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Southeast Asia Report

VIETNAM

TAP CHI CONG SAN

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9 MARCH 1987

SOUTHEAST ASIA REPORT

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No. 11, November 1986

Except where indicated otherwise in the table of contents the following is a complete translation of the monthly theoretical and political journal of the Vietnam Communist Party published in Hanoi.

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PROMPT AND JUST PROSECUTION OF VIOLATIONS OF THE LAW

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 1-3

[Editorial]

[Text] Complex developments are occurring on the crime front. Crime is on the rise and becoming more serious, not only in society, but within state agencies as well. Certain crimes are being committed mainly by cadres and personnel of the state. Criminal offenses are occurring in many fields of activity of the state, especially in the economic field: crimes against socialist property, embezzlement, theft, speculation, blackmarketing and the taking of bribes. At some places, corruption has emerged and grown. In the field of political security and social order and safety, serious violations of the law have been occurring: murder, murder in the commission of a robbery, armed robbery or robbery with especially serious consequences and crimes against the life, property, honor and dignity of the citizen. Deserving of attention in the face of this situation is that many criminal offenses, some serious in nature, have not been prosecuted in a prompt and just manner. Some cases have been allowed to drag on, thus adversely affecting the confidence of the masses. Directive 133 of the chairman of the Council of Ministers and Party Secretariat Directive 84 make it an urgent and strict requirement that we immediately prosecute criminal offenses and take determined, timely steps to prevent socio-economic crimes, which are reaching serious proportions, thereby helping to stabilize the situation, restore socialist order and restore state discipline. The agencies of the law (judicial, public security, inspection, economic arbitration, customs and so forth) on all levels must closely coordinate with the control and court sectors to urgently prepare cases and prosecute criminals. The right person must be prosecuted for the right crime under the proper law. The various party committee echelons must closely lead the prosecution of crimes.

Since the issuance of these two directives, the agencies of the law have coordinated with one another and adopted a unified plan for performing this important work. They have been working together to decide which cases are of key importance in order to prosecute them immediately. They have joined in organizing efforts to uncover new serious cases. The agencies of the law are concentrating on investigating, prosecuting and trying major violations of the law involving embezzlement, theft of state property, bribery, speculation, blackmarketing, the manufacture and sale of fake goods and illegal businesses.

At the same time, they are also giving their attention to trying cases involving economic sabotage, sabotage related to security and national defense and serious crimes against the life, health and dignity of the citizen. However, the work of these agencies is still not being performed quickly or vigorously, especially with regard to precedent-setting economic cases, which continue to be an area in which efforts are weak and progress is slow. Many party committees are still not providing the best possible leadership of this work. As a result, the pressing demands of the situation are not being met.

One question being asked by many persons is how our state, which has at its disposal an entire system of agencies of dictatorship whose power, functions and tasks are fully and clearly defined, could allow such a serious crime situation to occur. There is one very important reason why this has happened: we have relaxed the dictatorship of the proletariat. The agencies of dictatorship have not been fulfilling their responsibilities or functions, have not been fully exercising their authority and have not closely or regularly coordinated their efforts in the spirit of socialist cooperation for the sake of the common interests of the state and the people. We all know that the struggle against crime today is difficult and complex work, work which is dependent upon many different factors. However, the factor of foremost importance in controlling and eventually eliminating the increasingly serious crime situation we face today is to achieve a large and effective combined strength of all agencies of the law, representing the power of the state. This strength must be expressed by every agency of the law fulfilling its role, function and task. At the same time, there must be close coordination in all areas of work, particularly among public security agencies, organs of control and the courts, so that cases can be brought to light, investigated, prosecuted and tried quickly. This strength must also be manifested in the agencies of the law adopting a plan for taking united actions in the struggle against crime, in their achieving a common consensus from the upper to the lower levels, adopting appropriate and effective forms and methods of operation and promptly resolving problems that arise in the coordination of their efforts with the aim of helping to improve the socio-economic situation. To implement the will of the state, the agencies of the law on all levels must be determined to work in exact accordance with regulations and obey the law. They must not allow any individual or any organization to intervene in or obstruct their activities and are themselves accountable under the law for their work. This will guarantee that the law is applied with proper objectivity and in a fair and just manner. It will also guarantee the political character of the law and the correct implementation of Article 134 of the Constitution, which states: "In trial proceedings, the judge and the people's assessor are independent and responsible only to the law."

Recently, besides those party committees and heads on the various levels who have displayed a spirit of responsibility and created favorable conditions for the agencies of the law to fulfill their task, some party committees and some party and administration leaders have taken over specific types of work related to trials and intervened in or obstructed the activities of agencies of the law. Some have even tried to cover up violations of the law by cadres and party members or sought to have charges against them reduced. Close leadership of the agencies of the law by party committees is very necessary.

Its purposes are to insure that agencies of the law thoroughly implement the views and lines of the party, establish a good relationship between politics and the law and provide correct guidelines for applying and enforcing the law under specific circumstances. But this leadership cannot take the place of the work which the agencies of the law must perform in keeping with their functions and task. Close, correct leadership by party committees and the fulfillment of functions and tasks by the agencies of the law combine as one and give the law the greatest possible strength and effectiveness. We must put an end to the practices of tolerating and covering up violations of the law, put an end to "detaining" persons for internal disciplinary action, which actually amounts to nothing more than protecting persons of position and authority who violate the law. More than 60 years ago, Lenin harshly criticized and sternly warned the Executive Committee of the Moscow party organization for its leniency toward communist party members who had committed crimes. He told the provincial party committees that the Central Committee would expel from the party anyone who attempted in the slightest way to "sway" the court with the aim of "lessening" the responsibility of communist party members. At the same time, he requested that the courts punish communist party members more harshly than persons who are not members of the communist party.(1) Therefore, we must observe the principle: everyone is equal under the law, everyone without exception. Every cadre and party member must obey the law just as each citizen must. Cadres and party members who violate the law must be prosecuted in accordance with the law. We must resolutely prosecute, in a strict but just way, any individual or agency that violates state law. This is the foremost requirement, is a matter of principle of the socialist system of law. It is that which gives the system of law vitality.

Our people desire and demand that the party and state take appropriate, effective measures to deal with and stop the negative phenomena in society, especially serious violations of the law. By meeting this legitimate demand and upholding the right of the people to be the masters, we will create favorable conditions for building a mass movement and molding public opinion to fight violations of the law and implement the slogan "living and working in accordance with the Constitution and the law."

With the concern and close leadership of the various party committee echelons, with dynamism, activism and close coordination on the part of the agencies of the law and with the strong support of the people, our difficult and complex struggle against crime will yield the desired results, stop the spread of crime and help to improve the socio-economic situation.

FOOTNOTES

1. V.I. Lenin: "Collected Works," Progress Publishers, Moscow, 1978, Volume 45, p 64.

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STRENGTHENING SOCIALIST PRODUCTION RELATIONS AND MAKING EVERY EFFORT TO DEVELOP PRODUCTION FORCES AND BUILD A CAPITAL THAT IS SOLID, STRONG, PROSPEROUS AND BEAUTIFUL

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 4-12

[Speech by Truong Chinh at the 10th Congress of Delegates of the Hanoi Municipal Party Organization]

[Text] Dear comrade delegates: on behalf of the comrades recommended by the Party Central Committee to come to Hanoi to run as candidates for delegates to the 6th National Party Congress, I warmly greet the congress of delegates of the capital's party organization. On this occasion, I would like to convey to all the cadres, party members, combatants and people of the capital the intimate regards of the Party Central Committee, the National Assembly, the Council of State and the Council of Ministers.

Over the past 11 years, since the entire country entered the first stage of the transitional period to socialism, under party leadership our people have made great efforts and have achieved notable progress. However, we have committed serious shortcomings and mistakes in economic leadership. Besides the fundamental advantages, the socio-economic situation in our country is facing a great many difficulties which require clearsightedness and calmness if correct solutions are to be found.

Held against this background, the 6th National Party Congress takes on special importance. At this congress, we must further concretize the party's lines set forth at the 4th and 5th Congresses, elucidate the strategic guiding thoughts and determine the tasks of our party and people for the remaining years of the first stage of the transitional period. In the spirit of respecting the truth, looking squarely at the truth and clearly speaking the truth, we should deeply analyze our shortcomings and mistakes. On this basis, we should set forth resolute and realistic policies and measures to help the Vietnamese revolution quickly overcome the difficulties and continue to advance steadily.

In the process of perfecting the Party Central Committee's draft Political Report to be presented to the 6th Party Congress, the Political Bureau has discussed and unanimously reached conclusions on a number of the party's economic viewpoints. These are conclusions drawn from the real situation in

our country, from the major lessons of experience in the past 10 years, and from the analysis and reception of the opinions contributed by the party congress at various levels; by various mass, political and social organizations; and by the scientific and technical circles, notables and intellectuals throughout the country to the draft Political Report. These conclusions also reflect the creative application of Marxist-Leninist theory on the transitional period as well as the practical experience in socialist construction over the past decades of the fraternal parties in the socialist community, especially the profoundly renovative spirit of revolutionary and scientific significance raised at the 27th CPSU Congress.

In past years we committed the mistakes of infantilism, leftist deviation, voluntariness and acting against the objective law. These mistakes were reflected in the deployment of the economic structure along the line of our fondness for developing heavy industry on a large scale that exceeded our real capabilities; in the maintenance for too long of the mechanism of management based on bureaucratic centralism and state subsidies with a superstructure too imposing for the infrastructure to bear, forcing us to depend to a large extent on foreign aid to survive; and in our desire to achieve transformation at an early date by quickly abolishing non-socialist economic components.

On the one hand, we have been subjective and hasty, trying to rush things, fond of doing more things at a faster pace and on a larger scale than our capability permits. On the other hand, once we have committed mistakes, we become conservative and sluggish, bent on prolonging the status quo and lacking the courage and determination to correct them.

These shortcomings and mistakes have resulted in the productive forces being restrained, imbalances becoming ever more widespread, productivity, quality and efficiency being steadily reduced, products and commodities becoming scarce and circulation being choked. The country's latent potentials as well as the great assistance of the Soviet Union and other fraternal socialist countries, far from being brought into full play, have been seriously squandered and face the danger of gradually becoming exhausted.

Land, labor, material-technical bases, capital, capability, experience, intelligence and skills of the entire country, of the various sectors and of every region, as well as the laboring people's potentials, have not been exploited and put into full use. Meanwhile, unemployment tends to rise, prices fluctuate wildly and life is unstable. Negativism has developed, traditional spiritual and ethical values are eroded and socio-economic activities are thrown into prolonged chaos, causing widespread doubt about the future and a lack of confidence in the party's leadership.

Faced with the development of the situation, we have been at a loss, unable to find effective measures to cope with it; and, consequently, we have let things follow their own course and start to lean to the right. It is obvious that the more we maintain the old ways of thinking and doing things, the more difficulties will pile up.

The world today is changing rapidly. Socialism must strive to prove its all-round superiority over capitalism in practice. For socialist community,

renovation is the way to surge forward so as to meet the demands of our times and satisfy the legitimate and ever-increasing needs of the people. For our country, renovation is all the more an imperative requirement and an issue of vital importance. This requirement corresponds at the same time with the internal demand of our country's economy and with the changing trend of our times. Only by renovating our ways of thinking and doing things--renovating our thinking, especially economic thinking, renovating our work behavior and renovating organization and cadres--will we be able to extricate ourselves from the current difficult situation.

Our potentials are by no means small, but outmoded concepts, viewpoints and thoughts are hampering the utilization and development of these potentials. In spite of the forces at our disposal, we have tied our own hands with mistakes committed in carrying out a strategic arrangement of the economic structure and in economic management. The 6th Congress will have the heavy task of deciding, on the basis of renovating thinking and changing the ways of thinking and doing things, to reorient the arrangement of the economic structure and renovate the mechanism of management so as to free the existing production forces and to exploit and bring into play all the country's potentials so as to vigorously develop production forces.

To realize the aforementioned strategic concept we must link the development of production forces with efforts to step up socialist transformation and consider this a regular and continuous task throughout the transition period in appropriate forms and suitable steps so as to make production relations compatible with the characteristics and capability of the production forces and always help the production forces to develop.

What I have just presented above can be considered as the most important step taken by our party to renovate economic thinking. Advancing to socialism from poverty and backwardness, we must seek ways to exploit and fully utilize all capabilities so that all working people are employed and can contribute toward turning out plenty of wealth for society with the aim of systematically carrying out the fundamental economic law of socialism that calls for satisfying the laboring people's ever-increasing material and cultural needs. Based on the experience gained by our country itself and by fraternal socialist countries, we affirm that it is possible to advance directly to socialism from an economy chiefly characterized by small production without going through the stage of capitalist development. However, it is definitely impossible to bypass the development of goods production and to correctly use the goods-money relationship in planning the national economy.

The renovation process has already been laid out from the resolution of the 4th Party Central Committee's 6th Plenum, and especially since the resolution of the 5th Party Central Committee's 8th Plenum. The Party Central Committee's 8th Plenum profoundly analyzed the great and multifaceted harm of the mechanism of management based on bureaucratic centralism and state subsidies and decided to do away with the old, outmoded mechanism of management and shift to a mechanism of management based on economic accounting and socialist business with planning as the kingpin.

The new spirit and letter of the Party Central Committee's 8th Plenum resolution demonstrate a maturing step in the economic thinking of our party. The Political Bureau's recent assessment of certain economic concepts has further clarified in a more systematic manner this new spirit and letter.

We must imbue ourselves thoroughly with the concepts outlined in the Political Bureau's assessment and must include these concepts in the process of developing our party's economic thinking ever more profoundly and comprehensively.

A new economic thinking involves the application of Marxism-Leninism in our country's situation to suit objective law and the level of the economy in each particular stage of its development. This is a dialectical, scientific and revolutionary thinking.

In guiding the implementation of the Party Central Committee 8th Plenum resolution, we have committed a number of serious mistakes. Faced with temporary difficulties, obstacles and setbacks, there exists a feeling of bewilderment and skepticism over the Party Central Committee's 8th Plenum resolution and a tendency to maintain bureaucratic centralism and state subsidies.

We must get rid of all indications of waivering and must be determined to preserve the correctness and the profound scientific and revolutionary characters of the Party Central Committee's 8th Plenum resolution. Meanwhile, in the process of implementation, we must encourage and welcome those timely and constructive suggestions in order to make the Party Central Committee's 8th Plenum resolution ever more practical and more fully and correctly reflective of the requirements in production and life and to create conditions for the fundamental spirit and letter of the resolution to suit the people's lives.

In supervision of work, we must qualitatively work out appropriate steps and work methods, trying to avoid becoming impatient and hasty as we did previously in making an unexpected across-the-board readjustment of the system of prices, wages and money to a very high level.

When it comes to strategic determination, we must resolve to follow unreservedly the direction of renovation in line with the objective law, that is, discarding bureaucratic centralism and state subsidies and shifting to economic accounting and socialist business.

What we have to do now is to reflect on our recent experiences, both successful and unsuccessful, to determine practical and effective measures to overcome difficulties and correct shortcomings and wrongdoings along the line of persistently carrying on renovation with a determination not to return to the former course of actions. Returning to bureaucratic centralism and state subsidies amounts to returning to a cul-de-sac in which we have been confined for years with no way out. Discarding bureaucratic centralism and state subsidies and carrying out economic accounting and socialist business is precisely the correct way out without any other alternatives.

Opposing bureaucratic centralism and state subsidies is a very hard struggle between the old and the new, between the progressive and the backward, between the dynamism of the need for renovation and the conservative thinking of well-ingrained habits, and between the needs to establish genuine socialist collective mastery for the entire working population and the individualism of a number of people who are holding on to their special prerogatives and privileges under the pretext of defending socialism. This struggle is taking place within the party, the state apparatus and various mass organizations as well as among the people, within each and every echelon and sector and inside every one of us.

The future of the fatherland and the interests of the nation require that party cadres and the entire party membership, especially leading cadres, must exemplarily take the lead in this struggle. We must boldly rid ourselves of conservatism and backwardness, free ourselves from simplistic concepts of socialism, give up those special prerogatives and privileges and other involvements which run counter to the principle of distribution according to labor and which we have long benefited from the system of bureaucratic centralism and state subsidies if we are to contribute to promoting the birth of the new. We must regard this as a means to affirm our position as truly loyal servants of the people as advised by esteemed Uncle Ho.

In the struggle for renovation, our party will gradually reach maturity; and each cadre and member of the party will also become mature. Those who cannot rid themselves of conservative and backward thoughts, cannot overcome individualism and dare not give up special prerogatives and privileges will naturally negate themselves before the people and set themselves aside from the path of national progress.

Comrades, at this congress, you have the duty to discuss the Party Central Committee's political report to be presented to the 6th Congress, contribute your opinions regarding this report, and at the same time, decide on the targets, orientations and tasks of the capital party organization for the 1986-1990 five year period. To do this satisfactorily it is necessary to study and thoroughly understand the viewpoints cited in the conclusion adopted recently by the Political Bureau and already sent to the congresses of provinces and municipalities.

The points I have just mentioned are aimed at giving you additional food for thought in the course of your study.

Dear comrades, the Political Bureau and the Secretariat are always concerned about the situation in Hanoi municipality, and they have regularly followed every step of your progress and given you due encouragement, for the purpose of the capital is a common source of pride for the people nationwide. In past years, under the leadership of the Party Central Committee and the guidance of the Secretariat and the standing body of the Council of Ministers and with the coordinated activities and cooperation of the various sectors, provinces and municipalities throughout the country in implementing party resolutions, especially Resolution Number 08 of the Political Bureau on the tasks of the capital, the party organization and people of Hanoi have strived to overcome difficulties, surmounted many challenges and scored important achievements.

These achievements are admirable. The efforts made by you, comrades, and the municipal people are commendable.

On behalf of the Party Central Committee and the Political Bureau, I welcome these achievements and heartily praise the spirit of stalwart and persistent struggle displayed by the party organization and people of the capital.

What has been accomplished is considerable, but the coming tasks are even bigger and heavier. They require that the party organization and compatriots in the capital further develop their initiative and creativity as well as their extraordinary efforts.

As the key political, cultural and scientific-technological center and, at the same time, a large economic center and an international business center, Hanoi enjoys a very basic advantage in that concentrated here is an important part of the country's multifarious potentials. To speed up the progress that is still slow as compared with the requirements and capabilities so as to meet the expectation of the municipal people as well as the people throughout the country, you must take stronger initiatives in finding every measure possible to exploit the municipality's very strong positions and its existing potentials.

The resolutions of the Party Central Committee and the Political Bureau, especially the economic viewpoints which have just been decided upon by the Political Bureau, are opening the way for you to take full advantage of the current conditions to rapidly develop these strong positions and potentials. At the same time, efforts must continue to be made in a rational manner to build an infrastructure consisting of electricity, water, communication and transportation and signal and liaison services so as to promptly meet the requirements for developing production, expanding circulation and stabilizing the people's life.

Building the capital in general and building the infrastructure of the capital in particular are the duties of the capital party organization and compatriots. They are also the common duties of the entire party, of all echelons and sectors and of our entire population as the capital is a source of pride for the whole country and it serves as a representative of our country in relations with the outside world.

Together with the efforts of the party organization and people in the capital, all centrally-run sectors and all localities must regard the building of Hanoi as their own duty. They must contribute to renovating the face of the capital quickly and steadily.

On the basis of carrying out overall planning harmoniously, combining immediate with long-term activities, economic construction with political, cultural and social activities, and modern architecture with traditional, relying on the efforts of the entire country and with the assistance given by the Soviet Union and other fraternal and friendly countries, we can and must struggle to bring Hanoi one step ahead of its economic development level if we are to insure those conditions needed by the capitals of whatever countries to meet their political, cultural and social requirements.

The Political Bureau's Resolution Number 08 on activities to be carried out by the capital clearly specifies these requirements and tasks. However, our understanding is inadequate. Now it is necessary to reiterate and emphasize these requirements so we can understand them more thoroughly and implement them more satisfactorily in the period ahead.

We must strive to enable Hanoi to be a worthy capital for the SRV, to retain its own traits, and to take up and develop the fine tradition of the land of Thang Long with a thousand-year-old culture. In this construction undertaking, the party organization and people of the capital must take the lead. Responsible central-run sectors must achieve constant and close cooperation with Hanoi. Other localities in the country are duty-bound to actively participate in this construction.

I favor the course along which Hanoi is building its economic structure as already outlined in the party organization's report on its situation and tasks covering industrial and agricultural activities, support services and foreign economic policy. I also would like to contribute some of my opinions to you, comrades.

In recent years, the suburban area has been widely expanded. Giving more attention to the agricultural field is therefore necessary and correct. We must pay attention to building a new rural area up to the standard required for the capital's suburban area. We must carry out the three revolutions, consolidate and strengthen the worker-peasant alliance, gradually perfect the system of giving out contracts for end-products to groups of laborers and individual laborers, do away with non-specific contracts, link the development of the outer-city with the inner-city areas and work out an appropriate policy to stimulate agricultural development, covering both crop cultivation and animal husbandry, in order to achieve self-sufficiency right within the agricultural sector and to supply part of its grain and food to the municipality.

On the other hand, we must, however, realize the Hanoi capital now and in the future will continue to be an industrial center. You, comrades, must strive to develop various industries, especially the consumer goods industry, the machinery and electronic industries and the export goods processing and manufacturing industry. These are the strengths of the capital and also the duties of the capital toward the whole country. All of the country cares for Hanoi. Conversely, Hanoi must duly contribute to caring for all of the country.

Carrying out industrial development vigorously in the capital amounts to contributing greatly to the agricultural development of the entire country, especially of those provinces in the Red River Delta and in the former 4th Region as well as of those midland and mountain provinces in the northern part of our country. Simultaneous efforts must also be made to carry out agricultural, industrial, small industry and handicraft development right in the suburban areas.

Our way of viewing things cannot be confined to the municipal economy. There must be a broad range of views. We must strive to accelerate the production

of industrial goods, especially consumer and export goods, in the struggle to make Hanoi industry play the leading role of promoting the regional economy. With the potential in terms of labor and the material and technical bases, with a high concentration of intellectual ability and professional skills of high standard and with the integration with the effective assistance of the centrally run industries in the municipality, we are firmly convinced that the capability of developing the economy, especially of quickly and vigorously developing industry, is within reach of the capital party organization and people.

If the Hanoi economy, with its labor productivity higher than the average national level, is integrated well with various sectors and localities, it will be possible to stabilize and improve the people's livelihood and to constantly recycle for expanding production, contributing to the accumulation of capital for the national economy.

The problem lies in having the daringness to renovate, think and act; to be dynamic and creative; to make in-depth and uniform investment; and to quickly introduce scientific and technical innovations into production in both industrial and agricultural and service areas.

We must make the socialist economy, in which the state-owned economy must serve as the core, increasingly larger and stronger. At the same time, we must mobilize and vigorously employ other economic elements in accordance with the guideline of using to transform and of transforming to better use in order to exploit and develop the potential of the municipality and to develop the production force.

There must be correct policies to restore traditional trades and professions and to develop new ones. We must encourage family-based economy, create more jobs, absorb much labor and vigorously develop handicrafts and artisan industry and service, especially technical service, in direct support of production. This is the very heavy yet very glorious duty that the country has entrusted to you, comrades, and the municipal people, according to the division of social labor.

Along with accelerating the production of export goods, you advocate the policy of comprehensively expanding cooperation with the capital of Moscow. I fully support this policy because it agrees with the spirit of my talks with Comrade Gorbachev, the CPSU Central Committee general secretary, last summer in Moscow. Both sides agreed to further expanding comprehensive cooperation of mutual benefits, ranging from joint cottage industry to direct investment, not only in heavy industry and agriculture, as being done thus far, but also in such other areas as the consumer goods and processing industries, tourism and service.

This is Lenin's own concept about the transition period which has been applied to the current international situation when the Soviet Union and the community of socialist countries as a whole has become a powerful system.

It is hoped that, on the basis of its experience in cooperation with Moscow, Hanoi will continue to broaden cooperation with the capitals of the other

Soviet republics and with the capitals, provinces and cities of other fraternal countries. In addition, Hanoi should also conduct a study to gradually expand its cooperation with the Third World countries and other nations and to encourage overseas Vietnamese to invest in the country.

The export-import policy in particular and the foreign economic policy in general are very important since they have a great impact on the promotion of domestic production and circulation. In conformity with the unified guidance and management of the laws and policies promulgated by the central level in the fields of external trade and foreign economic affairs, the central sectors should assist Hanoi in satisfactorily implementing this policy. On the basis of the capital's experience, we should broaden this policy and create favorable conditions to help other provinces to act along this direction.

Our country is being renovated. Hanoi must be one of the localities taking the lead in this renovative process.

You should do a good job of the resolution of the 8th Party Central Committee Plenum, Resolutions Numbers 28 and 31 of the Political Bureau, the conclusion drawn by the 10th Party Central Committee Plenum and the recent conclusions reached by the Political Bureau on a number of economic viewpoints concerning prices, wages and money. You must resolutely and gradually abolish bureaucratic centralism and state subsidies and carry out socialist accounting and business transactions. This is the correct way to liquidate the negative practices in society.

You should continue to implement the draft Resolution Number 306 of the Political Bureau to really give the basic economic units the right to autonomy in production and business while firmly preserving the state's centralized and unified management in the key area of the economy. You must resolutely oppose conservatism and sluggishness while combating the manifestations of liberalism, disorganization, indiscipline, localism, departmentalism and the tendency of caring only for one's own interests and those of one's unit. You must step up production along the lines of raising productivity, quality and efficiency and turn out large amounts of products and goods to meet the demands of consumers and for export. You must broaden the circulation of goods and abolish trade restrictions and division of the market. At the same time, the socialist trade sector must engage in business activities and use convenient and civilized trading methods and correct price policies as a means to take over and control the market and make an effort to lower the price fever and reduce the difficulties in the people's life.

Hanoi is a cultural center that reflects the entire country. For this reason, along with tending to the material life of the people in the capital, you should pay utmost attention to satisfactorily organizing their cultural and spiritual life and contribute to building a new culture and new type of socialist man throughout the country. You should attach importance to building a new socialist lifestyle, thereby enabling all people to fully develop their dignity, to unite, and to love and respect one another. Cultural activities must really be a contact between our noble and fine national cultural values and those of the rest of mankind for the purpose of improving knowledge and enhancing ideological, ethical and aesthetic

standards. The people in the capital must be educated so that they may lead a simple, civilized and healthy life, treasure the legacy of their ancestors, respect justice, admire talents and love art. The capital must be a place where the elderly are taken care of, children are loved and women are respected and given assistance. This is a manifestation of a civilized lifestyle, the essence of the respect for human dignity in our society. The capital's cultural life must become an example, a model for the entire country.

To fulfill the weighty tasks of the capital, you must do a good job of building the party, strengthen unity on the basis of firmly maintaining the principle of democratic centralism, heighten the party's militance and actively make the party organization pure and strong, thereby insuring that it is capable of satisfactorily leading the capital's work in all areas.

As set forth in your municipal party committee's report, the cadre question has become the main question for the Hanoi party organization. This conclusion is also correct for the whole country. We must actively train and foster a contingent of cadres and assign them tasks compatible with their ages, competence and quality. Continuity and succession must be insured.

