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POLICY ON DEVELOPING THE AN HOA-NONG SON INDUSTRIAL ZONE OF THE GOVERNMENT OF THE REPUBLIC OF VIETNAM (1963-1972)

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ABSTRACT

This study examines the policy of developing the A Hoa–Nong Son Industrial Zone under the Republic of Vietnam government during 1963–1972. Using archival sources from the National Archives Center II, the research applies historical and analytical methods to investigate the objectives, implementation, and outcomes of this industrialization effort. The government aimed to establish a chemical and energy hub to support agriculture and regional development. However, dependence on foreign loans and the wartime context limited effectiveness, leading to the zone's closure in 1972. The case provides insights into the challenges of industrial policy in South Vietnam and offers lessons for current industrial park development in the Central region.

KEYWORDS: Industrial Park, A Hoa–Nong Son, Industrialization, Republic Of Vietnam.

1. INTRODUCTION

Not only did the US devote its efforts to helping the Ngo family build the Republic of Vietnam (RVN) regime, but it also continuously increased financial aid to build the economic infrastructure of South Vietnam in the orbit of capitalism. In the twenty years under the government of the Republic of Vietnam, the economy of South Vietnam gradually experienced positive changes towards industrialization and modernization. The industry of South Vietnam was far superior to that under the French colonial period in many aspects, both in quantity, production scale, capital, and labor. The economy and industry, particularly of the Republic of Vietnam, were increasingly important. However, they also faced many challenges, especially the backwardness of production and lack of investment capital. In order to overcome obstacles and promote the core role in the dynamic capitalist economic system, the Republic of Vietnam's government issued an industrialization policy, promoting the establishment and development of industrial zones throughout the regions of South Vietnam. Particularly in the Central region, the Republic of Vietnam government concretized this industrialization program by establishing the An Hoa-Nong Son Industrial Zone. The article analyzes and interprets the organization and operation of the An Hoa-Nong Son Industrial Zone from 1963 to 1975.

2. RESEARCH METHOD

This study is based on archival documents accessed from the National Archives Center II. The research applies the historical method to reconstruct the policy of building and developing the An Hoa-Nong Son Industrial Zone under the Republic of Vietnam government, and the logical method to situate this case within the broader industrial development policy of the regime. Archival sources were selected according to their relevance to policy formulation, implementation, and evaluation, with priority given to official government records and economic reports. These documents were analyzed through a combination of historical description and thematic categorization to identify policy objectives, implementation processes, and outcomes.

In addition, the study employs analysis-synthesis methods to interpret the archival data objectively, followed by generalization to clarify the meaning and impact of the policy. Comparative analysis is used to contrast viewpoints and contextualize the An Hoa-Nong Son case within wider industrialization efforts in South Vietnam. By integrating specialized and interdisciplinary approaches, the research aims

to provide a clear, explicit, and convincing assessment of the industrial zone's role and significance.

3. RESEARCH RESULTS

3.1. *The Basis of the Formation of An Hoa - Nong Son Industrial Park*

3.1.1. *The Operation Process of the Nong Son Coal Mine*

Nong Son coal mine in Nong Son village is located in a valley with an area of about 3.5 km² in Duc Duc district, Quang Nam province, about 45 km southwest of Da Nang city. Nong Son connects to National Highway 1 through the Duy Xuyen district to the Que Son district. The distance by road between Nong Son and Da Nang is 80 km. Nong Son village is on the left bank of the Thu Bon River. Because it is located in a mountainous area, the Thu Bon River dramatically affects the overall planning and operation of the Nong Son coal mine. "The annual water flow of the Thu Bon River changes very quickly from a minimum of 33m³/s in the dry season to a maximum of 3,500m³/s in the flood season, raising the water level to about 10m" (Ministry of Economy of the Republic of Vietnam, 1968: p.1).

The Nong Son coal mine was discovered in the mid-19th century. In 1881, the French colonial government allowed a Chinese man named Luong Van Phong to exploit it for 29 years on the condition that he could not mine deeper than -12m from the ground. However, this exploitation had to be abandoned due to losses and the failure to ensure technical processes for underground coal mining and flooded mines.

In 1889, the coal mine was sold to Cotton and Amok, and these two were allowed to exploit at 12m. By 1890, the Nong Son coal mine was replaced by the "Société Française des Houillères de Tourane" Company, and from here, the mining process was accelerated. Cotton's company still held the most important shares in the Nong Son coal mine and controlled the mining and management process there. By 1893, the mining process was stalled again due to a lack of capital. 1899, the Nong Son coal mine was transferred to the Société des Docks et Houillères de Tourane Mire Company. In 1920, the coal mine stopped operating. In 1939, at the request of the Bank of Indochina, the coal mine was exploited again. By 1945, when Japan invaded Indochina, the coal mine was closed again. In 1955, the Republic of Vietnam government bought back the concession of this mine and placed it under the management of the Minerals Department of the Ministry of Economy.

