

JPRS-ATC-91-005
5 JUNE 1991

Foreign
Broadcast
Information
Service



A N N I V E R S A R Y
1 9 4 1 - 1 9 9 1

JPRS Report

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

East Asia

Southeast Asia
Vietnam: TAP CHI CONG SAN

No 11, November 1990

19980515 064

DTIC QUALITY INSPECTED 3

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

East Asia
Southeast Asia
Vietnam: TAP CHI CONG SAN
No 11, November 1990

JPRS-ATC-91-005

CONTENTS

5 June 1991

[This report is a translation of the table of contents and selected articles from the monthly theoretical and political journal of the Vietnam Communist Party published in Hanoi. Notations in the table of contents indicate articles previously published or not translated.]

Editorial

Anniversary of the October Revolution in the 90th Year of the 20th Century [Ha Xuan Truong]	1
The Historical Position and Function of Socialism [Mai Hien; not translated]	5
To Maintain Democracy in the Party [Nguyen Phu Trong]	5
Management and Proper Usage of Foreign Currency Capital [Nguyen The Uan]	9

Research—Exchange of Opinions

Ideals and Ordinary Interests [Khong Doan Hoi; not translated]	13
Intellectuals and the Problem of Understanding in Socialism [Vu Nhat Khai; not translated]	13
Various Types of Transition to Socialism [Nguyen Tinh Gia]	13
The Intellectual Capabilities of Leaders [Nguyen Hai Khoai]	15

Opinions and Experience

The Health of Our Country's Young Generation—Reality and Solutions [Pham Song; not translated] ..	17
More Thoughts on Renovating the Ranks of Leadership and Management Cadres [Le Van Ly]	17
Lead and Manage Cultural, Arts and Letters, Press, and Publications Activities [Tran Anh]	19
Some Real Experiences From the Ma Da State Farm [Pham Thang; not translated]	22
The Reality Behind the Bankruptcy of Nonstate Credit Organizations [Doan Hue]	22
Peacefully Solidify and Improve the Party Base Organizations [Hong Phong; not translated]	25

Life and Ideology

How Should Corruption Be Punished? [Bui Tien Sinh; not translated]	26
A Popular Story [Hong Dam; not translated]	26

Letters to the Editorial Staff

Some Points That Should Be Given Attention When Formulating Socioeconomic Strategies in Localities [Tran Vinh]	27
--	----

The World: Issues and Events

The Three Colonial Generations [Phan Lang; not translated]	29
Reform in China—Successes and Complex Problems [Vo Thu Phuong and Trinh Tat Dat; not translated]	29

From Foreign Publications

Capitalism Is Economic and Political Imperialism [Not translated]	30
---	----

Anniversary of the October Revolution in the 90th Year of the 20th Century

913E0009A Hanoi TAP CHI CONG SAN
in Vietnamese No 11, Nov 90 pp 1-9

[Article by Ha Xuan Truong]

[Text] **Must Not and Can Never Forget**

This final decade will conclude the 20th century.

The 20th century has not fully demonstrated Marxist ideals, but it has been a profound test of the development of capitalism and of how scientific socialism must develop based on the brilliant observations of Marx, Engels, and Lenin. Capitalism has created a huge production force from the property assembled during previous centuries. At the same time, capitalism has produced two world wars, whose cruelty far exceeded that of the feudal period and which did terrible damage to the environment. If there is oppression, there must be struggle. You must reap what you have sown. After the dark night comes the bright morning. World War I ended just as the Russian October Revolution was launched, a revolution that signaled the start of a new era in human society. When World War II ended, socialism was born. Mankind, along with Soviet citizens, the Communist Party of the Soviet Union, the working class, and communist parties throughout the world, made tremendous sacrifices for peace and progress.

What would have happened to Vietnam and the oppressed peoples if the October Revolution had never occurred and if the Soviet Union had not defeated fascism? When the October Revolution broke out, Vietnam was still in the black night of colonialism and feudalism. Independence and human rights were still just a dream. The country's patriotic and progressive intellectuals of that period did not see any other path besides nationalism or reformism, and they failed. Nguyen Ai Quoc lived in the French capital, a glittering center of civilization in Europe, and hesitated, looking for a path, until he encountered Lenin in "The First Draft of the Thesis on the Nationalities and Colonial Problems" printed in NHAN DAO (1920). Ho Chi Minh said that "that thesis moved me and clarified things for me. I became enthusiastic and full of confidence. I was so touched that I cried. Sitting all alone in my room, I shouted out as if talking to a large crowd: 'Dear fellow citizens who have been treated so badly, this is the path to liberation.'" The chance for the August Revolution of 1945 to succeed came with the defeat of fascist Germany and Japan, and our party immediately seized that opportunity. The October Revolution and the existence of the Soviet Union and socialism were decisive factors in Vietnam's victory over the U.S. imperialists, a great historical event of the 20th century that marked a turning point in the struggle movement against neocolonialism in the world. Today, countless analyses show that the lack of adequate economic aid from the Soviet Union to Vietnam cannot eclipse the fact that the hundreds of large and small projects given to Vietnam by

the Soviet Union have built a basis and changed the economic landscape of our country.

Some people, facing the immediate problems, have forgotten the roots of our victory and the long struggle by the CPV [Communist Party of Vietnam] and the Vietnamese people. Some people, seeing the turmoil and difficulties in the Soviet Union today, have forgotten the great contributions made by the October Revolution and the Soviet Union during the past 70 years with respect to world peace and humanity. Reform and renovation are requirements of development. Because the targets of socialism are very high, we must resolutely defend the truth of history and the achievements scored during the past decades of the socialist revolution. Nihilism and anarchism are twins that always lead to turmoil and disaster.

For various subjective and objective reasons, entering the final decade of the century, many socialist countries now find themselves in an all-round crisis. Communist parties have lost the right to lead, and opposition forces have come to life again and are engaging in insane activities with the aim of seizing power. The Soviet Union, the child of the October Revolution and later the stronghold of the world revolution and the support of oppressed peoples, is now in crisis and faces great political and social turmoil. An entire socialist system has suddenly been smashed, and true Communists from east to west have been shocked by these sudden events. The people in those countries who yesterday demonstrated angrily against the Communist Party today see the violent reality. The balance of economic, political, and military strength is tilting toward capitalism. Socialism is losing its initial attraction. Capitalism is making use of the decline in many of the socialist countries and launching attacks using cruel and crafty means. It is gloating over the coming destruction of socialism.

Is socialism the "odd child of history?" Is society's path forward that of capitalism? History has shown that this is not the case. The changes in life today make it possible to answer "No!"

In the face of the collapse of the system in the socialist countries, capitalism has an undreamed of chance to spread propaganda about its "inexhaustible vitality," but it has still not been able to generate an attractive force to replace socialism. The exploitative and oppressive nature (oppression of the classes and minority groups) of the capitalist countries that rule the world has been exposed even though they have tried to conceal this by using the slogans "humanity," "democracy," and "human rights." Recent typical examples of imperialism today are the invasions of Grenada and Panama by the United States, its threats against Cuba, its military buildup in the Persian Gulf, its concealment of the terrible crimes committed by Israel, its isolation of and continued hostility toward Vietnam, and the support

and help given by the United States and its allies to the antisocialist forces in China, East Europe, and even the Soviet Union.

Mankind continues to move forward according to its laws. The laws of historical dialectical materialism continue to have an objective effect. After capitalism must come socialism. The bourgeois class and the reactionary forces can damn socialism, but they cannot deny the ideals of a just and humanitarian society. The bourgeois revolution brought freedom for individuals, but it did not free people from oppression and exploitation. And in the end, individual freedom came to depend on money. Capitalism eliminated feudal dictatorship, but it implemented democracy for only the bourgeois class based on usurping the democratic rights of the workers and laboring people. Capitalism established nations and countries, but it oppressed the people and enslaved the countries. For these reasons, the target of mankind is a system that will free people from oppression and exploitation, implement fairness and democracy for all people, and bring about a world in which all people can enjoy independence and justice and live as friends. It was in the struggle to hit this target that socialism came into being.

Socialism has begun to move off the path predicted by Marx under pressure by the production forces with respect to the production relationships. Socialism came into being in an economically backward and socially oppressed country. Thus, the socialist revolution had to create the preconditions for the new society without passing through capitalist development. In such specific historical conditions, manifesting its superiority, from the time of the October Revolution until the 1960's and 1970's, socialism scored great achievements. As compared with the centuries of capitalism, in just a short period of time, the Soviet Union, which was surrounded, scored great achievements and rescued mankind from the fascist disaster. After that, the formation of a system of socialist countries changed the balance of world power, which has benefited independence, democracy, and socialism. These achievements have forced the capitalist countries to change their strategy with respect to the working class and laboring people in their countries and with respect to the countries that were or still are struggling to free themselves from the yoke of their rule. The great impact of the socialist tide, of the struggle movements by the working class and communist parties, and of the movements for national independence in the changes in the modern capitalist countries (as distinguished from classical capitalism) based on greater democracy and humanity is quite clear. Stated another way, these changes are the result of the struggle waged by the laboring people. They do not stem from capitalism.

Lenin's Search for a Socialist Model for Russia

During the debate on the Program of the Russian Communist Party (B) in March 1918, Lenin said: "We don't know what socialism will look like once it has been perfected. The bricks that will be used to build socialism

have not yet been made. We cannot say anything more. We must be very careful and accurate."¹ Lenin was very concerned about being careful and accurate in moving forward toward the goal. In criticizing the views of Bechstan, he said, "the movement is everything; there is no final target." Lenin said that the goal must be clear and that the path to that goal must be conceived properly. It must have a correct form with respect to the real situation in each period and the immediate tasks of that period.²

In order to find a model for socialism in Russia, Lenin used his ingenuity to approach and understand the very complex reality of Russia at that time. Studying the development of Leninism, we see that during the period April 1917 to November 1920, Lenin still adhered to Marx's postulate of "destroying capitalism" and "waiting for the world revolution." On 3 April 1917, Lenin raised the slogan "Long live the world revolution." In November 1920, Lenin noted that "We began our work in a way designed to lead to world revolution." But in the face of the difficulties created by "wartime communism," at the Second All-Russian Congress of Educational and Political Departments, Lenin clearly stated: "Because our cultural standards are low, we cannot exterminate capitalism with a frontal attack."³ Contrary to the view of Marx about not having commodities or currency in the new society, Lenin advocated revitalizing small, capitalist commerce and business... and putting them under the control of the state in a position in which they can still operate effectively.⁴

The problem facing Lenin was that "Russia does not have the production forces necessary to build socialism." Thus, was the slogan "the socialist state" appropriate? Lenin's answer was, "No Communist can deny the following point: The term 'Soviet Socialist Republic' signifies that the Soviet regime is resolved to move toward socialism. It certainly does not mean that the present economic system is a socialist system.

"Thus, what does the word transition mean? As applied to economics, doesn't it mean that in the present system, there are many elements and pieces of both capitalism and socialism? Everyone recognizes that this is true."⁵

Toward the end of his life (January 1923), Lenin finally escaped from the old ideas about socialism. He affirmed that "Today, we have to admit that our views about socialism have changed fundamentally. Regarding this fundamental change, in the past, we viewed and could not help but view our central task as being the political struggle, the revolution, and the struggle to win power. Today, that center has shifted to the peaceful organization of 'culture.' For us, this cultural revolution presents unimaginable difficulties on both the cultural front (because we are illiterate) and on the material front (because to become cultured people, material means of production must develop to a certain level and we must have that material base)."⁶

In the historical situation that existed at the beginning of the 1920's, in order to implement the new economic policy of "restoring capitalism on a large scale and restoring it to a level never before known,"⁷ Lenin posed the question, "Who will defeat whom?"

"The key question is, Who will defeat whom? If the capitalists organize things first, they will drive out the Communists. If that happens, there is nothing more to say. Things must be looked at in a conscious manner: Who will defeat whom? Does the proletarian state, relying on the peasants, have the ability to control the capitalists properly, point capitalism in the direction set by the state, and create a type of capitalism that will obey and serve the state? This question must be posed in a conscious manner. Concerning this, ideas and discussions on political freedoms are quite common. That is just empty talk. We must discard such empty talk."⁸ Lenin paid special attention to the problem of control: "We must continue to hold discussions, but they must be firmly controlled. We must control them more firmly than the capitalists did."⁹

"Remember that the question that must be answered today is: Do we have work methods that will enable us to succeed? If not, I would like to remind you, our republic will be destroyed.

"All of you must engage in economic activities. Beside you will be capitalists, including foreign capitalists, those who have been given concessions, and contractors. They will make huge profits from you and become wealthy. Let them become rich. From them, you will learn how to manage the economy. Only in this way will you be able to build a communist republic."¹⁰ And in order to win, Lenin said that the three principal enemies were:

The first enemy: Arrogance.

The second enemy: Illiteracy.

The third enemy: Bribery.¹¹

In order to win, Lenin advocated a series of transitional steps. The "string" can be loosened. It must not be allowed to break. Letting it "hang loose" is "easier."¹² But because "there must be maximum flexibility," the "state apparatus must be strong." The party must be unified and disciplined, and "solidarity (and discipline) within the party must be strengthened."¹³

The new economic policy was a suitable step and drew experience from "wartime communism." Lenin said that it was a mistake to declare war on commodity relationships, identify commodity relationships with capitalism, and oppose marketing freedom.

