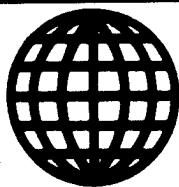


JPRS-ATC-89-008  
25 SEPTEMBER 1989



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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia Vietnam: TAP CHI CONG SAN***

No 4, April 1989

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**Vietnam: TAP CHI CONG SAN**  
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25 SEPTEMBER 1989

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**Sixth Conference of Party Central Committee  
(Session VI) - Reviewing 2 Years of Implementing  
6th Party Congress Resolution, and Course and  
Mission of Next 3 Years**

42100009a Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 1-5, 16

[Text] From 20 to 29 March 1989, the Sixth Plenum of the Party Central Committee (Session VI) met in Hanoi to review 2 years of implementing the 6th Party Congress resolution and to define the course and mission of the next 3 years.

General Secretary Nguyen Van Linh expressed some important views while convening the conference and during the discussions.

The Sixth Plenum of the Party Central Committee conducted democratic discussions and unanimously asserted that in implementing the resolution of the 6th Party Congress during the past 2 years, in an economic and social environment with many difficulties, our party, state and people have developed the renovation task in many areas of social life, especially in the economy, and *have achieved initial important results.*

- Reoriented construction of the economic structure, beginning with formation of an economic structure of many components, and partially readjusted the investment structure following a concentrated course toward the objective of three economic programs. Improvement of the management mechanism has created a new impetus in production, most clearly in the agricultural area. In the state-operated economic area, despite still many difficulties, skillfully operating units have appeared.
- More profoundly developed the people's collective ownership during the process of preparing and conducting the 6th Congress, becoming an impetus stimulating the renovation task.
- Readjusted the fatherland protection strategy, completed missions on the battlefield, reduced military strength, reorganized the standing army and strengthened the disposition of people's war. Changes were made in protecting political security consistent with the new situation.
- Strengthened solidarity and renovated cooperation in many aspects and strengthened solidarity with the Soviet Union, Laos, Cambodia and other fraternal socialist countries. Reoriented external strategic supervision, and gradually opened new favorable capabilities for developing cooperative relations with neighboring countries and other countries in the world.
- The results above are closely connected with initial results made in the party building task in the political, ideological, organization, and cadre aspects.

Actual practice has affirmed that *the renovation line set forth by the 6th Congress is correct.* Following this route, our people are gradually overcoming the difficulties and concentrating efforts on building and protecting the socialist fatherland.

Up to now however, the progress made has not been uniform or basic, and the economic and social system *still has many severe difficulties.*

Through the past 2 years of implementing the resolution of the 6th Congress, we have *clearly noticed additional courses and solutions and have had additional new advantages for gradually taking our nation across the difficult period.*

The Central Committee Plenum analyzed *objective and subjective causes* slowing efforts to overcome the socio-economic situation.

During the past 2 years, the Party Central Committee and Political Bureau have promulgated many resolutions, solidified and developed the resolution of the 6th Party Congress, and set forth increasingly clearer internal features for renovating the economy, national defense, foreign relations, ideological, cultural and literary work, party building, etc. State agencies have made efforts to systemize the resolution of the party and organization of achievement supervision. However, *many deficiencies exist* in the tasks of party leadership and state management. There is the slow summarization of practice for clarifying a number of viewpoints and making progress in the renovation process. Systemization of party resolutions is slow and in some cases inaccurate and inconsistent; renovation of the party building task and cadre organization work of the party and state is slow; and ideological leadership lacks initiative and is unable to anticipate erroneous tendencies that could occur during the renovation process in order to promptly correct them.

The Sixth Plenum of the Party Central Committee confirmed the major viewpoints and courses for supervising the renovation task during the next 3 years and for continually conducting in depth renovation aimed at achieving the general objective of taking an important step in stabilizing the socioeconomic situation and creating additional prerequisites for advancement.

Our achievement of this objective in the socioeconomic situation still has many difficulties. However, there are also many new capabilities and advantages:

- The material and intellectual potential of Vietnamese and of economic components is great but has not been fully exploited. These are the great reserve forces of economic development.
- Increasingly rich and synchronized positions and policies of renovating the economy will develop a strong effect in life.
- Material conditions of the economy during the next 3 years will be further strengthened, due to an important

part to large projects constructed during the past several years that are now beginning operation.

- International economic interchange and cooperation between our country and others in the world will be increasingly expanded.

During the process of developing the renovation task, a thorough understanding of the following fundamental principles is necessary:

- The rise to socialism is the inevitable route of our country, and the enlightened choice of Uncle Ho and of our party. *Building a socialist Vietnam is the objective and the ideal of our party and people.* Renovation is not to change the socialist objective but to allow that objective to be effectively achieved by proper viewpoints on socialism, and by appropriate forms, steps and methods.
- Marxism-Leninism is always the ideological foundation of our party, and directs the entire revolutionary undertaking of our people. Renovation of thinking is aimed at overcoming incorrect views and enriching correct viewpoints on the era, socialism and creative application and development without isolation from the principles of Marxism-Leninism.*
- Renovating the organization and activity formula of the political system is aimed at strengthening the leadership role of the party and the management effectiveness of the state, and developing the collective ownership of the people, meaning to bolster the strength and effectiveness of the proletarian dictatorship, and to allow organizations in the political system to more dynamically and effectively operate.
- The leadership of the party is the condition determining success in the undertaking to build and protect the socialist fatherland of our people. Inclinations to deny or reduce the leadership of the party must be criticized while simultaneously continuing to listen to and accept opinions honestly criticizing shortcomings in party leadership and party building work.
- Expanding democracy in the fields of social life and developing the collective ownership of the people are both a target and a motive force in the undertaking to build socialism. That is socialist democracy, not bourgeois democracy. Democracy must be accompanied by concentration, discipline, and a concept of citizen responsibility and respect for the law. Democracy must have leadership, leadership to develop democracy in the right direction and leadership by democratic methods. Democracy with the people must severely punish those undermining the fruits of the revolution, security, order and social safety.
- Coordinate patriotism with proletarian internationalism and socialist internationalism; and coordinate the strength of the people with that of the era under new conditions.

On the basis of the principles noted above and based on conclusions reached while summarizing practice during 2 years of implementing the party resolution, the task of renovation in the future in all fields must be directly promoted in accordance with the following major viewpoints, courses and positions:

- Adjust the economic structure along a concentrated course to achieve the objective of three economic programs; and exploit every source of investment capital while renovating the investment mechanism. The strong development of achievement and continued completion of the three economic programs of the entire nation have been conducted and concentrated on the grain-food objective and a number of essential consumer goods and primary export goods. Gradually form a socioeconomic strategy to orient arrangement of the economic and investment structures in the 1991-1995 5-year plan and to allow expansion of economic relations with foreign countries.
- Consistently achieve a policy of an economic structure with many components, and liberate every production ability. This is a problem of long-term strategic significance and procedural nature from small-scale production to socialism and expresses a spirit of democracy in the economy, ensuring that everyone has the freedom to make a living in accordance with the law, and is an effective implementation of socialist transformation following the correct viewpoints pointed out by the 6th Congress.
- Renovate the economic management mechanism, strongly shifting economic units to business accounting following a viewpoint of planned commodity economy development comprising many components in the advance to socialism.
- Controlling and repelling inflation is the most urgent mission, a burning economic, social, and political problem, and a determining condition for taking the economic and social condition out of panic and into stability and development. Resistance to inflation must be based on renovating the management mechanism, strongly shifting economic activities to business accounting, thoroughly liberating production capabilities, and stimulating effective production and business development.
- Develop the impetus role of science and technology in close connection with the requirements of commodity economy development.
- Promote external economic activities, swiftly increase sources of foreign exchange, and attract sources of capital and technical advances from foreign countries to develop the efficiency of the national economy.
- Concentrate on resolving urgent problems on socialist policy consistent with the task of renovating economic policies while ensuring unity between economic and social policies.

- Uphold vigilance, strengthen national defense and security, and ensure initiative under all conditions to protect the fatherland and ensure political security, order and social safety.
- Promote foreign relations activities aimed at maintaining peace, taking advantage of every opportunity and favorable condition to gradually stabilize socioeconomic development, build socialism, protect the democracy, sovereignty and territorial integrity of the fatherland, and assist in the overall struggle for peace, national independence, democracy and socialism.
- Build and develop socialist democracy, renovate the organization and activity formula of the political system, and renovate ideology and cadre work aimed at raising the quality of party leadership, strengthening the management efficiency of the state, developing the active role and creative ability of the people, effectively blocking bureaucratism and deviant ideology, and creating a comprehensive social impetus.

The Sixth Plenum of the Party Central Committee is one of the most important conferences held since the 6th Party Congress, and the conference resolution is an

important foundation for unifying ideology and action, strengthening discipline and unanimous solidarity in the party and among the people, and creating a seething and continuous revolutionary action movement aimed at successfully achieving the objective set forth by the 6th Congress. Party committee echelons must have a specific program for organizing full understanding and proper achievement of this resolution throughout the party and people.

The Sixth Plenum of the Party Central Committee is confident that, with the experience accumulated during more than the past 2 years, with new determination and confidence attained through actual practice, and with the tradition of unanimous solidarity of our entire party and people, we will surely overcome the difficulties, create an important turning point, and continue to bring new successes to the renovation undertaking.

**Speech of General Secretary Nguyen Van Linh**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 6-16

[Published in FBIS-EAS-89-061, 31 Mar 89]

**Strong Renovation Based on Basic Principles**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 17-21

[Published in FBIS-EAS-89-101, 26 May 89 pp 58-60]

### 'Contract 10' and the Land Ownership System in Our Country

42100009b Hanoi TAP CHI CONG SAN in Vietnamese  
Apr 89 pp 22-28

[Article by Le Huy Phan]

[Text]

#### I

The formula of flat rate contracts in agriculture, spontaneously expanding since the end of 1986, was officially accepted as the universal contract formula by Resolution 10 of the Political Bureau (and is abbreviated as "contract 10"). This was an inevitable development of the household contract formula that spontaneously expanded at the end of the sixties in many northern provinces of our country and was later officially accepted throughout the country by Directive 100 of the Secretariat in 1981. To affirm a major policy on reorganizing agricultural production, household contracts in agriculture have assisted in alleviating many difficulties and much delay in agricultural production, and their development logic has demanded true assignment of stable and long-term collective land ownership to the farmer; developing the ability and capacity of each farm household in raising the output of commodity agricultural products, and achieving the agricultural science revolution in all three fields of agriculture, forestry and fishing in every soil and climate region; eliminating a psychology and habit of dependence on the collective and contentment with an average low income; and building the knowledge to grasp social requirements to uphold a dynamic spirit in production. Speaking in economic technical terms familiar at the this time, this is an issue creating the psychology and action of a modern commodity production foundation in the rural area.

