

THE PROCESS OF TAKING OVER AND UNIFYING THE BANKING SYSTEM IN VIETNAM AFTER 1975 - POLICIES ON RESOLVING CONFLICTS DURING THE TRANSFER PROCESS

PhD. Pham Thi Hong Ha

honghalsvn@gmail.com

Institute of History, Vietnam Academy of Social Sciences, Vietnam

Abstract

Unlike 1945, after the successful August Revolution, the revolutionary government could not take over the Indochina bank, which was still in the hands of the French at that time, however, one of the successes of the revolution after the liberation of the South and the reunification of the country in 1975 was that the revolutionary government took over the entire banking system of the Saigon regime. The article clarifies about one of the economic management policies of the Vietnamese government after the liberation of the South Vietnam in 1975. Through the study of the process of merging and unifying the banking system between South and North Vietnam, on the basis of original documents from the National Archives Centers and State Bank Archives, the article shows the ways that the Vietnamese government took to minimize conflicts during that transfer. The article shows two main measures by which the Vietnamese took over and unified the banking system: First of all, it made careful calculations based on the legal basis to build the legality for the takeover and inheritance of the entire banking system of the former Saigon's regime as well as its assets inside and outside Vietnam. Second, even while the country was still at war, it had prepared material and human conditions for the process of bank takeover and unification. The use of staff of the former Saigon's regime as an important force in the process of merging and unifying the banking system had contributed to minimizing the friction of the transfer process.

Keywords: *Unification, Banking system, Economic policy*

1. Introduction

When any country is invaded and divided, the damage to the territorial unity and integrity is always shown most clearly. Therefore, national unification is a long and complicated process. That unity is reflected in many fields, in which it is especially important in terms of territory, institutions and economy.

After April 30, 1975, in Vietnam, there were two entities: the North was a centrally planned economic model, while in the South, due to the policy of colonialism the capitalist elements had penetrated strongly into all economic sectors and oriented the South's economy to develop along the capitalist path. Especially at this time, the situation of money circulation

in both regions of the country was quite complicated, while the banking systems in the two regions were also built according to different models.

Meanwhile, money and banking, which are reckoned as the nervous system of the economy, were well prepared for takeover and unification after liberation day. The Vietnamese government had issued many legal documents, forming a system of policies on monetary, credit, payment and foreign exchange to operate monetary and banking activities uniformly across the country. Therefore, the study of the banking unification process in Vietnam since 1975 will contribute to the identification and assessment of the Vietnamese economy in this period in general and the economic management and administration of the Vietnamese government in particular in a more specific, positivistic and profound way.

The article focuses on clarifying the process of unifying the banking system in Vietnam after the liberation of the South and reunification of the country. The article points out the main reasons contributing to minimizing conflicts of interest, legal as well as emotional in the process of transferring and unifying the banking system.

Up to now, historical and economic researchers have had a lot of research works, monographs on Vietnam's banking activities, banking history from historical or economic perspective:

- *Vietnamese authors:*

In 1981, the book titled "*30 years of Currency - Credit - Banking*" of the State Bank of Vietnam provided knowledge about currency, credit and finance in Vietnam through historical periods and on different regions of the country such as the North, the Central and the South. In particular, the work introduced and analyzed the history of the Vietnamese currency, along with images of money samples over time, the role of the national bank in credit allocation and currency issuance.

On the occasion of the 50th anniversary of the establishment of the State Bank of Vietnam, in the special issue of *Banking Review* in 2001, scholars, former bank leaders, and bank officials or those who participated in the bank takeover after the liberation of the South published a number of articles. Typical were articles such as: "*Unifying the Country, Unifying the Monetary -Banking System*" by Pham Ngoc Phong, "*The Journeys of Operation and Struggle on the Finance - Currency - Banking front*" by Hong Linh, "*Taking Over the Southern Banking System in 1975*" by the author with the pseudonym N.C.T, "*Journey to the Office Central Bureau of the South to Take Over Saigon - Gia Dinh*" by Le Hoang. These works were about the takeover of Saigon's banking system. Some of the works were the memories of those directly involved in the takeover. The takeover policies, the preparation for the unification of the two South - North banks have been mentioned vividly and truthfully in the above articles.