Following the thinking of Lenin during the period 1917-1921, we can see the conflicts in Lenin's thinking from 1918. While Lenin tried to preserve the classical model of socialism put forth by Marx in a general way, he also began to have other ideas. In "The Immediate Tasks of the Soviet Regime" (1918), we can see the transitional steps that Lenin had found. These did not eliminate the

use of capitalist knowledge and culture. In particular, emphasis was placed on state capitalism in order to build socialism. Lenin was not afraid of contradicting himself or of abandoning outmoded views. The twists and turns and conflicts in the thinking of Lenin and the Bolsheviks on a socialist model for Russia can be viewed as a vital point, because prior to that, the key problem was gaining power. Views on the new society (not capitalist) were just an abstraction. Keeping their sight on the target, it was the new reality that helped provide them with correct viewpoints on the process of building a new society.

"Who will defeat whom" does not mean regarding every achievement of capitalism as an enemy who must be opposed and destroyed. On the contrary, these must be used to serve our objectives. "Who will defeat whom" means maintaining the proletarian regime, using the knowledge of capitalism and using the assets produced by capitalism along with manifesting the ownership rights of the laboring people, quickly grasping that knowledge and those achievements, always renovating things in a creative and bold manner, resolutely abandoning the outmoded viewpoints, creating the economic and social preconditions for socialism, and creating a firm base for the proletarian regime.

After Lenin died, the New Economic Policy was abandoned in 1929, and socialism continued to be built in the Soviet Union by concentrating everything on control by the state, which people would later call "state socialism." In the Soviet Union, when criticizing the mistakes made in the past, particularly the mistakes made by Stalin, many people, including a number of scientists, have completely rejected socialism in the Soviet Union and have regarded "state socialism" as "barracks socialism" and an "odddity" of history. It must be said that this nihilistic and "unhistorical" view has contributed to the opposition to socialism, the Soviet Union, and the Communist Party and has sullied Lenin in the Soviet Union (and elsewhere). True scientists and communists, Soviet citizens, and, in particular, those who belong to the generation that carried out the October Revolution and who made great sacrifices to defend the first socialist country oppose this "unhistorical" and non-Marxist view.

History has shown that the Soviet Union has begun building socialism. The achievements it has scored in just over 50 years cannot be denied. These are tied not only to the lives of the Soviet people, but also to the world revolutionary movement and human civilization, and they show the superiority of socialism as compared with capitalism. Socialist ideals have existed since ancient times, but scientific socialism first appeared with Marxism. And it became a reality only after the October Revolution with Lenin and the Communist Party of the Soviet Union. The mistakes that have been made cannot erase the nature of socialism. The socialism known as "state socialism" must be renovated, but viewed from a specific historic standpoint, it is not completely rigid. It made many leaps and made important contributions to changing the face of the world in competition with

capitalism on a worldwide scope. Today, looking back, we can see the great achievements of that model. At the same time, we can also see that it also did great harm to other important spheres of the economy, particularly agriculture. "State socialism" made excessive use of the enthusiasm of the laboring masses. The use of oppressive measures and command and noneconomic methods destroyed the initiative and creative energy of the laborers, created obstacles for the development of science and technology, encouraged an extensive rather than intensive development of the economy, and so on. These are the reasons for today's slowness and backwardness. The socialist countries are now paying a very high price for this.

"State socialism" encountered unavoidable conflicts, and it pushed socialism into an all-round crisis. It is essential to renovate socialism. But renovating socialism does not mean replacing socialism with capitalism or some other path. Renovating socialism means restoring its scientific and revolutionary character and giving it back its democratic and humanitarian face. This will create a form of socialism that is in accord with the evolution of history. This is a process that must be carried on gradually, resolutely, carefully, and steadily. To move from a model with many defects to a new model takes much time. The extended crisis had led to the loss of socialism or great turmoil in a number of socialist countries. This stems from impatience, a lack of firm but cautious steps, and a lack of resolve with respect to the standards and targets of socialism. Actually, this is a "who will defeat whom" struggle. And in this struggle, socialism cannot be used to confront capitalism.¹⁴ A pure society, which has never existed, cannot be created. Instead, we must exploit the achievements of capitalism and use them to serve socialism. Lenin's new economic policy was not a model but a strategy for creating a model. That spirit of Lenin and that idea of Lenin must be brought to life again. As a number of Soviet people are now saying, steps must be taken to enable socialism to live "the third life" of Lenin.¹⁵ But the decisive factors for this rebirth are the socialist awareness of the people, the stability of the proletarian state, and the correct leadership rights of the Communist Party.

There Is Not Just One Model of Socialism

There is just one socialism, but according to Marx, the striking thing is that, on the basis of expanded production forces, production can be socialized by replacing private ownership with social ownership, with the goal being to eliminate exploitation; and socioeconomic relationships can be humanized by expanding the role of individuals according to the motto "individual freedom is the condition for freedom throughout society," which is the final goal in expanding socialized production. These special characteristics are manifested in the social ownership role of the laboring people and the distribution of surplus material goods based on labor. This is the boundary between capitalism and socialism. This is the closeness but also the difference between socialism and

democratic socialism or social democracy. In the countries with a social democracy, the social welfare benefits won through the struggle of the laborers are the social targets that have not yet been hit in many of the socialist countries. It can be said that these are socialist factors within the capitalist countries. In those countries, there are many things that we need to study, but those countries are still capitalist countries. They do not represent the path of advance for us. Because in those countries, the key means of production are in the hands of the capitalists. Because of this, the bourgeois class controls the national economy and the direction of politics in the country. The working class and laboring people are still treated like hired workers. The conflict between capital and labor has not declined. Socialism is in crisis. But that does not mean that we must return to capitalism or social democracy. Rather, we must move away from social democracy and build socialism. That is the path pointed out by the history of victories of the Marxist movement. It is essential to form an alliance with social democrats and other factions, but the revolution cannot be viewed as synonymous with reform. A socialist society must hit the target of having a highly developed economy and culture. Everyone must have a full and happy life, there must be social justice, and democracy must be ensured through the laws. The various ethnic groups in the country must live as brothers and enjoy equality, and they must live in friendship with the other peoples of the world.

There is only one scientific socialism, but there are many paths to it and many models that manifest it. The differences between the paths to socialism and the variety in the models are due to the special historical and social characteristics of each country and people. Following a particular model, even one that has led to high development, in a slavish and mechanical way will lead to serious losses.

Some people say that this or that model should not be fixed. This idea has no basis. During the past 50 years, there has never been a model of socialism that has been completely correct and that has been completely free of conflicts. As compared with previous systems, socialism is brand-new. History shows that replacing an old system with a new system can't be done in just a few decades. This is a process that can take several hundred years. Only a little more than 70 years have passed since the victorious October Revolution. Scientific socialism is still in its infancy. We are building things, discovering new things, gaining experience, making corrections and adjustments, and perfecting things.

The main problem is to adhere to the standards and targets put forth for each stage. Based on those standards and targets, we must draft a program and strategy and formulate specific plans. Life will prove whether our lines, policies, and leadership and guidance methods are right or wrong. The important thing is that we must do

things correctly, resolutely do what is right, soon discover what is wrong, resolutely and quickly correct those things, and not allow small issues to become major problems.

The role of the program and strategy is to evaluate the social situation and find development directions that are in accord with the country's standards and conditions. In this, attention must be given to the positive and negative factors of the time that affect our country's development path. The basic conflict of our country is the conflict between the path to socialism and the undeveloped state of society and the forces blocking that path. With a spirit of taking the initiative, the party has actively prepared the second party program, the "Program To Build Socialism During the Transitional Period," with the aim of resolving this basic conflict and bringing the country up to the level of the advanced countries in the world.

The year 1990 is the first year of the 1990's. With the raging scientific and technical revolution, the coming 10 years will be very intense years that will see great changes in the world's appearance. But man is the decisive factor. The highest goal of socialism is to serve man. Our party, which leads the people, will adhere to the socialist path, adhere firmly to Marxism-Leninism and the ideas of Ho Chi Minh, accept the intelligence of mankind, assemble every force possible, and admit its mistakes and take resolute action to correct those mistakes. If there is resolve, everything will follow. As Lenin said on the fourth anniversary of the October Revolution, "We must not be afraid to redo the things that we have started. We must not be afraid to correct the mistakes. By understanding those errors, we will advance to a higher level."¹⁶

Socialism is the future of mankind. Socialism is prepared to face the new challenges of the age with the spirit, will power, and intelligence of those who carried out the great October Revolution.

Footnotes

1. V.I. Lenin, *Collected Works*, Progress Publishing House, Moscow, 1977, Volume 36, pp. 82-83.
2. V.I. Lenin, *Collected Works*, Progress Publishing House, Moscow, 1978, Volume 6, p. 491.
3. *Ibid.*, Volume 44, p. 210.
4. *Ibid.*, Volume 44, pp. 194-219.
5. *Ibid.*, Volume 43, p. 248.
6. *Ibid.*, Volume 45, pp. 428-429.
7. *Ibid.*, Volume 44, p. 200.
8. *Ibid.*, Volume 44, p. 202.
9. *Ibid.*, Volume 44, p. 208.
10. *Ibid.*, Volume 43, pp. 208-209.

11. *Ibid.*, Volume 44, pp. 217-218.

12. *Ibid.*, Volume 43, p. 445.

13. *Ibid.*, Volume 43, p. 444.

14. At a time when the powerholders in many capitalist countries are opposing and looking for ways to eliminate socialism and annihilate the communists, such activities are contrary to the laws of historical development. This shows the impetuosity of the bourgeois class. The class struggle is much more violent today.

15. The first life: When Lenin was still alive. The second life: After Lenin died, his historical resurrection using every means possible. The third life: The thinking, behavior, and methods of Lenin must be revived in today's reform.

16. *Ibid.*, Volume 44, p. 191.

The Historical Position and Function of Socialism

0000000 Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 90 pp 10-14

[Article by Mai Hien; not translated]

To Maintain Democracy in the Party

913E0009B Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 90 pp 15-19, 14

[Article by Nguyen Phu Trong]

[Text] Implementing democracy is an internal requirement in the development of the Communist Party. This is the legitimate hope of the cadres and party members and a reflection of the development tendency of the present age. If the party is not democratic, it will not be possible to exploit the innovativeness and intelligence of the party, and the party organizations will lack vitality and strength. In the present situation, expanding democracy in the party is a basic theme in order to renovate the party and promote democratization throughout society.

But what must be done to make the party truly democratic? This is a question that must be considered carefully and reviewed thoroughly.

The reality of past years has shown that democracy can't be brought about simply by chanting slogans about democracy and talking a lot about democracy. The decisive thing for bringing about democracy is solving the following three key problems:

1. The Problem of Democracy in the Party Must Be Understood Correctly

For a long time now, there have been many different ways of viewing this problem. Recently, in a number of countries, people have wanted to rephrase the question or add new content about democracy in the party.

For some people, democracy means that party members are free to say or do anything they want. That is, party members do not have to carry out the party's resolutions and can propagandize their own views any way they want, including in the mass media. They are free to form groups or factions within the party and carry on activities that are contrary to the views and lines of the party. Lower level party organizations do not have to obey the decisions of higher level party organizations. Some people want the party to be like a club where people can discuss and debate things freely. They want the party to be composed of opposing factions so that they can control each other. People regard this as an important criterion for evaluating the level of democracy of a party. Similarly, for a country to be democratic, there must be many leading parties or many organizations that stand in opposition to each other.

There is also a tendency for people to view democracy in the party in a rigid and outmoded way. It is as if democracy must fit within a certain framework. Democracy is viewed as the means to bring about centralization. They do not want party members and lower level organizations to have any independence in thinking or looking for creative solutions. They identify science with politics and study ideas with the viewpoints and lines of the party. Thus, anyone who expresses views different from those of the leadership is immediately regarded as someone who opposes the leadership and party.

A number of people put democracy in opposition to centralization and separate showing the ingenuity and creativity of the party members from implementing discipline and maintaining party solidarity and unity. They use the bureaucratic mistakes, dogmatism, and lack of democracy of a number of leaders in order to deny the principle of democratic centralism, saying that democratic centralism has brought about dogmatism and dictatorship in the party. Whenever a party member is criticized or prosecuted, they say that it is a violation of democracy within the party and a manifestation of dogmatism and feudal militarism.

The above views are one-sided and are thus harmful to manifesting democracy in the party. Both theory and practice show that the nature and degree of democracy of a party are not determined by how many opposing factions there are, how many viewpoints there are, whether there are internal fights and conflicts, whether there is criticism, or whether everyone obeys. What does determine the nature and degree of democracy of a party is to what degree that party exploits the intelligence of the party members and manifests their right of equality. This is similar to the fact that the nature and degree of democracy of a society is determined by the degree to which the interests and will power of the laboring people are manifested.

Democracy in a party is manifested concretely by the following basic aspects:

Freedom of thought in party activities must be guaranteed, and independent thinking, creativity, and frank and honest discussion and debate must be encouraged and respected in order to manifest the intelligence of the party as a whole and of each cadre and party member in preparing, issuing, and implementing decisions. At party conferences, every party member has the right to discuss things, participate in making decisions on party work, criticize and question other cadres and party members, present his ideas, and, when necessary, propose his ideas to higher echelon organizations, including the party's National Congress of Delegates. All of the decisions made by party organizations must be discussed collectively and passed by majority vote.

The leading organizations of the party at all echelons must hold democratic elections. The elections must be by secret ballot without any coercion or pressure. In preparing to hold party committee echelon elections and in carrying on cadre work, the party organizations must respect and listen to the views of the party members and masses. They must coordinate the recommendations of the organizations with jurisdiction with the nominations made by party members. Every party member has the right to make a nomination, run for election, and vote. Party members must be encouraged to run for election.

Party leadership must be based on implementing collective principles in coordination with assigning individual responsibilities. The party committee echelons and party committee leaders must report things and be responsible to the collective that elected them. The collectives and masses must monitor and control the activities of the leading organizations.

In the party, criticism and self-criticism must be practiced regularly, and discipline, self-awareness, solidarity, and unity must be maintained.

