

006073

JPRS-SEA-85-148

27 September 1985

# Southeast Asia Report

VIETNAM

TAP CHI CONG SAN

No 7, July 1985

DISTRIBUTION STATEMENT A

Approved for public release  
Distribution Unlimited

19980729 133

DTIC QUALITY INSPECTED 3

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

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

7  
98  
A05

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

27 September 1985

## SOUTHEAST ASIA REPORT

### VIETNAM

TAP CHI CONG SAN

No 7, July 1985

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.

### CONTENTS

The 8th Plenum of the 5th Party Central Committee on Prices, Wages and Money (pp 1, 2) (Unattributed article).....	1
Dismantling the System of Bureaucracy and Subsidization and Shifting Entirely to Economic Accounting and Socialist Business (pp 3-10) (Editorial).....	3
Letter from Truong Chinh, Member of the Political Bureau of the Party Central Committee and Chairman of the Council of State to Journalists on the Occasion of Vietnam Press Day (p 11) [This letter appeared in FBIS DAILY REPORT, Asia and Pacific, 25 Jun 85, p K8]	
Strengthening the Party's Leadership of Science and Education Today (pp 12-18) (Le Quang Dao).....	13
Twenty-Five Years of Activities and Growth of the People's Control Sector (pp 19-25, 32) (Tran Le).....	22
Implementing the Code of Criminal Law Well, Thus Helping to Strengthen the Socialist System of Law (pp 26-32) (Phan Hien).....	31

Improving Wages (pp 33-38) (Dao Thien Thi).....	40
Some Matters of Pressing Importance Concerning the Improvement of the Current Price Policy (pp 39-46) (Phan Van Tiem).....	48
Some Experiences in Improving Distribution-Circulation and Dismantling the System of Bureaucracy and Subsidization Within Long An Province (pp 47-50, 66) (Tan Dinh).....	58
The Positive Results of Adding Compensation for Prices to Wages and Gradually Including Wages in Production Costs in Quang Nam- Da Nang Province (pp 51-54) (Tung Van).....	64
'Riches Lie in Trade'(pp 55-58) (Thanh Thanh).....	70
Commemorating the 700th Anniversary of the Victory of the Resistance Against the Yuan (1285-1985): 'Whether We Will Win or Lose Can Be Known'(pp 59-61) (Nhuan Vu).....	75
Endeavoring To Bring About the Strong Development of the Socialist System of Physical Education and Sports (pp 62-66) (Ta Quang Chien).....	79
The 7th Congress of the Communist International and the Task of Struggling To Safeguard World Peace (pp 67-70) (Unattributed article).....	85
Cover Pages.....	90
Index to TAP CHI CONG SAN No 7, July 1985 (JPRS).....	93

# THE 8TH PLENUM OF THE 5TH PARTY CENTRAL COMMITTEE ON PRICES, WAGES AND MONEY

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 1, 2

[Unattributed article]

[Text] The 8th Plenum of the 5th Party Central Committee, which dealt with prices, wages and money, was held in Hanoi from 10 to 17 June 1985.

General Secretary Le Duan delivered the opening address.

The plenum reviewed our country's economic-financial situation since the liberation of the South. Following the issuance of the resolution of the 6th Plenum of the 4th Party Central Committee in September 1979, the party and state adopted a number of positions and policies concerning production and distribution-circulation. A number of localities and basic units boldly began taking new approaches with a view toward eliminating bottlenecks, stimulating the development of production, intensifying the effort to control goods through procurements, partially improving the national financial system and resolving a number of pressing problems regarding prices and wages.

The 8th Plenum of the Party Central Committee pointed out one overriding lesson that has been learned: we must completely dismantle the system of bureaucratic centralism and subsidization and correctly implement democratic centralism, economic accounting and socialist business practices if we are to effectively accelerate production and business.

The plenum pointed out: "At present, dismantling the bureaucracy and subsidization that exist with regard to prices and wages is an extremely urgent requirement, is the breakthrough of a decisive nature that must be made in order to completely shift the economy to economic accounting and socialist business based on planning, on strongly upholding the right of collective ownership of the working people, on vigorously tapping the initiative and creativity of all levels and sectors, of all basic production and business units nationwide.

There was a high degree of consensus at the 8th Plenum of the 5th Party Central Committee concerning the objectives and guidelines of the effort to resolve the problems of prices, wages and money:

--Stimulating the development of production, within a rational structure, by developing each existing potential that lies in our labor, arable land, sectors, trades and material-technical bases with the aim of strongly developing production in a manner that yields higher productivity, higher quality and higher efficiency.

--Stabilizing the living conditions of the working people, beginning with the living conditions of manual workers, civil servants and the armed forces; putting the state in control of production and distribution-circulation and in control of the market; and gradually achieving a balanced budget and a balanced cash flow.

--Helping to gradually create sources of capital from within the national economy in order to carry out socialist industrialization and build the material-technical bases of socialism.

--Stimulating socialist transformation, strengthening the state-operated and collective economies and developing the household economy.

--Helping to strengthen the national defense and security systems, resolutely combat the enemy's sabotage and effectively struggle against negative phenomena.

The various leadership levels of the party, administration and mass organizations, from the central to the basic levels, must consider guiding the implementation of the resolution of the 8th Plenum of the 5th Party Central Committee to be their central, emergency task between now and the end of 1985.

This Party Central Committee plenum resolution on prices, wages and money, which is the result of conclusions drawn from the practice and experience of our party and state during the past several years, reflects a bold and profound change of direction in the positions and policies of our party, not only those regarding prices and wages, but also those that pertain to commerce, the finance system, money, planning and the economic management system, the purpose of which is to thoroughly abolish bureaucracy and subsidization and shift entirely to economic accounting and socialist business, thereby creating favorable conditions for our country's economy to reach a new stage of development.

7809

CSO: 4210/12

## DISMANTLING THE SYSTEM OF BUREAUCRACY AND SUBSIDIZATION AND SHIFTING ENTIRELY TO ECONOMIC ACCOUNTING AND SOCIALIST BUSINESS

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 3-10

[Editorial]

[Text] The system of subsidization came into existence amidst the circumstances of the long and fierce war. During the war of resistance against the United States, in view of the fact that our economy was underdeveloped, we had to implement subsidization in the distribution of the social product in order to meet the needs of combat and everyday life. This was necessary back then.

After the conclusion of the war against the United States, when our country's revolution entered the new stage, we should have promptly dismantled the system of bureaucratic management and subsidization, shifted entirely to economic accounting and socialist business, restructured production, established a national financial policy based on domestic revenue sources, discontinued subsidized distribution, etc. However, due to conservatism, bureaucratic centralism, a lack of flexibility and responsiveness, the many shortcomings in the guidance and management being provided and the deeply entrenched thinking of relying upon aid from the outside, we were slow to start changing and improving the economic management system. As a result of these shortcomings, the imbalances within the economy were being corrected slowly; dynamism could not be displayed in production or business; the deficit of the national financial system was growing with each passing day; inflation was constantly rising; the system of state prices was becoming increasingly further removed from value; and the purchasing power of the dong and the real wages and standard of living of manual workers, civil servants and the armed forces were steadily declining. Although we made every effort to develop production, tried to increase our imports through exports and did record a number of encouraging achievements, especially from 1981 on, the amount by which the wealth produced domestically increased was still not much larger than the amount by which the wealth received from outside sources decreased, in addition to which the population was growing very rapidly; therefore, national income per capita was declining.

Following the issuance of the resolution of the 6th Plenum of the 4th Party Central Committee, the party and state promulgated many positions and policies

with the aim of correcting the situation described above. Some sectors, localities and basic units boldly took new approaches in order to overcome obstacles, stimulate the development of production, intensify the effort to control sources of goods through procurements, partially improve the national financial system and resolve a number of pressing problems concerning prices and wages.

However, the policies and measures instituted by the party and state in recent years concerning distribution and circulation have failed to provide a basic solution because they continue to maintain an approach to the problems of prices and wages and other economic issues that is based on management characterized by bureaucratic centralism and subsidization.

We have continued to carry out planning and management purely on the basis of a system of allocations and deliveries and cost accounting that is accounting in name only, is artificial accounting. This system has placed basic production and business units in a situation in which they are hamstrung and passive, rely upon the upper level and have no incentive and enterprises are not compelled to concern themselves with productivity, quality and efficiency. The practice of distributing material resources at very low prices, so low that materials are virtually supplied at no cost, has been maintained too long and the scope of this practice has been expanded. Wages no longer provide incentive for productive labor.

Of the various forms of subsidization, subsidization through prices is the most serious. The prices of the materials and goods sold by the state do not fully cover production costs. The price differential has become a source of supplementary income to many persons in society, even become fertile ground supporting the unorganized market and the black market, thereby making dishonest merchants and degenerate, deviant elements within the state apparatus wealthy.

Due to the failure to be thorough in our view toward abolishing bureaucracy and subsidization and shifting entirely to economic accounting and socialist business, we improved prices and wages but stopped half-way, stopped without including all factors in production costs. We are still compensating for losses in a sweeping fashion and economic accounting is still accounting in name only. Procurement and selling prices remain low. We continue to maintain the practice of supplying material resources at artificially low supply prices and the scope of subsidization is very broad. After adjusting prices and wages, we continue to apply a "static" mechanism to prices and wages at a time when the overall economic situation demands a "dynamic" mechanism. As a result, the system of state prices for goods has continued to move further away from value, the state has had to compensate for increasingly large losses in production and business and real wages have steadily declined.

We recently adjusted prices and wages but did so in a separate, piecemeal fashion not closely tied to renovating the economic management system, restructuring and reorganizing production in an effective manner, strengthening socialist commerce and intensifying the transformation and management of the market. We have been lax in our management of the market,



not controlled prices and allowed prices to rise very rapidly and go beyond the point where they can be controlled by the state.

The shortcomings described above have caused the price situation to continue to worsen, as a result of which the state's prices for goods have become increasingly low compared to value and are now very far below the value of goods. The serious consequences of artificially low prices, which were born of bureaucracy and subsidization, have caused a situation in which the income of the state-operated economic sector is only enough for the enterprise to pay very low wages to its manual workers and civil servants and provides for no contributions to the state and no formation of capital for socialist industrialization. Fixed assets are wearing out and breaking down because the revenues from capital depreciation are not sufficient to pay for repair costs and provide even less money for the restoration of fixed assets. The supplying of materials at low prices in exchange for the delivery of products at low prices has caused production costs and product marketing costs to be much lower than they actually are, thus causing all calculation of economic returns by enterprises to be incorrect. This is a chain that shackles the enterprise to the system of bureaucracy and destroys the independence of the enterprise in its production and business. Because of this pricing structure, some of the money borrowed from foreign countries has been squandered through subsidization at very low prices. The maintenance of low procurement and selling prices under the system of bureaucracy and subsidization has caused the state to encounter many difficulties in its efforts to control goods and money and created numerous negative phenomena within society.

As is the case with prices, the system of bureaucracy and subsidization violates the principle of distribution in accordance with labor and has made wages a critical issue in the life of society.

The wages being paid, wages that are in the nature of subsidies and based on averages, do not provide incentive for technological improvements and do not stimulate the development of production. With the principle of distribution in accordance with labor having been violated, workers are not enthusiastic about their work and many negative phenomena have arisen within production and business units.

The real wages of wage earners have declined. The differences in income and standard of living among the different sectors and trades, among the different areas of the country and among the different strata of the population have become increasing irrational.

In conjunction with the practice of supplying material resources based on averages and at low prices, a practice which actually amounts to supplying materials at no charge, the current wage system itself has existed for many years without being revised, consequently, monetary wages are not only behind the times in terms of the amount paid to workers, but are also much in the nature of subsidies. Wages are not closely tied to the productivity, quality and efficiency of production. The practice of paying wages in the form of goods has caused much waste and many negative phenomena within society and seriously violated the right of ownership of workers as it pertains to their income.

From the realities of production and everyday life in recent years, we have drawn one overriding lesson: we must completely dismantle the system of bureaucratic centralism and subsidization and correctly implement democratic centralism, economic accounting and socialist business practices if we are to accelerate socialist construction.

The 8th Plenum of the 5th Party Central Committee examined our country's current economic situation and issued a resolution on prices, wages and money. The plenum maintained that the irrational prices and wages that exist today lie at the core of the system of bureaucratic centralism and subsidization and that dismantling this system in the areas of prices and wages is an extremely pressing requirement, is the breakthrough of a decisive nature that must be made in order to shift the entire economy to economic accounting and socialist business practices.

The problems of prices, wages and money must be resolved on the basis of the view that we must thoroughly dismantle the system of bureaucratic centralism and subsidization and must be resolved through continuous, unremitting efforts against the old system without wavering or stopping half-way. We must resolutely oppose conservatism and inertia, oppose the desire to maintain the old style of management with the aim of returning to the system of bureaucratic centralism and subsidization.

We have lived with the system of bureaucracy and subsidization for decades. The regulations and rules established by this system have made a deep imprint upon socio-economic life. Some have become the workstyle and daily habits of cadres and the people and others have become inertia on the part of many persons, which cannot be completely eliminated overnight. As a result, we must be determined and thorough, have no feelings of regret and take appropriate, continuous measures to dismantle the system of bureaucratic centralism and subsidization and boldly shift to planning that is closely tied to economic accounting and socialist business practices.

The effort to resolve the problem of prices, wages and money has the following primary objectives. The first objective is to stimulate the development of production within a rational structure and develop each potential that lies in our existing labor, arable land, sectors, trades and material-technical bases in order to strongly develop production and achieve higher productivity, quality and efficiency. The second objective is to stabilize the standard of living of the working people, beginning with the standard of living of manual workers, civil servants and the armed forces. The state must control production and distribution-circulation, control the market and prices and gradually achieve a balanced budget and a balanced cash flow. The third objective is to help to gradually establish sources of capital within the national economy in order to carry out socialist industrialization and build the material-technical bases of socialism. The fourth objective is to spur the completion of socialist transformation, strengthen the state-operated economy and the collective economy and develop the household economy. The fifth objective is to contribute to the strengthening of the national defense and security systems and assist in the determined effort to combat the enemy's sabotage as well as in the struggle against the negative phenomena within society.

The above mentioned objectives share a dialectical relationship and constitute an entity. The main elements involved in the dismantling of the system of bureaucracy and subsidization within the areas of prices, wages and money are the following:

First, all reasonable expenses must be included in production costs; prices must insure that all actual, reasonable costs are compensated for, insure producers of a satisfactory profit and enable the state to gradually carry out the formation of capital; and the practice of the state buying and selling products at low prices and then compensating for unreasonable losses must be ended.

In adjusting product prices and defining the new price management system, we must adhere to the correct principles. The prices that are set must be consistent with value and with the purchasing power of the dong. The establishment of prices must be based on the plan being the center of economic management. We must implement economic accounting and socialist business practices and take the initiative in applying the law of value and the law of supply and demand. In view of the fact that our country's economy is in the process of advancing from small-scale production to large-scale, socialist production and the fact that agricultural production is still the front of foremost importance, the price of paddy must be made the standard for calculating the other types of prices and all product prices. We must implement a one price system within the entire price system and correct the practice of allowing prices to "float" as well as the practice of being rigid in the setting and management of prices.

The procurement prices paid for grain and other agricultural products must reflect and help to implement the line on developing agriculture with a view toward establishing a rational industrial-agricultural structure, reflect the alliance between workers and farmers under the new conditions of the proletarian dictatorship, reflect a correct relationship between capital formation and consumption and create the conditions for both industry and agriculture to develop and the living conditions of both farmers and workers to be improved. Agricultural product procurement prices must provide incentive for the formation and development of specialized farming areas and new economic zones, with importance attached to areas that specialize in rice production. We must immediately establish the state's exclusive management of and monopoly in grain and other agricultural products, primarily by means of the price policy and rational procurement methods.

Under the one price system, the procurement prices of grain and agricultural products are determined on the basis of negotiations between the state and farmers (with distinctions made by region and prices being adjusted on a seasonal basis) and must insure that producers cover all production costs and earn a reasonable profit. In those areas in which natural conditions are unfavorable, material-technical bases are underdeveloped and many difficulties are still being encountered in everyday life, the state must institute a policy of paying higher procurement prices in conjunction with an investment policy. The state must apply suitable tax and price policies to those areas

that have favorable natural conditions. Through economic contracts, the state must control practically all commodity grain and other important agricultural products and commodities.

The production costs of industrial products must be correctly determined. It is necessary to calculate all factors of production costs, which include the cost of means of production and the new wages of the production sector.

In the expenditure of embodied labor, it is necessary to fully calculate the depreciation of fixed assets on the basis of reassessing fixed assets, include the full depreciation represented by major repair work and temporarily calculate capital depreciation on the basis of the actual use of machinery and equipment. The value of materials must be calculated fully and correctly: domestically produced materials must be calculated at the full base price; the prices of imported materials must be calculated on the basis of the price ratio in the new internal balance of accounts based on the base import price and the domestic price policy. In conjunction with fully including those costs that currently lie outside production costs it is necessary to deduct those costs that are irrational and do not conform with regulations.

Enterprise wholesale prices must fully compensate for production costs on the basis of reasonable material and labor consumption ceilings and a satisfactory profit margin so that the enterprise can carry out expanded reproduction and the formation of capital for the state. Enterprise wholesale prices must have the effect of encouraging and creating the conditions for the enterprise to achieve financial independence, take the initiative in developing its production and business and institute true economic accounting.

The industrial wholesale prices for materials and industrial consumer goods must reflect the view of the party concerning the formation of capital and consumption. The state must realize limited state-operated revenues from the sale of means of production and satisfactory state-operated revenues from the sale of industrial consumer goods.

The prices at which imported materials and goods are sold must correspond to the prices of domestically produced goods and have the effects of stimulating the production of domestic materials to replace imports and encouraging the economical use of imported materials.

On the basis of the state establishing exclusive management of and a monopoly in important materials and industrial consumer goods, the state administration on the central level must establish uniform prices (with regional price differentials for some products) for these types of goods.

Retail prices are to be set on the basis of the value of goods, with consideration given to supply and demand and to the purchasing power of the dong, and must reflect the socio-economic policy of the party and state. The retail price policy must distinguish among consumer goods on the basis of the nature of products. With the exception of a few essential goods that provide for little or no formation of capital and a few special cases in which losses

incurred with a few products can be compensated for under social policy, the prices of industrial food products and industrial consumer goods must provide for appropriate formation of capital for the budget.

The state must implement a consistent one price system for retail prices. The central level must set a uniform business price for essential consumer goods with appropriate regional price differences, especially for grain and food products and some materials and goods that must be transported long distances at high transportation costs.

In order to manage prices, it is necessary to establish a rational division of functions and responsibilities based on the principle of democratic centralism as applied in a manner consistent with reality. A rational division of price management functions and responsibilities must be established between the agencies of the central state and the localities.

Secondly, real wages must truly insure that wage earners can live primarily on their wages, can replenish the energies expended in their work and do so in a manner consistent with the capabilities of the national economy.

Wages must be closely tied to the productivity, quality and efficiency of labor. The principle of distribution in accordance with labor must be thoroughly implemented within the wage system. We must pay wages in money, with availability of goods guaranteed, and dismantle the system of supplying goods at low prices, prices that are divorced from the value of goods. We must implement a uniform wage system throughout the country, one that reflects the reasonable differences that exist among the various regions and sectors.

The wage policy must be designed to stabilize and gradually improve the standard of living of manual workers, civil servants and the armed forces. We must abolish all subsidies, all payments based on averages and all irrational differentials paid in wages and restore order to wages and bonuses throughout the country.

To meet the requirements set forth above, it is necessary to implement the following policies and measures:

1. We must discard the system of supplying goods at prices that require payment of compensation for losses, shift to a system of wages paid in money and readjust the minimum wage to serve as the foundation of a uniform, nationwide basic wage system. Wages must insure, within the context of the specific conditions of our country, that the energy expended on the job is replenished. We must recalculate the minimum wage in accordance with the new price structure and use it as the basis for computing a uniform, nationwide basic wage system.

2. Wage and salary scales, allowances and bonuses must be restructured in a manner consistent with the responsibilities and contributions of the various types of manual workers and civil servants. It is necessary to maintain a rational relationship among the various sectors and trades and provide more

satisfactory benefits for those who work in strenuous or harmful sectors and trades, in sectors and trades that require scientific or technical skills and in the education, public health, cultural and art sectors.

The system of regional allowances based on climatic conditions, the degree of remoteness from population centers, the difficulty involved in travelling from one place to another and material shortages and the lack of cultural activities in everyday life must be restructured. Research must be conducted in order to establish bonuses that provide incentive for creative activities, for scientific discoveries and technical inventions and for creativity in the fields of literature and art.

3. It is necessary to establish a cost of living allowance to maintain the real wages of manual workers and civil servants, an allowance based on price changes during each quarter. The cost of living allowance must be accounted for as part of the wage fund and as part of production costs.

4. The system of social assistance must be adjusted. The pensions of retired manual workers, civil servants and military personnel, which are based on the wage or salary they were receiving before they retired, must be converted to the new wage and salary scale.

Thirdly, the economic-technical sectors, localities and basic units must be given financial independence in a manner closely linked to modifying the planning and management system.

It is necessary to completely shift each production and business activity of the sectors, localities and basic units to economic accounting and socialist business practices.

Economic organizations must assume the responsibility for their profits and losses and every unreasonable payment made from the state budget (central and local) to compensate for losses incurred in production and business must be discontinued.

Central and local budget expenditures that are in the nature of sweeping subsidies must be eliminated. Positive steps must be taken to achieve a balanced budget. The conditions must be created for local budgets to develop stable revenue sources and grow.

Financial activities must be improved by vigorously mobilizing sources of revenue for the state budget on the basis of developing production and endeavoring to reduce production and circulation costs. The system of state-operated revenues, which are in the nature of subsidies, and the various types of taxes must be improved. Expenditure practices that are not consistent with the financial capabilities of the state must be eliminated. We must establish the financial independence of enterprises so that prices, wages, finances and credit fulfill their functions as economic levers and encourage economic units to develop their production, expand their socialist business and achieve higher economic efficiency. The vast majority of investment capital and all of the liquid capital of the enterprise must come in the form of credit. The relationship between the central budget and the local budgets must be

adjusted. The division of budget responsibilities must be improved on the basis of all three levels exercising control together, thereby insuring balance among the three interests (of society, the collective and the individual laborer).

Fourthly, banking activities must quickly be completely shifted to economic accounting and socialist business practices.

In the credit activities of the bank, the economic returns from capital must be the foremost standard. The bank must fulfill its functions well with the aim of creating good conditions for the sectors, localities and basic units to implement economic accounting and socialist business practices.

Effective measures must be taken to improve the circulation of money, attract idle money and increase the turnover rate of money. The operations of the bank must be shifted to economic accounting and socialist business practices in order to promptly meet the capital needs of production and business at the new prices.

We must strengthen the control exercised through money, financial discipline and discipline as it relates to the handling of cash. We must prohibit all expenditures that do not conform with regulations and harshly punish every act of embezzlement, waste and the establishment of illicit funds. The resolution of the 8th Plenum of the 5th Party Central Committee on prices, wages and money represents the experience gained by our party and state in leading and guiding distribution and circulation over a period of many years. This resolution represents a strong and profound change of direction in the positions and policies of our party, not only those regarding prices and wages, but also those regarding finances, commerce, credit and money, the aim of which is to thoroughly eliminate bureaucracy and subsidization and shift entirely to economic accounting and socialist business practices, thereby creating the conditions for strongly stimulating the advance by our country's economy to a new level of development.

