

JPRS-ATC-89-009
10 OCTOBER 1989



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

East Asia

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

No 5, May 1989

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

19980716 048

DTIC QUALITY INSPECTED 1

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

East Asia

Southeast Asia

Vietnam: TAP CHI CONG SAN

No 5, May 1989

JPRS-ATC-89-009

CONTENTS

10 OCTOBER 1989

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

On the Path Chosen by President Ho	[Published in FBIS-EAS-89-134, 14 Jun 89, pp 54-58]	1
The New Policy Viewpoint of the Party in Continuing the Revolution in Production Relationships		
[Dao Xuan Sam]		1
Improving the Budget Management Decentralization Measures	[Le Nhu Bach]	3

Socialism in Vietnam: Retrospective and Renovation

Renovating State Economic Management—A Number of Theoretical and Practical Aspects		
[Associate Professor Tran Trong Huu]		7
Socialism and Culture, Socialism for People	[Tran Van Binh]	9

Renovation—Opinions and Experience

Several Questions on Stabilizing the Forests and Expanding Forestry	[Phan Xuan Dot]	12
Identifying Vietnamese Culture	[Do Huy]	15
Accumulation and Consumption Policies During the Initial Stage of the Transitional Period		
[Nguyen Van Ky]		18
On Domestic Market Organization	[Hoang Dat]	22
Looking After the Lives and Protecting the Legitimate Interests of the Laborers	[Tien Hai]	24
Precinct 10 on the Renovation Path	[Pham Dinh Dang]	27
Photographs Before the Needs of Social Life	[Nguyen Long; article not translated]	30
What Can Be Learned From the Minh Hai CIMEXCOL Case?	[Quang Viet]	30

Daily Story

Necessity or 'Bad Habit'?	[Hoang Cong; article not translated]	33
---------------------------	--------------------------------------	----

Letters to the Editorial Staff

Where To Start?	[Vu Duc Nhuan; article not translated]	34
Gains and Losses	[Nguyen Thanh Tuc; article not translated]	34
Definitely Not a 'False Alarm'	[Readers' Department; article not translated]	34

The World: Issues and Events

Southeast Asia Facing the Prospect of Peace and Cooperation	[Kieu Nguyen; article not translated]	35
The Historical Position and Nature of Capitalism	[Nguyen Thanh Tuan; article not translated]	35

From the Publications of Fraternal Countries

The Common Interests of Mankind and Class Interests	[Article not translated]	36
On the Problem of Attracting Western Capital in Order To Overcome the Economic Difficulties		
[Article not translated]		36

On the Path Chosen by President Ho

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 1-6

[Published in FBIS-EAS-89-134, 14 Jun 89, pp 54-58]

The New Policy Viewpoint of the Party in Continuing the Revolution in Production Relationships

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 7-10, 16

[Dao Xuan Sam, professor of economics]

[Text] The viewpoint of the Sixth Congress on the policy of a multi-faceted economic structure is based on a fundamental renovation in thinking concerning continuing the revolution in production relationships during the process of building the new economy. Our party arrived at this new view after many decades of searching and testing. However, implementing the new policy is a complex process of continuing to search and create. This is because the present multi-faceted economic structure is still very spontaneous and disorderly. Although the new factors that are in accord with socialist directions are rather widespread, negative factors continue to crop up. The need to advance is concealed in countless unexpected events. Thus, among the party and state organizations and among the people in general, there are very different views about many theoretical and practical problems.

In order to clarify the policy of the party and create a unified view within the party and all of society, it must be understood that the policy on a multi-faceted economic structure is actually a return to and an extension of the fundamental idea of Lenin's new economic policy. We are making creative use of these ideas, particularly his ideas concerning state capitalism and cooperation. The aim of this is to continue the revolution in production relationships, like an evolutionary process in accord with the laws on the socialist path. In this article, I will analyze trends in the development of the multi-faceted economy structure in our country on the socialist path.