Promoting, giving commendations to, and disciplining party members must be discussed by the collective. Party members have the right to present their views when a party organization decides to discipline them. Every party member is equal before the discipline of the party.

The leadership and work style must be in harmony with the bases and masses. The leading cadres must remain in close contact with the party members and masses.

Clearly, if the above elements are implemented well, it will be possible to implement democracy in the party and exploit the intelligence and strengths of the entire party.

Since the sixth party congress, the party has made advances in implementing democracy in party activities, in preparing party decisions, in electing people to the party committee echelons, in evaluating and promoting cadres, and in improving relations and work methods between the party committee echelons and the authorities and mass organizations. The criticism and self-criticism and frankness and sincerity campaigns of the Politburo, Secretariat, and party Central Committee

during the Eighth and Ninth Plenary Sessions of the CPV [Communist Party of Vietnam] Central Committee are examples of the changes in the work style of the party leadership organizations. But it must be recognized that these advances are still very limited and that the level of democracy in the party is still very far from fulfilling the requirement. There are still many manifestations of a lack of democracy, formal democracy, rank and paternalism in the party, dogmatism, and prejudices. Many of the leading cadres at the various echelons and in the various sectors have become "emperors" and "generals" who live like mandarins, who abuse their powers, and who are remote from the people. Many people and party members frequently have to suffer injustices and hardships. At the same time, there have also been manifestations of extreme democracy, which has led to unorganized freedom, localism, a loss of solidarity, and violations of party discipline.

There are various objective reasons for this, but the main reason is that within the party, understanding about the problem of democracy is not complete or unified. And even more important, there is no rational mechanism to ensure that democracy is implemented in the party.

2. Specific Rules and Regulations on Democracy in the Party Must Be Formulated

Reality shows that, to implement democracy in the party, it is essential to have a correct mechanism and specific regulations, that is, the ideological themes of democracy must be "made into laws and regulations" that party members and party organizations will have to obey.

Party statutes stipulate many specific points in order to implement the principle of democratic centralism and manifest democracy in the party. Many directives, resolutions, and work rules have mentioned the essential points. But to date, facing the new development step and the requirements of renovation, it is clear that these must be supplemented, expanded, and made much more concrete.

I would like to give a few examples: In conditions such as today when the scientific and technical revolution is expanding greatly, the world is changing rapidly, and the volume of information is very great and varied, in order to exploit the suggestions and independent thinking of the cadres and party members, there must be rules on regularly providing information to the cadres and party members. The party committee echelons must guarantee the rights of the party members to obtain information.

The party committee echelons, above all the CPV Central Committee, must strengthen their roles and responsibilities in preparing party work plans. In every sphere, when necessary, specialized subcommittees consisting of members from a number of party committee echelons can be established in order to study things and prepare plans. Depending on the the nature and scope of the draft plans, the lower-echelon party organizations and party members must participate in suggesting ideas. If

there are new and difficult problems or if there are still many differences of opinion, several plans can be prepared in order to weigh the pros and cons or run tests before reaching a conclusion and promulgating a resolution.

A procedure that must be followed is to have the Politburo report on its work and activities at every meeting of the CPV Central Committee. The Standing Committee must report on its work and activities at every meeting of the party committee echelons. The party committee echelons must report things to the party organization or agency that elected them. Periods for carrying on criticism and self-criticism must be set, and things must be organized for the masses to make criticisms and participate in votes of confidence in the cadres and party members from the highest to the primary level organizations. For example, once a year, each member of the Politburo must engage in self-criticism. The Politburo must submit a review of itself and a report on its activities at the CPV Central Committee plenary session. The various echelon executive committees must engage in self-criticism and accept criticism from the masses and lower echelons. The secretary, deputy secretary, and members of the Standing Committee must engage in self-criticism before the Executive Committee. The members of the Executive Committee must engage in self-criticism at the party chapters where they work. Those who exhibit an attitude of oppressing people who criticize them or who use the criticism to attack or slander others, cause divisions, or weaken solidarity must be dealt with severely.

The time period for examining the ideas of party members must be stipulated. At the end of the time period, the party committee echelon must reach a clear conclusion on those ideas. When necessary, study sessions, discussions, or tests can be organized. Those ideas that prove to be correct must be accepted in order to supplement and perfect the party's resolutions.

In order to strengthen the control and monitoring role of the party organizations with respect to the activities of the party committee echelons, promptly supplement and revise the positions and policies, promptly replace cadres who are incapable of carrying out the tasks, and strengthen the party committee echelons, it must be clearly stipulated that during the period between congresses, party delegate conferences must be organized at the various echelons. When necessary or when two-thirds of the subordinate party organizations request it, an extraordinary congress must be held. The resolutions of the delegate conferences do not have to be passed by the party committee echelons.

In cadre work, the standards for each cadre position and the three age groupings at each party committee echelon must be stipulated concretely. The secretaries of the party committee echelons, from the echelon directly above the primary level to the general secretary, cannot work for more than two consecutive terms (10 years). The work of recommending people for election to the

party committee echelons must be carried on from the primary level. The committee echelons that convene congresses cannot reject qualified delegates elected by lower echelons. In appointing cadres, the opinions of the bases must be sought, and the primary level must take a vote of confidence. If someone does not receive a majority vote of confidence, he must not be appointed. The examination system must be widely carried out, and managerial and professional cadres and state employees must be recruited. During the work term, the cadres must be reevaluated. If someone does not meet the standards, he must be replaced immediately instead of waiting for the end of the term. In evaluating cadres, it is essential to ask the opinion of the cadre management echelon, the masses, lower echelons, and those concerned who understand and who are in direct contact with those cadres. There must be a suitable system of rewards for those who discover and nominate talented cadres. Those who exhibit an attitude of paternalism, dogmatism, or factionalism or who intentionally violate the principle of democratic centralism in cadre work must be severely punished.

Discipline regarding party members must be examined from the party chapter. Before a party member can be expelled, the party chapter must hold a meeting, and this must be approved by two-thirds of the party members. After the form of discipline has been decided or approved, if the party member or party organization being disciplined does not agree, that party member or party organization has one month in which to request that the matter be reexamined, and he can file a complaint with higher echelons. When a complaint is received, the party committee echelon and higher echelon control board must notify the sender. Within one month at the latest, they must conduct an investigation; within six months, they must make a decision and notify the person who filed the complaint.

In cases in which a person is expelled from the party, if the person concerned does not agree, he can submit a complaint to the higher echelon organizations with jurisdiction and take the matter all the way to the CPV Central Committee. When higher echelons make a decision to discipline a subordinate cadre or party committee member, they must notify the party chapter where the party member works. In cases in which a party member is wrongfully arrested and prosecuted, the party organization must ask for redress and restore the legitimate rights of that party member to him. At the same time, it must ask the organizations responsible to conduct an investigation and prosecute the individuals or collectives who wrongfully prosecuted him.

It must be stipulated that the leading cadres at the various echelons who work directly at the primary level and who come in contact with the people and masses and with lower echelons must take prompt and clear-cut action to resolve urgent issues.

3. There Must Be a Mechanism To Monitor, Control, and Ensure the Implementation of Democracy in the Party

Just because there are rules and regulations does not mean that democracy will be implemented. Actually, there are many articles in the party statutes that have not been implemented seriously by the party members and party organizations, and some of these have even been violated. To implement the regulations and statutes, the higher echelon cadres and leading cadres must set an example. That is quite clear. But another very important problem is that the organizations with jurisdiction must monitor and inspect things closely. This must be done in conjunction with having the masses monitor things on a regular basis and with waging a strong public opinion struggle.

The various echelons of party control committees must increase their powers and responsibilities, particularly in controlling implementation of the party organization and activity principles and the work regulations of the Executive Committees. They must examine the credentials of the party members and party committee members, conduct investigations and discipline lower echelon party members and party organizations. In my view, the congresses (not the party committee echelon) should elect control committees. In cases in which party committee echelons elect control committees, the powers and functions of these committees must be clearly stipulated.

Those cadres and party members who violate party discipline or the laws of the state must be severely disciplined. Those who engage in corruption, who act in a dictatorial manner, or who oppress the masses must be dealt with appropriately.

A powerful mass movement against negative aspects must be launched. In conditions in which the party holds power, a struggle against the negative activities of party members who hold positions of power will fail unless public opinion is used and a mass movement is launched.

To talk about public opinion is to talk about openness. Openness is a very effective measure in ensuring democracy in the party. Depending on the problem and the scope of things, the activities of the party, party committee echelons, and various echelon leaders must be done openly. Special attention must be given to handling financial matters openly and publicizing treatment measures, opposing ideas, and disciplinary treatment. We must put an end to the situation in which matters that do not need to be kept secret are "kept secret" and in which those who have clearly violated the law are "prosecuted internally."

In this, the press and other mass media means play a particularly important role. There shouldn't be any preconceptions stemming from a number of errors by a reporter or newspaper, which could lead people to doubt or reject the strength of public opinion. Nor should people be afraid of the press if their conscience is clear

and they are objective. Experience has shown that only if there is greater openness and proper use is made of public opinion will it be possible to manifest democracy and discover, block, and wage an effective struggle against negative phenomena in the party and society. Lenin once said that openness in criticism is a sword for healing wounds.

In the struggle to implement democracy, manifestations of extremism, deviations, opportunistic activities, demagoguery, flattery to win over the masses, and actions designed to show that a person is democratic must be promptly criticized and corrected. At the same time, actions that are democratic in form only must be halted. Such actions include a party committee echelon or person with jurisdiction decides to promote a cadre and then asks the opinion of the masses and lower echelons; higher echelon committees recommend their own committee members for a locality and the primary level agrees so that the party congress there will elect those people as delegates to the higher echelon congress. Today, the masses will not accept it if organizations continue doing things that way.

Management and Proper Usage of Foreign Currency Capital

913E0009C Hanoi TAP CHI CONG SAN
in Vietnamese No 11, Nov 90 pp 20-25

[Article by Nguyen The Uan, MA in economics]

[Text] Today, one of the most important problems related to the country's economic and social development strategy is the problem of capital. Unless the problem of capital is solved correctly, there cannot be a real economic strategy. What is capital, and what can be done to create capital and make the most effective use of the capital for the national economy?

In socialist commodity production, capital is represented in the form of money. But by itself, money is not capital, and no specific amount of money can be called capital. Money becomes capital when there is sufficient money to invest in production and business activities to make a profit.

Capital can be converted into means of production and manpower. Looking at the use rate (or velocity), capital can be divided into fixed capital and liquid capital.

In the capitalist system, capitalists use their capital to purchase means of production and manpower in order to carry on production and business activities with the aim of making a profit. After purchasing things, capitalists have ownership rights to these two factors—the means of production and manpower—because they owned the capital used to purchase them.

In the socialist system, the above two factors of capital are kept separate. The means of production belong in the realm of public ownership, and manpower is in the realm of "socialist collective ownership." Because this concept

is not clear, the formation and use of capital has given rise to many conflicts that are very difficult to resolve.

What has the national economic capital situation in our country been like in recent years?

First, the national income produced has not met consumption needs. According to data of the Statistics General Department, during the period 1976-86, the national income produced showed a deficit for many years as compared with the consumer fund. For example, in 1976, the deficit was 13 billion dong. In 1980, the deficit was 4.5 billion. And in 1985 and 1986, the situation was not much better.

This points to a worrisome reality, that is, the national economy's sources of accumulation are very weak. Domestic production creates little capital.

Second, the effects of the capital have been very low, with the result that the difficult economic and capital situation has become even more difficult. The statistics of the Statistics General Department show that, in 1986 and 1987, material expenditures per dong of national income were excessively high. On the average, in 1986 these expenditures amounted to 0.92 dong, and in 1987 they were 0.94 dong. In industry, they were 1.89 and 1.08, respectively. In agriculture, they were 0.45 and 0.44, respectively. In construction, the rates were 2.42 and 2.43. In transport and posts, the rates were 1.19 and 1.20. In commerce and material supply, they were 0.41 and 0.40, and in the other service sectors they were 0.14 and 0.14, respectively.

According to calculations made by the Statistics General Department, in order to produce 1 dong of national income, in 1976, it was necessary to spend 0.74 dong in materials, and in 1987 it was necessary to spend 0.94 dong (in 1982 prices). For every dong of national income, if just 1 penny in materials is saved, the national income for the year will increase by an additional 1.5-1.7 billion dong (in 1982 prices). Conversely, if an additional penny in materials per dong of national income is spent, the national income for the year will decline by a corresponding amount.

The results of the capital are very low. Thus, for many sectors, the faster the velocity of the capital, the greater the deficit becomes. This is very worrisome.

Third, for many years, even though the trade deficit, which is financed by loans, has grown larger, its corresponding domestic value in the national income has continually declined. According to the Statistics General Department, in 1976 each unit of foreign currency created 35.56 dong in national income from foreign sources. By 1980, this had dropped to 30.94 dong, and in 1985 and 1986, the figures were 14.53 and 11.13 dong, respectively (in 1982 prices). Using the 1976 figure of 35.56 dong as the standard, in 1985 and 1986 the total deficit from the imbalance of trade resulting from the decline in the corresponding domestic value was 54.24 billion dong (in 1982 prices).

The reason for this situation is that the price and rate of exchange policies of the state with respect to imports and exports are not rational. This has made it impossible to maintain the state's accumulation by foreign loans.

Fourth, for many years, many mistakes were made in investing in capital construction. As a result, a large amount of capital in the national economy (almost all of which was capital that had been borrowed from abroad) was lost. Thus, no profits were generated, and the state had to pour in additional assets in order to save the situation (similar to having to follow the javelin after having thrown it).