One of the prominent researchers on modern Vietnamese economic history was Dang Phong. The book "*History of Bank for Foreign Trade of Vietnam 1963-2003*" by Dang Phong published in 2003, records the achievements of the Bank for Foreign Trade of Vietnam in different revolutionary periods, especially the time of implementation of aid for the southern revolution during the years of resistance against the US and the early period of market

economy access. The work also analyzes Bank for Foreign Trade of Vietnam's activities, the takeover and currency exchange in the South of Vietnam in the early days after liberation. In 2015, Duong To Quoc Thai published the article "*The Process of Taking over and Reorganizing the Banking System in South Vietnam after liberation (1975 - 1979)*" on the Journal of Historical Research, No. (474), p. 38-49, 75; The article analyzes the process of restructuring the banking system in the South by the Provisional Revolutionary Government of the Republic of South Vietnam with the main tasks such as: establishing state management rights over the entire banking system; take over vaults, mortgage shops, records of all kinds, books, invoices, vouchers...

In 2016, the State Bank of Vietnam published the work "*History of Vietnam Bank*", National Political Publishing House, Hanoi. This work records important milestone of the banking industry in both the South and the North Vietnam, in which chapters 9, 10 and 11 of the book refer to some banking activities in Vietnam since 1975.

- *Foreign authors*

Ten years after reunification, in 1985, Rüdiger Machetzki, published the book "*Vietnam in 1985: The Fettered Economy*" published in Southeast Asian Affairs (1986), pp. 353-365. The work refers to the economic development results of Vietnam after 10 years of reunification. The author believes that although Vietnamese leaders see this period as a "shining" chapter in Vietnam's modern history, there were setbacks in the economic field. According to the author's assessment and conjecture, the economic reforms in the years 1979-1985 only led to patchy results and political and ideological opposition.

In 1989, Tetsusaburo Kimura - scholar of the Kyoto Institute of Developing Economies published the work: *The Vietnamese Economy 1975-1986 Reforms and International Relations*. The work is a macro analysis of the Vietnamese economy after reunification, emphasizing the level of economic growth and the inefficiency of foreign aid. The author believes that when "reunifying" the country, the government of the Socialist Republic of Vietnam has applied the economic model of the North to the South. The consequences of the process of "Northernization" led to an economic crisis across the country. Although Vietnam carried out partial "reforms", it ended up falling into a financial and economic crisis after the September 1985 monetary reform.

With the same interest in research on Vietnam's economy in the transition period, in 1996, Adam Fforde and Stefan de Vylder published a book "*From Plan to Market: The Economic Transition in Vietnam*", Boulder and Oxford: Westview Press. The book consists of 9 chapters that deal with aspects of Vietnam's economy during the transition period that began when North Vietnam adopted the command economy model under the government of the Democratic Republic of Vietnam and was extended until the post-unification period (1957-1979).

The above studies have brought a multi-dimensional view of the Vietnamese economy, Vietnamese government's economic policies and limitations of the Vietnamese economy after the reunification of the country. However, most of the above works have not explored deeply into Vietnamese government's specific measures and policies to minimize

conflicts in the process of transferring and unifying the banking systems of the South and North Vietnam as well as difficulties in diplomatic and monetary relations that Vietnam was facing at this time. The use of original documents, which are executive instructions and investigation and statistical data on the financial and banking situation of the former Saigon government and of foreign banks during that time in Saigon, which are stored at the Archives Centers in the above works, is still missing. This article will try to supplement the above limitations.

2. Method

Historical method and logical method are the two main methods used in the research process. The article exploits many original sources of documents stored at the National Archives Center II - where most of the documents and reports on economic activities in general and the operation of the banking and monetary system in the last days of the Saigon regime were concentrated. At the same time, the article also exploits other important archival materials currently being kept at the National Archives Center III and the State Bank's Archives with records on government policies and currency's situation as well as the operation of the State Bank of Vietnam after the reunification.

3. Result

3.1. Situation of taking over and unifying the banking system in Vietnam after 1975

With a brilliant military victory on April 30th 1975, the Vietnamese revolution entered a new phase: From war to peace, from half of the country divided and dominated by neo-colonialism to an independent and unified country.