In trying to understand the process of building the new economy, one of the most important points is to understand the revolutionary process concerning production relationships, particularly ownership relationships. This process consists of two steps that are basically different with respect to objectives, targets, tasks, and policy principles. Step 1: After the people gained control of the administration, relying on state power and the strength of the masses, we quickly did away with the ownership system of the exploiting class and switched to public ownership in very important elements. At the same time, we maintained or transferred ownership rights to small private laborers in the remaining spheres. We then formed a multi-faceted economy with a class structure and class relationships new in both substance and principle as compared with the economy in the old society. During the period 1957-1960 in northern Vietnam, we

succeeded in restoring and developing the economy, particularly in agriculture (the period of the labor exchange teams). The production forces were freed thanks to eliminating the old production relationships and establishing new and suitable production relationships. Furthermore, with the strong revolutionary regime led by our party, economic development (which included developing ownership relationships) on the socialist path was not a policy that originated from the top but was the hope of the masses. Labor exchange teams, solidarity teams, and cooperative movements were launched using suitable forms. That necessarily led to the second step of continuing the revolution in production relationships with the aim of developing the multi-faceted economy, with the first task being to develop ownership relationships along socialist lines.

Lenin, in his "Report on the Strategy of the Russian Communist Party," which was delivered on 5 July 1921 at the Third Congress of the Communist International, clearly pointed out the differences between the objectives, targets, tasks, and policy principles of these two steps. In step 1, the policy was to eliminate the two exploiting classes, the big landlords and capitalists, which could be carried out relatively easily by making seizures. In step 2, the policy was directed at the small producers and petty bourgeoisie. In principle, this could be carried out quickly by making seizures. Lenin said that this was a mistake that the party had made in the past. Lenin took the initiative and expanded the concepts of state socialism (with a variety of forms) and cooperation as if discovering the natural evolutionary path for coordinating laws and mass standards to guide the laborers and small owners toward large-scale socialist production and persuade private capitalists to join the socialist construction army. This policy was the decisive factor in the wonderful restoration and expansion of the Soviet economy during the period of the new economic policy.

It should be noted that in describing the forms of state capitalism and the cooperative system, Lenin placed different emphasis on the socialist directional factors. At the same time, the factors of private ownership and individual interests (small private owners and tradesmen) were maintained and used like a compromise. During the historical conditions of the time, only by explaining things that way could he reassure the party members and revolutionary proletarian masses, who longed to advance directly toward the communist system of public ownership. This compromise was perhaps misunderstood as a temporary strategic retreat. But in the process of the socialist revolution, not long after Lenin died, this misunderstanding became the orthodox viewpoint. Lenin's new economic policy, together with his ideas on the socialist state and the cooperative system, were replaced by a policy of widespread nationalization, which lasted for more than 50 years and which had very painful results. At the same time, in recent decades, in a number of countries, to varying degrees, there has been a restoration based on updating Lenin's

ideas on a new economic policy in both reality and policy, particularly in the agricultural, artisan industry and handicrafts, small commerce, and service sectors. As for the restoration of Leninist ideology, in the past, there were many cases in which this happened spontaneously, on a trial basis, and in secret. Today, the countries that are actively carrying on reform and renovation are making creative use of Lenin's major ideas on socialist revolution in general and on the revolution in production relationships in particular. This restoration includes creative development thanks to the new experiences and knowledge in today's historical conditions.

In our country, the return of the policy of a multi-faceted economic structure began with the resolution of the Sixth Plenum (1979) of the CPV Central Committee (Fourth Session). The Sixth Party Congress affirmed the policy of making long-term use of a multi-faceted economic structure, like the process of continuing the revolution in production relationships. The Sixth Plenum of the CPV Central Committee (Fourth Session) strongly affirmed: "Achieving unity on the policy on a multi-faceted economic structure and freeing the production capabilities are the long-term strategic problems. This has the nature of a law on the road from small-scale production to socialism. This manifests a spirit of economic democracy and ensures that each person is free to work in accord with the laws. This is a very effective way to carry on socialist transformation based on the correct viewpoints put forth at the Sixth Congress."¹ In a speech delivered at the congress, General Secretary Nguyen Van Linh said: "There is no need to use the word 'transformation,' which just scares people because of the old images that people still have."² Those are the basic conclusions on the new policy viewpoints gained from practical reviews. This is a continuation and also a development of the viewpoint of the Sixth Congress. This is making creative use of Lenin's ideas on state capitalism and cooperation in our country's specific conditions.