Added to that, for many subjective and objective reasons, the domestic market has become stagnant. The products that are produced aren't selling well, with the result that capital is not turning over. There is a serious shortage of capital in production and business. At the same time, the capital invested in capital construction is being freed very slowly.

Today, there are many difficulties in borrowing money from abroad. Our foreign debt is growing larger and larger, but our ability to pay back this debt is very limited. We owe a lot, but we can't borrow much more. Without foreign loans, imports will dry up. That would not only cause production to stagnate and life to become more difficult but also lead to a sharp drop in domestic loans.

Based on the things discussed above, it can be affirmed that our country's economy is facing a serious shortage of capital, and there is no effective way to overcome this. In particular, in the coming years, because there will not be sufficient foreign capital to import goods with a value of 1,600-2,000 million rubles and \$400-500 million as in the years 1985-89, our country's economy will certainly encounter many more difficulties.

Vietnam's economy is still very dependent on other countries, not only for machinery, equipment, and spare parts, but also for a number of resources and other essential materials such as cotton, fertilizer, iron, steel, and chemicals. Unless sufficient imports to satisfy needs can be ensured, it will not be possible to maintain the capacity of the existing production installations at today's modest level.

In order to advance large-scale socialist production, there must be initial accumulation. In small-scale production conditions and in conditions in which there is little domestic capital and exports are limited, the only way open for us is to import capital.

Borrowing capital from abroad and calling for direct foreign investment in order to reequip the national economy and improve and modernize the production structure are strategic problems.

As a backward country that wants to catch up with the developed world as quickly as possible, Vietnam must import not only technology but also industry. With the

explosion of the scientific and technical revolution today, unless we actively import the progressive inventions of the world, we will be in danger of being eliminated.

In short, while our export capabilities are very limited, our import needs are very large. We don't have time to sit back and wait for exports to increase (and then import goods). We must boldly borrow capital and call for foreign investment. If we don't do this, our economy will advance very slowly in the years ahead.

However, borrowing capital and calling for investment from abroad is just the beginning. The decisive thing is to use that capital in such a way that it will benefit the national economy.

We should not be afraid to borrow from abroad. The only thing that we should be afraid of is not making beneficial use of the borrowed money and not having money to pay our debts.

For many years now, in expanding foreign trade activities for the sectors and localities, we have spread foreign capital too thin. The state cannot control and coordinate the foreign trade activities of the sectors and localities within the scope of a unified national plan.

According to 1989 foreign trade figures of the former Ministry of Foreign Economic Affairs (now the Ministry of Commerce), the state has had to make up the trade deficit with the socialist countries. But the state has not had control over the commodities exported abroad. As far as the country's gross import-export value in the capitalist sector is concerned, the import-export value of the localities is accounting for a higher and higher percentage (see the following table):

	Export Percentage	Import Percentage
1985	37.6	31.4
1986	86.8	57.3
1987	89.7	65.8
1988	91.3	53.4

What is worrisome is that at a time when the central echelon has to bear the burden for the trade deficit for both the socialist and capitalist sectors, the localities have been able to balance things easily and even have a trade surplus for many consecutive years.

Clearly, the country's foreign capital situation is difficult, and splitting things just makes things even more difficult. Many localities and bases continue to import more and more goods. Many of the bases and localities have used the borrowed capital arbitrarily in order to import consumer goods. They have not done this to hit the production expansion targets but to satisfy local interests and run after price differences.

The long-term loans taken by the state to invest in capital construction projects have not produced results. Thus,

many billions of rubles and dollars borrowed from abroad have been tied up without bringing any benefit. This is a terrible waste.

In order to eliminate the objective and subjective shortcomings mentioned above and complete the task of generating capital from outside to support building the country in the present stage, the state must centrally manage all of the country's sources of foreign capital. To do this:

1. The state must implement procedures and policies and have a mechanism to manage all foreign currency receipts and expenditures in order to use this capital to hit the main economic and social targets (with chosen terms), maintain a stable balance of payments with receipts matching expenditures and loans matching payments, and have unity throughout the country. The present division in managing and using the foreign capital must be stopped.

2. The state must clearly prioritize the foreign currency use targets (above all for the effective production sectors with a definite structure) in order to arrange sources of capital in line with real capabilities.

In managing foreign currency, the money must be used to regulate import-export activities. There must be an efficient exchange system. If the state can manage the foreign currency, even if import-export activities are expanded, this will not cause much trouble. However, in order to manage foreign currency in an active and flexible manner, the state must use a synchronized system of economic and administrative measures. In this, attention must be given to the important measures and levers of a commodity economy such as currency, prices, rates of exchange, credit, interest rates, taxes, and so on.

3. The state must monitor the activities of the banks in order to satisfy the requirements of the new mechanism. The banking apparatus must be streamlined, and there must be an excellent banking profession. For a long time, we have slighted the technical aspects of banking. As a result, many serious mistakes have been made in issuing decisions (examples are the currency exchange, credit, rate of exchange, mortgage, and interest rate problems).

Only if the state bank is strong will the state be able to uniformly manage all foreign currency receipts and expenditures throughout the country based on the principle that all foreign currency receipts and expenditures must go through a bank. Foreign currency trading must be carried on through a bank using a unified rate of exchange. Those who sell foreign currency must have priority in making purchases (when there are definite import targets). Foreign currency trading outside the banks must be prohibited, and exchange measures must be used in order to control the use of foreign currency.

4. The state must establish a national foreign currency reserve fund based on the foreign currency received from

exported goods and services and duty items received from cooperative mining ventures with other countries.

Only if there is a reserve fund will the state have the material conditions necessary to regulate the currency circulation process in general (including supply and demand regarding foreign currency) throughout the country. In the foreign currency reserve fund, gold and U.S. dollars hold a particularly important position. If we have gold and dollars on hand, we can sell them when prices are high and purchase them when prices are low. This will enable us to control the domestic currency market. Today, one of the important reasons for the lack of stability in the domestic currency market is that the state cannot control the gold and dollars on the free market. Unless we can control the gold and dollars, we will not be able to control the domestic currency market.

In order to do the above things, the following specific problems must be solved:

1. The specialist system must be implemented seriously in the banking sector. The banking apparatus must be reexamined and improved based on giving importance to skills. Excellent cadres who have retired and banking specialists in the old system can be called back into service. Foreign specialists can be hired, and people can be given urgent training. We must resolutely eliminate those who do not have adequate professional standards (and morals) to work in the banking profession. Leading cadres who lack skills must be replaced promptly. This is the best way to select excellent cadres. The professional problem is very important. Unless adequate attention is given to improving the people's professional standards, we will not have a rank of dynamic and disciplined banking cadres.

2. Resolute work regulations must be implemented. Anyone who violates the regulations must be dealt with immediately, because the banks are the organizations that directly handle currency problems. Unless good discipline is maintained, corruption, theft, and bribery could arise and spread. A stop must be put to the situation in which banks buy and sell money regardless of the price, use loan interest rate differences as the target of operations, and slight their main task, which is to support production.

The use of the term "commercial bank" does not mean that the banks have become currency corporations whose only purpose is to make use of interest rate differences. If things are done that way, money will chase money and not go through production. This will have serious economic and social consequences.

3. The activities of the central bank must be closely coordinated with the activities of the specialized banks and credit organizations. The central bank must play the role of general regulator. The specialized banks and credit organizations must have a reserve account at the central bank.

The guiding role of our currency (the Vietnamese dong) must be solidified in the country. No matter how important gold and the dollar are, they are just sources of support for the dong within the country. Steps must be taken to prevent having many free means of payment on domestic markets at the same time. To prevent this, the state must implement a strict and unified foreign currency law throughout the country.

The specialized banks and the credit organizations must be organized tightly. They must operate within the sphere permitted and in accord with their legally fixed capital. The state must implement a unified interest rate policy. The specialized banks and credit organizations must not use arbitrarily high interest rates to attract capital and then refuse to repay the money.

A system of tight and regular controls must be implemented. Only by thoroughly implementing a unified accounting system will it be possible for the state to maintain control. Usually, it is not until after something has happened that there is a confrontation between the inspectors and those being inspected. This takes a lot of time and little is achieved because of the lack of accurate and unified accounting records.

4. Measures must be implemented to strictly regulate the supply and demand of foreign currency. Foreign currency trading must immediately be put on a single track so that the state can regulate the supply and demand of foreign currency in the country. Through that center, rational use can be made of the existing sources of foreign currency generated by exports. This foreign currency must directly support production so that through production the results achieved are much higher. (Naturally, attention must be given to the production sectors that bring benefits and generate foreign currency.) At the same time, foreign currency auction formulas (based on

the Netherlands model) should be studied and applied in order to provide foreign currency to meet needs when the activities will generate great profit (because producers and businessmen will have to carefully consider the benefits of foreign currency investment targets when auctions are held). By holding foreign currency auctions, it may be possible to bring about a rate of exchange reflecting the correlation between supply and demand. In order to centralize the foreign currency auction market in one place, responsibility for organizing this must be entrusted to the Foreign Commerce Bank. The state must not meddle with the reserves of that bank. Naturally, the state must control the national foreign currency reserves. It must manage foreign currency in order to arrange the payment of the foreign debts. At the same time, foreign aid funds must be concentrated on the key economic development projects. There must be strict and effective measures for controlling foreign currency. An important measure is to set quotas and directly monitor the credit levels of the specialized banks in conjunction with monitoring things indirectly through the State Bank. The capital loaned by the State Bank to the specialized banks must agree with the amounts loaned by the specialized banks.

An urgent requirement is to manage the foreign currency on two fronts, loan payment and use. Here, loan payment is important, but the decisive factor is how the borrowed money is used. Today, if we can put a stop to the dispersed and arbitrary use of borrowed money, besides preventing the existing foreign currency from being lost, we will also be able to increase the capital.

Our economic strategy to the year 2000 is facing a great challenge. This is the problem of capital. In this, foreign currency plays an important role. If the state cannot control this capital, even if the economic strategy is correct, it will not be possible to implement it.

Ideals and Ordinary Interests

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 26-30

[Article by Khong Doan Hoi; not translated]

Intellectuals and the Problem of Understanding in Socialism

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 31-36, 25

[Article by Vu Nhat Khai; not translated]

Various Types of Transition to Socialism

913E0009D Hanoi TAP CHI CONG SAN in
Vietnamese Nov 90 pp 37-39, 43

[Article by Nguyen Tinh Gia, MA in philosophy]

[Text] Moving from one socioeconomic form to another is a historical stage. Depending on the stage, the time needed may be longer or shorter, and this may require passing through "intermediary stages" with different structures and forms.

The classicists of Marxism-Leninism have used the term "intermediary stages" in the sense of "transitional" in order to convey the idea of "time moving" and "structures changing" for things and phenomena, particularly when studying the development of socioeconomic forms.

When talking about the transitional stage, many people understand it only in the sense of "time moving." They don't realize that that also means "structures changing," with an individual structure including systematic structural factors. If there is an individual structure, there will also be a system of special laws. Thus, the concept of a "transitional period" is understood to mean a period of moving from one historical age to another.

Today's world consists of many nations and peoples. How will the highly developed capitalist countries such as the United States, England, France, and Germany make the transition to socialism? How will the economic superpowers such as Japan make the transition to socialism? Have north European countries such as Finland and Sweden already made the transition to socialism, and, if so, how did they do it? How will the economically backward countries that have not passed through the capitalist stage of development make the transition to socialism? These are all very current and topical questions.

Historical reality shows that the countries in the world capitalist system have a different history of development. Some of the countries developed for 300 years (England and France). Some developed for 200 years (the United States). Japan developed in just 100 years, that is, from the time of the Emperor Meiji. South Korea has developed in just 20 years. That is a very short time in which to develop. Thus, the problem for us today is to discover the laws of capitalism for developing in a short

period of time. At the same time, we must study the capitalist countries to see what "steps" they have taken and what "forms" they have used to shorten the time.

To understand the laws of "shortened" development, the first thing is to correctly understand this sphere.

Previously, the concept of "shortening" history was identified with "cutting out" history without regard for objective laws.

Development can be shortened, but this must be based on the following criteria:

Obeying the objective laws.

Being creative in the use of the laws of history so that your effective time is shortened.

Adapting to the age and being in accord with the people.

In the present age, the economic, scientific, and technical achievements scored by man are at a very high level. The nations that develop later do not have to follow the same path exactly, but can move faster and more effectively as a "social fetus" rather than an "old fossil." The key here is to "choose the form and determine the next step."

For highly developed capitalist countries, the transition to socialism can have many forms:

First, there can be a "political reform" followed by a process of socialist economic reform. This process will solve not only the problems in production relationships, but also problems in production forces. Of course, the achievements scored by the production forces will create favorable conditions for speeding up the process of economic reform and making this more effective.

Second, there can be a process of socialist economic reform without going through a "political reform." This form can be used only when international politics is favorable for socialism and has become the tendency of the age and when the standards of civilization, progress, and humanity are rising.

Using philosophical ideas and ideological generalizations about the "types" of transition to socialism of the Marxist classicists, we can mention two types, "direct transition" and "indirect transition."

Direct transition is a type of transition that is appropriate for countries with highly developed economic, political, and social conditions and that have the preconditions for making revolutionary socialist changes. To state it another way, this is a type of transition for countries where capitalism is highly developed with respect to the production forces and production relationships and where the capitalist production formulas have become the ruling capital production with their basic characteristics. In this, the conflict between the production relationships and the production forces is very serious.

The period of change for this form of transition can be shorter than for the indirect type of transition, because the main problem here is to create a new "social system" and build a social foundation for the process of changing to socialism, with the basic content being to establish the socialist nature of the production relationships.

Indirect transition has two forms, transition from the "start" of capitalism and transition from "before" capitalism.