In view of the fact that the economy is changing and unstable, the changes and improvements being made to the price, wage and monetary policies this time must be carried out in an urgent and decisive manner; however, this must be done on the basis of carefully calculated, sound plans that are closely linked to developing production and establishing and perfecting the new management system. In each step that we take, the policies we adopt and the efforts to organize their implementation must be well coordinated and based on thorough adherence to the view that we must eliminate bureaucratic centralism and subsidization. We must foresee what the positive aspects of the steps being taken will be. At the same time, we must foresee the temporary, undesirable economic, political and social consequences that might occur so that we can promptly take measures to prevent and correct them.

All sectors and localities must gain a full understanding of this resolution and adopt unified plans for implementing it in a gradual and stable manner. The sectors on the central level have the responsibility of coordinating with, guiding and assisting the localities in the process of implementing the specific policies concerning the new management structure.

The various leadership levels of the party, the administration and the mass organizations, from the central to the basic levels, must consider guiding the implementation of this resolution to be an emergency task of central importance between now and the end of 1985. On the basis of the spirit of this resolution, all levels and sectors must re-examine the functions, tasks, organization and apparatus of their agencies and take determined steps to restructure and reorganize those organizations and apparatus that are irrational and dismantle unnecessary intermediary organizations that are posing an obstacle to socialist business activities. Cadres must be trained, especially leadership and economic management cadres. At the same time, cadres must be correctly assigned in order to insure that the improvement of the management structure is carried out well.

The implementation of this resolution demands unity of will and action on the part of the entire party, all the people and all sectors and levels. At the same time, it demands a higher and strict sense of organization and discipline on the part of each cadre, party member, manual worker and civil servant. We are completely confident that the resolution of the 8th Plenum of the Party Central Committee will create a high degree of consensus throughout the party, throughout the army and among all the people, vigorously uphold the right of collective ownership of the working people and generate a revolutionary movement of the masses in the work of building socialism and defending the fatherland, thereby advancing our country's revolution to greater achievements.

7809

CSO: 4210/12



## STRENGTHENING THE PARTY'S LEADERSHIP OF SCIENCE AND EDUCATION TODAY

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 12-18

[Article by Le Quang Dao]

[Text] In the new stage of the revolution, controlling science and education becomes a matter of even greater strategic importance. In the past, our primary focus was on the science of revolutionary agitation in order to bring about coordinated uprisings to seize political power. In the war of resistance, our focus was on the military technical sciences. Today, the issues we face are the need to successfully build socialism in order to make the country increasingly prosperous and strong and bring comfort and happiness to the people and the need to firmly defend the socialist fatherland. Many new questions are arising in the social sciences, the natural sciences and the technical sciences, questions that must be studied and very fully answered. We must examine the experiences of the fraternal countries. More importantly, we must review our own experience, especially the experience of the past 10 years, and find creative ways to advance our country as quickly and steadily as possible along the entirely correct course charted at the 4th and 5th Congresses of the Party.

"Education is an integral part of economic and social development strategy and, over the long range, is a very important part because, in the final analysis, our strategy is a human strategy, is a strategy in which man is the factor that determines everything."<sup>(1)</sup> We must educate, train and mold new persons in order to carry out the three revolutions of today in the best possible manner while preparing this "most precious asset" for the higher stages of development of tomorrow. These persons are socialist collective masters who firmly adhere to the stand of the working class; who possess high revolutionary determination and a strong knowledge of cultural subjects; who understand and are able to use modern production tools and equipment; who participate in the management of the state and the management of the economy and society; who are competent cadres that possess good personal qualities, are skilled military commanders, are skilled scientists in all sectors, are talented writers and artists, etc.

Therefore, we must control science and apply it to our circumstances in a suitable and intelligent manner. We must control education, must mold new,

fully developed persons in order to complete the tasks of the revolution in the new stage.

#### I. Some Current Problems Regarding Science and Technology

Since the issuance of Political Bureau Resolution Number 37 on the science and technology policy, our awareness of the scientific-technological revolution has been significantly increased. The majority of the provinces, municipalities and special zones have adopted resolutions on science and technology. Many party committees have adopted specific, practical policies and measures, such as establishing goal-oriented programs and projects in the application of science and technology; signing contracts between localities or basic units and colleges, research institutes, scientific-technical collectives and scientific-technical experimental stations and farms; and establishing new forms of organization in order to develop the role played by scientific and technical forces, such as science-technology councils, science-technology committees in charge of special projects and mass organizations involved in scientific and technical work. Many places have begun to learn how to utilize the scientific and technical forces of the locality and those of the central agencies located within their area. Many places have adopted programs and policies that provide training and material and psychological incentives to the corps of scientific and technical cadres, etc.

However, we still do not have a truly deep understanding of the line and view of the party concerning science and technology. Le Duan said: "Science and technology are not only the base, the foundation of economic and social activities, but are also an internal requirement of these activities." (2) However, we have yet to clearly realize that scientific-technical activities and socio-economic activities must permeate each other and form an entity. We have recorded many achievements in introducing science and technology in production and everyday life but we must continue to show everyone that because our country is still poor, because our people still face many difficulties, it is even more necessary that we make every effort to learn and apply the achievements of science and technology on an increasingly high level and in a manner consistent with the conditions of our entire country as well as each locality and each basic unit. We also have not established a well coordinated mechanism that truly makes the scientific-technical plan an integral and inseparable part of the socio-economic plan of the nation and of each locality and basic unit. As a result, we have not applied scientific and technical advances in a rapid, widespread or highly effective manner. We also have not given full attention to bringing about the smooth and closely coordinated development of the social sciences, the natural sciences and the technical sciences.

The resolution of the 6th Plenum of the Party Central Committee (the section on science and technology) as well as practical experience show: in order for scientific-technical activities and socio-economic activities to be effective, these two types of activities must be closely linked to each other, must permeate each other, must be interwoven and tied together. The various party committee echelons, the people's councils, the people's committees, the sectors and the mass organizations within the localities and basic units have the task of creating or helping to create this coordination. The scientific-

technical organizations and the corps of scientific-technical cadres must display dynamism and not rely upon or wait for others to act.

We must develop the potentials and the economic strengths of the entire country as well as each locality. Coordination and ties between scientific and technical forces, especially those of the localities and basic units, and the organizations of the central level are very important, not only to quickly introduce scientific-technical advances in production and everyday life with the aim of developing each potential and developing our strengths, but also to strengthen our management and control and insure the correct and timely evaluation of inventions, discoveries and research and application projects.

Our corps of scientific and technical cadres is quite large. It consists of more than 4,000 cadres who have a post-graduate education, more than 300,000 who have a college level education, more than 700,000 who have a middle level education and 1.7 million technical workers. We must adopt specific, practical policies and measures that provide for the rapid, comprehensive growth of this corps politically, ideologically and professionally and increase the growth of the Youth Union and the growth of the party within this corps with the aim of insuring that scientific-technical activities develop in exact accordance with the line of the party.

## II. Some Current Problems Concerning Education

The training objectives of the socialist school are determined by the nature of our system and by the requirements of the revolution in each specific stage. When discussing the training objectives of the socialist school, the 5th Congress of the Party emphasized:

--Developing persons whose stand is the stand of national independence and socialism and who possess such qualities and virtues as love of labor, collective ownership, patriotism and the proletarian international spirit;

--Developing persons who possess the cultural knowledge of mankind and know how to turn their knowledge into confidence, into a scientific world view and method of thinking;

--Developing persons who are capable of engaging in creative thinking and taking correct actions.

Our three revolutions are closely interrelated. Within the scientific-technological revolution, we must place strong emphasis upon the social sciences, beginning with the importance of Marxism-Leninism. Within the ideological and cultural revolution, the central issue is to place the thinking of scientific socialism, of Marxism-Leninism in the position of absolute dominance. When we say that the school is a tool of the proletarian dictatorship, is the fortress of socialism, we mean, above everything else, that socialist thinking must occupy the position of absolute dominance within the school among both teachers and students.

"The goals of general school education as well as the entire education system are to train persons who possess patriotism and socialist ideals, possess the

personal qualities, the knowledge and the skills needed to perform a job well, a job consistent with the division of labor within the locality and throughout the country, consistent with the level of economic and social development at each point in time in our country."(3) In our training of new, fully developed persons who are well balanced from the standpoint of ethics, knowledge, physical conditioning, aesthetic tastes and work skills, we cannot give light attention to any of these factors; however, the factor that determines a person's character is his or her political leaning.

It is necessary to have a correct understanding of political education. Political education and the formation of a socialist character are not carried out simply by means of political instruction, even though political instruction is very important. It is through the other subjects in the social sciences and the subjects in the natural sciences, through the teaching of ethics, the teaching of labor and a general technical education, through occupational counselling and trade training (most importantly the general trades) that we must teach the scientific world view, philosophy of life and method of thinking, teach revolutionary thinking and feelings. As regards political instruction and study, both the subject matter being taught and the methods employed must be improved in order to achieve higher results. The political standards of the teachers of all subjects, of all sectors and levels of education must be raised. We must train skilled political instructors. At present, many students do not like to study politics. This is partly due to a lack of consciousness. However the main reasons for this are our failure to train political instructors well and the slowness with which the methods of instruction and study have been improved. Socialist character is molded not only through study, but also through activities conducted within the mass organizations, within the Trade Union, the Youth Union and the Teenagers' and Children's Units, through labor and social activities. The recently adopted resolution of the Central Committee of the CPSU on educational reform states that teaching labor to students is an irreplaceable element in the formation of socialist character. Molding socialist character through education requires combined, comprehensive efforts both within and outside the school. Our experience in the recent stage of the revolution also showed that through the study of politics, culture and military subjects, through the activities of the mass organizations and through the realities of combat and production, our party trained the wave after wave of revolutionaries who brought about the great, historic victory of our country.

To train generations of new persons who meet the requirements of the division of social labor, we are trying to build a rational education system. The Central Education Reform Commission is helping the Party Central Committee and the government guide the formation of this system. In practice, new forms of learning are emerging. Here, attention must be given to the following several points:

a) The education system must insure that the party's goals and principles of education are met and observed and insure the party's leadership of education. The state must manage each type of school and class and not allow private individuals or churches to manage schools. Every class opened by a private individual, which includes trade training classes, music classes, foreign language classes, martial art classes, college entrance examination

preparatory classes and so forth, must be registered and closely inspected in order to guard against the enemy attacking us through education and against the "commercialization" of education.

b) The education system must be closely tied to socio-economic goals, to the planning of cadre and worker training... In the immediate future, very much importance must be attached to education supporting the formulation and implementation of the planning of the training of cadres and workers for each locality in order to meet the requirements of the division of labor of the locality and the entire country and help to create a class structure within society that is based on socialism. Education and training plans must be closely coordinated with plans for making rational use of school graduates.

c) Besides the formal education system, it is necessary to establish a system of education that provides regular, continuous instruction, a system that consists of many flexible forms of study, meets the needs to constantly raise the political and cultural standards and improve the occupational skills of each worker and prepares laborers for changes occurring in the sector or trade. We must make good use of and develop the various forms of supplementary education, on-the-job training and so forth. We must also conduct pilot projects and gain experience in the new types of schools, such as general schools at which a trade is studied, vocational middle schools, specialized classes for which a certificate of completion is awarded, etc.

d) We must restructure the network of schools and align the education system within each area with the nationwide education system. We must give our attention to recruiting students by area but must also attach importance to distributing the technical labor force on a nationwide basis.

e) In addition to the key schools that provide high quality education, every school and class within the education system must have certain conditions that enable them to maintain their education program and the quality of education at the necessary level, consequently, rational standards must be enacted, such as standards on the ratio of teachers to students, the amount of school space and equipment per student, etc. Teachers and education management cadres are the persons who determine the quality of education. They are the new systems engineers of the soul. Our corps of teachers is, generally speaking, good. They have made many efforts and recorded achievements very worthy of pride. Many of these persons are bright examples for students to follow. However, besides these very basic strengths and because of many different reasons, including historical reasons, this corps still has many weaknesses in the areas of political thinking and view of education as well as the areas of professional skills, personal qualities and ethics. Teachers today are also encountering difficulties in their everyday lives and hold many different kinds of second jobs. They are thus unable to concentrate on education and, at some places, these second jobs have even become their main occupation. We must concern ourselves more with building the corps of teachers and education management cadres, in both size and quality, and concern ourselves with their material as well as their spiritual lives. Teachers who fall far short of political, moral or professional competency standards should be shifted to other work. Every locality must fully implement the systems and policies that have been established regarding teachers and, depending upon the specific

situation, try to supply to teachers additional grain, food products, cloth and teaching and learning aids and help their families find jobs in suitable subsidiary trades. Teachers are worthy of occupying a highly respected position within society and we must attach more importance to developing the Youth Union and the party among teachers.

### III. The Party's Leadership of Science and Education

Strengthening the party's leadership of science today involves, above everything else, giving everyone a clear understanding of the line and view of the party concerning the scientific-technological revolution as described above.

Secondly, the party must provide leadership by setting the guidelines and tasks of the scientific-technical plan as part of the unified socio-economic plan of each locality and the entire country, both short term and long term. Here, there are two matters that must be given attention:

1. We must insure that the socio-economic plan is scientifically based. Comprehensive basic investigations of the labor force, the natural resources and so forth within the locality must be conducted in order to carry out planning, zone production areas and mobilize scientific forces to support the economy. Basic investigations are not easy to conduct and must be carried out gradually. The guidelines and tasks of plans must be established on the basis of the overall plan of the state, the locality's actual situation and its general and specific capabilities. Only when the guidelines and tasks of the socio-economic plan are correctly defined can we correctly define the guidelines and tasks of the scientific-technical development plan, determine on which programs and projects our efforts should be concentrated, determine an order of priorities and determine where investments will yield rapid returns. We must avoid taking a sweeping approach and duplicating what other localities and agencies that have better conditions are doing. With regard to the plan for the application of scientific and technical advances in production, we must also know which advances to select. In which fields should our efforts be focused? What are the best machines and pieces of technical equipment to buy in order to achieve high efficiency?

2. Organizing the implementation of the scientific-technical plan is a rather complex matter. It involves determining which organization or individual to select to conduct research, organizing test production, testing, certifying and accepting the results of research and establishing an incentive policy. Testing and certification must be carried out in accordance with state regulations and be approved by the council. In addition, it is necessary to strengthen the science management organization and the technical and qualitative standards management organization. We should develop scientific organizations that practice economic accounting, such as the scientific services centers in Ho Chi Minh City and Hanoi. These centers, which serve as links between the basic production units and localities and the science organizations and scientists, have produced economic returns that have benefited both sides and the centers themselves. Technical service corporations must be developed within the districts. The colleges, scientific research institutes and general technical education centers must be encouraged

to establish ties with basic production units for the purposes of producing products, helping enterprises and localities resolve the difficulties they are encountering with the repair of equipment, with spare parts and substitute raw materials, accelerating the application of scientific and technical advances and earning additional income.

Within the localities, depending upon the situation and the requirements of the specific tasks at each place, scientific-technical research should focus on a number of important matters and be conducted by relying upon the schools, institutes and science organizations of the central level. The largest issue on the local level is that of leading the masses in quickly applying certified scientific and technical advances in production. This is the matter of foremost importance once the guidelines of the plan have been established. The experience of the advanced model units shows that a mass movement will surely be launched if we select the right scientific and technical advances and apply them in the sector that yields the most rapid and best returns, the sector that produces the most practical benefits. Applying the results of a successful pilot project on a widespread basis requires the training of technical personnel at basic units, instructing them in how to comply with technical regulations, creating the conditions needed to apply scientific and technical advances, widely publicizing successful experiences and conducting an investigation to clearly determine the reasons for any failures in the project. It is by taking this approach that many localities have gradually developed the movements to use new varieties of rice, change the seasonal schedule, change the allocation of crops and so forth.

Thirdly, to provide elementary and advanced training, create every possible condition for developing the role of the corps of scientific and technical cadres and technical workers of the locality and tap the scientific and technical potentials of both the central and local levels, very much importance must be attached to establishing ties between the localities and basic units and the organizations of the central level. We must concern ourselves with raising the political, economic, scientific and technical standards of each scientific and technical cadre and each skilled manual worker and must do everything possible to create the conditions for scientific-technical forces to increase their ability to contribute. We must evaluate persons on the basis of the results of their work, not only on the basis of their diploma or what they say. And, it is necessary to struggle against negative phenomena and guard against scientific speculation, against disloyalty and against extolling oneself and making light of the contributions of others, which are detrimental to the common cause.

It is necessary to plan the training and development of the corps of young scientific and technical cadres, with importance attached to training scientists in Marxism-Leninism, economics and economic management, and to training talented workers as highly qualified scientists. Our goal is to train communists who work in science, train scientists who possess unquestioned loyalty to the socialist fatherland.

Strengthening the party's leadership of education today also involves giving everyone a clear understanding of the line and view of the party concerning education, the position of education and the organic relationship that exists

between education and training and our socio-economic goals in order to mobilize the combined forces of the entire party, the entire proletarian dictatorship system and all of society for the purpose of advancing education.

On the basis of reviewing the situation and correctly assessing the state of education, the localities will revise their education plans for the 1984-1985 and 1985-1986 school years. Having done this, they will adopt specific measures designed to bring about true changes in the effort to improve the overall quality of education, especially the teaching of ideology, politics, ethics and work within the schools; in the effort to support socio-economic goals and meet the requirements of the division of labor and the defense of the fatherland; and in the effort to train and look after the living conditions of teachers and education management cadres. The general education sector must give its attention to carrying out the political activity drive advocated by the Ministry of Education well.

Restructuring the management organization of the various fields of study and strengthening the corps of education cadres are very pressing requirements. We must plan the elementary training, reassignment and advanced training and make better use of the corps of teachers and education management cadres, especially school principals and presidents, the secretaries of school party chapters, political instructors and teachers of the other social science subjects, technical instructors and the cadres in charge of the Youth Union, the Teenagers' Unit and the Children's Unit in the years ahead.

We must strengthen the mass organizations within the school and the education councils on the various levels and eventually establish a system that closely coordinates the activities of the school, the family and society in the education of the young generation. At the same time, we must establish very good coordination between the education sector and the economic, cultural, national defense and security sectors, between the school and basic production units and develop a system in which education and training are closely tied to scientific-technical research and production within the locality.

Accelerating the growth of the party within schools, reorganizing the basic organizations of the party within schools and making every effort to train the secretaries of party chapters or party organizations to lead teaching and learning in accordance with the goals of educational reform are very necessary so that we can, on this basis, gain experience for formulating specific regulations concerning the party leading, the working people exercising ownership of and the state managing the schools.

Science and education occupy a very important position within the overall revolutionary undertaking of our party and people. Strengthening the party's leadership of science and education today is a matter of decisive significance in advancing to new victories.

#### FOOTNOTES

1. "Speech by Council of Ministers Chairman Pham Van Dong to teachers and education cadres on the occasion of Vietnam Educators' Day"(20 November 1984), NHAN DAN Newspaper, 26 Nov 84.



2. Le Duan: "Nam vung quy luat, doi moi quan ly kinh te"[Understanding the Laws That Apply, Changing and Improving Our Economic Management], TAP CHI CONG SAN, No 9-1984, p 21.
3. "Speech by Council of Ministers Chairman Pham Van Dong to teachers and education cadres..."

7809

CSO: 4210/12

## TWENTY-FIVE YEARS OF ACTIVITIES AND GROWTH OF THE PEOPLE'S CONTROL SECTOR

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 19-25, 32

[Article by Tran Le, chief procurator, Supreme People's Organ of Control]

[Text] The nature and goals of the socialist state require that the organization and activities of the state apparatus comply with the principle of democratic centralism and the principle of the socialist system of law. All state agencies must fulfill their function within the framework of the law, must respect and protect the lawful interests of the citizen and, at the same time, must demand that each citizen fully execute the laws of the state.

Our country's Constitution records these principles and provides for the establishment of the people's organ of control organization to perform the tasks of "inspecting compliance with the law by the ministries and other agencies of the Council of Ministers, by the agencies of local government, social organizations, the people's armed units, state personnel and citizens, exercising the authority to prosecute violations of the law and insuring strict and uniform compliance with the law"(Article 138 of the 1980 Constitution).

Insuring that the system of law is understood and is implemented in a uniform and strict manner throughout the country essentially involves maintaining the centralism of the central level (on the basis of tapping the initiative and creativity of the locality and basic unit) and insuring that society develops in exact accordance with the line set forth by the party. This is the sole function of the people's organ of control.

During the past 25 years, ever since its founding (26 July 1960), all of the activities of the control sector have been closely tied to the common struggle waged by our people under the leadership of the party. It can be said that the past 25 years have been a period during which our country's revolution has undergone the most difficult and complex changes, a period during which our country has seemingly always been at peace but at war at the same time, a period during which our people have had to constantly bear the burden of large and complicated revolutionary tasks. Shortly after the long and exceedingly bitter war against the United States for national salvation ended in victory, the war against the schemes and acts of aggression and sabotage of the Chinese expansionists and hegemonists broke out. The struggle between socialism and

capitalism is, in many respects, a hard and complex struggle. In particular, this struggle is becoming increasingly tied to the struggle between the enemy and ourselves. Following the total liberation of the South, besides the serious aftermath of the war and although our country had been quickly reunified in terms of state administration, there were still socio-economic differences between the two zones and we had to continue to complete the reunification between the South and the North, which included drafting and enacting a uniform, nationwide system of law. The continued prevalence of small-scale production plus the long state of war became the base of an entrenched bureaucracy and subsidization and the base of a workstyle characterized by doing as one sees fit, liberalism, fragmentation, a lack of organization and a lack of discipline. The above mentioned characteristics of the situation have had a certain influence upon efforts to fulfill the function and tasks of the control sector. However, over the years, tempered in the flames of war and the revolutionary movement of the masses, fighting while building itself up and gradually growing and maturing, the people's control sector has made positive contributions to the common revolutionary cause of the entire country. In the various periods of the revolution, the activities of the people's organ of control have been based on and actively supported the political tasks of the party and state, especially the central tasks of each period, salient among which have been the tasks of supporting production, combat, the maintenance of combat readiness, the maintenance of national security and the maintenance of social order and safety, supporting socialist transformation, the improvement of socialist production relations, economic construction and management, the protection of socialist property, the upholding of the right of collective ownership of the people and the struggle against violations of the law within state agencies and among citizens, thereby upholding the socialist system of law, with the aim of contributing to the victorious performance of the two strategic tasks of successfully building socialism and firmly defending the Vietnamese socialist fatherland. At the same time, through its activities, the sector has gradually grown and matured in terms of fulfilling its function, in terms of work experience and in terms of its organizational apparatus and corps of cadres. The coordination with the other sectors in the struggle to prevent and combat crime and violations of the law has gradually been expanded.

In summary, the basic achievements recorded by the people's organ of control during the past 25 years are the following: it has grasped the essence of socialist law and closely tied the need to protect the unified system of law to supporting the political tasks of the party and state during each period; built a corps of cadres to support the implementation of the party's line on the system of law during the period of transition; established and strengthened the system of people's organ of control organizations throughout the country on the basis of the principle of "centralized and unified leadership within the sector," thereby creating favorable conditions for fulfilling the sector's control function in each zone of the country.