Competence and quality must be first of all reflected in the renovation of concepts and thinking, and in the capacity to understand, apply and act in strict accordance with the spirit and content of the party resolutions which I have just mentioned. This will be considered a concrete manifestation of loyalty to the party in the current stage of the revolution.

In conjunction with guaranteeing the basic economic units' right to autonomy in production and business, we will further broaden the powers of enterprise directors. There must be regulations to insure that selection of enterprise directors is correctly done and that their work is constantly supervised and controlled, especially by the collective and the masses. This is aimed both at helping the basic units carry out production and business activities in the right direction and in a healthy fashion and at protecting the contingent of party cadres.

Through training and trials in reality, we will foster a contingent of cadres capable of assuming any task and they will gradually replace the old ones. Cadre selection must be carried out in a democratic and fair manner with attention being given to the masses' views and to the support of the majority. We must guard against favoritism and the tendency to promote those we like and discredit those we dislike. The consolidation or organization, the perfection of the apparatus and the renewal of cadres are routine work which should be carried out regularly and satisfactorily before and after the party congresses. They should not be done hastily and only when the party congresses are about to be held.

Corruption is seriously eroding the people's confidence in the party. We must rely on the masses, the collective of cadres and party members, and honest persons to promptly unmask and resolutely eliminate degenerate and deviant elements who are corrupt, who steal public property, who engage in criminal collusion, who take bribes, who persecute good people and protect bad ones,

and who aid speculators and smugglers. These elements must be subjected to party discipline and severe legal action in order to purify the party and the state apparatus.

All cadres and party members, no matter what positions they hold, are equal before discipline and party regulations. All citizens are equal before the law and in society. In the case of the ruling party, all cadres and party members, no matter in what position, must live and work in accordance with law, without any exception.

We will not allow any cadre or party member to violate discipline and party regulations, nor will we let anybody abuse his authority to act against law and violate the principles of social justice. You, comrades, should pay attention to most satisfactorily implementing this task in order to restore and maintain party discipline and the state law.

As an international and domestic communications center, Hanoi is an important and rather complex area into which the enemy has sneaked its spies and intelligence agents to make surreptitious connections for sabotage purposes, and where speculators, smugglers, villains and thieves can mingle easily among the people to undermine security and disrupt the market. You, comrades, should uphold vigilance, be ready to fight and nip in the bud all enemy plots and acts of sabotage, promptly detect and punish speculators, smugglers, villains and thieves; consolidate national defense and security; and firmly maintain social order and public security.

Dear comrades, the municipal party committee's report has comprehensively pointed out all the problems. I wanted to stress some necessary issues. I wish the municipal party organization congress fine success and you, comrades, may you have continued good health and make many good contributions to the overall progress of the city and the entire country as a whole. I wish the cadres, combatants and people in Hanoi score many outstanding achievements and enthusiastically emulate in fulfilling the 1986 plan in order to practically greet the 6th Party Congress and create impetus to satisfactorily implement the resolutions to be adopted by the 6th National Party Congress and the municipal party organization congress.

Thank you, comrades.

CSO: 4210/4

TOWARD THE 6TH CONGRESS OF THE PARTY: ATTACHING MORE IMPORTANCE TO BUILDING THE PARTY AMONG THE WORKING CLASS

Hanoi TAP CHI CONG SAN in Vietnamese No 10, Nov 86 pp 13-17

[Article by Vu Xuan Can]

[Text] As soon as it was born, our party asserted: the Communist Party of Vietnam is the party of the Vietnamese working class and Marxism-Leninism is the party's ideological foundation and the compass guiding each of its activities. In the course of leading the revolution, our party has always concerned itself with building the party among the working class and has constantly developed the working class character of the party. On the one hand, it has intensified the teaching of Marxism-Leninism, the ideology of the working class, to cadres and party members. On the other hand, it has forged cadres and party members within revolutionary movements of the working class in an effort to rapidly increase the working class component within the party. As a result, although it was born and has grown in a country that was once a semi-feudal and underdeveloped colony, our party has maintained and displayed the thoroughly revolutionary character of the working class. It can be said that this is one of the major lessons learned by our party in party building.

Since the South was completely liberated and the country was unified and began advancing to socialism, our party has attached even more special importance to building the party among the working class. The 5th National Congress of the Party pointed out: "More importance must be attached to building the party's ranks among the working class.. In the municipalities and industrial zones, new party members must be accepted mainly from among workers."(1)

In recent years, many party committees have concerned themselves with building the party in accordance with the guidelines set by the party congress and trying to continuously increase the working class nature of the party. The large municipalities and industrial zones have begun to attach importance to developing the party among workers, particularly direct production workers. In 1985, our party accepted more than 107,000 persons into the party. Of this number, 0.81 percent more were manual workers than in 1984.

However, the percentage of party members who come from the background of a manual worker and the percentage of direct production workers within the party are still very low. Of the persons accepted into the party in 1985, only 9.16

percent are workers. Only 7.5 percent of the party's total membership are direct production workers. Deserving of attention is the fact that many workers are progressive laborers and some persons have recorded outstanding achievements, have been recognized as emulation warriors for many years in a row but attention has not been given to teaching and training them so that they can be accepted into the party. As a result, many production sections, including sections that play an important role on the production line, do not have a party cell and some do not even have a party member. At the Haiphong River Transport Enterprise, nearly 50 percent of key cadres are not party members. More than 50 percent of the enterprise's ships and 80 percent of its boats have not one party member in their crew. At the Hanoi Communications Machine Enterprise, only 20 percent of office and department chiefs and 50 percent of supervisors and assistant supervisors are party members. Yet, the enterprise has not accepted one new party member in 10 years. At the K. Textile Mill in Hanoi, 94 of the 104 production sections do not have a party member. One plant of more than 200 workers has only one party member, the plant supervisor. The finance office has 28 cadres and personnel, only one of whom is a party member. The technical office consists of 18 persons (13 engineers, 1 middle level cadre and 4 technical workers) but only 1 person, the deputy director, is a party member. Five of the 11 offices and departments have no party cell. There are 24 persons who have been emulation warriors for 4 to 6 years in a row but not one has been trained for acceptance into the party. In the South, some enterprises have no party chapter. Many production plants, sections and units have no party member.

Besides the problems described above, appropriate attention has not been given to selecting and training outstanding cadres for positions at the leadership agencies of the party and state within the various sectors and levels. In some sectors, the percentage of party members who are workers and members of the party committee or key cadres has been steadily declining. For example, in 1976, 11.3 percent of the members of provincial party committees were workers. Today, this figure is 7.3 percent. Only 5.7 percent of provincial party committee secretaries are workers. In 1976, 28.2 percent of ministers were workers. Today, 11.1 percent are workers. The number of vice ministers who are workers has declined from 21.8 percent in 1976 to 5.5 percent today. The number of line and staff department heads who are workers has dropped from 17.8 percent in 1976 to 8.6 percent today.

Thus, it is clear that appropriate importance has not been attached to developing the party among the working class, to increasing the number of workers within the party and at leadership agencies of the party and state. This situation urgently requires that we build solid and strong organizations of the party within basic industrial units and give greater attention to developing the party among outstanding workers and laborers in order to quickly increase the worker component within the party and within the leadership agencies of the party, the state and the mass organizations.

To meet the above requirement and implement the above guidelines, we maintain that the various party committee echelons and sectors must concern themselves with solving the following several problems in the years ahead:

1) Providing, through education, a deeper appreciation of the importance of building the party among the working class and heightening the working class nature of the party.

Marxism-Leninism asserts that due to socio-economic conditions, the working class has the historic mission of digging the grave of capitalism and successfully building socialism and communism. To complete this weighty and glorious task, the working class must have a Marxist-Leninist party. In other words, the birth of the communist party marked a qualitative change in the worker movement, a change that brought it from the realm of a spontaneous movement into the realm of a conscious movement. To assert that the working class is the class leading the revolution is to assert the leadership role of the party. The party is the vanguard unit, the political leader, the militant and organized staff and the highest organization of the working class. The party was born and develops for the sake of the interests of the working class.

Throughout the course of leading the revolution, our party has always firmly adhered to the stand of the working class and constantly taught cadres and party members to cultivate the qualities and ethics reflected in the stand and views of the working class. Recently, as a result of relaxing our efforts in the area of political and ideological education, some cadres and party members, including some leadership cadres within the state apparatus and the mass organizations, have failed to fully recognize and correctly evaluate the role and position of the working class. They do not fully realize the importance of building the party among the working class, of increasing the worker component of the party, of heightening the party's working class nature. There are still many shortcomings in the work of propagandizing and teaching workers about the party. As a result, workers themselves do not clearly understand what their role and responsibility are in party building and are not actively working to become party members.

To correct this situation, party committees and the mass organizations must educate and train cadres and party members by many appropriate methods and help them to clearly understand the role and position of the working class as well as the organic relationship between the working class and the communist party and the need to increase the number of workers within the party.

More attention must be given to improving the subject matter and methods employed to educate workers, particularly to teach them matters of fundamental importance concerning the theory of Marxism-Leninism, the views, lines, positions and policies of the party, the laws of the state and the situation and tasks of the revolution; teach them the traditions of their class, national traditions and the history of the Communist Party of Vietnam; teach them socialist qualities, socialist ethics, the socialist style, the socialist way of life...and awaken within each worker a sense of class pride and pride in the party. We must cultivate in workers the sense of struggling to become a member of the party and actively participate in party building.

2) Actively building a working class that is solid and strong in every respect and creating a pool from which the party can be developed.

To build a solid and strong party, it is essential that we build a solid and strong working class. In the current situation, building the working class is closely related to mobilizing and organizing revolutionary movements of the working class in order to constantly educate and train workers and to looking after every aspect of the living conditions of workers.

Since the issuance of the resolution of the 8th Party Plenum, Political Bureau Resolution 306 (draft) and a number of resolutions of the Council of Ministers, steps have been taken to gradually revamp the economic management mechanism. However, due to a lack of coordination and a number of shortcomings and mistakes, manual workers and civil servants have been encountering numerous difficulties in production and in their everyday lives. Workers do not have enough work. The policies on wages and bonuses, although improved somewhat, still primarily reflect distribution based on averages. As a result, they do not truly provide incentive for the laborer and do not have the effects of strengthening labor discipline, accelerating the application of scientific-technological advances, raising labor productivity and improving product quality. Many labor policies do not reflect importance being attached to or the preferential treatment of workers, particularly workers in the higher grades. Although they produce nearly 50 percent of the gross social product and 40 percent of national income, the income of workers is much lower than that of the other strata of the population. The working conditions and labor safety of workers are still inadequate and have not been improved. Occupational diseases are on the rise. There are still many accidents on the job. The health of workers is declining, particularly the health of workers in strenuous and hazardous occupations. Many workers, including highly skilled workers, have become disabled at a young age or have had to retire early. Many production workers lack a sense of security and their morale is low. There are even some who have become degenerate and deviant. In some, the will to struggle has declined. They do not consider ideals or their political interests to be matters of truly pressing importance.

Today, as we urgently revamp the economic management mechanism in keeping with the spirit of Political Bureau Resolution 306 (draft), all levels and sectors must restructure their production, reorganize their labor and provide adequate work for workers. The various party committee echelons and state agencies must give more attention to raising the occupational and cultural standards of workers, to providing them with the necessary knowledge of economic management and the management of production in order to help them to acquire the knowledge and skills needed to exercise their right to be the masters. At the same time, attention must be given to improving the material and spiritual lives of workers; maintaining the real wage of workers; and maintaining a reasonable relationship between the income of workers and the income of the other strata of the population in accordance with the principle of distribution in accordance with labor. Building the working class is an issue that must be thoroughly reflected in socio-economic plans. This must be done correctly, must be done in a way that balances investments in the construction of material-technical bases with investments in building the corps of workers. We must consider investments in building this corps, investments in the development of the human factor, to be our most basic investment guideline.

Moreover, only by building a solid and strong working class can we develop a pool from which to select and train increasingly large numbers of outstanding workers for acceptance into the party and train party leadership cadres.

3. Forging party members in the realities of revolutionary action movements of the working class and strengthening the ties between the party and the masses.

The working class is the primary social base of the communist party. In order to mobilize workers, it is necessary, at the same time, to correct a weakness of the party, namely, its shortage of cadres who come from a worker background, a shortage that has existed since the time we were preparing for the founding of the party. Our party advocates "proletarianization." Practically all cadres and party members have gone to enterprises, mines, worksites, plantations, ports and so forth to build basic units and organize workers in struggle while forging themselves.

Today, with the party leading the administration in socialist construction, even better conditions exist for developing and strengthening the relationship between the party and the working class, because, the working class is both the leader and the basic force in the cause of building and defending the fatherland. The positions and policies of the party must correctly express the stand and views of the working class, correctly reflect the thoughts and aspirations of the mass of workers. Each cadre and party member must rely completely upon the working class, maintain close contact with workers and listen to their opinions.

In recent years, because we have relaxed our efforts in ideological work, because some cadres and party members have not maintained close contact with workers and because of shortcomings and mistakes in the implementation of the resolutions of the Central Committee, the confidence that workers have in the party has declined. Some positions and policies of the party and state have not truly been based on practice, on the interests of the state, of the working class and laborers. Some cadres and party members have violated the party's Code of Discipline and used their public positions to embezzle, conspire and support dishonest merchants, thus violating the right of ownership of workers. It can be said that this is one reason why the morale of workers is low and why they do not consciously struggle to become members of the party.

To maintain the working class nature of the party and strengthen the confidence of the masses in the party, we must build a stronger sense of order and discipline within the party in the years ahead. Each cadre and party member, regardless of his position, must bind himself to the organization, consciously comply with the positions and policies of the party and laws of the state, respect the right of the masses, of workers to be the masters, maintain close contact with workers and listen to their opinions and aspirations. Members of the Central Committee and members of the executive committees of the provinces, municipalities, precincts and districts as well as the cadres in charge of the administration and mass organizations must comply with the requirements of the Party Secretariat and periodically meet with workers. They must give their attention to studying the needs,

attitudes, circumstances and proposals of workers, respond to the questions raised by workers or solicit the opinions of workers and make them known to the party committee or the responsible agency. This must be considered a standard by which the style and qualities of cadres and party members are evaluated.

We must be more mindful of the teaching of President Ho: ...the revolutionary virtues of the party member are: regardless of the difficulties, to be determined to correctly implement the policies and resolutions of the party and to set examples for the masses. Each party member must display a high spirit of responsibility to the people, to the party. Each must guard against and resolutely fight individualism."(2)

FOOTNOTES

1. "Van kien Dai hoi V"[Proceedings of the 5th Congress], Su That Publishing House, Hanoi, 1982, Volume III, p 107.
2. Ho Chi Minh: "Ve dao duc cach mang,"[Revolutionary Virtues], Su That Publishing House, Hanoi, 1976, p 84.

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TOWARD THE 6TH CONGRESS OF THE PARTY: HOW ARE WE TO ACHIEVE A STABLE SOLUTION TO THE GRAIN AND FOOD PROBLEM IN OUR COUNTRY?

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 18-25

[Article by Nguyen Thanh Bang, Ph.D.]

[Text] The economic life of the country during the past 11 years (since the day that the South was completely liberated and the country was reunified) shows that although we have made many efforts and recorded a number of significant achievements on the agricultural front, the grain and food problem in our country still lacks a stable solution.

From statistical data on agriculture, we see: the results of grain production in our country have undergone complex developments and changed drastically from one year to the next. Therefore, in our opinion, in order to establish a scientific basis for mapping out the strategy for the development of agriculture in our country, we must, in addition to fully understanding and firmly adhering to the line of the party that we "truly consider agriculture the front of foremost importance and advance agriculture one step closer to large-scale, socialist production," gain an understanding of the laws that govern change within agriculture in our country so that we can set realistic targets, adopt appropriate views concerning development and find optimum solutions.

I. Climatic Features as They Relate to Agricultural Production in Our Country

1. Our country lies entirely within the tropical zone and is linked to the vast continent of Asia. A major portion of our country lies in the northern region of the peninsula. From there, it extends southward along the rim of the Pacific. At the same time, our country lies in the middle of the zone of Southeast Asia's seasonal winds. Therefore, it has a unique humid, tropical climate of seasonal winds, a climate unlike any other place in the world.

2. In addition to the geographical features mentioned above, our country, because it extends over 15 degrees of latitude and because its terrain varies, has two distinctly different climatic regions: a humid, tropical climatic region with a cold winter season in the North (from the Hai Van Pass northward) and a humid, tropical climatic region with a cold winter season in the South (from the Hai Van Pass southward). And, within each of these

regions, as a result of variations in the terrain, are microclimatic areas with unique characteristics to which attention must be given in economic zoning.

3. The effect of the convergence and interaction of high heat and humidity and the flow of seasonal winds in Southeast Asia-Pacific upon our country's terrain is to create extreme forms of weather distribution, such as a cold winter season and prolonged periods of frost, drought or periods of hot, dry winds that desiccate plants, a season of prolonged, heavy rains, typhoons accompanied by heavy rainstorms that cause serious flooding and so forth, which cause heavy damage to crops in large regions of the country. In agriculture, we call such phenomena "catastrophes" to distinguish them from the climatic disturbances occurring at one place or another which we commonly call natural disasters.

4. Even in years that cannot be considered catastrophic, because the rise and fall of temperature and humidity in our country is an exceedingly diverse process, because temperature and humidity change at a rapid rate and because the mechanism by which the seasonal winds form is very complex and these winds are not consistent or stable, the growing seasons during the year are constantly being disrupted: the timing of early and late seasons and the length of short and long-term crops always differ. Consequently, the results of agricultural production vary widely.

The frequent disruption of the growing seasons has caused agriculture in our country to bear the consequences of natural disasters of varying severity every year and has, as a result, given less meaning, from the standpoint of reflecting a law, to those years which can be considered catastrophic. This is perhaps why we have spoken at great length about difficulties caused by the weather and climate but no one has discussed the laws that govern changes in the weather and climate.

The main features of the climate that we have described above have made a rather deep imprint upon our country's agriculture. It is our intention to shed light on these special features, which are being shrouded by natural disasters of a regular nature, by using the tools of modern mathematics to process statistical data within agriculture and, on this basis, reach conclusions that are in the nature of laws concerning the changes that take place within agriculture in our country.

II. Concerning the Laws That Govern Changes in Our Country's Agriculture

On the basis of the principal features of the climate as they directly relate to agricultural production, we separated and processed data supplied by the Statistics General Department and compiled rows of data in chronological order covering the period from 1955 to 1984 on paddy output and the output of subsidiary food crops in paddy equivalent for the two climatic regions: the North (from the Hai Van Pass northward) and the South (from the Hai Van Pass southward). By using the moving average method combined with the minimum expanded square method, we determined the trend of development of each type crop, that is, determined the essential trend of development after eliminating accidental factors. On this basis, we recognized the following laws:

1. The output of paddy and subsidiary food crops in paddy equivalent varies each year from the trend of development of each type crop. By determining the variation from or the maximum value of the difference between actual output and the trend, we established the parameters of the trend, that is, evaluated the influence of unexpected changes upon actual output.

2. Fluctuations in the trend repeat in cycles of catastrophe, that is, in reoccurring periods of the most extreme changes in the climate and weather, changes which reduce paddy output to its lowest level, specifically:

In the South: 1953-1966 and 1966-1978;
In the North: 1954-1968 and 1968-1980.

Compared to the cycles of sunspot activity, we have found that the cycle of catastrophe in agriculture coincides with the cycle of minimum sunspot activity and varies by 1 to 2 years between the two climatic zones in our country.

The figures for 1953 and 1954 that we present here were extrapolated on the basis of the trend and compared to the minimum cycle of sunspot activity.(1)

Extracting from the annals information related to agriculture, we see that the changes which occurred in our country's traditional agriculture over a period of tens of centuries also occurred in the cycles of catastrophe that we have discovered.

Thus, our discoveries of the law of the cycles of catastrophe within our country's agriculture, which were based on analysis of statistical data from 1955 to 1984 by means of modern tools of mathematics, have been confirmed by the realities of production over a period of tens of centuries and will certainly hold true in the future provided that there are no major changes in solar activity.

On the basis of the time periods encompassed by the cycles of catastrophe over the past several decades and by comparing these periods to the periods of minimum sunspot activity, we can predict the future cycles of catastrophe in our country's agricultural production as follows:

The South: 1978-1989 and 1989-2000;
The North: 1980-1990 and 1990-2001.

The forecast error is plus or minus 2 years.

3. Within each cycle of catastrophe, one-half of the cycle is favorable and one-half is adverse for agricultural production. In the favorable half of the cycle, paddy output tends to increase. In the adverse half, paddy output tends to decrease. The vagaries of the growing season cause annual paddy output to vary from the trend, either rising above the trend or falling below it.

Chart 1--The Cycles of Catastrophe and the Favorable and Adverse Half Cycles from 1953 to 1980

<u>Climatic Zone</u>	<u>Cycle of Catastrophe</u>	<u>Favorable Half Cycle</u>	<u>Adverse Half Cycle</u>
The South	1953-1966 1966-1978	1953-1959 1966-1973	1959-1966 1973-1978
The North	1954-1968 1968-1980	1954-1959 1968-1976	1959-1968 1976-1980

Chart 2--Current Forecast of Favorable and Adverse Half Cycles of the Cycle of Catastrophe

<u>Climatic Zone</u>	<u>Cycle of Catastrophe</u>	<u>Favorable Half Cycle</u>	<u>Adverse Half Cycle</u>
The South	1978-1989	1978-1983	1983-1989
The North	1980-1990	1980-1984	1984-1990

Thus, from 1980 to 1984, our country's agriculture was in the favorable half of the cycle. At present, it is in the adverse half and, according to our forecast, serious catastrophes will strike our country's agriculture in the late 1980's or early 1990's.

4. An examination of changes over time in subsidiary food crop output, in paddy equivalent, shows that during the half of the cycle that is favorable for rice production, subsidiary food crop output, in paddy equivalent, tends to decline. During the half of the cycle that is adverse for rice production, subsidiary food crop output, in paddy equivalent, tends to increase.

In other words, there is the following correlation between rice and subsidiary food crops: "When rice output increases, subsidiary food crop output decreases" and, conversely, "when rice output decreases, subsidiary food crop output increases."

In addition, subsidiary food crop output, in paddy equivalent, in the North during the period from 1960 to 1984 accounted for an average of 18 percent of total grain output each year. In the South, according to statistics for the years 1975 to 1984, it made up 12 percent.

Thus, in the allocation of grain crops in our country, subsidiary food crops still occupy a position of secondary importance. They mainly supplement rice with the aim of providing food for humans. Only at those places and times that difficulties are experienced with the rice crop do Vietnamese farmers give more attention to subsidiary food crops. Generally speaking, however, appropriate attention is still not being given to subsidiary food crops. Subsidiary food crops are not being intensively cultivated. Appropriate

investments are not being made in seed and technical measures. Yields, therefore, continue to be very low.

5. Statistical data on livestock production show that the value of the total output of livestock products fluctuates as grain production fluctuates. In addition, the value of the total output of livestock products in our country during the past several decades has accounted for an average of 20 percent of the value of total agricultural output each year and has fluctuated within a very narrow range--18 to 24 percent. This proves the weakness of our livestock sector and its dependency upon the results of grain production.

Although our party and state have promulgated many policies aimed at stimulating the development of livestock production (as a result of which the sector has made some advances during the past several years), the changes that have taken place in the relationship between crop production and livestock production over the past several decades cannot, generally speaking, be viewed as significant. This proves that the livestock sector cannot develop strongly as long as humans remain on the borderline between not having enough food and temporarily having sufficient food to eat.

Thus, to change the structure of our country's agriculture, it is necessary to achieve a stable solution to the problem of grain for humans. At the same time, we must step up the production of subsidiary food crops and the processing of these crops with the aim of helping to change the structure of the human diet and create stable sources of feed for livestock production. This will also lay the groundwork needed to develop a diversified agriculture.

III. Some Thoughts on the Strategy for the Development of Agriculture in Our Country

The above mentioned laws and conclusions based in science as well as practice can be summarized in the following major characteristics:

The first major characteristic, one which we have long failed to fully and clearly recognize, is that the results of agricultural production are still very heavily dependent upon natural factors, which change drastically from one year to the next in definite cycles that roughly coincide with the cycles of minimum sunspot activity, and that there is within each cycle one-half which is favorable and one-half which is adverse for agricultural production.

The second major characteristic of agricultural production in our country is the weakness of the livestock production sector and its dependency upon grain production. Within the crop production sector, on the other hand, rice continues to be the crop of dominant importance. Subsidiary food crops mainly play a supplemental role in providing food for humans. That is to say, our country's agriculture, despite our desires and the extensive efforts we have made over the past several decades, retains the full character of a traditional and backward agriculture (the monoculture of grain and subsistent production).

A fuller and deeper appreciation of these two characteristics is needed in order for us to see that we must continue to work hard if we are to advance

our country's agriculture to large-scale, socialist production. This demands, above everything else, that we change our views, our way of thinking and our approach when trying to resolve the grain and food problem in our country.

1. The crop and livestock insurance strategy.

To achieve a stable solution to the grain problem, we must have grain reserves. One inevitable question that arises here is: given the results achieved in agricultural production, even during the favorable half of the cycle from 1981 to 1984, where are we to obtain reserves when we stand on the borderline between lacking food and temporarily having a sufficient supply?

The basic principles of cybernetics tell us that in order to promptly overcome the consequences of changes upon unstable processes, it is necessary to create a suitable self-adjusting mechanism which moves in the opposite direction of the changes that occur. One self-adjusting mechanism deserving of attention is crop-livestock insurance organizations that can create reserves through voluntary contributions by farmers and can, therefore, promptly make up for losses whenever catastrophes occur.

When applied under the conditions of unstable production, the crop and livestock insurance policy is fundamentally different from the crop protection and veterinary service work that we have long been performing within the framework of the mechanism based on bureaucratic centralism and state subsidies in that it closely ties, in terms of responsibility, interests and obligations, state corporations specializing in insurance work and agricultural production units to the results achieved in production. The insurance corporations must have the material-technical means needed to prevent and control crop pests and livestock diseases. They are responsible for providing technical guidance of the application of all production standards, from the selection of crop varieties and the implementation of farming methods to determining the schedule of crop seasons, with the aim of insuring that farmers achieve the highest possible production results in accordance with the contracts they sign. Therefore, agricultural production units (state farms, cooperatives and households) have the responsibility of contributing to the insurance fund at specific rates of the additional product resulting from insurance services, or when they record a bumper harvest, or at specific rates for livestock. Conversely, when natural disasters occur, when crop pests, livestock diseases and so forth cause serious damage to agricultural production, the state will use the insurance fund to help farmers and rapidly achieve stability in their production and daily lives.

Of course, in each locality as well as nationwide, it is necessary to very accurately calculate the reserves that can be mobilized through insurance services and the ability of the state to invest in insurance so that we can import necessary supplies for production or import reserve, supplemental grain and establish a balance between these two types of investments, particularly during the adverse half of the cycle, with the aim of promptly dealing with the difficulties caused by natural disasters or taking full advantage of the good conditions that exist during the favorable half of the cycle.