Differing from many fraternal countries, the household contract issue was presented and resolved in our country after 30 years of agricultural cooperativization following an operational mechanism returning undeniably historic achievements. However, contradictions and difficulties also continuously arose for which we and the socialist community have recently been able to find explanations and solutions. The collective (collective farm)-cooperative ownership system, formed over a long period of time into a curriculum by the Soviet Union and many other fraternal countries, has not withstood the challenge of history, and is presently under reexamination on the basis of acknowledging the need for restoring, prolonging and providing long-term development to the family economy of the farmer (cooperative member) by accepting contracts for the rental of land and production materials from the state or collective, with firm joint enterprise and association in many aspects between family economy and cooperatives and state-operated organizations.

Actually, the socialist community has had the significant experience of locations advancing from a higher level,

and cooperatives rising to swiftly form agricultural enterprises managed in accordance with modern requirements. However, because the reorganization and modernization of agriculture in other regions occupying a large part of the community's area have been afflicted with not a few mistakes and deficiencies, many more difficulties have been encountered. In our country, many reversals have been encountered in the process of forming collective ownership areas in agriculture; and the lessons learned on household contracts have many features similar to the newest challenges of the Soviet Union and a number of other fraternal countries. Therefore, we have the conditions for contributing to the great process occurring in the community of fraternal countries by suggestions for restructuring the current cooperative system and the established collective ownership system.

#### II

Actual practice has shown that the long-term speciality of agricultural production in our country is tropical farming (forestry and fishing), with rice as the foundation, and a population with traditions and experience in intensive cultivation in the lowlands that has exploited nearly all the midlands and mastered the mountainous forests (with ethnic minorities in each region and scattered throughout the highlands). Because wet rice farming technology demands water containment embankments, methods of intensive cultivation accompany and coincide with a situation of piecemeal and scattered fields. Before the people's government was established, a feudal system existed primarily in the ethnic minority regions while in the lowlands, most of the area consisted of publicly owned fields (official land) rotated among the farmers under a system of unjust distribution and corruption by overbearing officials. When the French colonialists expanded their exploitation, the organizational forms creating more commodity products were farms, hamlets and plantations. They developed more rapidly and primarily in regions of sandy and hilly land while in the rice growing regions, small-farmer economy with many of the characteristics of a traditional self-sufficient commune continued to occupy a decisive percentage.<sup>1</sup>

Parallel with the process of waging war to protect the fatherland, our party solved a series of land problems to strengthen the worker-peasant alliance and to strengthen the combat rear area: eliminating the feudal system in the highlands, confiscating the land of colonialists and traitors, encouraging a number of landlords to offer their land, temporarily issuing recovered land to poor farmers, reducing rents and interest rates, etc. In reality, the results of land reform during the years from 1953 to 1955 formalized the ownership rights of the farmers and achieved the "land to the tiller" slogan on the basis of original cultivation conducted throughout the period of resistance against France, slightly supplemented by the newly confiscated land.<sup>2</sup> Thus, when the transitional period to socialism in the north began, Vietnamese farmers, despite their position of owning their land and

freedom from the yoke of exploitation, still had insufficient time to develop into middle peasants with dynamic strength in individual production, to create commodity agricultural products or to achieve a higher standard of living. If many agricultural regions in the south are not counted, in which a part of the middle peasants and their families independently developed technical business and service and held a greater position in raising the ratio of commodity agricultural products, it may be affirmed that: during the historical development of our people—including the period of continuous national liberation revolution—the farmers of our nation have basically no middle peasant tradition and have not yet escaped from self-sufficient production.

Here, it must be noted that during the final years of the war of resistance against France, confronted by tremendous rear services requirements, our party launched a major campaign in agriculture with two firmly coordinated movements. The first, a study of hero Hoang Hanh, was in substance the development of individual production capabilities, raising the standards and ability of intensive cultivation and cooperativizing the labor organization of individual households on land under their ownership. The second was developing the reciprocal cooperation of the Trinh Xuan Bai labor exchange team. In many locations, labor exchange teams nearly attained the level of present labor cooperation teams. They were forms of collective labor returning high results and assisting in training in the advance to the agricultural cooperative system. Regrettably, this campaign was not profoundly summarized and the experience gained in developing the middle peasant economy and gradually introducing farmers to collective labor was not developed. If this had been done, the position of gradually building a cooperative movement on the basis of firmly strengthening labor exchange teams, expressed in the resolution of the 14th Plenum of the Party Central Committee (Session II), would have possibly been more consistently implemented and the agricultural cooperativization movement in the north would have better developed.

### III

As everyone knows, in all the land measures, our state has not nationalized the fields but on the contrary has officially recognized farmer ownership of the divided land.

With the victorious August Revolution and 9-year war of resistance in our country, the long-term aspiration of farmers to become masters of the land became reality. However, the period of individual work by farmers had not lasted very long when the agricultural cooperativization movement (1958-1960) quickly became a movement raising cooperatives to a high level, following the agricultural action (collective farm) model of the Soviet Union and other socialist countries before. This soon replaced the independent development interests of the middle peasant with those of collective farmers working together in specialized teams in fields where the old

embankments had been removed for the realignment and construction of new area and plot levees and with irrigation and drainage on a unified schedule. The farming followed a crop season mechanism and crop structure with already stipulated fertilization techniques and labor distribution plans. The strong as well as restrictive aspects of the cooperativization system mentioned above, occurring in the north over a period of more than 20 years, swiftly developed an effect in the south after liberation. Before the formula of household contracts was accepted throughout the country, the official documents of our party and state received a fairly thorough analysis by the press. In this research article, I suggest only that the following two points be given attention:

1. Because the concept of private land ownership was not yet imbedded in farmer ideology, and due to the protracted effect of distribution and labor during a long war in the rural area, field collectivization encountered no significant reaction, and any occurrences of compulsion were not widespread or serious. Vietnamese farmers abandoned private ownership of the fields and entered high-level cooperatives in a relatively compliant manner. The main force labor generation in the north at the present time has almost forgotten the previously recognized boundaries of private family ownership and even the ideology of differentiating old hamlet fields from those collectivized on a large village scale only partially exists among the middle aged.<sup>3</sup>

2. On the other hand, the strength of collective ownership, at first relying on the surging attraction of political motivation and afterwards supported by the concept of rear area obligations, was not solidified by progress in production efficiency or work-day value. Collectivization measures steadily expanded and the distribution system became increasingly affected by a tendency toward aimless work, point exaggeration, arbitrariness and irrationality. The ability of the primary level cadre increasingly failed to promptly follow the realistic development requirements of production, and inequitable policies of delivery and exchange were extremely slow in changing with some becoming steadily worse. During many years, phases of solidifying the collective ownership system followed a course of raising cooperatives to a increasingly larger scale, forcibly implementing a procedure of accounting, norms and management in an industrial activity style, deviating from realistic standards of the primary unit, etc. When actual income from collective economy fell, the labor enthusiasm of the cooperative member also declined. At the end of the sixties and beginning of the seventies, when an attitude of indifference toward collective ownership and labor appeared nearly everywhere in the north and the south, occurrences of reduced confidence in the cooperativization route also appeared more rapidly than it did after the first collectivization phases following liberation.

Thus, in the middle of the seventies and eighties, the cooperative system throughout the country fell into an situation of overall difficulty (if not a crisis) that seemed



difficult to escape. This was because the cooperative member had no private ownership and consequently no individual fields with which he was closely attached, while the benefits of collective ownership and labor steadily declined and no interest in collective activity was generated. The problem was that in defining an economic impetus for stimulating the achievement of a foremost production front, that impetus surely had to be a type of economic benefit created by changes in the ownership system. Experience in achieving the system of area and end product contracts for cooperative member households allowed our party to solve that problem.

#### IV

Actually, this impetus was discovered at the end of the sixties, even under the conditions of the fierce war of resistance against America in the north, when a large part of the cooperative members expressed a special spirit of labor and capability for intensive cultivation on the 5 percent land set aside for the direct consumer needs of their family. At that time, some worried that the development of private ownership habits would possibly cause cooperative members to become increasingly negligent toward collective ownership and labor, but there were also those who wanted to experiment by expanding the scale and effect of this active spirit and capability into a number of fixed steps such as stock raising and the cultivation of industrial and subsidiary food crops. Today, we often recall the bold experiment of the Vinh Phu Provincial Party Committee in household contracts that began in 1966 but had to stop in 1969 because no upper echelon concurrence was received. A more careful study would conclude that product contracts for farm households were conducted by cooperatives before that in different provinces and not just in Vinh Phuc and Phu Tho. And even after they were forbidden, household contracts were secretly applied in many locations. Especially since the middle of the seventies, in nearly all the provinces of the north, the "surreptitious contract" movement has become widespread. It is tacitly or officially encouraged by local party committee echelons and brings a truly new impetus to agricultural production. Continued achievement of innovations from the masses and primary level cadres led to acknowledgement of the household contract formula, at first discreetly called contracts for individuals or cooperative member groups and since 1987 flat rate contracts with many other names, and then to official endorsement with Resolution 10 of the Political Bureau.

Analysis of the historic experiment above shows that a new impetus has appeared right in the framework of the current collective ownership-cooperative system. It was strengthened when the cooperative member was given greater autonomy in the use of output in excess of norms on the additional area assigned to his family. However, the farmer would return a portion of the land if he saw that anything in excess of contract levels would not compensate for the efforts of his family. Only with the "contract 10" formula can the cooperative abandon the right to decide and determine final production and

income distribution (through the system of norms and work-point accounting), and can the farmer be assigned the right of long-term land use (along with the right of true ownership of other production materials resold by the cooperative); and only from that movement can the farmer autonomously arrange activities within his family, an autonomy based on norm obligations, consumer requirements and the ability of market exchange to define the level of investment and supplemented labor effort. In substance, this impetus is in itself the elevated collective ownership of contracted land and is expressed by the economic benefits of the cooperative member household. To say it another way, the benefits of private production have been restored through experience in haggling for a fairly expensive price during the previous period of about 30 years of agricultural cooperativization. The benefits of private production must be examined not in the traditional sense but under the conditions of the rural area in Vietnam at the present time. The state sets forth strong renovation requirements to overcome negativism, inaction and bureaucratism, and to ensure commodity and material convertibility with appropriate agricultural production and new development of the ownership system in the rural area. During the renovation process above, the management functions of the state and primary level administration will be strengthened to ensure cultural and social interests, and to ensure management and supervised achievement of the systems of land use, irrigation and drainage, plant protection, stock raising, scientific dissemination and technical investment. Present cooperatives will increasingly shift to primary functions of ensuring service and supplying every aspect for production; every relationship between the cooperative and the cooperative member will be achieved through equitable and direct contracts with each household, and present service and supply organizations themselves will become independent accounting units, existing and developing through fees paid by the households.

