Chapter II
Socio-Economic Background of the Hoa People
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Originally Vietnamese were the inhabitant of Nan Yuch. Yuch is the pronunciation of Viet in Chinese language, From here they spread to the Red river delta that is the province of Tongking displacing the original inhabitants, the Champ people and became agriculturists. Hence original home of the Viet people was in southern China. China and Vietnam, had a common border. In the first century B.C. emperor Wu of the Han dynasty conquered Vietnam, as China was more developed and militarily more strong. Hence began the coming and setting of the Chinese in Vietnam.¹

Vietnam was under the Chinese tutelage for about 1000 years right from 111 B.C. to 939 A.D. But the Vietnamese were freedom loving people and whenever they got an opportunity they recovered their independence though nominally they had to accept the suzerainty of China, as it happened after the fall of the Han dynasty in the third century A.D. In the seventh century A.D., China was reunited by the Tang dynasty which again conquered Vietnam and called it Annam meaning pacified south which was not liked by the Vietnamese. In the 10th century. Tang dynasty came to an end an henceforth, Vietnam remained independent till the

coming of the French excepting from 1407 to 1427 when China had occupied it.\textsuperscript{2}

The Chinese had a more developed civilization than the Vietnamese and this fact was acknowledged by the Vietnamese and they accepted the Chinese culture as a model and also accepted their script and institutions. But it was not blind aping of the Chinese culture and nor that the Vietnamese wanted to become Chinese instead it is to be remembered that the Vietnamese had always distinguished themselves from the Chinese and the ethnic character of Vietnam remained intact and they always had cherished the idea of different nationhood.\textsuperscript{3} Just as in India, where Sanskrit was considered the language of the elite, so also in Vietnam for many centuries, Chinese script remained the script of the elite, a status symbol.

Initially, Chinese were the rulers and they did not settle down in large number. Hence they freely interacted with the Vietnamese elite. As the Chinese people were of more advanced society, so their offspring had higher social status than Vietnamese and one of the first great heroes of Vietnam was Ly Pang, a half Chinese who had led the revolt against the Chinese emperor in 542 A.D. This shows that the process of assimilation


\textsuperscript{3} Fitzgerald, n.l., pp.1-2.
was going on between the two communities. But gradually the Hoa people dominated the economy of Vietnam. This led to the tension between the two communities. During the thirty year Taylor rebellion against the Vietnamese emperor in 1782, more than 10,000 Hoas in Cholan were butchered by the natives. Henceforth the policy of the court at Hue and the French colonial power in the second half of the 19th century was to divide them and this they did by encouraging Chinese through bangs and through congregation to administer themselves and avoid all social contacts with the natives. Thus the assimilation process came to an end. It is to be noted that about three quarter of the Hoas population that is one million people live in Siagon’s racially exclusive sister-town Cholan and is called Chinatown of South-East Asia.4

This city of Cholan was founded by the Hoas. The Ly dynasty which was ruling at Hanoi in the sixteenth century declined and in its place two families Trinh and Nguyen become powerful. Nguyen was appointed as Viceroy of the South with headquarters at Hue and it is they who invited the Hoas to come down and settled and this is how the city of Cholan meaning big market was established.

Not citing these tensions the Foreign Ministry of the socialist republic of Vietnam on June 9, 1979 made statement that the "Hoa people have for dozen of years settled in harmony with the Viet people in a national community of Vietnam. And they have shared Weal and Woe with one another and led a normal life and they should stay in Vietnam without enmity and lead a normal life."

But there was a division between the Hoas and the ethnic Vietnamese as seen from the roads of history of Vietnam, which probably the Vietnamese government overlooked.

French in 1906 had grouped the Hoa people into five categories for better administration.

First Canton group. They were mostly traders and did the same in Vietnam while the Vietnamese were mostly farmers.

Second: Fukien group. These were from southern districts and were less than the Cantonese and were also involved in commerce.

Third, Hainan Group. From island of Hainan and were mostly Pepper Planters and domestic servants in Indo-China.