In the economic field, after the liberation of the South, the Central Office for South Vietnam issued a Resolution on maintaining the economic status quo for a period of time to ensure stable life for the people. However, when the resolution was presented at the 24th Conference of the Central Committee of the Communist Party of Vietnam, it was not accepted. The majority of delegates at the meeting wanted to immediately unify on an economic model, because they believed that after peace, Vietnamese government could organize business better than the economic model of the former Saigon regime (Dang, 2001, p.91). By the time the Conference officially issued the Resolution, this trend was even more confirmed: In favor of renovating and eliminating non-socialist economic sectors, economic management in the North's style, nationalization of bourgeoisie economic property and basic, turned them into the ownership of the entire people and were managed by the State (Communist Party of Vietnam, 2004, p. 408).

The guidelines and policies on monetary and banking unification were affirmed in the 24th Conference Central Executive Committee of the Communist Party of Vietnam, dated September 29, 1975 as follows: "It is imperative to renovate and build urgently banking system, expand the operation of state banks and professional banks of the State serving production and business; abolish all private banks; Depending on the case, it is possible to allow the opening of a number of international banks on the basis of reciprocity between our country and foreign countries; Soon to unify banking system in the whole country" (Communist Party of Vietnam, 2004, p. 418). Thus, in terms of directions as well

as tasks, the Central Government had resolutions indicating relatively fully that monetary-banking unification was an important step in the chain of completing the reunification of the country.

In July 1976, Vietnam was reunified in terms of the State administration, and the official name of the country was “Socialist Republic of Vietnam” (Office of the National Assembly, 2003, p. 304-305). The management of the country was under the responsibility of the Council of Ministers, the Government of the Socialist Republic of Vietnam. All apparatuses of ministries and branches in both regions, which previously temporarily held two titles of two different regimes, had officially merged. After the consolidation of the banking system in the two regions, the first State Bank Directors' Meeting was held in Hanoi (May 1976). The meeting discussed and decided on major policies and measures in banking activities of the whole country. Since then, the principle of unified centralized management in the monetary, credit and banking fields, the principle of import and export management, and the issuance of money in the State Bank system had been thoroughly understood and strictly followed in the whole system.

The State Bank of Vietnam was the central agency of the Government Council and was a sector-wide economic accounting organization, performing the unified state management of credit, payment, issuance and cash management. As an instrument of the State dictatorship of the proletariat, the State Bank of Vietnam unified its organization according to the principle of democratic centralism. The General Director of the State Bank leads and directs all aspects of activities of the entire State banking industry, was responsible to the National Assembly and the Government Council for the activities of all State Bank agencies in the whole country.

The State Bank system consists of 3 levels: Central Bank; Provincial and city banks; Banks of districts, towns, neighborhoods and concentrated economic zones.

According to the State Bank of Vietnam statistics, right in the first year of unifying banking, the revolutionary government quickly took over the banking system of the former government in the South Vietnam, keeping assets (including: money, gold and silver precious metals, documents) safe, liquidating private banks, immediately building a revolutionary State Bank system, establishing a banking organization in provinces, cities, districts and about 1,000 transaction offices (Prime Minister Office, Social Republic of Vietnam, 1976, p. 62).

3.2. Policies on resolving conflicts in the process of merger and unification

**** Building legitimacy for the takeover, unification***

After liberation of the South, while the State was facing difficulties in capital to serve the 5-year economic plan (1976-1980), the South was able to revoke tens of millions of dollars of goods, foreign currency and could use hundreds of millions of dollars of foreign credit. However, the revolutionary government had to deal with a very complicated and difficult situation in monetary, credit and payment operations:

- Foreign exchange assets of the former Saigon's regime were scattered in foreign banks (large amounts of foreign currency, bullion, standards were located in US banks and other countries blocked by the US).

- Foreign currency balances of foreign exchange banks under the Saigon's regime were also located in foreign banks. These banks had not confirmed their balances and had not acknowledged the revolutionary government in South Vietnam as owners.

- Exports of merchants under the former Saigon's regime as of April 30, 1975, which had not yet been confirmed by foreign countries for payment. Goods imported by trade and aid were scattered at many ports abroad⁷³.