2. The strategy for changing the allocation of crops with a view toward ending the monoculture of grain.

To solve the grain problem for all society, we have long been focusing our efforts on stepping up the production of grain, even producing grain at any cost, including destroying forests to plant grain. But the realities of production in recent years in many localities in each region of the country, particularly localities that have long encountered many difficulties in the production of grain, confirm just the opposite: we can solve the grain problem, not by destroying forests, but on the basis of an agriculture that is rationally structured nationwide, within each locality and within each territorial zone.

In fact, the introduction of spring rice in the fields of the North more than 20 years ago through new, short-term varieties of rice suited to each individual area within the different provinces opened the way for revolutionary changes in the structure of agriculture in our country. Replacing the traditional, low yield, 5th month rice crop with a short-term spring rice crop made it possible to establish an early 10th month rice crop with the aim of avoiding the difficulties caused by frequent typhoons and flooding in 10th month rice production, thereby helping to limit the amount of serious damage to agricultural production. As a result of shifting from 5th month to spring rice, the amount of area under the cultivation of winter vegetables and subsidiary food crops (winter corn, winter potatoes, winter cabbage and so forth) was expanded, thus helping to quickly increase the output of grain for humans and providing additional feed for livestock in order to develop livestock production and increase the sources of export goods.

The model project in the cultivation of winter corn under plastic on wet soil in Phu Xuyen District, Ha Son Binh Province (on nearly 2,000 hectares of 10th month rice fields waterlogged in 1985), and many model projects in the multicropping of winter corn in the provinces of Vinh Phu, Ha Bac, Thai Binh, Ha Nam Ninh, Thanh Hoa and so forth have shown that corn has prospects for becoming one of the main crops grown during the winter, thereby helping to quickly increase the percentage of grain output made up by subsidiary food crops and changing the allocation of grain crops within our county.

The success of Luc Ngan District, Ha Bac Province, in establishing a spring soybean crop to provide seed and laying the groundwork for the intensive cultivation of 10th month rice, has been applied with good results by many localities and has helped to enrich the formulas by which the seasonal schedule and the allocation of crops are arranged in the North.

The decision to change farming habits and shift 4,000 hectares in Nghia Dan District, Nghe Tinh Province, from the cultivation of unstable hillside rice to the cultivation of peanuts reflects a very creative approach. Having developed the production of peanuts on hillsides in order to create sources of export goods, Nghia Dan has created better conditions for carrying out capital formation in order to practice the intensive cultivation of rice and develop the forest industry along lines that combine agriculture and forestry.

Thus, structuring agriculture in a rational way within each locality, within each territorial zone and nationwide along lines that take full advantage of the favorable aspects of natural factors while overcoming the difficulties caused by the vagaries of the weather and climate with the aim of gradually eliminating the monoculture of grain and laying the groundwork for the development of a diversified agriculture and combining agricultural production and forestry is one of the leading edges of the strategy for the development of agriculture in our country.

3. The optimum investment strategy for the development of agriculture.

Although our party and state have frequently confirmed that agriculture is the front of foremost importance, investments in agriculture remain low compared to requirements. Moreover, these investments are highly decentralized and uncoordinated. As a result, they do not yield the desired returns. The question we face is where should the small amount of capital which the state can allocate for agriculture be invested in order to achieve the largest and most rapid returns, that is, optimum returns?

For a long time, we have only been concentrating on making investments directly in the production of grain. We have not given appropriate attention to investing in the other elements of the grain reproduction process, such as the processing and storage of grain. This has caused very serious waste. It has also reduced the returns from investments in production. Investments in storage (including processing for storage) yield the highest economic returns, yield the quickest and surest returns. Why have we yet to recognize this simple truth? It is because the management mechanism based on bureaucratic centralism and state subsidies cut the social reproduction process into stages for management purposes: the Ministry of Agriculture is responsible for "encouraging agriculture" and the Ministry of Food only has the responsibility of distributing and circulating grain. Meanwhile, all waste and losses (quantitative as well as qualitative) are borne by the state and consumers! With such an irresponsible management mechanism, how can we even talk about economic returns? In our opinion, when conditions are such that many difficulties are encountered in grain production and grain production is unstable, investing in the storage of grain must be given greatest priority. In addition, this is an area in which we can obtain technical and financial assistance from the Food and Agriculture Organization (FAO).

The central state should concentrate on investing in the development of a diversified agriculture in the provinces of the North (from the Hai Van Pass northward) with the aim of achieving a stable solution to the grain problem for the entire region. In the provinces of the South (from the Hai Van Pass southward), due to the favorable natural conditions existing there and because the investment capabilities of the state remain limited, a "self-balancing" mechanism can be established in the immediate future for the purpose of developing agriculture. The state should manage and procure grain through the agricultural tax policy, the export-import tax policy and other economic leverage policies with the aim of establishing grain reserves for the entire country.

To achieve a stable solution to the grain problem, the state, in addition to rice, must also concentrate on investing in the development of subsidiary food crop and short-term industrial crop production in a manner closely tied to developing the processing industry in order to help change the structure of the human diet, create sources of export goods of high economic value, employ additional labor and meeting the need for sources of feed with which to develop livestock production.

As regards livestock production, the state should only concentrate on three elements of production: breeding stock, feed and livestock insurance. In the other areas of production, the state should encourage the development of household livestock production through economic leverage policies. It should remove all the restrictions that have been arbitrarily placed upon household livestock production by some localities and allow livestock to be circulated unimpeded just as poultry is. The state should collect only one tax on livestock, the "slaughtering" tax.

We also processed statistical data on our country's population from 1930 to the present day. Using the minimum expanded square method, we determined the trend of development and recorded the following forecast results:

Forecast of Our Country's Population Up Until the year 2000:

Year	1985	1990	1995	2000
Number of persons (millions)	61	69	78	87

The forecast error is plus or minus 2 million persons. Clearly, the need for grain and food for this population is exerting heavy pressure upon the economy. It has come time for us to quickly reduce the rate of population growth. To achieve the desired results, we must increase our investments in planned parenthood and reduce population growth to the lowest possible level while redistributing the population within each locality and nationwide.

4. The strategy for managing the agricultural economy:

In our opinion, the strategy for managing the agricultural economy must focus on the establishment of a system of economic policies and a mechanism for managing the agricultural economy designed to establish the correct relationship between the interests of the state and the interests of farmers. Intelligence and manpower must be invested in researching ways to revise and amend existing policies with the aim of achieving consistency and coordination among the economic policies in agriculture, in particular, and throughout the national economy, in general. We must also gradually establish a complete code of economic law so that the laborer has a basis to guide him in the way he earns a living and lives and in order to create wholesome and stable social attitudes.

As regards revamping the economic management mechanism within agriculture, only one legally binding norm, a norm on agricultural taxes, should be applied. We must study ways to revise agricultural taxes so that they are

consistent with practice and with the requirements of the revolution in the present stage. To do this, it is necessary to conduct a general inventory of cropland, classify cropland and, on this basis, readjust agricultural tax rates.

In addition to agricultural taxes, the state must use the system of economic leverage policies and economic contracts to have an impact upon agricultural production, to tightly control the primary products of agriculture and adjust the structure of agriculture in the desired direction.

We have yet to formulate the strategy for socio-economic development. As a result, we cannot discuss the strategy for the development of agriculture. The above are only some thoughts related to solving the grain and food problem in our country.

Our forecasts concerning the population, the adverse half of the cycle now taking place in agricultural production and the severe catastrophes that might occur in the late 1980's or early 1990's show that our country's agriculture faces difficult and complex challenges. The way to overcome the difficulties mentioned above is to further strengthen the leadership of agriculture by the various party committee echelons, increase the assistance provided by the state to farmers and adopt appropriate policies aimed at encouraging farmers to work hard and produce many agricultural products. We must immediately correct a number of mistakes in the distribution and circulation policy so that our country's agriculture can develop in an even more dynamic and diversified manner.

FOOTNOTES

1. The cycle of minimum sunspot activity is the period between two successive times when the number of black spots on the surface of the sun is observed to be the smallest. This cycle is related to extreme changes in the weather and climate on earth and although it is said to last for 11 years, the length of this cycle is actually anywhere from 8 to 14 years, that is, it fluctuates around the number 11.

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TOWARD THE 6TH CONGRESS OF THE PARTY: SOME MATTERS CONCERNING THE ORGANIZATION AND MANAGEMENT OF FOREIGN TRADE

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 26-34

[Article by Luu Van Dat]

[Text] In the initial stage of the period of transition, the foreign trade of our country is the foreign trade of a country that is in the initial stage of the process of advancing from small-scale production to large-scale, socialist production, advancing from a backward agricultural economy directly to socialism without experiencing the stage of capitalist development.

Therefore, export-import activities and the forms of organization and management of foreign trade bear the deep imprint of this special characteristic.

Because our country's foreign trade is socialist in nature, the organization and management of foreign trade must, from the very outset, comply with the basic principles of socialist foreign trade management. After the North entered the period of socialist construction, the principle of the monopoly of foreign trade by the state was established. Party Secretariat Resolution Number 86 dated 14 September 1959 on the foreign trade policy and foreign trade activities stated: "Our basic foreign trade policy is to centralize, through the organization and management of foreign trade, all trade with foreign countries in the hands of the state and make the monopoly of foreign trade by the state the starting point of and the principle guiding each of our relations with the outside." In December 1963, the 10th Plenum of the 3rd Party Central Committee stated: "Our country's foreign trade is conducted on the basis of the principle of the state exercising exclusive foreign trade rights (a monopoly)."

After the South was liberated and the entire country embarked on the period of transition to socialism, our party once again stressed: "The state must exercise exclusive rights in foreign trade" (the resolution of the 24th Plenum of the 3rd Party Central Committee). The resolution of the 5th Party Congress reiterated: "Our policy is the monopoly of foreign trade by the state and the unified management of foreign trade activities by the central level."

The 1980 Constitution of our country codified the principle of the state's monopoly of foreign trade and overseas economic relations in Chapter II (Article 21): "The state exercises a monopoly in foreign trade and all other economic relations with foreign countries."

Thus, the state's monopoly of foreign trade, which is a point of view tantamount to a principle, has been confirmed as a matter of law.

This is entirely consistent with the relations that have formed among the socialist countries within CEMA, of which our country is a member. The joint program on socialist economic ties states: "The development of the commercial relations among the member countries of CEMA will continue to be carried out on the basis of the monopoly of foreign trade by the state together with strengthening and refining the principles of planning."

The state's monopoly of foreign trade seems to be a clearly defined matter concerning which further discussion is not necessary. However, concerning the concept of the state's monopoly of foreign trade and the application of this principle to the realities of socialist construction in each stage of economic development in our country as well as the fraternal socialist countries, many differing opinions have arisen.

This is an important theoretical issue in the field of socialist foreign trade. It has a profound impact upon the way that we organize and manage foreign trade and determines the mechanism through which foreign trade activities are conducted in the socialist countries.

The state's monopoly of foreign trade is commonly understood to mean that only the state can conduct foreign trade activities, that private parties may not participate in export-import activities. This understanding of the state's monopoly of foreign trade, however, is incomplete.

Many violations of the principle and policy of the state's monopoly of foreign trade and many debates concerning the application of this principle in our country as well as the other socialist countries have occurred since foreign trade activities were centralized in the hands of the state and private parties were totally excluded from the overseas economy.

On the other hand, the state's monopoly of foreign trade is also commonly understood from an organizational standpoint, that is, from the standpoint of which state agencies and which economic units of the state are permitted to conduct foreign trade activities. There are two differing views and arguments concerning this matter. Some persons maintain that the monopoly of foreign trade means that all foreign trade activities and all export-import activities are turned over to the Ministry of Foreign Trade. Conversely, others maintain that the state's monopoly of foreign trade means that every state-operated enterprise and every economic unit of the state has the right to participate in foreign trade, to participate in export-import activities.

Both of the views mentioned above lack a sound basis in theory and neither is consistent with how foreign trade is actually organized in the socialist countries.

From the standpoint of theory, we cannot equate the state with an agency of the state or any organization within the state apparatus (these are different concepts). Nor can we equate the state with a state-operated enterprise or an economic unit set up by the state. The representatives of a state can only be the highest executive and management agencies of this state. Concerning this matter, the Constitution of the Soviet Union states: "The Union of Soviet Socialist Republics, the representatives of which are the supreme executive and management agencies of the state, has the task of conducting foreign trade and the other overseas economic relations on the basis of a monopoly by the state." According to our country's 1980 Constitution, the highest executive and management agencies of the state are the National Assembly, the Council of State and the Council of Ministers.

Therefore, we cannot equate the monopoly of foreign trade by the state with a monopoly of foreign trade by the Ministry of Foreign Trade, which is the specialized agency entrusted by the state to provide management within the field of foreign trade. On the other hand, we also cannot consider the state's monopoly of foreign trade to mean that any state-operated enterprise or any economic unit automatically has the right to directly engage in commerce and trade with the outside. This would mean that the state no longer has a monopoly of foreign trade.

In the organizing of foreign trade in the socialist countries, the organizational system of export-import businesses is constantly changing depending upon the specific conditions that exist during each period. In the initial stage of socialist construction in the socialist countries and in our country, practically all export-import activities, from the standpoint of both state management and the organization and management of the export-import business, were turned over to the Ministry of Foreign Trade. Today, in the socialist countries, state management within the field of foreign trade is still entrusted to the Ministry of Foreign Trade. However, the authority to participate in the export-import business has been expanded to enterprises that are closely related to the outside market.

Thus, the state's monopoly of foreign trade is a broad concept.

The concept of the state's monopoly of foreign trade must be examined, on the basis of the principles of socialist foreign trade and the resolutions of our party, from many different perspectives: as a principle, as a policy and as a management system. The state's monopoly of foreign trade is a principle in foreign trade relations in the socialist countries, one which originates in the socialist economic system built upon the public ownership of the means of production and the planned development of production. As the bridge between the domestic economy and the world economic system, foreign trade is a special economic sector, one which differs in certain ways from the domestic economic sectors. In particular, the development of foreign trade is closely tied to the world market. Foreign trade depends, of course, upon domestic factors, but also upon the development of the world economy, the world market and international economic relations.

Consequently, in addition to the general principles applied by the socialist state to regulate the economy, in general, and each economic sector, in

particular, there must also be special principles of the foreign trade sector. Among these, the most important are the state's monopoly of foreign trade, the concentration of export-import activities in the hands of the state and the unified management of foreign trade and overseas economic activities by the central level.

The monopoly of foreign trade is also a policy within the field of overseas economic activities, a policy designed to guarantee the interests of all the people, support the party's line on building and developing the country's economy and its foreign policy and achieve the socio-economic goals of each specific stage.

In our country, the monopoly of foreign trade, as a policy, must help to implement the line on building the socialist economy set forth at the 4th Congress of the Party and meet the socio-economic goals in the initial stage that were adopted at the 5th Congress. At the same time, it must protect the interests of our country on the world market and in international relations.

The monopoly of foreign trade is also a special management system within the field of foreign trade, a form of organization of foreign trade unique to the socialist countries. From this perspective, the monopoly of foreign trade was once defined as follows: the monopoly of foreign trade is the plan plus regulation. This abbreviated definition, although advanced as the backbone of the concept of the monopoly of foreign trade from the perspective of management, did not fully reflect the essence of this concept.

The definition most commonly used is the definition set forth in the resolution of the October 1925 plenum of the CPSU Central Committee. In this document, the state's monopoly of foreign trade was defined as follows:

"The state itself conducts foreign trade through a special agency (the People's Foreign Trade Commission). It stipulates which organizations and sectors may conduct foreign trade on a permanent basis and to which extent. It determined, on the basis of the tasks of economic development and socialist construction and through the export-import plan, how many goods must be exported and how many must be imported. Through the system of permits and the volume of exports and imports in terms of value, the state directly adjusts imports and exports and the operations of organizations."

The above definition encompasses the primary elements of the concept of the foreign trade monopoly:

First, the state itself conducts foreign trade. No organization or individual other than the state has the authority to conduct foreign trade.

Secondly, the state conducts foreign trade through a special agency (the Ministry of Foreign Trade), which has the function of providing state management of foreign trade activities, and through economic organizations that perform a direct foreign trade function. These organizations are designated by the state.

Thirdly, foreign trade must be based on the tasks involved in developing the economy and building socialism. It must serve the interests of the state.

Fourthly, foreign trade must be conducted in accordance with a unified plan under the centralized and unified management of the state.

Fifthly, the state directly regulates import and export activities and the operations of foreign trade organizations through the system of permits and the volume of exports and imports in terms of value.

The above definition retains virtually all of its original value for all socialist countries, both those that are building developed socialism and those that are still in the period of transition to socialism.

This definition enables us to determine which actions are consistent with the principle of the state's monopoly of foreign trade and which are not.

Allowing private parties to directly engage in commerce and trade with the outside; relaxing our management of units that have export-import authority, which results in competition in the procurement of export goods, pushes up domestic prices and disrupts the market; and the lack of coordination and competition in procurement and sales with foreign countries between central and local export-import units, which create the conditions for foreign private merchants to push up procurement prices and raise selling prices, thus harming common interests, are clearly in violation of the principle of the state's monopoly of foreign trade. Besides these readily apparent violations, there are other practices that weaken the state's monopoly of foreign trade which are more difficult to recognize: exporting and importing goods without acting under a unified plan or the centralized and unified management of the state (as a result of which interests, particularly the interests of the state, are not reasonably assured) and relaxing the state management provided in the field of foreign trade through its specialized agency, the Ministry of Foreign Trade. Therefore, to correctly implement the principle of the state's monopoly of foreign trade, it is necessary to correct these improper practices.

The principle of the state's monopoly of foreign trade is the theoretical basis upon which foreign trade is organized and managed in the socialist countries.

How this principle is applied depends upon the specific conditions of each socialist country during each stage of economic development. These conditions vary very widely among the socialist countries with different levels of development and even within a single country in different stages of development. Therefore, the form of foreign trade management cannot be fixed or immutable. To the contrary, it must be flexible and promptly change to keep pace with the development of the situation and changes in international relations.

In the period of transition to socialism in our country, particularly in the initial stage of this period, the following factors and conditions must be taken into consideration when applying the principle of the state's monopoly

of foreign trade and determining an appropriate form of organization to be employed in the management of foreign trade:

1. Domestic factors:

First, the most important factor is the line on building the socialist economy set forth at the 4th Party Congress. This line is: "Accelerating socialist industrialization, building the material-technical bases of socialism and advancing our country from small-scale production to large-scale socialist production"; "simultaneously carrying out central economic construction and local economic development and combining the central economy with the local economy within a unified national economic structure"; making every effort to increase our exports so that goods can be imported with the aims of carrying out the formation of initial capital for socialism, carrying out socialist industrialization and helping to create a new balance within the economy and a new economic structure, beginning by gradually meeting the needs of production and everyday life"; and "expanding and strengthening our cooperation in every field with the Soviet Union, developing our cooperation with the other countries of CEMA and expanding our cooperation in every field and mutual assistance with Laos and Cambodia while appropriately expanding our economic relations with countries outside the socialist system."

The above mentioned elements of the line on economic construction are also the goals of our foreign trade monopoly policy in the current stage.

Secondly, there are the special characteristics of the economy in the period of transition and their impact upon export-import activities.

Our country's economy is predominately an economy of small-scale production. The commodity economy has not developed. Labor productivity is very low. We have yet to carry out the formation of capital from within the national economy. The consequences of this situation are: the scale of exports is still small; the variety of export goods is very small, consisting mainly of agricultural products, forest products, marine products and products of small industry and the handicraft trades; production is decentralized in many different localities; the quality of products is not uniform; production costs are high; and 65 to 70 percent of the products exported are supplied by localities.

Meanwhile, to meet the requirements of socialist industrialization and help to meet socio-economic goals in the initial stage, we must also import a large amount of equipment, machinery, materials and other goods.

Clearly, there is a rather sharp contradiction between our requirements and capabilities, between our goals and means.

Thirdly, in contrast to those socialist countries that have achieved a developed commodity economy and have available sources of export goods, our country must develop its production while looking for consumer markets in order to accelerate its exports. Therefore, in the period of transition, a period during which the commodity economy has yet to develop, the factor which determines the scale and rate of exports, in particular, and both exports and

imports, in general, is organizing sources of export goods that meet the requirements of the market.

2. International factors:

On the basis of our party's foreign policy, a policy that has been tested in practice, our export-import activities are conducted mainly with the socialist countries. Through export-import activities, we can acquire the assistance of the fraternal countries in the form of aid and credit. On the other hand, in the commercial field, the socialist market, primarily the market of the Soviet Union and the other countries of the socialist community, is a stable and sound market, a market which has many potentials for supplying us with equipment, materials and goods needed for our country's economy. At the same time, many of the products we are capable of exporting can be marketed there. This is a basic and very large advantage that we must effectively develop upon. The commercial relations between our country and the socialist countries are commodity trade relations between two socialist states based on the coordination of long-term plans, 5-year commodity trade agreements and the annual commodity trade protocol among governments. This is a form of economic cooperation, a form of coordination of plans between two socialist states. As a result of this cooperation and coordination, each side fulfills its export goods delivery commitments and, on this basis, is able to receive all the imports coming from the other side, which is a matter of very important significance in the implementation of the state plan.

The volume of exports and imports, in terms of both value and quantity, between our country and the Soviet Union and other countries of the socialist community accounts for a very large percentage of the value and quantity of exports and imports between our country and foreign countries.

In addition to relations with the socialist countries, we also have trade relations with countries outside the socialist system.

In contrast to our commercial relations with the socialist countries, our trade relations with the market of the countries outside the socialist system are not commodity trade between two states, but trade between the corporations of two countries that have the authority to conduct foreign trade operations on the basis of the laws of these countries. Trade on this market is conducted in accordance with the market mechanism, in accordance with the law of supply and demand and is marked by the following several characteristics:

The volume of export goods marketed is limited. Competition among exporters is intense. Trade protectionism is on the rise in many capitalist countries. Conditions are such that it is difficult for prices to remain stable for a long period of time. To the contrary, prices frequently rise and drop suddenly and are difficult to predict (this is not to mention the speculative activities, monopolization of the market and price fixing by multinational monopolies).

On the other hand, the objects of commerce on the capitalist market are diverse and the modes of buying and selling are flexible. Consequently, it is

possible to buy goods quickly and sell them just as quickly (with the quantity and quality of goods agreed to by each side in each specific transaction), possible to turn capital over quickly, etc.

Therefore, the form of organization and system of foreign trade management must be based on a full analysis of the above mentioned factors and must correctly deal with the various types of contradictions that arise. In the early 1980's, in keeping with the resolution of the 6th Plenum of the 4th Party Central Committee, the organization and management of our country's exports and imports underwent many changes and a new organizational system and management policy are emerging.

From this reality, we can begin to draw the following several conclusions:

First, in the initial stage of the period of transition to socialism, our country's export-import activities are marked by certain special characteristics but the general principle of socialist foreign trade, the principle of the state's monopoly of foreign trade, retains its original value. The form of organization and the management policy must be flexible and consistent with these special characteristics.

Secondly, the export-import organizational system and management policy in the period of transition, most importantly in the initial stage, must meet the following objectives: accelerating exports and meeting the import needs of the national economy; guaranteeing the state's monopoly of foreign trade and the unified management of foreign trade activities by the central level; insuring the implementation of the foreign policy of the party and state and the trade agreements and protocols between our country and foreign countries; insuring unity of action among our country's export-import organizations on the international market; protecting the interests of the country and insuring economic returns from export-import activities.

The above mentioned objectives are recorded in Article 1 of the Regulations on State Management in the Field of Foreign Trade appended to the Council of Ministers' Decree dated 30 April 1984.

Thirdly, on the basis of the special characteristics of our country's foreign trade and in keeping with the goals cited above, it is necessary to restructure the system of foreign trade business organizations along the following lines:

1. Central foreign trade business organizations specialized by product or service, of which there should be three forms:

a) Export-import corporations that are closely tied to federations of enterprises or enterprises which produce many export products, have permission from the state to directly export and import goods and have closely tied their production to the market (both the material supply market and the sales market).

b) Export-import corporations that are part of a ministry which manages production in support of the export-import activities of many enterprises but

the value of the goods exported by each of these enterprises is still small and the conditions do not exist for these enterprises to be permitted by the state to engage directly in export and import activities.

c) Export-import corporations managed directly by the Ministry of Foreign Trade which support the export-import activities of basic production units managed by many ministries or many provincial and municipal people's committees.

Before establishing these corporations, efficiency, particularly organizational efficiency, must be carefully considered.

As regards export-import units whose volume of business is still small and cannot be rapidly increased, it is best to merge these units and establish large export-import organizations so that they can do business in an efficient and convenient manner in relations with foreign customers.

The central export-import corporations specialized by product would have the primary task of implementing the trade agreements and protocols signed between our country and foreign countries.

2. General central export-import organizations.

The general central export-import corporations would have the primary task of trading with corporations of countries outside the socialist system.

In cases in which corporations of foreign countries perform trade services related to many central export-import corporations that are specialized by product, the general corporations must act as intermediaries and sign contracts with these foreign corporations as representatives of our corporations.

3. Local export-import corporations.

This is a transitional form of export-import organization that is necessary in view of our country's specific circumstances today.

However, to insure unity of action on the part of our export-import organizations on the international market, we cannot, of course, extend the authority to directly export and import goods to all provinces and municipalities directly subordinate to the central level. Only those provinces and municipalities that have the necessary commerce and trade conditions on the overseas market should be permitted to export and import goods directly. The fewer export-import units we have participating in a market and doing business in the same product (export or import), the less competition there will be among these units and the state will be better able to unify their activities.

Therefore, it is essential that we centralize the export-import activities of the localities, particularly in a number of important products, within a number of centers. Doing this correctly will be a complicated matter, one

that will affect many fields and demand that numerous problems regarding views, policies, organization and cadres be solved.

The rational approach to take here is to merge provincial and municipal export-import corporations in order to establish regional joint corporations under the guidance of the Ministry of Foreign Trade.

Fourthly, because sources of export goods are limited and in order to resolve the contradiction between import needs and export capabilities, it is necessary, together with restructuring the export-import business organization, to take stronger steps to organize sources of export goods on the basis of restructuring the corporations that are currently performing this task on the district level, the provincial level and the municipal level directly subordinate to the central level and clearly defining the relationship between the units that organize sources of export goods and export-import business units.

Fifthly, from the standpoint of state management, the Ministry of Foreign Trade is the agency appointed by the state to manage each export-import activity and export-import corporations. All export-import corporations are components of the foreign trade sector regardless of whether they are directly under the guidance of the Ministry of Foreign Trade, are part of a production management ministry or are attached to a production enterprise which is under the management of a production management ministry.

Therefore, in the export-import business (products, markets, merchants, prices, modes of buying and selling, payments, the signing and execution of export-import contracts, the issuance of export-import permits and so forth), the Ministry of Foreign Trade, as the agency authorized by the state to manage the foreign trade sector, is the only state agency with decision making authority in this field. At the same time, it is responsible to the Council of Ministers for its decisions.

The ministries and the provincial and municipal people's committees must manage each domestic business activity of subordinate export-import organizations and guide the efforts of these units to organize sources of exports with the aim of fulfilling contracts signed with foreign countries.

Sixthly, although it has begun to be revamped, our foreign trade management mechanism still needs to be improved.

In the immediate future, it is necessary to formulate a unified export-import plan for the entire country, one that consists of the export-import plans of the central export-import corporations and the export-import plans of the export-import corporations of those provinces and municipalities which are permitted to export and import goods directly (the export-import plans of those provinces and municipalities which do not have permission from the state to perform export-import functions will be included in the plans of the central and local export-import corporations in the form of export and import assignments).