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Fourth were Teochin Group. Generally agriculturists, boatmen and coolies. They were also called Habbas (men of Fukien but their number was not much).

Fifth Habba Group. These emigrated from North China to North-East of Kwangtung and were mostly cultivators and artisan.

There was increase in immigration of the Hoa people from 1921 around due to several reasons, like the expansion in trade and commerce under the French, construction of railways and roads. During great depression of trade in 1929 their number decreased which again increased after 1931.6

Hoas are the overseas Chinese in Vietnam and China consider all the Hoas wherever they are in the world as their friends and comrades but the Vietnamese Government consider Hoas as the people of Chinese origin settled in Vietnam for several generations.7

The reason for the claim over the Hoas by China and Vietnam seems to be that since Hoas were mostly rich and they sent remittances to China.

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In the 20th century both the Vietnamese Communist Party and the Chinese Communist Party rivalled for their support but VCP relegated their rights to CCP and allowed them to organize the Hoa people to help them in the fight for liberation against the French.

Hoa people had their own schools in which Chinese system of education was practiced, teachers were trained in China. Good students for higher studies went to China but they returned to Vietnam after their education. Hence educated Hoas were for all purpose Chinese.

The relationship between China and Vietnam guided the fate of the Hoas. During 1956 to 1963 when the relations between China and Vietnam was good, China had then little interest in the Hoa people. Chou Enlai visited Vietnam and urged Hoas to treat Vietnam as their homes.8

One teacher was unhappy that Chou Enlai was making attachment to Vietnam even though Vietnam had begun using the theme of “ancient Chinese invasions” in its propaganda against American influence in the south as early as 1956. The strongest reaction of Chou speech came from the Chinese community of Quang Ninh province which had the largest

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number of Chinese residents in the North but local cadres calmed them. This showed that the Hoas were still deeply attached to China.9

The Chinese considered themselves as first Chinese and then Vietnamese. In the beginning Chinese were the rulers. Another group of Chinese who migrated into Vietnam were the criminals to escape from punishment in China and some were deported by the rulers. Third group of immigrants were the supporters of the various fallen dynasties who never went back. Fourth group of Hoas came in 877 A.D. when pirates under Hoang-Chao attacked the capital of Kangtung province. Fifth group of immigrants came in large numbers in 1680 when Chinese officers and several men and supporters of the overthrown Ming dynasty arrived in Indo-China and settled in Cochlin-China. It is to be noted that the Chinese infiltrate into the sparsely populated land in Indo-China was by sea as well as land.10

Cochin China though smallest in area in comparison to Tongkin and Annam received maximum overseas Chinese. It was between Gulf of siam and China Sea on the route of International maritime communication. The economic condition herewith alluvial soil and convenient river

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10 Purcel, n.6, pp 181-82.
communication together with developed domestic and foreign commerce favoured the Hoa people's choice.\textsuperscript{11}

Hoas were mostly Urban dwellers and their numbers in the large cities in 1931 are as follows.\textsuperscript{12}

<table>
<thead>
<tr>
<th>City</th>
<th>Total Population</th>
<th>Chines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cholan</td>
<td>134,000</td>
<td>66,000</td>
</tr>
<tr>
<td>Saigon</td>
<td>122,000</td>
<td>34,000</td>
</tr>
<tr>
<td>Haiphong</td>
<td>124,000</td>
<td>19,000</td>
</tr>
<tr>
<td>Hanoi</td>
<td>128,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Namdinh</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>Tourane</td>
<td>27,000</td>
<td>6,000</td>
</tr>
</tbody>
</table>

Chinese were rich and in Cholan by 1866 there were 500 tiled houses, canals were dug, bridges were under-construction including one of iron. The city was beautified and there was a fountain in the centre of the city in Chinese designs and streets had lamp which used coconut oil. The town was enlarged in 1870 and by 1979 there were about 44,000 Chinese in all Cochin China.\textsuperscript{13}

\textsuperscript{11} Ibid., p.174.
\textsuperscript{12} Ibid., p.176.
After independence in 1975 Vietnamese government has been trying to unite the two communities. Since the Chinese considered themselves as different and had their soul in China, President Ngo Dinh Diem on 21 August 1956 declared that all Chinese born in Vietnam were to become Vietnamese citizen. (To force this law 11 occupations mostly in the hands of the Hoas were not to be carried out by the aliens.) But these moves merely aggravated Sino-Vietnamese tension, Vietnamese capitalist feared that this would strengthen the Chinese holds more on business while the Hoas were alarmed that they would have to go to compulsory military service when already communist insurgency was mounting.