Thus, although foreign currency and gold were within reach, it was not easy to revoke because many problems related to the US and its allies were one of the obstacles to the above work.

At the request of the US Department of State, the US Treasury Department announced the seizure of any assets that North Vietnam might have in the US and prohibited all financial and commercial transactions between Americans and North Vietnam people. Besides, the attitude of the authorities in Hong Kong and Singapore, although they want to help Vietnam, on the other hand, were under pressure from the US. The authorities had an unequivocal attitude, asking Vietnam to send lawyers to court to reduce US pressure on them. Some boats (such as Vung Tau 260, Patrick, Truong Hai, Hong Van, Bong Hong 9 and 109 motor fishing boats) had changed their names, changed flags, and operated mainly within Singapore, Thailand, Malaysia and Philippines, so it was very difficult to detect (Prime Minister Office, Social Republic of Vietnam, 1976, p. 60).

In addition, the export business of the capitalist banks located in South Vietnam was very complicated. Importers (overseas) may dispute about the quantity and quality of goods, including whether they were received or not. In many cases, importers (foreigners) pay directly to foreign banks or the Vietnamese who had evacuated, regardless of whether the importers' branches locating Saigon. They took advantage of unfinished business opportunities in the period of transferring between old and new regime (Prime Minister Office, Social Republic of Vietnam, 1977, p. 50).

The liquidation of banks in the South was also difficult because the Letter of Credit (L/C) had been sent to the exporter (foreign) but the item code had not been sent or had already been sent but lost along the way. There were cases where the goods had arrived, the

⁷³ The specific situation was as follows: trading firms of Hong Kong, Singapore, Japan... still kept Vietnamese goods without reporting. Goods at Saigon port were still stagnant: over 1,000 tons, while some items need to be delivered quickly such as cigarette filters, new medicines, shaving blades, and auto parts. If left them for a long time, they would be destroyed.

According to the Bank for Foreign Trade, imported goods that had been paid for but had not been received were \$30 million. At that time, the quantity of goods exported but not yet collected was 3.000.000 USD. The assets of the embassies and diplomatic facilities of the former Saigon's government abroad include 19 buildings, 65 cars and a large number of office equipment, houses, air conditioners, vehicles and other property. The foreign currency of the Saigon embassies abroad was about 47.350 USD and the local currency was 68.568 USD, excluding the money in the banks of the US allies and US. (Prime Minister Office, Social Republic of Vietnam, 1976, p. 3)

import department of Vietnam had received the goods but had not yet paid the payment between the bank and the foreign exporter because of the lack of payment records.

In addition, there were many unsettled checks and bills of exchange between intermediary banks and agents, between domestic and foreign customers. Moreover, foreign exchange blocked by the US, therefore, this issue of liquidation and foreign payment had been long, difficult and complicated for the Bank for Foreign Trade of Vietnam and for the handover later.

Therefore, in the first period after liberation, the policy of the Government of Vietnam was to only take over the banking system to avoid losing important assets and foreign currencies of the former Saigon's government, which were currently located abroad. Especially to create legitimacy in inheriting the assets (gold, foreign currency) left by the former Saigon's regime, on June 6, 1975, just a few dozen days after liberation, the Revolutionary Government Provisional South Vietnam signed Decree No. 04/PCT/75 dated June 6, 1975 allowing the National Bank of Vietnam to resume operations and allowing operations in all fields of currency and credit, payment, foreign exchange management, gold and silver and precious metals, gems. For previous deposits and savings, indebted banks (including foreign banks) were responsible for payment and transfer the books to the National Bank of Vietnam in the South. The National Bank of Vietnam in the South also undertaken all external-banking operations, encouraging the concentration and use of all foreign exchange and foreign currency sources to promote import and export activities beneficial to the national economy (The State Bank, 1976, p.1-2). This was an important legal basis for the takeover and liquidation of banking system of the former Saigon's regime.

As such, the Government and State of the Democratic Republic of Vietnam quickly found an appropriate approach to the takeover and unification of the banking system through some spectacular institutional stepping stones to synchronously handle the turning points of financial, monetary and banking life in half of the newly liberated country from the very first days of that special historical period. That was to allow the former National Bank of the Saigon regime to operate again but with a completely new nature, becoming the National Bank of the Provisional Revolutionary Government of the Republic of South Vietnam, which was the legal basis for inheriting the assets of the former Saigon's regime inside and abroad.