It is now much easier to teach people about the party's new policy viewpoint. However, this is not a simple task. We must both eliminate the old viewpoint and develop the new viewpoint. What makes it difficult to eliminate the old viewpoint is because that was the orthodox viewpoint for many generations. It was turned into a theoretical and practical system (textbooks, laws, and regulations on the revolution in production relationships, reform, collectivization, state enterprises, cooperatives, and economic and financial management mechanisms). Thus, the old viewpoint has taken deep root not only in thinking, theory, and law but also in people's psychological and emotional make-up with various complexes, prejudices, beliefs, taboos, and social value standards and differentiation between noble and common, beautiful and ugly, and good and evil.

Below, I will discuss a number of problems concerning theory and economic policy to contribute to clarifying the party's new viewpoint.

In the policy on a multi-faceted economic structure, there are three basic problems concerning viewpoints.

1. The viewpoint on freeing the production capabilities essential and beneficial to national welfare and the people's livelihood: This is the idea of guiding the economic policies put forth at the Sixth Congress. Based on this viewpoint, we must look at each element and form of ownership, particularly concerning production forces and capabilities, in order to determine whether they are necessary and of benefit to the national welfare and people's livelihood. The forces and production capabilities must be understood fully, from labor capabilities to capital and means of production. Labor capabilities must be understood within each element and sphere of social production, from productive labor in the narrow sense of the term to managerial labor and labor in the commercial and service spheres, including information services. Based on this, suitable forms of production relationships, from ownership to management and distribution forms, must be selected. In short, this viewpoint, which starts from the laws of production relationships, must be in accord with the nature and level of development of the production forces. It can then be said that the policy on a multi-faceted economic structure, in which the state economic plays a leading role and in which joint ventures are expanded based on socialist guidelines, is a manifestation of objective laws. It is a policy for freeing the production forces. It is a policy that has a democratic spirit. The old policy pushed too hard in the direction of nationalization, was contrary to the laws, held back the production forces, and naturally led to compulsory and undemocratic methods.

2. The viewpoint that regards the policy on a multi-faceted economic structure as manifesting a democratic spirit concerning economics: This is an extremely important point. A democratic spirit starts from the idea of using the people as the root, which is the idea that guides the party's policies. What needs to be emphasized here is the democratic question that has been posed in the policy on structure in the specific historical conditions of the new economy with the new class structure and class relationships, with no more opposing classes or class conflicts. Only by thoroughly understanding the democratic spirit can we eliminate the old way of looking at things, create a new viewpoint on the class struggle, class unity, equality between the elements, and the people's right to live and work freely under the law. Naturally, there is a reverse side to this policy on a multi-faceted economic structure, which has a democratic spirit concerning economics, that could lead to anarchy and the spontaneous growth of capitalist tendencies. Thus, the democratic spirit concerning economics must include heightening the role of those factors that directly guarantee socialist tendencies: the guiding role of the state-operated economy and the role of state economic management. But it must be affirmed that the role of these two factors can be heightened only if there is a thorough understanding of those policies and mechanisms that bear a democratic spirit concerning economics.

Switching to a system of independent profit-and-loss accounting is a process of economic democratization aimed at freeing the state-operated economy from bureaucratic centralism and state subsidies and manifesting its guiding role. Renovating state economic management, eliminating the bureaucratic centralism and state subsidies management system, and switching to a management system that uses mainly economic methods is also economic democratization. This is the way to improve the effectiveness of state economic management. Renovating the policies and economic management mechanism based on a democratic spirit will create a democratic foundation for building a planned and efficient management system throughout society. This will eliminate bureaucratic centralism and state subsidies and put an end to the turmoil and lack of organization.

3. The final and most important matter is the viewpoint on formulating a policy on a multi-faceted economic structure at the long-term strategy level. This is not simply a stratagem or temporary retreat. Only with such a thorough understanding will it be possible to build confidence among the elements and honest people and put their minds at ease so that they will boldly invest in production, formulate major and long-term work plans, and live in peace and be content with their occupations. This is the only way to eliminate petty modes of life, dealing with problems on a temporary basis, and involvement in illegal economic activities.