In the end ninety-nine percent of the Hoas boycotted the law and did not come forward for the new identity cards. Diem wanted to force this and started giving arbitrary persecution to the Hoas not willing to take up the citizenship. This led the Hoas to unite and they took a drastic attempt of sabotaging the Vietnam’s economy in 1957.¹⁴

One sixth of the money were withdrawn from circulation by the Hoas from the banks (between 800 million and 1.5 billion piastres). The exchange rate of the piaster fell to its one-third value in the free market of Hangkong and commercial transaction in South-Vietnam came to a

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¹⁴ Alexander, n.4, p.125.
standstill. Chinese business and grocery shops barred by Diem came to a close (with no replacement by Vietnamese). Hoas moneylenders the backbone of rural economy suspended credit. The number of unemployed Chinese by mid 1957 became 25,000 and the government lost lucrative Chinese taxes as well. At the entre-port market of Singapore and Hongkong the overseas Chinese there boycotted all Vietnamese goods which were not of the Hoas.¹⁵

Hoas could and did hold the country to ransom. Those jobs which could be carried only by the natives they went to work with Vietnamese strawmen or with their Vietnamese wives. Even Chinese born in China were told to declare that they were born in Vietnam so that they could easily acquire Vietnamese citizenship and go back to work.

Mismanagement of the Vietnamization programme drew the Chinese and the Vietnamese further apart from each other, increased the South Vietnamese dissatisfaction with their-government and increased the Chinese hold over the economy.

They were known as rice kings, Cholan was the centre of banking with over thirty banks involving the U.S., Brititish, French and Hongkong

capital but always with participation of Hoa' in them. Bank directors were the native Vietnamese in name only they had no capitals of theirs.\textsuperscript{16}

Hoas were treated as second class citizens throughout and were segregated from the indigenous people. It was, therefore natural that the Hoas were indifferent to Vietnamese laws and orders. Therefore Hoas supported whichever party was winning whether Americans or the North Vietnamese communists.\textsuperscript{17}

The Vietnamese government after reunification in 1976 claimed that since 1956 most of the Hoas have taken up Vietnamese citizenship and are no longer Chinese residents but are Vietnamese of Chinese origin and they had the same rights and privileges and obligation as the Vietnamese citizens.

Foreign Ministry of Socialist Republic of Vietnam claimed that the socialist transformation of south Vietnam is a correct step and says,

"Among the capitalist traders in Southern Vietnam there are Vietnamese and Vietnamese of Chinese origin. Many capitalist have abided by the policy of the Vietnamese Party and government but a few people out of their class have sought to evade transformation. The socialist


\textsuperscript{17} Alexander, n.4, p.127.
transformation of capitalist industry and trade is the correct policy in keeping with the law of socialist revolution that China and other socialist countries have implemented.\textsuperscript{18}

But it has to be kept in mind that most of the capitalist were the people and they feared that they had to go to new economic zones and had hard life ahead.

The legitimate rights of the Overseas Chinese was encroached upon by the south Vietnamese government and even Hoas were compelled to give up their own nationality. "On 21 August 1956 a decree on nationality which discriminated against overseas Chinese, Stipulating unilaterally that all overseas Chinese born in Vietnam shall be nationals of South Vietnam.

Following this, the South Vietnamese government again adopted various measures to restrict and exert pressure on the overseas Chinese in economic and cultural fields, compelling them to give up their own nationality for the nationality of South Vietnam.