A system of cooperatives with the new functions above and the economic organizations renovated as above, along with other cooperative systems (marketing, credit, construction, and handicraft production) and other forms of extended cooperation (industrial-agricultural association, between commerce and individuals and production units, etc.) in the rural area will create a system of extremely varied production and business cooperation forms in all appropriate scales connecting individual households and individuals engaged in agricultural production with the socialist state and state-operated economy. Thus, the reality of the socialist revolution in the rural area of Vietnam has shown that: throughout the transitional period to socialism and also probably afterwards, the Vietnamese rural area will rise to socialist large-scale production through extremely flexible and varied cooperative forms, applying a system of broad and multistaged cooperation without the need for a system of collective and cooperative land ownership.

## V

To acknowledge the ability to pass over the system of collective and cooperative land ownership in our country is also namely to acknowledge the right of stable and long-term land use of farm households and other private households accepting contracts by many varied formulas within the framework of the socialist public ownership of land. With this new theme, the benefits of individual and private production will exist for a long time in the rural area of Vietnam, not only through the transitional period but also in later socialism within the framework of the socialist public ownership system. This is because individual and private production in the rural area is governed by the land management laws and production plan of the socialist state and is effected by state-operated economy. Because the road to socialism cannot turn back, the concentrated management function of the state must be unceasingly strengthened by methods of effective macrocosmic economic control in an increasingly dynamic socialist market, so the forms of joint enterprise and association between one party, that of social production, and the other, that of individual and private production, produce increasingly higher results.

On the way to bringing the rural area to socialist large-scale commodity production, those studying the land ownership system must resolve the following major theoretical and practical problems:

1. In the lowland rice growing regions, practice during three recent harvests has shown that the present area contract formula cannot avoid a tendency of average (by agricultural population) and piecemeal (using the good to compensate for the bad and the near to compensate for the far) distribution regardless of whether a contracted cooperative member household achieves a fixed and assured grain level or not. However, population development and family scale will contradict stable land in 10 or 15 years and on the other hand, development of the material and technical base and the production and business capabilities of families will demand that a piecemeal situation with many separate plots of ground be overcome to form modern farms. Only by rapidly promoting the development of trades, creating higher standards of labor assignment and creating increasingly many specialized households (stock raising, production support, agricultural product processing, export goods production, etc.) will it be possible to reduce the field-work population, combine the land for agricultural production by professional households, and simultaneously raise living standards in the rural area. In conjunction with promulgation of long-term land use rights (by contract or bid), it is necessary also to promulgate limited or unlimited transfer rights under fixed conditions (ensuring that the land is received by someone directly engaged in farming with higher results). Following that, it is also necessary to recognize the right to hire labor (or by the season) when the income of the individual working for hire is improved compared with working the field. The interests of the individual and

private producer demand that the theme of their collective land ownership be clearly defined, and encouragement of individual and private production and business demands a new and complete perception of a labor market in socialist large-scale commodity production.

2. On the other hand, in the rural area of our country has long existed a significant percentage of family households within the purview of the welfare policy and others encountering difficulties due to substandard production and business abilities. The socialist state has a policy of gratitude and kindness toward these recipients and of active assistance for those to follow. In this task, the rural area of Vietnam is still a reserve motive force and strength unifying the traditional mutual aid of the people through forms such as: labor exchange, labor rotation, labor in gratitude to the families of war invalids and fallen heroes, mutual aid funds, etc. It is these very fields of labor cooperation, on a small hamlet scale and relying on kinship relations and hamlet feelings, that will lead to a process of restored collectivization, this time truly relying on voluntarism and economic effectiveness with the highest results the creation of collective farms and agricultural production cooperatives with their theme at a appropriate scale. The existence of such a fixed ratio of collective-cooperative ownership due to land accumulation can never negate the process of advancement to socialism in the rural area of Vietnam, and need not undergo a system of collective land ownership; conversely, it makes the theory and practice of building a cooperative system in our country increasingly rich and attractive.

## Footnotes

1. The agricultural situation in the Mekong River Delta has characteristics requiring a separate study.

2. I believe it necessary to thoroughly review land reform for a more accurate conclusion on a number of serious mistakes made then: erroneously stipulating universal components in all locations that led to confiscation of the land and property of many farm households with many conditions and abilities for commodity production. This mistake not only caused lasting hatreds adversely affecting rural solidarity but also created a psychology laden with fear and prejudice toward dynamic individuals in production with a higher than normal income and accumulation. This is a great obstacle in present ideology in the campaign to renovate production relations in the rural area of our country.

3. In the south, land disputes between the people and southern administration in the past and land transfers following liberation have a mark on everyone. Therefore, solution of land problems in the south at this time has many complexities and difficulties as clearly shown by the actual practice of the past several months.

JPRS-ATC-89-008  
25 September 1989

**Socialism in Vietnam: Restropective and Renovation**

9

**Fundamental and Main Contradictions During the  
Transitional Period in Our Country**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 29-33, 28

[Tran Huu Tien; article not translated]

**Several Features of Literature at the Present Time**

4210009C Hanoi TAP CHI CONG SAN in  
Vietnamese Apr 89 pp 34-41

[Article by To Hoai, Writer and Chairman of the Hanoi Writers and Artists Association]

[Text]

**I**

In the Vietnamese literary movement, both prior to as well as since the August Revolution of 1945, never have we been confronted with such a severe situation as now. Like every aspect in society, the deadlock as well as its removal are becoming a fierce conflict—and literature lies within that overall sphere. It is not easy and one cannot halt at general points of discussion but must have specific assertions as well as actions, and only by naming the right and the wrong can the way toward advancement be opened.

Bookshop shelves are overflowing with incredible, absurd, and barbarous translations, from "Tai Sinh Duyen" ["Predestined Reincarnation"] and "Tam Ha Nam Duong" ["Three Moving South"] to the "Bo Gia" ["The Godfather"] to "Mafia," etc. Continuing this trend, future publications will include "Conquering the World," "Kien Lung Visits Ziang Nam," "Seven Swords and Thirteen Heroes," kung fu novels by Kim Dung, the anticommunist stories of extremely profound and insidiously pink ideology of Tu Toc and Quynh Dao. In book advertising there is also brazen talk and blatant speculation. Hanoi Radio, in a commercial referred to as economic and cultural information, it was advertised that: "Dong Chu Liet Quoc" ["All the Eastern Nations"] is for sale, a set of Chinese historical novels with a partial ideology of using the people as the supporting base," etc.

Large and small bookstores in Hanoi in the past used to sell a number of the books mentioned above but people of my generation who can still remember that these books were the "3-cent" kind—with each issue priced at 3 to 5 cents, and after a number of issues, bound into sets, piled on a corner of the counter, while on the shelves and in bright locations were displayed the works of well-known contemporary writers: Nguyen Cong Hoan, Nguyen Tuan, Nhat Linh, Thach Lam, Do Duc Thu, etc., translations of Tang Dynasty poetry by Tan Da, Ngo Tat To, etc. Now, books that in the past lay in the corners have sprung up to occupy the most distinguished locations in the shop, a small thing that reveals how far the downgraded appreciation and mixed bag of confusion in human ideology has reached. Such a competitive market in literature is unacceptable because literature is a spiritual food, not a variety of glutinous or non-glutinous rice or a bolt of cloth.

Recently, the press published a number of articles on investigating and denouncing the spread of "black books" and "crime books," and afterwards a few feeble measures were taken in a number of local areas, specifically in Lam Dong Province, where the discipline was

passive and much more of a deterrent nature with no one at all being prosecuted for a civil or criminal offense.

I will not delve into the rigid or flexible aspects, or the laxity of the law, but wish to present one example: we all know that in the Soviet Union at the present time, responsible agencies and organizations are joining public opinion to restore the position of a number of works and authors—authors with many valuable books behind them, not just those who are well known. In "restructuring," Soviet literature has been supplemented by works that previously had been erroneously rejected, but the Soviets also denounced and forbid several bad works and authors for which the English and American press and radio have clamored and demanded freedom.

Not everything is done in a careless manner (with the Soviets). We however are at the same time impulsive, lax, and dismayed: in these problems, not one agency has examined or made the same decision regarding controversial authors. If a writer previously had a work of (ordinary) romantic inclination, and then writes a book insulting communism, how should all of the works of this author be considered? Khai Hung and Nhat Linh are a clear example. Nearly all the works of these two authors could be republished. However, during the period in which the south was temporarily occupied by the enemy, the Phuong Giang Publishing House in Saigon published a posthumous set of short stories and plays by Khai Hung, written in 1945 or 1946, when Khai Hung was one of the leaders of the reactionary Quoc Dan Dang Nationalist Party; these short stories and plays had themes that were clearly anticommunist. Khai Hung established characters known as a "nationalist party revolutionary combatant" and a "Viet Minh soldier," that usually concluded with the bloodthirsty Viet Minh soldier being killed. How should we treat such authors? Many areas have reprinted nearly all the works of Khai Hung and Nhat Linh. Regarding the anticommunist novels, "Along the Thanh Thuy River" and "New Bridge Hamlet" of Nhat Linh and the anticommunist creations of Khai Hung, what attitude and measures should we take? I have not placed these problems first, but we really have no rules or regulations about such things while these authors must at least be carefully analyzed and evaluated. Concerning culture and literature, we absolutely cannot allow business to "run after the market place" without methods of incentive or limitation, financing or complete prohibition and truly should not blur or abuse the word "unfettered" in this situation. Strangely enough, in the face of such things as the chaotic situation with videotapes, the responsible comrades have not reviewed their own work but only expressed surprise and act as if this is none of their business.

The bookstores are confusing and disorderly to the eye because of the flashy bookcovers with truly titillating and undignified titles. There is a reason for this however. These are just the books published in the south during the U.S.-puppet period. One book (a novel) with a normal title is about to be published. The publisher takes it to a distribution agency to ascertain the quantity (there

are now three authorities in publishing a book: the first one is the distribution agency, the second, the printer and the last, the publisher). I suppose that in management renovation, this should be considered as "something that needs to be done immediately"; and the distribution agency states that the book title must be changed for more appeal. For example, if the title of the novel was "Story of Two People," it had to be changed to "Story of Two People on Their Wedding Night." Any publisher can tell you countless similar incredible stories. This is true for writers who are not yet very well known and who usually must fabricate such sensational or lurid extremes to achieve wide sales for their books. I myself have not reached such a state but had a different kind of dismal situation occur: recently, my publisher, Tac Pham Moi [New Works] printed a 120-page literary portrait entitled "Faces." I have written a number of books of this type: "Journalistic Experience," "Journalistic Notebook," etc. with tens of thousands of copies in the first printing and all have gone into second and third printings. This time, only 4,000 copies of "Faces" were printed. Director Vu Tu Nam told me, "We risk printing 4,000 copies, but the distributor only takes 1,000." Nguyen Van Bong said that I am a sturdy oak respected by publishers but no one is buying my kind of books at this time. As a result, it's only because I am still valued by Tac Pham Moi publishers that such a pitiful number could be printed. Vu Cao, director of Hanoi Publishers, told me that many research books on Hanoi are extremely well written but unsold copies are filling warehouses and buildings so they must be sold to paper mills for recycling. "Thong Tin" Publishers of the Ministry of Information (with life or death control over printing and publishing) recently inaugurated a grand and imposing public show which in fact consisted only of several picture books, like pieces of candy that a child would easily purchase. Possibly due to such an easy-going viewpoint that the Ministry of Information still permits continuous printing of the Chinese book "Han So Tranh Hung" (Han and Tso Houses fight for supremacy.) Sadly, many able and promising writers, especially in many southern provinces and cities, have now turned to sketchy creations following such a formula as the following: stores that are truly eerie and revolutionary with a bit of resistance war, backwardness, somewhat reactionary, top heavy with love affairs, and heavy with lust. Writing lengthy pieces at will with printings in the tens of thousands, their royalties are in the millions, outside every law. Meanwhile, according to the state system (which nearly all publishers say has "had its fence broken"), royalties amount to only an insignificant sum.