However, unlike the previous Financial-Banking Institution in the liberated area, the National Bank of the Provisional Revolutionary Government split assumed its duties in the new situation. The national banking system includes both a treasury organization, and state-owned banks such as the Agricultural Development Bank, the Industrial Development Bank, and the Vietnam Commercial Bank. Therefore, the branches of the National Bank in the localities had taken over the facilities and assets of the old banking system (including records, headquarters, vehicles and machines: computers, cars, safes...). At this time, the Politburo of the Central Committee also immediately made a decision that the new currency should not be changed immediately, but still kept the transaction name of the National Bank and the money of the former Saigon's regime for a while. This was considered a wise

decision because it had created conditions for maintaining international relations, to recover the foreign currency assets, gold and silver of the old regime, and it had helped the Provisional Revolutionary Government of the Republic of South Vietnam to continue as a membership and capital at world monetary organizations such as IMF, WB, ADB...

Along with institutional building, in foreign policy, the Government of Vietnam had firmly grasped and applied international law and justice to fight for the establishment of inheritance rights to assets and credits, which could be used. From June 1975, when the Provisional Revolutionary Government of the Republic of South Vietnam decided to establish the National Bank of Vietnam on the basis of the takeover of the National Bank of the former Saigon's government, the Vietnam Commercial Bank (new)- *Viet Nam Thuong tin* was also born, with its own legal status and seal⁷⁴. This was related to Vietnam's inheritance of foreign exchange rights for the later years.

When the Provisional Revolutionary Government announced the sole legal inheritance of the Provisional Revolutionary Government of the Republic of South Vietnam, from then on, periodically the balances on the accounts of Vietnam both capital and interest were regularly confirmed by foreign banks. On that basis, the new revolutionary government could in turn use the balances scattered at banks in New York, London, Paris, Singapore, Los Angeles to serve the purpose of economic construction and remedial war. According to the policy of the National Bank of Vietnam, *Viet Nam Thuong tin* was ready to restore and develop equal friendship relations and banking transactions with all banks in the world without any distinguish the political and economic regimes of each country⁷⁵.

The takeover of *Viet Nam Thuong Tin* shows the smart thinking of the Vietnamese Government in solving problems and conflicts in terms of economy and foreign policy between our country and many countries around the world. It is clear that the Vietnamese government not only accepts this bank to enforce the liquidation policy, ensure the public interests and legitimate interests of residents and "non-residents", but also uses the legal name of *Viet Nam Thuong Tin*, which was under the management of the Provisional Revolutionary Government of the Republic of South Vietnam, to take over the market according to the principle of inheritance. Thus, in a very difficult and sensitive context, Vietnamese Government used a flexible and flexible strategy. All foreign banking activities were still in the name of the National Bank of Vietnam and *Viet Nam Thuong Tin*. The purpose of the Provisional Revolutionary Government of the Republic of South Vietnam was very clear: until July 1976, when the country was unified administratively, according to the Resolution of the National Assembly of the Socialist Republic of Vietnam, the domestic

⁷⁴ Vietnam Commercial bank (*Viet Nam Thuong tin*) was a large public commercial bank of the Saigon government, accounting for nearly 60% of the market share of foreign business activities of Saigon and the whole of South Vietnam before reunification.

⁷⁵ The legal basis of this inheritance was clearly explained in Notice No. 02/NH/75 dated 4/7/1975 of the National Bank of Vietnam in the South of Vietnam. Article 1 of the Notice clearly stated: All monetary, credit and payment transactions with foreign countries can continue to operate under the control of the National Bank of Vietnam (General Department of Foreign Exchange). (The State Bank, 1975, p. 3).

and foreign activities of the new National Bank have been gradually transferred to the Bank for Foreign Trade and the State Bank of a unified Vietnam.

