Mme Tang Thi Thanh Trai and Mr. Ta Van Tai are particularly suited to the preparation of such a work. The Kirkwood firm has been in Vietnam for many years and similar works have been produced by this firm in their offices in Thailand, Indonesia and the Dominican Republic. The contributions of Mme Trai and Mr. Tai are particularly important because both have studied in France and in the United States and have an understanding of foreign commercial law and practice as well as Vietnamese law.

The book can be viewed first as a guide to the commencement of

commercial operations in Vietnam, and second, as a manual of instruction on how to operate within Vietnam. To this end, the book may be considered as being tripartite. The first chapters on Forms of Business Organization ; Formalities for Establishing a business Concern ; Trademarks, Patents and Copyrights ; Real Estate Law ; and Labor Law concentrate mainly on the considerations preliminary to the establishment of a business in Vietnam. The chapters on Investment in Vietnam ; Monetary Considerations and Taxation may be said to deal with the economic considerations for doing business in Vietnam. Lastly, three chapters on the Special States of Americans in Vietnam ; Invited Contractors ; and the United States Agency for International Development Guaranty Program may be of special interest to Americans.

As evidence of the broad acceptance of this book, the initial printing of 10,000 copies has been nearly exhausted. In almost every United States Government office concerned with commercial activities in Vietnam, one will find a copy of "Doing Business in Vietnam." The Director of USAID, Saigon, John R. Mossler, has said "It is the best publication that has ever been put out on this subject." Moreover, officials within the Vietnamese Government, themselves, have given the book broad acceptability. In this regard, do not be surprised to find a copy on the desk of many Vietnamese Government officials.

Probably the most important proof of its usefulness is that businessmen themselves, both foreign and Vietnamese, find the book of enormous value. One Frenchman, a businessman who has lived in Vietnam for 20 years, has called the book, "... so important that it should be in the library of every investor in Vietnam."

We think you will find the book helpful. Copies may be obtained by writing to the Vietnam Council on Foreign Relations, P.O. Box 932, Saigon, Republic of Vietnam. The cost is \$US 2.50 which includes surface postage.

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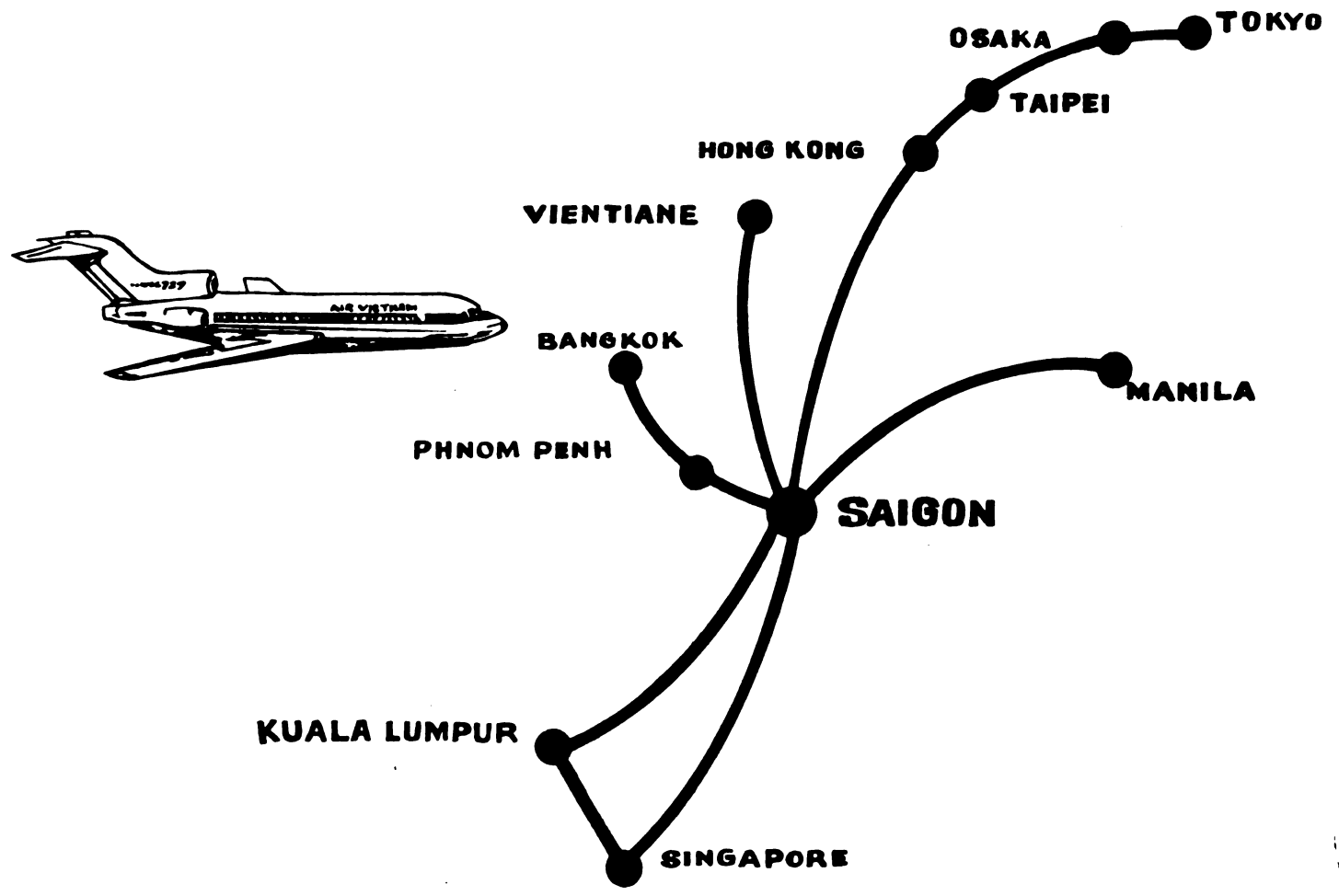
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