Actually, genuine literature is being fenced in and shackled. The types of books that are easy to sell along with all kinds of ancient Chinese and western stories have used up all the printing paper and royalty funds. To live, one must plunge into production of garbage literature no different than the previous compositions in the south in pursuit of low reader tastes. These shackles are destroying much talent. The dark picture I paint above is not just a few rough strokes emphasizing something one

wishes to explain. Just look in the bookstores or ask that the Ministry of Information to allow you to read the statistics of literary works printed during 1988 and the plans for publishing during 1989 in the central government and in cities and provinces throughout the country. These titles, plots, and printing figures must surprise everyone. The problem is truly acute with culture being pushed around and submerged in mediocrity, reaction, and disorder. The enemies of socialism wish nothing more than our present situation.

## II

During the recent past, there has been criticism of the tide of renovated literature. However, most of the criticism has failed to delve into the true situation of creativity. Arguments have risen around points of discussion like useless disputes. Arguments are careless, themes are illustrated by creation, and it is impossible to reach satisfactory and persuasive conclusions—which are not unified because the requirements of wholesale unity in literature in evaluating works and authors or movements are like a few periods in the past that have caused reluctance and deception.

Consequently, frequently praising and protecting a number of works and individuals easily creates a subjective love-hate suspicion producing misunderstanding and moreover, is a new banner for the sprouting of lost solidarity. This situation has occurred at the same time as many other aspects of society such as those involving the economy and ideology (which are also from a similar background), and the damage, if unrecognized, cannot be measured beforehand. A number of debates, restructuring of the newspaper VAN NGHE, and some activities in several meetings in a number of locations are indications, at first appearing unintentional, but gradually in the general confusion, through rumor or interference with information (an inherent secondary characteristic of the arts and letters circle), serving as an impetus for dark and exploitive schemes.

This responsibility results from the leadership not having been clear, sensitive, or decisively oriented. From the very beginning of 1987, exchanges of opinion and discussions have created many occurrences without substance and therefore, have created a factional, partisan, etc. ideology. Creativity itself has been constantly renovated, but the impetus, stimulation and appeal of criticism has a decisive value in the more rapid advancement of the movement, the forces, and each writer.

The period from the 6th Party Congress to Resolution 05 of the Political Bureau on culture and literature was an extremely important phase in the start of renovation. Despite the dust, confusion, and unwholesome stratagems, a new look for creativity and criticism appeared during this period, setting forth great issues as a basis for long-term study and discussion. We began an examination to see how revolutionary culture has been constructed to this time. What have we accomplished during the past almost half century and what are the reasons for

those achievements? How have we been lacking and why? What mistakes have we made and why? In the present situation, all the different aspects of society pose similar problems as has been seen in the major corrections in agriculture, industry and many other activities, from the mechanism to the specific measures. From the viewpoint of the movement and the force, during the period from the 6th Party Congress to Resolution 05 of the Political Bureau, the issues of criticism and creativity were the main ones, all others were trifling and improper.

Those concerned about creativity all recognize that a different situation has recently appeared. From south to north, the literary front is crowded with energetic writers, poets and authors of prose, short stories, novels and plays, so clearly there is anxiety and resistance about renovation. Listed below are a number of authors for easy and specific visualization, not just several writers but an entire movement and force jolted by the renovation ideology. We can see that the renovation spirit encompasses every age group, not just a number of new writers.

Nguyen Manh Tuan, Luu Quang Vu, Xuan Cang, Y Phuong (of the Tay ethnic minority), Be Kien Quoc, Ma Van Khang, Cao Tien Le, Mai Ngu, Ngo Ngoc Boi, Le Luu, Y Nhi, Doan Le, Duong Thu Huong, Nguyen Duy, Nguyen Huy Thiep, Pham Thi Hoai, Nguyen Dau, etc.

The effect of the party's policy on arts and letters and of social life has become a raw material deeply permeating the works of the creative movement and force. Based on these new occurrences and with the works of authors such as those above, I make three observations:

a. These works have truly emerged from ideological realities and real life. Society today, despite being interwoven with the past, has evolved differently from the period of resistance against the U.S., the war of resistance against France and the period of the 1945 General Uprising. The circumstances, situation, participants, mission, ideology, and social aspects have all changed during the new period. Every writer with life experience and intellect, whether writing on modern or historical themes has used a truly varied style. Each writer's objectively different life experience, soul, and talent have created a series of outstanding and realistic works.

b. The creation of many aspirations as above has clearly expressed that the position of profound renovation in literature and art is entirely correct. The heroic Vietnamese people have undergone 30 years of combat and victory. Some works have depicted and praised these great combat exploits and although we are still waiting to this time for better works on the General Uprising, Dien Bien Phu, the Ho Chi Minh campaign, the land revolution, etc., we cannot be impatient and should respect the achievements already made. If this generation cannot produce works of a higher plane, the next or some other generation with greater talents will do so. Literature of people throughout the world have proven that fact.

Now with renovation, we have recognized previous literature's shortcomings and errors, only a sparse number of works delved into all thinking aspects and Man confronted with a multifaceted life. Some people remain dignified before a hail of bullets but are brought to their knees by money. Some are eloquent to the extreme but selfish and ignorant beyond words. Some ordinary people have a tendency toward small occupations about which no one knows, but bear great social significance. This means that literature originating from profoundly developed real life must swiftly escape the simple and unilateral.

The recently kindled situation of fine creation is the initial result of the renovation struggle.

c. In this stimulating tide which deserves encouragement, there are some defects and unwholesome signs. A number write derisively and improperly, using allusive writing style with bad intent. Possibly it is without malice, unknowing, or due to a greedy fondness for one-upmanship.

A short story of Mai Ngu heaped scorn on Nguyen Huy Thiep. Nguyen Huy Thiep used half the name of a real person in order to curse him. Duong Thu Huong intentionally wrote on the private lives of a number of people. Doan Le depicted the private thoughts and problems according to the inside story of a lawsuit, etc. In literature, such writing styles are not considered literary style.

There is indecent or indirectly indecent writing like Pham Thi Hoai describing a girl deflowered by sweating self-stimulation in the middle of the night; and coarsely indecent writing like Nguyen Huy Thiep with his indiscriminate language. Remember that such indecency still fails to compare with the culture of the U.S.-puppet period in the south. Writing in such a greasy manner still does not equal the two female writers who emerged when the Thieu regime was about to be destroyed, Trung Duong, and Ng Ngh. Nguyen Huy Thiep's use of bad words is still nothing in comparison of a number of writers in Saigon before that, such as Le Xuyen, Thai Phong, and Hoang Hai Thuy. These writers depicted men and women living together and casually and constantly clamored about prostitutes (lustful women), brown-nosing flattery, and the "sublimation and lustrous lips" of all literary compositions during that period, not reused but newly creative. Could it be that renovation is imitating the old extreme decadence? It must not. In many aspects, customs, subsistence, speech, and wording, we are boldly ruminating on the perversions of the old south. When we are usurped in the ideological struggle, indifference in literature also suffers ups and down both in ideology and expression. This indifference must be resisted and disregarded.

In connection with the above problems, I wish to relate two examples. One led to something bad and the other to something good in specific kinds of writers.

I knew a young writer 30 years ago with an extremely individual style, although he had only written a few short

stories. His friends cheered and proclaimed him to be the "best short-story writer in Indochina"(!?) He got conceited and became even bolder. Finally, he went to jail (for other crimes, not because of his writing). He was able to return home after some time but became old before his time, lost his spirit, and completely lost interest in writing.

The second case was Luu Quang Vu. Speaking about someone who has died is truly not easy. However, this is a typical example that the road to something good is fairly winding. Although not of the same group or a friend of Vu, I knew him.

Only after he was discharged from the air force did Vu begin to write stories that were published in books of the Hanoi Cultural Service. His thinking was extremely pessimistic and dark. However, his writing improved very fast when Hoai Thanh praised his poems as a discovery. When Vu stopped working in the office of a facility producing equipment for the General Railways Department, he was able to return to the Theatrical Association. He began to write plays and he wrote a lot. One noting the stage works of Luu Quang Vu will see a special phenomenon: he wrote many plays but not a single one was published. This means he had not yet publicized his dramatic literature. Only reading one section of the final play of Vu's life, "Has the Moor Hen Died?," which recently was published in the newspaper THANH NIEN, one can clearly see Vu's dramatic writing style. He wrote for the director, simultaneously writing, discussing and correcting bits and pieces without differing much from the framework of an ad-libbed play. Vu wrote plays but was only interested and concerned about poetry—he once told a newspaper in an interview. Naturally, some of Vu's plays required much thought such as "The Soul of Truong Ba" and needed many corrections before use because this was his true ideology. The more patrons are attracted to a play, the more the author is given interest and belittled. However, the best thing about Vu were his social problems and play ideology, which at first were only his desire to "gain the upper hand with life," affecting him and removing his flippant and backward habits. With this vision, gradually during the process of changing, Vu recognized the gist of life, and gained a clear confidence.

The cases related above allow us to see that developing writers must have their inner thoughts discussed without praising or blaming them in the press. Concerning those who have not written a great deal but who have revealed various styles, despite faults in several locations and times, responsible agencies and the press must give sincere assistance.

Renovation in literature has begun and it is only a beginning. We struggle to evaluate and encourage creativity after seeing the road ahead. Frank criticism and specific assistance without flattering or appeasement are essential methods that must be conducted with revised organizations and systems, and surely the countenance of culture will attain a new feature.

### III

Resolution 05 of the Political Bureau, solidifying the cultural and literary course set forth in the resolution of the 6th Party Congress, is a practical foundation for recognizing the renovation that has formed. The present achievements as well as the deficiencies and remissions must be resolved, from the ideological to the management aspects, and literature and art are a measurement of the results of introducing the party resolution to life.