Besides the achievements that have been recorded, the people's control sector must give its attention to gaining a deeper understanding of the function and nature of control work, of the conscience and responsibility of the control

cadre and must continue to improve and strengthen the management organization of the organs of control on the various levels, thereby insuring increasingly high results from control work.

From the realities of the organization and activities of the people's organ of control during the past 25 years, from its successes and existing problems, the people's control sector has drawn lessons and gained experience in order to define stronger, more effective steps to be taken in the task of strengthening the socialist system of law in the years ahead.

a) Clearly understanding the position and function of the people's organ of control and the nature of control work is of paramount importance, is the important prerequisite to effective control work.

Facts have shown that a person must have practical experience on the job in order to clearly and fully understand the function and nature of control work. To our way of thinking, this is not only a matter of major importance to the control sector itself, but also a necessary requirement faced by all levels and sectors in the effort to uphold the principle of the socialist system of law in their own practical activities.

On the basis of the 1980 Constitution (Articles 83, 138 and 141) and the 1981 Law on the Organization of the People's Organ of Control (Articles 2, 5 and 6), inspecting compliance with the law is a form of exercise of state power. This right belongs to the National Assembly, the highest organ of state power. The Supreme People's Organ of Control receives its authority from the National Assembly and is responsible to the National Assembly and Council of State. The subjects and scope of the investigations conducted by the control sector are very broad. They encompass the social relations regulated by the various fields of law and encompass every area of social life. The only legal foundations upon which inspections are conducted are the Constitution, the law, the resolutions of the National Assembly and Council of State and the resolutions, decrees, decisions, directives and circulars of the Council of Ministers. In addition, all other legal documents of state agencies are subject to inspection to determine whether or not they conform with the law. The organization and activities of the people's organ of control are based on centralized, unified leadership within the sector and are not subordinate to any agency of the state on the local level. These are the bases for clarifying the differences among control work (maintaining a unified system of law), inspections (which are closely associated with the function of management) and investigation activities (which are closely associated with guiding implementation).

In its functions of inspecting compliance with the law, exercising its power to prosecute, struggling to prevent and combat crime and other violations of the law and maintaining a unified system of law, the people's organ of control, although it has had to operate under conditions involving many difficulties, has steadfastly adhered to the principle of a unified system of law under all circumstances and at all times. This has had a positive impact upon efforts to strengthen the socialist system of law and manage the state and society by means of law.

On the basis of understanding the functions and tasks of the people's organ of control as defined by the law, many matters related to the fulfillment of the control sector's responsibility have been virtually resolved, such as the relationship between inspecting compliance with the law and exercising the authority to prosecute violations of the law; the relationship between maintaining a unified system of law and supporting the political requirements of the locality; the relationships between combating crime and combating other violations of the law, between combating and preventing crime and other violations of the law, between combating and building, with building being the main objective, as well as the relationship between principles and methods in control activities...

However, during the early years, because we did not have a full understanding of the functions and nature of control work, there were times and places at which the practical activities being conducted reflected the lack of a full understanding of the relationship in the nature of a principle between crime and violations of the law (in many cases, a violation of the law proceeds or is the immediate cause of a crime; conversely, a crime that is not promptly uncovered and stopped or is not harshly prosecuted will have an adverse impact upon the sense of complying with the law). Some places have yet to see that the organ of control not only has the responsibility of finding and prosecuting criminals, but, more importantly, must also take positive steps to prevent violations of the law from occurring. It must not only resolve each case and incident correctly, but must also draw from each specific case and incident the causes and conditions that led to them, must study and propose measures designed to resolve an entire situation that exists in violation of the system of law, that is, must closely tie the struggle to eradicate the remnants of the old society with efforts to build the new society and mold the new man. On the other hand, in the activities conducted to inspect compliance with the law within the field of economic-administrative management, there have been cases that could not be completed within the scope of the sector's inspection function and have partially spread over into the task of control work. For example, some proposals made by the organ of control concerning ways to rectify mistakes have not only dealt with mistakes that have violated the law, but also touched upon irrational aspects of production and business that have obstructed economic efficiency. And, there has also been a tendency to place heavy emphasis upon uncovering violations of the law and prosecuting the responsible parties while doing little to clarify the relationships between violations of the law and crime, between violations of the law by the lower level and the guidance provided by the agencies on the upper level (especially the ministerial level) in order to, on this basis, take comprehensive and thorough measures to prosecute violators with the aim of achieving the objective of control work, namely, upholding the socialist system of law, thereby helping to increase the management effectiveness of the state apparatus.

Deserving of attention is the fact that since the party and state enacted a number of new economic policies within the context of the arduous and complex struggle between ourselves and the enemy, between socialism and capitalism, violations of the principle of the socialist system of law and the principle of democratic centralism have frequently occurred within state management activities. As a result, it is even more necessary to intensify the struggle

being waged by the organ of control to preserve the integrity of the unified system of law. If we confuse the application of methods with firm adherence to principles, place heavy emphasis upon negotiation and light emphasis upon struggle and are lax in fulfilling the responsibility of the people's organ of control with the result that we allow every violation of the law, regardless of who commits it, to go without being prosecuted under the law, the effectiveness of control work will easily be diminished.

The main problems, and also the concerns, of the control sector at this time concern the exercise of its authority to prosecute those who violate the law and the fulfillment of the responsibilities of the people's organ of control. The control sector is not fully exercising its authority as defined by the law, crimes (especially economic crimes and crimes of public office) are still going unpunished and cases of unjust accusation still occur. The quality of case files is not assured. At some times and places, there is not strict compliance with arrest, detention and release procedures. The causes of the above situation have been determined but many difficulties are still being encountered in trying to correct this situation. The control sector will soon conduct a fuller review of this matter in order to present a fundamental, well coordinated solution for consideration by the party and state. However, the organ of control must first take positive and effective steps to overcome its own weaknesses, not only in the area of professional knowledge, but also in the areas of its thinking, organization and style, and must always remember the words of advice of Truong Chinh, the chairman of the Council of State: "No other state agency can take the place of the control sector in exercising the authority to prosecute violations of the law. Insuring that the correct person is arrested, detained, investigated, released, prosecuted or tried and determining whether or not these steps are taken in accordance with the law and with the lines and policies of the party, this is what the organ of control must concern itself with and do well."(1)

b) Establishing and maintaining the correct working relationship between the people's organ of control and the agencies of the state, mass organizations and social organizations are the basic guideline governing control activities in the struggle against crime and violations of the law.

The socialist revolution in our country is in the initial stage of the period of transition, a period during which the antagonisms between ourselves and the enemy, between socialism and capitalism still exist and are developing in a complex manner under many different forms. As a result, the struggle against crime and violations of the law in the current stage is a reflection of the class struggle, of the struggle between the progressive and the backward. By its very nature, this is an arduous, complex and long struggle. Our party and state have asserted that the struggle to prevent and combat crime and violations of the law must be closely linked to the efforts to achieve socio-economic goals, must be the task of all the people, of all sectors and levels. It is a comprehensive, coordinated struggle waged by many different methods and in every field under the leadership of the various party committee echelons. In this struggle, the agencies that protect the integrity of the system of law play the key role.

Over a period of many years, in keeping with the above mentioned line and view of the party, the agencies that protect the integrity of the system of law (public security, court, control, judicial and so forth) have gradually strengthened their coordination with one another in the effort to achieve common objectives. The essence of this relationship is socialist cooperation based on the function and tasks of each agency that protects the integrity of the system of law and on each agency fulfilling its role with the highest objective being to achieve a combined strength with which to effectively struggle against each violation of the law and crime and insure that everyone, regardless of who he or she might be, obeys the laws of the state. Although not yet stipulated under the law, the other agencies involved in this coordination have, on the basis of the position and function of each sector, unanimously agreed to put the people's organ of control in charge of this relationship. In their operations, each sector has fulfilled its role well; at the same time, the relationship between the organ of control and the other sectors, the mass organizations and the social organizations has also been strengthened. Many local organs of control have established good relations with functional agencies, such as planning, finance, labor and other agencies, in organizing the management of compliance with the law within their area of jurisdiction and have closely coordinated with the mass organizations in prosecuting such social ills as gambling, the illegal making of liquor, violations of the law on marriage and the family, etc.

Facts have shown that at those places where the organ of control coordinates on a regular basis with the agencies that protect the integrity of the law, administrative-economic agencies, mass organizations and social organizations, not only do many favorable conditions exist for the performance of control work and not only is control work highly effective, but good conditions are also created for everyone to live and work in accordance with the Constitution and the law. Deserving of attention is that in this process of coordination, every sector must display a high spirit of socialist cooperation, fulfill its function correctly, not confuse itself with or take the place of another sector and fully respect the specific stipulations agreed upon by the sectors participating in this coordination. If problems arise in this relationship, which are difficult to avoid, they must be resolved in a prompt and thorough manner on the basis of the line and policy of the party, the laws of the state and common interests. This is not only an internal matter among state agencies, but is also a matter that involves the prestige of our state apparatus, the people's confidence in our state...

c) Building the corps of cadres of the control sector in accordance with the standards set by the party and state is the prerequisite to insuring that control work is militant and scientific.

Inspecting compliance with the law is an activity characteristic of the socialist state, one that plays an important role in insuring leadership by the party, insuring management by the state and upholding the right of collective ownership of the working people in the process of performing the historic tasks of the proletarian dictatorship. It not only has the purpose of suppressing every enemy of the class and nation, but also waging a relentless struggle against everything that reflects disregard for state discipline. Therefore, control activities are of a revolutionary and profound

class nature. It is not a simple or easy matter for the people's organ of control to carry out its functions and tasks fully. To do this, control cadres must be "just, honest, objective, cautious and modest" as taught by Uncle Ho. When fulfilling their responsibilities, control cadres must firmly adhere to their stand and principles, take a national outlook, adopt a comprehensive view, have thorough knowledge of the legal grounds that apply, have a clear understanding of the realities of the revolutionary struggle of the masses, keep abreast of the situation and handle matters in a manner that conforms with both reason and sentiment.

Facts have shown that thought must be given to the factors mentioned above when building the corps of control cadres (in everything from the recruiting, training, utilization, advanced training and promotion to the appraisal and evaluation of cadres, in general). Only in this way is it possible to perform good cadre work and correctly comply with the cadre policy of the party in each stage of development of the people's control sector.

As soon as the people's organ of control was established, the leadership of the Supreme Organ established the foremost task of the control sector as successfully building a corps of cadres who are politically dependable, are skilled in their profession, set an example of good personal qualities and ethics, possess the spirit of struggling to defend the truth and firmly adhere to principles. These requirements are based on the role, function and nature of control work. As a result of adopting correct guidelines, we quickly established strict standards governing the selection of cadres and the makeup and structure of the corps of cadres reflects the class nature and the cadre line of the party. During the 25 years since the establishment of the sector, the number of procurators has increased 10-fold, the majority of whom are former political cadres who were transferred to the sector. Party members constitute a high percentage (currently 70 percent). The quality of control cadres has, generally speaking, been assured. They have gradually received advanced training in political theory and advanced specialized-professional training and have grown and matured through the realities of their work. The management of the corps of cadres of the control sector is closely tied to the performance of the political tasks of the sector and to building strong and solid party organizations and chapters with the aim of establishing a good base upon which control cadres can gain a thorough understanding of the party's line and improve their skills and qualities in each control activity.

At present, the corps of cadres of the control sector (nearly 50 percent of whom are procurators on the various levels), although still limited in terms of their knowledge and skills compared to the tasks and responsibilities they must assume, possesses the basic strongpoint of being politically steadfast, as seen in their loyalty to the lines and policies of the party, their clearly defined standpoint and views, their activism and dedication on the job, their bravery and tenacity in the struggle to protect the integrity of the system of law and defend principles and their spirit of overcoming the difficulties encountered in everyday life (the number of cadres who have committed a mistake and been the subjects of disciplinary action constitutes a low percentage).



In recent years, the people's control sector has also strengthened its relations with the control sectors of the fraternal socialist countries with the aim of learning from them, exchanging experiences and knowledge with them and obtaining their assistance in the training of cadres.

In the years ahead, the cadre work and the implementation of the cadre policy of the organ of control must be given greater attention. We must soon adopt policies and measures designed to provide incentive and create the conditions for cadres to become highly specialized in a specific field of work and, on this basis, train skilled specialists for the sector, with importance attached to discovering, through their practical work, capable cadres who show prospects and to selecting key cadres for the establishment of strong leadership collectives on the various control levels. We must accelerate the review of professional activities, develop the theory of control work and improve the knowledge and specialized skills of cadres, beginning with the leadership cadres on the various levels, through advanced training. We must constantly concern ourselves with the living conditions of cadres and create the conditions for them to fulfill their responsibilities and overcome challenges faced in life. This is not simply a matter of concerning ourselves with the interests of cadres, rather, it is also a matter of protecting the corps of procurators against the influence of the negative phenomena in life today.

d) The party's leadership of the people's control sector is the factor of foremost importance in insuring the comprehensive and steady development of control activities.

Our party realizes that the activities of the people's organ of control involve work that is difficult, complex and of very important significance. These activities demand the direct and close leadership by the various party committee echelons.

Political Bureau Resolution 68 on control work defined the guidelines and work methods of the people's organ of control immediately following the establishment of the sector; at the same time, it defined the relationship between the organ of control and the various party committee echelons on the local level with the aim of firmly adhering to the principle of leadership by the party combined with the people's organ of control's principle of centralism and unity by vertical sector. The party's leadership of control work primarily involves insuring that the activities of the people's organ of control capably support the political tasks of the party and state and adhere to the principle of a unified system of law; involves utilizing the control agency in a staff role with regard to matters that pertain to the system of law within the locality; involves giving attention to building an increasingly solid and strong corps of control cadres; and involves establishing a relationship of coordination between the people's organ of control and the other agencies that protect the integrity of the system of law.

Experience has shown that wherever and whenever the instructions and regulations of the party and state are correctly and fully implemented by the local party committee echelon and the organ of control, the activities of the people's organ of control produce many results and the party committee's

leadership of work involving the system of law is strengthened. However, there are also places at which the party committee echelon does not yet have a thorough understanding of the role, functions, tasks and principles of organization and operation of the people's organ of control, consequently, it is "lax in providing leadership or takes over the work of this agency that protects the integrity of the law" as pointed out in Party Secretariat Directive Number 57. As for ourselves, many local organs of control have not tried to grow in their role as the staff of the party committee, their role of proposing policies and measures in order to assist the party committee in resolving problems encountered in work related to the system of law within the locality in a fundamental, comprehensive and timely manner. Instead, they continue to lean heavily toward requesting the opinions of the party committee concerning each specific case and incident, as a result of which the party committee becomes involved in trivial matters and takes over the function of the organ of control on the upper level in the area of applying the law.

In the years ahead, on the basis of the actual situation surrounding compliance with Political Bureau Resolution Number 68, the people's control sector will research and propose to the Central Committee supplemental regulations designed to concretize the relationship between the people's organ of control and the local party committee echelon in a manner consistent with the requirements of the revolution in the new stage.

During the past 25 years, in a manner closely tied to the revolutionary cause of our party and people, the people's control sector has been built, has grown and overcome many challenges in life. The sector's most notable achievement can be said to be that it has succeeded in building a corps of cadres who are worthy of the trust of the party and people, who have made much progress in their work and the improvement of their personal qualities and are trying to grow in order to complete their weighty tasks well. In the years ahead, in the face of the new requirements and tasks of the work related to the system of law and the activities of the control sector, the entire sector must make every effort to achieve a higher degree of militancy and effectiveness in control work in order to be able to provide better support, be worthy of the concern and care of the party and state, of the trust and assistance of the people and always uphold the noble title people's control cadre."

#### FOOTNOTES

1. Truong Chinh: "Nhan xet ve cong tac cua nganh kiem sat, nam 1967"  
[Observations on the Work of the Control Sector in 1967].

7809

CSO: 4210/12

## IMPLEMENTING THE CODE OF CRIMINAL LAW WELL, THUS HELPING TO STRENGTHEN THE SOCIALIST SYSTEM OF LAW

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 26-32

[Article by Phan Hien]

[Text] The National Assembly recently officially adopted the Code of Criminal Law, the first code of law of our state. This is an event of major importance from the standpoint of perfecting our criminal law and represents a new and memorable step forward in the work of gradually improving the system of law with the aim of implementing the policy on strengthening the socialist system of law set forth by the party and state.

Criminal law has the important task of protecting the gains of the revolution and helping to insure the successful performance of the tasks of the revolution. For this reason, our first criminal laws were established at a very early date. On 13 September 1945, only 11 days after delivering the Declaration of Independence and announcing the birth of the Democratic Republic of Vietnam, President Ho signed the decree that established military courts and provided for the punishment of persons who took actions detrimental to our independence. Over the years, in keeping with the requirements of the revolution, the state promulgated many other criminal laws. Some of these documents were flawed from both a technical and legal standpoint. However, all of them made an impact and helped to maintain political security, maintain our national defense, maintain social order and safety and strengthen state discipline and social discipline during each period of the revolution. However, these were individual documents, each of which regulated only a few areas of crime. As a result, these documents were not, generally speaking, coordinated or unified and not all crimes were defined. Some documents were no longer consistent with the new situation.

The Code of Criminal Law recently adopted by the National Assembly is a complete document, one that deals, in a centralized and unified manner, with every matter regarding crime, penalties and the application of penalties, comprehensively expresses the criminal policy of the party and state in the current stage of the revolution and reflects the laws of development of our society. The Code of Criminal Law fully addresses the requirements involved in carrying out the two strategic tasks of building and defending the socialist fatherland, especially in the initial stage of the period of

transition to socialism, and in simultaneously carrying out the three revolutions, building the new system, building the new economy, establishing the new culture and molding the new, socialist man. Correctly implemented, the Code of Criminal Law will be an effective tool of the proletarian dictatorship in guaranteeing leadership by the party, the right of collective ownership of the people and effective management by the state.

"Issuing correct decisions only lays the groundwork for the adoption of guidelines. The important issue is to organize the implementation of these decisions in order to turn them into reality."(1) The same applies to the Code of Criminal Law. In order for this code to achieve its full impact, its implementation must be well organized.

#### I. Amending and Revising Current Documents and Issuing New Documents To Insure the Correct Implementation of the Code of Criminal Law

Depending upon the field of which they are in charge, the agencies on the central level have the responsibility of urgently preparing for presentation to the National Assembly, the Council of State or the Council of Ministers amendments and revisions to current documents or new documents related to the implementation of the Code of Criminal Law with the aim of insuring its implementation.

a) In very many cases, the provisions of the Code of Criminal Law alone are enough to determine whether an action is a crime. Such is the case, for example, with practically all of the especially dangerous crimes against national security (the counter-revolutionary crimes) and many other crimes: the crime of murder, the crime of intentionally inflicting injury upon another person, the crime of robbery, the crime of theft and the crime of taking possession of property through fraud (socialist property or the private property of a citizen). In many other cases, in addition to the Code of Criminal Law, it is also necessary to apply regulations contained within other management documents in order to determine whether a specific action is a crime. For example, the Code of Criminal Law punishes the acts of divulging state secrets or work related secrets. Divulging state secrets is a more serious crime than divulging work related secrets. To clearly define the crime that has been committed, it is necessary to refer to those documents of the state that distinguish between classified and unclassified material, between state secrets and work related secrets. To determine the criminal liability of a person who has evaded the military obligation or the labor obligation, we must refer to those documents that define these obligations. To prosecute the crime of establishing an illegal fund and the crime of submitting false reports in economic management, we must refer to those documents that established the system of funds and economic management reporting procedures.

With the aim of supporting the management work of the state, we must re-examine current legal documents, regulations and rules, appropriately amend and revise them and issue new regulations if necessary.

The law is characterized by stability. The regulations of the state are designed to remain in effect for a certain amount of time, not to be changed

overnight. However, stability does not mean fixed and immutable. When the social situation changes, current laws must be promptly amended and revised or new laws must be enacted to meet the requirements of the new situation and cause this situation to develop in the correct direction. One very important area of work with which we have not appropriately concerned ourselves is that of regularly evaluating the effectiveness of a document or many different documents that relate to a specific field of management. The results of the evaluation of a law's effectiveness are the basis upon which a law is perfected. Evaluating the effectiveness of laws is of special importance to us today in the field of economic management. If we do not promptly amend and revise current regulations and rules, repeal outmoded regulations and issue necessary new regulations, we will, instead of stimulating the development of the economy, impede its development. One important and pressing task faced in economic management today is the need to change and improve the management structure by dismantling the system of bureaucratic management and subsidization characterized by conservatism and inertia and vigorously upholding the right of collective ownership and tapping the initiative and creativity of the basic units, localities and sectors while maintaining centralized, unified management by the central level. In accordance with the policy of the Council of Ministers, to help carry out this task "the ministries and localities must urgently re-examine all policies and regulations in order to promptly propose necessary amendments and revisions..."(2) This policy will have a positive impact upon economic management and all other fields of management. In addition, it will help to lay the foundations needed to correctly apply the Code of Criminal Law.

b) The prosecution of criminal acts and the punishment of criminals cannot be haphazard, subjective or arbitrary but must comply with specific regulations. These regulations are designed to insure that criminal actions are discovered and confirmed in a rapid, full and objective manner, that the right person is punished for the right crime in exact accordance with the law, that no one is falsely accused of a crime and that no innocent person is unjustly punished. This is the field of criminal trial law. Several years ago, we began drafting the Code of Criminal Trial Law. Efforts must be made to complete this code in 1 or 2 years so that it can be presented to the National Assembly for adoption. Not waiting for the adoption of this code, the responsible agencies are now preparing a number of documents on trial proceedings or drafting documents on the regulations that will govern inspectors and the regulations that will govern lawyers and defenders. Work in these several areas must be completed at an early date.

Reeducation without detention and reeducation within a disciplinary unit of the army are primary penalties of an educational nature that are applied to ordinary citizens or active duty military personnel who commit a less serious crime, one not serious enough to require imprisonment. The Code of Criminal Law only specifies the main points concerning these two new penalties. It is necessary to prepare for presentation to the Council of Ministers a document that specifies the details involved in the application of these two penalties.

Probation is a supplemental penalty (secondary penalty) under which a person convicted of a crime is required to live, work and continue their reeducation upon the completion of their prison sentence within a specified number of

localities under the supervision and education of the local administration and people. The current documents concerning probation must be re-examined in order to be amended, revised or replaced with new documents, if necessary.

Our state does not punish a person who commits a crime while afflicted with a mental illness or another illness that renders this person unconscious of or incapable of controlling his actions. The measure that is applied to these persons is compulsory medical treatment at a specialized medical facility. This is a new measure, one that expresses socialist humanitarianism and is preventive in nature. A document concerning the compulsory medical treatment system must be provided at an early date.

Within our system, penalties not only have the purpose of punishing criminals, but also the purpose of reeducating them so that they become productive members of society who consciously obey the law and the rules of social life. To achieve this objective, in addition to specifying the details of reeducation without detention and reeducation within a disciplinary unit of the army as mentioned above, it is necessary to quickly adopt a new document on the serving of prison sentences and on creating the conditions for persons who have completed their prison sentence to work and live in a law-abiding manner.

In the world, the socialist countries and the other countries keep records on a person's prior criminal history. Every legally binding verdict is recorded in the criminal record of a person convicted of a crime. In our country, it is also necessary to bring about improvements in this work and make it easier to determine whether or not a person has a criminal record, whether the crime they have committed is a first offense or a repeat offense, thereby helping to maintain security, to maintain social order and safety.