Thanks to the above measures, the verification of inheritance rights with overseas assets in the name of the Provisional Revolutionary Government of the Republic of South Vietnam had obtained positive results. Until January 31, 1976, the work of protecting and recovering assets of the former Saigon's government abroad achieved the following results:

Regarding goods and ships:

For imported goods: According to the report of the staff of the former Saigon government, the imported goods paid for was 66.1 million USD (including foreign currency that had been advanced for kerosene and fertilizer). The Ministry of Foreign Trade had just revoked: 1436 tons of goods (milk powder, welding rods, chemicals, new medicines) valued at 2.896.984.71 USD; 465 tons of white cement sold in Japan for 2.700.000 yen, converted into 9000 US dollars; the amount of fuel, auto parts, and Honda parts recovered in Japan was 9,573 kg were brought to Hai Phong, and 15,618 kg were brought back to Saigon.

Regarding exports: According to reports, exported goods had been sent with a value of over 3 million USD, but the Government of Vietnam had only obtained 127 sets of certificates worth 866.187,70 USD and 262.769,17 Franc. Until December 31, 1975, Vietcombank only recovered 226.716,34 USD. Preliminary value of recovered goods recovered was 3.132.701,50 USD.

Number of boats recovered 6 ships 8.970 DWT (two ships of unknown tonnage). Among these, there was a damaged Truong Xuan ship sold at the price of scrap metal at HK\$299.522 (remitted to Vietcombank) and another ship was transferred to Saigon and handed over to Sovosco for use. The estimated value of these 6 ships was about 1.000.000 USD. In addition, 9 DC3 aircraft engines and spare parts were delivered to the Civil Aviation Administration with a value of HK\$300.000, equivalent to 60,000 USD (Prime Minister Office, Republic of Vietnam, 1976, p. 2-3).

About foreign currencies: In total, more than 4,700,000 USD was recovered, mainly because the delegation we sent to Hong Kong and Singapore recovered on the spot. However, until April 7, 1976, according to the Foreign Trade Bank's report on foreign currency issues:

(1) Early recoverable foreign currency for use (excluding in US banks) was 70.198.023 USD;

(2) The foreign currency that had been owned, but continues to maintain the status quo (gold and deposits in the IMF, BIRD, IDA, SFI, ADB) including contributions to the international agency were: 61.680.395 USD.

(3) The foreign currency that the Vietnamese government had the right to own, but had not been able to recover because it was deposited in American and American banks: 130.709.447 dollars (Prime Minister Office, Social Republic of Vietnam, 1976, p.1).

The revolutionary government fought wisely to maintain normal relations such as: Conducting international payment operations according to common practice with foreign

banks; actively using new credit relations with banks and international monetary and financial institutions. As a result, imports had been gradually recovered which were scattered at overseas ports; determined the revolutionary government's sovereignty over the former Saigon government's assets, foreign exchange and gold deposited at foreign banks and international monetary organizations (IMF, WB, ADB), and succeeding as members to replace the former Saigon's administration at these organizations.

Next, the Vietnamese government also soon established credit relations with a number of capitalist and nationalist countries. By all means, the Vietnamese government had grasped the foreign reserves of foreign currency and gold and silver left by the former Saigon regime and the number of imported goods scattered abroad to take measures to protect and recover; The Revolutionary Government also soon opened agency relationships with banks in a number of countries, to receive money transfers from abroad to Vietnam for individuals and other non-commercial payments; struggled with foreign banks to use our foreign currency reserves, which were blocked by the US. Those were the ways that were both flexible and ingenious but also very resolute, minimizing the loss of property for the country.

Thus, right after the National Bank in South Vietnam was established, in reality, the bank had been placed under the centralized and unified direction of the Bank State of Vietnam. The regulations and regimes on monetary - credit and payment of the socialist banking system in the North had been systematized and re-compiled with necessary adjustments in content to suit the actual operation of the National Bank system in South Vietnam at that time.

** "Old" and "new" banking cadres - the way to use people for the transition process*

Months before the liberation of the South, the Vietnam Communist Party and Government of Democratic Republic of Vietnam prepared policies, measures and forces to take over the southern banking system after liberation.