"From 1955 to 1959, many geological surveys and exploration drilling were organized. This program cost the budget of 47 million Vietnamese dong. First, the Japanese company Nippon Koei conducted 32 boreholes: 28 in the Nong Son mine area and 3 in the Vinh Phuoc 1 area in My Thi. The total length of the boreholes was 3,538 m" (An Hoa-Nong Son Industrial Zone, 1966: p.9). The task of drilling this exploration hole was carefully studied by two delegations of French and Japanese geological experts, resulting in the discovery of a coal mine with reserves of about 4 million tons of coal in the Nong Son area. Then, in 1958, a delegation of US experts and advisors, including geologists and mineral collectors from the Paul Weir Company, Chicago, was sent by the US government to Nong Son to study and survey the mining area to estimate the amount of coal reserves in Nong Son. The US expert delegation planned a suitable mining method through the survey and provided the necessary equipment to exploit the Nong Son coal mine. After the survey, the US delegation concluded that a coal mine reserve of about 3 million tons could be exploited.

To start the Nong Son coal mine exploitation program, "the French government provided Nong Son coal mine with 1,500,000 Francs in the form of specific technical equipment and tools as follows: A coal screening plant with a capacity of 30 tons/hour; A small 150KVA steam-powered power plant and two large steam presses with 150 CV each; Mining tools such as jackhammers, fan pumps, mine lamps, etc. These tools arrived at Nong Son in mid-1959 and 1960 and were used as soon as the mine was operated" (Ministry of Economy of the Republic of Vietnam, 1968, p.4).

In 1959, based on reports from US and French experts, "the Republic of Vietnam government decided to exploit Nong Son coal mine to supply fuel for the Ha Tien cement factory: 40,000 tons/year and the Thu Duc thermal power plant: 80,000 tons/year. In order for the Nong Son coal mine to increase its production to 120,000 tons/year and have an autonomous status, the Republic of Vietnam government decided to establish the "National Management of the Nong Son Coal Mine" according to Decree No. 101/KT dated July 1, 1959" (Ministry of Public Works of the Republic of Vietnam, 1968, p.8). Immediately after its establishment, "the agency received assistance from the United States in sending a technical advisory delegation of 3 engineers and one geologist from Paul Weir Co. At the same time, it sponsored drilling equipment, including two jaws. It has a drilling depth of 100m and 93 coal wagons with

a capacity of 30 tons to transport coal to Saigon for 450,000 USD" (Ministry of Finance of the Republic of Vietnam 1968, p.17).

3.1.2. *The process of establishing the An Hoa - Nong Son industrial zone*

Based on the policy and favorable objective and subjective conditions above, plus surveys and expert consultations, "on January 11, 1963, President Ngo Dinh Diem issued Decree No. 5-TTP to establish the An Hoa - Nong Son Industrial Zone Management Agency to carry out the work of establishing in Duc Duc district, Quang Nam province an industrial zone to produce chemical fertilizers and other chemicals necessary for the national economic needs" (Presidential Palace of the Republic of Vietnam, 1963: p.1).

According to the An Hoa-Nong Son Industrial Park project plan, industrial facilities were established in three phases:

First phase (1961-1964): The goal was establishing basic industries to supply essential semi-products to support agricultural development. Nong Son coal would be processed into electricity, chemical fertilizers, and calcium carbide. "The work planned for this phase is a thermal power center to process thermal energy from coal into electricity with a capacity of 25,000 kW. A power line from An Hoa to Hoi An, Da Nang, Tam Ky, Quang Ngai. A fertilizer factory with an annual capacity of 42,000 tons of Urea and 48,000 tons of ammonium sulfate. A calcium carbide factory, producing 8,000 tons of calcium carbide per year" (Ministry of Public Works of the Republic of Vietnam, 1968, p.9).

Phase two (1965-1968): Thanks to the electricity of the thermal power center, the complex will establish factories to supply chemical products, cement, and fertilizers: A sea salt electrolysis plant, manufacturing chlorine and sodium to turn into soap, washing powder; A bamboo plantation to produce cellulose powder for paper making; A cyanamide fertilizer plant; A Formica plastic factory; A vinyl chloride plastic factory; A glass factory with white sand from the Central region; A cement factory.

Phase three (1969 onwards): This phase focuses on the exploitation of minerals in the mountainous regions of the Central region. "Therefore, several technical facilities were creatively established: Exploiting various types of mines and establishing ore processing factories for export or metallurgy with the condition of exploiting from 6 million to 15 million tons of coal" (Ministry of Public Works of the Republic of Vietnam, 1968, p.10).