The unified export-import plan of the entire country must be formulated under the centralized and unified guidance of the State Planning Commission and with the participation and close coordination of the Ministry of Foreign Trade. This plan (although difficult to perfect under present conditions) will provide an important basis for adjusting export-import activities, particularly with regard to the primary exports and imports of the various sectors and localities.

This plan is also a way to limit competition in the procurement of export goods. On the other hand, we must continue to refine the policies and measures employed to encourage exports and encourage frugality in the domestic consumption of goods that are exported in conjunction with adopting policies and measures aimed at economizing on imports and making effective use of imports.

Implementing, in a correct and well coordinated manner, the policies and measures that have been promulgated and adopted, particularly Decision Number 177/HDBT dated 15 June 1985, is a necessary prerequisite to creating new export capacity, effectively utilizing existing export capacity and establishing a rational relationship among the various interests, mainly the common interests of the entire country and the separate interests of each sector, each locality and each person engaged in the production of export goods.

In conjunction with policies that encourage the production of exports, frugality in the importation of goods and the effective use of imports, it is necessary to codify the business autonomy of export-import organizations.

Because the characteristics of the foreign trade sector differ from those of the domestic economic sectors, the business autonomy established for export-import organizations must be consistent with these characteristics.

Organizing and managing foreign trade in the initial stage of the period of transition is a new and complex undertaking. Consequently, it is necessary to work and gain experience at the same time, promptly reach conclusions, confirm correct approaches and correct shortcomings while making changes where appropriate. On this basis, we can establish an organization and a policy that are consistent with the principle of the state's monopoly of foreign trade and with the conditions of our country in the present stage.

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CSO: 4210/4

THE NEED TO SHIFT FROM COMMERCIAL COOPERATION TO SPECIALIZATION AND COOPERATION IN THE PRODUCTION OF EXPORT GOODS

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 35-40

[Article by Thanh Khiet]

[Text] In June 1980, at the 34th session of the Council for Mutual Economic Assistance (CEMA), the country of Vietnam, represented by Premier Pham Van Dong, officially accepted from the Council its task in the specialized, socialist international division of labor. The 17 July 1984 resolution of the Political Bureau on economic relations between our country and foreign countries stated: "In our multilateral cooperation with CEMA, positive and steadfast efforts must be made to advance from commercial cooperation to specialization and cooperation in production." In the Political Report he delivered at the 27th Congress of the CPSU Gorbachev said the following when discussing cooperation among the member countries of CEMA: "The line of the CEMA member countries demands that there be a shift from relations which are mainly commercial to cooperation and specialization in production, beginning with the establishment of production-science groups and joint-business combines."⁽¹⁾ When it became a member of CEMA, Vietnam also looked forward to undertaking a specialized task based on the Council's division of labor. However, to do this, Vietnam must first possess the material-technical base of socialism. Our country is carrying out industrialization with the aim of successfully building this material-technical base in order to advance Vietnam's small-scale production, especially its small-scale, agricultural production, including the production of agricultural products for exportation, to large-scale, socialist production. In the North, agricultural cooperativization has been virtually completed and nearly 90 percent of cooperatives are high level cooperatives. However, this is only socialization in form, because, our country's agriculture is, in practical terms, still small-scale, manual production and has yet to become a system of large-scale, socialist production.

At present, the key matter of decisive significance in Vietnam being able to accept and perform specialized tasks assigned by CEMA is the need to quickly build the material-technical base of Vietnam's economy, in general, and especially the material-technical base of Vietnam's agriculture because the task of specializing in agriculture (particularly a tropical agriculture), is

an exceedingly large task and includes important contributions to the exportation of agricultural products. It is necessary to mechanize every aspect of Vietnam's agriculture and immediately introduce the latest achievements of biotechnology, such as genetic engineering, in order to develop new varieties of crops and breeds of livestock. In addition to supplying agriculture with modern agricultural machinery, we must also concern ourselves with building the infrastructure, such as building cold storage facilities, a modern road network and fleets of special purpose trucks and ships for the transportation of agricultural products. For example, to transport thousands of tons of bananas from Phu Tho down to Haiphong, we must have thousands of hectares of bananas under cultivation at the same time so that they can be harvested at the same time. Otherwise, the bananas in one compartment will be overripe while the bananas in the next compartment are too green. Some method of fumigation must be used. And, together with cold storage facilities, refrigerated trucks with springs must be used. If transported under the conditions that exist in our country today, bananas would rot before reaching Haiphong. How can we, with the small-scale production being practiced today, assemble 5,000 tons of bananas in 1 week (the minimum quantity needed to fill a Soviet ship) so that a full shipment can be sent from Haiphong to Vladivostok? At present, the General Vegetable and Fruit Supply Department of Siberia has a very large need for vegetables and fruit and the Soviet Union hopes very much that Vietnam can meet these needs. However, we are still not able to do this. The supply of cabbage being received by the Soviet Union from Haiphong is very unstable. Sometimes, when the foreign trade sector needs to procure products, farmers have none on hand. At other times, many products are available but cannot be exported due to a shortage of bags and baskets, particularly a shortage of cold storage facilities. When bags are available, means of transportation are not. When products are shipped to seaports, there is always concern about whether they will be unloaded promptly. Producers, on the other hand, are beset by countless problems. They must worry about keeping enough of their crop for seed and planting their crop on schedule. When their cabbage crop is mature, they do not know if it will be purchased by the foreign trade sector. They worry about packaging their crop and then about transporting it. But, even after it has been transported, they still cannot rest easy because of their concern that the shipment will be returned because it did not meet specifications, on top of which they are also fined.

The current export production mechanism of Vietnam is as follows: producers are small-scale producers. The foreign trade sector makes procurements and then sells the products procured to the Soviet Union. Under this mechanism, the Soviet Union is our only buyer. It is true that there is a very large demand on the Siberian market for vegetables and fruit, particularly tropical vegetables and fruit of Vietnam. However, how can the Soviet Union meet its plan to provide a regular, stable and permanent supply of vegetables and fruit to Siberia by relying upon Vietnam's small-scale vegetable and fruit production? If the current export production mechanism is maintained, producers will continue to be small scale producers. The foreign trade sector will procure products and then sell them to the Soviet Union. The Soviet Union will be our only buyer. How, then, can the vegetable and fruit production of Vietnam become a system of large-scale, modern production?

Neither Vietnam nor the Soviet Union can allow the current situation to continue indefinitely. Every possible step must be taken to immediately enable Vietnam to begin performing its specialized task for CEMA, specifically supplying vegetables and fruit under a long range plan to Siberia.

The only solution in such cases, a solution that has been applied in Cuba (in the planting of sugarcane and refining of sugar), Mongolia and other places, is for the Siberian General Vegetable and Fruit Corporation of the Soviet Union to cooperate with Vietnam and directly organize large-scale vegetable and fruit production for Vietnam using the capital and technical capabilities of CEMA. Only under such conditions can we acquire the economic and scientific-technical capabilities needed to successfully build the material-technical base, the infrastructure of this system of large-scale production.

Only in this way can the General Vegetable and Fruit Corporation of the Soviet Union formulate a plan for supplying vegetables and fruit to Siberia during the years from 1986 to 1990 that is based on Siberia's vegetable and fruit needs. The general corporation will know by how much it needs to expand the amount of area under cultivation in order to produce the quantities of vegetables and fruit recorded in the plan, will know how many more means of production (machinery, fertilizer, pesticide and so forth), how much more grain and how many more food products and industrial goods will have to be supplied to producers, etc.

Deserving of attention is that in order to supply table rice to Vietnam's vegetable and fruit producers, the Soviet Union's general corporation will have to buy rice from Thai Binh and Cuu Long Provinces at high prices (and also use the ruble as the standard of value). Thai Binh and Cuu Long will use these rubles to buy means of production and consumer goods from the Soviet Union and CEMA. Thus, through commodity trade and the exchange of labor on the scope of the socialist international market, the rice producers in Thai Binh and Cuu Long Provinces will also be able to make contributions (although indirectly, through export production units) and, as a result, will also earn a high income roughly equal to the income of large-scale vegetable and fruit producers. In this way, with the capital we accumulate and the modern corps of technical cadres and workers developed as a result of the export production units mentioned above, we will be able to gradually acquire the conditions needed to successfully develop the various sectors of the domestic economy into large-scale, modern, socialist economic sectors on our own.

To the Soviet Union, the above approach is not something new, nor is it only designed to assist Vietnam. Rather, it is an approach that already exists in the long-term goal oriented programs of CEMA on supplying grain, food products and industrial consumer goods to the member countries of the Council, including the Soviet Union and Vietnam.

Prior to 1971, the socialist economic ties of CEMA took the form of the coordination of the 5-years plans of the member countries on the macroeconomic scale, that is, the signing of agreements with one another on the quantity of goods to be supplied to one another during the 5 years. After these agreements were signed, the production of each country was still the separate concern of each country (as is the case with Vietnam today). The impact of

the economy of one country upon the economy of another was through the market and took the form of inspection of prices and the quantity and quality of goods to insure compliance with the clauses contained within agreements.

Thus, cooperation was still mainly in the commercial field. However, since 1971, with the emergence of coordinated programs, cooperation has entered a new stage: the stage of cooperation in production on the basis of each country being assigned the task of highly specializing in a certain area of production. That is, the member countries have combined their manpower and material resources to simultaneously implement the plans of all member countries in the form of one single plan of CEMA. In 1979, with the implementation of the five long-term programs with goals for 1990 (programs in: 1--raw materials and fuel; 2--machinery; 3--grain and food products; 4--industrial consumer goods; and 5--communications-transportation), the socialist economic ties of the Council took another very large stride forward. On the basis of these five programs, each member country can highly specialize in a small number of economic sectors in which it can achieve the highest economic efficiency and benefit the socialist community the most. Now, to develop a resource or build an economic sector, every member country must examine and resolve problems from the perspective of CEMA and on the basis of the interests of the community, which include its own interests. Because, only by relying upon the economic potentials and the scientific-technical potentials of the entire socialist community is it possible to carry out any job with the largest results and highest efficiency.

Gradually, national economic combines (each national economy is a combine) are becoming the components of a single economy of the socialist community in which the augmentation of each national economy by the others in accordance with plans of CEMA for the division and distribution of social labor is being increasing accelerated and producing increasing results. As a result of this augmentation, the forces of each country as well as the entire community have undergone rapid and extensive growth. This is helping to resolve problems facing each country and the entire community.

According to Y. Chirisev, academician and director of the CEMA Institute of World Economic Issues, an optimum national economic combine today is not one that extends into all regions and enterprises and forms a self-contained system as was the case in previous years, but is a combine that makes it possible to achieve maximum gains from specialization and mutual augmentation, possible to make the most efficient use of the resources of each country, in particular, and the resources of the entire community combined together.

Vietnam has only been a member of CEMA since 1979. The coordination between our economy and the national economies within CEMA is in the stage of mainly commercial cooperation, which is the same stage that the older member countries were in prior to 1971.

Therefore, the tasks of CEMA today is to closely cooperate with Vietnam in specialized production, to combine manpower and material resources with Vietnam and carry out the construction of the material-technical base, of the economic infrastructure of large-scale, socialist production in Vietnam so that Vietnam can achieve the division of labor and specialization required by

the task assigned to it by the Council. The shift from commercial cooperation to a division of labor, specialization and cooperation in production represents a qualitative change in the economic cooperation among the socialist countries within CEMA. This form of economic cooperation is applied not only in the production of vegetable and fruit products for exportation, but can also be expanded to the production of goods ranging from industrial crops, such as coffee, rubber and so forth, from minerals, such as bauxite, iron, tin and so forth and to doing work under contract for foreign countries, such as contract textile and garment production, the assembly of radios, televisions, computers, etc. For these types of products, the mode of cooperation is basically the same as the mode employed in the production of vegetables and fruit for exportation. In this mode, it is necessary to firmly adhere to the following fundamental principle: the production of these products must be carried out with the aim of satisfying the needs of one or many member countries of CEMA. Consequently, friendly countries have the responsibility of investing capital and scientific-technical resources in Vietnam to build a large-scale production organization.

Concerning this matter, the teachings of Lenin more than one-half century ago are as valid today as they were then. To begin with, Lenin analyzed why Russia has no choice but to begin to restore its post-war production by opening the door to foreign monopolistic capitalists, such as the British, Germans and Americans, to organize large-scale modern production with the aim of developing the precious resources of Russia, such as petroleum, timber and so forth, which they needed very much. Lenin wrote: "Our poverty and ruin are so great that we cannot restore large-scale socialist state industry all in one stroke."⁽²⁾ Because, where were they to obtain raw materials and fuel, particularly the products needed to replenish the energies expended by workers in their work? However, at that point in time, the Russian proletarian state needed very much to produce industrial consumer goods to trade for the wheat of private peasants. The only way it could extricate itself from this situation was to rely upon cooperation with foreign capitalists to restore industry in Russia. Lenin wrote: "This is something we cannot do without the help of foreign capital. This should be plain to everyone who takes a realistic view of things."⁽³⁾ He criticized persons who practiced "local patriotism" and "guild-style patriotism" and stubbornly resisted cooperation with foreign capitalists. And, he introduced a concessions policy, the most important objective of which was to be able to help to "immediately improve the living conditions of the workers within these concession enterprises."⁽⁴⁾

With a view toward achieving this objective, Lenin demanded that concession terms be included in contracts, the most important of which was that "the concessionaire shall improve the condition of the workers employed at the concession enterprises (as compared with that of other workers employed at similar enterprises in the locality) so that it is raised to the average standard abroad."⁽⁵⁾ Lenin maintained that Western European capitalists would readily accept these terms, "not out of a humanitarian concern, but as a purely business proposition"⁽⁶⁾, because only in this way could the worker working for the concessionaire achieve the labor productivity needed to produce large profits for the capitalist.

What we need to learn here is this: through concession enterprises of foreign capitalists, Lenin immediately enabled the Russian worker to directly participate in the exchange of labor on the international market. As a result, the Russian worker achieved the labor productivity and, through this, the level of income and standard of living of the workers of the most developed capitalist countries at that time. The existence of concession enterprises stimulates the development of non-concession enterprises and raises their level of scientific-technical development and their level of economic development to that of the concession enterprises.

The difficulties faced in Russia at that time were the same as the difficulties being encountered by our country today in the process of organizing production.

However, compared to Russia back then, our international circumstances are a great deal more favorable. Because, Vietnam is a member of the socialist community and has good conditions in its favor for participating in economic cooperation with the community, for tapping the very powerful economic and scientific-technical potentials of the community. Moreover, CEMA has existing programs and a plan (the five long-term programs with goals for 1990) to assist us in moving in this direction.

The performance of the specialized task assigned by CEMA to us has had a positive impact upon the building of large-scale, socialist production in our country and vice versa. In An Hai and Thuy Nguyen Districts in Haiphong, thanks to the direct assistance provided by the Soviet Vegetable and Fruit General Corporation, large-scale, socialist production of vegetables for supply to Siberia has been successfully established. All teachers and general schools within these districts directly participate in the production of export goods and the income of teachers and their families have steadily risen. As a result of producing products for exportation, even students have enough money to go to school and support themselves. Moreover, the general corporation is also using these schools as scientific-technical centers and has made the vegetable gardens of the schools model gardens of the locality. With the training received from Soviet and Vietnamese specialists of Haiphong's Vegetable and Fruit Cultivation and Processing Research Institute, teachers have become specialized cadres of the institute on the basic level following several months of classroom study. Through their student networks, the schools have disseminated the techniques of vegetable cultivation. Students immediately take what they learn at school back to their families and correctly apply the instructions given to them. However, to produce vegetables for exportation, dozens and even hundreds of other trades and occupations are needed to support production within the locality. Most importantly, it is necessary to have shops to maintain and repair machinery and tools for production and construction, a number of infrastructure bases supporting production, plants processing vegetables and fruit for exportation locally and plants producing packaging materials as well as shops to maintain and repair means of communication and transportation. Of course, besides these, it is also necessary to have sufficient facilities and means to support the daily needs of the working people within the locality, such as food stores, museums and clubs, kindergartens, cultural halls for teenagers, etc. In this way, students of the locality need not go far away from home to find

the occupation they desire. They can learn and practice the trade they prefer right in their own home village and, after they graduate from school, can immediately go to work where they live.

In summary, cooperating in the field of production, particularly in the production of exports, not only in the commercial field, with the countries of CEMA is a rational and advantageous approach that will make an important contribution to the advance of our country's economy.

FOOTNOTES

1. TEMPS NOUVEAUX, March-1986, No 9, p 22.
2. V.I. Lenin: "Collected Works," Progress Publishers, Moscow, 1978, Volume 43, p 265.
3. Ibid., p 199.
4. Ibid., p 200.
5. Ibid., p 201.
6. Ibid.

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CSO: 4210/4

THE UNITED NATIONAL FRONT, AN IMPORTANT FACTOR GUARANTEEING THE VICTORY OF OUR COUNTRY'S REVOLUTION

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 41-43

[Unattributed article]

[Text] In keeping with a decision by the Party Secretariat, this year is the first year that the date 18 November 1930--the day on which the party issued its directive establishing the United National Front--is commemorated as the date of the establishment of the Vietnam United National Front. In its 56 years of existence and development, the United National Front has played a very important role in the history of our country's revolution. Under the leadership of the party, it has experienced many stages of our country's revolution, stages that have been fraught with difficulties and challenges but also been very spirited and heroic. To support the successful completion of the strategic and tactical tasks set by the party in each period of the revolution, the United National Front has assumed different names, each associated with different goals, different programs of action and different forms and methods. The United National Front has made positive and important contributions to each step forward by the revolution, to each major change in the country.

As the first form of the United National Front, the Anti-Imperialist League launched a strong anti-imperialist movement from South to North, assisted the masses in their struggle to secure vital rights and made an important contribution to the Nghe-Tinh Soviets movement. Changes in the international and domestic situations made it necessary to focus efforts on resisting fascism, opposing war and demanding freedom, a decent standard of living and peace. The Indochina Democratic Front was established, replacing the Anti-Imperialist League, and played a positive role in intensifying the democratic movement during the years from 1936 to 1939. Carrying on the role and revolutionary cause of the Anti-Imperialist League and the Indochina Democratic Front, the Viet Minh Front made very large contributions to the glorious victory of the August Revolution. During the 9 years of the resistance against the French colonialists, the Lien Viet Front played a highly visible role and rallied each and every patriot, thus creating the strength of victory for the war of resistance and national construction. To meet the new requirements of the revolution, building socialism in the North and struggling to liberate the South, the Vietnam Fatherland Front was born

with the noble mission of uniting each strata of the people in the North in socialist construction and the National Front for the Liberation of South Vietnam came into being to mobilize the manpower and material resources of the people of the entire country for the cause of winning victory over the U.S. imperialist aggressors, liberating the South and reunifying the country. Since the entire country began the advance to socialism, the various front organizations have been merged to form the Vietnam Fatherland Front and assumed the new responsibility of building stronger unity among the people of the entire country and struggling to successfully perform the two strategic tasks of our country's revolution: building socialism and firmly defending the Vietnamese socialist fatherland.

It can be said that the achievements recorded by the United National Front during the past half-century have been one of the salient victories of our country's revolution. These achievements have stemmed mainly from the adoption by our party, symbolized by President Ho Chi Minh, of a correct and creative Front policy consistent with the characteristics of our country's revolution, of our people's long and hard fight for independence, freedom and socialism. This policy has reflected the views and thinking of Marxism-Leninism concerning the Front as applied, through suitable themes and forms, to the circumstances of our country during each period of the revolution. In particular, it has thoroughly embodied the following thinking of President Ho Chi Minh: "Unity, unity, broad unity, success, success, sweeping success"(1) and his teachings: "We must closely unite with and lovingly assist one another, must earnest study one another's strongpoints and criticize one another's weaknesses in order to make progress together"(2) and must, on the basis of the solid alliance of workers and farmers, always build broader unity among each and every force that can be united, win additional friends, highly isolate the imperialists and their lackeys and make them weaker with each passing day so that we can topple them and advance the revolution to victory. The Front policy of the party and President Ho has also reflected skillful guidance from the standpoint of the strategy and tactics employed by the United National Front. This guidance can be seen in: the consistent assertion, from an early date, of the enormous role played by the Front--an indispensable weapon in building and expanding the broad unity of all the people in the struggle to topple each enemy of the nation, win independence and freedom and build the new life; in the establishment of a correct relationship between the class and the nation in each period of the revolution; and in meeting the requirements involved in the party leading the Front combined with the Front itself adhering to its principles of operation and developing its forms of activity. To implement the Front policy well, the party, as did President Ho, has always concerned itself with correcting such mistaken attitudes and thinking as giving light attention to the role of the Front; being narrowminded with regard to building unity; only uniting in one direction or cooperating without a basis in principle, without respecting the principles of operation of the Front...

On the basis of the correct Front policy, the various strata of the people, the mass organizations, the various political parties and patriotic personalities, the fraternal ethnic groups and religious compatriots in each region of the country have developed upon our nation's precious tradition of unity in combat, eagerly participated in the Front and actively carried out

its programs of action through a wide variety of interesting forms. Every member of the Front has tried to fulfill his task and contribute to the country's common revolutionary cause.

The positive activities and the growth of the Front's organization have also made important contributions to the achievements of the Front. In the different periods of the revolution, the Front's organization on the various levels has made many efforts to gradually improve the themes and methods employed in its activities so that they are flexible and compatible with the different members of the Front, with the different strata of the people. With its organizational system on the various levels having been steadily strengthened, the Front has clearly defined and correctly performed its functions and tasks. At the same time, it has coordinated the activities of its members and coordinated the activities of the Front with the administration in major undertakings of the party and state and in movements related to each stratum of the people.

Today, the Front is our broadest socio-political organization. It is a broad coalition of a profound mass nature. The Front is the representative of the right of ownership of the various strata of the people. At the same time, it is the solid base of the socialist state. Under the leadership of the party, the Front has the task of putting the alliance of workers and farmers into practice, closely uniting intellectuals and the other strata of laboring people and widely uniting all political parties, ethnic groups, religions, prominent personalities...to achieve the common objective of successfully carrying out the two strategic tasks of our people today: building socialism and firmly defending the Vietnamese socialist fatherland, thereby helping to maintain peace in Southeast Asia and the world.

To continue to develop the role of the Front and in order for the Front to fulfill its functions and tasks well in the new stage, particularly in view of the economic and social difficulties our country must overcome today, we must change the way we think about and perform Front work so that the themes and forms of the Front's activities are consistent with specific circumstances and conditions, have a positive impact upon the thinking, feelings and aspirations of the broad masses, of every stratum of the people and mobilize the people to implement the positions and policies of the party and the laws and socio-economic plans of the state well, to do so in a way that avoids bureaucracy and formalism. We must give our attention to strengthening and improving the structure of the Front's organization so that it symbolizes the unity of all the people and is capable of conducting practical and dynamic activities. In particular, attention must be given to building a solid and strong Front organization on the basic level--where it is possible to perform good Front work among each household and each citizen in the various strata of society. Of very important significance is the need to build a corps of cadres engaged in Front work who are zealous about their work, possess good ethics and qualities, possess the necessary standards and skills and possess appropriate experience and an appropriate style of work.

By building upon the glorious tradition established by the United National Front during the past half-century, the Vietnam Fatherland Front will surely make worthy contributions to the successful implementation of the resolutions

of the 6th Congress of the Party, thereby advancing our people's cause of revolution to new victories.

FOOTNOTES

1. Ho Chi Minh: "Ve Mat tron dan toc thong nhat,"[The United National Front], Su That Publishing House, Hanoi, 1972, p 92.
2. Ibid., p 46.

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CSO: 4210/4

SCIENTIFIC-PRACTICAL CONFERENCE ON SOCIALIST BUSINESS*: SOCIALIST BUSINESS IS THE EFFECTIVE MANAGEMENT MECHANISM OF THE SOCIALIST ECONOMY

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 44-50

[Article by Che Viet Tan]

[Text] Socialist business is a new concept in socialist economic management. This concept needs to be clarified. To our country, which is in the process of revamping its economic management mechanism, this is an issue of even greater practical and important significance.

In the present age, science and technology are undergoing extraordinary development and the production capacity of mankind is about to enter a different age: the new industrial age. The economic structures of countries and the economic management knowledge of mankind are also reaching a new level of development. The economic relations among the countries of the world are being expanded and becoming increasingly diverse and complex. This situation demands that the socialist countries keep abreast of the rapid changes taking place today, make the necessary economic reforms and conduct socialist business in a dynamic manner consistent with the new development of mankind's production forces. To meet the demands being raised by the new situation, the fraternal socialist countries have been carrying out large socio-economic reforms and revamping their economic management mechanism.

However, these new factors compel us to revamp our economic management mechanism in a manner consistent with the objective development of the situation and apply the knowledge and experience of mankind in economic management, knowledge and experience which have grown in response to the changing requirements of our times. The old "static" management mechanism with its "rigid" planning served us well under the historical conditions of the traditional industrial age but has now become ineffective as a result of the changes that have been and are taking place in our times.

The commodity production of the socialist economy is constantly expanding and increasing in size, quality and scale (in 1985, the Soviet Union produced more than 24 million products), thus necessitating a new management mechanism. In our country, although the level of planning is still low and commodity production has yet to develop, this does not mean that we cannot apply a new and effective management mechanism which is consistent with the special

characteristics and the conditions of our country in the initial stage of the period of transition. We must shift from the management mechanism based on the "static" management system and "rigid" planning, under which management is provided by means of the plan and a detailed system of legally binding norms governing everything from the start to the finish of business and work and by means of purely administrative orders, to a new management mechanism based on accounting and socialist business practices, one which correctly implements the principle of democratic centralism. This new mechanism must increase the effectiveness of the centralized, unified leadership and management provided by the central level. At the same time, it must broaden the independence of the localities from the standpoint of their responsibility for providing socio-economic management within their boundaries and guarantee the business autonomy of basic economic units, where, given the ownership role played by the collective of workers, it is possible to rapidly change the situation on the momentum of technological developments which occur in a short span of time and adapt to changes in the market. This new economic management mechanism, which is called a "dynamic" mechanism, is one in which the plan is the center of socio-economic activities, which are regulated by economic methods and involve the use of commodity-money relations and market relations to insure that the plan is implemented with the highest possible results.

The resolutions of the 6th, 7th and 8th Plenums of the 5th Party Central Committee, particularly the resolution of the 8th Plenum, and Political Bureau Resolution 28 have cited the necessity to shift to the "dynamic" management mechanism, to "shift entirely from management based on bureaucratic centralism and state subsidies to economic accounting and socialist business." This guideline is very revolutionary, very correct and progressive and marks a new stride forward in our several decade process of gaining practical experience, developing our management theory and revising the economic thinking of our party and state.