However, Resolution 05 of the Political Bureau, promulgated at the end of 1987, has to this time still not been solidified to any great extent. Besides a number of statements and explanations, the literary situation has been thrown into the waters of tribulation and fires of torment. Literature and art is not lacking "things that must be done immediately" but not many responsible agencies are doing anything. Discussions should be held in the spirit of the resolution's theme (such as the discussions held by General Secretary Nguyen Van Linh with cultural representatives, and the documents of the Political Bureau supplementing ideological work), in concurrence with delving immediately into the tasks of correcting, changing, and renewing. However, every work [mentioned above] is only instigated in the newspaper or in conferences so the thoughts of most writers are saddled with a state of both upright sleep and irritation as before.

I wish to cite a few examples:

—Just last month there was an article by Tran Do in the newspaper NHAN DAN appealing for systemization of Resolution 05, the need for publishing laws, press laws, etc. Meanwhile, these urgent codes probably should be prepared at the same time as a resolution from the Political Bureau. Because of the lack of these long-needed laws, the publishing situation is now in uncontrollable disorder; the thought of prices of printing paper and newspapers can take one's health away.

—I listened three times to Tran Van Phac announcing the new honorarium system, the establishment of art councils, etc., stating decisively that related documents were only waiting to be signed. Recently, the same statement was made in the 1989 work plan of the Ministry of Culture, also presented by Tran Van Phac. In general, if the plan is not competed this year, it will be carried out slowly next year. Not mentioning countless disturbances and continuing the honorariums as they are now, when new measures are accepted, money will work much less. No wonder why writers will complain and lose their trust.

—Stage, photography, and cinema congresses have concluded, and there are new steering committees but the original old mechanism remains. Other associations, including the Writers Association, will soon hold congresses; and when they are completed, how the management mechanism will be is unknown. The government has issued a document on the autonomy

of professional associations, but we all know that behind this state document there are still thousands of regulations, and in conjunction with the experimental improvement, elimination of state subsidization involves no small loss in time. With this tortoise-like speed, my negative observation is that: even when the documents and papers are completed, we still have to wait until the next congresses when everything can really start.

- Resolution 05 of the Political Bureau speaks of renovating literature and the arts, including renovation of both management and organization. I work in (Hanoi) and have yet to see any movement. I don't know whether Hanoi lacks dynamism or the central government is unconcerned.

The delay in systemizing the resolution of the Political Bureau on culture and literature should be alarmed. The 1987 resolution is apparently still only on paper. Those with responsibility for implementation must conduct a strict review and then urgently rush the work forward. The confusing cultural and literary activity of today has no small adverse affect on the ideology of literary and social circles, and if allowed to carry on, will fall into new mistakes that are no longer shortcomings or weakness.

At the present time, preparations are being made for the congress of the Writers Association. I want to bring up a number of opinions and suggestions. Literary leadership must not categorize ages but naturally, in any literary movement and forces, there are different movements at different times. Some appeared before the revolution, some during the war of resistance against France, the resistance against the U.S., and then from 1975 until now, there is a new class of new writers. The writers association is an operation agency, and surely the main component must reflect the greatest numbers of ideologies and tasks, production works as well as every condition and environment of writers, and whether lower or higher, it is truly necessary or unique. Nearly all those presently working are no longer in the contemporary group. Only the generation in their forties and fifties is able to communicate and blend with those both below and above, serving as an extremely fine gangplank between the two. Furthermore, no matter how incomplete, it is this generation's turn to bear responsibility for the era and history and no other can do it for them. Neglecting this problem will cause obstruction to the normal advancement of literature.

I believe there is no significance in the literary and art councils—as in the course recorded in the resolution of the Political Bureau, or the councils only have an advisory value, as is still the concept on function. I suggest that in replacement of the literary mechanism, a Vietnamese Literary Academy be established in the central government. Many nations of the same standards as ours, all have literary academies. Why do we continue to look down upon ourselves? The Academy will not be formal, instead it will be a group of elected writers in the age group of 50 and older (if they are still discerning and

creative)—they are the essence of literature tempered with working and writing experience. The main important contribution of this age group is in formulating strategic tasks and projects for literature, and assuming responsibility for awarding the highest literary awards of the state.

The simultaneous formation of a new mechanism for the Vietnam Writers Association and a Vietnam Literary Academy, along with the present Literary Institute of the Social Science Committee, carries an encompassing significance for all the works, movements, and forces of Vietnamese literature.

### Initial Renovations in Vinh Phu

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 42-48

[Tran Van Dang; article not translated]

### A Few Thoughts on renovating Leadership of Party Committee Echelons Over Local Courts

42100009d Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 49-51

[Article by Tuong Bang Luong, Judge of the People's Supreme Court Appeals Court]

[Text] Due to many objective and subjective reasons, achievement of the party leadership mechanism over the court sector still has many confusing aspects and impediments in the practical activities of local party committee echelons, especially at the district level. These impediments are:

- In some locations, there is too much interference in the professional activities of the courts such as forcing them to report all cases being tried and providing extremely specific opinions on charges, court levels, etc., or issuing instructions stipulating a number things that must be reported to the party committee echelons before a case is conducted. If a presiding judge or deputy presiding judge has a spirit of responsibility and dares to struggle, it is very probable he will not have a succeeding term of office in that position.
- Some locations bear the title of a party committee echelon but only assign one member of the standing committee to give opinions, and if a case is erroneously handled, the party committee echelon criticizes the court. The courts also fail to recognize their responsibility and blame party committee echelons, occasionally creating tense relations between the party committee echelons and the court. Or, although not using the title of the party committee echelon, some members take advantage of their position in the committee echelon to influence court adjudication and execution.
- Conversely, because some places belittle the court's role and exercise lax leadership, the court does not receive the proper level of concern or have conditions



created for a material base such as housing, a place to work, a courtroom, etc., or have a lack of supervision in creating the necessary support of all levels and sectors for the court.

—Some locations believe that strengthening the court means introducing cadres from other sectors (a majority have no knowledge of legal principles or the court profession) for selection as judges, or introducing those in the party committee echelon without a thorough professional understanding to serve as presiding judges, while these presiding judges give no attention to advanced training in order to participate in the party committee echelon. A court with a presiding judge who has no professional knowledge is no different than a court with no presiding judge. A judge weak in his profession or with no professional training at all cannot properly carry out an "examination" and "judgement" mission.

Excessive interference in the professional operations of the court has actually created no small ill effects. It creates for the court cadres habits of dependence and reliance on the party committee echelon, and a loss of independence in work. Party committee echelons, due to their lack of professional legal standards, can easily be influenced and controlled, use moral standards instead of legal standards, and overemphasize special characteristics and local political requirements, causing the tasks of case adjudication and execution to be erroneous and sluggish, and violating social equality, principles of the legal system and the principle of independent adjudication.

Concerning the courts, there are also locations relying too much on the party committee echelon, especially where the presiding judge is weak in his professional level, or has an opportunistic ideology and desire for a peaceful position, so even if the party committee echelon does not force reports to be made, opinions must be sought from and directives issued by the committee echelon on anything professional, or there is a reluctance to struggle, acquiescence to the committee echelon, etc.

The discrepancies above all somewhat adversely affect the quality of activity in the court sector. Consequently, proper definition of the relationship between party leadership and court sector activity has a theoretical, practical, and extremely effective significance in elevating the leadership role of the party and developing the strength of the court.

The resolution of the 5th Plenum of the Party Central Committee, Session VI, emphasized the need to "further clarify the function, mission, relationship, and work methods between party agencies, state agencies, etc." The party exercises leadership by "outlining major line and policy; giving concern to the elementary and advanced training of cadres, the deployment of cadres in party and state agencies, proposing and introducing cadres to civil election agencies for those organizations to conduct democratic elections; conducting regular

inspections; and developing the vanguard and example role of the party member and carrying out good political, ideological, etc. work."

Therefore, regarding the court sector, a functional agency with a mission of protecting the law and the legal system and adjudicating in accordance with the principle of independence, the party leadership mechanism must employ features that differ from those with other agencies, and bear the unique aspects and qualities of the sector. In my opinion, leadership of the party committee echelon over the court sector must be exercised along the following course:

First of all, party committee echelons must avoid being a replacement for the court agency and falling into routine administrative matters but must assist the courts in successfully achieving their function and mission. The party committee echelon leads in order for the courts to effectively achieve their political missions and to correctly achieve the principle of independent adjudication. Consequently, cadres, party members, and sectors in the local area must have a firm grasp of the viewpoints of our party on the state and the law; with education of the cadres, party members, and masses in proper compliance with the law and an understanding of the role and position of the court in the state apparatus and the responsibility of coordinating activity between state agencies and the court in executing the law; not coordinating only when something is liked.

Secondly, party committee echelons set forth major line and methods, lead coordination between agencies in protecting the law, preventing and controlling crime, and halting disputes and violation of the law, and lead coordination between local propaganda information agencies and the court to propagandize and teach the law, especially through court sessions. Committee echelons must exploit their capability of serving as a staff for law protection agencies such as: requesting that specialized agencies find causes, propose courses and measures for halting violation of the law, and strengthening the legal system. Depending on the local situation during each period, committee echelons must have specific supervision, for example by directives on improving the protection of order and security, directives on resisting bribery, speculation and hoarding, resisting burglary, hoodlums, etc. In these directives, the objective, requirements, theme and responsibility of sectors, echelons, and party agencies, and the specific responsibilities of legal agencies must be clearly upheld.

Regarding the court sector, the party committee echelon must conduct inspections to examine the organization and achievement of missions in these directives. Party committee echelons should not set forth specific professional tasks to the court, or to any law protection agency (this is based by the sector on resolutions, directives, etc. of the party and substantiated by function). In the supervision of major cases, many committee echelons have always become involved in all the extremely specific tasks such as indictment, court level selection, etc.

We understand this to be a concern and discretion of the local party committee echelon but it is not precisely in keeping with the leadership position of the party. Although key court cases are important and have a great effect on the local area, the committee echelon should proceed by good use of the staff role of internal affairs agencies in order for these agencies to propose their own opinions. Committee echelons must determine the objective and requirement to be attained during prosecution and adjudication, and set forth the problems to be given attention (as established by the local situation and characteristics or political requirements, etc.) to be weighed by the court during adjudication.

Third, concerning cadre organization, the committee echelon must only examine key cadres (such as the presiding judge) by introducing these individuals to civil election agencies. Two must be introduced for the civil election agency to select one, avoiding the long-term practice of forcible implementation.

Regarding the court judges, the committee echelons should not approve rosters or make specific decisions as has been done before but should assign this to leaders of the court and judicial sector along with the front relying on standards for recommendation. The people's council is the one with the right of truly democratic selection and decision. The committee echelon only carries out a mission of standards supervision to create conditions for the civil election agency to select persons of ability and quality.