To implement the 3-phase plan, in 1959, the RVN government established domestic chemical industry

facilities. These facilities would train specialists for the major chemical industries in the future. This plan aimed to create a foundation for launching new industries to mechanize the handicraft industry. According to statistical documents from 1958 to 1959, the market for consuming significant chemical products in the RVN was divided into three types: Nitrogen fertilizers, calcium carbide, and caustic soda. The RVN government invited several foreign experts to cooperate with RVN experts to study the potential of the raw material market. The research resulted in the possibility of using Nong Son coal to produce fertilizer.

KKN is located in An Hoa village, Duc Duc district, 12 km north of the Nong Son coal mine and 50 km southwest of Da Nang. "The An Hoa hill area has a geological structure that is a good foundation for civil works and factories. At the same time, transportation is convenient because it is connected to the trans-Vietnam railway, near National Highway 1, 50 km from Da Nang port; the port is designed to receive ships with a capacity of 15,000 tons" (Ministry of Public Works of the Republic of Vietnam, 1968, p.11).

In addition, An Hoa is located right in the center of a region 200 km long and 50 km wide along the coast with many rich mineral and agricultural resources. Regarding minerals, the region has Long Tho and Van Xa limestone mines, especially iron, gold, copper, lead, and zinc, and Quang Nam has white soil. All of the above mines are found 10 km from the railway. "It is only necessary to know the reserves of these mines to choose the conditions for exploitation. Rich agricultural and forestry resources include rice, cinnamon, oil, bamboo, sugarcane, lacquer, etc. The region also has hydropower resources on the Thu Bon River, with a flow of about 30m³/s in the dry season and 3,500m³/s in the wet season, which can provide a large amount of water for the industrial park.

Regarding human resources, with a population of about 1,000,000 people, Quang Nam will provide the necessary number of workers for the industrial park" (Ministry of Economy of the Republic of Vietnam, 1968, p.12). Structural system of An Hoa - Nong Son Industrial Park: Based on the policy and favorable objective and subjective conditions above, along with surveys and expert consultations, on January 11, 1963, President Ngo Dinh Diem issued "Decree No. 5-TTP: Now establishing the An Hoa-Nong Son Industrial Park Management Agency to carry out the work of establishing in Duc Duc district, Quang Nam province an industrial park to produce chemical fertilizers and other chemicals necessary for the

national economic needs" (Presidential Palace of the Republic of Vietnam, 1963, p.1). On that basis, the Republic of Vietnam government proceeded to build the architectural structure system of An Hoa-Nong Son Industrial Park, including: "Thermal power plant with a capacity of 27,000 kW, 66kV high voltage line 280km long connecting An Hoa with neighboring areas such as Nong Son, Hoi An, Vinh Dien, Da Nang, Hue, Quang Ngai; Chemical fertilizer factory producing: 42,000 tons of Urea/year, 48,000 tons of Sulfate/year" (An Hoa-Nong Son Industrial Zone, 1966: p.11).

KKN will provide essential products for agricultural improvement and help the establishment of chemical and metallurgical industries by providing cheap electricity. The initial plan of the large-scale industrial development program in the Central region includes the following projects: Nhon Trach irrigation dam established on the Thu Bon River; a Glass factory using white sand in Quang Nam area; Iron factory in Mo Duc, Quang Ngai province; Cement factory in Van Xa near Hue; Mineral exploitation: gold, copper. "The initial research of some of the above projects, especially the Nhon Trach irrigation project, the Van Xa cement factory, and the Mo Duc iron smelting factory, was submitted to the Republic of Vietnam government in the report on the Central Region industrial complex in June 1965 by the Ministry of Public Works and Communications. The Mo Duc iron smelting factory with iron ore reserves: 100,000,000 tons, with an annual exploitation output of 1,000,000 tons/year" (Ministry of Public Works and Communications of the Republic of Vietnam, 1965: p.16).

Financial sources for the An Hoa - Nong Son Industrial Zone operation: The An Hoa - Nong Son Industrial Zone project was formed thanks to two foreign loans. "Loan credit from the French government: 69,528,645F91; Loan credit from the West German government: 47,486,657DM. This loan must be paid to the French and West German governments each year according to a schedule agreed upon in loan contracts guaranteed by the Republic of Vietnam government" (Presidential Palace of the Republic of Vietnam, 1972, p.3).