This viewpoint starts from a scientific analysis. It is not a matter of will power, subjective desires, or wonderful promises. Given our country's economic, political, and social conditions and today's international situation, the multi-faceted economic structure is entirely capable of developing along the socialist path. That is, it is possible to build a multi-faceted commodity economy with a socialist cooperative system based on Lenin's ideas. This means that in evolving toward socialism, the elements cannot remain separate but must evolve within a unified and cooperative system based on shared interests and democratic economic principles. An economic system with a socialist nature must be created. This is a natural evolutionary path that is in accord with the laws of the birth, development, and gradual perfection of the new production relationships.

This is the path that Lenin found during the Russian October Revolution with his ideas on state capitalism and a cooperative system, which formed the foundation of the new economic policy.

Footnote

1. See TAP CHI CONG SAN, No 4, 1989.

2. Ibid.

Improving the Budget Management Decentralization Measures

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 11-16

[Le Nhu Bach, a high-level economic specialist]

[Text] Decentralizing budget management in accord with the spirit of Council of Ministers Resolution No 138 of 19 November 1983 has achieved positive results by giving greater financial independence to the local authorities so that they can build the economy and expand education, public health, and social culture in their localities. This has manifested the dynamism and creativity of many localities in exploiting their economic potential.

The present budget management decentralization measures still have a number of shortcomings. Decentralization of the budgets to the localities is not rational or correct. In some cases, this has gone too far and led to budget divisions. The localities have not developed evenly, and the common tasks of the country have not been carried out. The central budget shows a huge deficit. At the same time, the budgets of a number of localities show a surplus, with budget funds set aside for excessive expenditures outside the plan. Specifically, the present budget decentralization measures exhibit the following shortcomings:

As for sources of revenues for the provinces and municipalities directly subordinate to the central echelon, the use of a general regulatory ratio for all 40 provinces and municipalities, without taking into consideration the different natural conditions and level of economic, cultural, and social development, has led to a situation in which some localities do not have sufficient revenues while others have a huge surplus. They spend money on unnecessary items, but at the end of the year they still show a surplus (revenues exceed expenditures). At the same time, the central budget is always tight, and the deficit continues to grow. Money can't be transferred to help the provinces that lack funds or pay off the country's debts.

Setting ratios to regulate the sources of state revenues for the local budgets in the proportional relationships between tax revenues from the collective and individual sectors and the state-operated economic sector and between the sources of revenues from the central state enterprises and the local state enterprises is not being done in a rational manner. This shortcoming has caused a number of localities to look for ways to "obtain" investment capital from the budget in order to build the local enterprises regardless of the economic consequences.

Besides the shortcomings within the budget management decentralization system, there are also shortcomings stemming from the state budget management mechanism and budget management activities. Financial and

budgetary planning has not manifested sufficient democratic centralism and lacks a firm scientific and practical basis. As a result, the planned norms set by lower echelons are low as compared with the real capabilities, and the norms set by higher echelons are not in accord with the situation and real capabilities. One of the weaknesses in decentralizing budget management is that only revenue tasks are given. Expenditure tasks are not assigned. This has resulted in a number of localities spending funds in an arbitrary manner, reduced the regulatory effectiveness of the state budget plans, generated much waste in using budget funds, and contributed to the rise in inflation. Control in implementing the budget is also very weak.

The above situation requires that quick action be taken to revise the measures aimed at decentralizing budget management to the localities. At the same time, the financial and budgetary management mechanisms must be renovated from the central echelon to the localities. This will contribute to bringing about a real change in the country's economic and financial management.

There are many different ideas about the specific methods that should be used to revise the measures aimed at decentralizing budget management to the localities, particularly concerning the division of revenues and calculation of the revenue regulatory percentages for the localities and the "quota" forms for the localities. But in general, there is unity on the main direction for improving the budget management decentralization measures.