Party committee echelons must have a plan for advanced political training and economic management knowledge for presiding judges, deputy presiding judges, and regular judges such as issuing norms for study in party schools, advanced economic management training classes, etc., and leadership in building party organization in a strong court. The adoption of party chapters in court agencies is a thorough understanding of the new position, line, and policy of the party and state by each cadre and party member in the sector, and inspection of party members working in the court sector. The request was that party members in the courts set an example in achieving party line and position, and in implementing strict discipline of party members in the court who are degenerate, deviant, bureaucratic and arrogant, and take bribes from the people.

Fourth, concerning work procedures, no matter when directives or positions are issued or what problem is being supervised concerning the court sector, the committee echelon must collectively discuss and decide, while simultaneously having attitudes of strict discipline toward any committee echelon member who takes advantage of his position to influence the adjudicative activity of the court. Regarding this problem, Lenin wrote, "Affirm with all provincial party committees that the Party Central Committee will purge from the party anyone who has even a trifling scheme to 'influence' the court with the purpose of 'lessening' the responsibility of

communist party members."<sup>1</sup> Only in this manner is it possible to raise the prestige and develop the role of party leadership.

Concerning the court, it is necessary to clearly comprehend and raise its responsibility, only presenting requests for the opinions of committee echelons on truly complex issues of a general aspect, with a great effect on the local area or the entire country, etc. For example, court cases in which the defendant is a leader of a religious organization or someone of great prestige in the ethnic minority area, etc. Under circumstances requiring a request of opinions from committee echelons, the court must make thorough preparations from the beginning, have specific opinions and proposals, and with complex issues, must actively exchange opinions with sectors in the internal affairs bloc. A situation of not making careful preparations and committee echelons losing time in discussions with limited results must be overcome.

#### Footnotes

1. V. I. Lenin: Complete Works, Progressive Publishers, Moscow, Vol. 45, p 64

#### Dynamic and Creative OSC

42100009e Hanoi TAP CHI CONG SAN in Vietnamese No 4, Apr 89 pp 52-56

[Article by Huong Thao]

[Text] OSC is the English abbreviation for the Vung Tau-Con Dao Oil Services Tourism Company (Oil Services Company). Established on 23 June 1977, OSC has a mission of organizing services to support foreign oil specialists and to organize a tourism business. In more than 15 continuous years of overcoming difficulties, searching, and experimenting, OSC has clearly expressed its dynamism and creativity, set an example in an effective business course and methods, and become the leading bird of the Vietnam tourism sector.

Time will screen out the experience of OSC. There were successes and reverses; something affirmative today would be negative tomorrow. An evaluation of OSC still has many differing opinions. That is the dialectic of development and of the appearance of a new factor. However, the universal value of OSC experience can be recognized by anyone, primarily in its spirit of daring to think and to act, and in dynamically, creatively, and resolutely alleviating difficulties to advance.

#### Building a Material and Technical Base

A service business, especially service in support of foreign oil workers and tourists, is a multifaceted and consolidated business, demanding an equivalent material and technical base. From dining facilities and living quarters to means of transportation and communications. From high-level equipment of international technical and artistic levels to means of supporting daily and

recreational activities. These are important and foremost conditions in operating a service business.

Despite limitations and shortcomings in material and technical management, construction time and project quality, OSC showed much ingenuity and achieved fairly good results in building a material and technical base. With shortages of capital, material, and management standards (during the first years, the state supplied only 30 percent of the capital and 50 percent of the material, and ceased all supply in 1986), OSC upheld a spirit of self-reliance, developed capabilities of self-equilibrium, competed for assistance from every direction, exploited strengths from many sources, used many types of capital (supplied by the state, borrowed in excess of the plan, acquired independently, and borrowed from the people), and used many design and construction forces (state operations, cooperative teams and private contractors). Of the more than 600 cadres, workers, and civil servants in construction enterprises of OSC, only 80 are on the state rolls with nearly all working in accordance with contracts or bids. To promptly develop the role and efficiency of construction and rapidly recover the capital, OSC thoroughly implemented a guideline of: placing in use whatever is constructed, urgently completing each project or project item, and whenever any portion is done, immediately placing it in use. Thanks to this, OSC during nearly every year has had new hotels, stores and service facilities making their debut. Even in 1986 when the state totally ceased capital loans, OSC still put two hotels in use with nearly 100 rooms and all modern amenities.

In calculating the past more than 10 years, OSC has invested a large amount of capital and material in improving, repairing, and constructing more than 100 projects and large and small project items. Included in this were many completely new construction projects such as the multistory Rang Dong Hotel with 128 rooms meeting international standards (this hotel was constructed in only 18 months). At the present time, OSC has 23 hotels and 36 villas, forming a fairly uniform production, business and service system, comprising three hotel areas (Lam Son, Hoa Binh and Thang Muoi [October]), three enterprises (tourist transportation, service supply and construction, installation and repair); schools for the advanced training of technical and professional tourism workers; and an import-export branch office. With a system of lounges, dining halls, refreshment facilities, department stores, and entertainment and recreational projects such as clubs, dance halls, movie theaters, concert halls, tennis and volleyball courts, etc., OSC probably simultaneously supports thousands of customers in food, lodging, recreation, and tourism.

Of special value is that OSC assembled and provided elementary and advanced training to a rank of cadres and technical workers in establishing a specialized tourism sector with the high skill levels and sufficient strength for self-design and construction, interior decoration, and perfection of auxiliary projects; and the

capability of constructing stylish and modern tourist hotels and charming villas of ensured technical and artistic quality. This is an important condition allowing OSC to achieve a mission of building a material and technical base for itself and to participate in cooperative construction of a number of "significant" projects in other locations such as Hanoi, Da Lat, Long An, Kien Giang, Ho Chi Minh City, etc.

#### Expanding Joint Enterprise and Association

Operating in the area of Vung Tau, OSC has the advantages of favorable natural conditions for tourism. However, a great difficulty is the restricted area (the entire Vung Tau-Con Dao Special Zone has an area of only 250 square kilometers and a population of more than 100,000) with few goods sources so support strength is restricted, especially in grain, food, high-level consumer goods, and modern equipment. OSC has overcome these difficulties by promoting production and organizing consolidated business while simultaneously expanding joint enterprise and association and bolstering exports and imports.

OSC has organized production and construction units, material supply enterprises, customer reception services, grain and food storage and processing facilities, tailoring and laundry shops, industrial chicken farms, fish and shrimp raising facilities, electromechanical and vehicle repair shops, etc. Thanks to this, OSC has achieved a large degree of autonomy in commodity materials that upper echelons have not supplied in sufficient levels, not in a timely manner, and not of the proper type and quality, and has reduced dependence on the free market. Moreover, to satisfy the varied and subtle requirements of customers, especially foreign customers, OSC has also organized a network of fine arts stores, beauty shops, steam baths, therapeutic treatment, etc. Actual practice has shown that to promote on-site production, organization of consolidated business is a necessary and effective measure for OSC, especially in the initial period of shifting from the system of state subsidization to one of business accounting.

In the years of supporting capitalist oil specialists, thanks to good organization of services and "on-site exports and imports," OSC has acquired an amount of supplies, raw materials, and foreign exchange. OSC has used a portion of the capital, materials, and supplies for associated production with a number of primary units in Ho Chi Minh City and other local areas. For example: in Ho Chi Minh City, the electromechanical enterprise contracted to produce table fans for the hotels, and to maintain and repair elevators, electric fans, water pumps, and air conditioners. The Hong Gam Weaving Enterprise contracted to produce all the cloth articles, table linens and towels; the Artware Enterprise to make perfumed soap, shampoo, toothpaste, and enamel and glass cleaner; the Plastic Enterprise to produce plastic art objects and foam mattresses; the Cogido Paper Mill (Dong Nai) to produce

high grade toilet paper; and the Hai Duong Pottery Plant to produce all the high-grade pottery items for the company.

As a business unit serving primarily foreign customers, OSC has the conditions for organizing exports and imports. However, along what course, in what area, and to what extent the exports and imports should be are things to be calculated and selected for effectiveness. OSC has chosen to invest in the production of export agricultural products and consumers goods by the joint business form. For example, OSC conducts joint enterprise with Loc Ninh (Song Be) in pepper growing; with Dac Phoi (Dac Lac) in coffee growing; with Ninh Hoa (Phu Khanh) in sugar production; with Cam Ranh in the catching, raising, and processing of shrimp; with An Phuoc State Farm (Dong Nai) in cattle and hog raising; with the Dong Phuoc Knitting Mill in weaving, cutting, and sewing woven products; with Dong A Enterprise in production of khaki cloth, etc.

From an initial period of conducting joint enterprise and association with a few units by a number of sporadic contracts for buying and selling products and ordering goods, OSC has now expanded joint enterprise and association, signed hundreds of contracts, and invested capital and equipment in many basic units of many fields of the national economy and in nearly all goods and trade sectors concerned with tourism services: from professional training, new project construction and contract production of a number of goods to investment in automation of production assembly lines of the weaving sector, ready-made export clothing, civilian plastic articles, earthenware, pottery and glass, civilian electronic items (assembly of television sets, radio cassette players, fans, refrigerators, etc.), and raising a number of special-product crops and animals (coffee, pepper, shrimp, etc.). At the same time, it has expanded business cooperation with many foreign firms, including those in a number of capitalist countries.

The method used by OSC is to invest in depth in the most modern techniques and equipment, to automate present enterprise production lines, and to swiftly increase the volume, quality, and variety of commodities. Here, a problem of decisive significance to OSC was to organize and grasp economic information, especially on the needs of the market, varieties, merchandise, prices, strength of each location, world technical standards, etc., for a foundation to select objectives and formulas of appropriate and effective joint enterprise and association.

In developing the joint enterprise form, OSC has attained four objectives: swift multiplication of available capital, especially in foreign exchange, to be financially autonomous; creation of a source of commodities for autonomy in business and support; modern equipment not only for replacement and its own renovation but to assist the entire sector in attaining high-quality products

by importing them from foreign countries; and contribution toward the creation of relatively stable and competitive products for export.

### Alleviating Problems in Management

During the initial years after establishment, due to the overall mechanism of the entire country of bureaucratic centralism and state subsidization, because OSC was an extremely immature and inexperienced service business sector, management was extremely confused with a cumbersome apparatus, fragmented activity, and inefficiency. During the past few years, OSC has devoted much effort to thinking, searching, and experimenting to find a management model consistent with its own operational characteristics and conditions, and consistent with the economic pattern on the initial stretch of the transitional period.

Like many other economic units throughout the country, OSC has resolutely shifted to business accounting, decisively eliminated state subsidization, expanded and developed the autonomy of primary level units, and ended the situation of waiting, passiveness and dependence. The first experiment of OSC was to boldly assign autonomy to the enterprises, returning to them their own powers, responsibilities, benefits, and capital obligations, first of all autonomy in finance, prices, joint enterprise and association relations, import distribution, cadre selection and deployment, and labor use. The company board of directors assigned the enterprises management of all wage and bonus funds; and all rights of rewarding and disciplining cadres, workers, and civil servants. The board of directors directly manages only two key positions of subordinate enterprises, those of the director and chief accountant, and in inspecting the operations of these enterprises.