From 1967 to 1971, the An Hoa-Nong Son Industrial Zone was approved by the Republic of Vietnam's Economic and Financial Committee to sign loan agreements with the Ministry of Finance to repay foreign loans. "The An Hoa-Nong Son Industrial Zone borrowed \$865,832,095 from the Ministry of Finance". This loan lasted for 30 years, and the final payment was made on December 31, 2002" (Presidential Palace of the Republic of Vietnam,

1972: p.5).

The funding for the operation of the An Hoa-Nong Son Industrial Zone included foreign currency and money from the government of the Republic of Vietnam. Foreign currency borrowed from the French and West German governments was used to invest in purchasing machinery and technical equipment. The loan from the Ministry of Finance of the Republic of Vietnam was used to pay the principal and monthly interest on the foreign currency loan and pay salaries to employees and other arising activities.

3.2. The Operation of The An Hoa-Nong Son Industrial Zone

3.2.1. Nong Son Coal Mine Exploitation Activities

In order to reach the planned level for 1964 of 120,000 tons of coal to supply the Ha Tien cement factory and Thu Duc thermal power plant, "Nong Son coal mine increased its production very quickly: 1959: 9,600 tons; 1960: 27,000 tons; 1961: 57,000 tons; 1962: 77,000 tons; 1963: 104,000 tons; 1964: 76,000 tons. In 1964, the production level of 120,000 tons would have been possible without the difficulties in supplies caused by the unstable security situation and the devastation caused by the flood in early November 1964. The flood destroyed the village of Nong Son, submerging most of the machinery. The direct damage caused by this flood was estimated at nearly 20,000,000 VND" (Ministry of Economy of the Republic of Vietnam, 1968: p.11).

In early 1965, while the machinery and equipment had to be repaired, security became even more serious. The traffic routes connecting An Hoa with Da Nang were interrupted, and the Nong Son coal mine was almost entirely isolated. "Therefore, the exploitation, which should have gradually increased to reach 230,000 tons/year to satisfy the needs of the An Hoa industrial zone, had to be stopped. During this period, coal production was very low, averaging 3,000 tons/year, enough to supply the Nong Son power plant" (Ministry of Economy of the Republic of Vietnam, 1968: p.12). In a state of restraint, activities focused only on removing soil and rock and repairing the open-pit coal layer to prepare for the mining program for the following years.

In order to supply KKN with 180,000 tons/year of washed coal, the Nong Son coal mine had to produce 230,000 tons/year of dirty coal. The reserves at the Nong Son coal mine were divided into two types, certain and predicted: Certain coal reserves at negative altitude: 3,500,000 m³; Certain coal reserves

at altitude and -20m: 3,000,000 m³; Estimated coal reserves below -20m elevation: 6,500,000 m³ (Ministry of Economy of the Republic of Vietnam, 1968: p.13).

The production plan is to supply coal for An Hoa factories fully, and the Nong Son coal mine must prepare for production to have a quantity of coal of 90,000 tons (6 months of coal reserve) on the day An Hoa factories start operating to achieve this result, the production preparation work needs 3 years.

3.2.2. An Hoa - Nong Son Industrial Zone Construction Program

In the first phase, the KKN project includes two factory blocks: A power block, a thermal power plant, and a high-voltage transmission line. The chemical block is a urea and sulfate fertilizer plant.

Power Block: The thermal power plant "with a capacity of 27,000 kW consists of 4 boilers (3 operating boilers and one reserve boiler), each boiler can produce 50 tons of steam per hour and a pressure of 45 kg at 450°C. The chemical block will use part of the produced steam (25 tons/hour). The remaining part (125 tons/hour) will be used to run the power plant. About 2/3 of the electricity produced will be used in the industrial park. A 66kv high voltage line system will be established to bring the remaining electricity to the region's cities and technical centers' technology. The 66kV high-voltage line system, 280 km long, connects An Hoa with Hue and Long Tho cement factory; Da Nang and Sicovina textile factory" (Ministry of Economy of the Republic of Vietnam, 1968, p.17). The high-voltage line system has also been reserved to establish a trans-Vietnam line from Saigon through Da Lat, Da Nhim, Nhon Trach to Hue.

Chemical block: "Consists of 6 factories linked together to produce 42,000 tons of Urea fertilizer and 48,000 tons of Sulfate fertilizer using imported coal and sulfur as raw materials" (Ministry of Economy of the Republic of Vietnam, 1968: p.17). The chemical block includes a system of factories: Hoa Thang gas factory, Air distillation factory, Ammonia synthesis factory, Storage factory, Urea and Sulfate fertilizer synthesis factory, and Carbide lamp factory. Finally, KKN also established a fertilizer packaging and storage plant. In addition, it also established factories and auxiliary facilities in An Hoa to provide general services for the two above-mentioned blocks. The factories and auxiliary workshops included a water pumping and filtration plant, Laboratory, Warehouse, and office.