The main guideline is: Improving the budget management decentralization measures must be carried out based on thoroughly understanding the principles of democratic centralism, maintaining the systematic and unified nature of the state budget, carrying out the common tasks of the country, and enabling the localities to focus on completing the state plan and actively contribute to fighting inflation.

Democratic centralism is a fundamental principal of socialist economic management. We are in the process of eliminating the bureaucratic centralism and state subsidies management mechanism, but we cannot slight maintaining unified centralism on the fundamental problems and national problems concerning principles, policies, and procedures. We cannot agree with the dispersion, localism, and anarchy that is taking place in financial and budgetary management in a number of localities. As Lenin said, "We advocate a system of democratic centralism. But it must be clearly understood that this system is totally different from both bureaucratic centralism and anarchism."¹

Our country's financial situation is in very difficult straits. The country is very poor and is using up its capital. There is no accumulation from within the national economy. In such a situation, it is essential to elevate unified centralism and oppose dispersion, localism, and liberalism.

The country's budget is the basic financial element. It plays a guiding role with respect to the other elements in the socialist financial system, such as the enterprise and cooperative financial elements and the credit, banking, and insurance elements. Every administrative echelon and every administrative, national defense, and security organization must make estimates and have budget plans that can be integrated and turned into a state budget. These must be submitted to the National Assembly for inspection and approval. After implementation, each year the Council of Ministers must issue a report on the implementation of the budgets by localities throughout the country (including the central budget and the local budgets) for approval by the National Assembly.

To improve the budget management decentralization, we must both ensure synchronization and the centralized management powers of the central echelon and manifest the creative drive of the localities.

The powers and responsibilities of the local authorities with respect to the state budget must be clearly determined, particularly the responsibilities of the localities with respect to implementing the financial policies and procedures, tax laws, and laws on public debt. Steps must be taken to carry out the task of collecting revenues for both the central and local budgets, and, at the same time, maintain rational expenditures. The central enterprises that are operating in or that have established offices in the localities must submit to control by the administrative echelons with respect to revenues for the budget.

Based on the guidelines presented above, the ratios regulating revenues for the local budgets must be studied and revised in order to fulfill the requirements of improving budget management decentralization.

There are probably many ways to calculate the regulatory ratio and select revenue items for the localities, but regardless of the method used, the following requirements must be fulfilled:

1. The will power and actions of the sectors and echelons in managing the state budget and in using the state's sources of data must be unified.
2. The active, self-sufficient, and creative nature of the sectors and echelons must be manifested in managing the state budget, exploiting the sources of revenues (including the sources of revenues of the central budget), and making effective use of the capital.
3. The localities must develop evenly, and funds for social consumption must be provided. In particular, expenditures for administration, education, and public health must be controlled closely. The gap between the mountain and lowland areas must gradually be reduced, and priority must be given to ethnic minority areas. However, we must avoid creating a concept of relying on others.
4. The contributions of the central enterprises with respect to the economy and budgets of the localities must

be increased. This must go hand in hand with increasing the help that the local authorities give to the central enterprises located in the localities and ensuring that they provide the necessary infrastructure and raw materials. At the same time, the role of the localities must be manifested in implementing the policies, procedures, and laws of the state in the central enterprises.

5. The regulatory power of the central echelon must be maintained, and the guiding role of the central budget throughout the state budgetary system must be ensured.

In striving to fulfill the above requirements, it is not easy to select revenue items to regulate the localities and set regulatory ratios. This cannot be "figured out" in an instant. This must not be done in an arbitrary manner. This is a difficult and complex task with a highly scientific nature. This will require careful study based on reliable and accurate predictions.

The following methods can be used:

Responsibilities must be assigned, and the expenditure items must be determined rationally between the central echelon and localities.

As for local budget expenditures, it must be clearly determined which expenditures are essential and which ones must be controlled.

The essential expenditures are those that are practical and effective. The funds for these items must come from the revenues of the local budgets. Funds from the central budget must be provided only in special circumstances, for example, to change or build a rational economic structure and manifest the strength of the localities, which will benefit the entire country. (As for those projects that will benefit only a number of provinces, capital can be contributed.)