Transition from the "start" of capitalism is the type suitable for countries where capitalist economic and social factors have already appeared but capitalism has not yet gained a ruling position. These factors are interwoven and depend on the economic system that holds the ruling position.

The "before" capitalism type of transition is suitable for countries where capitalist economic factors have not yet appeared. The economic structure there is a mix of many different precapitalist social forms.

As for time periods, the two indirect types of transition take longer than the direct type. This is because the revolution must carry out two very basic tasks at the same time, that is, expanding the production forces and reforming the production relationships. However, because of the new international conditions (the present age is the age of internationalizing the production forces, information explosions, and an expansion of international interchange), the time can be shortened. We can see that the countries that are making the transition to socialism using the "start" of capitalism or "before" capitalism type of transition must bear the contrary effects of two factors: "Things must be extended and things can be shortened" and "things must be done in order and steps can be skipped." This is a paradox, a conflict that must be analyzed in order to find methods to coordinate things and to determine which forms and steps are appropriate.

When solving economic problems during the transitional steps using transitional economic forms, it must be realized that, because this is a transitional period, the economic forms will not be perfect and strong. There will still be conflicts between the factors of the old and the factors of the new. The factors of the new will be interwoven with and conflict with the factors of the old in mobilization and development. Because of this, in order to display the positive effect and limit the negative aspects of these economic forms, a "maintain-rebirth-filter" formula must be used. Maintaining things does not mean just preserving the old, but picking the positive factors from the old. Rebirth is a process of reviving old forms in the new conditions with the aim of building a new "rung" in the expansion of the production forces. Thus, maintaining things must be based on "filtering" things, and rebirth must create the preconditions for filtering things. These principles are the starting

point for studying specific things. Without these principles, there will be a loss of direction, and it will not be possible to analyze matters, phenomena, or processes correctly.

If a country wants to implement a "correct" economic and social line, that party and state must "accurately" determine the historical starting point from which to begin the transition to socialism. Stated another way, it must be determined where that country is in terms of its economic and social forms in order to determine what type of transition to use. Should the country bypass capitalism or the capitalist stage of development? Those are two different ways of posing the question. Unless this is understood correctly, this will affect the process of formulating lines and selecting forms and steps.

Today, along with the transition from capitalism to socialism, there is also a transition from "precapitalism" to socialism. As mentioned above, this transition is being carried out using "start" of capitalism and "before" capitalism forms.

Some people have classified these two forms as a type of transition to socialism based on a "noncapitalist" path. This has greatly expanded the concept of the "noncapitalist path" and has eliminated the social processes' boundaries between the capitalist countries that are still weak and the backward agricultural countries that used to be colonies or semi-colonies and that do not have capitalism.

As for economic and social structures, the two types of countries mentioned above have a multifaceted economy. But in the first case, capitalist relationships already play a notable role. However, they are not fully developed and so the entire economy has not been transformed on the basis of capitalism. Here, the precapitalist relationships have been maintained with the credentials of interwoven economic elements in a capitalist production formula. The conflict between the capitalist and precapitalist economic elements is very fierce.

In the second case, in economically backward countries such as Vietnam, capitalist relationships are almost nonexistent. Precapitalist relationships are widespread. Because of this, it is essential to take over and exploit capitalist economic factors in the process of developing the economy in accord with socialist directions.

Thus, it must be fully understood that, during the transition from capitalism to socialism, when we say that economically backward countries have the capability to bypass the capitalist stage, which is a historical stage and ruling production formula, that does not mean that these countries do not have to create a number of essential factors similar to those of capitalism, particularly in the production forces, in order to advance to socialism. The important thing is to determine what can be omitted and what cannot be omitted so that each country can, based on its own starting point, determine which forms and steps are right for it.

The Intellectual Capabilities of Leaders

913E0009E Hanoi TAP CHI CONG SAN
in Vietnamese No 11, Nov 90 pp 40-43

[Article by Nguyen Hai Khoat, MA in psychology]

[Text] The activities engaged in by leaders are primarily creative intellectual activities. But for leaders, these activities differ in several ways from those of scientific researchers. First, leaders usually do not have time to collect adequate information and deal with the information in a "leisurely" manner. Second, leaders must solve many different types of problems. Because of this, they cannot concentrate their attention on one problem for a long time as can scientists. Third, one characteristic of management is that subordinates can be compelled to do certain things, and this has specific economic or political consequences. Thus, leaders must bear responsibility for their decisions. The above points show that the intellectual activities of leaders are characterized by high intensity, great speed, and high mobility. These activities consume much nervous energy. Without highly developed intellectual capabilities, it will be difficult for leaders to issue correct and timely management decisions. Without intellectual capabilities, they will not be able to fulfill their responsibilities as leaders. In particular, in conditions such as today when there is an "explosion of information" and all social spheres are being renovated in all respects, leaders who lack intellectual capabilities won't be able to complete the tasks assigned them.

The intellectual activities of leaders share some of the common characteristics of intellectual activities in general, but they also have special characteristics:

Above all, these characteristics are the ability to process information quickly and think quickly. Managing often requires leaders to make quick decisions. The superiority of these decisions depends on the speed with which the necessary knowledge and experience is mobilized and the degree to which the data received is analyzed and summarized. Leaders must promptly recognize the necessary relationships and eliminate those that are not necessary in relationship to a particular management problem. This is the most important quality of leaders. But being quick and grasping things promptly does not mean that decisions should be made in a hasty or hurried manner.

Breadth and depth are important qualities in leaders. Intellectual breadth enables the leader to grasp the broad scope of the management problems and see and understand the relationships among and the mutual effects of the problems, the various aspects of a problem, and the mutual stipulations of the problems. This breadth also enables leaders to use the knowledge and experiences of many different spheres in a specific way in order to creatively solve his management problems. In opposition to intellectual breadth is superficial thinking and narrow-mindedness. Leaders with these shortcomings will be confined to their own small world and be limited

to their own small sphere of professional and scientific activities. They will view management problems in a narrow and one-sided way separate from other activities and sciences, including similar and closely related activities.

Intellectual depth enables leaders to think in depth about the nature of a problem, discover the cause-and-effect relationships producing a phenomenon, and predict its direction of development. This depth helps leaders see the subjective and objective factors and the favorable and unfavorable conditions when proposing a solution. They can then marshal the necessary information to provide a scientific and realistic basis for their decision. In opposition to intellectual depth is shallowness. Leaders with this shortcoming will not be able to distinguish isolated phenomena from essential events. They will not be able to understand or find the reasons for these things. If leaders lack intellectual breadth and depth, their decisions will be one-sided and superficial.

Flexibility is another quality required of leaders. Flexibility means that leaders must be able to change their decisions promptly when they see that these are not in accord with the new conditions. This is particularly difficult for leaders who have been working for many years and who are accustomed to thinking in a particular way based on certain requirements and standards. That is, they have a set way of thinking that is no longer suitable. Our new situation and conditions and the all-round renovation requirements put forth by the party at the sixth party congress require that all people, particularly the leadership and management cadres, have new ideas. That is, they must have new and modern conceptual content and methods in keeping with the present age. If people's thinking is rigid, it will be difficult for them to abandon old and backward ideas and form and develop a modern style of managerial thinking, which is the basis for the creative and renovated thought and action of the leaders. A rigid and sluggish mind is a major obstacle that will prevent a leader from changing his thinking, doing away with outmoded management decisions, and issuing new and more effective decisions.

The modern managerial thinking of leaders is clearly manifested in intellectual criticism. An attitude of scientific and revolutionary criticism will enable leaders to correctly evaluate positive and negative events and phenomena so that they can then make the most rational decisions. A critical nature will help leaders accept new theories and experiences in a selective manner instead of copying things and applying them in a mechanical way to the management activities at their units.

Along with a critical nature, leaders must be independent in their thinking. This quality is manifested in their ability to understand and pose new problems, establish a scientific basis for the problems, and then solve these problems using their own strength. This is also manifested in the ability to make decisions promptly and implement them in accord with their own views and

positions without direction from others. Leaders with such independence are usually people who thoroughly understand their work, who have strong will power and clear goals, and who have a lofty sense of responsibility to the collective and higher echelons. They have the courage to voice new ideas and viewpoints even though the majority may object. Leaders without independence of thought are easily influenced by other people, particularly people at a higher echelon. They change their views or decisions, but do not clearly understand the theoretical or practical basis of this. The "ideological subsidies" in the old management mechanism and the "patronage" of higher echelons using the "umbrella" of power and rights have blocked the formation of an independent and critical nature in many leadership and management cadres who had a "long affinity" with the old mechanism. A critical and independent nature is a necessary quality for those who want to carry on renovation effectively.

Another quality in the intellectual capabilities of leaders is logical thinking. This refers to maintaining unity when expressing ideas and opinions and concentrating the force of one's mind on the targets and phenomena. Leaders who are not logical in their thinking will often "confuse" events and phenomena and use the knowledge applicable to one sphere in some other sphere. Their thinking will jump from one thing to another and from one problem to another without reason or continuity. Because their thinking is illogical, their conclusions and actions will be illogical, which could lead to unfortunate consequences. Training leaders to think logically is one of the cadre training requirements.

The above are a few of the important qualities in the intellectual capabilities of today's leaders, who have heavy responsibilities in carrying on the all-round renovation movement based on the spirit of the resolution of the sixth party congress. Naturally, the intellectual

quality of leaders cannot be separated from their political and moral qualities or the other capabilities mentioned in the documents of the party and state. However, what must be noted is that, depending on the specific tasks of each leader and manager, the requirements for the intellectual qualities discussed above will vary. Clearly, the degree of intellectual breadth and depth and independence of thought of leaders at higher echelons will differ from that of leaders at the primary level. These qualities in the heads of scientific institutes will be different from the qualities of production and business unit managers. Thus, for a number of leaders, several additional intellectual qualities must be mentioned. For example, leaders at strategic echelons must have great intellectual range, because the managerial decisions made at strategic echelons will produce effects not only in the next two to three years, but also in the next 10-20 years. These decisions will not affect just one sphere, but many spheres in a sector, a province, or the entire country. Sensitivity to what is new is a very important quality in these leaders. This is true for cadres who lead staff or theoretical research organizations. Clearly, if leaders are not sensitive to the new problems in management and leadership, they will not be able to propose solutions in time. If new theoretical issues are not posed in order to explain things promptly with the aim of maintaining the vanguard role of theory, it will not be possible to carry on renovation, with the main thing being to renovate theoretical thinking. Naturally, intellectual range and sensitivity to what is new are essential qualities for the leadership and management cadres in other spheres. There are also a number of other intellectual qualities that have not been mentioned in this article that need to be studied.

Intellectual capabilities are basic capabilities needed by everyone. Unfortunately, they have not been studied very much. This is particularly true for the intellectual capabilities of leaders in production and business. I hope that, along with recognizing the great role of leadership and management cadres in moving a unit or sector or the entire country forward, the issues pertaining to the intellectual capabilities of leaders will be studied more fully and in greater depth.

The Health of Our Country's Young Generation—Reality and Solutions

00000000 Hanoi TAP CHH CONG SAN in Vietnamese No 11, Nov 90 pp 44-47

[Article by Pham Song; not translated]

More Thoughts on Renovating the Ranks of Leadership and Management Cadres

912E0009F Hanoi TAP CHH CONG SAN in Vietnamese No 11, Nov 90 pp 48-51, 70

[Article by Le Van Ly, head of the Party Building Department, Nguyen Ai Quoc Institute]

[Text] The reality of carrying on renovation during the past four years clearly shows that the limitations of renovation are closely linked to the inferior quality of the leadership and management cadres of various echelons. These ranks of cadres came into being in specific historical conditions. Thus, the demand that the cadres be renovated in a uniform manner right away is just an illusion. But failing to see the urgency of training replacement cadres is also very dangerous.

Looking back in history, what lessons can be learned about this problem?

Since the end of 1954, after the north was liberated, almost all of the leadership and management cadres at the various echelons and in the various sectors were former political and military cadres. The party quickly provided these cadres with cultural, scientific and technical, and occupational training so that they could satisfy the requirements of the new revolutionary period. A number of cadres made very rapid progress. However, because the training was very quick and because of the lack of all-round and systematic knowledge, there were few excellent leadership and management cadres, particularly for economic and state management. At the same time, many of the scientific and technical and professional cadres who had been given systematic training both here and abroad and who had high standards were not promptly put into the ranks of leadership and management cadres.

For several decades, selecting people to work in leadership and management organizations has usually been done on the basis of general, nonspecific standards. Because of this, many cadres with real talent have been overlooked. For a long time, we focused on the personal background, revolutionary activities, and past positions of the cadres and ignored their quality or their understanding of the work assigned them. Elections have rarely been democratic. The situation in which "if you live a long time, you will become one of the elders," in which there is a class system and hierarchy, and in which things are done in a feudal manner has held back the growth of a number of young cadres. When they are elected to a party committee echelon, some cadres suddenly become powerful people in the state apparatus. During the 1960's, some people who were elected to the

provincial party committee served as head of the Educational Service even though they had only grade 5 or 6 cultural standards.

This is one of the reasons why the ranks of leadership and management cadres are weak and why they are unable to satisfy the demands of the socioeconomic tasks in the new stage.

At the end of the 1970's, the party discovered this irrational situation. The party put a number of cadres who had high scientific and technical standards and who had received systematic training in leadership and management positions in the sectors and localities. But because these people had been working at schools, laboratories, and research institutes for several decades and had not been trained for leadership and management positions, they frequently encountered various difficulties when they became leaders and managers.