There are many documents that are needed to insure the correct implementation of the Code of Criminal Law. Those described above are only some of the most pressing or important of these documents.

## II. Propagandizing, Publicizing and Studying the Code of Criminal Law, Raising the Level of Consciousness with Regard To Struggling Against Crime

Struggling against crime is the common work of the state and all the people. "Strictly implementing the Code of Criminal Law is the common task of all state agencies, all social organizations and all the people." (3) In particular, party members, as persons who must take the lead, must set good examples in complying with the lines and policies of the party and the laws of the state, have a major responsibility in implementing the Code of Criminal Law and in the struggle against crime.

Everyone must know the provisions of the law so that they can obey them and compel others to do likewise. In order for the Code of Criminal Law to be implemented well, it must be widely propagandized and publicized among the people, among cadres and the personnel of state agencies and social organizations. This effort must be closely tied to propagandizing and publicizing the other legal documents, to educating everyone in the law and raising their consciousness with regard to the law. We must try to do what

Lenin taught: cultivate within millions of persons the habit of respecting discipline...

We must be determined to change the attitude that one can ignore or even trample upon the provisions of the law without being caught, without being prosecuted and the attitude that regulations "are for other people, not me." We must try to instill in everyone the habit of consciously complying with the law in everyday life.

In our efforts to propagandize and publicize the Code of Criminal Law, we must gain everyone's understanding and endorsement of the contents of the code so that everyone actively supports its implementation and the attitudes of indifference, of being afraid to become involved and not daring to struggle against crime are eradicated. We must find ways to gain everyone's participation in this struggle for the sake of the interests of society, the interests of each and every person.

Educating everyone in criminal law and the other laws is a part of political and ideological education, a part of molding and heightening the consciousness of being a master. Our system is building the new culture and molding the new, socialist man. The new man "lives and works in accordance with the law," consequently, it is necessary that he possess a certain level of knowledge of the law. Knowledge of the law is part of culture as a whole. Every citizen must at least possess general legal knowledge, general knowledge of the law and know the basic rights and obligations of the citizen. The cadres and personnel of state agencies and social organizations, in addition to general knowledge of the law, must also know the regulations that pertain to the field of state management, economic management or social management in which they are working and know the regulations that govern the task and authority of their agency, their organization and themselves.

The steps taken to educate everyone in criminal law and the other laws must also be closely tied to the teaching of socialist ethics. It is difficult to conceive of a person who lacks a sense of respecting and protecting public property but has a thorough understanding of the articles of law on the punishment for the crimes of embezzlement of public property, theft of public property and the taking of public property through fraud. It is difficult to imagine that a person who has not been properly educated in the ethics of fairness, diligence, frugality, honesty and integrity can possess a full sense of denouncing and struggling against the crimes of bribery, speculation, smuggling...

The effort to propagandize and educate everyone in criminal law and the other laws must be widely carried out at each basic production and business unit, each unit of the armed forces, each agency and school, among all strata of workers, farmers, socialist intellectuals, youths and women in the countryside as well as the cities. The party and state have enacted a policy on providing instruction in the law at schools. We must urgently conduct research and establish programs and lessons of instruction.

The above are the general requirements we face in propagandizing and publicizing the Code of Criminal Law. With regard to legal cadres, who

include those persons who perform investigative, control, trial, penal enforcement, judicial and other such work, the requirements are higher. These cadres and personnel, who have the responsibility of preserving and protecting the integrity of the system of law and who are on the frontline in the struggle against crime, must set good examples in implementing and organizing the implementation of the Code of Criminal Law. Therefore, they must be politically dependable, possess pure, revolutionary qualities and virtues and possess increasingly well developed specialized skills. They must have a thorough grasp of the entire contents of the Code of Criminal Law. The Supreme People's Court, the Supreme People's Organ of Control, the Ministry of Interior and the Ministry of Justice will soon hold a series of conferences and classes to train all cadres and personnel of their sector in the criminal line and policy of the party and state in the current stage, in the policy concerning each type of crime and each crime and in the policy that applies to each type criminal. These agencies will also shortly issue separate or joint-sector documents providing instructions concerning the new matters specified within the Code of Criminal Law and will eventually issue documents providing detailed instructions concerning each and every matter.

### III. Attaching Importance to Both the Prevention and Punishment of Crime

In our society today, the underlying causes of crime, the exploitation of man by man and the impoverishment of the worker, have been abolished. However, the crime situation is still very complex and, at some times and places, is serious. This situation is due to many direct causes, to many specific conditions.

The struggle between socialism and capitalism is an arduous and bitter struggle taking place in each field of social life. The Chinese expansionists and hegemonists, acting in collaboration with the U.S. imperialists and other reactionary powers, are waging a wide-ranging war of sabotage against our country.

Our country's economy has overcome stern challenges but still faces many difficulties. The 6th Plenum of the Party Central Committee observed: "The advances and changes in economic management have not been uniform, strong or fundamental. Economic management is still marked by many shortcomings and weaknesses, some of which are prolonged and serious and have not been promptly corrected in a manner consistent with the new situation."

The thinking, attitudes and habits of the exploiting classes, of the old society have not been completely erased and the social ills and poisons of reactionary culture have not been completely eliminated. While the majority of our people and cadres have been improving themselves and growing, some persons have been unable to maintain their revolutionary qualities and virtues in the face of the assault by bourgeois thinking and some cadres have become degenerate, deviant and immoral, have abused their authority, intimidated the masses...

Struggling against crime is a complex and long-range effort that must be carried out throughout the process of building socialism.



Crimes are social phenomena that exist even under the socialist system. How the crime situation will develop can be predicted and plans can be adopted to fight crime. Of course, in this field, predictions of how the situation will develop and the plans adopted to fight crime cannot be as precise as they are in the other fields of science. Nevertheless, we can establish guidelines and define the focus, the key areas of our work for a certain period of time and adopt appropriate measures.

Effectively struggling against crime demands that we mobilize the combined forces of the system of collective ownership and apply socio-economic, political-ideological and legal measures in a well coordinated manner.

The struggle against crime necessarily requires a direct attack on and the punishment of criminal actions. While punishment is necessary, punishment by itself is not sufficient because it only addresses crimes that have already been committed. Also very important are the needs to prevent crimes from occurring and, moreover, to determine the immediate causes of crimes, determine the conditions that give rise to and breed crime so that measures can be taken to limit and eventually eliminate these causes and conditions. In the Marxist view, the most basic way to struggle against crime is to prevent crime. A dialectical relationship exists between punishment and the prevention of crime. Successful crime prevention limits the number of crimes committed and results in little punishment being required. Punishment itself can also have the effect of preventing crime: harsh punishment educates the criminal and deters this person from committing another crime while also deterring others. The failure to promptly detect crimes and appropriately punish criminals causes an attitude of taking liberties with the law and might encourage other persons to commit crime.

The Code of Criminal Law attaches importance to both the punishment and prevention of crime. In keeping with this spirit, judicial agencies must clearly realize that their responsibility is not restricted to the scope of discovering, confirming and prosecuting acts of criminal behavior and see the large role that investigations, control work, trials and penal enforcement play in the prevention of crime. The expeditious and correct resolution of criminal cases prevents crime. However, it must be stressed that in their work of resolving cases, judicial agencies must concern themselves with shedding light on the causes and conditions that lead to crime and propose to concerned state agencies and social organizations ways to deal with these causes and conditions.

All other state agencies and social organizations also have a responsibility in struggling against crime and should not express, either in their thinking or actions, the attitude of leaving this work entirely up to judicial agencies. The role played by state agencies and social organizations in preventing crime is defined in the Code of Criminal Law: "The agencies of the state and social organizations have the tasks of heightening the revolutionary vigilance, the sense of protecting and obeying the law and respect for the rules of socialist life among the persons under their management through education and promptly taking measures to eradicate the causes of crime and the conditions that lead to crime within their agency or organization." Violations of the law that do not require investigation of criminal

culpability must be promptly dealt with by state agencies and social organizations through disciplinary action by the mass organization, administrative disciplinary action, civilian disciplinary action or other appropriate measures. If not discovered and dealt with in a strict and just manner, violations of the law, even the most minor, can encourage others to violate the law, even encourage others to commit crimes. When a criminal act is committed, state agencies and social organizations must immediately report it to the public security and control agencies, create every possible favorable condition for these agencies to perform their work and absolutely not adopt the attitude of protecting the criminal or cover up the crime because they are fearful of not being recognized as having recorded an achievement...

One area of major importance in insuring the effectiveness of state management and combating crimes and other violations of the law is that of intensifying our inspections and supervision, of implementing the principle set forth in the report on party building at the 5th Party Congress: "Leadership not supported by inspections is the same as no leadership at all."(4)

The state has established a complete system of various forms of inspection and supervision from the top to the bottom and vice versa: state inspection and supervision through the National Assembly, the people's councils, the administrative agencies of the state and the organs of control and social inspection and supervision through the mass organizations, especially the Trade Union, the Women's Union, the Youth Union and the people's inspection organizations on the basic level. In order for the Code of Criminal Law to have a strong impact, in order to effectively fight crime, we must know how to make full use of these forms of inspection and supervision and coordinate the various forms of state inspection and supervision with the different forms of social inspection and supervision and inspection and supervision by the system of party agencies. One other point that must be made is that we must concern ourselves with the complaints and suits filed by the people. The filing of complaints and suits by the people is also a direct exercise of the right of the individual citizen to supervise the activities of state agencies and social organizations, of the cadres and personnel of these agencies and organizations. Complaints and suits filed by the people are a rather rich source of information that help us to assess the situation surrounding violations of the law and the crime situation.

Happy and excited over the adoption of the Code of Criminal Law and under the leadership of the party and guidance of the Council of Ministers, we are determined to make good preparations and create the conditions needed to correctly implement the Code of Criminal Law. We will try to give every state agency and social organization, from the central to the basic levels, every party member, every member of the military and all other personnel, workers, farmers and citizens an understanding of the contents of the Code of Criminal Law to the degree necessary for each. We will try to show them and bring about the fulfillment of their responsibility in the implementation of the Code of Criminal Law and in waging a relentless, steadfast struggle against crime, thereby helping to steadily advance our country's revolution.

#### FOOTNOTES

1. "Van kien Dai hoi V,"[Proceedings of the 5th Congress], Su That Publishing House, Hanoi, 1982, Volume III, p 120.
2. Excerpt from the report by the Council of Ministers on the guidelines and tasks of the 1985 socio-economic development plan to the December 1984 session of the National Assembly.
3. Excerpt from the Preface of the Code of Criminal Law.
4. "Van kien Dai hoi V,"[Proceedings of the 5th Congress], Su That Publishing House, Hanoi, 1982, Volume III, p 123.

7809

CSO: 4210/12

## IMPROVING WAGES

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 33-38

[Article by Dao Thien Thi]

[Text] Today, wages have become a crucial issue in our country's social life. Wages are the main source of income of millions of persons, are a strong lever in socialist construction.

Our party and state are very interested in correctly resolving the problem of wages. The 5th, 6th and 7th Plenums of the 5th Party Central Committee examined the wage problem. At the 8th Plenum, the Party Central Committee made decisions to improve wages in a manner coordinated with price adjustments and adjustments in the areas of finances, monetary activities and commerce, to thoroughly oppose bureaucratic centralism and subsidization and to implement the new management system--the system of economic accounting and socialist business centered around planning.

In our country, the working people are the collective masters of the country, are the owners of society's primary means of production and the masters of labor. Labor is no longer a commodity. The worker works as hard as he can for the country. Under the socialist system, we are entirely capable of achieving full, productive employment, developing the economy and culture at a high rate, gradually building the material-technical bases of socialism, carrying out socialist industrialization and constantly improving the standard of living of the working people.

Under socialism, improving the standard of living of the working people is part of the fundamental economic law of socialism. The entirety of the social product and the entirety of national income, which are continuously being raised, belong to the people with nothing being exploited or appropriated and everything being distributed and used to serve the common interests of the people, among which the interests of society and the interests of the individual worker are identical. Wages are no longer the price of labor but a part of the product produced by the worker, the part that belongs to him. That part of the product produced for society belongs to the state. Wages are essentially means of consumption needed in life to replenish the energy expended in labor. In view of our responsibility as the masters in distribution, we must provide for adequate personal consumption and, at the

same time, for adequate social consumption and look after every educational, public health, cultural and social need of all the people. In addition, each and every person must help provide for the defense of the country, provide ample funds for national defense and security and provide for the formation of capital in order to build the material-technical bases of socialism.

Thus, under our responsibility as the masters in distribution and in view of the conditions surrounding our country's advance from small-scale production to large-scale, socialist production, we must consciously maintain personal consumption at a level that is sufficient but reasonable and also fully concern ourselves with the common work of the entire country, fulfill the national defense obligation, provide for the formation of capital for industrialization, allocate a reasonable portion of what is produced for immediate consumption and fully concern ourselves with the future. Socialist industrialization is the surest way to improve the standard of living of the people. As a result of industrialization, social labor productivity will be raised many times, the social product and national income will increase and both consumption and the formation of capital will increase with each passing day. We must restrict our consumption to the scope of what we produce and not exceed this limit. Our labor productivity today determines our level of consumption today and even tomorrow. In the Proceedings of the 5th Party Congress, it states: "We must live in a manner consistent with the results of our labor and not consume beyond the limit permitted by the level of production. We must meet the needs of everyday life but also be able to endure difficulties in order to protect the independence and freedom of the fatherland and must use an appropriate percentage of accumulated capital to carry out expanded reproduction and build the material-technical bases of socialism."

The foundations that must be laid in order to resolve the wage and standard of living problems are reorganizing production, establishing a rational economic structure, making full and rational use of the social labor force, creating additional jobs, raising labor productivity, practicing frugality, insuring quality and economic efficiency, strengthening the state-operated economy, strengthening the collective economy and developing the household economy. On the basis of adjusting prices, the state must gain control over the major portion of the grain and goods produced, control the market, strengthen socialist commerce, gradually stabilize the financial system and stabilize the flow of money. The supply of goods and the money supply must be balanced with wages calculated in monetary terms at the retail prices of the state in the different areas of the country, especially in the areas in which industry is concentrated and in the major cities. Improving wages in a manner that is well coordinated will make a practical contribution to partially improving the standard of living of the worker, heighten everyone's desire to work, encourage higher labor productivity and lead to more intense emulation in production, thereby helping to stabilize the country's overall situation.

During the past several years, the real wages of manual workers and civil servants, both the portion paid in product and the portion paid in money, have continuously declined and have not been sufficient to enable the normal replenishing of the energy expended in labor, thereby giving rise to many

negative phenomena within the working class and to irrational differences in income among the various strata of the population.

Wages, which are paid mainly in the form of products supplied at low prices, are not closely tied to the results of the labor of wage earners and are heavily subsidized. If we include the supplying of products to dependents, wages become even more in the nature of average wages and become more irrational. And, the payment of subsidized wages has given birth to an increasingly entrenched practice of everything being based on averages, has caused the staff of the state to become too large and does not encourage the development of talent or provide incentive for skilled workers and persons who make many contributions. Wages do not provide appropriate incentive to work in strenuous, harmful sectors and trades or in sectors and trades that occupy an important position within the national economy, such as the heavy industrial sectors. Wages do not provide appropriate incentive to work in the mountains, along the border or on the islands, to be an officer or a specialist in the military or to work in science, technology, education, public health, culture or art. The differential paid for a worker's grade amounts to a low percentage of the worker's income and does not encourage everyone to attach importance to a worker's grade and concern themselves with raising their standards and improving their skills.

During the past several years, because the wage problem has not been resolved well, the sectors, levels and units have been forced to look for ways to increase the income of their manual workers and civil servants. At present, there are many methods of paying wages and bonuses and many wage and bonus rates, the differentials among which are very large and irrational. Wage uniformity no longer exists and this has affected price uniformity and created difficulties in the circulation of goods throughout the country.

Only that portion of wages paid in money is included in production costs. The portion paid in product, the major portion, is not included in the wage fund nor added to production costs, consequently, enterprise economic accounting is incorrect. Economic accounting within the grain and commerce sectors, which involves buying at high prices and selling at low prices, is practiced irregularly and causes many difficulties to be encountered in the circulation of goods.

The wage situation described above has made it so that wages are no longer an economic lever and is having many serious effects upon economic-financial management and labor management, with the result that labor discipline is not being respected and the corps of workers is unstable.

The resolution of the 8th Plenum of the 5th Party Central Committee points out: at present, dismantling the bureaucracy and subsidization that exist with regard to prices and wages is an extremely urgent requirement, is the breakthrough of a decisive nature that must be made in order to completely shift the economy to economic accounting and socialist business based on planning. With regard to improving wages, the resolution states: "Real wages must truly insure that wage earners can live primarily on their wages, can replenish the energies expended in their work and do so in a manner consistent with the capabilities of the national economy.

Wages must be closely tied to productivity, quality and efficiency and distribution in accordance with labor must be practiced.

Wages must be paid in money, with availability of goods on the organized market guaranteed; the system of supplying goods at low prices, prices that are divorced from the value of goods, must be dismantled.

We must implement a uniform wage system throughout the country, one that reflects the reasonable differences that exist among the various regions and sectors and make appropriate, special exceptions for sectors and trades in which the work is strenuous or harmful or involves high professional or technical requirements and for the education, public health, cultural and art sectors."(1)

1. Insuring that wage earners can replenish the energies expended in their work and do so in a manner consistent with the capabilities of the national economy.

The necessary level of consumption must be a level that is consistent with the capabilities of the economy but is higher than it is now. In the immediate future, our main efforts must be focused on food needs, on supplying the calories needed to meet minimum calorie requirements. The other consumer needs must be calculated at reasonable levels, including family care needs. Wages must be paid in money and calculated on the basis of state retail prices for consumer goods.

The prices of industrial consumer goods must be calculated on the basis of the commercial business prices set by the state and the prices of primary products should be the same throughout the country.

The prices of grain must be calculated on the basis of the procurement price paid by the state in major production areas.

The prices of food products must be calculated on the basis of average market prices at the places where these products are produced. Thus, there will be regional prices for grain and food products. Wages calculated on the basis of the lowest regional prices will be the base wages of the basic wage system for the entire country. In localities in which prices are higher, a regional cost of living allowance will be paid. Within a region, the cost of living allowance will be higher in the municipalities and cities than in rural areas.

To limit the complex consequences of possible continued changes in prices and implement planning and economic accounting, it is necessary to stabilize the retail prices of essential consumer goods so that wages can be calculated for a given period of time. When adjusting prices, the allowances paid in wages must also be adjusted accordingly. It is necessary to balance society's supply of goods within each locality and region with the volume of money in circulation and stronger efforts must be made to improve and manage the "free" market and eliminate speculation and black marketing, thereby maintaining the real wages of manual workers, civil servants and the armed forces.

2. Thoroughly implementing the principle of distribution in accordance with labor and adjusting wage and salary scales and the various allowances.

Socialism demands that we implement the principle "to each according to labor, from each according to ability" and distribute goods to the members of society on the basis of the quantity and quality of work contributed by them. Of the product produced through labor, a sufficient percentage must be allocated to compensate for costs, allocated for the formation of capital, allocated to national defense and allocated for social consumption; the balance of the gross social product is to be distributed for personal consumption.

Distribution for personal consumption must be carried out mainly on the basis of the principle of distribution in accordance with labor, a principle which constitutes a fair and reasonable mode of distribution, the mode that has the strongest impact upon production and the standard of living. Distribution in accordance with labor is an important factor in teaching the concept of work to every member of society. At the same time, it is the most efficient way to determine the amount of labor performed and the level of consumption and to institute inspection by society of each worker. The work contributed by the worker each day is inspected and the remuneration received each day is based on the amount of work contributed.

To apply the principle of distribution in accordance with labor, it is necessary to closely combine political and ideological education with material incentives. V.I. Lenin pointed out: "Within a country of small farmers, the first thing that you must do is build small, sturdy bridges to state capitalism, to socialism, not by relying directly upon enthusiasm, but, with the enthusiasm born of the great revolution, by appealing to personal interests, to personal gain, by applying the principle of economic accounting."(2)

Wages reflect the principle of distribution in accordance with labor. Under socialism, wages are essentially a portion of national income in the form of money distributed to manual workers and civil servants in a manner consistent with the quantity and quality of labor contributed by each person. Distribution in the form of value and the payment of wages in money are supported by a supply of consumer goods in the form of products sold at retail prices of the state that are stable and uniform nationwide, with regional price differences existing for some products and a regional cost of living allowance being paid.

The improvement of wage scales, salary levels and the various allowances essentially involves the establishment of a new wage and salary system, the requirements of which are as follows:

- It must bring about a constant rise in labor productivity;
- It must bring about the rational distribution of labor among the various sectors of the national economy and among the enterprises within each sector;
- It must encourage manual workers and civil servants to improve their skills;



--It must be uniform nationwide and restore order to wages and bonuses throughout the country.

The differentials that separate the minimum wage, the average wage and the maximum wage must be increased by a certain degree compared to what they are currently. Increasing these differentials will encourage the development of talent. And, when the conditions and capabilities exist, these differentials should be further increased.

It is also necessary to re-establish a rational relationship among the sectors and trades of the national economy based on the average skill level of the workers within each sector and the different working conditions, different degrees of strenuous, harmful work and the economic position of each sector. With the minimum wage coefficient set at 1, the grade 1 wages of a number of trades should be separated by an appropriate differential based on the following order of importance: underground coal mining, open-cut coal mining, timber harvesting, mechanized construction, metal refining, basic chemicals, electric power, mechanical engineering, cement, textiles, building, light industry, the food product industry, etc. The salary levels of civil servants must be adjusted along the lines of reducing salaries that are excessive. We must increase the differential between one salary level and the next and rebalance the salary levels of different types of civil servants whose qualifications and working conditions are the same. It is also necessary to adjust the relationship among the salaries paid on the provincial level, the district level, the federation of enterprises level and the enterprise level, closely tie salaries to the job title and standards of civil servants and institute salaries based on the duty performed for leadership cadres, specialized-professional and technical cadres and support and administrative personnel. We must revise regional allowances with the aim of attracting labor to remote areas of important economic and national defense significance. The seniority allowance must be improved for a number of necessary sectors and trades and a maximum wage seniority allowance must be introduced in all sectors and trades with the aim of encouraging workers to continue working after they have reached the top of the wage scale. Sector and trade allowances must be incorporated within the basic wage and between-shift meals must be converted to a wage allowance in order to eliminate this form of subsidization and increase the efficiency with which between-shift meals are provided.

The payment of piecework wages must be encouraged as must the application of bonus rates based on the quality of quotas. The practice of paying bonuses from the wage fund with differentials based on the different working conditions of sectors, the practice of the administrative sectors of paying bonuses at the end of the year for the completion of tasks and the practice of paying bonuses from enterprise profits at enterprise organizations that employ economic accounting must be maintained. We must institute an education allowance for the education sector, institute a responsibility allowance for the public health sector and study the adoption of bonuses that provide incentive for creative activities in the fields of scientific and technical discoveries and inventions, culture and art.

To support the task of strengthening the national defense and security systems, we must give appropriate attention to the armed forces and the officers salary system.

To maintain the real wages of manual workers and civil servants, the price situation must be reviewed on a quarterly basis (or, if necessary, on an emergency basis) in order to determine the cost of living allowance. The cost of living allowance will be set by the central level for each region and will be accounted for as part of the wage fund and part of production costs. Wages that are paid to the same person as his work takes him from one region of the country to another will be maintained at the level of his real wage.