The initial research work to determine the importance of KKN was conducted from the

beginning of 1962. In An Hoa, as early as August 1962, the first land survey and exploration began on 10 km². "The total number of employees initially was 20. The number of employees increased daily until July 1966 when the number of employees here increased to 500, thereby increasing the amount of work to be done" (An Hoa-Nong Son Industrial Zone, 1966: p.1). "The number of employees of KKN by March 1972, when KKN officially ceased operations, was 796. In September 1962, temporary facilities were built for offices, warehouses, and workshops. In early 1963, some earthmoving equipment was brought to the site to level the ground for the factory area and establish a road system. The total amount of soil removed amounted to 1 million m³. The area of leveled ground at elevation 20 was up to 400,000 m². The road connecting Nong Son with An Hoa was established with a length of 13 km" (National Bank of the Republic of Vietnam, 1972: p.2).

In parallel with the above work, technical research was conducted in Saigon with two consulting companies: Sanfermines Company for chemical and mining industry issues and Star Elec Company for electrical issues. The proposed works establish technical conditions for calling for tenders to supply equipment for thermal power plants and fertilizer plants. Calling for European tenders: Selecting contractors to supply power and fertilizer plants.

The Board of Directors of An Hoa: Nong Son KKN agreed to abandon the program to establish a "calcium carbide" plant because the raw materials near An Hoa did not meet the standards, because the plant's output was below the minimum level for the plant to operate economically.

To ensure the selection of contractors to supply thermal and gasification plants, KKN sent 2,500 tons of Nong Son coal to power plants and gasification plants in Europe for testing. The tests with Nong Son coal were monitored by the consulting companies Sofremines and Sofrelec. The 1963-1964 European coal test results confirmed that Nong Son coal could be used in the Foyers Ignifluid and gasifiers. The results of the above coal test also led to the decision to select Cocei to win the bid to supply the An Hoa thermal power plant and Koppers-Essen to win the bid to supply the gas chemical plant. After the cooperation documents were signed, KKN would call for bids to supply facilities for electricity, water, compressed air, steam, and other supporting services for the official plants. The contractor, Koppers-France, won the bid to supply the above-mentioned dependent facilities.

Measures to complete the construction of the plant system: In the spirit of the cooperation

documents on the supply of plants, KKN has proposed a separate policy based on local conditions to complete the construction of the plants. KKN is responsible for completing the civil works of factories according to contractors' studies and technical designs. Civil works can be undertaken by engineers and contractors in the Republic of Vietnam, thus creating jobs for local people. KKN proposes the "General Contractor" method to carry out the assembly of factories. This method means that the assembly is carried out under the command and guidance of foreign specialist engineers. KKN will provide specialist engineers and workers. Technically tricky tasks such as assembling Ignifluid furnaces, assembling generators, and assembling steam compressors will be undertaken by foreign specialist engineers. The work of setting up electrical systems, assembling water machines, etc., will be carried out by engineers and specialists from the Republic of Vietnam. During construction, the number of foreign specialists from contractors will be minimized to reduce assembly costs and save foreign currency for salary payments. The "Professional Training" program required KKN to make early predictions to promptly provide the necessary number of professional workers for assembly. The program included sending several RVN specialists to train at European factories so that they could operate them themselves when they returned to RVN. Control the factories of KKN once assembled.

The An Hoa construction site started in August 1962, "building nine factories and dependent structures: the concrete block to be cast was 45,000 m³; Assembling machines: 20,000 tons: Setting up tools: steam presses, generators, assembly tools, sand screening stations, concrete mixers, and other utilities" (Ministry of Economy of the Republic of Vietnam, 1968: p.19). Until the day before the flood in November 1964, the research and construction of KKN had been carried out as planned. After the flood in 1964, the An Hoa-Nong Son construction site encountered more difficulties because the railway section of An Hoa was wholly damaged and could not be used. The An Hoa National Highway I road was mostly washed away or covered with mud. At the same time, the military activities of the revolutionary forces increased to control the traffic routes, hindering the construction supply activities.