Based on the annual and 5-year economic and social development plans of the localities, the amount of capital available to the localities must be calculated carefully (by collecting the balance owed, exploiting the potential of the localities to the utmost, and making accurate predictions for the coming 5 years). How much the central echelon must provide to aid the localities must be calculated, too.

The types of revenues must be studied carefully in order to regulate things for the localities based on the principle: regulate only those revenue items that the localities can affect. At the same time, a number of revenue items not reserved for the localities must be set aside for the central budget. This includes revenues from debts, aid, energy revenues, railroad revenues, and so on. These must be used to satisfy the needs of the country and aid those provinces that have a deficit.

Revenue ratios for the localities must be set. (Ratios can be set for each revenue item for each province or region and each group of provinces that have similar economic and social development conditions and needs.) At a time of great economic change, it will be very difficult to set stable ratios for a relatively long period of time, because

that requires making accurate long-term predictions about the rate of development of the sources of revenues and the expenditure needs of the local budgets. Thus, we should set the ratios for 1989 and 1990 only. In this, one regulatory ratio, which could change annually, should be set (as proposed by the Ministry of Finance and approved by the Council of Ministers when necessary for a number of localities) in order to deal with the changing situation and prevent large numbers of provinces from having surpluses and wasting their money at a time when a number of provinces are suffering deficits.

After the country's economic and social situation has been stabilized, we will draw the lessons in order to stabilize the sources of revenues and ratios for the provinces over the long term.

On the other hand, we can set stable revenue ratios for a 5-year period starting from 1989. But there must still be one source of revenues with a ratio that is checked each year so that the central echelon can actively manage the state budget.

Improving budget management decentralization must be carried on actively. This must be studied thoroughly and then debated. Specialists and cadres with theoretical experience and new thinking must be asked to give their ideas, and the ideas of the provincial and municipal echelons directly subordinate must be obtained. This can be done in two stages:

Stage 1: Unify the principles, formulas, expenditure tasks, and sources of revenues.

Stage 2: Study and set suitable ratios for the provinces and municipalities directly subordinate.

Based on the unified principles and formulas, the provinces and municipalities that are directly subordinate to the central echelon must study things and improve budget management decentralization for the districts, cities and municipalities subordinate to the provinces. At the same time, the provinces and districts must immediately perfect village budget management, because today, there is much potential that has not yet been fully exploited. Also, in many villages, funds are wasted and results are poor. In the future, conditions must be created for unifying the village budgets within the state budget system.

Improving the budget management decentralization system is an urgent task, but improving state budget management in general and local budget management in particular are just as important and urgent. Only by renovating local budget management will it be possible to fully manifest the positive effect of improving the budget management decentralization system.

The following are a number of principles and viewpoints that must be understood thoroughly in improving local budget management:

1. The function of national income distribution and redistribution and the function of controls and financial

levers must be clearly recognized and exploited. In this, the state budget plays a guiding role. The budget must be used like a sharp tool in order to carry on economic and social development in the localities based on the party's strategy and line, hit the "four reductions" targets, gradually build a rational economic structure, fully exploit the strengths of the localities, and enrich the localities and the entire country.

2. Budget planning must be improved along with improving national economic planning. This must be coordinated from the very beginning with economic and social planning. Things must be in harmony with the credit and currency plans, and there must be harmony between materials and values and between economic and social plans.

The sources of revenues must be fully exploited and strengthened. There must be much capital for accumulation so that expanded reproduction can achieve greater and greater results. The budget expenditures must achieve results based on the targets and standards that were set in a scientific manner.

3. Every revenue and expenditure item must appear in the budget. There must not be any "black funds."

4. Budget audits must be organized in the manner of democratic centralism, and the roles and functions of the people's councils must be heightened and exploited. Doing things for form's sake must be avoided. People's ideas must be obtained in formulating and approving the budget.

5. There must be close coordination between the central echelon ministries and sectors and the local authorities in formulating and implementing the budget.

6. After the National Assembly has approved the state budget, it must be regarded as an order that the sectors and echelons must adhere to strictly.