Wages and the various allowances must be restructured so that the basic wage paid within the production-business sector accounts for approximately 70 percent of the income from wages, thus causing everyone to concern themselves with the basic wage, with their job grade and skill level.

The improvement of wages must be carried out in a gradual, well coordinated manner and together with adjusting prices, the financial system and monetary activities and must reflect balance between requirements and the limited capabilities of the national economy. A high degree of common effort must be focused under the economic plan and budget of the state upon the number one target--the improvement of the standard of living--beginning by improving the wages of manual workers, civil servants and the armed forces.

The improvements being made to wages this time are also very basic improvements designed to dismantle the bureaucracy and subsidization in prices and wages; insure that wages are sufficient enough to enable workers to replenish the energy expended on the job; more thoroughly implement the principle of distribution in accordance with labor; and improve the systems of wage scales, salary levels, allowances and bonuses in order to establish uniform wages and salaries nationwide with regional differentials and a regional, adjustable cost of living allowance so that the real wages of the worker are guaranteed and become an effective lever in economic-financial management and the management of labor.

Compared to the current situation, the improvements being made to wages this time will bring about a satisfactory improvement in the standard of living of manual workers and civil servants. Persons who possess highly developed professional or technical skills will receive much higher salaries and wages will be distributed in accordance with labor because subsidization in the form of products will be eliminated and the extent to which wages and salaries are based on averages will be reduced. When the state enacts the new wage system, the families of manual workers and civil servants who have many children or many dependents will be provided for under the system of social allowances. The social allowances fund will be under the responsibility of the Confederation of Trade Unions and be managed by the localities.

With the new wage system, the state will be able to restore order to wages and bonuses throughout the country. At a few individual enterprises at which the level of income is higher than elsewhere, the state will examine the situation and take specific measures to deal with it.

The new wages are being paid in money in order to reorganize production, reorganize labor, improve labor quotas, expand the payment of piecework wages, spur higher labor productivity and reduce the size of administrative and indirect staffs.

If each sector, each locality, each enterprise and agency upholds the right of collective ownership of cadres, manual workers and civil servants, strictly implements the resolution of the 8th Plenum of the 5th Party Central Committee, dismantles the bureaucracy and subsidization that exist in the areas of prices, wages and money and, in particular, improves wages in accordance with the principles of distribution in accordance with labor, it will surely bring a new spirit to productive labor and motivate each sector and trade, each stratum of the working people to increase production and practice frugality, thus helping to stabilize the overall situation.

#### FOOTNOTES

1. The resolution of the 8th Plenum of the 5th Party Central Committee on prices-wages-money.
2. V.I. Lenin: "Collected Works," Russian version, 4th printing, Volume 33, pp 29-37.

7809

CSO: 4210/12

SOME MATTERS OF PRESSING IMPORTANCE CONCERNING THE IMPROVEMENT OF THE CURRENT PRICE POLICY

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 39-46

[Article by Phan Van Tiem]

[Text] The resolution of the 6th Plenum of the 4th Party Central Committee initiated the process of changing and improving the economic management system during the period of transition in our country. The dynamic part of this system is the price policy. Of course, this process is not a smooth or easy process. Making fundamental changes and improvements to the planning and management of the national economy and the price policy in a manner consistent with the law governing the movement of the economy during the period of transition in our country is something that must be done gradually. This is not only necessary because we lack experience in this extremely complicated undertaking, but also because these improvements, as is the case with every improvement, require a process of gaining an understanding of what must be done, a process of searching and groping for answers.

In the field of price policy, due to both objective and subjective reasons, we have maintained the basic prices of the primary products in society at a low level for too long and these prices have become increasingly further removed from the value of goods, from the purchasing power of the dong.

In 1981 and 1982, the state enacted a general and very broad adjustment (supplied products excluded) to the total price index of the social product produced and circulated on the domestic market. Compared to 1980 and previous years, it raised prices five to seven times, some prices as much as 10 times, thus bringing them close to market prices, with some prices actually being higher than the market prices that existed then. Thus, the overall price index reflected, to a significant degree, the purchasing power of the dong as it has been formed on the "free" market over a period of many years. In 1981, together with adjusting prices and implementing wage allowances, the raising of prices to levels close to the value of goods and the purchasing power of the dong had a positive impact within the economy and helped to stimulate production, expand socialist commerce, increase procurements and put more goods into the hands of the state. Many sectors and state-operated enterprises managed by the central and local levels stopped operating at a loss and began earning a profit. It must also be remembered that when the

1981-1982 general price adjustment was being decided upon, the most difficult problems faced were our continued maintenance of the supply system based on ration stamps and coupons and our continued maintenance of nominal wages at a level corresponding to 1960 prices (through wage allowances). According to estimated figures, the prices of these supplied products equalled only about 3 percent of the base price at which this group of products was procured or produced and accounted for roughly 4 percent of the business revenues of state-operated commerce. In other words, about one-half of the supply of goods (important goods, at that) was in the hands of state-operated commerce to be supplied at non-economic prices--that is, to essentially be allocated with the aim of maintaining the system of low wages. For these reasons, the state price levels set in 1981 and 1982 did not fully reflect the purchasing power of the dong at that time. Under the light of the resolutions adopted by the Party Central Committee during the past several years, we have been provided with the basis needed to evaluate these major, difficult problems within our business policy and structure, in general, and the price policy, in particular. We have been slow to recognize the problems that exist, slow to correct the outdated price structure and have been putting an important portion of goods on sale at supply prices both under and outside ration standards, thereby causing serious consequences with regard to the requirement that economic accounting be practiced (for the entire economy and for each sector, locality and basic unit). With supply prices being meaningless and devoid of economic relevance, subsidization gained a stronger foothold, gained a new environment in which to grow and spread widely and deeply within our country's economic life. In practice, reliable economic accounting became an impossibility. All norms computed in terms of value have become increasingly further removed from the structure and movement of production, the social product and national income. This is a rather clear manifestation of the maladies of conservatism, bureaucratic centralism and subsidization and is far removed from democratic centralism in management, from economic accounting and socialist business practices. This clearly shows why the resolution of the 8th Plenum of the 5th Party Central Committee considers revising prices and improving wages to be the decisive breakthrough that must be made in order to change the entire national economic management and planning structure.

Since the sweeping price adjustments made in 1981 and 1982, the situation has developed in a very complex manner as can be clearly seen in the following areas:

First, the imbalance within the economy in available material resources and, as a result, the imbalance in value have continued and become increasingly worse.

Secondly, following the price adjustments, prices on the market and an increasingly large number of state prices have risen very rapidly and the purchasing power of the dong has declined, also at a rather rapid rate.

Thirdly, as production within the various segments of the economy, especially within agriculture, has developed rather well, the market situation has developed in a manner increasingly disadvantageous to the forces of the socialist economy.

Many aspects of the new price policy and price management system are, generally speaking, not consistent with the economic-financial situation or the requirement of the social reproduction process that value be managed in direct production as well as in distribution-circulation, the consumption of the social product and the use of national income (including both direct consumption and consumption for production through capital investments). These aspects are:

--In addition to supply prices, which have remained at the levels mentioned above, practically all of the procurement prices paid for agricultural products, forest products and marine products and the selling prices of the various types of materials and services of these sectors, as reflected in the two-way economic contracts between the state and basic production units, have remained virtually unchanged over the past 4 years, have become increasingly further removed from inherent value and are not consistent with the purchasing power of the dong.

--On the other hand, while the procurement and selling prices reflected in contracts and in plan norms have changed slowly, prices outside contracts and outside the plan have rapidly risen with increases in market prices. As a result, the gross social product is measured on the basis of two distinct sets of prices, one of which is five to seven times, or more, higher than the other.

--While the production costs of export goods and the prices paid to procure goods for exportation have risen very rapidly (from five to seven times), the prices of imported materials and equipment have basically remained at 1981-1982 levels.

From the perspective of the overall price policy (which encompasses price levels, the relationships among prices and the management and regulation of prices), there are several pressing problems that must be resolved. These are: prices are lower than inherent value; prices are rather far removed from the purchasing power of the dong on the market; and prices are not being managed and regulated by means of an appropriate mechanism; therefore, prices have developed in a spontaneous, chaotic manner, risen at a very rapid rate, lacked the necessary stability and not been normal. This situation has many causes. Some stem from the economy itself and others are the result of subjective shortcomings on our part. Even in the adjustment of prices and in distribution-circulation in 1981-1982 there were shortcomings, shortcomings that ranged from specific policies to the measures adopted to implement them, such as a lack of coordination, the lack of a necessary "dynamic" mechanism, the failure to control the market, etc. However, overriding everything was the fact that the adjustment of prices was carried out within the framework of the bureaucratic centralism and subsidization within the management and planning of the national economy, of which price-wage-money management and planning are a very important part. The field of price management is also a field that is largely characterized by a style of management that places heavy emphasis upon the sole use of administrative orders and attaches little importance to correctly applying objective laws, most importantly the law of value and the laws of socialism that have an impact within our country's economy in the current stage.

In implementing the resolution of the 8th Plenum of the 5th Party Central Committee, the guidance and management provided by the state within the field of prices involve the following three basic factors:

First, it is necessary to rebuild the system of state prices for the most important social products within the economy in order to establish a new and more suitable price structure on the domestic market, a structure that closely reflects the value of goods and the purchasing power of the dong, in order to create favorable conditions for developing production, expanding the circulation of goods, practicing economic accounting and general economic accounting for the entire national economy, practicing socialist business and making productivity, quality and efficiency the foremost target.

Secondly, along with changing the overall national economic planning and management system, it is necessary to fundamentally re-examine and adopt a new price management system, one that clearly defines functions, establishes a rational division of state price management responsibilities and puts in place a mechanism that has an impact upon and regulates the overall formation and movement of prices on the social market.

Thirdly, on the basis of correctly defining functions and establishing a rational division of responsibilities, it is necessary to establish a strong and solid organizational system and deploy a corps of qualified price management cadres to provide state management within the field of prices.

The adjustment of prices, which is an extremely important part of improving wages and the other aspects of economic policy, improving the entire economic management and economic planning system of our country in the current stage, has the following several primary objectives:

--Stimulating the development of production within a rational structure and developing each potential that lies in our existing labor, arable land, sectors, trades and material-technical bases with the aim of developing production in a way that results in higher labor productivity, higher product quality and higher economic efficiency;

--Stabilizing the standard of living of the working people, most importantly the standard of living of manual workers, civil servants and the armed forces; putting the state in the position of controlling production and distribution-circulation, controlling the market and prices and gradually balancing the budget and the flow of cash;

--Helping to gradually create sources of capital within the national economy in order to carry out socialist industrialization and build the material-technical bases of socialism;

--Spurring the completion of socialist transformation, strengthening the state-operated economy and the collective economy and developing the household economy;

--Helping to strengthen the national defense and security systems and resolutely combating enemy sabotage while waging an effective struggle against negative phenomena.

To achieve the objectives mentioned above, the adjustment of the price scale and the price management system must be based on the following principles:

--Prices must be consistent with value and the real purchasing power of the dong;

--Prices must be set on the basis of the plan being the center of economic activity, implementing economic accounting and socialist business practices and taking the initiative in applying the law of value and the law of supply and demand;

--The price of paddy must be the standard upon which the entire price scale is based;

--There must be a rational division of functions and responsibilities.

The first major job that must be performed, a job that is in the nature of opening a new stage of development of the price policy and is the leading edge of the breakthrough that must be made in order for the new management system to emerge, is to begin including in prices all necessary production and circulation costs within the economy so that prices reflect the real purchasing power of the dong at this time.

To begin with, we must fully calculate "V," that is, the wages that are distributed to the worker within the field of material production after the production process in order to buy consumer goods and replenish the energy expended on the job. Thus, understood here in their broad sense, wages consist of the income in money paid to the producer and become part of the cost of producing an agricultural, industrial or handicraft product and part of the cost of circulation that corresponds to the wages of the workers within the field of circulation.

Reality is facing us with the need to fundamentally revise the wage system and convert the wages paid in product into wages paid in money. This demands that the prices of the consumer goods and services necessary for the material and cultural lives of the worker be readjusted to lay the foundation for computing wage rates. Here, also, prices must fully reflect the principle of including all the social costs necessary to produce these goods and services. Of course, due to many different reasons, we cannot include material and cultural expenditure items used to replenish the energy expended on the job in wages and the monetary income of workers all at once or, generally speaking, in their entirety (such as, for example, many welfare items and social consumption fund items). Moreover, there are some items, such as the housing allowance, that cannot be immediately reflected in wages. This is because of financial reasons, not the price policy. The general direction being taken is to increasingly bring wages to the point where they correctly and fully reflect necessary social costs and are sufficient to replenish the energy expended on the job by the worker within the material production sector. This



is a very basic prerequisite to insuring that prices fully and correctly reflect the value of goods. At present, the portion of wages paid in products must be immediately included in production costs and product prices must correspond to the social costs incurred in producing the consumer goods that are currently being distributed to workers. To begin with, the prices of goods sold at supply prices under and outside ration standards must be raised to the level of "full cost" prices to insure that the sectors and basic production units which circulate these products do not, generally speaking, incur losses.

The full incorporation of wages in production costs and the prices of goods is of very important significance to our country's economy at this time, a time when the expenditure of human labor still constitutes a significant portion of the value of the social product because the level of technological development is still low. Therefore, failing to incorporate wages distorts this component of the value of the products of all sectors of the national economy.

Only by fully incorporating wages in production costs and prices is it possible to reflect (through prices) the labor productivity of basic production units and sectors and possible to establish the conditions needed to compare the labor productivity of different sectors and basic units, the productivity with which different types of products are produced and labor productivity at different points in time, discover and develop potentials that lie in reorganizing labor and raising labor discipline and labor productivity. The system of subsidization has concealed these potentials and given rise to many convenient practices in the field of labor. The payment of wages and bonuses to workers is not closely tied to production costs or product prices.

The addition of "price compensation" payment to wages and the incorporation of wages in production costs that have been carried out at a number of places in the recent past have not only helped to overcome many negative phenomena within circulation and distribution, thereby helping the worker gain control over how his wages are spent, but have also enabled basic units to discover their weaknesses in the organization of labor, the productivity and efficiency of labor and the payment of wages and bonuses. On this basis, they have begun to develop fuller, more correct contract unit prices and provide incentive for higher labor productivity. Fully incorporating wages in production costs and the prices of goods will help to define specific areas of subsidization and once subsidization through wages and prices has been eliminated, the human labor factor of value and the wage costs factor of unit production costs will decline as the income of highly productive workers steadily increases.

Next, it is necessary to fully calculate value and insure that the prices of the material factors (C1 and C2) used within the economy are consistent with current value and the purchasing power of the dong at this time. Fully and correctly calculating the value of imported and domestically produced materials will encourage the economical and rational use of the various types of energy, materials, equipment and parts in the production process, reduce the consumption of materials and energy, which is currently too high, and increase the utilization of underutilized equipment.

The principle of "full incorporation" must first be expressed in the procurement prices paid for agricultural, forest and marine products, which are an extremely important aspect of the price policy in the initial stage of the period of transition to socialism in our country.

The procurement prices paid for grain and other agricultural products must be established on the basis of agreement reached between the state and the farmer and must insure that the producer is able to cover all production costs and earn a reasonable profit with a view toward providing the farmer with incentive to produce. Procurement prices must include a regional differential to encourage the development of specialized farming areas and new economic zones, with importance attached to areas specializing in rice production.

Thus, there are three factors that determine the procurement prices paid for grain and agricultural products: the production costs within each region, the profit of the producer and supply and demand as it applies to each type product during each production and procurement season.

The adjustment of industrial wholesale prices must be based on production costs that include all the costs of each sector and an appropriate profit for the producer and must reflect the economic policy concerning production and consumption (both direct consumption and consumption for production).

One basic factor in determining the domestic price scale is the prices of means of production. Of course, the costs of the means of production created within our economy, which include wages, capital depreciation (for the time being, we must continue to calculate the degree of utilization of machine and equipment capacity) and the depreciation represented by major repairs, must be fully calculated in accordance with the new price scale. However, more important are the imported means of production, which currently account for 70 to 90 percent of the means of production in use within the national economy.

The principle applied to determine the prices of import goods must take into consideration domestic price relations and the domestic price policy; be oriented toward encouraging the production of domestic materials to replace imports and encouraging the economical use of imported materials; and take into consideration the cost of exporting goods in order to create sources of imports. Therefore, it is necessary to establish a correct internal balance in the ratio among prices with a view toward insuring a normal, profitable export-import business, insuring that the prices of imports cover the cost (the base price) of exports and insure that the state does not, generally speaking, incur losses in export and import activities. The situation that exists now is giving rise to a rather difficult problem: the base prices of exports (which include the procurement price, production costs, profits and processing and transportation costs) have risen very rapidly over the past several year. If the base prices of exports as they exist currently are used to calculate the corresponding prices of import goods, the prices of domestic goods would be very high and sometimes exceed purchasing power on the domestic market. Conversely, if current prices on the domestic market are set as the upper limit of import prices, especially the means of production, import prices will not provide capital for export goods, thus causing very large losses in export activities, affecting the state budget and have a detrimental

effect upon the activities of the foreign trade corporations and the effort to increase our exports. In this situation, reorganizing export activities, in everything from the manufacture and production of exports to the procurement of exports, the establishment of export prices, the calculation of export costs, the calculation of the returns from exports and combating competition in the procurement and sale of exports, in order to establish an increasingly rational ratio among the prices of export goods is extremely important.

One pressing requirement is the need to establish a mechanism for managing and regulating the rate of exchange between our currency and foreign currencies, the most basic of which is the ruble. We must eventually implement a complete exchange rate mechanism that is scientifically based and consistent with the actual situation so that the foreign trade corporations managed by the central and local levels can, through the foreign trade bank, buy foreign currency when they receive an import permit and sell foreign currency after they have exported products.

Retail prices must be set on the basis of the value of goods, with consideration given to supply-demand and the relationship between money and goods, must reflect the socio-economic policy of the party and state and must vary depending upon the nature of the product. Generally speaking, the retail prices of industrial food products and industrial consumer goods must provide capital for the budget, except in the case of a small number of essential goods that are of special socio-political significance and provide little capital and certain individual products for which losses can be compensated under the applicable policy.

In summary, thoroughly implementing the principle of "fully calculating" necessary production and circulation costs within the economy at this time is a very basic guideline, the purpose of which is to insure that the price system reflects the requirements of economic laws and create the conditions needed to combat subsidization through prices and implement economic accounting and socialist business practices, with productivity, quality and economic efficiency being the foremost targets of production and business, of each economic activity. Thus, "full calculation" has the significance of stimulating higher economic efficiency and is a strict demand upon all economic organizations, one which requires that they carry out their production and business functions in accordance with the principle of being financially independent and independent from the standpoint of profit and loss in their operations.

In order for the new price scale and domestic price relationships to be formed in a rational manner consistent with the value of goods and the real purchasing power of the dong and, in the process, increase this purchasing power and have it accepted by society, it is absolutely necessary that we reorganize and restructure production, especially within the state-operated economy, and restructure export-import activities with the aim of achieving higher efficiency while reorganizing circulation (material supply and commerce), immediately eliminating unnecessary intermediary and duplicate organizations, calculating quotas correctly and eliminating production and circulation costs that are unreasonable and do not conform with regulations. Together with calculating price levels, we must deal with a series of problems

pertaining to the structure and organization of production and the management of the entire national economy as well as each sector and basic unit and do so on the basis of the view that we must thoroughly eliminate subsidization and implement economic accounting and socialist business practices.

The implementation of the resolution of the 8th Plenum of the 5th Party Central Committee demands that very fundamental changes be made in the price management and price guidance system. This system should consist of the following three main elements:

--A single procurement price, a single selling price;

--Flexible, regional and timely guidance and regulation of the system of state prices;

--A rational division of functions and responsibilities in price management that is correctly based on the principle of democratic centralism and is well suited to the national economic management and planning system.

The three elements mentioned above are very closely interrelated. They have a reciprocal impact upon each other and form a single entity within the new price management and price guidance system.

Establishing a single procurement price and a single selling price for each type product on a market (the national market or the local market) for a given period of time is an objective requirement of the law of value as it applies under normal supply-demand conditions.

For many years, especially in recent years, due to objective difficulties and subjective reasons related to the management system, especially the many weaknesses and deficiencies in our efforts to control the market and prices, we have maintained a system of two procurement prices and two selling prices (in actuality, there have been many cases in which many prices have existed at the same time for the same product).

Facts have proven that this multi-price system together with sweeping subsidization have given rise to many negative phenomena, especially within the organizations engaged in circulation, and disrupted distribution relations in many different ways for a very long time. As a result, the multi-price system has become an obstacle to the establishment of socialist order in the distribution and circulation of many types of important products of the national economy.

Shifting to a consistent system of selling and procurement prices based on a single price for each product demands that the management of state prices be timely and effective, that it promptly reflect in the prices of goods changes that occur in balances, especially in supply and demand and the relationship between money and goods, on a nationwide scale as well as within each region and locality and not allow the circulation of goods to be cut off at a certain point or allow a system consisting of many intermediary echelons to exist, thereby posing obstacles to the unimpeded circulation of goods and money.

The decisive prerequisite to implementing a single procurement price and single selling price system is to constantly increase the degree to which we control the market. The state (central and local) must, in every situation, control production, distribution and circulation, beginning with those products that play a controlling role in the relationship between supply and demand, changes on the market and overall prices during each period of time. Thus, the single price system itself must be dynamic, timely and effective from the standpoint of guiding and managing prices. At the same time, it also demands the establishment of a rational division of price management functions and responsibilities so that guidance and management can be provided in a thorough, timely and effective manner and promptly meet the requirements of production and business. The agencies on the central level must provide centralized, unified management of the most important products (materials and goods) affecting the overall balance of the entire economy. Products that are produced, circulated and consumed locally must be managed by the locality (the province or municipality). Economic organizations of a national and local nature and basic production units that are directly engaged in production and business must have the right to determine, within a specified framework, the prices of their products in order to increase their independence in production and business, especially their financial independence. Increasing the authority of localities, basic units and production and business organizations to determine their prices will increase the effectiveness and timeliness of prices as a tool in promptly supporting the requirement of improving products, improving product quality, closely tying production to consumption, to the market and satisfying the consumer needs of society better. State management of prices will be strengthened through a rational division of functions and responsibilities and the role played by quotas, regulations and laws in adjusting prices as well as the role played by state management agencies in the areas of inspection, regulation and coordination will become a decisive factor in the formation and movement of state prices and all prices formed on the social market, a segment of which has yet to be brought under direct planning, primarily the products circulated on the local market directly between producers and the persons who consume these products.

7809

CSO: 4210/12

SOME EXPERIENCES IN IMPROVING DISTRIBUTION-CIRCULATION AND DISMANTLING THE  
SYSTEM OF BUREAUCRACY AND SUBSIDIZATION WITHIN LONG AN PROVINCE

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 47-50, 66

[Article by Tan Dinh]

[Text] In 1980, Long An Province, as well as the rest of the country, encountered many major difficulties: the economy was suffering the consequences of the southwestern border war and the unprecedented flooding that occurred in late 1978, which destroyed more than one-half of total agricultural output. The socio-economic targets set under the second 5-year plan were not met. The supply of industrial goods being received by Long An from the central level was declining with each passing year. Many obstacles and difficulties were encountered in controlling the sources of goods through procurements. The relationship between money and goods was seriously imbalanced. Private commerce was still widespread and was monopolizing the market. Complex developments were occurring in the socialist transformation of agriculture. Production was developing slowly and the volume of goods controlled by the state was declining with each passing day.