Several measures were applied to KKN to deal with the above difficulties. "In May 1965, An Hoa airport was expanded and could receive military transport aircraft to supply KKN with necessities and a small number of necessary machinery and tools for the construction site. The construction contractors

asked to cancel the contract because of the difficulty in supplying the materials. By the end of 1965 and early 1966, the US Marine Corps came to the station at KKN to support the activities of KKN An Hoa-Nong Son. A "Liberty Road" route was established, connecting Da Nang with KKN. Thanks to that, the An Hoa - Nong Son Industrial Zone could transport some raw materials for operation" (Ministry of Finance of the Republic of Vietnam, 1968: p.19). Although the Industrial Zone tried, the results achieved during the 4 years since the flood in November 1964 were not much. "The part directly related to the factories: 8,365 m² of concrete was completed out of the total required to be completed of 45,000 m², reaching 18.5%. Only about 3,000 tons of machinery and tools were transported to the construction site, out of 20,000 tons that had to be assembled and tested, reaching 15%. The actual productivity did not meet the set targets" (Ministry of Finance of the Republic of Vietnam, 1968: p.19). However, maintaining this industrial zone had economic, security, political, and social advantages in the future context of the Republic of Vietnam regime. Since 1968, the fierce developments on the battlefield, especially after the Tet Offensive and Uprising in 1968 and the developments that followed, have made the situation increasingly tense. The socio-economic activities of the Republic of Vietnam took place in the context of being affected by the attacks and marches of the revolutionary forces. In that situation, the An Hoa - Nong Son Industrial Zone was not supplied with sufficient materials to build infrastructure and operating activities.

Meanwhile, the construction and operation of the Industrial Zone were financed by loans from the French government and the Federal Republic of Germany (West Germany), along with loans from the Ministry of Finance of the Republic of Vietnam. While the financial burden from the loan capital was heavy, the An Hoa - Nong Son Industrial Zone did not generate profits to repay the debt. The government of the Republic of Vietnam guaranteed foreign loans to build the Industrial Zone. Therefore, when KKN could not pay its debts, the RVN government was forced to fulfill its commitment to pay KKN's debts to the French and Federal Republic of Germany governments.

Many political obstacles made the problem more difficult. "Local political parties always demanded the application of the indivisible policy of the An Hoa - Nong Son project and the maintenance of KKN at the old location. The Quang Nam unions agreed that the indefinite immobility should not be maintained: If KKN An Hoa Nong Son was maintained, defenses

must be strengthened to ensure security. If not maintained, the government should decide to dissolve the enterprise to resolve the deadlock" (Ministry of Finance of the RVN, 1972: p.2).

In the Message to the National Assembly of the President of the RVN on November 15, 1971: "The national stance in the economic and financial fields does not want to nurture weak industries. Since establishing the Nong Son National Coal Mine Management Board and the An Hoa - Nong Son Industrial Zone Management Board, they have relied entirely on the national budget for their operations. Since 1965, these two agencies have been shrinking operations without bringing any useful results" (Ministry of Finance of the Republic of Vietnam, 1972: p.2). Therefore, "The Economic and Social Council, in its fourth session in 1971, recommended that the government find a solution to liquidate enterprises no longer suitable for economic development and reduce the national budget. If the An Hoa - Nong Son project is resolved decisively, the government will plan the necessary funds in the national budget to pay off the debt directly to France and West Germany. The establishment of the Ministry of Finance's borrowing conventions according to previous procedures is considered complicated because, after all, the funds used for payment are all covered by the government" (Ministry of Finance of the Republic of Vietnam, 1972: p.4). Faced with developments on the battlefield and internal difficulties, incredibly ineffective organization of activities, pressure to repay foreign loans, and domestic banks to maintain operations, the RVN government was forced to let the An Hoa - Nong Son Industrial Zone cease operations. All of the assets of the KKN were liquidated and resolved within the legal framework. The RVN government transferred the staff serving the KKN's activities to operate and work at the newly established Da Nang KKN.

3.3. An Hoa-Nong Son Industrial Zone in The Industrial Zone Development Policy of The RVN Government

3.3.1. On The Economy

The RVN government advocated for the An Hoa-Nong Son KKN to organize coal mining and use that raw material to produce electricity and chemical fertilizers at low prices. "With a production level of 230,000 tons of coal and 90,000 tons of fertilizer, the RVN government would save 14,000,000 USD per year for 15 years, increasing to 210,000,000 USD. The estimated annual immediate profit is 105 million

RVN piastres. In the electricity industry: The surplus electricity of 37,000,000 kw, out of 157,000,000 kw/h produced, will be sold to people in neighboring areas" (Office of the Prime Minister of the Republic of Vietnam, 1972: p.21). Thanks to that, people in this area have electricity for lighting, running machines, and pumping water for agricultural production. However, until 1972, the power plant system only stopped at designing and building facilities, which did not bring any practical results. People have not yet enjoyed the achievements in the KKN's energy industry, as the government of the Republic of Vietnam declared.