Subordinate enterprises and units thoroughly implement the mechanism of product contracts and distribution in accordance with labor. Nearly all the shops, teams, and labor units have begun partial accounting and payment of salaries that are closely connected with the labor results of each individual. For example: an enterprise supplying services achieves self-plan formulation and self-equilibrium of materials, business accounts, and wage funds. The Thang Muoi hotel area is presently testing a total shift of workers and civil servants on the rolls to a contract system with payment of wages in many steps and in accordance with different job categories aimed at encouraging increased quality and labor efficiency, upgrading skills and overcoming the situation of average-ism and other negative occurrences. The maximum level of wages paid in the Thang Muoi hotel area is three times the minimum level.

The concept of OSC on management decentralization is not the division of authority between the company and subordinate units, or between enterprises, hotel areas, and labor teams but the creation of strength and effectiveness from the primary unit, creating conditions for

the primary unit to work dynamically, to more successfully achieve the principle of democratic centralism in economic management, to closely connect the benefits of the laborer with productivity, quality, and labor efficiency, and to ensure good coordination of the interests of the state, the collective, and the individual laborer.

To achieve the new management formula, OSC reexamined the apparatus, rearranged labor forces, resolutely reduced intermediate links and administrative staff, and increased the number of able cadres at the primary level. From 28 linking units in 1983, the company now has only 13, including 8 independent accounting units. The Thang Muoi hotel area has more than 200 cadres, workers, and civil servants but the board of directors only needs 3 individuals for the direct supervision of each labor team and unit without passing through intermediate components.

Improvement of the apparatus organization demands simultaneous rearrangement of cadres, screening and raising the quality of cadre ranks, and gradual creation of cadre shifts managing production, business and service in a synchronized and professional manner with a spirit of renovation in methods of thinking and doing. The stabilization and unanimous solidarity of management cadre ranks in OSC is decidedly not in "taking sides" or "collaboration," but in achieving standards in quality and ability, including new thinking, new ways of doing and practical results as the most important measurements. During the cadre arrangement process, OSC has made efforts to achieve the guideline: "Anyone able to do a job must do it, and anyone able to work must do so," overcoming a situation of saving face and arranging cadres in accordance with a close acquaintance style and because of the individual ordering the job.

The ability and prudence of OSC in cadre work is in knowing how to give worthy talent an important position and to achieve the policy of "assembling talented men." If any technical specialists or management cadres talented in any location or sector are known, OSC encourages and invites them to work with it, provides them with a system of satisfactory compensation, and creates every favorable condition for them to work. Some have now become key cadres in the company, and some cooperate with the company in a "contract" or "advisory" capacity. For highly skilled individuals who once worked under the old regime, OSC extends invitations to become collaborators and creates conditions for them to maintain close contact with the company and enterprises. It may be said that OSC has become a repository of many talents. From 1983 to 1985, OSC accepted 413 cadres, including 53 with college level and above educations and 65 with middle level educations, and 119 technicians from category 5 and up. At the present time, of the total of 1,600 cadres, workers and civil servants in the company (not counting seasonally recruited contractors), there are 145 cadres with college, higher-level and postgraduate educations (including 47 foreign language specialists), 217 cadres with middle-level educations and

710 technical workers. The capability exists for introducing microcomputers, electronic devices and computer science to the management professions. These are the no small assets towards which OSC is continuing to advance.

Naturally, as reported above, not every activity of OSC has been "smooth sailing." OSC has experienced stages of testing and groping, and has tasted reverses and even no small defeats. At this time, after more than a decade of building and maturing, OSC has not overcome all the difficulties. The greatest concern of those in OSC is degradation of the material and technical base (while investment capital for repair, construction and new equipment is extremely limited) and the inequality in professional skills of the cadre, worker and civil servant ranks, especially under conditions in which the state is expanding relations with foreign countries and continuing to renovate the economic structure and management mechanism. As a consolidated business and service unit with more than 60 different trades and a business volume during 1988 of more than 26 billion Vietnamese dong or 12 million rubles-dollars, spread over a broad area, maintaining business relations with many locations and countries and serving many different types of domestic and foreign customers, what can OSC do to firmly organize management, ensure efficiency, retain customer confidence, and maintain the quality and wholesome life of the cadres, workers and civil servants? These are the problems about which those at OSC are turning over and over in their thoughts, and seeking ways to overcome in order to "excel themselves" and continue to advance.

#### **Unity Between Society-Economy and Science-Technology in Our Country**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 57-61

[Nguyen Thanh Tuan; article not translated]

#### **Implementing a National Financial Policy Consistent With Requirements During New Phase**

42100009f Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 62-67

[Article by Nguyen Quang Long, High-Level Economic Specialist]

[Text] The renovation spirit and economic and social missions and objectives outlined by the 6th Party Congress demand an active financial policy consistent with the initial stretch of the transitional period and subsequent steps in development in accordance with our country's revolution. The congress affirmed that, "Financial and monetary policy has an important role in shifting economic activities to a business accounting mechanism and in efforts to resist inflation and stabilize the buying power of the dong."<sup>1</sup>

During the recent past, efforts have been made in finance to create sources of capital, and to distribute and inspect capital use aimed at answering the steadily increasing requirements of building and protecting the fatherland. The party and state have reserved an important part of capital for accumulation (from 25 to 29 percent of capital concentrated through the budget) to invest in capital construction and to create new production capabilities, with an average annual increase of 5.7 percent from 1976 to 1980 and 3.8 percent from 1981 to 1985. At the same time, the financial management mechanism and policy have been gradually improved, assisting in liberating production strength, overcoming the steps of inaction and decline of 1979 and 1989, and creating an active change in a number of economic sectors and facilities. Consequently, the source of finance from within the national economy has increased.

Nevertheless, with much greater national potential than before and a fairly large amount of capital invested, returns have not corresponded and investment results have been low, declining from previous levels. The strengths and capabilities within the grasp of the state have not been properly exploited or no conditions have existed for development: only about 40 to 50 percent of machine and equipment capacity is being used; and the land use coefficient is only attaining an average of 1.2 times with millions of hectares of agricultural and forested land still undeveloped and resources are being exploited in an unorganized manner or are being wastefully discarded and left lying silent. Meanwhile, millions of people are reaching labor age with no jobs, labor productivity in the sectors is too low, production expenses are increasing, the quality of many product types has declined, and the national income per dong of fixed assets from 1981 to 1985 decreased by an annual average of 4.1 percent, in the state operations area alone by 5.6 percent.

At the present time, the economy of our country is unstable and greatly unbalanced, and production lacks sufficient essential consumer levels and has not yet created an internal accumulation. The problem of capital for economic and social development needs is extremely difficult and acute, with simultaneously a serious shortage of capital and irrational, wasteful, and ineffective use of capital. Finance has not yet gained control of the little capital in the country, and has not yet mobilized, distributed and guided the use of every capital source in society in a thorough and wholesome manner for development of the national economy. Sources of capital are dispersed and wasted. A fairly large portion of capital in society lies stagnant in organizations and various levels of the population, there is chaotic circulation on the market, and no supports exist for production objectives, primarily for buying and selling, creating an extremely bad effect on money, prices, production, and life. There is still widespread competition for foreign capital and its use lacks effectiveness, failing to ensure payment of debts on time and limiting capabilities for attracting additional new sources of capital.

State finance is constantly tense with revenues not matching expenditures, serious failures in tax collection, exports not matching imports, and a great imbalance in foreign exchange; and foreign debts are not being repaid in full or on time. Budget, credit, and cash deficits are continuous and at a high level. Inflation occurring under the special conditions of war was reduced and protected by a great source of aid but after the war, a shortage of resolute measures existed, allowing inflation to continue and reach a serious level, increasingly causing financial difficulty and instability.

The abnormal situation is that: a large deficit exists in the central budget while local budgets in many places have balances; banks lack cash while much money is stagnated in many agencies and enterprises and among the people; credit debts have rapidly increased to greatly exceed the level of economic growth and are greatly in excess of allowable capital sources; an extreme shortage of foreign exchange needed for production requirements exists while a fairly large amount of foreign exchange is still being used in nonessential consumer objectives. This situation is increasing the issuance of currency to compensate for deficits, and is causing inflation to become increasingly serious and finance to become additionally disturbed.

Finally, the accumulation and consumption mission set forth in the first stretch of the transitional period cannot be effectively achieved. At the present time, both accumulation and consumption are restricted, failing to ensure requirements for swiftly promoting the accumulation and concentration process, stabilizing the socioeconomic situation, and creating a premise for new development steps.

This actual situation is due to many causes, including the one important cause of financial policy. Therefore, achievement of an active financial policy consistent with new requirements and aimed financial improvement has become a crucial and urgent problem with a profound effect on the task of building and protecting the fatherland.

To overcome the difficulties and ensure achievement of the strategic mission during the new period, the 6th Party Congress set a course for financial policy to "ensure the financial autonomy of basic economic units and to strongly stimulate state-operated economy and other economic components to develop production with productivity, quality and high efficiency, creating an increasingly higher source of accumulation for each unit and for the state; to rationally regulate and distribute income sources aimed at achieving social equality, and to ensure consistent accumulation and consumption relations with socioeconomic objectives."<sup>2</sup>

Following this spirit, finance must become a strong crowbar for arousing every source of power, fully utilizing and developing the capabilities of economic components, widely mobilizing and thoroughly exploiting

every source of capital in society, supporting the requirement for achieving socioeconomic strategy, and accelerating an active process of production expansion in basic economic units inside as well as outside the state economic area aimed at swiftly increasing commodity products for society, answering essential consumer requirements and creating and steadily increasing accumulation from within the national economy.

On the basis of developing production and the distribution and regulation role of finance, actively mobilize the proper level of domestic capital sources for the state, while simultaneously and wholeheartedly competing for foreign sources of capital to increase state budget receipts, increase bank credit capital, successfully answer the need for increasing expenditures for proposed socioeconomic objectives, properly resolve accumulation relations and gradually raise the positive and autonomous capabilities of national finance.

An urgent objective is to concentrate every effort on reducing budget, credit, and cash deficits, with basic efforts to balance receipts and expenditures during the period of the 1986-1990 plan, the most important contribution in overcoming inflation. Following that is to stabilize, strengthen, and develop finance and increase accumulation, creating conditions for firmly stabilizing the socioeconomic situation and preparing for rapid steps in development during the period to follow.

The core mission of finance at the present time is to rapidly create a source of capital, to exploit and use savings capital with high effectiveness, to properly answer accumulation and consumption requirements, and to ensure material conditions for successfully achieving the socioeconomic missions and objectives, central of which is presently the three economic programs of the party. Give the proper level of concern to the two sources of domestic and foreign capital: considering foreign capital as extremely essential and indispensable in the initial step, and greatly affecting the rate of economic development; and considering domestic capital as always a basic and decisive source of capital which we must and can positively bolster and encourage by many appropriate forms and methods.