In the face of this situation, Long An Province asserted: in order for production to develop, the obstacles existing in distribution-circulation had to be removed. As a result, following the adoption of Resolution Number 26-NQ/TU of the Political Bureau of the 4th Party Central Committee, Long An immediately turned its efforts to improving distribution and circulation against the background of a very tight initial supply of goods and very limited material bases.

To remove the obstacles that existed in distribution and circulation, Long An Province first focused its efforts on bringing about a shift in commerce from administrative management and subsidization to socialist business practices based on an appropriate price system and gradually achieving control over the market, stimulating production and business and unleashing a new and constant force in the economy.

The objectives of the above mentioned plan for the improvement of distribution-circulation have been to stimulate and spur the development of production, generate more business, gradually dismantle the system of bureaucracy and subsidization and improve the mode of procurements and sales

through rational prices in order to give the state control over goods and money, gradually balance the budget and the flow of cash, struggle to stabilize prices and the market and carry out the transformation of private industry and commerce, thereby contributing to the socialist transformation of agriculture. On this basis, our goal has been to improve the standard of living of the working people, beginning with manual workers, civil servants and the armed forces.

Long An Province recognized at a very early date that the key issue in distribution and circulation is that the state must control goods and money. The state has failed to control goods and money because the price policy and the mode of procurements and sales are not consistent with the current production and business situation. Consequently, the provincial party committee decided to implement a policy of procurement prices and selling prices that are based on negotiations and are close to market prices (procurement prices are 10 to 15 percent lower and selling prices are 5 to 15 percent lower than market prices). As regards the mode of procurements and sales, the provincial party committee initially enacted a policy of negotiated procurement prices in order to control goods and the turnover of business capital. Once capital became available, a number of necessary materials, such as fertilizer, petroleum products, pesticides and so forth, had to be imported in order to implement two-way contracts with materials supplied in advance to farmers with the aim of effectively controlling the major agricultural products at stable prices and not having to throw money onto the market. The remaining agricultural products are procured by the province at negotiated prices in order to put additional agricultural products into the hands of the state and not allow these products to fall into the hands of private merchants. In the area of sales, the province has implemented a uniform price system and eliminated the system of supplying goods on the basis of ration stamps, coupons, cards and books. Persons who were eligible under the ration system receive price compensation payments at the full level of their ration standard and in exact accordance with the retail prices of state-operated commerce.

In the 5 years that it has been carrying out the above mentioned plan for the improvement of management, Long An Province has achieved goods results:

--Under the impact of the new management system (prices and the mode of procurements and sales), agricultural, industrial, small industry and handicraft production have developed. In agriculture, despite major flooding in 1984, the value of total output was still higher than in previous years (1980: 2.171 billion dong; 1983: 2.396 billion dong; 1984: 2.279 billion dong). The value of total industrial, small industry and handicraft output has increased markedly (1980: 282 million dong; 1983: 675 million dong; 1984: 951 million dong).

--The sources of goods brought under state control have increased rapidly, thereby not only providing for contributions to the central level and providing goods for distribution to cadres, manual workers, civil servants and the armed forces, but also providing a supply of goods to put on sale in order to stabilize market prices.

In 1980, the province mobilized 61,400 tons of grain and procured 1,468 tons of pork, 502 tons of sugar and 2.251 million meters of cloth. By 1984, these figures had risen rather rapidly: 138,000 tons of grain, 7,200 tons of pork, 3,974 tons of sugar and 4.797 million meters of cloth.

--Sales have been increased. The retail sales revenues of state-operated commerce and marketing cooperatives in 1984 were many times higher than in 1980. The liquid capital turnover rate of the commerce sector increased from 4.3 times in 1980 to 8.3 times in 1984. As a result of selling goods on a normal basis, commerce has helped to regulate supply and demand and eliminate the artificial needs created by the system of administrative management and subsidization. For example, in the compensation for grain prices in 1981, Long An Province saved nearly 3,000 tons of rice which would otherwise have had to be sold under ration standards to manual workers, civil servants and the armed forces. Between February 1985 and May 1985, as a result of establishing uniformity in the compensation for grain prices throughout the province, Long An saved more than 1,000 tons of rice. Similar situations have occurred with the other essential products.

--Contributions to the central level have met plan targets for 5 years in a row. Exports reached 6 million rubles/dollars in 1984, 12 times higher than in 1981. The local budget has been balanced and has recorded a surplus for 5 years in a row. In 1984, total local budget revenues were 20 times higher than in 1980, with revenues from the state-operated economy increasing 24 times and revenues from the collective and private economies increasing 13.4 times. Budget revenues from the state-operated economy have steadily increased and have come to account for an increasingly large portion of total local budget revenues (nearly 40 percent in 1984). The volume of cash has also increased many times. Total cash revenues in 1984 increased 11.2 times compared to 1980 (meanwhile, the price index in 1984 was six times higher than in 1980). The cash turnover rate was 2.4 times in 1980 and 8.3 times in 1984. The supply of cash has been somewhat tight during procurement seasons. Generally speaking, however, due to the increased rate at which cash revenues have been generated and the implementation of a business mode of procurement and sales and business prices, the province has been able to regulate the market and concentrate a rather large volume of the cash floating on the surface in circulation in the hands of the state. As a result, Long An Province has been able to meet the need for cash within the locality in accordance with the plan adopted each year.

To meet the business requirement that the waste of goods be avoided, Long An has frequently adjusted its commercial business prices and the price compensation payments made to cadres, manual workers and civil servants. By implementing price compensation in exact accordance with the ration standards of the central level and by fully adjusting and compensating for prices in a timely manner on the basis of business prices, the Long An Provincial Party Committee has insured that product supply standards are fully met. In addition, on the basis of calculating the other essential needs, the locality also provides an allowance equal to 100 percent of the new primary wage in order to reduce the difficulties being encountered by manual workers and civil servants in their everyday lives. As a result, during the past 5 years, Long An Province has stabilized its corps of manual workers and civil servants,



thereby avoiding the phenomena that occurred in 1979 and 1980 of workers requesting permission to leave their job or quitting their job.

Procurements and sales based on negotiated prices are very well suited to farmers and handicraftsmen. They are no longer reluctant to sell goods to the state because trade relations are very fair and because the price policy insures that they cover all production costs and earn an appropriate profit. In particular, as a result of the two-way contracts under which means of production are supplied in advance, farmers, including poor farmers who have little capital, can receive all the means of production they need and are assured of being able to plant their crops on schedule. Consequently, the economic relations between the state and farmers are closer and the trade relations between private merchants and producers have been restricted.

Efforts to combat negative phenomena within the state-operated economy have also yielded marked returns: the basis no longer exists for abuse of position, pilfering, conspiracy and an overbearing attitude to take root and grow. The number of violations has decreased greatly compared to when the product supply system was still in effect.

To continue the task of improving the management of the economy, the Long An Provincial Party Committee issued a resolution on improving the management of the economy in a comprehensive manner embracing industry, agriculture and distribution-circulation. In March 1985, the province conducted a pilot project in the improvement of management at a textile enterprise and a lumber enterprise. As a result of including all real, necessary costs in the production cost of 6 million meters of cloth and despite the fact that machine and equipment costs have increased five-fold and raw material, supply and energy costs have increased 43 percent compared to what they once were, the resulting retail price of 1 meter of cloth still turned out to be anywhere from 7 to 66 percent lower than the market price. All three interests have been satisfactorily met. The formation of capital by the state has increased by 30 million dong per year. The formation of capital by the enterprise has increased by 25 million dong per year. The average income of a manual worker and civil servant is 2,041 dong per month, a 660 dong per month increase compared to 1984. Compensation payments for losses have been eliminated from the state budget and price compensation payments have amounted to 233 million dong in 1985.

The above mentioned plan for the improvement of the management of distribution-circulation has been in effect within Long An for 5 years. At first, we encountered many difficulties, both objective and subjective. In particular, we had to struggle against conservative thinking, the fear of difficulties, the desire to retain the system of bureaucracy and subsidization and an unwillingness to move in a new direction. Today, Long An has overcome these difficulties and recorded many results and victories in many different areas: we have progressed from not controlling goods or money and allowing the market to be disrupted to controlling more and more goods and fulfilling obligations to the state while increasing our exports and controlling the market and prices. At present, on the Long An market, socialist commerce controls the nine essential products in the lives of the people, the primary agricultural materials and a number of other important products. Private

commerce has been restructured and operates under the control of the state. In 1980, socialist commerce accounted for only 28 percent of the revenues from retail sales. In 1984, it accounted for more than 40 percent of the revenues from retail sales on the social market. Having had a surplus budget for 5 years in a row, Long An has begun to control cash revenues and expenditures, is meeting the basic requirements of the locality and has eliminated the payment of compensation for losses in production and business. Long An quickly stabilized the standard of living of manual workers, civil servants and the armed forces, thereby motivating the working people to accelerate production and spurring higher social labor productivity.

The realities involved in the improvement of the management of distribution and circulation within Long An and the above mentioned experiences gained during the past 5 years permit us to draw the following conclusions:

First, to dismantle the system of bureaucracy and subsidization and shift to economic accounting and socialist business practices, it is first of all necessary to have a rational price system, one that correctly reflects the actual production and business situation.

The actual experience of Long An showed: if, when the production and business situation changed, we rigidly maintained the directed prices of the state, we would have incurred losses under our operating plans and borne economic pressure from many different directions. Because, directed prices that are incorrect not only make it impossible for the state to control goods, but also obstruct the development of production. They not only make it impossible to acquire enough goods to sell products on a normal basis in order to lead the market and impossible for the state to control money, but also put additional strain upon the balance between money and goods and the balance between cash revenues and expenditures. They not only make it necessary for budget revenues to be spent in large amounts to compensate for losses and pay compensation for prices in production and business, but also create many negative phenomena within production and business on the social market.

We cannot allow prices to spontaneously follow the law of supply and demand nor can we try to keep pace with market prices; however, we also cannot maintain rigid prices over a long period of time and without taking into consideration changes that occur in the factors that form prices. Here, the Long An Provincial Party Committee applied a flexible price policy and used prices as a lever stimulating the strong development of production, with the results that the state has gained control over goods and money, is managing the market and prices well and has stabilized the standard of living of cadres, manual workers and civil servants.

Secondly, in conjunction with improving the price system and generating more business, it is necessary to promptly and appropriately resolve the problem of the real wages and income of the worker, especially the wages of manual workers, civil servants and the armed forces.

For a long time, subsidization within distribution and low wages caused many negative phenomena to arise within the economy and social life. When this situation became widespread, state discipline could not be maintained, labor

productivity and the number of productive days and hours worked declined and the production and work of each person and each basic unit seriously declined.

Therefore, in conjunction with the issue of improving the price system, we must promptly resolve the problem of the wages paid to cadres, manual workers and civil servants. This problem has become the problem of most pressing importance and affects every aspect of production and social life.

Thirdly, the improvement of the price system and wages must be carried out at the same time as the improvement of the financial, monetary, credit and banking systems with the aim of dismantling the system of bureaucracy and subsidization within distribution and circulation. This is an objective requirement in the nature of a law, one that demands that we improve the distribution-circulation system in a well coordinated and comprehensive manner because if financial and banking activities continue to be conducted on the basis of the old system, it will pose many obstacles to the establishment of the new management system. Therefore, the pressing problem faced in distribution-circulation today is the need to adjust price, wage and monetary policies in a manner that is well coordinated and consistent. This is the decisive breakthrough that must be made in order to shift the entire economy, an economy heavily characterized by bureaucratic centralism and subsidization, to economic accounting and socialist business practices.

7809

CSO: 4210/12

THE POSITIVE RESULTS OF ADDING COMPENSATION FOR PRICES TO WAGES AND GRADUALLY INCLUDING WAGES IN PRODUCTION COSTS IN QUANG NAM-DA NANG PROVINCE

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 51-54

[Article by Tung Van]

[Text] The system of bureaucracy and subsidization within the field of distribution-circulation as reflected in prices, wages and money has had many negative effects upon the socio-economic situation.

The Quang Nam-Da Nang Provincial Party Committee realizes that only by taking determined steps to dismantle the system of bureaucracy and subsidization and shift entirely to economic accounting and socialist business practices in the spirit of the resolutions of the 6th and 7th Plenums of the Party Central Committee is it possible to develop production, stabilize the standard of living and accumulate capital for industrialization. In this spirit, the provincial party committee issued Resolution Number 23 on adding compensation for the prices of the products supplied under ration standards to wages and gradually including the wages to which compensation for prices has been added in production costs.

This is a correct policy, one that stems from a thorough understanding of the party's views on improving the current economic management system. Adding compensation for prices to wages is the first step in dismantling the system of bureaucracy and subsidization and shifting to economic accounting and socialist business practices.

The cadres, manual workers, civil servants, dependents and other persons who previously received supply stamps and coupons now have compensation for prices added to their wages. These persons no longer need to use stamps and coupons (except in the case of rice, which is still being sold on the basis of ration books). A one price policy is now in effect within the province and there are no longer any price differentials or any payment of compensation for losses to the commerce and grain sectors.

The products for which compensation for prices has been added to wages are the nine products supplied under ration standards and the nine products supplied outside ration standards. The compensation added to wages is calculated on the basis of the province's commercial business prices. The province has also

decided to pay an allowance equal to 20 percent of the total wage after compensation for prices has been added in order to stabilize and partially improve the standard of living of wage earners. At the same time, it has rescinded the subsidies for holidays, Tet and so forth. The province will readjust its prices if prices on the market change.

By adopting the policies described above, the Quang Nam-Da Nang Provincial Party Committee has thoroughly implemented the view of the party concerning wages, the view that wages are a factor of production costs. For a long time, only that portion of wages paid in money was included in production costs, not the portion paid in product. As a result of this situation, the wages paid within the production-business sector were not closely tied to the final results achieved by the worker, by the production unit and did not fully reflect the expenditure of human labor (V) in production costs. Therefore, together with adding compensation for prices to wages, the provincial party committee decided in the 2nd quarter of 1985 to conduct a pilot project in gradually including the wages to which compensation for prices has been added in production costs at 12 enterprises managed by the province and each district conducted a pilot project at one enterprise.

To implement the policy on adding compensation for prices to wages and gradually including the wages to which compensation for prices has been added in production costs with good results, the provincial party committee proposed the following measures:

First, expanding the socialist commerce network; changing the way business is conducted within the commerce sector; and intensifying the effort to control sources of goods through procurements in order to guarantee a supply of goods and have goods available to sell on a normal basis to manual workers, civil servants and the people under the price compensation policy with the aim of stabilizing market prices.

Secondly, managing the market; carrying out the socialist transformation of private industry and commerce in many different areas; and establishing forms of business cooperation with class A and class B private businesses so that the state can manage their business revenues, control goods and control the flow of money.

Thirdly, improving banking operations so that the state can control the flow of money; increasing the turnover rate of capital; encouraging deposits in savings accounts, bond purchases, etc.

Fourthly, developing sources of revenues, limiting administrative expenditures and practicing strict frugality in order to balance the budget and not disrupt the budget expenditures plan, especially with regard to the addition of price compensation to wages and investments in capital construction.

In April 1985, Quang Nam-Da Nang Province began adding price compensation to wages and gradually including the wages to which compensation for prices has been added in production costs at a number of enterprises. This policy has

been in effect for 2 months and although many difficulties and complex problems have been encountered, the initial results prove that this new approach has a positive effect in many areas.

1. Shifting from distribution in the form of stamps and coupons to distribution in the form of money.

By implementing the above policy, Quang Nam-Da Nang Province brought about major changes in distribution-circulation: it abolished the system of ration stamps and coupons; implemented a uniform system of wages paid entirely in money; implemented a one price policy; established normal trade relations; eliminated the phenomena of buying and selling stamps and coupons, made it impossible for commerce personnel to take advantage of price differences, etc. As a result of discarding ration stamps and coupons and paying wages in money, the families of cadres, manual workers and civil servants have more control over how their money is spent. They buy what they need and do not buy what they do not need. They no longer need to stand in long lines or wait for long periods of time when they go shopping.

The first requirement we faced when making preparations to add compensation for prices to wages was the need to determine the number of persons to whom price compensation would be paid in order to lay the foundation for determining the total wage fund so that the budget and cash needs could be estimated. According to initial estimates, the number of cadres, manual workers, civil servants and dependents (excluding persons receiving social relief) and the amount of money that would have to be added as compensation for prices to wages each month within the central bloc were 88,203 persons and 81.4 million dong respectively and, within the provincial bloc, 72,175 persons and 66.3 million dong. However, when we rechecked these figures for the purpose of paying real wages and settling accounts, we found that the number of persons being paid within the central bloc was only 61,934, a reduction of 26,269, and that the number being paid within the provincial bloc was only 63,010, a reduction of 9,165. At the same time, the real wages to be paid within the central bloc amounted to only 43.7 million dong, a reduction of 37.7 million dong, and the real wages to be paid within the provincial bloc came to only 50.1 million dong, a reduction of 16.2 million dong.

At present, the accounts of the district bloc and the persons governed by the social relief policy are being settled. The initial results have revealed hundreds of cases of distribution in violation of regulations and fraudulent statements of eligibility in order to receive grain ration stamps and coupons. As a result, a rather large quantity of grain and a rather large number of stamps and coupons became available.

Generally speaking, the total number of persons in all three blocs, the central, provincial and district blocs, is lower than it was before we began adding compensation for prices to wages. Due to this decline, the total wage fund is also lower than predicted. At present, the province is directing the sectors in continuing to make a full and accurate settlement of accounts in order to bring to light the negative phenomena concealed by the system of distribution based on ration stamps and coupons.

2. Changing the direction of socialist commerce, expanding the commerce network, intensifying procurement efforts and controlling the sources of goods.

The implementation of the policy of adding compensation for prices to wages has had the effect of stimulating a bold shift by the commerce and grain sectors to economic accounting and socialist business practices. The commerce sector has revised its plan for balancing the supply of goods, opened sources of goods and expanded its network. In the space of only 2 months, April and May 1985, it opened 20 additional stores, 90 additional sales points and 169 additional sales counters, established 267 additional agents, increased the seating at restaurants by 1,167 seats and established 65 additional mobile sales teams. At the same time, it expanded business hours. In conjunction with expanding the state-operated commerce network, the commerce sector has organized 52 stores that are operated on a cooperative basis by the state and private businessmen. The municipality of Da Nang has organized 42 such stores, participating in which are 406 businessmen with a total of nearly 20 million dong in capital. As a result, the state controls the flow of money, controls goods, is collecting more money in taxes and is earning better profits. The grain sector has carried out the mobilization of grain well and reorganized the network through which rice is sold to cadres, manual workers and civil servants, thereby insuring that rice of good quality is sold to consumers. In the space of only 1 month, the grain sector opened 53 additional stores with 103 sales points. Customers can buy rice at any store they wish and no longer need to stand in line.

One gratifying result is that in the 2 months that we have been adding compensation for prices to wages, the sales revenues of the commerce and grain sectors have risen markedly: the total sales of the commerce sector rose from 333 million dong in March 1985 to 405 million dong in May 1985, an increase of 72 million dong. The total rice sales of the grain sector rose from 19 million dong in March 1985 to 105 million dong in May 1985, an increase of 86 million dong.

3. The addition of compensation for prices to wages has not resulted in a cash deficit, market prices have remained stable and the standard of living of cadres and manual workers has been improved.

Implementing the policy on adding compensation for prices to wages has involved shifting the budget from a budget that compensates for losses, compensates for price differentials to a budget under which direct payment in money is made to wage earners and discontinuing the practice of both buying and selling goods at low prices, prices so low that goods were practically being given away. However, the budget has not had to be increased as a result of adding compensation for prices to wages. During the 2 months of the pilot project, cash revenues during the 2 months (April and May 1985) increased: cash revenues were 190 million dong higher in April than in March and 303 million dong higher in May than in March. Clearly, the addition of compensation for prices to wages has not caused a cash deficit, to the contrary, there is still a cash surplus.

When we began to add compensation for prices to wages, some manual workers and civil servants were concerned and worried that the state would not have sufficient money or goods, that prices would rise and their lives would become more difficult. However, the past 2 months show that market prices have remained stable. Whereas the provincial administration projected that wages would have to be paid twice each month, it has only been necessary to pay wages once each month. Cadres and manual workers are still able to buy essential goods on a normal basis at compensated prices. Generally speaking, since the addition of price compensation to wages, the standard of living of manual workers and civil servants has been stable and partially improved.

#### 4. Production has developed, labor productivity has risen.

Together with the addition of price compensation to wages, a pilot project was conducted at six enterprises managed by the province and a number of enterprises managed by the districts in gradually incorporating the wages to which compensation for prices has been added in production costs. In the 2 months of this pilot project, enterprise directors have been able to exercise their authority and fulfill their responsibility in the management of production and business; workers have been motivated; production has developed; labor productivity and product quality have risen; and the consumption of materials and fuel has declined. At the Hoa Khanh Textile Enterprise, cloth output has exceeded the plan quota by 5.1 percent. At the Thuy Tu Cement Enterprise, production levels were higher in April 1985 than in March 1985: the production of P.300 cement increased by 11.1 percent, the production of white cement increased by 24.3 percent and the production of cement brick increased by 112.9 percent. Labor productivity has risen at all of the enterprises involved in this pilot project, by anywhere from 12 to 40 percent. At some enterprises, labor productivity has risen very rapidly. For example, at the Thang Binh Brick and Tile Enterprise, labor productivity was six times higher in April 1985 than in March 1985. As a result, the income of workers is higher. Production costs and retail prices, although they have increased, are still acceptable to customers. The profit margin and state-operated revenues have been maintained.

Through the pilot project in the policy on adding compensation for prices to wages and gradually including the wages to which compensation for prices has been added in production costs at a number of enterprises, the Quang Nam-Da Nang Provincial Party Committee has learned much that is useful in economic management, developed the sense of collective ownership of the working people, combated the negative phenomena within society as well as within the state apparatus and established a correct attitude toward work and spirit of service within enterprises and state stores. At the same time, it has also gained clearer insight into the harm caused by bureaucracy and subsidization within the price, wage and monetary policies. On this basis, the provincial party committee has come to deeply understand that only by dismantling the bureaucracy and subsidization within the price, wage and monetary policies, adding compensation for prices to wages and including the wages to which price



compensation has been added in production costs is it possible to eliminate the obstacles in production and business, bring about a new change in the method of operation of the economic sectors, generate an atmosphere of enthusiasm in production and help to improve the standard of living of the working people.

7809

CSO: 4210/12

# 'RICHES LIE IN TRADE'

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 55-58

[Article by Thanh Thanh]

[Text] "Riches lie in trade" means that a person cannot become wealthy if he is not engaged in trade. This can also be taken to mean: to become rich, you must be engaged in trade.

The possibility that one can easily become rich through trade is a real phenomenon in society. Because of this possibility, "riches lie in trade" has been the philosophy of life of many strata of persons. It is not just laborers, not just poor, uneducated and common persons who consider getting into trade in order to rise to the top. Even many important persons, many persons who already have a lot of money and property and influential officials and persons in public office like to engage in trade in order to "get rich" on a grand scale. Persons with little capital engage in small-scale trade while persons with much capital engage in large-scale trade. Powerful persons, persons who are very rich and hold positions of authority, use both their power and their financial means to support trade and form special factions. Many of these persons not only engage in domestic trade, but also extend themselves into foreign markets and become "millionaires" and "billionaires."