South Vietnamese government issued an order cancelling the certificates which it had given before to the Hoas born in Vietnam that they were Chinese citizens and threatened them that before May these

certificates should be given back otherwise they would be in an illegal position. Chinese government felt that the Hoas were being forced and this was against the international practice and was to persecute the overseas Chinese among whom many were compelled to leave Vietnam. The Chinese government wanted to settle the nationality question of the Hoa people with the concerned country that is South Vietnam according to the international law and that nationality question should be solved with the will of the Hoas and the Chinese government condemns and seriously protest against this measure.

"The Overseas Chinese Affair Commisars of the People’s Republic of China hereby solemnly declares the stipulation of the South Vietnamese government on alternation of the nationality of overseas Chinese is unreasonable and unilateral, the South Vietnamese government should immediately withdraw such measures which violates human rights and international law and the South Vietnamese government will be held responsible for all the consequences resulting from such unreasonable measure." According to different sources certain \textit{changes} residents with a bad intention have spread rumors to sow discord between Vietnam and China and fool other Chinese in Vietnam.\footnote{VNA May 4, 1978, n.s. vol.xix, no.12, May 12, 1978. Interview Xuan Thuy. Member of the Presidium of the Central Committee of the Fatherland Front in connection with a Beijing radio broadcast on May 1, about Chinese resident in Vietnam.}
The Chinese Government had kept mum for nine months and had issued this statement.\(^{20}\) Hoa people were not a problem for the Chinese government excepting that sometimes they stopped getting the remittances. This Chinese government had always kept the Hoas in mind while making its foreign policy. Overseas Chinese in Vietnam were rich and they sent remittances to China. Hoas had relatives in China and were still emotionally connected with them. They had always looked at the Chinese government for protection and inspiration and sent their children for higher education. In 1949, an overseas Chinese Commissaire was set up.

At present in China there are about eleven million overseas Chinese, called the domestic Chinese. They include those Hoa people who have returned to China, their relatives and students. They are given a privileged position in China due to the reason that if they are not treated well, remittances would be reduced and relations with the Hoa people would be tense. Chinese used them for communicating with the Hoas. Experience of the past had shown that the mishandling of the domestic Chinese had an immediate effect on the overseas Chinese. But the Hoas were not wholly a simple follower of the Chinese government. (They first took care of their interest).\(^{21}\) As it is seen Vietnamese were mostly agriculturists and Hoas


dominated in trade and commerce. The various fields in which the Hoas dominated are: Hoas in Agriculture - Vietnam has been an agricultural society. It was dominated by natives and in this Hoas did not have much control, still one group called the Habbas had established themselves in agriculture. They lived in small villages bordering China.

In fishing the Hoa people had considerable hold and preferred deep sea fishing. The natives had engaged themselves only in the coastal areas and that too only half heatedly. In 1929 the production of their fishing was about 5,800 tonnes. French used to auction this right of fishing. There was a keen competition among them and they always kept the natives away from the local and export trade in dried fish. Even the manufacture of Nuac Mann, the popular Vietnamese fermented fish sauce was monopolized by the Chinese. 22

The Chinese in trade and Industries. The Hoa people were well established as successful businessman and were inseparable from the economy. In South Vietnam the Hoa people dominated trade and commerce especially foreign trade and as middle-men in rice trade and not in farming.

Hoas had boats which was used for transportation of goods on the streams and rivers. It was also used as rest houses. The census held in 1921 showed that about 156,000 Hoas were engaged in this occupation. They also worked as tailors, shoemakers etc.

Particularly in Cholan says Robequan "The variety of Chinese manufactures is extraordinary. There are buildings divided into seemingly identical compartments which shelter the most diverse manufactures-food pastes, basketing, books, paper, boxes, brushes, candles. Here is a duck-raising establishment where the eggs are put into incubators filled with paddy chaff: when ready to hatch they are set out on a piece of screen where hundreds of offspring emerge chaping from their broken shells. In an old shed glass makers are blowing paste through a long tube to make bowls, bottles and lamps. Elsewhere looms, placed side by side operate in crowded rooms."\(^{23}\)