Since the beginning of the 1980's, the party has selected cadres who have high scientific, technical, and professional standards, but they have been tested and trained from the primary level and localities. Most of these people have a good effect when they become leadership and management cadres. However, there are very few of these people, because during the past several decades, the outstanding graduates and people who have earned their doctorate or master's degree abroad have usually been employed at colleges or research institutes. They have not returned to the locality or primary level. Today, there is a need for talented and experienced cadres who have been trained and tested in reality. But such people are very hard to find. Thus, the ranks of leadership and management cadres, particularly the ranks of leadership cadres at strategic echelons, cannot maintain continuity or grow. Today, of the 169 comrades in the CPV [Communist Party of Vietnam] Central Committee, 111 are over the age of 60.

Ranks of leadership and management cadres cannot be formed spontaneously. This must be done in a self-conscious manner. That is, the party and state must have viewpoints, policies, plans, measures, and mechanisms that will have a positive effect and that have goals.

Above all, sources must be determined, and sources must be created to reinforce the ranks of leadership and management cadres.

There is a shortage of leadership and management cadres, and these ranks are seriously out of balance. There are many vacant positions, but people can't be found. There are two different opinions about the reason for this situation. A number of people say that the reason for this is that the ranks of cadres lack potential. This view does not have a strong basis and so only a few people agree with this. Most people think that party organizational and cadre work has many weaknesses and shortcomings. Decades have gone by without forming a unified system of views and policies on building ranks of cadres. There are no plans for training replacements. The

cadre regulations and policies are not suitable. The good cadres who have talent are not able to manifest it.

It can be said that there are abundant sources for reinforcing the ranks of leadership and management cadres. Never before have we had such a large number of cadres of a varied nature who have been systematically trained.

The long-term and large source of leadership and management cadres is the schools. Besides qualities and capabilities, which have been mentioned for a long time, the leadership and management cadres must have political talent and practical experience. Only if they have political talent will they be able to train themselves to become far-sighted people who can accurately predict the problems that will arise and put forth correct policies, lines, and positions. Leadership and management are very difficult skills that require specific talents. Talented people who have studied and trained for several years can grow more than those without talent who have studied and trained for decades. Because of this, the talented people must be discovered when they are still in school and assigned jobs after they graduate. Through practical work, they will continue to be trained, tested, and filtered.

The direct sources of reinforcements for the ranks of leadership and management cadres are the intelligent people who have been trained in actual practice and who have capabilities and good qualities. There are many such qualities and capabilities, but the two most important points are:

Being loyal and devoted to the revolution, always working for the people and country, never slipping into individualism, and never letting individual ideas and feelings interfere when making plans or when implementing the policies, lines, or positions. If individualistic ideas and actions are allowed to control the policies and positions, the damage will be immeasurable.

Having leadership and management capabilities. In particular, cadres must be politically sensitive and far-sighted. They must have the ability to make accurate predictions and the ability to persuade the masses to implement the party's lines.

Thus, beginning now, the sources for reinforcing the ranks of leadership and management cadres must be politically talented people who have been systematically trained, recruited, forged, tested, and filtered and who have matured in practical activities through democracy and openness.

Along with determining sources and actively creating sources to reinforce the ranks of leadership and management cadres, cadre work must be promptly renovated. In my view, the content of this can be expressed in the following points:

First, cadre standards must be defined correctly. It is not enough to define just general qualities and capabilities.

The standards for each leadership and management position must be concretized. Experience shows that if we stop at defining standards in a general way, the evaluation, selection, and assignment of the cadres will be done in a general way, too. Just because a person has served as a minister or department head in one work sphere does not mean that he can serve as a minister or department head in some other work sphere. Only by standardizing things will it be possible to limit the subjective factors of voluntarism and explanations and the arbitrary use of cadre standards.

Standardizing each cadre position is a new and difficult problem, but this must be done. Because only if this is done will it be possible to make basic changes in cadre work.

Second, cadres must be evaluated correctly. Today, it is very difficult to evaluate cadres correctly. The old mechanism has been destroyed, but the new mechanism is not yet complete. Because of this, it is very difficult to distinguish the dynamic and creative cadres from cadres who have violated the laws and who lack organization and discipline. Even though the phenomena or work may be similar, the nature of the problems may be very different. Using the "results in completing the tasks assigned" as a yardstick for evaluating the qualities and capabilities of the cadres is a scientific problem. But, during renovation, unless we look at the objectives and the motive for completing the tasks, and unless we see whether the conditions for carrying out the tasks were favorable or difficult, temporary or continuous, and so on, mistakes will be made in evaluating cadres.

In the renovation process, it will be difficult for loyal, energetic, and creative cadres who like to experiment to avoid making mistakes. If cadres are not permitted to make mistakes in the test process, the hands of the good cadres will be tied, and this will only encourage the average and "plump" cadres or opportunistic elements. Cadres who make mistakes because of individual motives and clannishness must be clearly distinguished from those cadres who have correct motives but who unfortunately happen to make mistakes. Cadres who make creative use of the party's directives and resolutions must be distinguished from those who implement the resolutions in a mechanical manner or cadres who emphasize the special characteristics of their sector or locality in order to reject the party's resolutions. Cadres who really support renovation and who have the ability to carry on renovation must be distinguished from those just talk about renovation but who don't really do anything, or who do things in the name of renovation in order to oppose renovation. Evaluating cadres in democratic and open conditions also poses many new problems. Regardless of the regulations and measures used, democracy and openness must not be allowed to become formal or ostentatious or oppose public opinion. This is a problem that must be concretized. In the democratic and open conditions of the past period, a number of cadres with poor and average qualities and capabilities have managed to ingratiate themselves. There have even

been opportunists and toadies who have been trusted and who have received many votes during elections. These cadres have either been unable to control the organization or have become excellent "demagogues." Many trusted cadres who have qualities and capabilities have not been able to manifest an effect. A number of cadres have been given high marks for smashing the old fetters, but they do not have the ability to solve the problems in a scientific way using the new mechanism.

In evaluating cadres, the observations and evaluations of the party organizations and heads must be coordinated with the opinions of the masses.

Third, cadres must be selected, employed, and promoted correctly. Cadre recruitment regulations must be renovated, and it must be ensured that truly talented cadres with good qualities are selected. In assigning jobs to and promoting cadres, the right person must be assigned to the right job at the right time. Today, promoting cadres at the right time is very important. Promoting cadres at the right time means promoting them when they are advancing. To know when a cadre is moving forward, moving sideways, or moving backward, people must be very familiar with that cadre. For a long time now, there have been cases in which cadres have been promoted even though they had been moving sideways or had even started moving backward. When cadres want and need to work and are full of energy, they are not promoted. But when they don't want to work or don't have the energy, they are promoted. Promoting cadres too soon or too late is harmful. In order to lower the average age of the ranks of cadres, cadres must be promoted at the right time. Cadres who have been tested and trained, who have matured in actual practice, and who have the trust of the masses can be promoted several levels.

Fourth, the average age of the ranks of cadres must be lowered. Steps must be taken to ensure that each echelon has three age groups and to ensure continuity in the various echelon leadership organizations. Lowering the average age of the ranks of leadership and management cadres is in accord with the law, and this is an objective necessity. But this must not be done in a formal manner, relying just on age and academic titles. The attitude of not having confidence in young cadres and not actively training them must be opposed. The bad habit of "pulling each other by the sleeve" must be opposed. Those cadres who cannot handle the tasks assigned them must be replaced promptly. Retirement measures must be implemented correctly. Cadres who are still in good health and who are capable and have quality can be given appropriate jobs.

Fifth, making cadre plans must be promoted. For a long time now, our ranks of leadership and management cadres have been unstable, and it has not been possible to maintain continuity. The leadership echelons have not maintained the three age groups. This stems from that fact that cadre plans have not been prepared, or this has been done in just a formal way.

At a time when one generation of leadership cadres is succeeding another generation, cadre planning is very important. The cadre plans should be based on lowering the age of the cadres and intellectualizing the ranks of cadres. The emphasis should be on the political qualities, intellectual talents, and practical organizational capabilities of the cadres.

During the past three years, cadre planning has been formal, and the selection of reserve cadres has been very simple. In some cases, the secretary of the provincial CPV Committee has selected the deputy secretaries who will replace him, the deputy secretaries have selected the members of the Standing Committee who will replace them, and the members of the Standing Committee have selected the members of the provincial CPV Committee who will replace them. As a result, almost all of the leadership cadres are on the reserve rolls and are waiting to be promoted or given a job at a higher echelon. Many cadres are concerned only about getting a job at a higher echelon and so they are restless and don't concentrate on their present job.

Sixth, a cadre management mechanism must be built in a scientific way, and policies must be implemented to deal with cadres correctly. In the past, a distinction was made between managing activities and managing people. Now, these two must be combined. The organizations that manage the work of the cadres also manage people, and they have the right to make decisions concerning cadres. In the past, the policy on dealing with cadres stressed encouraging them to run after administrative positions. Now, attention is being given to handling things properly with respect to talented cadres who have made real contributions and to encouraging inventive and creative people.

Lead and Manage Cultural, Arts and Letters, Press, and Publications Activities

*913E0009G Hanoi TAP CHI CONG SAN
in Vietnamese No 11, Nov 90 pp 52-56*

[Article by Tran Anh]

[Text] The epidemics of "black videos," "degenerate music," "foreign pictures and calendars," and so on had just begun to subside when suddenly at the end of 1989 and during the first six months of this year, many publications with evil and harmful content again began to appear.

One of the fundamental reasons for this situation is the weakness and laxity in leading and managing the cultural, arts and letters, press, and publications activities.

The recent directives of the Secretariat of the CPV [Communist Party of Vietnam] Central Committee on "A Number of Problems in Today's Management of Cultural and Artistic Activities" and "On Strengthening the Party's Leadership With Respect to Press and Publishing Activities" have again mentioned the responsibilities and the results that must be achieved in leading

and managing things in this sphere and pointed out specific guidelines, tasks, and measures with the aim of improving the above situation.

These directives paid particular attention to making the cadres and party members, the people in charge at the various echelons and in the sectors and mass organizations, the people in creative circles, and the people involved in cultural, arts and letters, press, and publications activities aware of the fact that cultural, arts and letters, press, and publishing activities have a great effect in contributing to carrying out the revolutionary tasks and that they play a very important role in building the new socialist man. Their function is to strengthen the morals, emotional and intellectual capacity, and artistic capabilities of people and to satisfy the ever-increasing cultural needs of the people.

Because this has not been understood thoroughly, in the past "a number of newspapers, journals, and publishing houses published items with evil content that oppose the lines and viewpoints of the party, that distort history and deny the revolutionary achievements, that exaggerate the mistakes, and that encourage public opinion to oppose party leadership and the socialist system. There have been cases in which people have propagated "erroneous viewpoints" in the name of "reflecting the opinions of the people."¹

Some of the main reasons for the laxity and weakness in leading and managing these activities stem from incorrect and incomplete understanding of the special characteristics of leadership and management in the cultural and arts and letters sphere. Is it true, as some people have said, that this special sphere, a "creative and very individualistic" sphere, should not and cannot be led and managed? Is it true that leadership and management here will create additional restrictions, result in a loss of freedom and democracy, and limit the creativity of individuals and that "the public should, therefore, be allowed to choose its own spiritual dishes?"

It is true that errors have been made and that there have been shortcomings in leading and managing this sphere. This has had a bad effect on the development of the capabilities, freedom, and democracy of artists and writers in carrying on cultural and arts and letters activities. But these errors and shortcomings stemmed from the limited understanding and standards and the limited leadership and management formulas (not eliminating bureaucratic and dogmatic attitudes) of a number of leaders and managers. They did not stem from the nature or leadership and management content of the party and state in this sphere.

Ever since the party was founded and began leading the Vietnamese revolution, cultural, arts and letters, press, and publishing activities have been an inseparable element of the revolution and have made positive contributions to building and defending the country. As an element in the revolution led by the party, it is essential that culture and arts and letters be led by the party and

that they struggle on behalf of the lines and goals of the party. The party led the entire nation in winning independence and freedom and restoring real freedom to artists and writers. Thus, the creative freedom of artists and writers is part of the revolution led by the party, and this is determined by the responsibilities and obligations of each person to the fatherland and socialism. If artists grasp this, free themselves from their shackles and mistaken ideas, have vitality and talent, are steadfast in their creative viewpoints, and have good quality and a lofty concept of responsibility to the people and revolution, they will create worthwhile literary and artistic values. The party views exploiting people's creative potential as a guiding idea in order to develop today's culture and arts and letters. The party has strongly criticized using administrative command type leadership and putting pressure on and forcing arts and letters into the same mold as other spheres. With respect to literary and artistic works, it has advocated "reserving a broad place for individual innovation, individuality, thought, and imagination, and for form and content." Constantly equipping oneself with scientific viewpoints and understanding of the revolution, the lines and viewpoints of the party, and the realities of life, and constantly manifesting the responsibilities of a citizen and one's creative talents and forging an affection for the people and country and for life, the source of all inspiration, are the conditions needed to help artists and leaders and managers operate effectively.

Managing the cultural, arts and letters, press, and publishing activities is not just a matter of monitoring, maintaining, inspecting, controlling, and protecting things, but also of organizing and guiding these activities on the basis of specific requirements. Only if these activities are managed closely will it be possible to keep them on the right track and avoid confusion and violations of the principles, rules, and laws promulgated by the state. Because of this, firm management of these activities will restrict only anarchic type methods, the tendency to run after profits and squeeze much money regardless of the social consequences and real ownership rights of the people with respect to culture. They will never restrict legitimate creative activities. In running after profits only, a number of publishing houses in the provinces (Tien Giang, Long An, and so on) have moved away from the functions, tasks, and objectives of publishing houses. They have reprinted books published under the old system regardless of how the content has been judged. Among the disruptive publishing activities, a serious phenomenon is that a number of publishing houses have forged links to gang leaders and have allowed them to use the name of the publishing house to publish degenerate books. In the press sphere, seditious material has appeared in special editions and appendixes. Some publications, such as the special edition TU PHAP QUANG NAM-DA NANG and the journals SONG HUONG and CUA VIET, have committed serious errors.