The term "business" has always been thought by many persons as having a bad connotation. Therefore, when the subject being discussed is business, what comes to the mind of some persons is the capitalist or private modes of business, is succeeding in trade by any means possible, from engaging in dishonest trade practices and buying low and selling high to exploiting labor, following the moves of the market and so forth in order to make a profit. These methods of doing business are totally alien to socialism, a society in which there is no longer any exploitation of man by man, a society which practices socialist distribution and planned economic development, which attaches importance to interests and whose socio-economic activities are aimed at developing production and constantly improving the standard of living. The way of thinking and working employed under the old economic management mechanism has caused us to shun the concepts of "commodity production," "socialist profit" and "socialist business" and to mistakenly think that all we need do to build the socialist economy is to manage the economy and guide production by means of administrative orders and a detailed system of legally binding plan norms handed down from above and implement a system of centralized distribution of material resources to meet production and everyday needs (with state-operated enterprises and collectives also making their deliveries to the state in the form of material resources). Even the distribution of national income has long been measured by product unit and

this has made our concept of commodity production vague. During the initial period of socialist construction, when national income is still low, as well as during times of war, some countries, such as ours, have been compelled to implement a supply system, including even the direct supplying of a percentage of the products needed in everyday life. In addition, social systems must maintain everyone's standard of living when wages are still low (and do not reflect the results of labor or the results of production), as a result of which this supply system becomes a system of state subsidies. The subsidized nature of the current management mechanism is evident in the system of distribution, allotments and deliveries, a system which does not take economic efficiency into consideration nor tie responsibility and material interests to the efficiency with which capital, materials and labor are used. The supply system based on rationing was designed to maintain a minimum standard of living, consequently, this system, which was implemented against the background of general poverty, was highly egalitarian in nature. The long-standing system of state subsidies caused us to mistakenly think that state subsidies represent the system of socialist distribution. Here, money is only used to pay for and transfer millions of products of different types through fixed prices. Although accounting is practiced, it is accounting in form only. The system of distribution organizations through which this function and method of supply are carried out on the market, although called socialist commerce (consisting of state-operated commerce and marketing cooperatives), is actually a system of organizations and warehouses which supply and distribute goods in accordance with the plan and the subsidized supply system and does not fulfill the function of socialist business.

Under these conditions, the market plays virtually no role at all. The primary purpose of social production is to meet the needs of everyday life by supplying products in accordance with a plan which places heavy emphasis upon supplying the necessary quantities, upon meeting distribution requirements, which give light attention to quality. And the products produced do not reflect the strict requirements of the market.

The method of production and mode of distribution described above are the basis of the objective and long-standing existence of the attitude that commodity production does not play a role under socialism and have led to the habit of not making calculations to insure that production costs are met and a profit is earned. As a result, this approach does not encourage higher efficiency or quality and does not stimulate the development of commodity production and circulation under socialism. This method of managing production and this system of distribution, allotments and deliveries are administrative, bureaucratic and subsidized in nature and give rise to many negative phenomena, to stagnation.

World War II ended more than 40 years ago. Despite the fact that conflicts can still occur, the international situation, although complex and tense, is relatively peaceful. Trade and the relations among countries have been expanded. Production has developed in many socialist countries. Some are producing tens of millions of products. Distribution, therefore, can no longer be carried out through rationing, can no longer be in the form of

products, but must be carried out through the market. Under the new conditions that prevail today, it is even more apparent that commodity production occupies a position in socialism.

In every socialist country, socialist commerce (when true to its name) controls the market and plays the decisive role in distributing national income in accordance with the principles of socialism through procurements and sales, through a sensible price policy and price management mechanism of the state. Here, income must be in the form of money and based on the results of the labor of each member of society. Products and goods must be of high quality. The quality of materials consumed per unit of product must be steadily reduced by applying technological advances. Production costs must be reduced and business must be profitable.

Commodity production within a planned economy must create products and goods of high quality that are capable of competing on the domestic market and the international market. When the output and quality of products and goods steadily increase and these products and goods are liked on the domestic and foreign markets, they will yield increasingly large profits, thus making it possible to carry out socialist capital formation, improve the worker's standard of living and meet the requirements of the fundamental economic law of socialism. Conversely, when the production of products and goods steadily declines, when their quality is poor, when production costs are high and profits are low or when losses are being incurred, production cannot be sustained. The socialist state cannot subsidize such production activities. On the market, socialist commerce is knowing that business must have an impact upon production in order to constantly improve the quality of products or change product specifications to suit consumer tastes, establish appropriate, civilized, convenient and correct methods of trade, endeavor to reduce circulation costs and reduce the commerce discount but still retain correct state prices or steadily reduce prices but still earn a high profit in commerce, control the market and wage an effective struggle against private merchants. This is "socialist competition." It is a concept which we should not consider as having a bad connotation nor should we understand it as meaning capitalist competition.

Socialist competition is fundamentally different from capitalist competition in terms of its objectives, class nature, methods and the fact that it takes place within a planned economy. Capitalist competition leads to the separation of society into classes, the impoverishment of the working people and the expansion of capitalist exploitation. In the socialist economy, there is commodity production and a market. Consequently, there is also competition. Socialist competition strengthens socialist production relations, raises everyone's standard of living and expands socialist distribution. In 1918-1920, on the basis of capitalism's competition, Lenin introduced socialist emulation. His argument and the experience of a number of fraternal countries have shed additional light on socialist competition. Within a planned economy, one whose makeup is wholesome and proper, socialist competition, under the organization and leadership of the party and socialist state, invigorates the socialist emulation movement and is the force stimulating business activity and the production of goods "quickly, well, inexpensively and in large quantities" as was pointed out by Uncle Ho.

Socialist competition demands that socialist commerce do business in the correct way to insure that goods reach the hands of consumers, to correctly implement the principle of socialist distribution and to earn a profit in commerce. Each store and each sales person must change their mode of operation and style of service to meet the requirements of socialist business. The income of the producer, of the sales person is dependent upon the results of business, that is, upon the final result that the laborer actually contributes.

Declining production and losses in trade cannot be allowed to persist. Subsidies and protection are provided for a limited time under state policy. If, at the end of this time, losses are still being incurred, the production units in question should not be allowed to continue to exist and the party and socialist state should take steps to appropriately restructure these units with the aim of continuing to provide jobs to their workers. This is the process of socialist agglomeration. It is an objective law. Socialist business will help to restructure and reorganize social production and have the effect of thoroughly reforming the specifics and methods involved in balancing the plan. On the central level, the balances contained within the plan are balances for the entire national economy, balances which are based on the specifics of business and aimed at achieving wholesome competition which does not lead to "big fish eating little fish," aimed at implementing the line and meeting the strategic goals of the party on the basis of insuring efficient business activities within the economy. The long-term, medium range and yearly state plans of the central level fulfill their role as the "center" through activities that "directly control" or "indirectly control" or combine both "direct and indirect" control on the macroeconomic management level to regulate the socio-economic activities of the country in accordance with the state plan.

At basic economic units, the plan must be revamped in keeping with the spirit of Political Bureau Resolution 306 (draft). This is the operating plan under which business is done, a plan which must be balanced in a flexible and dynamic way and which must function, from the "input" side to the "output" side as a "black box," keeping pace with technological advances while insuring that the legally binding plan norms of the state are met on the output side and that a profit is earned.

The history of economic management is shifting from the "static" management mechanism, which was compatible with the technological advances made in the traditional industrial age, advances which occurred in a 100 year cycle and later in a 15-20 year cycle and which remained "static" for a long period of time(1), to the "dynamic" management mechanism compatible with the technological advances of the new industrial age, which occur in short cycles of 2 to 5 years, and with changes on the market in the form of products that are constantly being upgraded on the basis of the technological advances that occur in these short cycles.(2) The new, "dynamic" management mechanism which corresponds to the transition from one age to the next begins with replacing old economic thinking with new economic thinking in the management of the socialist economy.

Socialist business is the new management mechanism of the commodity economy based on planning and the flexible application of the relations between goods and money under the impact of the law of value, the law of supply and demand and the other laws of socialism and on the basis of economic accounting, which stimulates the achievement of high efficiency and high quality in production. The essence of economic accounting is calculating and comparing, in monetary terms, production costs and the results of the economic activities of collectives, which have the status of an individual under the law (enterprises, federations of enterprises and so forth), is paying production costs with the income earned from the sale of products and insuring a profit. Economic accounting has become an important lever used in socialist economic management to encourage collectives and workers to focus their efforts on completing plan tasks, improving the organization of production and achieving high returns from economic activities. Thus, economic accounting is both the essence and a tool, a means of socialist business. Two characteristics set socialist business apart from capitalist business:

1. Production and distribution-circulation activities are planned ("planned" encompasses the application of laws, including the dominant law, the fundamental economic law of socialism) with the aim of carrying out socialist reproduction and establishing the socialist mode of production.

2. A profit must be earned. The purposes of these profits are to increase the formation of socialist capital, improve the standard of living and implement the fundamental economic law of socialism.

Socialist business is the economic activity which creates socialist profits. Thus, socialist profit differs fundamentally from capitalist profit in its class nature, the method by which it is created and the purposes for which it is used. Capitalist profit is used to increase the formation of capital, expand capitalist business and expand the exploitation and enslavement of working people at home and abroad on an increasingly sophisticated level in order to produce high income for the capitalist.

It is incorrect to understand socialist business as profiting by any means, engaging in speculation, conspiring, seeking commercial gain or competing in procurement and sales with the aims of furthering the partial interests of one's unit or locality or raising the income of one's unit or one's own income.

Economic activities based on accounting (according to the style of business) cause all management elements and levels to constantly concern themselves with the final results achieved in their economic activities, namely, covering costs and earning a profit in order to survive and develop. This prompts them to carefully research the domestic and foreign markets and wisely select production and marketing plans. Every decision made must be based on economic calculations, on considering advantages and disadvantages, on calculating profit and loss and demands a rational organization, frugality and the selection of an optimum plan in order to achieve the highest possible returns. Socialist business is the effective management mechanism of the socialist economy.

From the standpoint of their nature, economic accounting and socialist business are the same: both require the distribution of production forces, the establishment and selection of goal-oriented programs, the formulation of plans based on increasing the quantity and quality of goods within the socialist economy and the use of commodity-money tools to achieve the largest possible final result at the lowest possible cost and produce the largest possible profit for socialism. The different between economic accounting and socialist business lies in their application: economic accounting is applied within economic organizations that have the status of an individual under the law (the enterprise, federation of enterprises and so forth). Socialist business is applied on a broader scope, one which encompasses the units that practice economic accounting and have the status of an individual under the law, the objects of economic work and the other economic forms within the socialist economy. That is, socialist business is, in general, a broader and more inclusive concept than economic accounting. Thus, when the assertion is made that it is sufficient to say "economic accounting" and unnecessary to also say "socialist business," it can be seen from the above that there is a difference between the two. We use the concept of the management mechanism of "economic accounting and socialist business" to fully describe the planned commodity production management mechanism and view the entirety of the "dynamic" management mechanism based on the advances in management made by mankind that have brought man into the new industrial age in its broad sense, that is, as oppose to the "static" management mechanism of the traditional industrial age. This "dynamic" management mechanism is developing into a different, temporary management mechanism called the strategy management mechanism. Some economists predict that this new management mechanism will be universally applied in the 21st century.

Both socialist business and capitalist business seek to generate large profits but they differ in nature and objectives. Capitalist business serves the interests of the capitalist and capitalist reproduction. Socialist business serves the interests of all society, increases the prosperity of the laborer, establishes the socialist mode of production and implements the fundamental economic law of socialism. This difference is the primary basis for distinguishing between commercial accounting (capitalism) and economic accounting (socialism).

Socialist business also differs from capitalist business in that it is planned. It regulates the economy on the basis of the law of planned economic development. Although capitalist business also involves the use of various types of plans on the microeconomic scale and involves a rather highly developed profession of planning the business operations of enterprises, capitalist groups and corporations as well as different types of macroeconomic plans for the entire country, these are only general forecasts of capitalist business activity. Capitalist business is basically regulated by the market and the capitalist profit motive. The fundamental principle of socialist business is planning. Implementing this principle sets the direction of the economy so that business develops not purely for the sake of profit, not in a manner divorced from the political task and economic tasks and not in a way that foresakes the long-range goals of building socialism and defending the socialist fatherland for the sake of immediate interests. Rather, it guarantees balance and high efficiency in socialist commodity production on

the basis of firmly adhering to the economic laws of socialism, correctly applying the law of value, giving attention to the impact of the market within the planned economy, implementing the principle of economic accounting, attaching importance to the value and use value of commodities under socialism...

Broadening the autonomy of basic economic units in keeping with Political Bureau Resolution 306 (draft) is only one element of the new management mechanism designed to bring about reforms on the "micro" scale. Reforms on the "macro" scale will be accomplished by effectively centralizing those things that need to be centralized. The current situation is one in which we have allowed things that should be centralized to become decentralized and have centralized things, in an ineffective, impractical and restrictive way, that should not be centralized through policies and rules that intervene too deeply in the autonomy of basic economic units.

At some places, because the perception of "socialist business" is still based on old prejudices and because the autonomy of basic economic units is understood as the autonomy of small-scale producers, guild tendencies and ungoverned activities or liberalism and fragmentation, all of which reflect a failure to fully see one's responsibility to the common interests of socialism, have arisen. In addition, persons who earn their livings illegally, speculators and corrupt persons are causing unnecessary disruptions in socialist economic activities.

On the other hand, our country's economy still consists of many different segments. The independence of localities and the autonomy of basic economic units are being increased at a time when the new management mechanism is not yet well coordinated or codified. Consequently, some of our perceptions and actions are different, are even at variance or marked by mistakes. But we should not maintain that these minor deviations have come about as a result of the introduction of the new mechanism and have developed into "chasing the market mechanism" nor should we think that they represent "market socialism"--something that cannot exist in Vietnam, where the majority of the primary means of production are under socialist ownership, exploitation has been virtually eliminated (although a few forms of exploitation still exist in the initial stage of the period of transition) and the dictatorship of the proletariat is led by the communist party of Vietnam, a genuine Marxist-Leninist party which practices a correct methodology.

FOOTNOTES

- * See TAP CHI CONG SAN, No 10-1986.

1. The steam engine was invented in 1680 but not produced until 1780 (100 years later). The airplane was invented in 1897 but not produced until 1911 (14 years later). The solar battery was invented in 1953 and went into production in 1955 (2 years later).

2. Ibid.

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SCIENTIFIC-PRACTICAL CONFERENCE ON SOCIALIST BUSINESS: THE BUSINESS PRICE MECHANISM WITHIN THE PLANNED BUSINESS MECHANISM

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 51-55

[Article by Dao Xuan Sam]

[Text] I. Prices--Objective in Nature and Capable of Being Used for the Purpose of Conscious Regulation

Within an economy that is still a commodity production economy, prices exist as an objective necessity. Prices form and change in accordance with laws: the law of value, the law of supply and demand and the law on the relationship among the economy, politics and the impact of the state. In the history of the development of the commodity economy, the formation of prices and price changes were, at first, spontaneous. However, there gradually emerged an entity which consciously regulated prices. Possessing a certain percentage of real economic forces (enough to give them control), experienced in business and assisted by the state, capitalist circles were able to become monopolists on the market and regulate prices by means of economic maneuvers coupled with political, administrative and psychological tactics. They became able to raise prices, lower prices, maintain prices and, in this way, seized complete control of market prices.

In the socialist countries, state-operated economic organizations control domestic economic forces. And, under a proletarian dictatorship state and in the initial stage of the period of transition, even when the economy still consists of many different segments, as is the case in our country, the state-operated economy is fully capable of becoming the entity which regulates the market and prices in accordance with the economic policies and plans of the state. In practice, many state-operated economic organizations and local state agencies in our country have gradually become the regulators of the market and prices within the field of which they are in charge. At the same time, many state-operated organizations are confused and incurring major losses on the market. Generally speaking, our state has yet to assume the role of regulating prices and the market. To the contrary, it has frequently been caught unprepared and been forced to follow spontaneous moves in the market and prices, thus incurring many substantial losses. The immediate cause of this situation is bureaucratic centralism and state subsidies in dealing with prices and the market...

Bureaucratic centralism in the management of prices is the excessive centralization of price setting authority in specialized sectors and the maintenance of primary prices by means of "orders." Following the issuance of the resolution of the 8th Party Plenum, this method of setting prices was once again applied in full detail and a system of very high prices based on calculations made by the functional sectors was introduced. Since then, production and business have further stagnated and the national financial and monetary system has encountered major difficulties. Thus, in the management of prices, we have failed to make inroads against the price mechanism in order to dismantle bureaucratic centralism and state subsidies and shift to economic accounting and socialist business. Instead, we have maintained the old mechanism and gone on to commit mistakes in the effort to make a breakthrough on the price front. As a result, the market and prices have been disrupted even more and the advances made in regulating the market and prices are being threatened.

With economic policy having to embrace an economy that consists of many different segments and with trade being expanded in order to control the market and prices, the proletarian state and the state-operated economy have but one path to follow, namely, shifting to the accounting-business mechanism and learning and applying the science and art of business organization in order to control the market and prices in a manner that conforms with laws.

II. Concerning the Business Price Mechanism Within the Economic Accounting and Planned Business Management Mechanism

1. The price management mechanism must support the development of production and trade and the establishment of the new economic structure.

Expanding domestic production and trade and expanding our exports and imports are a part of the process of advancing the economy from small-scale production to large-scale, socialist production; are the newest feature of an economy that is shifting from a war time supply system to economic accounting and business practices; are an aspect of structural policy; are demands of the process of industrialization, the process of building the new economic structure, the process of changing the structure of the economy away from its current structure consisting of many different segments... The economic management mechanism must be based on the requirements involved in building the structure of the economy (structural policy). The price and market management mechanism must stimulate the expansion of domestic production and trade and the expansion of exports and imports. This is the prerequisite to creating a normal market and price situation, eliminating artificial extremes, reducing the scope of the underground economy and eradicating blackmarketing and illegal ways of earning a living.

Here, it is necessary to implement a free trade policy within the framework of national economic policy and plans and the law. The practice of "stopping ferries and banning markets," which is the result of many unreasonable tax and "procurement" measures, must be corrected. Our management system is accustomed to making excessive use of administrative measures and has not made a bold shift to economic measures, particularly in tax affairs, or organized business monopolies based on the economic approach to commerce. The concept

that only the commerce sector should be allowed to engage in trade and that each production enterprise must deliver all its products to the commerce sector is the administrative approach to commerce. It is also necessary to respect the business relations between producers and the commerce sector which are based on the plan and economic contracts.

2. The business price mechanism from the standpoint of its place within the business management mechanism, the center of which is planning.

The price management mechanism is a partial mechanism and must, of course, be placed within the entity that is the business management mechanism and comply with the fundamental views and principles of this overall mechanism. Here, there are three fundamental views and principles that have been set forth in many resolutions of the party: the goal-oriented view--the goals being to develop production and improve the standard of living; the view on assigning collective ownership responsibilities and practicing democratic centralism; and the view on the plan being the center of operations and thoroughly implementing the principles of economic accounting and socialist business. The realities of the past several decades have proven that we cannot manage prices and the market through the system of functional sectors, a system that is divorced from the formulation and management of the comprehensive production and business plans of the various sectors and levels.

Placing the price management mechanism within the overall economic management mechanism, the center of which is the formulation and management of national economic plans by the various levels, is the only correct way to insure that the management of prices and the market is oriented toward socio-economic goals, is coordinated with the various aspects of production, business, science-technology, finance, monetary activity and wages and is based on economic accounting, socialist business practices and collective ownership.

In principle, the matter of revamping the mechanism through which the various economic levers, in general, and prices, in particular, are used must be placed within the framework of revamping the economic management mechanism, the center of which is revamping planning in accordance with the views asserted at the 5th Congress of the Party.

Below, allow me to present a number of arguments in the nature of principles that apply within this mechanism, arguments which can also be our starting point in designing plans for implementing the resolution of the 8th Party Plenum on revamping prices, wages and monetary activities with the aim of shifting to economic accounting and socialist business practices.

1. We must place and coordinate the management of prices, finances, the circulation of goods and money, wages and the standard of living within the unified, planned management mechanism and use the plan as the central tool in order to set guidelines for the use of and coordinate each of these tools with the aim of supporting the attainment of our final goal. Many party plenum resolutions, particularly the resolutions of the 6th, 7th and 8th Plenums, confirm the validity of taking the goal-oriented and coordinated planned approach in these areas of work.

Managing prices, finances and the circulation of goods and money in an excessively independent fashion by functional sector is management outside the plan, even management above the business plan, and impedes business from the very time that plans are being formulated and balanced. In particular, prices must support the plan, must support plan targets. The setting of prices must be part of the very process of formulating and implementing production plans.

2. We must implement collective ownership, assign management responsibilities and unify the management of prices, finances, the circulation of money and goods, wages and the standard of living in a manner well coordinated with the assignment of management and planning responsibilities. Every level which balances its plan, determines its plan and is in charge of the tasks established under its plan must have management responsibility and authority in the different areas of economic and financial work. Otherwise, assigning management responsibilities and establishing three planning levels with many different resources and capabilities are meaningless. Otherwise, there can be no business autonomy, no true economic accounting, no escape from state subsidies and the practice of one level taking over the work of another.

With unified management, every level must have a comprehensive plan and possess comprehensive responsibility and authority with regard to its units, locality and field. The upper level directs, inspects, regulates and adjusts plans to insure uniformity through its evaluation and approval of coordinated business plans and its guidance of their implementation.

Here, the most important element in implementing the resolution of the 8th Party Plenum is to guide the formulation and management of plans for shifting the localities and economic-technical sectors, particularly the key localities and sectors, to accounting and business practices, which includes addressing the problems of prices, wages and money with a view toward supporting socio-economic goals and toward creating the conditions for units, sectors and localities to adopt business practices.

3. There must be consistent implementation of the principle of contract relations in establishing, balancing and managing plan tasks, which must include well coordinated and specific solutions to the problems related to prices, finances and the circulation of goods and money. In other words, prices and each business relationship must be established through specific and legally binding contractual, planned relationships, that is, prices must be prices which are backed by legally binding commitments and are planned on the basis of contract relations.

Planned prices which are part of a mechanism in which many levels exercise ownership and utilize many different sources to balance their plans must, of necessity, be prices that are set under the specific terms of joint business, and supply-marketing contracts of the parties related to business plans and specific balances. If primary product norms are the most important norms and must also be balanced on the basis of contractual commitments, it is even more necessary for their prices to be placed within the framework of open and legally binding contractual, planned relationships.

From the above arguments concerning the planning mechanism, which encompasses the mechanism through which the various economic tools and levers are utilized, several basic features of the price management mechanism can be drawn: a) Prices are formed in the process and in the order in which unified plans which involve a division of responsibilities and are coordinated with other tools are formulated and implemented; b) Specific prices are set within contractual, planned relationships in which the responsibility for managing prices corresponds with the responsibility for establishing, balancing and managing the implementation of plan tasks; c) Under this management mechanism, prices can, depending upon the specific case, be prices that are relatively uniform and stable, prices that are controlled by a scale or prices that are set independently, as has been stated in many resolutions of the party. (Calling the price management mechanism a one price mechanism does not fully reflect the thinking embodied in the resolution of the 8th Party Plenum and can easily be misunderstood as meaning that there is only one type of prices or one price scale. The two price mechanism, our old mechanism, maintains, in principle, supply prices that are closely associated with allotment and delivery procedures and thus make it impossible to shift to business practices); d) Under the bookkeeping and accounting system applied in self-supporting business operations, falsely stating prices, falsely stating production costs and inflating prices in order to earn a profit are prohibited. The most important requirements are to keep a correct and full accounting of actual expenses and revenues, audit bookkeeping records and inspect prices in order to preclude false bookkeeping entries and dishonesty in the calculation of prices, insure the collection of tax revenues and provide appropriate regulation.

A price management mechanism with the special features mentioned above can be called the business price mechanism within the plan business mechanism based on the fundamental thinking expressed in the resolution of the 8th Party Plenum. In other words, it is a new mechanism for managing prices--the business price mechanism, which replaces the administrative price mechanism based on bureaucratic centralism.

Such a business price mechanism is organically tied to the planning mechanism and can insure that the initiative of socialist business organization is tapped while increasing the legal nature of price relations. It is completely different from the spontaneous, haphazard price mechanism. It makes it possible for the upper level to more effectively guide, direct, inspect and correct prices and put an end to unlawful price setting practices employed to earn a profit. But it must be made clear that the business price management mechanism does not immediately lead to a system of prices that are consistent with value or are stable and unified. This is not a practical possibility. With the new mechanism, prices will still change on the market, but it will be in the direction of prices gradually being brought under planned regulation as a result of state-operated economic organizations and the state taking the initiative in adapting to and controlling prices on the social market and slowly bringing them in line with international prices. In this process, unreasonable differences in prices will gradually narrow and this differential will be collected by the various levels and used to benefit the national economy and the welfare of the people.

Such a price management mechanism is transitional in nature. It will gradually eliminate spontaneity so that we can adopt planned and dynamic business practices. It is an approach that conforms with laws, is effective and practical, is superior to the old and ineffective mechanism based on bureaucratic centralism and purely administrative procedures. With such a price management mechanism, spontaneous competition will be replaced by a struggle by the socialist economy to seize control of prices and the market and by efforts to produce many products quickly, inexpensively and well within the planned economy. It is a price management and regulation mechanism that has been applied by many state-operated economic organizations and localities, a mechanism through which they have gradually gained control over prices and the market.

In conclusion, it can be said that the basic, key and most difficult factor in implementing the planned management mechanism which thoroughly implements the principles of economic accounting and socialist business is to put together a mechanism through which we can utilize the different economic levers, the most important of which is prices, in planning... In other words, it is to bring about a well coordinated change, a shift from the mechanism of plan orders, which is closely tied to the mechanism of price orders, finance and credit orders and orders on the circulation of materials and goods, all of which are characteristic of bureaucratic centralism and state subsidization, to the business plan mechanism, which encompasses the business price mechanism, business finance and credit and the business in the circulation of materials and goods. In short, it is to bring together and establish an organic link between the planned nature and the commodity-oriented nature of business within a planned business mechanism. In the final analysis, it is a matter of applying socio-economic laws, including the laws of organization and management, within a system, an entity, in which the special laws of socialism play the dominant role, but to do so without being prejudiced toward, applying on a selective basis or resisting the laws of commodity production. This represents a return to the basic thinking expressed by V.I. Lenin in the new economic policy, the policy that led Russia's economy to a remarkable stage of development. Only by resolving this problem can we cross the threshold from the mechanism based on bureaucratic centralism and state subsidies to the new mechanism. This will certainly help to make the economic management mechanism something that visibly displays every superior aspect of our new economic policy. And, with this, remarkable things will surely occur at an early date within Vietnam's economy.

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SCIENTIFIC-PRACTICAL CONFERENCE ON SOCIALIST BUSINESS: SOCIALIST BUSINESS AND SOME MATTERS RELATED TO THE PRICE MANAGEMENT MECHANISM SUPPORTING SOCIALIST BUSINESS

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 56-60

[Article by Phan Van Tiem]

[Text] There are factors in modern day social production which demand a revolution in economic management in order to create the conditions for the rapid development of production forces. These factors are the achievements of the scientific-technological revolution. In recent years, efforts have been under way in all socialist countries to revamp management practices. These efforts, which are, in many respects, very revolutionary and represent the systems approach, are aimed at thoroughly developing upon the superior nature of socialist production relations and creating the best possible conditions for applying the tremendous achievements of the scientific-technological revolution. Practice has proven one fact: the extent to which management is revamped determines the extent to which scientific-technical achievements are introduced in production and become direct production forces and, lastly, determines the ability to resolve the socio-economic problems that arise in each stage of development of socialism.