Even during the fierce war, leaders of the State Bank of Vietnam had a strategy of "planting people". In 1968 alone, the banking industry mobilized nearly 360 officials from the central and local levels in secret batches to the South to support the finance and banking industry to build a base. Participating in the takeover of the banking system in the South after liberation was Mr. Tran Duong, Deputy General Director of the State Bank of Vietnam, who was previously mobilized by the Central Government to supplement the Central Finance Committee of Central Office for South Vietnam. The force taking over also included cadres who were "rehearsed" through the Tet Offensive in 1968. Especially Mr. Lu Trieu Phu (Lu Minh Chau) was previously assigned by the "Viet Cong" to work at Saigon's bank since 1965; he also joined the military administration (Le, 2001, p.21).

Along with the cadres "located in the area" mobilized from the North, participating in the takeover of the banking system of the former Saigon's regime, there were the officers who had matured in foreign banking after years of operating in the "Hong Kong - Beijing - Moscow - Paris" quadrilateral that belonged to the line of B29 (special payment unit) during the anti-American resistance war. Some other officers were rotated for long-term internships

at Euro bank-Paris. In addition, there were a number of bank staffs who received long-term training in China, the Soviet Union, and Czechoslovakia.

With a force of cadres returning from the liberated zone, the revolutionary government quickly took over the banking system of the old regime, keeping assets safe, money, gold, silver, metals, gems, documents... immediately built a revolutionary state-owned banking system, establish banking organizations in provinces, cities, districts and transaction offices.

The first task to be performed was to immediately seize the National Bank of the former Saigon's regime to control the money-issuing apparatus. On May 1, 1975, the delegation of officials, under the direction of the head of the military management department of the bank Lu Minh Chau, took over the National Bank at 17 Ben Chuong Duong, Viet Nam Thuong Tin at 79 Ham Nghi and all other banks only on May 1, 1975. In the provinces, the Finance Committee in the Military Committee took over the local bank branches. The Bank's Military Management Board had sealed and protected all types of assets; cash fund, local currency, metals, gems and bank documents to prepare for the next step. The revolutionary government confiscated all assets of public and public banks, including: National Bank (Central Bank), Industrial Development Bank, Technological and Commercial Bank, Rural Banks and Industrial Development Fund (under the National Bank), and Viet Nam Thuong Tin. For private capitalist banks (16 banks of Vietnam and 14 banks of foreigners), the operation was suspended. These banks had to liquidate assets and pay off loans with their old customers, according to their inventory records.

After grasping the money issuance tool and holding the vault of the National Bank of the former Saigon's government and centralizing the cash fund of private banks with a total of 150 billion VND (of which the National Bank was 125 billion), the revolutionary government used the above money as a means of spending, in which it spent most of the money to meet the needs of the army, buy rice in the Mekong Delta, and provide aid to the people in provinces of zone V and two provinces of Tri – Thien (Pham, 2001, p.6). It can be said that, thanks to carefully preparing a strong team of cadres to take over and strictly complying with the instructions of their superiors, the takeover took place quickly and smoothly.

In the process of taking over and unifying the banking system in Vietnam, besides pressure from countries like the US and its allies, the process also suffered from other objective impacts such as loss of money's documents, records and papers of the properties of the former Saigon's government, banks and credit institutions operating under the old regime. The loss of these records made the process of verifying, recovering and liquidating assets of the Saigon's banking system more difficult. In particular, in the last days of the Saigon regime, the bankers either fled or dispersed their assets, making the solvency of the banks very low after the revolutionary government took over. Cash balances and deposits at the National Bank of private banks were only 9.5% of the total deposits of the people at the bank. More than 30% of the total deposits raised by banks were used to buy bonds, but at 100% risk at that time. The rest was used for lending, most of which were subject to

unforeseen risks (borrowers had fled abroad, production and business had stalled, or assets were destroyed by war...) (Pham, 2001, p.7).

Faced with that situation, the Government of Vietnam had commented: "Banking takeover is a major policy, requiring a comprehensive takeover, stability must be maintained after the takeover, and the policy of national harmony must be well implemented" (Dinh. H., Nguyen. L., Han. H., Dao. T., 2001, p. 64). To implement the above policy, the Government of Vietnam had set up the Liquidation Committee to recover the assets of the former Saigon's government abroad. This committee consists of specialized staff in the fields of banking, foreign trade, finance and diplomacy to search, verify, supplement and complete thousands of documents to ensure the accuracy and legality of the documents. At the same time, the Vietnam Communist Party and Government of Vietnam also consulted and used some employees of the former Saigon government, mobilized extensive cooperation, and properly resolved the interests of the industry owners and merchants in the South who were the owner of the goods or the account holders in a foreign country.