This poses an important problem in managing culture—urgently promulgating laws and regulations on cultural

activities. This is the basis for ensuring that these activities regularly maintain discipline and order, develop properly, and have quality. We must immediately reexamine the legal documents, revise and supplement things as necessary in accord with the spirit of renovation, propagandize and popularize the existing laws (such as the press law), and continue to promulgate new laws (such as the publishing law).

Constantly giving attention to cultural, arts and letters, press, and publishing activities, the party and state have issued many specific resolutions, directives, procedures, and policies. The Council of Ministers has promulgated financial measures for cultural and artistic activities, seniority measures for performers, and measures on stipends for new authors. In its directives, the Secretariat of the CPV Central Committee has stressed important management measures with the aim of facilitating the creation and publication of good works, increasing investments and expenditures for projects and works of historical and social significance, increasing the literary and artistic awards, improving the stipend and allowance system so that writers and artists can live and work with their minds at ease, and ensuring the legitimate interests of writers, producers, and performers. As for works judged to be creative but which for various reasons cannot be released at this time or whose release must be limited, the matter must be discussed, the author must be convinced, and the draft must be purchased based on the stipend system currently in force with the aim of ensuring the spiritual and material rights of the author.

State management must be strengthened regarding cultural, arts and letters, press, and publishing activities; this will require an active effort by managers and the use of scientific and artistic measures. This is because management is both a scientific and an artistic activity. On the other hand, in order to help management achieve results, we must give attention to the management targets.

Because not enough attention has been given to the special nature of the management targets in order to implement suitable measures, the cultural, arts and letters, press, and publishing activities have frequently run into difficulties that have been very difficult to overcome. Misunderstanding the anti-subsidy movement, many managerial organizations in the localities have forced a number of cultural and artistic units and publishing houses to balance receipts and expenditures and pay interest like a commercial economic unit. The result has been that the artistic works and publications have become "commodities." In order to increase business and make a profit, works of art and books have pandered to the base passions of a number of people and have followed the "latest fashions" of their audiences and readers, which means that they must contain many love scenes, clashes, surprises, enigmas, intricate involvements, and descriptive scenes and expressions of the bestial instincts of man. In order to sell books, many

book covers contain provocative statements and strange pictures that have little to do with the content of the book.

As we know, products become commodities when they are produced with the objective of selling them on the markets and satisfying the needs of the consumers. However, people purchase artistic products and books not to satisfy material or instinctual needs but to satisfy intellectual, spiritual, and emotional needs. The value of a work of art is manifested in the depth of the issue or objective reflected in the work. The lofty goal of cultural and arts and letters products is to provide spiritual and artistic values and go beyond monetary numbers. Works of art and books have the ability to create emotions that facilitate moving closer to the revolution, accepting new truths, and thirsting for action based on the laws of beauty and nobility. These are the things that create the true values of man.

Thus, cultural, artistic, and literary works cannot be viewed simply as "commodities." Cultural and artistic activities cannot be viewed as commercial activities that must make a profit. Thus, the state "does not advocate that all cultural and artistic activities must be commercial activities in order to pay the expenses." Moreover, it has stated that it "will increase state budget investments in these activities at the central echelon and in the localities."² The directive of the Secretariat of the CPV Central Committee "On Strengthening the Party's Leadership With Respect to Press and Publishing Work" clearly stated that "books and journals are very important tools on the ideological front. They can make great contributions to renovating, building, and defending our socialist fatherland. At a time when the imperialists and enemy forces are striving to use books, journals, and cultural products to spread propaganda about degenerate ways of life and encourage political and ideological turmoil, we must strengthen the leadership of the party and the control of the state with respect to press and publishing work. Favorable conditions must be created for press and publishing activities so that these can satisfy the ever-increasing needs of the people for good books and journals, propagandize the lines and policies of the party and state, contribute to forming good emotions and morals and a wholesome way of life, raise the intellectual standards of the people, and heighten awareness to oppose the distorted arguments of the enemy. At the same time, resolute action must be taken to block the publication and circulation of reactionary and degenerate publications."

So that publishing activities are of high quality and achieve good results, organizational control must be strengthened.

The reality of today's publishing activities and the pressing need to ensure that these activities have high quality and achieve good results require that the publishing network be quickly reorganized and solidified from the central echelon to the localities. The system of publishing houses and the functions, tasks, quality, and

achievements of each type of publishing house and of each publishing house must be reexamined. The functions of the publishing houses must be stipulated clearly. The leadership apparatus and editorial ranks of a number of publishing houses must be reorganized and solidified. Standards must be set for the management cadres at the publishing houses, and those directors whose political, cultural, and professional standards are low must be replaced. Training the ranks of editors, particularly at the local publishing houses, must be promoted. Reality also shows that it is the political and cultural standards and qualities of the cadres in charge of the publishing houses that determine the achievements, strong points, shortcomings, and mistakes in the publishing activities of each unit.

Building and perfecting the management mechanism and correctly decentralizing management are essential requirements of management. These are the immediate and long-term struggle targets of the publishing sector and of the controlling ministries. These can help stabilize publishing activities, maintain order and discipline, quickly end the disorder with respect to the functions and responsibilities of the publishing houses, and put a stop to the situation in which many of the publishing houses are reprinting books from the old regime and translated books that are in no way connected to the tasks of their publishing house.

The organizations that have the right and that are directly responsible for guiding and controlling the guidelines and plans of the subordinate publishing houses are the controlling organizations of those publishing houses. The strengths or weaknesses of the publishing houses and the printing and publishing of good works or bad works is the responsibility of these controlling organizations. Thus, the managing organizations of the newspapers, journals, and publishing houses at the central echelon and in the localities must be unified quickly. The work of the controlling units must be developed effectively, and quick action must be taken to overcome the situation in which blank checks are given or little attention is given to managing the publishing houses.

The activities of the inspection and control units must be strengthened, and negative phenomena in press and publishing activities must be dealt with harshly. These are urgent requirements about which there can be no delays.

Today, press activities are concentrated in the cities, and sometimes there are too many books and journals. But there is an absence of books and journals in the rural, mountain, and remote areas. An effort must be made to build and consolidate publishing, printing, and distribution in a synchronized and harmonious way so that the necessary books and journals reach the appropriate targets. Attention must be given to satisfying the needs of

readers everywhere, contributing to improving the cultural and spiritual lives of the people, and implementing the viewpoint of bringing cultural light to the mountains and remote areas.

Footnotes

1. Directive "On Strengthening the Party's Leadership With Respect to Press and Publishing Work," No. 63-CT/TW, 25 July 1990.
2. Directive of the chairman of the Council of Ministers on a number of urgent problems in the cultural sector issued on 17 November 1989.

Some Real Experiences From the Ma Da State Farm

00000000 Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 90 pp 57-60

[Article by Pham Thang; not translated]

The Reality Behind the Bankruptcy of Nonstate Credit Organizations

913E0009H Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 90 pp 61-65

[Article by Doan Hue]

[Text] Recently, in Hanoi and a number of other cities, groups of hundreds of people went to the headquarters of nonstate credit organizations and even the headquarters of the municipal people's councils to demand the return of their deposits. They had learned that these credit organizations were not able to pay their debts. What was the reason for this? Why have these credit organizations gone bankrupt?

In October 1988, the State Bank promulgated a temporary regulation on the organization and activities of nonstate credit organizations. The purpose of this was to limit the scale and scope of the activities of these organizations. According to documents of the banking sector, as of the end of March 1990, there were approximately 300 urban credit organizations in the country. Of these, 130 were legal organizations with sufficient capabilities, and 165 were either illegal units or legal units that lacked the conditions necessary to carry on operations (93 of these units were established by party committee echelons, administrative echelons, and the sectors). The total operating capital of these organizations was 862 billion dong, of which 80 billion dong was existing capital and 782 billion dong was deposits by the people. These credit organizations had loaned 349 billion dong to state economic units, 130 billion dong to collective economic units, and 311 billion dong to private economic units and individuals.

Although the nonstate credit organizations have been in operation for only a short time, they have mobilized and loaned out a large amount of money, contributed to stimulating currency circulation, and provided good

support for the currency needs of production and business. The nonstate credit organizations have created capital markets in a number of zones, reduced credit monopolization by the state banking system, and contributed to improving business techniques and behavior at the specialized banks.

However, the formation and operations of these credit organizations during the past period have exhibited many shortcomings and negative aspects that must be corrected promptly.

Most of the nonstate credit organizations were established and expanded in a spontaneous way without plans, and the conditions necessary for business operations have not been created. As a result, many negative phenomena have arisen (such as running after profits only and engaging in trading without starting from the targets of supporting production and circulation and contributing to stabilizing the capital markets). Because commercial production has suffered losses, many state and private enterprises have not been able to pay their debts. The credit organizations have not been able to recover the capital and so they have not been able to pay their depositors.

Facing the danger of bankruptcy, a number of credit organizations have automatically raised interest rates in order to compete for funds and use those to pay the deposits due. As a result, they have suffered even greater losses, and that has led to bankruptcy. The thing to note is that some of the cadres and employees at a number of the nonstate credit organizations have committed many negative actions such as stealing from pool fund members and corporations and using the money loaned by the people to participate in pool funds or contribute capital to buy shares in corporations in order to earn a high rate of interest. In particular, the collapse of the Thanh Huong Perfume Plant and the Sacogiva, Dai Thanh, and Anh Dao credit centers in Ho Chi Minh City and the possible bankruptcy of the Nguyen Trai, Truc Bach, and Dong Xuan credit funds in Hanoi have eroded the people's confidence in the party and state and had a bad influence on the domestic socioeconomic situation.

What has caused the nonstate credit organizations to go bankrupt?

The general reason is that our country's economy is still out of balance. The production and business units lack capital and cash. They have to borrow capital from the nonstate credit organizations at high interest rates. Because of this, product production costs are high, and the goods produced can't compete with imported goods. When they can't sell their commodities and they suffer losses, the production and business units can't repay the money that they borrowed.

The direct causes of the bankruptcy of the nonstate credit organizations are the shortcomings in managing things and the disregard for discipline and for the law. Specifically:

1. The state organizations with jurisdiction have not controlled things tightly. They have allowed the local party committee echelons and authorities and the sector organizations to arbitrarily permit the establishment of nonstate credit organizations contrary to the stipulated procedures. More than half of the nonstate credit organizations were not established legally, and from the day that they were established, their intention was to defraud the people and use the money for their own purposes. A number of nonstate credit organizations have operated outside the control of the State Bank.

As we know, in switching to the new mechanism, many production and business organizations have sprung up quickly at various echelons and in various sectors and economic elements in a variety of forms (state-operated, joint state-private corporations, cooperatives, cooperation teams, and private corporations). But very few of these organizations have enough capital to carry on production and business. In these conditions, nonstate credit organizations have been formed to provide sources of capital. With a market interest rate mechanism, these credit organizations have quickly attracted a rather large amount of capital and cash and can carry on loan activities not only within but also outside the stipulated boundaries in order to earn interest. Many commercial production installations have suffered losses and so they have not been able to repay the loans. This has limited the ability of the credit funds to pay their debts. At a number of the credit funds, individuals have taken a large portion of the capital. In Hanoi, for example, private individuals have borrowed more than 80 percent of the total capital of the credit funds, but they have been slow to repay the money. Besides this, a number of people, using the loopholes in management, have set up credit funds in order to defraud the people and make profits for themselves. In Hanoi, work teams have discovered that 53 key cadres of credit funds appropriated almost 1 billion dong for themselves. In this, many people borrowed money in order to turn it over for a profit. For example, Kieu Thanh Son (Dong Xuan Fund) borrowed 360 million dong. Some people have even stolen large sums of money and then fled. The thing to note is that the local party committee echelons and authorities have failed to adhere to the principles concerning asset mortgage laws, bankruptcy laws, business laws, and capital mobilization laws. As a result, many of the nonstate credit organizations are going bankrupt. In general, the ward and subward administrative apparatus is cumbersome and does not have the ability to prevent illegal activities or punish those who engage in such activities.

2. The legal mechanism cannot ensure safety for currency activities. We have switched to a multifaceted commodity economy, but we still lack laws to create the conditions and environment necessary to enable the nonstate credit organizations to carry on operations. This includes a banking law, an assets mortgage law, a bankruptcy law, a business law, and capital mobilization law, and so on. On the other hand, the central State Bank

has been slow in submitting a banking law for promulgation by the Council of State and banking statutes for promulgation by the Council of Ministers. Negative phenomena have occurred because of the loopholes in state control through laws. Today, overdue debts account for 64 percent of the total amount of money loaned. Most of the commercial units are in debt. Because their commercial activities have suffered losses, some units have not been able to pay their debts on time, but some units have not actively looked for ways to pay their debts. They lack a sense of responsibility regarding paying their debts on time. Besides this, a number of units and individuals have ostensibly borrowed money in order to engage in commercial production, but in reality they have used the money to participate in pooling funds or to make loans at a high rate of interest. Now, they are bankrupt and cannot repay the money.