The objective needs to revamp management in our country have become full blown needs. These needs have been defined in detail in the resolution of the 8th Plenum of the 5th Party Central Committee, the contents of which essentially call for dismantling the style of management characterized by bureaucratic centralism and state subsidies, establishing a management mechanism based on democratic centralism and practicing economic accounting and socialist business.

In the history of social production, there have been and continue to be three modes of business, each closely associated with one of three different types of commodity production: the business of small-scale commodity producers, capitalist business and socialist business. In our country, the social structure of production in the initial stage of the period of transition to socialism reflects the current level of development of our country's social production forces. At the same time, it reflects all three of the different

modes of business described above. Each mode of business reflects different production relations and is, of course, governed by different types of economic laws.

The common feature of each mode of business is that, in his activities (production-circulation), the businessman-commodity producer calculates and compares costs and income, capital and profits in order to make business decisions. That is, he selects those operating plans that involve the lowest costs and produce the highest income and profit per unit of capital invested during one business cycle. In other words, keeping costs as low as possible and achieving the highest possible returns are a constant law in each economic activity. Within the context of commodity production, keeping costs as low as possible and earning the largest possible profit are a law that is common to each mode of business. The essence of business is to compare costs and income. To understand business as buying-selling activities or, more narrowly, as the act of buying-selling is to not have a complete understanding of business (buying-selling are not synonymous with "trade" because buying-selling are only actions or only part of a job and are not goal-oriented as businesses.)

However, in its most general sense, the concept "business" is no different than the concept "commodity production": producing products in order to sell them, not just to satisfy the needs of the producer. Of importance is the need to distinguish among the essential features of the different modes of business or those that exist within the system of social production, in general, especially within our country's economy today. It can be said that from the standpoint of their socio-economic nature, the laws governing their activities and their objectives, the socialist and capitalist modes of business are completely different. This is explained by the difference in the ownership of the means of production, on the basis of which the production relations and the special laws, particularly the fundamental economic laws, of these two modes of production of society differ.

Despite this, we cannot deny the role played by the laws of commodity production, the fundamental one being the law of value, together with the various categories of commodity-money relations in both the capitalist and the socialist mode of business. On the other hand, we also should not deny the fact that the categories and laws of commodity production are not separate and distinct from the production relations that gave them birth. To the contrary, they are dependent upon these relations and organically tied to the special laws of every mode of production involving commodity production (here, capitalism and socialism).

There are some who maintain that the basic way to achieve business goals and implement the above mentioned general laws of business within the context of socialism is not through socialist emulation, but through socialist competition. I think that the difference here is between the concept "emulation" and the concept "competition." If both these concepts embodied and reflected the economic laws of socialism, the only issue would be one of economic terminology. But what needs to be discussed here is whether or not there is an essential difference between the substance and methods of "emulation" and competition"? In my opinion, the differences between the

substance and methods of "emulation" and "competition" are clearly distinguishable. The two concepts are also totally different in terms of objectives, laws and returns. Therefore, instead of seeking a new term, we should conduct a detailed review of practice and fully ascertain the forms, methods and inherent laws of socialist emulation in order to further refine it and further develop its strength as a moving force in the development of the socialist economy, in breadth as well as depth, thereby eloquently proving the superiority of socialist emulation over capitalist competition. In the initial stage of the period of transition to socialism in our country, we are managing an economy that still consists of many different segments. These include the socialist segment of the economy which, although it does not yet encompass all activities involved in the production or the distribution and circulation of the social product, does occupy the dominant position in many very basic areas and in many fields of decisive significance in the entire process of social reproduction. This tells us that when implementing the socialist mode of business, it is of paramount importance that we apply the system of economic laws of socialism. At the same time, it is very important to apply the laws of commodity production. However, because the level of socialization of social production is not high in the present stage (small-scale production is still widespread, the level of public ownership within the agricultural, small industry and handicraft trade economy is still low...), the impact of the special economic laws of socialism is not as strong or thorough as it is in the stage of developed capitalism. For this reason, even within the socialist segment of the economy, particularly within its major component, the collective economy, the law of value still regulates production, distribution and circulation to a considerable degree. This impact is also very large upon the private economy and a component of the self-employed economy (which, to differing degrees, still represent capitalist production relations). Under such conditions, there is no alternative but to apply a price policy and mechanism that are suited to the stage of economic development in this initial stage of the period of transition when putting the socialist mode of business into practice as the logical mode of operation of socialist economic organizations and when implementing this mode as the mechanism through which the economy will be managed in the transition to socialism. In my opinion, the basic features of such a policy and mechanism at this time can be summarized as follows:

First, as a basic factor of the socialist mode of production, prices on the macroeconomic scale must serve as a tool that sets the direction to be taken by this mode of business. Thus, during each long and medium-term planning period, the state must have a specific price policy which corresponds to an economic strategy. This policy must be expressed through a system of directed state prices for products of major importance in the balance of the national economy, in regulating and coordinating economic interests and in establishing the major economic relationships within the national economy: between the formation of capital and consumption, between industry and agriculture, among the basic material production sectors within the economy and between the domestic market and the world market. This policy must support the victory of the socialist mode of production in the period of transition.

Secondly, as the direct manifestation of the impact of the law of value, the mechanism through which prices are formed must create the conditions for

business entities to independently select their business plans (generally on the basis of macro interests-returns) within the framework of price relationships managed on the macro scale of the entire economy. This is also a model for enabling (for creating a "fall back" position) the law of value to "adjust itself" within certain limits and within certain fields through changes in the supply of and demand for each type product during each specific period of time, thus closely linking production to satisfying needs as best possible under specific conditions. Compatible with this model are the following forms of prices: prices that have specific limits, directed base prices and negotiated prices tied to a price structure through economic-price parameters, quotas and other legal requirements. Within each field of circulation, "price corridors" must be gradually established so that business entities have a broad avenue on which to operate within the framework of macro regulation.

Thirdly, in the shift from the mode of economic activity characterized by bureaucratic centralism, administrative procedures and state subsidies to the socialist mode of business, certain necessary transitional steps must be taken in order to avoid social and psychological repercussions and economic dislocation. This means:

--Making a transition from a "multi-price" policy to a "one price" policy, with some time spent under a "two-price" policy, in the case of both procurement prices and selling prices, applied to a certain range of products, at least to a number of basic means of production, some important agricultural products and some essential consumer goods for the laboring people.

--Making a transition from excessive centralism and direct regulation by means of purely administrative authority to the process of forming prices by means of direct methods combined with the indirect regulation of this process through the regulation of supply and demand; a transition from prices in the form of "absolute price levels" to prices in the form of "price limits" and "price scales"; and from prices set directly by regulations to negotiated prices formed on the basis of approved directed prices, etc.

--Making a transition from a "static and rigid" price management mechanism to a "dynamic and flexible" mechanism implemented by product group with trade relations and the scope of their impact upon socio-economic relations being dependent upon the results of macroeconomic management efforts to achieve balance between overall supply and overall demand, especially supply and demand as they relate to essential products in production and the everyday lives of the laboring people.

Fourthly, by means of administrative-state intervention where and to the extent necessary as well as through economic regulation, we must gradually create a "cost control" price model which encourages and compels business organizations to achieve macroprofits and efficiency by reducing their costs, reducing the consumption of capital in each business cycle and eventually eliminate each "cost inflating" factor within the price mechanism, create uniformity between macro and microreturns and combine the various types of economic interests through prices in a way that is well balanced.

Fifthly, the common trend in the shift from the old management mechanism to the new is to gradually reduce the list of products for which prices are directly set and put into effect by the state (the various levels of administration) as an order based on the administrative authority of the state. However, this does not mean that in the initial stage of the period of transition to socialism we can deny the role of compulsion or administrative-state intervention in the process of the formation of prices and only emphasize the economic strength of the socialist segment in regulating supply and demand and setting the direction of business activities. When economic forces are not strong, the market is still complex, speculation and blackmarketing have not been eliminated and business organizations have not been reorganized in order to combat competition in procurements and sales on the domestic market and even on the world market, giving light attention to the organizational role of the state and intervention by it in the regulation of the market and the formation of prices is not only very harmful to economic development but also directly attacks the autonomy of business entities by retarding the process of change from the old, backward mechanism that has impeded the development of production to the new mechanism, which opens the way for the rapid development of the national economy. At present, discipline and the law are the areas in which we are weak, are the number one need in creating stability for the establishment of the new mechanism, for the socialist mode of business to come into being at an early date, develop and assume the controlling position within each economic activity during the period of transition in our country.

Sixthly, the revamping of the price policy and mechanism must be well coordinated in each step that is taken with the process of revamping the entire mechanism through which the social reproduction system is managed, from production to distribution, circulation and consumption, from macromanagement to micromanagement. The practical experience gained in the two major price adjustments (1981 and 1985) have proven that the problems encountered stemmed, to an important degree, from adjusting prices in a manner isolated from the effort to revamp the management mechanism. If one link in an old chain is not refurbished, the condition of the chain is still old. This is also a very graphic and concrete lesson in how to use a factor, even a factor as dynamic as prices, within the overall management mechanism: we cannot only change price levels, at a very fast rate and on a very large scale, at a time when the mechanism by which prices are formed and regulated in an integral part of a management mechanism which virtually retains its original features and has not been changed along with the price mechanism.

Seventhly, the price policy and mechanism supporting socialist business must be designed first and primarily to develop the role of prices as a tool by which costs and efficiency are measured, as a force which motivates, sets direction and stimulates. The experience in price reform as part of the reform of economic management in our country over the past several years, as well as the experience of the world, proves one fact: it is impossible to use price reform as the vehicle for carrying out a general readjustment of the distribution and redistribution of national income all at once, even though distributing and redistributing national income are inherent functions of prices, especially in the initial stage of the period of transition, when these functions assume even greater importance. Clearly, the reform of

economic management and the revamping of the price policy and mechanism, regardless of how correctly or thoroughly they might be carried out, cannot of themselves immediately make life prosperous like some magical power. Life can only be gradually improved when each and every step taken to reform and revamp economic management is aimed at creating and building forces which stimulate the development of production with higher labor productivity and efficiency.

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SCIENTIFIC-PRACTICAL CONFERENCE ON SOCIALIST BUSINESS: SOME THOUGHTS ON A FEW ASPECTS OF SOCIALIST BUSINESS

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 61-64, 40

[Article by Xuan Kieu]

[Text] Our country's economy is planned commodity production based on socialist ownership of the means of production.

Commodities are produced to be sold through trade relations with the aim of satisfying the consumer needs (in production and everyday life) of the people. To talk about socialist business is to talk about all the factors that have an impact upon the social reproduction process of socialist commodity production, about economic activities conducted through the relations involved in buying and selling, about the market, about profit and loss.

Spurred by the profit motive, capitalist business has used the achievements of modern science to raise the planning of enterprises and monopolistic corporations to a pinnacle of development and made it a true science of capitalist economic management. The stronger and more effective planning at these corporations has become, the more fiercely they have been able to compete within the capitalist economy.

Conversely, the socialist business motive is, on the basis of developing production, to improve the material and cultural lives of the laboring people and create well balanced coordination and mutual stimulation between planning within each enterprise and each production and circulation sector and planning on the national scale.

"Socialism is centered around the plan" means that this plan must insure the correct application of the system of economic laws (including the law of value) of socialism.

The vitality of planning lies in the fact that it encompasses production, the market and the other economic relations (in its most correct sense, planning embodies the fullness, dynamism and variety of the market but the plan and the market are not synonymous). Consequently, when we say that planning is the center of socialism, we mean that plans must be formulated and adjusted on the basis of market needs and in accordance with market requirements. In other

words, the market is one of the most precise measurements of the level of planning. Because the purpose of production is consumption (consumption in production and everyday life), it is only through the market that the use value of a commodity is acknowledged by society.

The social market consists of the organized market and the "free" market. These two markets are closely interrelated and affect each other. But the "free" market should not be understood as being immune from any impact (made in exact accordance with laws) by the proletarian state from the standpoint of organizing, structuring and guiding its development into the sphere of socialism. At the same time, it is also impossible to immediately eliminate each of its spontaneous factors. As long as commodity production exists, the market will exist, including the "free" market, which will exist as an objective necessity. We should not be prejudiced toward the market, not even the "free" market. Rather, we must use it and make an impact upon it within a unified relationship between the plan and the market.

In recent years, because we have not appropriately concerned ourselves with the market and have viewed the market and the plan as opposites, we have been slow to upgrade products, upgrade equipment and so forth. Productivity, quality and efficiency have steadily declined. Products of many types have not been accepted on the outside market, thus harming the national economy. The old management mechanism has not created the conditions for producers to be in contact with the market. They carry out production on the basis of orders and do not know where their products are sold or by whom they are used. The Dai Dong Cooperative in Kim Son District annually produces 120,000 square meters of woven mats, 25,000 square meters of rugs, 20,000 hand baskets and 200 sets of embroidered goods for exportation. However, the cooperative's director does not know to which markets these products are exported or what the square meter prices of these products are in rubles-dollars. All he knows is that the cooperative delivers its products to the foreign trade corporation at the prices stipulated by the corporation. This separation between the producer and the market has caused the economy to incur many losses. Many exported garment goods, textile goods, wool rugs and handicraft products, because they are of poor quality and have not been upgraded to keep pace with consumer tastes, have lost their place on the world market.

In summary, "socialism is centered around the plan" means that planning encompasses the market. Therefore, using the relationship between the plan and the market is one of the primary aspects of socialist business.

Our country's economy is planned, socialist commodity production. The formation of prices cannot be divorced from the socio-economic conditions and the system of economic laws of socialism. Value, prices and production costs are categories of the relationships between commodities and money. There is a close relationship among these categories. Production costs are the form of value, the monetary expression of a large portion of the consumption of necessary social labor. They are the major component of prices.

We do not have refined methods of calculating production costs. Therefore, current production costs do not correctly reflect necessary expenditures in the production of products. In many cases, production costs do not fully

reflect or are distorted by actual expenditures. On the other hand, in the initial stage of the period of transition, when the economy still consists of many different segments and objective laws are exerting an impact upon one another, the establishment of prices must be based on value and on the law of supply and demand, that is, they must be market prices minus the factors of speculation and artificial price increases.

The resolution of the 8th Party Plenum pointed out: "Prices must be set on the basis of the plan being the center of operations, on the basis of practicing economic accounting and socialist business and taking the initiative in applying the law of value, the relations between goods and money and the law of supply and demand."

In view of the fact that our country is advancing from an economy in which small-scale production predominates directly to socialism and in keeping with the party's policy that agriculture be considered the front of foremost importance, it is entirely correct for us to make the price of paddy the price standard. However, in order to be more accurate when setting prices, we suggest that a number of other products also be used as standards in calculating the different types of prices and the entire price scale. Using such an index of the prices of a number of social products would further guarantee the objective nature of prices and insure stability in the value of the currency. In our opinion, such an index should consist of the prices of paddy, pork, fuel, cloth and salt.

Thus, we should use not just the price of paddy as the standard, but a price index as the standard for the prices of other products. We should use not just the price of one product, but the prices of a number of products to control the value of the currency.

The burning question today is whether to apply a one price or a two price policy. Prices must be issued by authorized state agencies and be the same for a specific type of product for a specific period of time and within a specific area. This can be understood as a one price policy. Establishing a single price for each product is an objective necessity in a socialist economy. To do this, the state must control goods and money. Controlling goods and money are a matter of organizing the apparatus, restoring order, strengthening discipline, purifying the ranks of cadres... In short, it is a matter that relates to personnel, the organizational apparatus and the management mechanism. Everyone knows that we are currently experiencing a very serious shortage of materials and goods. But we have also allowed a large percentage of our materials and goods to slip through many different openings from the hands of the state onto the "free" market, slip into the hands of speculators, blackmarketeers, corrupt persons and so forth. The supply of materials and goods provided by the state to units of the collective economy is not stable and has been cut. Cooperatives and cooperative member families have had to buy increasingly large amounts of materials on the "free" market to carry out production. Under its contract, the Tay Bac Specialized Rice Growing Cooperative in Kim Son District was supposed to receive from the state 100 tons of nitrogen and 500 tons of grain during the 1986 5th-month season. However, by the end of the season, the cooperative had only received 40 tons of nitrogen. Between January and June, it received only 100 tons of

grain. Each year, the cooperative has had its supply of grain arbitrarily reduced by 50 to 60 tons (the cooperative pays 10 dong and 1.5 kilograms of paddy per bag of nitrogen fertilizer; if it has money but does not have any paddy, it receives less nitrogen fertilizer).

The Dai Dong Exported Woven Rush Mat Cooperative must annually buy 1,400 tons of coal (the state only supplies 600 tons), all the sheet metal, bearings, iron and steel needed to repair 180 splitting and weaving machines and all the oil of camellia it needs (the state price for oil of camellia is 15 dong per kilogram, the price on the outside is 60 dong per kilogram).

Today, it is commonplace for cooperatives in the countryside to not receive a full supply of materials and have to buy materials on the outside in order to maintain production. This phenomenon has led to the following situation: first, because they do not have materials, cooperatives must enter into "non-specific" contracts with their members; secondly, because cooperative members are not supplied with fertilizer, pesticide and other materials by their cooperative, they must buy them on the outside at a high cost which, when compounded by natural disasters and pests, makes it impossible to exceed contract quotas, as a result of which their income is low and they are forced to return the fields they are working to the cooperative. Actually, were we to tightly manage the existing supply of materials and distribute it to the right place and at the right time for production, we could create the conditions for agriculture to develop and farmers to be enthusiastic about production.

Moving toward a one price policy is a correct direction to take. However, because some localities do not possess all the conditions referred to above, we must accept the application of a two price policy at these places. The two price policy is closely associated with the ration stamp and coupon system. The questions faced now are how to carry out distribution under the rationing system so that there is less egalitarianism but we do not create disproportionate differences in what the persons who are issued stamps and coupons receive and how to bring about changes in thinking and create the material conditions needed to rapidly shift to a one price mechanism and completely do away with rationing, the sooner the better.

Since the two rounds of major price adjustments, the already difficult price situation has become even more difficult. The chaotic price situation is having an adverse impact upon production and everyday life. The procurement prices being paid for agricultural products are drastically reducing the income of agricultural cooperatives from the collective economy. At the Tay Bac Cooperative in Kim Son District, it costs 5 dong to produce 1 kilogram of dried, split rushes (because the majority of materials must be purchased on the outside). The state pays a procurement price of 3.2 dong, thus leaving the cooperative with a loss of 1.8 dong. In 1985, the district assigned the cooperative a plan norm of 1,670 tons of dried, split rushes at a price of 3.2 dong per kilogram. The cooperative sold the state 200 tons more than planned, for which the state only paid 3 dong per kilogram and no incentive bonus. Thus, the products produced over and above the plan were sold at a lower price than the products produced under the plan! During the first 6 months of 1986, the cooperative sold to the state some 16.5 tons of pork under its obligation

at a price of 40 dong per kilogram, live weight, a "negotiated price," while having to subsidize cooperative members at the rate of 35 to 40 dong per kilogram in order to approach the market price of 75-80 dong per kilogram. (However, the cooperative members who sold pork to the state at the start of the year have yet to receive full payment).

The Khanh Hoi Cooperative in Kim Son District sold the state 15 tons of peanuts at the "negotiated price" of 40-42 dong per kilogram at a time when the price on the "free" market was 60-70 dong per kilogram. The cooperative had to compensate its members at the rate of 20 to 30 dong per kilogram of peanuts from the funds of the collective.

Proping up the procurement prices paid for pork has become a widespread practice in the countryside. Practically all cooperatives must prop up prices with money or paddy of their own in order to bring prices close to market prices before they can procure meat from cooperative member families.

Generally speaking, the "negotiated prices" assigned by Ha Nam Ninh Province to its districts and then by its districts to the various cooperatives are always one-third to one-half lower than "free" market prices. Moreover, the trade that takes place is unfair. Farmers sell their products but instead of being paid immediately, must wait for many months to be paid by the state. They must travel to offices of the state many times and suffer large losses due to the devaluation of the dong. These are problems of vital importance to which we must give full attention in our efforts to revamp the management mechanism and refine the price mechanism in the coming period.

We are in the process of revamping the economic management mechanism. The old management mechanism of bureaucratic centralism and state subsidies, under which economic guidance is provided solely through administrative orders, exists alongside the new factors of the management mechanism based on economic accounting and socialist business that are emerging. This situation has inevitably led to a sharp struggle between the conservative desire to cling to the old and outmoded and progressive, bold efforts to change the way we think and work in keeping with the resolution of the 8th Plenum and the conclusions reached by the 10th Plenum of the Party Central Committee.

The substance of the changes being made in keeping with the spirit of the above mentioned resolutions is very revolutionary and will meet the pressing requirements of the economy and satisfy the aspirations of party members and the masses. However, it is very regrettable that the implementation of these resolutions are still primarily being carried out within the framework of the old way of doing things. Some places are making compromises between the old and new ways of thinking and working and adopting half-way policies and measures that do not yield returns and further complicate the process of change.

Adopting new ways of thinking and working is the trend in all socialist countries. In our country, a small and densely populated country whose economy is underdeveloped, we cannot be dogmatic, cannot pattern what we do after any one particular model. We have applied the experience of other countries to build a model for ourselves. The most general features of this

model were outlined in the resolution of the 8th Party Plenum as: dismantling bureaucratic centralism and state subsidies and shifting entirely to economic accounting and socialist business. We are determined to move in this direction. Only by doing so can we gradually stabilize our country's economy and develop it in the correct direction.

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SCIENTIFIC-PRACTICAL CONFERENCE ON SOCIALIST BUSINESS: SOCIALIST BUSINESS IN AGRICULTURE

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[Article by Tran Quang]

[Text] Advancing from a subsistent and technically backward agriculture to a commodity production economy and socialist business entails a process of comprehensive and profound revolutionary change. As a result, we cannot examine and resolve problems in a simplistic manner, rather, we must take determined steps to overcome the obstacles posed by the management mechanism based on bureaucratic centralism and state subsidies. At the same time, positive steps must be taken to create the necessary conditions. Below are the most important of these conditions.

How Is the Principle of Planning To Be Applied?

In order for a backward agriculture to advance directly to socialism, it must plan its economic development and make the plan the center of the management mechanism. The question arising here is: what sort of planning is compatible with each stage and will yield practical returns?

Our country's economy is a small-scale production economy that consists of many different economic segments. As a result, the plan must be the tool through which all objective economic laws are applied. More clearly stated, we must apply the law of planned and balanced economic development, the law of value and the relationships between goods and money in a way that is well coordinated. In other words, we must plan the market and prices and know how to apply the law of value. The requirements of the law of planned and balanced economic development and the other economic laws of socialism must be met through the law of value.

The realities of agriculture over the past several years permit us to select an appropriate model of organization and management which yields socio-economic returns that are far superior to those achieved under the methods of organization and management that we have been practicing for many years. This model is: organizing production in a way that establishes ties among the different segments of the economy, with state-operated economic units playing the dominant, central role and taking the initiative in establishing economic

relations with the units of the collective economy, the private economy, the self-employed economy and the household economy through the various forms of joint businesses, contracts and trade based on the principles of equality, negotiation and price parity.

The model of organization and management can be considered a system whose features are new and which make it possible for the community to achieve socio-economic returns that are higher than the combined returns of each economic segment operating independently. Because, being brought together within this unified structure creates the conditions for the different segments to support and augment one another while making full use of and building upon the strengths and overcoming the weaknesses of each segment. (For example, operating independently, state-operated units have usually failed to make full use of their machine capacity or scientific-technical capabilities and have almost always operated at a loss. Cooperatives have labor and land but the extent of their businesses has been limited by shortages of machinery, materials, technology, etc.).

The model described above also makes it possible for the state to unify the management of and plan the many different segments of the economy (at least to the extent of setting the direction of development) by implementing direct planning (the assignment of business plans) for basic state-operated economic units (in production, the services and commerce) and then using the strength of the industry, financial resources and scientific-technical capabilities of state-operated units to implement indirect planning of the other segments of the economy through such economic measures such as joint businesses, contracts, trades and so forth in order to draw these segments of the economy into the sphere of the socialist economy.

Of course, to be able to use this model of organization and management, the state must thoroughly dismantle the management mechanism based on bureaucratic centralism and state subsidies; stop being prejudiced toward the other segments of the economy that are still permitted to exist; fundamentally improve the entire system of economic policies; select talented cadres and educate and train them in accordance with the new requirements; and shift the focus of the operations of state-operated economic units, mainly toward providing services to cooperatives, production collectives, the private economy, the household economy... At the same time, it must transform the commerce system, correct the practice of conducting trade from a purely business point of view and shift the focus of this system to production support services.

Thus, the state must use its forces to strengthen basic state-operated economic units and expand the state-operated network to each region of the country to insure that this network can exert an impact upon each cell of the economy through business measures (economic ties, joint businesses, contracts, trade and so forth) and enable all segments of the economy to prosper together in the process of advancing to socialism by implementing the guideline of combining the utilization and transformation of these segments, of utilizing these segments in order to transform them better and more rapidly while constantly expanding the socialist economy. The essence of this approach is the use of state capital to transform and build the economy.

In summary, it can be said that this model represents movement by all segments of the economy in one direction under the consistent impact of the law of planned and balance economic development, the law of value and the relationships between goods and money. In other words, these two laws must be combined as one if we are to develop our subsistent agricultural economy into a system of large-scale agricultural production, a system of planned commodity production.

How Are Economic Accounting and Socialist Business To Be Effectively Put into Practice Under Current Conditions?

Here, we face very many pressing problems. Most importantly, we must solve the following several basic problems:

a) The procurement of agricultural, forest and marine products:

It is necessary to establish the independence of basic units in production, which includes being able to market their products after paying taxes and fulfilling obligations to the state. The state should only apply the agricultural products procurement and management policy to private merchants. To control the surplus products of farmers and fishermen and of cooperatives and production collectives, the state should buy these products at negotiated prices without exerting pressure of any form. We should stop using the term "procurement" altogether because "collecting" a product does not mean that it has been "bought" and "buying" requires "agreement to buy and agreement to sell."

If we continue to use administrative authority and defy the law of trade at "price parity," we cannot even talk about business. And, to call this "socialist business" is to distort socialism and will push socialism to the brink of impoverishment.

Doing away with the concept and term "procurement" also means that we must change the organization and mode of operation of state-operated commerce and put an end to the practices of commerce corporations using the name of the state to engage in unfair trade, being authoritarian, grading and pricing products arbitrarily, violating contracts at will... At the same time, this will also make it possible to put an end to embezzlement, to conspiracy between deviant commerce cadres and personnel and private merchants...which have hurt producers and adversely affected the alliance of workers and farmers.