For chemical plants and fertilizer production: The government of the Republic of Vietnam hoped that fertilizer would increase the number of products, increasing farmers' productivity. "In Duc Duc district alone, the people directly benefited because the industrial park attracted over 2,000 workers in exploitation and production" (Office of the Prime Minister of the Republic of Vietnam, 1972: p.23). Through that, the recruited and employed workers could create a source of income to support the local people directly. However, "this industrial park only attracted about 796 experts, employees and workers" (National Bank of the Republic of Vietnam, 1972: p.2). The economic efficiency created by the diffusion to improve people's lives in the surrounding area in generating real income was insignificant. The construction and supply of fuel for the chemical factory system was stalled, and the production process had not yet occurred. Therefore, farmers in the central region have not yet seen the results of the fertilizer factories' activities in supporting their agricultural production. The Republic of Vietnam government hoped that establishing the An Hoa-Nong Son Industrial Zone would balance the economic map of the Republic of Vietnam. Large and small industries were concentrated in the South, near Saigon. The geographical economic disparity would have negative consequences. Because people would tend to migrate to industrial development areas, causing many difficulties. People migrating would cause many burdens for the Republic of Vietnam government, which had to solve many problems due to the high concentration of people, such as public security... At the same time, it had to solve many other problems due to farmers leaving the countryside to live in the city. "The concentration of industries in one place created two areas with too much difference, one with a relatively high contribution and one with a very low contribution. Not only would there be serious political consequences because the poor were all drawn in by

the revolutionary forces and became the rear of the Communists, which would affect the development of the Republic of Vietnam" (Ministry of Finance of the Republic of Vietnam, 1972: p.17).

By 1972, when the KKN closed down due to ineffective operations, it also directly confirmed the RVN government's ambition to balance the economic map by area and control and separate the people from the revolution in the countryside, but all failed. With the policy of the RVN government considering the Central farmers as a significant market for domestic products, industries can only develop if the people have the purchasing power to sell the products. Establishing the KKN in An Hoa-Nong Son to produce fertilizers will increase the quantity of agricultural products, which means increasing farmers' profits. In addition, the RVN government also believed that the economic development program of a developing country must always start with the development of agriculture in parallel with the establishment of basic industries. The An Hoa-Nong Son KKN, with a fertilizer factory and a thermal power plant, meets the above factors. The desire to establish an infrastructure system to support each other in developing industry and agriculture is a policy that seems highly feasible at first glance. However, how the RVN government works and operates has not realized that policy.

3.3.2. Security Issues

Security is a prerequisite for completing the An Hoa-Nong Son Industrial Zone. The issue of protecting security for the Nong Son-An Hoa area must be understood as protecting the security of the two weak points of Nong Son, An Hoa, and the road axis from Nong Son-Da Nang through An Hoa and Hieu Lam bridge. In a situation of poor security, the morale of employees is reduced, the supply of construction materials and even the supply of necessities is also stagnant, and the operation of the construction site is reduced. Employee salaries are not always a priority, so workers are not paid, and there are insufficient materials for construction.

The RVN government recognized An Hoa-Nong Son as one of the areas that blocked the movement of Viet Cong troops from the mountains to the Da Nang-Quang Nam plain. It was also an obstacle on the liaison axis of the revolutionary forces from the demilitarized zone to the South. Therefore, the revolutionary forces continuously harassed with attacks to make it easier for the revolutionary forces to act. The establishment of the KKN there, with the army guarding security, broke the plan of "using the countryside to surround the city" of the local

revolutionary forces and, at the same time, relieved the military pressure of the revolutionary forces that had previously been constantly weighing on the districts of Que Son, Duc Duc, Dai Loc and Duy Xuyen. The security belt for Da Nang and Hoi An could also be expanded more safely. Nong Son has 15,000 m of tunnels in the coal mine, which could be used to make a substantial hole if it fell into the hands of the enemy. Establishing the KKN to intertwine political and security issues to create a dual purpose has caused the RVN government to fall into a trap of its own making. The presence of the military in the economic development goals has invisibly turned the economic bases into the target of the Revolutionary War.

3.3.3. *Political And Social Aspects*

The RVN government declared its determination never to abandon the Central region and always focused on the desire for full employment and income. Establishing a KKN in a densely populated area with a low average living standard has shown the RVN government's efforts in implementing the policy. Employment and income is one of the economic development programs the RVN government planned for the Central region. However, "the number of employees of the KKN by March 1972, when the KKN officially ceased operations, was 796 people, and this number was later moved to the newly established KKN in Da Nang" (National Bank of the Republic of Vietnam 1972: p.2). Therefore, creating jobs and increasing development for the people according to the original goal of the Republic of Vietnam government in establishing this KKN had a minimal impact on the people. The Republic of Vietnam government assessed that the people in the Duc Duc, Duy Xuyen, and Que Son districts were passionate and had a revolutionary spirit. For many generations, this area was home to many active people who sacrificed their lives during the anti-French revolution. Therefore, clarifying the national cause in an area with a population with a revolutionary tradition was necessary. If people's lives were not improved, poverty would be a favorable environment for communist propaganda and incitement. Therefore, establishing KKN with practical economic activities to purify the force and the political purpose is very clear: attracting people with a revolutionary spirit to the national government. Attracting people with a revolutionary spirit to the national government is a highly sinister goal of the Republic of Vietnam government.