3. The various echelon banks have not controlled and monitored or given professional guidance and help to the nonstate credit organizations. In particular, they have not fully carried out their state management functions. The looseness in the state management role of the various echelon banks is manifested above all by the fact that the banks have not stipulated appropriate regulations or closely monitored the implementation of the existing regulations. They have allowed large numbers of nonstate credit organizations to be established and have permitted them to operate based on a spontaneous market mechanism with respect to loan interest rates. The central State Bank has been slow to put forth a currency and credit policy and unified stipulations on professional activities that organizations and individuals must obey, particularly a macroeconomic management mechanism. As a result, many nonstate credit funds have not carried on operations with the aim of helping and supplementing bank credits, contributing to stimulating commercial production, and strengthening the economy. Instead, their main aim has been to make huge profits. Many of the negative activities and "shady" deals of those in this only for a profit have not been discovered or stopped in time. The professional weaknesses of many of the production installations, such as the weaknesses in commercial currency accounting and account auditing, have not been corrected. Almost all of the nonstate credit funds have added the interest of their customers to their capital and generated fake interest in order to pay wages and bonuses and have a high income, with the result that they have eaten into their capital and gone bankrupt.

As for principles, nonstate credit organizations must be subject to the state control of the banks. But, in the past, the central State Bank has lacked timely measures to regulate credit activities, and there have been many loopholes in entrusting the ward people's committees with the task of issuing operating permits to the nonstate credit organizations (even though it is required that the agreement of the bank be secured). The nonstate credit organizations in the cities have been formed and are operating like small banks in accord with the regulations for public corporations. But these organizations are still

being managed in accord with the management regulations for rural credit cooperatives. When the masses have discovered negative phenomena in a number of credit funds, a number of the state banking organizations and local party committee echelons and authorities have shown a lack of resolve in implementing the stipulations on state control of these funds.

In order to overcome the present situation in which nonstate credit organizations are going bankrupt, the following measures must be implemented in a prompt and synchronized manner:

The currency circulation service activities of the nonstate credit organizations that are suffering losses and in danger of going bankrupt must be stopped immediately.

The assets, capital, documents, and invoices of these credit organizations must be liquidated. Attention must be given to monitoring not only the board of directors and the members of the board who are responsible for the losses and the danger that that credit organization will go bankrupt, but also the private economic installations, individuals, cooperation teams, and cooperatives that have borrowed money from these credit organizations. The urgent task today is for the local authorities and various echelon banks to coordinate things in inspecting and analyzing the activities of the nonstate credit organizations and classifying these organizations based on location so that each specific case can be dealt with appropriately. The legal credit organizations (with adequate conditions) that are making a profit should be issued business permits allowing them to continue operating. Illegal credit organizations (without adequate conditions) must be disbanded. Whoever issued the decision to establish the organization must now issue a decision to disband it.

The debt collection and debt payment activities of the nonstate credit organizations must be concluded.

Most of the bankrupt credit funds want to "transfer" their debts to the state. In some places, they have encouraged unruly people and borrowers to participate in "struggles" to demand payment. Of course, the state is under no obligation to back the debts of these bankrupt credit organizations. The various administrative echelons must coordinate things closely with the specialized organizations and, using administrative and economic measures, force the debtors to repay the capital to the credit funds so that the funds can repay the people. In Hanoi, guidance committees and work teams have been established in the wards and districts. These are composed of representatives from the people's committees, people's organs of control, people's public security forces, and credit funds. Their job is to control debt collection. The work teams have expanded the work of copying the deposit and loan documents at each fund and have helped the funds arrange to pay the interest and principal owed the people. In cases in which debts are overdue and payment is intentionally delayed, the mortgage assets can be disposed of in order to obtain money

to pay the depositors. In the case of state enterprises that have borrowed money from credit funds and that have suffered heavy losses and had to be dissolved, "debt turnover" measures can be used. This means that the state can loan these enterprises the money to pay their debts on condition that the enterprises have materials and commodities to guarantee the loans. In the case of state enterprises that have not been provided with sufficient capital and that have not been compensated for their losses, the state must promptly provide them with sufficient capital so that these enterprises can carry on production and business activities effectively. With respect to state enterprises that used to make a profit but that are now having difficulty in paying their overdue debts because of their failure to keep up with the process of shifting to the new mechanism, the state can give them loans or extend their loans. If a unit that is directly subordinate to a mass organization owes money to a credit organization, the mass organization is responsible for paying the debt owed the credit fund. If necessary, the state can sell the mortgage assets or stand guarantee. If the managers or employees at a nonstate credit organization intentionally violate the law or cause the assets of the people to be lost, they must be dealt with using economic, administrative, and criminal measures. If a fund goes bankrupt, the cadres who manage that fund must use their own money to pay the debts. Along with collecting debts, the nonstate credit organizations must pay their debts fairly and objectively.

The nonstate credit organizations must be rearranged in accord with the recently promulgated Banking Law.

Specifically: Credit organizations that do not have adequate operating conditions or that cannot operate effectively must be disbanded. These credit organizations must be given help with respect to professional aspects and management methods so that they can voluntarily transform themselves into public banks. In order to control and monitor the nonstate credit organizations, the state should participate in owning shares and appoint people to the board of directors to help manage the work.

The bankruptcies of nonstate credit organizations provide an important lesson for the banking sector: The state's management role cannot be loosened in a multifaceted commodity economy. A useful lesson for the nonstate credit organizations is that they must resolutely implement the currency and credit management principles and the stipulations on asset mortgages (30 percent of total asset value), particularly with respect to those who borrow large amounts of cash (10 million dong or more). The point to note is that the loan targets, loan periods, and ways that the loan funds are used must be monitored closely. Targets that are operating at a loss, that may be engaged in fraudulent activities, or that have asset mortgages with many funds must not be loaned any more money, and they must be made to pay their debts on time.

Peacefully Solidify and Improve the Party Base Organizations

*00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 66-70*

[Article by Hong Phong; not translated]

How Should Corruption Be Punished?

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 71-72

[Article by Bui Tien Sinh; not translated]

A Popular Story

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 p 73

[Article by Hong Dam; not translated]

Some Points That Should Be Given Attention When Formulating Socioeconomic Strategies in Localities

913E00091 Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 90 pp 74-77

[Article by Tran Vinh, MA in economics]

[Text] Formulating a socioeconomic strategy for the country is a new and complex problem that requires great intelligence and much effort. Formulating the strategies of the sectors and localities is a matter of continuing to concretize the country's general development strategy, supplementing and perfecting the general draft strategy, and preparing a basis for setting directions for the 1991-1995 five-year plan. Now that the work of formulating a socioeconomic strategy has been broadened, the provinces and cities have doubts about the relationship between the socioeconomic program and strategy and the five-year plan. They are confused about defining the necessary requirements of the strategy for developing a locality and have tended to "listen" and wait for the central echelon to assign tasks to their locality.

Based on the doubts and confusion, in this article, I want to relate a number of experiences gained in the process of participating in drafting the strategy.

First of all, it should be understood that a program is a document that stipulates the general targets, basic viewpoints, and important guidelines for a long revolutionary period, whose conclusion will mark a basic change in the political, economic, cultural, and social systems of the country. The program manifests the guiding political ideas of the party concerning the age, the targets, and the main formulas for carrying on the revolution.

A strategy concretizes the general targets and basic viewpoints of the program for a specific stage of development. The socioeconomic strategy entails making scientifically based choices about which targets should be given priority in each period, usually 10-20 years. This is a matter of determining the viewpoints in relation to this period and putting forth a system of solutions in accord with the development viewpoints in order to hit the targets. The thread running throughout the strategy is to ensure training, make good use of the people and satisfy their material and spiritual needs better and better on the basis of a rapid rate of economic growth, and enabling the people to be both the target and the motive force in implementing the strategy. The strategy must coordinate exploiting the internal advantages with attracting outside forces, exploit the integrated strength of the people in coordination with the strength of the age, and pay attention to world development tendencies. The strategy must be based on an all-round viewpoint in order to examine and solve the pressing problems, such as creating jobs, creating sources of capital and making use of the capital, and building domestic markets and entering foreign markets. In this, attention must be given to the major balances: a balance between supply and

demand, in budget receipts and expenditures, between accumulation and consumption, and in the balance of payments. But this must be done without becoming mired down in specific intersector balances such as in the long-term plans.

The national economic plan is regarded as the second program of the party. This shows the importance of and the relationship between the program and the plan. Plans are made on a regular basis. They concretize the socioeconomic strategy, because each strategic stage usually runs the length of a number of five-year plans and many yearly plans. In the plans, using a scientific basis, people formulate specific targets and plans and put forth measures to gradually carry out the strategic tasks. Plans are formulated by balancing each factor of developmental strength, exploiting the real capabilities, and organizing things to carry out the tasks in each period.

Thus, formulating programs, strategies, and plans is a very important task. These are rungs of the ladder in gaining understanding and steps forward in organizing and guiding the activities based on the mobilization requirements of objective laws. This process must, of course, be monitored regularly and adjusted frequently.

In our country, following the party's 1930 Program on the People's National Democratic Revolution, each party congress, from the Third Congress in 1960 to the Sixth Congress in 1986, has discussed the problems concerning the socialist construction line. These problems will be summarized to form the Program on Socialist Construction in Vietnam.

The task of formulating a social and economic development strategy this time is completely new even though we have experience in formulating and guiding strategies aimed at defeating the imperialist and reactionary powers that invaded our country. The development of the country's social and economic development strategy has been under way for many years, and the draft strategy will soon be submitted to the people for debate.

Starting from the general national strategy, social and economic development strategies must be formulated for each locality. However, the economy of each locality cannot be viewed as a perfect entity or independent unit. Rather, this must be viewed as an integral element of the national economy. Because of this, the social and economic development strategies of the localities must be related to the national social and economic development strategy. The viewpoint on building an open economic system shows that the local economy cannot be separated from the national economy and that the country's economy cannot be separated from the world economy.

The content of the national strategy (such as the general targets, development viewpoints, general guidelines on the structure of the sectors and economic elements, and major policies) provide guidance and play an important role in creating an overall framework so that the localities can manifest their creative talents. But the strategies of the localities are not simply miniature models or a

recapitulation of the content of the national strategy. To ensure that the formulation of local strategies achieves good results, attention must be given to the following requirements:

1. Each locality must gather data, make accurate inspections, correctly evaluate their socioeconomic situation and level of development, determine the strengths that can be used, and determine what their advantages are in relation to other localities. Strengths include not only natural resources, manpower, and the material and technical base, but also the geographical position, which may enable the locality to engage in economic exchanges with other areas and other countries. The resources should not be evaluated by listing the resources. Rather, they should be evaluated on the basis of existing and future technology and the economic benefits that these can generate when exploited and processed. Evaluations of the comparative advantages cannot be made using general models, viewing things in a rigid way, and relying on the natural conditions. Instead, this must be related to specific social and economic conditions and placed within the context of the domestic and international markets, and the growth potential and needs of each product and important sector must be studied.

2. Based on the special characteristics and the comparative advantages of the locality, the general national strategy must be used to determine specific targets, set priorities, and find solutions that are in accord with the conditions of the locality.

Each province usually concentrates on determining its key sectors and products. However, because they don't fully understand the key sectors, some provinces have put forth three or four sectors as key sectors. But that is not correct. When determining the key sectors, attention must be given above all to development of the sectors over the course of the next several decades. This must be viewed in terms of both technology and the economy, with predictions about market needs being the decisive thing. The key sectors are not just the large sectors with a large volume of products. Such sectors must also have a rapid growth rate, the ability to stimulate the development of many other sectors, the capacity to seize markets both here and abroad, and the ability to make notable contributions to accumulation. Thus, these sectors must have corresponding technical standards and investment capital. Forming a key sector is a process. This cannot be rushed. There must be a convergence of the essential conditions at a certain level. This process must be supplemented and regulated and tested in reality.

Mobilizing capital, creating jobs for laborers, and creating favorable conditions for commodity circulation in

each locality requires specific solutions. The psychology, habits, and special needs of the local people must be studied in order to have suitable measures to put the minds of the people at ease and give them confidence. Based on that, long-term investment capital can be mobilized, and in conjunction with other investment sources, a favorable environment can be created for economic activities. Specifically, some places must study the coastal economy. Other places must give attention to the forest economy. And some places must emphasize industrial crops.

3. Social problems occupy an important position in the socioeconomic strategy. But, to achieve success, the social policies must be coordinated with the economic policies. The special characteristics of minority groups—local traditions, cultural, public health, and educational standards, the aspirations of the people, and so on must be studied, and there must be specific solutions suited to each locality. Equal development among the various ethnic groups must be ensured, rational needs must be satisfied, and the support of the tribesmen in the locality must be mobilized.

4. Steps must be taken to gradually form a favorable production and business environment, and the economy and society must be put on a new development path through the internal strengths of the locality. Passivity, confusion, and sluggishness must be eliminated. This is related to the entire country and also has the "coloring" of each region. Each locality must conduct studies to create the conditions necessary for the expansion of a commodity economy (the infrastructural factors, the division of social labor, and the conditions that will allow the market factors to develop). Depending on what their key sectors are, each locality must conduct studies and build suitable production and management organization models. In this, attention must be given to handling the relationship between the sectors and the territories and between the central echelon and the locality.

The strength of a region or territory lies in its ability to attract with respect to surrounding areas. Thus, the strategy of each locality must solve the problem of strengthening the locality's ability to engage in economic trade with other localities and other countries and gradually increasing the locality's ability to participate in the domestic and international division of labor.

The process of studying and formulating a strategy for each locality must be closely coordinated with formulating a strategy for each sector and a general strategy for the entire country. At the same time, attention must be given to implementing and regularly adjusting the strategies as demanded by actual requirements.

The Three Colonial Generations

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 78-81

[Article by Phan Lang; not translated]

Reform in China—Successes and Complex Problems

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 82-85

[Article by Vo Thu Phuong and Trinh Tat Dat; not translated]

Capitalism Is Economic and Political Imperialism

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 90 pp 86-88

[Article not translated]

NTIS
ATTN: PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD, VA

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTS may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTS and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTS and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTS or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTS and JPRS publications are not available. Both the DAILY REPORTS and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.