Hoas were also involved in machines and ships constructions, owned most of the saw-mills and mills preparing rice for export. They also owned sugar refineries on the plains of Cochin-China. The Chinese rice merchants had rice mills or huskins mills where the paddy was processed-husked, blended, packed-on behalf of exporter. They quite often combined

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both functions in which case they were known as miller-exporters of rice. Miller exporters were concentrated at Cholan.²⁴

In mining the law did not permit the Hoas to participate. In trade unlike industries the Hoas found themselves in true colour. They got the support of the guilds and cooperatives. They could very well adjust with the native Vietnamese and did not need the same standards of hygiene and comfort which the Europeans needed and Vietnamese did not have the same perseverance and qualities which was needed in trade in which the Chinese were engaged such as cotton, sugar, condiments, silk and tea. Hoas also got molasses that were processed at their refineries. Condiment, Cinnamon bark and Cardamom trade were all in the Hoas hands and they exported it. At Saigon and Hanoi silk and textiles were manufactured. Not only the entire import and export trade but also internal trade was managed by them.²⁵

It should be noted that the indigenous population had abundant supplies of land, but had little access to capital and to guessing urban and international markets therefore they remained in agricultural production living the urban based Chinese immigrants to fill the vacuum in trade, marketing, commerce and sauce occupation. In examining the patterns of

²⁴ Purcel, n.6, pp.194-5.
²⁵ Ibid, p.197.
commercial control in South Vietnam it was clear that part of the population of Chinese domination of whole-sale trade and other large scale business operation derived from their greater degree of credit worthiness.26

There were several reasons for the success of the Hoas in Trade and Industries. They worked very hard and made their workers work the same way. Overseas Chinese were spread all over the world and this helped them to establish business contact in other countries also. They were shrewd businessman and preferred small gains over a long time rather than to make quick fortune. In the bargain they made their customers happy and established themselves. But if Chinese businessman is asked for the secret of his success, he gives maximum importance to the characteristic of Sun-Yung which means interpersonal trust and their success was directly proportional to the amount of Sun-Yung they possessed. The words of the Hoa people was like a bond. People who could not be trusted had no Sun-Yung. Even firms also had Sun-Yung.27

Hoas at their disposal had guilds and cooperatives which enable them to do business with greater information and cooperation. Also they had against them Immunities and Vietnamese who did not have the same

qualities of economy and perseverance and there was no cultural lag between them. Hoas knew the land since the ancient period of history, their temperament were the same and this put the Hoas in a favourable position as compared to the European merchants also. Hoas did not need the same standard of living as the European, they lived at the standard of the natives or at a slightly higher level. Hoas easily learnt the language of the Vietnamese people and understood the local psychology which although less refined and developed than his own was similar to his. As the Hoas readily understood the Vietnamese they were never misunderstood and won the natives confidence and could also deceive him readily. The most important thing is that the Hoas made themselves indispensable between the European and the Indo-Chinese. These were the qualities which made the Hoas dominate the economy of Vietnam.28

Vietnamese authorities thought that though Hoas lived in Vietnam their hearts were in China and they were encouraged to oppose the leadership of the Vietnamese Communist Party and propagate Moa’s idea and were not loyal to Vietnam. While the Vietnamese were trying to expel the Americans, China had been sending agents to sabotage the Vietnamese mission and organise the Hoa people against the Vietnamese leadership as Vietnam had refused to accept the Chinese guidance. Some left for China

28 Purcell, n.6, p.195.
and others by small boats sailed towards the ASEAN countries. They were called the boat people and refugees only after they satisfied the criteria laid down by the international law.

The following factors substantially influenced the exodus:

1. The legacy of the war.

2. The development strategies of the Vietnamese government after the war.

3. The Kampuchea-Vietnamese war.

4. The tensions arising from the Sino Vietnamese conflict and internal Vietnamese ethnic tensions.

5. Nature disaster

6. Deliberate government policy to export people.

While some sections of the southern society had supported the socialist cause, other sections including particularly the religious groups (Catholics) ethnic Chinese and many urban dwellers and little sympathy for and much suspicion of the new government. These problems cumulatively created fertile grounds for the exodus.
The Development Strategies of the Vietnamese Government After the War

Reconstruction had to proceed after the war with almost no input of foreign aid from western countries, and a significant reduction in assistance from the eastern bloc. The reconstruction strategies and policies of the new government were contributory factor to the exodus. Major policies were of particular importance, re-education, new economic zones and nationalization of private enterprises, ideological orientation and manual labour, trade training and self criticism.