One major difficulty we are encountering is that we must supply products to tens of millions of wage earners and dependents while also supplying a large quantity of agricultural, forest and marine products to industry and for exportation. Therefore, it is very necessary that the state control goods and money. However, the approach taken in the recent past has proven to be a failure. If we continue to use purely administrative authority, we will find ourselves at an impasse because farmers and fishermen will develop a negative attitude and support private merchants, thus disrupting the market. The state will be unable to control the market, unable to transform private merchants. Conversely, the "free" market will steadily grow and private merchants will

monopolize a considerable portion of state-operated production and commerce. The actual experience of some localities permits us to state that if the state revises its policy and collects and buys products fairly, production will develop and the state will control many goods.

b) Prices:

Over the years, the mechanism based on bureaucratic centralism and state subsidies has made us do things that do not make sense. But we kept doing these things until they became a habit, even considering them to be a truth, a principle of socialism that cannot be violated. For example, we have put distribution and remuneration before work; have determined procurement prices and the level of procurements before products are produced; have not fully calculated production costs, actual expenditures and the changes taking place in the production process, etc.

Prices, wages and money have recently been discussed and debated at considerable length. Have not our mistakes stemmed from the fact that we have for many years subjectively maintained that prices can be set administratively? Facts have proven that all purely administrative measures, such as setting prices arbitrarily, requiring that prices be posted and so forth, have been ineffective because we have not solve problems in accordance with laws and, most importantly, have not accepted the definition of prices.

Everyone knows that prices are the monetary expression of value and fluctuate around value. However, prices only form when products are put into circulation and are under the impact of the law of supply and demand. Thus, how is it possible to arbitrarily determine procurement and selling prices and compel everyone to accept them when pricing agencies themselves do not correctly calculate production costs, do not take into consideration the law of supply and demand and do not acknowledge that the law of supply and demand exerts control?

In the case of agriculture, although agricultural product procurement prices have been raised many times, they have never encouraged the development of production. Rather, they have only served to make farmers and fishermen more negative. Here, the causes lie in our viewpoints and, from a professional standpoint, in how we calculate and set prices...

The party's line on economic development clearly establishes agriculture's position as the front of foremost importance. But the investment and price policies, instead of implementing this line, do just the opposite: investments in agriculture are very low, procurement prices are set at levels lower than production costs, there is always a policy for regulating the income of farmers, etc. Many serious mistakes have been made in the ways that the prices of agricultural and forest products are calculated and set but never once have we conducted a review in order to rectify these mistakes. For example, in the way that we calculate agricultural product production costs, farmland, the primary means of production, is not included in "C," consequently, the lists of investments to be made by the state do not include investments in soil improvement and production cost factors do not include soil depreciation (which equates to depreciation of machinery in industry).

In other words, we have been continuously exploiting the land. When calculating "V," we usually only calculate the number of mandays worked in a very general way and a few basic needs of the farmer at state prices without thinking that farmers support themselves mainly through trade with the "free" market (except in the case of paddy and rice). There have even been some very absurd cases, such as calculating the price of wood only on the basis of the mandays involved in harvesting and transportation, not in planting, in the protection of forests and so forth. More deserving of attention is that our price policy does not encourage the introduction of scientific and technological advances in production because, once they are introduced, larger investments must be made in intensive cultivation but procurement prices are not raised. In more than a few cases, procurement prices have pushed agriculture back to monoculture, to non-intensive cultivation and reduced the amount of area under cultivation because farmers feel that they gain nothing by working hard and only need to produce enough to eat and make a small contribution to the state. Recently, paddy procurement prices have risen five-fold (from 0.50 dong to 2.5 dong). However, the price of fertilizer has risen more than 10 times (from 0.72 to 7.5 dong per kilogram of nitrogen sulfate). The prices of industrial consumer goods have risen many times and continue to rise on the "free" market, thus making the lives of farmers increasingly difficult.

The main cause of the chaotic price situation today is differences in points of view that have not been reconciled at a time when supply and demand are not balanced and the gap between supply and demand is steadily widening. The source of this problem lies not in prices or money, but in goods. In other words, it lies in production because, under the law of supply and demand, prices change in accordance with the level of production and consumption.

Thus, it is first of all necessary to take the initiative and organize the production of many more goods. Only in this way can we effectively regulate prices and implement price planning. However, it is regrettable that pricing agencies do not see where the source of this problem lies. Consequently, they do not recognize the law of supply and demand and attach very little importance to using the lever that is prices to encourage the development of production.

In view of current circumstances and conditions, we think that the best approach to take is to apply the principle of flexible prices decided and agreed upon by the buyer and the seller. This would mean that we would no longer have many different types of prices. However, there could be many different price levels for a product depending upon production conditions and changes on the market at each place. And this is precisely what is happening in practice. Yet, why do we continue to go in the opposite direction and try to defy objective laws?

We also think that if, in view of the strength of socialism, of the alliance of workers and farmers, we learn how to organize production in accordance with the model described above in order to produce many more goods, we will surely be a great deal less on the defensive and be able to gradually stabilize prices. We suggest that the principle of flexible prices determined and agreed upon by the seller and the buyer be applied with the aim of encouraging

the laborer to produce many goods. In this way, while we will not, of course, be able to avoid a certain amount of confusion at first, in the not-too-distant future, when production develops, the situation will gradually stabilize.

The question will be asked: will it be necessary for the state to set prices?

The answer is that it will be very necessary, most importantly within the state-operated economy and for products in the hands of the state. In the case of cooperatives and other basic economic units, the state must set the price scale for each product and each area. This is not a matter of setting prices which must be observed by the buyer and the seller, but a matter of setting a price scale to provide direction and guidance within state agencies and assist sectors and localities in assessing supply and demand, formulating local production plans or redistributing goods from one place to another in order to indirectly regulate prices and the market within the established price scale. In other words, the state would not be managing or regulating prices by means of administrative orders, but by economic measures and in accordance with laws in order to achieve more practical returns.

c) The market:

For the past several decades, on the basis of the thinking that, in socialism, there are only the working class and the class of collective farmers and that the only trade relations are the trade relations between these two classes, our state has only recognized the trade relations that exist between state-operated commerce and the other basic economic units. All relations that do not involve state-operated commerce and the plan have been considered "unorthodox." This thinking led to the emergence of two markets: the organized market and the "free" market. In practice, however, full socialism does not yet exist in our country and there are not just two classes, workers and collective farmers, but many other economic segments. Consequently, there is no basis in science or practice for the division of the market into the two types mentioned above. The decision to abolish the "free" market cannot be implemented because our economy still consists of many segments and because our state-operated commerce has yet to adopt a correct mode of operating, has not expanded the position of the socialist economy and has not absorbed the other segments of the economy. Conversely, the weakness of state-operated commerce has enabled the "free" market to develop and cause chaos in both production and social life.

In view of this situation, we must re-examine our positions and policies concerning the market and develop an appropriate market management mechanism.

The most correct approach is to establish a single nationwide market encompassing all trade, commercial and business relations among the segments of the economy that now exist and for the state to adopt a mechanism to manage this entire unified market by means of appropriate measures.

Of course, on this unified market, state-operated economic organizations (in production, the services and commerce) must play the dominant role in order to constantly expand the position of the socialist economy. At the same time, it

is necessary to utilize and transform the other segments of the economy and gradually turn the disorganized market into an organized market in which the various segments that still exist participate under the direction of the state.

To resolve the market problem in a fundamental way, we cannot begin with administrative measures, such as setting prices, utilizing public security forces, employing tax and inspection measures, blocking rivers and banning markets and so forth, but must begin at the source of this problem, in production. That is, we must take the initiative in organizing additional sources of goods and controlling goods at their source by using the strength of state-operated economic organizations participating in economic ties with the other segments of the economy on the production level. Once it controls goods, the state can effectively regulate prices and the market in accordance with the plan and use the market as an effective tool in stimulating the development of production and building socialism.

To resolve the market problem well, it is necessary to expand commerce and economic exchange among the different areas of the country and with foreign countries. This is a very pressing need, not only from the standpoint of developing business, but also in establishing specialized production areas (centralized, specialized farming) with the aim of developing the strength of each area so that each area supports the other and, on this basis, a rational economic structure is established for the entire country.

The expansion of commerce and economic exchange demands that the state change its policy in order to permit basic production units, once they have fulfilled their obligations to the state, to market their products at places where they can earn a profit, with only having to pay a one-time circulation tax to their home district, and permit them to exchange and trade their goods on a nationwide scale. In this way, we can put an end to the dominance of trade by the locality and permit competition in order to stimulate advances in every area of production while reducing the large number of intermediary organizations, which stand in the way of the producer. To build many more "bridges" between the countryside and the cities, between agriculture and industry, outdoor markets can be organized in the countryside. Many different segments of the economy should participate in these rural markets, mainly state-operated commerce, marketing cooperatives, agricultural and handicraft cooperatives, the household economy and small merchants, with state-operated commerce playing the key role.

We need not have any fears about market socialism if we organize the market and the market management mechanism in the ways described above. Rather, we will be able to quickly organize a unified, nationwide market and use the market as an effective tool in socialist construction.

By revamping management in the ways mentioned above and implementing the incentive policies presented above, the export business will also be improved. However, the problem of how labor and tasks should be divided among the sectors and ministries must be immediately resolved as must the problem of competition in procurements and sales, which has caused chaos on the domestic market and led to price cutting in the sale of goods to the international

market. Political Bureau Resolution 19 on exports provides a correct solution to these problems: making the production sectors responsible for everything from the initial stages of production (conducting scientific research, organizing production...) to procurements, processing and the direct exportation of goods and putting the various foreign trade corporations under the production ministries, with the Ministry of Foreign Trade only providing administrative-economic management.

Actual experience in our country as well as many other socialist countries shows that production cannot be isolated from circulation, from exports-imports, because foreign trade corporations do not have a deep knowledge of production technology and cannot organize production in a way that creates stable sources of high quality products. Conversely, the production sectors need to have direct relations with the market very much so that they can continuously improve their production technology while importing necessary means of production in order to develop production, successfully build modern economic-technical sectors capable of competing on the international market and amassing and centralizing capital for the sector and the state. The development of domestic production and business will be impeded if they are not closely tied to exports and imports. However, the state of disorganization and disputes between the production and circulation sectors remains unresolved. This situation, which has persisted for many years, has adversely affected efforts to build and develop the economy.

The organization of the home trade sector should also be improved by reducing the number of unnecessary intermediary commerce organizations so that basic production units can directly supply consumer goods to large collectives (army camps, schools, hospitals and industrial enterprises) and wholesale goods to the commerce sector so that the commerce sector can fulfill its retail function, thereby correcting the problem of the commerce sector frequently disrupting the production planning of the agricultural sectors.

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CSO: 4210/4

THE RED VIETNAMESE

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 71-72

[Translation of article printed in JARIA Newspaper in Harbin]

[Text] There is, in Moscow, a unique Vietnamese: Nguyen Hai Khac(1), a descendant of Ma-lai-co [Vietnamese phonetics]. A young man who is slender in build and gentle in appearance, he always wears a knitted wool jacket. He speaks French as though it were his mother tongue.

Nguyen Hai Khac speaks the word "civilization" with gusto. He has made a journey through the colonial world. He has travelled to North Africa and Central Africa. He has seen much. He uses the words "brothers and sisters" often. To him, his brothers and sisters are the Blacks, the Hindus, the Syrians, the Chinese.

He says: "I come from a privileged family. In my country, such families do nothing at all. The young people study Confucianism. Do you know Confucianism? It is not a religion. More correctly, it is an ethical experience. I first heard the French words 'liberty, equality, fraternity' when I was about 13 years old. I wanted to learn about the French civilization. Unfortunately, some books and magazines are banned in the native schools, not only books by recently exiled authors, but even those of Rousseau and Montesquieu.

What could I do? I decided to leave. They not only forbid us to travel abroad, but also to travel within our country. The rail lines was laid to suit strategic objectives and the French maintain that we are not qualified to operate the railroads. So, I went to the coast and fled.

What kind of people are the colonialists? They are a bigoted people devoid of talent. They are an exploiter whose only concern is to plunder and steal as much and as fast as they can. And what is their political line? Everything, even every small house, belongs to them and our land is their native land.

The colonialists have poisoned my people. They make us drink liquor.

They give us a little bit of the best rice grown so that we can make liquor to share with friends or to use in the worship of our ancestors. Then, they find

the worst rice available and make tons of liquor from it. No one wants to drink it. It is really bad! The authorities order all of it to be distributed for consumption by the people. Then, they force the people to buy this liquor, which everyone hates.

Along with five or six comrades from the French colonies in Annam, Sudan, Madagascar and Haiti, we have been publishing LE PARIAS (THE OUTCAST) Newspaper to use in the struggle against the colonial policy. This is a very small paper. Everyone working on the paper subsidizes its publication rather than draw income from it."

Once, bamboo was secretly planted around villages. They planted more bamboo at other places and uprisings broke out. But the Vietnamese paid a high price: heads rolled by the hundreds. Nguyen Hai Khac recalls: "We have had other uprisings. There was the movement to encourage uprisings against the conscription of peasants being sent to the world slaughterhouse. There was the movement to flee." With that, he took up residence abroad.

FOOTNOTES

1. Nguyen That Thanh, that is, Nguyen Ai Quoc (note provided by SCR).

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CSO: 4210/4

REVIEW OF LE DUC THO'S BOOK 'BUILDING THE PARTY IN THE SOCIALIST REVOLUTION IN VIETNAM'

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 73-78

[Article by Pham Thanh]

[Text] The Communist Party of Vietnam, which was forged and led by President Ho Chi Minh, is a genuine, solid and strong Marxist-Leninist party. During the past half century, our party had led our people in winning victory over each enemy aggressor and bringing independence and unity back to the fatherland. It is now gradually leading our people into a new era consistent with the trend of our times: the era of independence and freedom closely associated with socialism.

As the revolution has developed, our party has constantly developed, grown and matured. There is an organic relationship between building the party and the cause of revolution. In this relationship, correctly building the party is the deciding factor in each victory of the revolution. Le Duc Tho's important work "Building the Party in the Socialist Revolution in Vietnam," published by Su That Publishing House, reflects the valuable lessons and experiences in party building that have been learned and gained by our party. At the same time, it presents guidelines for applying these lessons in the present stage of the revolution.

It is most necessary that we study this important work in order to gain a deeper understanding of our party's views on party building with the aim of preparing for the 6th Party Congress.

Following the total victory of the resistance against the United States for national salvation, our party conducted a comprehensive review and drew a number of lessons and experiences concerning efforts to build the party during the nearly one-half century spent leading our people in carrying out and completing the people's national democratic revolution and starting to build socialism in the North. Le Duc Tho presented these broad and profound lessons and experiences in the "Report Reviewing Party Building and the Revision of Party Statutes" at the 4th Party Congress.

As a general assessment of party building, Le Duc Tho states: "The victories of historic and epoch-making significance won by the Vietnamese revolution,

victories that have been organized and inspired by the party, prove conclusively that our party, a party of the Vietnamese working class founded, educated and forged by the revered President Ho Chi Minh, is a solid and strong Marxist-Leninist party, one that has met many challenges, gained much experience, is worthy of being the leading, vanguard unit of the working class, of the nation of heroic Vietnam and is a staunch member of the international communist movement"(pp 12-13)(*). This general assessment reconfirms the class nature and the vanguard nature of the party, the party's strength and stability and the enormous achievements it has recorded. At the same time, it also reflects the most basic and essential achievements recorded in party building. Next, Le Duc Tho analyzes in a scientific and objective fashion the strengths and weaknesses in party building and draws a number of very important lessons and experiences concerning the building of the party.

These include the lessons and experiences gained in applying the line on building the party. "In the course of building the party, our party has, since the day it was established, always asserted that it is the party of the Vietnamese working class and has constantly worked to increase the working class nature of the party."

The lessons and experiences gained in this area are two-fold: first, our party has confirmed that its stand is the stand of the working class, that its ideology is Marxism-Leninism. Secondly, the party has fought against factionalism and sectionalism. Its policy has been to always maintain close ties with the people, to serve the people, to bind the class to the nation and to correctly resolve the national question in accordance with the stand of the working class.

Applying the characteristics of the new-style party of Lenin, Le Duc Tho analyzes the basic accomplishments of the party. These involve the problems related to establishing the line and teaching ideology on the basis of Marxism-Leninism; to organizing the implementation of the line; to the relationship with the masses; to the solidarity and unity of the party based on the principle of democratic centralism; to building the ranks of cadres and party members; and to improving the social makeup of the party. Le Duc Tho concludes: "In the process of building the party, our party has, generally speaking, fully understood and successfully resolved the basic problems mentioned above. These have been decisive factors in insuring that our party, even though it was born and has grown up within a backward agricultural country, a former semi-feudal colony, a country whose working class is small, has been able to retain the vanguard, revolutionary character of the political party of the working class and lead our people in great revolutionary undertakings"(p 39).

The lessons and experiences also relate to the application of party building guidelines. Under its correct line and guidelines on building the party, our party has also achieved success in the art of guiding the work of building the party. It has gradually developed, refined and concretized party building guidelines and applied them better. As presented by Le Duc Tho, the five major guidelines are: building a party that is strong and solid politically, ideologically and organizationally and doing so within a reciprocal relationship among these factors; building the party through mass movements;

building the party within a close relationship with the other components of the proletarian dictatorship: the state and the mass organizations; improving the quality of party members in a manner combined with improving the quality of the organization; attaching importance to quality in the development of the party and insuring that developing the party always goes hand in hand with strengthening the party.

The lessons and experiences in party building that were reviewed at the party's 4th Congress were very basic and valuable. Since then, in many reports, speeches and articles, Le Duc Tho has continued to concretize and develop upon these experiences.

Like its line on the socialist revolution and its line on building the economy, our party's line and guidelines on party building are correct and creative. This line and these guidelines insure that our party is always a genuine, solid and strong Marxist-Leninist party.

But why, since the 4th Congress, has our party, beside recording large achievements, continued to commit a number of shortcomings and mistakes, some of which have been prolonged and serious? Can our party overcome these shortcomings and mistakes? These questions are answered by Le Duc Tho in his work "Building the Party in the Socialist Revolution in Vietnam."

Taking a dispassionate and objective view, Le Duc Tho frequently states that our party must continue to grow and mature in every respect to overcome the difficulties and challenges faced in the new stage of the revolution. "Ours is a staunch Marxist-Leninist party, a party which maintains a steadfast line, has led and organized our people in meeting every serious challenge faced by the country and has always displayed the revolutionary-offensive spirit in order to constantly advance the revolution"(p 358).

However, in many of his reports and speeches, Le Duc Tho, in the spirit of squarely facing the truth and speaking the truth, specifically and frankly points out the shortcomings and mistakes of the party and strongly criticizes the negative phenomena within the party. He stresses: "We must clearly recognize the subjective shortcomings and mistakes we have made, particularly in socio-economic leadership and management"(p 362).

Of course, the strongpoints and shortcomings in the leadership of the party are closely associated with the strongpoints and shortcomings in party building. While confirming the strongpoints in the work of building the party in recent years, he especially emphasizes and analyzes the shortcomings in this work. These shortcomings relate to the fact that party building "is still proceeding very slowly in many areas"(p 368). This is evident in the following: the slowness with which the line of the party has been concretized; the fact that ideological and organizational work has not been closely tied to the political task, has not kept pace with the political task; the fact that ideological work has not been effective or timely and has been lacking in militancy; the fact that organizational work has also been proceeding very slowly, has changed direction slowly and has failed to keep pace with the development of the situation and tasks; the fact that conservatism and stagnation are still found in many areas of cadre work; and

the failure to establish a revolutionary and scientific style of work and procedures.

This stagnation has led to serious consequences: we have yet to bring about a correct awareness concerning the party's line. Among the various levels and sectors, there is still not a truly thorough understanding or a high level of consensus concerning some matters related to the policies for implementing this line. Not enough has been done by way of reviewing practical experience. Within the party and state agencies, besides impetuous thinking, a lack of response and entrenched bureaucracy and conservatism are also a main cause of stagnation. The principle of democratic centralism and the principle of solidarity and consensus within the party are being violated. The erosion of good qualities and the will to fight among some cadres in charge on the various levels, from the top to the bottom, and within the different sectors as well as among some party members is causing serious harm. An organizational structure that is well coordinated and strong from the central to the basic levels has not been established. The organizational apparatus is cumbersome, bloated and ineffective. The management mechanism based on bureaucratic centralism and state subsidies is causing harm in many areas. It has created an attitude of relying upon others and the habit of being irresponsible. It has eroded the dynamism of the apparatus and thwarted the display of initiative by the masses. It has created the conditions for the strong development of bureaucracy and caused administrative staffs to become too large. The corps of cadres has not been built in a planned way and has not been trained, assigned or utilized in a rational manner consistent with the requirements of the political task.

What are the causes of the stagnation in party building? Having studied Le Duc Tho's work, we can cite the following causes:

First, we have been slow to recognize the change that has been taking place in the revolution. We have not fully evaluated the features of the situation and the new political tasks raised by this situation. We have long been conducting party work by old methods and considering it to be purely a matter of party affairs.

Secondly, the stagnation of efforts to concretize the line has caused the line, although correct, to remain at the level of general principles and guidelines and become part of day to day practice slowly. This is not to mention the more than a few misunderstandings of the line that have posed difficulties to socio-economic development and have had an adverse effect upon efforts to build the party ideologically and organizationally.

Thirdly, there has been stagnation in organizing the implementation of the line (which involves organizing the apparatus, building the operating mechanism of the apparatus and assigning and utilizing cadres to insure that the line is implemented), especially in organizing and managing the economy, which has had a negative impact upon the building of the party. At the same time, this stagnation is the result of stagnation in party building.

Fourthly, the quality of the corps of cadres engaged in building the party has been improved slowly. The departments that specialize in party building have been strengthened slowly.

To correct the stagnation in the building of the party, it is necessary to bring about a fundamental change in the understanding of party building in the new stage of the revolution. On this basis, we must apply the lessons and experiences in party building that have been reviewed and adopt a series of well coordinated positions and measures.

Le Duc Tho summarizes the features of the new stage as: "We are building the party against the background of our party being the party in power and leading socialist construction nationwide under the new and favorable conditions of our country being reunified and the world revolution having undergone extraordinary growth. At the same time, however, we face some very large difficulties. We are advancing from small-scale production to large-scale socialist production and must contend with a prolonged and wide-ranging war of sabotage. The two strategic tasks must be performed simultaneously. The struggle between the two paths in our country as well as on a worldwide scale is a sharp struggle. The international obligation of the party is very large"(p 377).

On the basis of these features, Le Duc Tho stresses the need to learn the lessons concerning the party building guidelines of our party and apply them under the new conditions that exist today in a way that is well coordinated. He presents a series of positions and measures aimed at resolving the basic and pressing problems in building the party in the present situation.

1. We must study and adhere to socio-economic laws. On this basis, we must concretize the line of the party and successfully establish a correct socio-economic management mechanism. At the same time, we must correct the following major shortcomings: "For a long time, the building of the party has not been closely tied to the political task...has not insured the concretization of the party's line, has not been closely tied to building the economic management mechanism and has not attached importance to building a stronger organization and training cadres in order to stimulate the formation of the new structure of the economy and the new mode of management"(p 455).

2. We must study the science of organization and apply this knowledge in building the organizational structure of the system of collective ownership, which consists of the organizations of the party, the organizations of the state and social organizations together with a system of correct relationships among the elements within the proletarian dictatorship system. Le Duc Tho says: "This is the mechanism which operates under the conditions of the proletarian dictatorship to implement the line of the party. The three components of this mechanism must function in a smoothly coordinated manner. Only in this way is it possible to achieve the combined strength of the proletarian dictatorship"(p 331). This is the broad view of organizational work that we must take in order to build the party well.

3. We must successfully resolve the problems related to cadres. These include such long-standing problems as planning the elementary and advanced

training of cadres, building the corps of successor cadres, revamping the cadre remuneration and award policies and so forth and pressing problems, such as re-evaluating the existing corps of cadres, assigning and utilizing these cadres correctly, purging degenerate and deviant elements, etc. To help solve the problems related to cadres, Le Duc Tho directs our attention to the following: "In each specific stage of history, the revolution has specific requirements. The current revolutionary tasks of the masses demand different skills and different knowledge than were required during the periods of the resistance against France and the resistance against the United States. They require skill and knowledge in the fields of economic management, science and technology"(p 334). In conjunction with skills and knowledge, cadres must also possess new revolutionary ethical qualities: "They must be honest and wage a forthright struggle against negative phenomena. They must not place personal interests, the interests of their family or the interests of their friends above the interests of the collective and society. They must not place the interests of the part, of the locality above the interests of the state, of society"(p 446).

4. We must successfully establish a new workstyle, the Leninist style within the context of the party being in power. The characteristics of this style are: maintaining and correctly applying the principles of democratic centralism and collective leadership and maintaining democracy and discipline within the party; closely linking theory to practice, delving deeply into life and maintaining close contact with the basic level in order to uncover and promptly solve problems; working in a scientific manner on the basis of a program and plan backed by leadership and inspections in every area from the making of decisions to the implementation of decisions; and regularly practicing self-criticism within the party and before the masses. A scientific work method must be established for party committees and the organizations of the party. The new work style "must combine a revolutionary and scientific approach in every job and combine revolutionary zeal with organized actions and good methods"(p 452).

5. Improving the quality of the corps of cadres engaged in building the party and strengthening the specialized departments in charge of party building (the Organization Department, the Propaganda and Training Department and the Central Control Committee) are indispensable prerequisites to the successful building of the party. This thinking has been subsequently expressed in greater detail by Le Duc Tho as follows: "The staff departments of the party, especially the Organization Department of the Party Central Committee and the organization sections of party committees, must quickly be strengthened from the standpoint of both the qualities and competency of their members. This is a very important part of building the party, of organizational and cadre work." "We must soon re-evaluate the organizational cadres engaged in building the party, remove from this work those cadres who are not fully qualified, appoint fully qualified cadres to perform this work and build the organization section into a competent staff organization of the party, a model, pure and highly militant section."(**)

Le Duc Tho's work "Building the Party in the Socialist Revolution in Vietnam" is a project which reviews the practical aspects of party building in our country and is an important contribution by our party to the storehouse of

theory on building the party in accordance with the views of Marxism-Leninism. It is of very important significance from the standpoint of providing practical guidance. Thoroughly understanding the theoretical views as well as the positions of our party on party building that are presented in this work is a prerequisite to performing "the key tasks in building the party today: continuing to heighten the working class nature and vanguard nature of the party and building a party that is solid and strong politically, ideologically and organizationally with the aims of insuring the successful implementation of the party's line and improving the ability of the party to lead and the effectiveness of its leadership in the cause of building socialism and defending the fatherland so that our party always retains in revolutionary and scientific character, is a truly pure party that possesses fine fighting strength and is close to the masses"(p 378).

FOOTNOTES

* The passages in this article contained within quotation marks and followed by page numbers are excerpts from Le Duc Tho's work "Building the Party in the Socialist Revolution in Vietnam", Su That Publishing House, Hanoi, 1985.

** Le Duc Tho: "Nhưng nhiệm vụ cấp bách của công tác xây dựng Đảng," [The Pressing Tasks Faced in Building the Party], TAP CHI CONG SAN, No 5-1986.

7809

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IDEOLOGICAL ACTIVITIES: SPEAKING THE TRUTH

Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 86 pp 79-81

[Article by Binh Giang]

[Text] Speaking the truth and being correct and factual in what one says are synonymous. In philosophical terms, they are concepts "of the same order and on the same level." Speaking the truth means describing things and phenomena as they are. It means calling them by their real name. It means describing things correctly in terms of when and where they happened, describing things accurately without exaggeration or understatement, without distortion or embellishment. In summary, speaking the truth means describing things and phenomena objectively and factually.