The cadres who used to work in the banks of the former Saigon's regime continued to work under the direction of the Revolution government. At that time, the prestige of the revolution was great, so they were very impressed. At the meeting in the great hall of the National Bank, regulations were disseminated to the executives who were the heads of the departments, assigning specific responsibilities to the cadres who had worked for the former regime (Dinh. H., Nguyen. L., Han. H., Dao. T., 2001, p. 66). Moreover, after liberation, the Vietnam Communist Party and Government of Vietnam advocated using the intellectuals at Viet Nam Thuong Tin - the largest bank allowed to do foreign exchange business and foreign payments of the former Saigon's government to keep money in another country. At that time, the number of staffs of Viet Nam Thuong Tin who held with 2-doctorate degree was more than 50 people, they were proud to be Vietnamese and they thought that Vietnamese people should try to protect Vietnamese property, including that property in another country.

At the end of the 70s, when the work of liquidating banks, especially foreign banks, faced many difficulties, on March 14, 1979, the Government Council issued Decision No. 114 regulating the handling of the banking system of the former Saigon's regime in South Vietnam. In this work, the concerned agencies had mobilized to the maximum extent people who were knowledgeable about the assets and accounting situation of that bank, such as the members of the Management Board of these banks. According to the eyewitnesses' judgment (officials who used to work in the Southern Economic and Finance Department such as Tran Duong, Ba Chau, Ba Dung, Le Van Tu, Nam Hai...), employees of the banks of the former government generally good, most of them were salaried people, they would do well when they understand the guidelines and policies of the revolution government.

The former regime's policy of using officials from the banking system had brought positive results. The documents were kept completely, later the revolutionary government used it to effectively manage the banks. Even the administrators and executives of the former banks clearly saw their responsibilities before the people and revolution's government. The employees of the public and private banking system also understand the leniency and

concern policy of the revolution to solve jobs according to each person's level and ability in the general difficult situation at the beginning of the unified country.

Thanks to the right, timely and accurate policy of the Government of Vietnam, thanks to the efforts of officials, including those who served for the former Saigon's regime, participating with a pure "heart"... The takeover of the Southern banking system in 1975 had achieved results according to the optimal plan. The takeover operation was done quickly and neatly. All assets of precious metals, gems, cash funds in local and foreign currencies, records, books, papers and documents of banks were managed and sealed for processing.

4. Discussions and Conclusion

After the liberation day (April 30 1975), the situation of Vietnam had many advantages but also many difficulties and challenges, but in a short time, the Vietnamese Communist Party and Government of Vietnam quickly unified the country in terms of administration, from that unification of economic, cultural and social aspects. Money and banking were considered the lifeblood of the economy, so the unification of the monetary and banking system had been urgently implemented, which was one of the pioneering fields in the unification of the country. The entire banking system of the former regime was managed and used by the new government. All cash in the Treasury and other valuable assets were inventoried and preserved to avoid any loss to the outside. This was considered a fairly flexible takeover policy and was suitable for the practical context of Vietnam at that time. In addition, during the unification of the banking system, the steps were carried out methodically and closely, from the takeover stage, determining the legal basis, to the unification of the administrative apparatus, and the appropriate use of human resources to ensure that the unification went smoothly. This approach showed efficiency and minimized conflicts in the transfer process.

In fact, in the process of merging and unifying the banking system between the South and North, although inevitably tough measures such as nationalization of state-owned banks, the revolutionary government had oriented towards policies that quite flexible and suitable for practical contexts of Vietnam. These policies aimed at stabilizing the situation, social life and production activities, avoiding major socio-political disturbances and facilitating economic circulation after the war. Those policies also aimed at national harmony plan, using local and mobile human resources, using the number of employees of former banks who were enthusiastic for the revolution government. At the same time, the Vietnamese government's banking system takeover policy was also very skillful, ensuring the implementation of the principle of national inheritance in the international financial - monetary market, ensuring the maximum recovery of the assets that the new revolutionary government was inherited, serving the restoration and construction of the country after the war.

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