From 1975 men who were closely associated with the American presence (e.i.) ethnic Vietnamese (and some Chinese) soldiers, low ranking members of the administration and political organisations of the previous regime and functionaries and officers who held important political, military and policy posts under the previous regime. There was also a noticeable movement by Vietnamese from the professional elite particularly administrators and lawyers left Vietnam.29

Factors leading to the Exodus

New Economic Zones

A Five Year Development Plan was adopted which emphasised the development of agriculture and light industry. This involved a massive program of population relocation partly to alleviate overcrowding and unemployment in urban areas and to open up abandoned land in new economic zones.\(^{30}\)

This was planned to result in over four million people leaving the overpopulated cities and lowland plains to settle in the new economic zones located in the high lands and in the Mekong Delta. According to the premier, Pham Van Dong.

“Beginning in 1977, we must conduct a campaign to recognise the labour force on the scale of slightly less than 4 million persons in the space of 4 years in order to transfer labour from the large cities in the south and the densely populated lowland areas and surplus labour in the northern provinces to places which have the instrument of labours, especially land, but no persons to perform the work that must be done.”

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\(^{30}\) At the Fourth Party Congress of the Vietnam Communist Party in 1976.
Like the "re-education camps", there was controversy about the precise nature of the New Economic Zones (U.S. described them as primitive communes generally) located in remote agricultural land areas with people assigned to them and receiving little or no real assistance from the state.

We would have to go to the mountains if we did not have the money to go abroad. Everybody in my neighbourhood was afraid of working in the mountain. We are used to working with machines. We don't know about farming. So most of the people wanted to leave.

3. Nationalisation of Private Enterprise

4. The Kampuchean-Vietnamese dispute.

5. The Sino-Vietnamese conflict and Vietnamese ethnic Disputes.

6. Natural Disasters

Natural calamities have added to the plight of the people of Vietnam. A serious drought was followed by massive flooding that critically affected the country's food production in 1978 said to have not affected since 1945? More than half the lowland areas, endangering the lives of more than six million people and causing acute shortage of food and starvation. It is likely then that the impact of the natural disasters also
contributed to the mass exodus. This argument is supported by interviews conducted among boat people, some of whom referred to food shortages as a major reason for leaving Vietnam.

**Deliberate Government Policy of Sending People Away**

The early groups of boat people who left Vietnam between 1975 and 1978 did so in small boats through privately organised escape groups, in the face of government opposition. By early 1978 however, there were mounting allegation that the Vietnamese government had become involved in the exodus. According to a recent study, the Public security Bureau in southern Vietnam set up offices with the task of initial registration and approved of application of wanting to go abroad, in Ho Chi Min City including cholan, the (China Town) in coastal provinces of the Mekong delta, and in central Vietnam.

The involvement of the government seems to have been geared primarily to the exodus of the Hoa, though ethnic Vietnamese were reported to have left in some of these groups. The cost of departures was said to be fixed at between 3-5 and 4-5 lakhs of gold coins.
Other Factors

Though the foregoing factors may largely explain the exodus of people from Vietnam, the life of the prosperous world” has been suggested as a possible factor in the exodus. News of the good life, abroad, particularly conveyed by letters and broadcasts, has encouraged a favourable view of settlement prospects. Most boat people interviewed give one answer to the question of where they would like to settle. They reply that they would like to go to America the beautiful country this concept led most boat to leave Vietnam. It has been people’s willingness to risk the journey at sea is partially understandable.31

Because history of Vietnam and China was such that the Hoas were affected by the relations between China and Vietnam. Vietnam and after the liberation of South Vietnam seeing the hard life ahead Hoas left Vietnam in mass exodus.