The opposite of speaking the truth is telling a lie, is saying something that is incorrect, speaking a falsehood, telling tales, making up stories...

In ancient times, our forefathers held persons who were forthright and honest in very high esteem. They detested persons who lied, flattered others and were dishonest. This gave rise to the saying: "Honesty is the father of deceit."

Marxism-Leninism takes the same view. It places very high emphasis upon describing things and phenomena in an objective and factual manner. Lenin often said: "Our strength lies in telling the truth." At the 27th Congress of the CPSU, foremost among the lessons that were drawn was the lesson of speaking the truth. In the political report delivered at the congress, Gorbachev, general secretary of the CPSU, stressed: "The first lesson can be called the lesson of speaking the truth. Responsible analysis of the past clears the way into the future. But only telling half of the truth and shamefully avoiding tough problems thwart efforts to map out realistic policies and impede our progress."

Our party considers being forthright and factual to be an indispensable quality of the cadre and party member. "The party member must be honest with the party, not conceal things or submit falsified reports and not tolerate anyone who does." So it states in the Party Statutes. President Ho Chi Minh

also raised the issue of teaching this virtue to children so that it becomes an everyday habit. One of his five teachings to children and teenagers is: "Be modest, honest and brave."

Clearly, speaking the truth, and being forthright and factual are necessary virtues of man. Lying, misrepresenting something and not being factual are things to be avoided.

In our society today, lying and misrepresenting the truth cannot be tolerated. They are not only being denounced by public opinion, but, depending upon how serious the consequences they cause are, are also punishable under the law. Despite this, lying, misrepresenting the truth and concealing the truth persist and are even quite widespread at some places.

People lie in many different ways and to many different degrees, all depending upon specific circumstances and the objectives they seek to achieve.

For example, some persons, basic units, sectors, levels and localities have taken to lying and submitting falsified reports simply because they like to record achievements and show off. One achievement is reported as two. A modest effort is embellished and made to look like a tremendous effort. An agricultural cooperative whose collective hog production is poor reports that it is doing very well. As "the word spreads," people at many other places express a desire to visit this cooperative and study its experience. In the face of this situation, the cooperative's management board issues an order to requisition the largest, fattest and best looking pigs of cooperative member families to augment the cooperative's collective hog herd. As a result, the collective hog herd of the cooperative immediately becomes four times larger and its quality is undeniable. It makes you want to laugh when you hear about such things but, regrettably, they actually occur.

Some persons also lie because they are afraid of making a mistake or assuming responsibility. Take the case of an agency whose internal organization is in a shambles and where a serious lack of unity exists among the members of its leadership board. But is it really possible for this agency to "bear its back for all to see"? Were this imprudent approach taken, the entire leadership board would be disciplined. A better approach is to keep quiet and not tell the truth. And, to not tell the truth means that it is necessary to lie.

A locality which suffers insignificant damage in a flood but which seeks to get money from the state and be relieved of its grain and food obligation also lies. They fabricate figures on the amount of cropland flooded, the number of homes destroyed and even the number of deaths. It's happened!

Some persons are also prepared to say things that are not true in order to take revenge against someone else, topple someone from their position or take someone's position. They fabricate all sorts of charges against the opposition, falsely accuse the opposition of mistakes and then fabricate evidence and arrange for fake witnesses to support their fabrications in an attempt to make them real.

There is also lying for the purpose of pleasing one's superiors. If you are a leadership cadre, these kinds of persons will immediately try to find out what you like to hear. If you like to hear about achievements and successes, they are prepared to please you. When you go to inspect the lower level or check on the movement within their locality, they only tell you what you want to hear. If this is not possible, they will make things up and tell you how difficult it has been.

In summary, lying is rather widespread and is quite diverse in the ways that it is practiced. It assumes a variety of very subtle, complicated forms and is difficult to detect.

The main cause of this situation is that liars are seriously afflicted by the disease of individualism. Moreover, they have not forged or cultivated their qualities to the degree necessary. Regardless of the situation, to lie or misrepresent the truth is to be dishonest. Being dishonest is a character flaw. For this reason, Le Duc Tho has said: "Today, the qualities of the cadre must be very clearly manifested in honesty, in the virtues of being forthright and factual, in the spirit of daring to speak out and act, being dynamic and creative, daring to assume responsibility, being close to the masses and leading a wholesome life."⁽¹⁾

Another cause is that there are still signs of "a lack of democracy, bureaucracy and remoteness from reality and the masses" within our society, in general, and our party, in particular. Some key comrades on the various levels and within the different sectors are very paternalistic and arbitrary. They do not listen or want to listen to the opinions of the masses, of party members and cadres on the lower levels. They are even biased toward or take action against persons whose opinions differ from theirs.

Lastly, lying and not being factual exist because the spirit of self-criticism and criticism within the party is not strong, the discipline of the party is not strict and there is not strict compliance with the laws of the state. Persons who lie and misrepresent the truth and persons who are arbitrary and paternalistic, who suppress democracy, thwart struggle and take action against persons whose opinions differ from theirs are not being promptly criticized or appropriately punished.

Whenever someone lies or misrepresents the truth, even slightly, there are always adverse consequences. It distorts information, confuses right and wrong, makes for inaccurate assessments, leads to wrong decisions, causes a lack of internal unity, causes leaders to make mistakes and makes it impossible for the collective to function.

To correct this situation, every person, particularly cadres and party members, must seriously cultivate and forge good qualities. It must be clearly established that speaking forthrightly, speaking the truth and representing things and phenomena fully, correctly and objectively are a mandate of the conscience and the responsibility of everyone. We must feel ashamed, feel a pang of conscience every time we lie or misrepresent the truth, regardless of whether we are talking about ourselves or someone else, about something major or only something of minor importance.

Organizationally, measures must be taken to promptly deal with incidents that involve lying and not being factual. Cases involving lying, reports that are not factual, the distortion or exaggeration or the truth...which cause serious consequences, such as undermining internal unity, creating factions, tarnishing the party's prestige or harming the national economy...must be appropriately punished.

Persons of authority and position, particularly cadres who hold important positions and exercise much authority, who are paternalistic, arbitrary, and despotic, who do not listen or want to listen to the opinions of the masses, of party members and cadres on the lower level, who are biased toward or take action against persons whose opinions differ from theirs must be harshly punished because "these things create an unwholesome atmosphere within the party, paralyze the thinking of cadres and party members and make it impossible to tap the intelligence of the collective. Within the party, they give rise to indulging one another, to being afraid of one another, to not daring to be forthright and say what one is thinking."(3)

Even more important is the need to endeavor to cultivate throughout society a style of "working in accordance with the principle of democratic collectivism, being forthright and factual, daring to speak out and act, daring to assume responsibility. We must be determined to put an end to ways of doing things that reflect arbitrariness, paternalism, being indulgent toward others, evading things, not daring to speak forthrightly and say what is on one's mind and relying or depending upon others."(4)

In addition, there is also a need to promote routine self-criticism and criticism within the party and seriously organize cadres and party members in criticizing themselves before the masses and accepting the opinions of the masses. President Ho taught: "Our people are very good. They love the party very much and love cadres. When we tell the people that we have made a mistake, they do not hate or stop respecting us, rather, they love, respect and trust us even more."(5)

Our strength lies in telling the truth! This is readily apparent.

FOOTNOTES

1. Le Duc Tho: "Nhưng nhiệm vụ cấp bách của công tác xây dựng Đảng," [The Urgent Tasks Confronted in Building the Party], TAP CHI CONG SAN, No 5-1986.
2. Ibid.
3. Ibid., p 12.
4. Ibid., p 19.
5. Ho Chi Minh: "Về xây dựng Đảng," [On Party Building], Su That Publishing House, Hanoi, 1981, p 217.

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ASIA-PACIFIC, THE AMBITIONS AND STRATEGY OF THE REAGAN ADMINISTRATION

Hanoi TAP CHI CONG SAN in Vietnamese No 10, Nov 86 pp 82-88, 78

[Article by Duy Duc]

[Text] Since the late 1950's, U.S. ruling circles have been forced to adjust their global strategy many times--from the "massive retaliation" strategy to the "flexible response" strategy and then the "realistic deterrent" strategy. And, with each change, they have attached importance to Asia-Pacific. Although their plans and strategies have been continuously defeated and thwarted, the major objective of the U.S. monopolistic, capitalist class and imperialists, namely, to rule Asia-Pacific, has never changed. However, it has been observed that the ambitions and strategies of previous administrations toward this region, the largest region on earth (consisting of 220 million square kilometers of land and accounting for two-thirds the population of the entire world), were never as "great" as those of the present Reagan administration.

To the 40th American President, Asia-Pacific is attractive from many different perspectives, attractive enough for him to make an initial bet as part of a new regional as well as global gamble. Serious studies made by the United States and its Western allies all show that Asia-Pacific is the region that is developing most dynamically at a time when the economies of the capitalist countries are continuously in recession and crisis. The region's annual average rate of economic growth during the past 15 years has been 6 to 10 percent. In 1985, the region's gross national product rose to 7.8 trillion dollars, nearly one-half the gross product of the world. The region's potentials are very promising. In addition to abundant sources of manpower, there is a very large quantity of various types of untapped natural resources beneath the region's surface as well as under its continental shelf and ocean floor. There are many who believe that Asia-Pacific will be "a new center of civilization," that it is the ideal region for the "third economic age of the world." The U.S. ambassador to Japan, Mansfield, has predicted that "the 21st century will be the century of Asia-Pacific." Here, U.S. military power, although it has fluctuated and despite the bitter defeats in South Korea and Vietnam, has always been maintained on a very large scale and has been strongly increased in order for the United States to maintain its role as international gendarme and protect its "vital interests." Successive administrations in Washington have signed bilateral military alliance treaties

with Japan, South Korea, Taiwan, the Philippines, Thailand...and established the SEATO and ANZUS aggressor military alliances. Over a period of many years, the Pentagon has built more than 300 military bases in Japan, the Philippines and South Korea and on the Marshall-Caroline-Marianas Islands in Micronesia, which is under the territorial management of the United States. Since World War II, by relying upon its economic might and employing its "carrot and stick" policy, which reeks of neo-colonialism, the United States has infiltrated this region and expanded its economic might.

Two-waytrade between the United States and the countries of Asia-Pacific has steadily increased and now exceeds trade with "traditional Europe." The following chart proves this:

Year	Trade with Europe	Trade with Asia-Pacific
1980	110 billion dollars	112 billion dollars
1981	112 " "	125 " "
1982	107 " "	124 " "
1983	105 " "	134 " "

The multi-national corporations of the United States see in Asia-Pacific a good place to do business, a place where they can reap huge profits by using local manpower and developing the region's natural resources. U.S. fascination with this region also stems from the fact that the Pacific is the ideal place for tests of nuclear weapons and weapons of the "Star Wars" program with the aim of meeting the demands of the arms race to achieve American military-strategic superiority over the Soviet Union. In the summer of 1985, according to INTERNATIONAL POLITICS (France), the United States tested in this region extremely powerful thermonuclear bombs and tested ground-based weapons of the DCM (counter-missile defense) system. In the Hawaiian Islands, U.S. researchers tested powerful laser beams and conducted remote laser firing tests. In June 1984, tests in intercepting "opposition" warheads were also conducted along the Vandenberg (California)-Eniwetoc Range. Other islands in the Pacific serve the interests of the United States in launchings of the space shuttle. If problems arise, the U.S. space shuttle can land on a small island by means of guidance equipment. Satellites are tracked by means of electronic and optical systems from observer stations. These observer stations are deployed across the surface of the planet and the Pacific is being equipped to help track space vehicles, monitor their operation, receive data from them and support the recovery of space vehicles and equipment returning to earth.

Due to the attractions described above, many new ambitions and designs have arisen in the minds of the most reactionary powers ruling the United States, as represented by the Reagan administration. They want to open a "second front" in Asia-Pacific to create a new prong to function in tandem with the "first front" in Europe with a view toward implementing their policy of military confrontation and waging the "crusade" against communism "everywhere and at all times."

The Reagan administration has adopted a new strategy for this region, which they consider to be the most important part of the counter-revolutionary global strategy of the United States, to be a strategy that will prepare the United States for the 21st century, which the hotheads ruling in Washington are boastfully calling the "century of the United States"(!).

The Asia-Pacific strategy of the Reagan administration is a new step down the path of imperialist adventurism. It consists of political, economic and military objectives and such matters of basic importance as a definition of the adversaries against whom this strategy is directed, the organization of forces, the structure of alliances, the specifics of "shared responsibility," the mechanism for coordinating actions with allies, etc. Generally speaking, this strategy is designed to establish a "front" with an economic organization called the "Asia-Pacific Community," similar to the European Common Market (EEC) controlled by the United States, in conjunction with establishing a NATO style military-political alliance. The purpose is to counter the Soviet Union, the other socialist countries and the national liberation and national independence movements, which are developing strongly within the region. By forming such a front, the United States hopes, from a global standpoint, to place the Soviet Union and the socialist countries in a situation in which they face a blockade from West to East and are caught between the two strategic prongs of the Western Europe-Atlantic and East Asia-Pacific alliances. From a regional standpoint, the United States seeks to stop the spread of socialism. At the same time, it will be able to make greater use of its "carrot and stick" policy to counter national liberation and national independence movements within the region and maintain the remaining positions of imperialism. As envisioned by the Reagan administration, this "front" also has the objective of bringing Japan and China under U.S. control and thus precluding the potential disaster of the United States being driven from East Asia and the western Pacific in the future.

In terms of how it organizes forces and structures alliances, Reagan's Asia-Pacific strategy clearly bears the imprint of the "post-Vietnam period." The defeat of the U.S. imperialists in the war of aggression against Vietnam meant the end of that period when the United States could wage war by itself and necessitated a shift to a period in which the United States must bring many different forces together and establish ties with other reactionary powers in order to wage war. On the other hand, Reagan's strategy, although it embraces economic ambitions as well, attaches very much importance in the short-range to military preparations for war. According to U.S. Secretary of Defense Weinberger, the Asia-Pacific strategy rests upon the following "six pillars": 1) U.S. military power; 2) the U.S.-Japan military alliance; 3) the U.S.-South Korea security treat; 4) collaboration between the United States and China through strategic cooperation and the coordination of "joint activities" between Washington and Beijing; 5) assistance and "self-defense support" for the ASEAN countries; 6) the ANZUS military bloc.

Of the six pillars described above, the military power of the United States is the foremost factor behind Washington's policies and is "an indispensable pillar, not only from the standpoint of our (the United States') freedom, but also the freedom of our friends and allies"(19 February 1986 statement by Admiral Crowley, chairman of the U.S. Joint Chiefs-of-Staff). According to

U.S. and Western news sources, there are currently about 360,000 troops of all branches and services, both nuclear and conventional forces, under the U.S. military command in the Pacific stationed at more than 300 military bases. The 7th Fleet, which is considered the strongest force that the United States has in operation in this region, consists of 60 warships of all types, including aircraft carriers. Beginning in 1980, the 7th Fleet was gradually modernized and equipped with 400 missiles armed with nuclear warheads. In mid-1983, it was equipped with 375 tomahawk missiles, each capable of carrying a 200 kiloton nuclear warhead a distance of 2,500 kilometers. Ruling circles in Washington also have plans to deploy between now and the year 2000 Pershing II missiles, nitron weapons...and double the conventional forces within the region to bring U.S. military power on the "second front" roughly to the level of U.S. military power in Western Europe. The military forces of the United States will be used in a flexible manner to suit many different situations: a full-scale nuclear war against the Soviet Union, limited wars and "counter-insurgency" wars within the region. On the other hand, by relying upon "bases overseas" and bases within the Pacific territory of the United States, these forces can also provide military reinforcement of the other "pillars."

In addition to the military forces of the United States itself, it is also the intention of the architects of Reagan's strategy to bring "friendly" forces within the framework of the "Pacific rim" within the aim of enabling the White House to flexibly deal with each situation which arises.

In the Northeast, the three most important forces are the United States, Japan and South Korea, which form an iron triangle designed to "block Soviet expansion southward." On this line, Japan is considered the "cornerstone" of U.S. policy. There, some 48,000 U.S. troops are stationed at hundreds of military facilities, the most important of which are the air and naval bases at Yokosuka-Yokohama and on the island of Okinawa, the Cadena Air Base... The United States is encouraging the rearming of Japan and the restoration of Japanese militarism, promoting cooperation in weapons production and military exercises and drawing Japan into the SDI Program. Japan has increased its military budget beyond the limit of 1 percent of gross national product set by the Constitution and has allocated 76 billion dollars for its 1986-1990 five year military budget. U.S.-Japanese cooperation has progressed from combined training to joint combat plans. The intention of the United States is to use Japan's army as the assault force on the "second front," a force that will keep sea lanes open for a distance of 1,000 nautical miles from Japan while being ready to take the place of U.S. forces should the United States be forced to deal with a major crisis in the Middle East or Indian Ocean. South Korea is also considered by the White House to be a "force for peace and stability in Northeast Asia"(November 1983 statement by Reagan). The United States is taking positive steps to bring Japan and South Korea closer together with a view toward building bridges and establishing a trilateral U.S.-Japan-South Korea alliance. The United States also intends to draw China into this alliance and "make this triangle a square"; make maximum use of China's military potential as a "force confronting the Soviet Union"; and collaborate with China in opposing and attacking the revolution of the three countries of Indochina. On the middle line--from the Philippines to the Strait of Malacca--the United States has been making extensive efforts to assist and provide "self-defense support" to the ASEAN countries and providing increased

military aid in an attempt to turn this group of countries into a new military bloc to take the place of SEATO, which collapsed following the total defeat of the United States in the war of aggression against Vietnam. Over the past several years, in order to achieve this objective, the United States has increased its forces in the Philippines; extended the Manila agreement signed in 1954 on cooperation in Southeast Asia; supplied F-16's to the Thai military; declared Thailand a "frontline country" in the fight against the revolution of the three countries of Indochina; made preparations for establishing a system of warehouses to stockpile weapons of war and the restoration of U.S. air bases in Thailand; coordinated in military exercises with the Thai army along the border with Cambodia; and publicly announced military aid for the exiled Khmer reactionaries hiding on Thai soil.

In the South, the United States relies mainly upon ANZUS, which consists of the United States, Australia and New Zealand. The United States currently has scores of important military bases in these two countries, the purpose of which is to control the southwestern Pacific Ocean and eastern Indian Ocean. The U.S. 7th Fleet operates freely from the ports of Sidney, Brisbane and Melbourne. Outside the framework of ANZUS, the United States also maintains nearly 30 military bases under a bilateral agreement with Australia. The political-military forces and alliances described above must ultimately be brought together to form the "Asia-Pacific front" to insure absolute military superiority for the United States and hegemony by the United States over this vast region of the world while creating the conditions for Washington to seize military-strategic superiority over the Soviet Union under the global counter-revolutionary strategy of the U.S. imperialists.

The strategic ambitions of the United States in Asia-Pacific reflect a major plan of the most reactionary and bellicose powers currently ruling the United States of America and shows: due to their unchanging nature, the U.S. imperialists are constantly adopting aggressive, adventurous policies that threaten the peace and security of other nations. With the opening of this "second front," the United States is going beyond Western Europe and posing another danger of a major war-- both nuclear war and conventional war--in a vast region that represents two-thirds the world's population. On the other hand, the process of the United States achieving its strategic objectives always leads to armed conflicts, increases the likelihood of regional wars, particularly in Northeast Asia, South Asia and Southeast Asia, and seriously threatens the sovereignty and independence of other countries. Clearly, the Asia-Pacific strategy of the Reagan administration runs entirely counter to the fervent aspirations of all nations to live in peace and is contrary to the basic interests of the nations of the region, the majority of which are developing countries. However, the White House's ambition and strategy of opening a "second front" is one thing, whether or not it achieves success is something else. The history of the four decades since World War II proves that U.S. strategy in Asia-Pacific has been marked by a succession of defeats and failures, salient among which were the defeat in the war of aggression against Korea and the tragic defeat in the war of aggression against Vietnam and the other countries of Indochina. These defeats have undermined the military-political alliances of the United States within the region, bringing about the collapse of one (SEATO) and shaking another (ANZUS). In particular, the "wounds of Vietnam" in the United States as well as Asia-Pacific are still

deep. Viewed against this background, the Asia-Pacific strategy of the Reagan administration is beset by many contradictions and, as students of current events in the West observe, has "very little chance of success."

The Reagan administration itself is not at all optimistic. Admiral Crowley, chairman of the U.S. Joint Chiefs-of-Staff, has admitted that "there are dark clouds on the horizon" and that he "feels true concerns about the future" of the Asia-Pacific strategy of the United States. According to Crowley, the United States is encountering difficulties, such as:

--The U.S. trade deficit with Japan is a serious problem (in 1985, Japan's exports to the United States exceeded imports by 50 billion dollars).

--The confusing situation in the Philippines is affecting the "free countries" in the Pacific.

--In the South Pacific, the policies of New Zealand, which include a ban against U.S. nuclear powered warships or warships armed with nuclear weapons entering the ports of this country, have caused a tense situation within the ANZUS military alliance.

Of course, Crowley cannot "bear his back for all to see"! In fact, the United States faces very many tough problems. In the "post-Vietnam" period, the position and power of the United States have declined and it cannot "do as it pleases." The U.S. economy, having been continuously hit by competition and crises, is finding it difficult to support the large expenditures now being made on the military and arms race, on top of which there is the need to pour even more money into the "second front" in Asia-Pacific. If the United States continues to close its eyes and plunge headlong down the path of military adventures, the possibility of the U.S. economy becoming weaker than the economies of Western Europe and Japan will become a stark reality by the year 2000. The Reagan administration's Asia-Pacific strategy is based upon six "pillars." But this strategy represents an assemblage of forces consisting of "strange bedfellows." The United States considers Japan to be the "cornerstone" of U.S. policy in Asia-Pacific. However, Japan has been and continues to be a tough economic competitor of the United States in the "automobile war," the "television war," the "agricultural products war," etc. There are always strains in U.S.-Japan economic relations. They even threaten the political relations between the two countries. The restoration of Japanese militarism will prove to be a double edged sword to the United States because Japan has plans of its own and no one precludes the possibility of a so called "Japanese scourge" in the future. In the collaboration between the United States and China, both expansionist and hegemonist powers have "mutual interests" with regard to guarding against the Soviet Union, socialism and the national liberation movement. However, they also have separate and very different interests and plans which lead them to being "on guard against each other." The United States does not have enough trust in Beijing to consider it a strategic ally. Therefore, while drawing China into the orb of U.S. strategy, the United States is also making every effort to reduce, prevent and preclude the possibility of expansion by China, which would threaten U.S. hegemony in this region, most importantly in Southeast Asia. Also deserving of attention is that although the strategic plans of the United States are

concealed behind slanderous talk about the so called "communist peril" and "Soviet expansion," the acts of imperialist insolence and the mercenary policy of U.S. monopolistic capitalists are causing a rising wave of indignation and concern within the countries of the region, the majority of which are developing countries that have long been friends of America and rely upon economic-military assistance from America. Some governments of these countries have even dared to express opinions which differ from those of the United States concerning a host of important issues within the region, even the assessment of the "enemy" and the policy of confrontation with the "enemy." The ASEAN countries have openly expressed concerns over Japan's rearmament policy and the U.S. policy of helping China to build its military strength to serve the selfish interests of the United States while creating new threats to Southeast Asia. Indonesia and Malaysia have also showed that they are abreast of the times and are more "independent" by leaning toward a policy of neutrality in the relations between the United States and the Soviet Union and engaging in dialogue with Vietnam in order to eventually make Southeast Asia a region of peace, stability, friendship and cooperation. On 16 July 1986, the Indonesian Foreign Minister told the Associated Press: "The real danger in Southeast Asia is not caused by the military presence of the Soviet Union, but by the region's poverty." The situation in the Philippines is also unstable. There, the struggle by the masses demanding the withdrawal by the U.S. from its military bases in that country is growing with each passing day. In the South Pacific, the attitude of New Zealand is, in practical terms, breaking ANZUS apart. The left-wing Australian Labor Party has also demanded that the Bob Hawke government follow New Zealand's example. Moreover, in August 1985, the countries of the South Pacific, Australia included, called for the signing of an agreement establishing a large nuclear-free zone. To date, 13 countries have enthusiastically responded to this call. In its summer 1986 issue, INTERNATIONAL POLITICS (France) observed: "This might open the way for new demands by Japan and the Philippines as well. If and when these demands are met, it could paralyze the U.S. Fleet."

Lastly, the factor of decisive significance in preventing the formation and existence of the "second front" of the United States is the strong changes that have been taking place in Asia-Pacific as a result of the revolutionary movements that have taken place during the last half-century, on the momentum of the current trend of development down the path of progress, peace, cooperation, dynamism and diversity, and through the offensive strength and position of the forces of the socialist revolution, the forces of national independence, democracy and peace, of which the Soviet Union is the pillar. This is the true "challenge" to the strategy of the United States within the region. This is why the U.S. imperialists have suffered one defeat after another and once even had to consider withdrawing and returning to "neo-isolationism." The establishment of the strategic-military balance between the Soviet Union and the United States, the continuous growth of the socialist countries on the Asian continent and the comprehensive program and other initiatives of the Soviet Union and the other socialist countries aimed at strengthening peace and security and stimulating widespread and equal cooperation among the countries of Asia-Pacific are becoming the force behind the inevitable trend of development of this the largest region on earth. They

are also sources of strong inspiration to the revolutionary and peace movements of the peoples of Asia-Pacific in their steadfast struggle against the sinister schemes of the United States.

In contrast to the U.S. strategy of military confrontation, the Soviet Union and other socialist countries are resolutely pursuing a policy of peaceful dialogue and steadfastly struggling to build wholesome relations among countries and strengthen international peace and security. On many different occasions, the Soviet Union, the Mongolian People's Republic, the Socialist Republic of Vietnam, the Lao People's Democratic Republic, the People's Republic of Kampuchea and the Democratic People's Republic of Korea have proposed peace initiatives filled with good will to resolve regional problems and build relations of cooperation and equality among the countries of Asia-Pacific. On 23 April 1986, the Soviet government issued a statement concerning a comprehensive program designed to turn Asia-Pacific into a region of true peace and security. On 27 July, in an important address delivered in Vladivostok in the Far East, M.S. Gorbachev, general secretary of the CPSU Central Committee, once again confirmed the sincere desire of the Soviet Union with regard to guaranteeing the peace and security of all nations and developing and expanding relations of broad cooperation and mutual benefit with all large and small countries of the region. The lofty stand and the series of new and very important initiatives of the Soviet Union, which are related to the destinies of the nations of Asia-Pacific and come at the most critical point in history, are consistent with the fervent aspirations and the basic interests of the peoples of the countries of this region as well as all progressive mankind. The bright example set by the Soviet Union has given further impetus to the struggle to make peaceful, friendly and cooperative relations and development realities in Asia-Pacific. Can the Reagan administration go against this undeniable trend and turn back the wheels of history? There is no doubt that if it obstinately continues to plunge headlong down the path of dangerous military adventurism and, with eyes closed, implements the Asia-Pacific strategy, the Reagan administration will be unable to avoid being caught in a storm of struggle waged by the forces of revolution, national independence and peace within the region. Washington's extremely reactionary strategy toward Asia-Pacific will never hold the promise of a "bright future" for them.

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