Although there are differences in political attitude, business tactics and degree of wealth between small traders and large traders, differences that are sometimes very large, they all share one thing in common: once engaged in trade, they must employ clever tricks and buy low and sell high, especially those of them who have a "passion," a lust for money, are bent on becoming wealthy and are thus prepared to turn black into white, to do every despicable thing imaginable and commit crimes, do anything just as long as they earn large profits.

Of course, in a society in which persons compete in their work and trade, in which persons chase after money, there are some persons who "strike it rich" on a grand scale, who "strike it rich" as quickly as the wind blows, who buy villas and plantations for themselves, who "buy" mistresses and girlfriends for themselves, and also persons who "fail miserably" and are "completely ruined."

This nature of trade gave rise to the folk sayings "as dishonest as a merchant" and "as crooked as the tongue of the merchant." And, through the saying "scholar first, farmer second, industrialist third and merchant fourth," trade and traders were given a position on the bottom rung of society. We, persons who subscribe to the views of Marxism-Leninism, know that such a classification is incorrect but it is mentioned here to show that even in the old society they saw the negative aspects of trade.

Under the socialist system, trade is viewed in an entirely different way. Under the old system, trade was private, was characterized by commercial gain. Today, the socialist state directly controls trade in order to support the production and daily lives of the people. Trade, what we commonly call commerce, is an important activity of the national economy. Socialist commerce is the bridge that links production to consumption, is the capable housekeeper of society. On the basis of fulfilling its function and task, the more socialist commerce expands its activities and improves the quality of these activities, the more capably it supports the production and daily lives of the people. It also makes a considerable contribution to creating sources of capital for socialist industrialization.

In the initial stage of the period of transition to socialism, when the class struggle and the struggle between socialism and capitalism are sharp and bitter, the struggle within the field of trade between socialist commerce and private trade is also extremely bitter and complex. Lenin called commerce "the basic element in the forms of transition that we must make every effort to control." And, he demanded that cadres and party members set aside their "communist vanity" in order to study and learn trade, learn the trading methods of the bourgeois specialists and even "ordinary traders."

As soon as the period of transition to socialism began in the North, the state, together with intensifying socialist transformation, quickly expanded the network of socialist commerce in order to support the production and daily lives of the people and struggle against the negative aspects of private merchants. There was a time in Hanoi when socialist commerce accounted for more than 80 percent of the retail market and practically all of the wholesale sales of essential products. The other localities in the North recorded similar results. As a result, socialist commerce made positive contributions to stabilizing the standard of living of the people, of cadres, manual workers, civil servants and the armed forces, including during the years of the resistance against the United States for national salvation, when very many difficulties were encountered in every area.

Since the total liberation of the South, amidst the country's new situation, commercial activities have been turned upside-down in certain respects. We have not only been faced with the bitter struggle between socialism and capitalism, but have also had to deal with the very insidious wide-ranging war of sabotage being waged by the Chinese expansionists and hegemonists, especially on the economic front. On the other hand, we have been rightist in our approach to socialist transformation and committed shortcomings in our management of the economy and management of society. In the transformation of private industry and commerce, we have let things drift for a long time and throughout the country, thus allowing the bourgeoisie, especially the ethnic

Chinese bourgeoisie, to re-establish themselves and grow and allowing spontaneous capitalist forces to freely operate, thereby creating socio-economic disorder. The number of persons rushing into trade in recent years has risen very rapidly and has been as high as about 1.5 million persons nationwide. During the past several years, the business and trade of private merchants have developed rapidly, both in terms of business revenues and the percentage of the market controlled by them. Private merchants have not only expanded the retail sale of very many products, but also control wholesale sales and compete intensely with socialist commerce for a number of products and within important localities.

Under socialism, private trade, in addition to its positive aspects, still has its negative factors. The most common of these factors are black marketing, buying low and selling high, dealing in contraband, tax evasion, cheating on taxes... Besides these commonplace tactics, some persons specialize in fraud, in making and selling fake goods and counterfeit stamps and coupons, in combining trade with receiving stolen property or contraband and in conspiring with ship pilots, drivers and other degenerate, deviant personnel within state agencies in order to steal public property. In recent years, we have also seen the emergence of smuggling routes set up with foreign countries combined with trade in foreign currency, gold and silver, opium... The activities of some persons not only involve trade, but also gangster and hoodlum type activities or activities of a reactionary political nature.

As a result of their despicable trade tactics and shortcomings on our part in management, many traders have become wealthy very quickly over the past several years, in the South as well as the North. These persons include not only many former bourgeoisie who have re-established themselves, but also more than a few newly emerged bourgeoisie.

These persons, who have "struck it rich on a grand scale," have quickly become wealthy, live extravagant and aristocratic lives, live in luxury to their heart's content and frequently adopt the eccentric, vulgar lifestyle of the "idle rich." They ridicule persons who earn a legitimate, honest living and call the poor "foolish," "stupid" and "not up with the times." They always extol the virtues of money, revere money, chase after money and consider money to be their "god," to be everything.

The negative activities of private merchants, especially of the bourgeoisie in commerce, such as smuggling, buying and reselling strategic products managed by the state, competing with state-operated agencies in procurements and sales, raising prices, price gouging, the "bait and switch" tactic, speculation, hoarding and so forth, have disrupted prices and the market, disrupted socio-economic order, created many difficulties and complex problems in the management of the economy and society and caused serious harm to production and the standard of living. They have not only disrupted the economy, but also had a negative impact upon many aspects of social life, created an unwholesome attitude, an unwholesome way of life and corrupted more than a few cadres, party members and personnel of the state.

Because of these negative aspects of their activities, our party and state have decided that positive efforts must be made to virtually complete the

transformation of private commerce in 1985. In particular, it is necessary to quickly and thoroughly remove the bourgeoisie from commerce. Small traders who are not necessary in the circulation of goods must gradually be shifted to jobs in production and the services. However, just at this time that it has become necessary to step up the transformation of private commerce, to denounce the tactics employed to gain illegitimate wealth, to criticize the pragmatic lifestyle of chasing after money, some cadres, party members and state personnel are most anxious to get into trade. Their thinking, their argument is also that "riches lie in trade," that "the person who is not in trade, is not rich."

In broad terms, there are many different ways to become wealthy. Some persons become wealthy in one way, others in another. Of importance is the need to clearly distinguish between the two different ways of becoming wealthy: legitimately and illegitimately. We do not criticize persons who become wealthy by legitimate means. What we must struggle against and criticize is the use of illegitimate means to become wealthy. There are also many different illegitimate ways of becoming wealthy. Fraudulent trade tactics and illegal activities that are exploitative in nature, that undermine socio-economic life and are contrary to the positions and policies of the party and state are illegitimate ways of becoming wealthy. In practice, not everyone who engages in trade quickly becomes wealthy nor does everyone who engages in trade harm our socio-economic life. It is only through illegitimate and illegal trade tactics that evade the scrutiny of state agencies and the people that traders can quickly amass huge wealth. However, acquiring wealth through illegal trade tactics and dishonest activities absolutely cannot be the thinking, the approach of cadres and state personnel of conscience, who cherish their dignity and character. It is even more important that party members, persons who are enlightened by the ideals of communism, never dream of such things. The arguments that "riches lie in trade," that "one cannot become wealthy without engaging in trade," which essentially equate to becoming wealthy in an illegitimate manner, are totally contrary to the communist philosophy of life.

It must be said that, in recent years, signs of degenerate thinking concerning the matter of becoming wealthy have been seen among some cadres, party members and state personnel. Some of them have pooled capital to go into trade, into business with bourgeoisie. A number of others have hired manpower to go into business, to produce one product or another like bourgeoisie. Whether they want to or not, they have, in actuality, become persons who are participating in exploitation and have taken the side of spontaneous capitalist forces. There is another type of persons who have either already become wealthy or are in the process of becoming wealthy by different methods: operating illegal businesses, dealing in contraband, taking bribes, stealing money, goods and property of the state or collective and conspiring and colluding with bourgeoisie, dishonest merchants and undesirable elements. Many persons of this type have been expelled from the party, have been fired from state agencies, are in prison or are awaiting their day in court.

At present, the struggle between socialism and capitalism is a bitter struggle in every field of social life. The enemy is making every effort to sabotage us in many different ways. One of their evil schemes is to sabotage our

thinking, morals and way of life. Therefore, our cadres, party members and state personnel must be more alert, more resolute, more vigilant than ever before. We must be determined to maintain our pure thinking, pure feelings and pure soul and not be seduced by the thinking of acquiring wealth by illegitimate means, by the way of life of earning money by illegal means. This is not only the responsibility of each individual, but also the responsibility of the collective, of each organization of the party, each agency and unit. And, even those persons who play the leading role in each of these collectives must be vigilant against thinking that is incorrect. Experience has frequently shown: individualism does not spare anyone who is lacking when it comes to improving and cultivating revolutionary qualities.

7809

CSO: 4210/12

COMMEMORATING THE 700TH ANNIVERSARY OF THE VICTORY OF THE RESISTANCE AGAINST THE YUAN (1285-1985): 'WHETHER WE WILL WIN OR LOSE CAN BE KNOWN'

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 59-61

[Article by Nhuan Vu]

[Text] In 1282, after learning that the Yuan Army was marching to invade Champa, the imperial court of the House of Tran assessed this move as the first step in the grand "conquer the South" plan of Kublai Khan and as a step being taken by the Yuan imperial court to prepare for the war of aggression that they would wage against Dai Viet.

On the basis of this clear-sighted strategic observation, the imperial court of the House of Tran urgently began making immediate preparations in every field for the defense of the country.

Above everything else, the imperial court of the House of Tran attached importance to building the spirit of being prepared to give one's life for the country, building determination to fight to the end to defend the fatherland. This spirit, this determination, which were inherited from our forefathers and were instilled in everyone from the king, generals and soldiers to the ordinary citizen, were crystallized in the three words "kill the enemy" that were tattooed on the hands of many persons. The spirit of determination to fight, which fused the imperial court of the House of Tran with the army and people of the country within a solid, strong united bloc, was the foundation of the strategy "the entire country will intercept the enemy" (putting the strength of the entire country into the fight against the enemy), of the battlefield deployment formed in the shape of the ideograph for the word "multiply," within which "a battle position is built by anywhere from 1 person to 10,000 persons," with "king and subject being one in their hearts, all brothers and sisters being in accord, the entire country combining its forces." (1) This unity stemmed from the spirit of determination to fight and had the effect of consolidating and strengthening this spirit. The Representatives of Elders summoned by the Tran king from all parts of the country to the Dien Hong Conference in early 1285 shouted in one voice: Fight! In order to win victory over an enemy that was many times larger and stronger than we, an enemy that had just conquered the Southern Song, the entire country had to focus the full measure of its forces, its spirit and its will on this its highest goal. For this reason, a number of persons within

the royal family of the House of Tran set aside their personal dislikes for one another in order to join together in looking after the affairs of the country and dealing with the national disaster. The upper strata, the lower strata, the entire country was united as one. Thus, Dai Viet was truly prepared to go into battle to fight the Yuan and save the country.

But how was this determination to lead to victory? In 1282, the Tran king convened the Binh Than Conference, a conference of princes, mandarins and high ranking military officers to discuss and formulate a resistance plan. Following that conference, urgent military preparations were carried out. Military forces were organized, built and trained throughout the country. Even a young prince, Tran Quoc Toan, eagerly joined the army to personally participate in the fight against the enemy. The forces of the imperial court, the forces of the provinces and the militia of the hamlets trained night and day. Decadent, playboy habits were abandoned because "a chicken's spur cannot pierce the armor of the enemy, strategy in gambling cannot be used in making military strategy."(2) Tran Quoc Tuan wrote the "Basic Military Manual" and ordered his generals to "commit this book to memory"(3) and sternly warned "if you ignore this book, if you go against my instructions, you will be reviled for your entire life."(4) The military theory of Tran Quoc Tuan, a product of the military thinking of this great national hero, which crystallized the experiences of preceding generations in fighting wars to defend the country, was written down in the form of a document and used as the foundation of the strategy and tactics of our armed forces and people during the Tran era. Many large maneuvers and parades were organized within the capital and a number of strategic provinces.

The Yuan forces were very strong. The imperial court of the House of Tran clearly realized that it could not defeat them at the gateways to the fatherland as Ngo Quyen and Le Hoan had done. Therefore, they projected the worst possible situations that could occur, including the loss of the capital. For this reason, in its preparations to defend the country, the imperial court of the House of Tran established strategic withdrawal areas in the northeastern provinces along the seacoast (Haiphong-Quang Ninh) and the Thien Truong(Nam Dinh), Truong Yen (Ninh Binh) and Hoan Dien (Nghe An-Thanh Hoa) regions. These were areas of treacherous terrain, areas crisscrossed by rivers and streams that were unfavorable for the deployment of the large Yuan forces, especially their cavalry, their most effective branch. On the other hand, the imperial court of the House of Tran wanted to make full use of its rather powerful marine forces. More importantly, these were base areas from which we could attack, to which we could withdraw and defend," areas that served as springboards for the counter-attacks that our side planned to carry out after the "onslaught" of the Yuan forces.

In preparing this rear area and these bases, the Tran imperial court attached very much importance to building and maintaining strategic reserve forces within the two cantons of Hoan-Ai (Nghe An-Thanh Hoa), places where there was abundant seasoned manpower. As a result, when forced to withdraw to Hai Dong (the areas along the South China Sea coast), King Tran Nhan Tong joyfully composed the following line of poetry filled with confidence:

"There are still 100,000 troops in Hoan Ai."(5)



Meanwhile, our forces deep within the areas behind enemy lines--such as the citizen soldiers of the Tay minority commanded by Nguyen The Loc and Nguyen Linh in the Lang Son region, the citizen soldiers of the mountain ethnic minorities in the Vinh Phu region commanded by Ha Dac and Ha Chuong and the militia of the lowland areas along either side of the Red River commanded by Tran Thong, Nguyen Kha Lap and Nguyen Truyen--continuously conducted combat operations against the enemy and became important strategic reserves that were sent into combat in the counter-attack against the flank and behind the lines of the Yuan forces.

In the resistance war plan, the imperial court of the House of Tran also attached special importance to the economic factor. Clearly aware that the fate of the large expeditionary army of aggressor forces depended, to a large degree, upon local sources of food for men and horses, our armed forces and people took positive steps to cut the communication and resupply lines of the enemy and attacked their resupply units; on the other hand, they resolutely implemented the policy of "an empty garden, an empty house" in order to prevent the enemy from stealing "one grain of paddy, one stem of rice straw." Throughout the provinces hung signs stating: "All precincts and districts of the country: if the enemy comes, you must risk your life and fight them; if your forces are insufficient to defeat the enemy, you may withdraw into the mountainous jungles, but may not surrender." ("Nguyen Su" Book 209, p 7b.(6)) The Tran imperial court even had a contingency plan to abandon the capital so that if the Yuan forces took Thang Long they would find themselves in a city devoid of both people and property.

The military preparations made by the Tran imperial court to defend the country were truly comprehensive. The military measures taken by the imperial court were taken within the framework of a full-scale war of resistance with the aim of building a people's war battlefield deployment and putting the forces of the entire country, of the entire nation into the effort to "intercept the enemy." These preparations were not limited to the territory of our country, but also involved preparations outside the country.

The Tran imperial court emphatically rejected each request of Kublai Kan that Dai Viet "provide war supplies" and allow the Yuan armed forces to "use roads" so that they could attack Champa. The alliance against the common enemy between Dai Viet and Champa was thus strengthened. After Kublai Khan established the Yuan Dynasty in 1271 and although it knew of his aggressive designs against our country, the Tran imperial court continued to maintain diplomatic activities with the Yuan imperial court for many years. This amounted to an extremely arduous and complex struggle. By firmly maintaining the independence and upholding the honor of the nation while displaying flexibility in tactics, the Tran imperial court gained more time to prepare its forces for the war of resistance. By the time that Kublai Khan realized that he could not achieve his objective of annexing Dai Viet by any other means than a war and decided to order his troops to depart, the battlefield deployment of "the entire country intercepting the enemy" of the Tran imperial court and the armed forces and people of Dai Viet had already been completely established.

The thorough, talented and urgent preparations that were made were one of the factors in the victory of the armed forces and people of Dai Viet in the resistance against the Yuan in 1285.

"If we do not take steps to protect ourselves in advance, we cannot know whether we will win or lose." These were the words spoken by Ngo Quyen to his generals in 938 after learning that Huang Cao was about to lead the forces of the Southern Han in aggression against our country. Ngo Quyen urgently prepared a defense, one which included inserting rows of wooden stakes in the bottom of the Bach Dang River, as a result of which a major defeat was inflicted upon the Southern Han forces and Huang Cao was killed on the battlefield.

Following the example set by their predecessors, the Tran imperial court prepared the country's defenses over a long period of time in every area and on a large scale. On this basis, the national hero Tran Quoc Tuan foresaw our inevitable victory and the inevitable defeat of the Yuan forces, constantly seized the strategic initiative and dealt with each situation in a talented and flexible manner. Under the high command's outstanding guidance of the war and leadership in battle, the armed forces and people of the Tran era bravely and resourcefully brought the war of resistance against the Yuan in 1285 to brilliant victory, thereby opening one of the most glorious chapters in the history of the nation of Vietnam.

#### FOOTNOTES

1. The counsel given by Tran Quoc Tuan to the Tran King in 1300 just before he died, Lich su Viet nam"[The History of Vietnam], Social Sciences Publishing House, 1976, Hanoi, Book I, p 215.
2. Tran Quoc Tuan's "Proclamation to Officers," "The History of Vietnam," p 201.
3. Ibid.
4. Ibid.
5. Ngo Si Lien: "Dai Viet su ky toan thu,"[The Complete History of Dai Viet], Social Sciences Publishing House, Hanoi, 1967, Book II, p 51.
6. Ha Van Tan and Pham Thi Tam: "Cuoc khang chien chong xam luoc Nguyen Mong the ky XIII,"[The War of Resistance Against the Yuan-Mongol Aggressors in the 13th Century], Social Sciences Publishing House, Hanoi, 1968, p 185.

7809

CSO: 4210/12

ENDEAVORING TO BRING ABOUT THE STRONG DEVELOPMENT OF THE SOCIALIST SYSTEM OF  
PHYSICAL EDUCATION AND SPORTS

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 62-66

[Article by Ta Quang Chien]

[Text] The August Revolution in 1945 gave birth to the new country of Vietnam and, at the same time, opened the way for the development of the economy, culture and society in a direction totally different from that under the old system. Our new system of physical education and sports was also born during those glorious days in our history. However, shortly thereafter, because of our need to fight the resistance against the U.S. imperialists, the impact of each physical education and sports activity was limited. In 1954, while joining the rest of the country in the resistance against the United States, the North embarked on socialist construction. Through favorable international relations, we truly acquired the conditions needed to begin laying the foundation of socialist physical education and sports. In particular, the total victory of the resistance against the United States for national salvation, the reunification of the country and the start of the advance by the entire country to socialism brought about a decisive turning point in the development of our socialist system of physical education and sports. The resolutions of the 4th and 5th National Congresses of Delegates of the Party asserted: "Physical education and sports are indispensable in the cause of establishing the new culture and molding the new, socialist man and must capably support the cause of building and defending the socialist fatherland. The party's line on physical education and sports was codified in Article 48 of the 1980 Constitution of the Socialist Republic of Vietnam as follows: "A Vietnamese system of physical education and sports of a national, scientific and popular nature is to be developed in a strong and balanced manner with the aim of improving the health and develop the physical conditioning of the people in order to build socialism and defend the fatherland."

During the past 10 years, in keeping with this guideline, the nationwide physical education-sports movement was quickly reunified under a common goal and has developed more widely with each passing day in all localities and sectors. Many provinces and municipalities in the South are acquiring a new vitality. The physical education-sports movement in these provinces and municipalities has developed relatively quickly and made positive contributions to eliminating the decadent cultural remnants left behind by the

old system. Since the adoption of the policy on holding physical education-sports congresses on the various levels in advance of the 1st National Physical Education-Sports Congress, the movement has undergone comprehensive, strong and intense change, attracting more than 10 million persons, 3.3 million of whom have met the standards of being in good physical shape. More than 4,000 units have earned the title of "advanced in physical education and sports." The forces of students, youths and teenagers have been confirmed as being the primary subjects of the widespread mass movement. The armed forces, including both the army and the public security forces, have a strong movement, one that has had a positive impact upon the movement in practically every locality of the country. Manual workers and civil servants engage in many positive, creative activities that help to improve their cultural life and their health, thereby capably supporting production and work requirements.

The force of gymnasts is currently being developed along more fundamental, stable lines. From within the widespread mass movement, many sport talents have been discovered and brought within the system of scientific elementary and advanced training. As a result, there has been a succession of young athletes who have quickly broken the records set by preceding athletes in all sports. These new factors, these new forces filled with prospect are on the momentum of strong development in many localities, in many sectors throughout the country. These young forces now account for more than 50 percent of the more than 700 level I athletes and national champions. This percentage is even higher among the 180,000 general athletes now active in the localities and sectors of the entire country. Generally speaking, attention is being given to improving the basic, comprehensive training being provided in all sports.

The force of physical education-sport management cadres who meet basic standards and are experienced is constantly growing. In particular, for more than 20 years, the corps of physical education-sport scientific and technical cadres trained at home and abroad has been growing very rapidly in both size and quality. More than 40 professors and persons who hold Master of Science degrees, nearly 3,000 college trained cadres and nearly 4,000 cadres who have a middle school or academy education are holding different positions within the apparatus of the physical education-sport sector, within the colleges, academies and vocational middle schools, within the middle level and elementary general schools, within the sport training centers, the gymnastic selection units...of all sectors and localities throughout the country.

Many sectors and levels have concerned themselves with investing in the construction or improvement of the material bases of the physical education-sport movement. As a result, besides the modern projects, such as the athletic fields, gymnasiums, swimming pools and marksmanship ranges representing each level that have emerged in recent years, very many more physical education-sport training centers and clubs are being established within basic units to the great delight of the masses. Many places have also concerned themselves with developing the physical education-sport equipment production and distribution network and gradually meeting the large needs of the movement.

Our young socialist system of physical education and sports is being formed in harmony with the strong development of the system of physical education and sports within the socialist community and the international olympic movement. In addition to cooperation and mutual assistance, our physical education-sport system has many opportunities to make contact and compare itself with other systems in order to grow and reach the level of the times.

The achievements and advances mentioned above have given physical education and sports a solid position within the life of society and are creating real conditions that guarantee even stronger development in the future. If more appropriate attention is given to guiding it, this development will be very many times more steady and higher than it is now.

However, besides growth and development, there are still areas of physical education and sports in which we are still weak and deficient, in which we have failed to truly establish the fundamentals of our system compared to the requirements of socialist physical education and sports. The mass physical education and sport movement still lacks a solid base, still lacks continuity and quality and is still producing low returns. Students, youths and teenagers have yet to truly occupy the key position within the movement. Light attention is still being given to physical education policy. The corps of athletes, especially young athletes, is still thin and developing at a slow rate. Standards, achievements and records are still very low compared to what they should be. A number of activities are being strongly affected by negative phenomena in society and reflect remnants of the old system of physical education and sports. Investments in physical education and sports have not been appropriate. The guidance being provided is haphazard and not consistent with the activities of socialist physical education and sports.