For capital originating from production, finance must first of all have a direct and positive effect on the production of primary units of every economic component, using state operations as the backbone and aimed at swiftly increasing social products and national income, and creating capabilities for expanding concentration and achieving the initial accumulation of socialism. With a thorough understanding of the viewpoint of liberating production capabilities in the new economic policies of the party, finance must strongly utilize a price level system such as taxes, credit, interest rates, prices, etc., to stimulate and guide every economic component to thoroughly develop potentials, develop every large and small source of capital in production, develop trade sectors, create jobs, attract many laborers, make many products, produce benefits for the national

welfare and people's livelihood, and place the producer and businessman of every different economic component in the position of an commodity producer with equality in obligations, benefits, existence and development on the basis of increasing productivity and quality, reducing production costs and increasing profits. Especially, it is necessary to swiftly perfect and unify the system of contributions to the state, stipulating the clear, concise, and stable financial obligations during a definite period of basic production units; both ensuring the requirement for essential and firm capital concentration for the state, and that the producer has true financial autonomy; with effective actions to compensate for expenditures and to acquire an accumulation for continuing without restraint to develop production, the greater the effectiveness, the higher the income and the greater the accumulation. End the arbitrary and inconsistent situation in mobilization of contributions so everyone can have peace of mind, be prepared to invest capital in production, unceasingly increase accumulation for capital expansion, and create capabilities for promoting concentration in the national economy.

Under conditions in which the national income is still low and sources of capital are limited, distribution through the finance and credit system must express a policy of accumulation and consumption consistent with the requirements of the strategic mission and the capabilities of the economy, truly taking conservation as a national policy with effectiveness as the highest standard. Emphasize both aspects of accumulation and consumption, handling accumulation and consumption relations along a course of gradually raising the priority level for accumulation following the stabilization and development impetus of the economy.

Concerning consumption, it is absolutely necessary not to surpass the scope of assets produced, maintaining an increase rate for consumption funds that is slower than the increase rate of labor productivity and national production income, and swiftly overcoming a situation of capital embezzlement. The consumption policy during the next few years is aimed at answering the most essential requirements for life with emphasis on the lives of the wage earners. Properly resolve the relationship between individual and social consumption: while many difficulties still exist in life, priority must be given to individual consumption of the laborer, and development of social consumption consistent with the level of the economy, the multicomponent social structure, and the extremely disproportionate incomes. Eliminate state subsidization, resist waste and ostentation, and especially in social consumption, it is necessary to revise a number of welfare systems of an excessive state-subsidization nature, overcome difficulties in the economy and state financial sources, and properly apply the guideline of the state and the people working together. Wholeheartedly economize in expenditure and reduce administrative, national defense and security expenditures on the basis of simplifying the apparatus and staff organization, perfecting standards and norms



and broadly applying the formula of quota receipt contracts (if any) and expenditure contracts. Strongly utilize the tax tool with the harmonious coordination of price policies in guiding consumption, resolute regulation and the proper income level, especially the high incomes of various classes of the population, in order to regulate consumption levels, ensure social equality and a wholesome life, insure the legitimate interests of the laborer, and ensure a rational comparison in income and wages between trade sectors and regions throughout the country, consistent with the principle of distribution in accordance with labor.

Concerning consumption, energetic efforts must be made to reserve capital for investment in economic development. Wholeheartedly stimulate and create conditions for increasing accumulation in basic units subordinate to economic components, diversify credit relations, widely mobilize every source of capital in production under versatile forms such as joint enterprise, association, cooperation, stocks, etc. Gradually elevate the level of capital mobilized for the concentrated accumulation of the state through the budget and credit system, assuring that the state follows the development impetus of domestic production, while simultaneously creating conditions and opportunities for exploiting our strengths in order to diversify and expand foreign relations, better compete for the aid and investment capital of foreign countries, and increase foreign exchange receipts in tourism, foreign services, money from overseas Vietnamese, the export of laborers and specialists, etc. It is necessary to reserve for accumulation all of the capital attracted from overseas, with the unceasing supplement of domestic capital sources, gradually raising the percentage of internal accumulation to a level higher than that of external capital.

Deploy accumulated funds primarily in economic development and expenditure investments within the scope of actually available accumulation sources. Avoid collision with old mistakes due to subjectivism, urgency and investment in excess of capabilities, and using methods to issue money exceeding permissible limits to supplement capital shortages. It is necessary to unify planning for capital investment, consisting of both concentrated and nonconcentrated capital, balancing capital and material within the scope of the entire nation, ensuring a reasonable ratio between production investment and production expenditures, and between sectors, local areas, and territorial regions.

In adjustment of the investment plan for consistency with capital source capabilities: concentrate state investment capital in the three major economic programs, with priority given to direct investment in agriculture and the production of export goods, while simultaneously and promptly ensuring capital for key energy projects and a number of communications and transportation, and signal and liaison projects, and set aside adequate capital for investment in science and technology, family planning, and construction of an infrastructure to support

tourism and foreign services. For present facilities, emphasize synchronized and in-depth investment.

In conjunction with capital construction investment, the proper level of concern must be given to liquid assets and reserve capital which are an important part of accumulation. Correctly determine the principle of budget and credit sources with firm coordination between the budget and credit to ensure the necessary liquid assets for enterprises, and accelerate the turnover rate to conserve capital and reserves at an appropriate level and to avoid stagnation. Build and strengthen state reserve forces, comprising also foreign exchange reserves.

Capital creation, distribution and use, and the rational formation of accumulation and consumption funds are primarily achieved through the finance and credit system. Through this system, efforts are made to concentrate most of the capital on the state to ensure the most fundamental and essential socioeconomic missions and objectives. To achieve this, it is necessary first of all to improve the state budget situation, with most important concentration on the finance step, strengthening and developing the budget following the guideline of actively balancing receipts and expenditures; arranging a rational budget structure, strengthening receipts and additionally mobilizing domestic sources, increasingly raising the ratio in comparison with receipt sources from outside the country; and in expenditures, reserving a large portion of capital for economic development, allowing the budget to truly be an economic construction budget. At the same time, rearrange and renovate credit, creating the conditions necessary for shifting the banks to business accounting and to operations precisely in accordance with the principle of socialist credit; increase the mobilization of temporarily idle capital in society on the basis of policy and professional improvement, give attention to the interest rate problem, ensure the value of borrowed money, apply many versatile methods and forms (including issuance of stock certificates and bonds), and expand cashless payments to have sufficient capital to answer the credit requirements of production and business; and make loans to the proper recipients, ensure capital recovery and capital value preservation, and only extend loans within the scope of capital collection sources without depending on issued capital. Besides that, emphasize state insurance with active expansion of the insurance professions, especially insurance for production.

At the present time, reduction of budget deficits and advancement toward the balancing of budget receipts and expenditures is a mission of foremost urgency for finance because budget deficits are one of the most important causes of inflation. Efforts must be made to increase receipts without omitting receipt sources, thoroughly resisting tax collection failures, and raising the ratio of national production income collected for the budget, with efforts to raise it 28 to 30 percent as previously achieved by revising and perfecting policy and organizing strict achievement. Taxes and other types of state receipts must be improved, supplemented and



constructed into a simple and rational system without duplicating or including every source of receipts that could and should be applied during this new period, relying on the principle that every organization and individual engaged in production and business activities, using state capital and national assets, enjoying the welfare produced by public projects and service activities, and with incomes of a certain level have an obligation to contribute to the state. In conjunction with increasing receipts, firm expenditures with priorities must be arranged. Decisively control capital investment limits (including both concentrated and nonconcentrated capital) within the scope of an approved state plan. Reduce and advance toward elimination of loss compensation for production and business, and for exports; reduce expenditures for the state management apparatus because the proportion of these expenditure funds in the state budget is presently too large. Achieve a guideline of increasing receipts to ensure expenditure requirements, with expenditures only within the scope of available receipts, and restrict and advance toward eliminating the issuance of money to compensate for deficits.

In a spirit of reducing budget deficits, the increase in foreign exchange receipts and unified management of foreign exchange must be strengthened on the basis of an exchange rate policy consistent with reality and the buying power of the dong, correctly resolving the authority to use foreign exchange, creating conditions for rearranging and promoting import-export business and production, expanding other foreign exchange receipt activities, and strictly conducting foreign exchange receipts and expenditures through a foreign trade bank.

The objectives, missions, and themes of financial policy above are established and achieved with a viewpoint of a unified finance precisely following the principle of democratic centralism. In accordance with this viewpoint, financial policy demands decisive elimination of bureaucratism and state subsidization, ensuring the financial autonomy of the basic unit, decentralizing budget management to the local area, creating financial conditions consistent with the assigned socioeconomic mission and

plan in order for the local area to take the initiative in and be responsible for the achievement results of the local budget precisely following budget law, within the unified state budget framework and system. At the same time, resist fragmentation, regionalism, parochialism and indiscipline, ensure the concentrated management effect of the central government on policies, systems, and general standards and norms, ensure the prompt and correct level of capital sources for the central government, and ensure the authority of capital regulation of the unified state budget system when necessary for general interests. This theme must be solidified into clear stipulations on the rights and responsibilities, and interests and obligations of all echelons by financial regulations and systems upon which all echelons from top to bottom must agree on and comply with to ensure a unified spirit that capital is the essence of socialist finance. Management tools and methods must be strongly utilized, especially properly organizing accounting, strengthening financial inspection and auditing, to strictly maintain discipline and this unified spirit, and overcome all laxity and arbitrariness that has and is creating many negative occurrences in the use of national capital and assets.

First of all, because inflation resistance is an extremely difficult and urgent mission, tightening discipline and thorough unification in finance are an urgent demand. Moreover, due to great budget deficits, it is still necessary to uphold financial concentration, to increase the regulatory power of the central government, to thoroughly increase receipts, reduce expenditures, and practice strict conservation, and mobilize large sources of capital in the central budget in order to concentrate efforts in resolving the most crucial and urgent mission of the entire country to resist capital dispersion, considering this an extraordinarily essential measure of national finance policy over a definite period of time.

#### Footnotes

1. Proceeding of the 6th Party Congress, Su That Publishers, Hanoi, 1987, p 72
2. Ibid., p 72

**Improving Bank Loan and Deposit Interest Rates**

00000000 Hanoi *TAP CHI CONG SAN* in Vietnamese  
No 4, Apr 89 pp 68-69

[Huynh Van Ky; article not translated]

**The Present Situation in Japan and the Struggle  
of the Japanese Communist Party**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 70-80

[Yasuo Ogata; article not translated]

**Characteristics of Capitalist International  
Monetary-Financial System During Last Few  
Years**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 81-85

[Do Loc Diep; article not translated]

**Overcoming Mistakes in cultural Policy**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 4, Apr 89 pp 86

[Article not translated]