The "orienting towards the countryside" policy is

a national policy that the government of the Republic of Vietnam first implemented. This policy effectively reduces the gap between people living in urban and rural areas. The Republic of Vietnam's society is heavily urban. Economic and social developments are mainly beneficial to urban people and have almost no effect on rural people. The basic needs, such as electricity and water of rural people, especially those in the Central region, are currently not being used. With a large force accounting for more than 80% of the population, rural people have not enjoyed the conveniences of civilized life. "The establishment of An Hoa-Nong Son Industrial Zone will bring conveniences to the lives of the people in the area and promote the establishment of infrastructure to help people have opportunities for equal development. The impact on social means is significant. The Industrial Zone will be a model to collect the advantages and disadvantages of establishing industrial centers in places far from urban areas and also a typical example of the "rural orientation" policy of the Republic of Vietnam government" (Office of the Prime Minister of the Republic of Vietnam, 1972: p.27). The termination of the An Hoa-Nong Son Industrial Zone in 1972 officially confirmed the failure of these goals of the Republic of Vietnam government. In the context of war, establishing an industrial zone producing chemical fertilizers with coal as raw material, like the An Hoa-Nong Son Industrial Zone, can show the determination of the Republic of Vietnam government to develop industrial zones in particular and the economy in general. This policy trend aims to save foreign currency for importing chemical fertilizers and developing the chemical industry to reduce dependence on the United States and the West gradually. Exploiting Nong Son coal is to take advantage of available resources and the development of the Republic of Vietnam government. The process of building An Hoa-Nong Son Industrial Zone is the process of realizing the political, security, economic, and social goals of the Republic of Vietnam government: implementing the policy towards the countryside and determined to keep the Central region to break the revolutionary forces' plan to use the countryside to surround the cities, balance the economic map and reduce the income gap between urban and rural people. At the same time, the organization and operation of An Hoa-Nong Son Industrial Zone in the center of land with many mineral resources is the first step of a comprehensive exploitation program of all other minerals such as iron, copper, gold, thread, zinc, white sand, limestone, also show the ambition of the

Republic of Vietnam government in fully exploiting the mineral resources of this area for comprehensive development.

4. CONCLUSION

In the context of war, the establishment of the An Hoa-Nong Son Industrial Zone shows the determination of the Republic of Vietnam government to develop the Industrial Zone in particular and the industrialization policy for economic development in general. This policy trend aims to save foreign currency for importing chemical fertilizers and developing the chemical industry to reduce dependence on the United States and the West gradually. Exploiting Nong Son coal is done to take advantage of available resources and to apply advantages for the development of the Republic of Vietnam government. The process of building the An Hoa-Nong Son Industrial Zone is the process of realizing the political, security, economic, and social goals of the Republic of Vietnam government: implementing the policy of orienting towards the countryside and determined to keep the Central region to break the revolutionary forces' plan of using the countryside to surround the cities, balancing the economic map and reducing the income gap between urban and rural people. At the same time, the exploitation of the organization and operation of the An Hoa-Nong Son Industrial Zone, a land with many mineral resources, is the first step

of a comprehensive exploitation program of all other minerals, also showing the ambition of the Republic of Vietnam government in thoroughly exploiting the resources of this area for comprehensive development.

The process of establishing the Industrial Zone system is part of the industrialization policy of the Republic of Vietnam government. The government's policy of developing industries, such as critical industries such as chemicals and energy, aims to achieve economic self-sufficiency and reduce and eliminate the import of machinery, equipment, and raw materials towards self-reliance. However, this development policy relies on aid from the United States and its allies, so it is unrealistic to want to use those resources for self-sufficiency. The An Hoa-Nong Son Industrial Zone development policy aims to take advantage of available resources for development. However, the policy is embedded and emphasizes the position of security, politics, and strategy issues, so it is not practical in practice. Especially in the context of war, in an area where fierce battles took place and where disputes between the revolutionary forces and the Republic of Vietnam-United States occurred, the infrastructure system was severely damaged. Therefore, the organization and operation of the An Hoa-Nong Son Industrial Zone did not meet the expectations of the Republic of Vietnam government to develop the Industrial Zone to create a driving force to promote the Central region comprehensively.

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