Our physical education and sports are entering a new stage of development. With the concern of the various party committee echelons, levels of government, sectors and mass organizations, the physical education and sport congresses recently held in the localities and sectors not only reviewed the movement, but also made very positive contributions to building and teaching patriotism and love of socialism in every area of the fatherland. Through these congresses, the physical education-sport movement is gradually building for the national physical education-sport congress. This will be an event, a phenomenon that has not been seen for many years in the history of our physical education and sports. Whereas the physical education-sport congress held on each level inspired the movement on that level, the national physical education-sport congress will inspire the nationwide movement with a strength many times greater.

In order for physical education-sport activities to capably support the immediate as well as long-range political tasks of the country, we must, between now and the year 2000, further heighten the responsibility of all of society toward physical education and sports of a national, scientific and popular nature with the main objectives being to effectively contribute to maintaining the health and improving the physical conditioning of the people, supporting the effort to establish the new culture and mold the new man and meeting the requirements of socialist industrialization and a modern national defense system.

To implement these strategic guidelines, we must step up the mass physical education-sport movement throughout the country, beginning among youths and students; endeavor to reach the target of having approximately 16 million persons participating in physical training on a regular basis and 5 million youths who meet the physical training standard of being ready to work and defend the fatherland; focus efforts on improving the quality of physical education for students with the aim of improving the health and physical conditioning of the future generations and laying the groundwork for the training of sport talents; and improve the quality of physical training within the armed forces. On the other hand, positive steps must be taken to build a corps of athletes that is large, a corps that has continuity, a corps of athletes who possess good political qualities and morals and perform at a high level of achievement, first in comparison to the rest of Southeast Asia and proceed from there to approach the international level of achievement in the main sports, sports in which we currently have many capabilities and the conditions needed to make rapid progress. These are the two primary areas that reflect the essence of the socialist system of physical education and sports, each of which has specific objectives that are consistent with each stage of history.

The socialist nature of the mass movement is reflected first in the objectives and scale of organization of the movement and the practical results produced by it. In gymnastics, this nature must be reflected first in the level of specialized skill achieved, in the political qualities and morals of the athlete in daily training and in competition in each sport and on each level. Every physical education-sport activity must reflect the development of the new culture and the new man, with importance attached to the educational factor and the establishment of broad unity for the sake of socialist construction and the defense of the fatherland.

Because the political, social and scientific nature of physical education and sports is very profound, very much importance must be attached to the socio-political and scientific aspects of these activities when guiding the implementation of the above mentioned strategic guidelines for the development of physical education and sports.

In socio-political terms, physical education and sports must always be closely tied to the strategic task of the revolution and our socio-economic goals during each period. At present, the struggle between socialism and capitalism is a bitter struggle in every field of social life. We must be vigilant against the remnants of the old system of physical education and sports, such as hating to lose, partialism and localism, a lack of loyalty, disregard for the masses, commercialization, a lack of discipline, a lack of order, a decadent personal lifestyle even in sports... We must also be vigilant against the schemes of the enemy to take advantage of the internal contradictions within sports to undermine the unity and solidarity of the movement. To insure that physical education and sport activities are of a positive nature, we must attach importance to teaching politics and ideology in exact accordance with established systems and statutes. The various leadership levels must help the physical education-sport sector play a good role in managing the movement on the basis of the views and line of the party and state. The socio-political nature of socialist physical education-sports

reflects the strength, the fine character and the superiority of the socialist system. Only under our system can physical education and sports mobilize the combined forces of all of society to meet common goals for the sake of molding the new man and establishing the new culture. Propaganda and press agencies play a very important role in insuring that physical education and sports are always properly oriented. However, the press must adhere to the views and line regarding socialist physical education and sports in order to have an educational impact. The facilities at which physical education and sport activities are conducted must have as their nucleus party members and Communist Youth Union members in order for the movement to be maintained and developed.

In terms of technical specialization, there is no case in which the achievements of athletes can be raised and the mass movement can be developed if there is a shortage of scientific and technical cadres. In gymnastics, importance must be attached to selecting gymnasts and providing them with comprehensive training in both special technical skills and politics and ideology within a very basic, scientific system. We must establish a corps of scientific-technical cadres and trainers who truly possess the skills and personal qualities needed to perform this task. We must adopt a strict management policy and provide athletes with thorough, appropriate care. Advanced technical bases and very many other conditions must be provided if we are to record high achievements, set high records and catch up to the level of development of our times. Competition is the measure by which the skills of athletes are confirmed, is an opportunity to examine each of the above mentioned factors involved in the preparation of athletes. No matter how much effort is put into competition, it cannot take the place of the factors that must be present in training. Only when all training is conducted fully and well is it possible to develop the latent potentials that lie in the talents of each person. An objective, scientific attitude must be adopted when analyzing the strengths and weaknesses of each athlete or an entire team through the results of their competition. Otherwise, we will lack direction and sometimes cause many complex consequences for society. In view of our actual circumstances today, the entire nation as well as every locality and sector must give attention to developing the physical education-sport movement in a comprehensive manner. At the same time, we must focus our efforts on key sports in which we are capable of quickly recording high achievements. The physical education-sport sector must take the initiative in closely coordinating with the public health sector and the other scientific-technical sectors in order to fulfill its assigned responsibility and raise the level of achievement in sports.

The development of physical education and sports depends, to a very large degree, upon the economic, political and social situations during each period of time. It is very important that planning be applied to guide physical education and sports. It will help us to correctly select specific targets and optimum measures for each specific period of time. The plan for the development of physical education and sports is a part of the socio-economic development plan of each locality and the entire country. Therefore, very much importance must be attached to the application of planning in guiding the development of physical education and sports.

Physical education and sports are an indispensable element of the socialist revolution. Socialist physical education and sports have taken their first steps and will gradually achieve perfection on the momentum of the overall development of the revolution. Under the leadership of the party, our socialist system of physical education and sports is making every effort to grow and be worthy of the stature of our nation and the level of development of our times.

7809

CSO: 4210/12



THE 7TH CONGRESS OF THE COMMUNIST INTERNATIONAL AND THE TASK OF STRUGGLING TO  
SAFEGUARD WORLD PEACE

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 pp 67-70

[Unattributed article commemorating the 50th anniversary of the 7th Congress  
of the Communist International (1935-1985)]

[Text] Fifty years ago, in Moscow, a political event of extremely important  
significance to the international communist and worker movement and the  
national liberation movement occurred: the Communist International held its  
7th Congress(\*).

In the early 1930's, capitalism entered the stage of profound crisis and the  
threat of war increased markedly. The German and Italian fascists as well as  
the Japanese militarists, bellicose by nature and aided and encouraged by the  
reactionary circles of U.S., British and French capitalism, were making  
intense preparations for a new world war with the ambition of redividing the  
world and establishing fascist regimes throughout the world. By encouraging  
the fascist aggressors, the imperialists hoped to channel their aggression  
toward the Soviet Union with the aim of destroying the first socialist state  
in the world.

This situation demanded that the communist parties adopt a new strategy and  
tactics with a view toward uniting the broad masses in struggle against  
fascism, against the mounting threat of war.

At that time, the Communist International had 76 member communist parties and  
organizations in various countries, only 26 of which were engaged in open,  
public activities. The other 50 were still clandestine parties and  
organizations as a result of the ruthless terror and suppression being  
directed against them by class enemies. Despite all the difficulties and  
obstacles they encountered, 513 delegates from the various communist parties  
and organizations representing the more than 3,140,000 communists of that time  
arrived in Moscow and attended the 7th Congress of the Communist  
International. The Indochinese Communist Party delegation that attended the  
congress consisted of three persons and was headed by Le Hong Phong.  
President Ho Chi Minh, who was using the name Lin at that time, participated  
in the congress as a delegate representing the Far Eastern Bureau of the  
Communist International. He participated in the seminars conducted within the

various subcommittees and, at the same time, helped our party's delegation complete its task at the congress well.

The focus of attention of the 7th Congress of the Communist International was the issue of struggling against fascism and establishing an anti-fascist and anti-war united front of the proletariat and people.

The congress analyzed the nature of fascism, observing that it was a dictatorial system of ruthless terror created by the most reactionary, chauvinistic and imperialist elements of financial capital. It pointed out that the rise by the fascists to power was not simply a matter of one bourgeois government taking the place of another, but a matter of a form of bourgeois democratic rule being replaced by dictatorship and terror. Evaluating German fascism as the most reactionary form of fascism, the congress emphasized that it was the shock force of the international counter-revolutionary powers, was the leading instigator of imperialist wars, was the mastermind of the anti-Soviet "crusade."

The congress criticized every argument that underestimated the threats posed by fascism and emphatically rejected the mistaken view that fascism would inevitably be victorious. It defined the primary conditions needed for waging a victorious struggle and achieving unity of action among the working class, tapping the activism and militancy of the working class and uniting the forces of the working class into a unified and militant army. As a result, the congress appealed to all communist parties to actively struggle for the establishment of the United Front of the Working Class.

The congress also proposed that all communist parties expand the struggle to unite peasants, the urban petty bourgeoisie and the laboring masses of the oppressed nations with the aim of establishing a broad anti-fascist front of the people based on the United Front of the Working Class.

The congress adopted resolutions concerning the issue of unifying the trade union movement, considering this to be an especially important factor in consolidating the United Front of the Working Class.

The congress charted the course that should be taken by the communist party in the case of a war breaking out as taking advantage of the economic and political crisis caused by the war to topple capitalism, the quicker the better.

Recognizing that the victory of socialism in the Soviet Union was of global historic significance, the congress set for all communist parties in other countries the task of "marshalling their forces and doing everything possible to help strengthen the Soviet Union, to struggle against the enemies of the Soviet Union."

The congress also adopted resolutions concerning the issues of organizing and establishing methods of leadership and forms of activity that were consistent with the new situation, avoided interference in the internal affairs of the communist parties and created the conditions for these parties to display creativity in leading the masses in struggle. The 7th Congress of the

Communist International set the strategy and tactics of the international communist movement in the new situation.

Fifty years have passed since the 7th Congress of the Communist International appealed for broad unity to oppose fascism and safeguard peace. During this period, major changes have occurred in the world situation. Mankind experienced the bitter agony of World War II during which some 55 million persons were killed and 90 million were wounded. The Soviet Union together with democratic, progressive and peace loving forces crushed fascism--the most reactionary army of the imperialist bourgeoisie--thereby weakening the entire capitalist system. Following World War II, a host of socialist countries came into existence. Socialism, now a world system, became the factor determining the direction of development of mankind. The national liberation movement has developed strongly, large portions of the system of colonies of colonialism, both old and new, have collapsed and the entire system is approaching total collapse. The working class and progressive forces within the capitalist countries have intensified their struggle for democracy and a better standard of living, their struggle against unemployment, exploitation and social ills, their struggle for justice, freedom and peace.

Today, the face of the world is far different than it was 50 years ago. However, extreme urgency still characterizes the bitter struggle against imperialism, against the threat of war, the struggle to safeguard peace. Therefore, the lessons of the 7th Congress of the Communist International in opposing war are still of profound significance today.

The spirit of the 7th Congress of the Communist International reminds us that we must always be vigilant and correctly evaluate the schemes and actions employed and taken by the imperialists and their lackeys to start wars. Today, while the Soviet Union and the socialist community together with all progressive forces advocate a policy of struggling for world peace and security, the imperialists, headed by the U.S. imperialists, continue to pursue insane plans to oppose the Soviet Union, oppose the socialist community, oppose the national liberation movement and peace and freedom loving countries, oppose the working people in the capitalist countries. For the sake of their selfish interests, their sources of huge profits, their illusion of blocking and wiping out the international communist and worker movement, U.S. militarist and bellicose circles are plunging headlong into the nuclear arms race. They have deployed nuclear missiles in western Europe, have accelerated the militarization of space and are planning "wars in the stars" in a vain attempt to disrupt the balance of power, achieve military superiority, achieve nuclear superiority and bring mankind to the brink of a destructive nuclear war. Along with their own nuclear arms race activities, the U.S. imperialists have encouraged and supported revanchism within the Federal Republic of Germany and spurred the rebirth of Japanese militarism. The United States is openly looking for ways to seize the "right" to intervene everywhere, brazenly violate the interests of other countries and nations, constantly create sources of conflict and threats of war and arrogantly keep "hot spots" in the world alive. Under U.S. direction, armed conflicts, regional wars, wars without battle line and wars fought through others are continuously breaking out in many areas of the world. In Southeast Asia, the United States is supporting the reactionaries within Beijing ruling circles in

their expensive efforts to oppose and attack the countries of Indochina and has caused a confrontation between the ASEAN countries and the three countries of Indochina.

Long in the habit of being deceitful and lying, the imperialists, while pursuing the arms race in a fit of temper and making frantic preparations for war, have been incessantly speaking about peace and friendship while loudly slandering the Soviet Union and distorting the good will of the Soviet Union and the socialist community with regard to safeguarding peace.

Clearly, the world situation is more tense and complex now than at any time in the past 40 years. The peril of the new world war for which the U.S. imperialists are making frantic preparations threatens mankind. Struggling to safeguard peace is the urgent task of foremost importance of the people of all countries and all persons of conscience throughout the world. Remembering the grave losses suffered by the people of the world in World War II, we are even more determined not to allow a nuclear holocaust to occur, determined to block the hands of the U.S. imperialists and their lackeys and prevent them from unleashing a war, determined to prevent a world war before it breaks out.

The spirit of the 7th Congress of the Communist International reminds us of the need to wage tireless struggle to preserve peace. And, in this most arduous but glorious undertaking, the factor that will determine victory is the combined strength of socialism. Therefore, increasing the strength of the socialist community, the pillar of which is the Soviet Union, in every respect is the task of foremost importance. Besides this, it is necessary to constantly expand the broad and strong front struggling to safeguard peace.

As observed by the 7th Congress of the Communist International, the strength of the Soviet Union, the first and only socialist country in the world during World War II, together with the strength of the international communist and worker movement were the determining factor in the victory won in the war against fascism. The realities of history over the past 40 years have proven that the solidarity and consensus, the economic and military might and the unity of actions in the international arena of the socialist community, the pillar of which is the Soviet Union, have been invincible forces in the struggle for mankind's future of peace. Now, more than ever before, increasing the strength of the socialist community in every respect will have the effect of keeping the aggressive ambitions of imperialism firmly in check.

No nation in the world wants war. On the basis of his experience and vision, man knows where a policy of aggression, where a world war involving the use of nuclear weapons will lead. Revolution is the undertaking of the masses. The working people of all countries, under the leadership of Marxist-Leninist parties, will win more victories for socialism in new areas of the world without ever having to resort to war. Today, the capabilities that exist for maintaining peace and progress are truly enormous. The ranks of those persons who fervently desire peace are very large, larger than ever before. Constantly expanding the broad and strong front struggling to safeguard peace, a front which consists of the socialist countries, the communist and worker parties, the countries of the non-aligned movement and the forces of nationalism, democracy, peace and progress throughout the world, is extremely

necessary and entirely capable of being done with very high results. Assembling forces and coordinating efforts in order to establish a broad front of the countries, political movements and political forces mentioned above, a front involving many diverse forms of struggle, will surely create real capabilities for defeating the bellicose, aggressive policy of the imperialists and reactionaries, effectively halting the nuclear arms race and reducing and eliminating the threat of a new world war.

We Vietnamese have been forced to take up arms and fight for many years in a row to defend our national independence and have endured countless hardships and sacrifices. Therefore, our people, more than anyone else, earnestly desire a lasting and stable peace, not only for themselves, but for all mankind as well. As we commemorate the 50th anniversary of the 7th Congress of the Communist International and recall the spirit of that congress, we are even more determined to make every effort, along with the socialist community and peace loving mankind, to do everything demanded by the conscience of the times to establish a broad front of struggle, effectively thwart each act of aggression of the imperialists and reactionary forces, each action they take to unleash a war and firmly safeguard peace throughout the world.

#### FOOTNOTES

\* The congress was in session from 25 July to 20 August 1935.

7809

CSO: 4210/12

## COVER PAGES

Hanoi TAP CHI CONG SAN in Vietnamese No 7, Jul 85 Inside Front Cover, Inside Back Cover, Outside Back Cover

[Text] Inside Front Cover

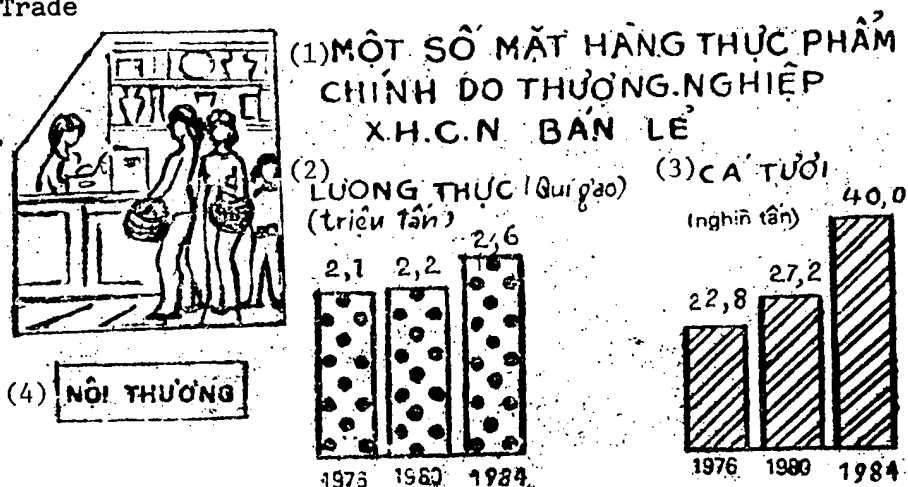
"Rapid, strong progress is the law of socialism. To produce many products quickly, inexpensively and well, we must possess revolutionary zeal. However, we must also have knowledge and a firm grasp of science.

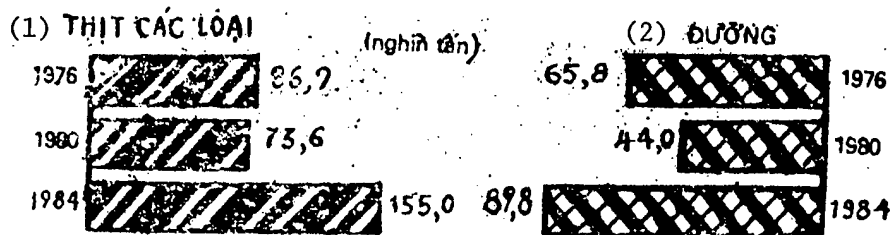
Every laborer must possess the spirit of daring to think and act, must move into the front rank and become a progressive laborer. Our workers and farmers and mental laborers must believe that we possess the full strength, courage and intelligence needed to build a new life for ourselves. If we fully possess the sense of ownership, the collective spirit and the sense of discipline and make every effort to learn, to raise our cultural and technical standards, if we possess the spirit of creating and searching for the new, of learning, supporting and implementing the new, we can do anything."

Ho Chi Minh  
(1961)

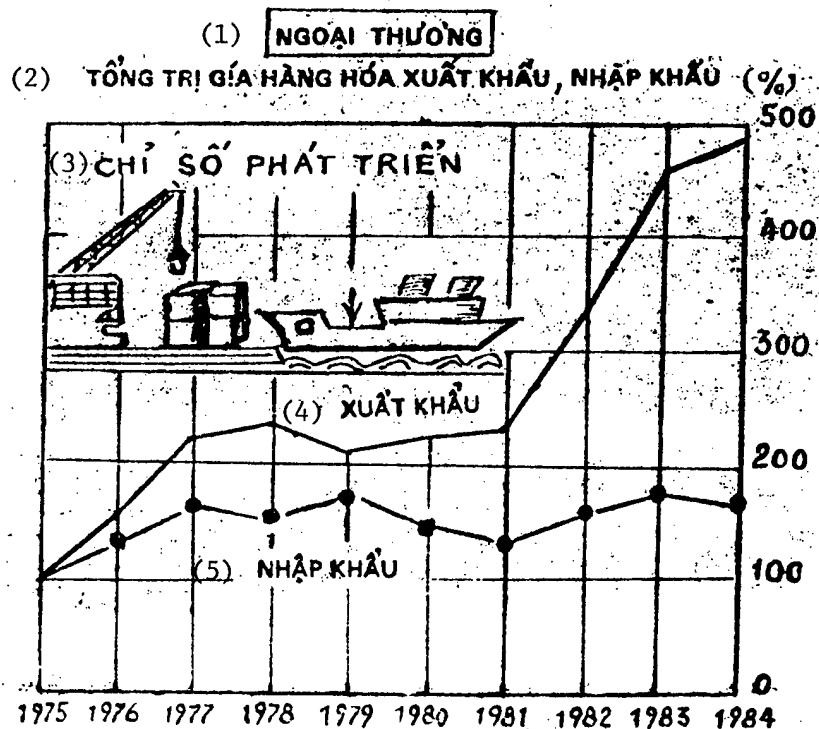
## Inside Back Cover

1. Some Main Food Products Sold Retail by Socialist Commerce
2. Grain (in rice equivalent)(millions of tons)
3. Fresh fish (thousands of tons)
4. Home Trade





1. Meat of all types (thousands of tons)
2. Sugar



1. Foreign trade
2. Total value of exports and imports
3. Index of growth
4. Exports
5. Imports

## Outside Back Cover

Make Much Green Manure, Raise the Yield of Rice [These words appear as the caption below a drawing by Trong An depicting several women in the background who are harvesting an unidentified green manure crop by hand and stacking it in piles on the ground. In the middle of the drawing, left of center, is a woman pulling a two-wheeled hand cart filled with this green manure plant. Crossing from right to left in the foreground of the drawing, slightly right of center, is a young woman carrying a large bundle of sheaths of rice in her outstretched arms.]

7809

CSO: 4210/12

END



INDEX TO TAP CHI CONG SAN, NO 7, July 1985

[The following index is provided as a service to JPRS consumers.]

**A**

ASEAN, 88

**C**

Communist International

Seventh Congress of, 85, 86, 87, 88, 89

Council of Ministers, 22, 24

Code of Criminal Law and, 32

Council of State, 24

Code of Criminal Law and, 32

CPSU

educational reform and, 16

**E**

Eighth CPV Plenum, 1

Resolution of, 42, 49, 51, 56

**F**

Fifth CPV Congress, 13, 15, 38

Fourth CPV Congress, 13

France, 85

**G**

Germany, 85, 87

Great Britain, 85

**H**

Hanoi, 1, 71

Ho Chi Minh, 28, 31, 90

as Lin, 85

**I**

Indochina, 88

Indochinese Communist Party, 85

Italy, 85

**J**

Japan, 85, 87

**L**

Le Duan, 1

on science and technology, 14

Long An Province, 58, 59, 60, 61, 62

agricultural output, 59

exports, 60

industrial output, 59

**M**

Moscow, 85

**N**

National Assembly

Code of Criminal Law and, 31, 32, 38

**P**

Party Secretariat

Directive 57: 30

Pham Van Dong

on education, 13

Political Bureau

Resolution 26 NQ/TU, 58

Resolution 37: 14

Resolution 68: 29, 30

**Q**

Quang Nam-Da Nang Province, 64, 65, 66, 68

**S**

Sixth CPV Plenum

Resolution of, 3, 48

Southeast Asia, 82, 87

Soviet Union, 85, 86, 87, 88

**T**

Truong Chinh, 26

**U**

United States, 3, 79, 87