7. In cases in which the plans are not fulfilled and the provinces cannot provide budget funds, the people's councils must find a way to increase revenues and reduce expenditures. If the problem cannot be solved, the chairman of the people's council must submit the matter to the Council of Ministers, clearly pointing out the reasons and presenting measures and time periods for solving the problems. The Ministry of Finance must conduct audits and submit possible solutions to the Standing Committee of the Council of Ministers for approval.

8. In implementing the budget plans, each month the standing committee of the provincial CPV committee and the standing committee of the provincial people's committee must listen to reports on the budget situation, ensure close coordination and harmony between the sectors, and effectively overcome the difficulties in these problems.

Control over the sectors and bases must be strengthened, and resolute measures must be implemented to prevent deficits, oppose bureaucratic centralism, corruption, and waste, and economize. Those organizations and units that score achievements must be rewarded. Those units, organizations, and people who commit negative acts must be harshly punished.

9. Constant attention must be given to guaranteeing the central echelon's sources of revenues in the localities. Fulfilling and exceeding the quotas in accord with the policies and measures must be regarded as an important duty. Localist thinking and being concerned only with obtaining revenues for one's own province and district must be guarded against. The responsibilities of the localities must be determined. They must contribute to reducing the state budget deficit, reducing inflation, and opposing the idea of relying on the central echelon or thinking only of their locality's interests, which could harm other localities and the entire country.

10. Steps must be taken to strengthen grasping the situation, stay in close touch with the production installations and units, provide accurate and timely information from the bottom up and from the top down, strictly enforce the orders concerning accounting and statistics, and strengthen budgetary and financial discipline.

The reports must be adhered to strictly, people must ask for instructions, and budget statements must be prepared in an accurate and timely manner. These must be submitted to the people's council for inspection and then submitted to the National Assembly for approval. Making erroneous reports and "cooking" the data submitted to higher echelons must be opposed.

The above principles and viewpoints must be used to formulate a budget law, measures to formulate and approve budgets, and other necessary stipulations. If this is done, the positive role of improving the local budget management decentralization system will certainly be manifested and state budget management will be put on the right track.

Footnotes

1. [V.I. Lenin, *Collected Works*, Su That Publishing House, Hanoi, 1971, pp 27, 260]

**Renovating State Economic Management—A
Number of Theoretical and Practical Aspects**

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 17-20, 25

[Associate Professor Tran Trong Huu, MA, jurisprudence]

[Text] In our country, for a long time now, state management has usually been understood to mean the administrative activities of the state and the activities of the state executive agencies. State management and economic management have been kept separate and even placed in opposition to each other. Limiting state management to the administrative activities of the state executive organizations and separating state management from economic management will reduce the role and functions of the state and unconsciously promote bureaucratization of state management and limit the effects and results of state and economic management. On the other hand, in the old management system, state management activities, with narrow contents, were imbued with and controlled by the conservative factors and contents of the bureaucratic centralism and state subsidies management system and of "state socialism." Thus, this changed form and degenerated and came into greater and greater conflict with the development of socialism. Because of the mistakes made in determining the tasks, methods, and limits of state management, state management held back economic development. If the socialist state carries out its economic, cultural, and social management functions, it will have an effect on relatively different objective elements. These activities are not aimed simply at management. Instead, they are multi-faceted activities. State management is not just a matter of state administrative activities. They are not "separate" activities of the state executive-administrative organizations. These are multi-faceted organizational activities of the entire system of state organizations, that is, the organizations of power, the executive organizations, the control organizations, and the courts. However, in this organizational system, economic management has been specifically determined with different tasks, methods, and limits for each element. State management in this broad sense of the term is in accord with the ideas of Lenin. Lenin viewed judgmental activities as one of the functions of statement management, with the soviets being management organizations. Conversely, in talking about state management, we must also talk about the problem of power. Every state wields power, just as there is no state power outside the state. In a socialist society, all power belongs to the people. The socialist state is the people's organization of power and implements the peoples' powers. Our constitution (1980) states that "in the Socialist Republic of Vietnam, all power belongs to the people. The people use state power through the National Assembly and the various-echelon people's councils that are elected by the people and that are responsible to the people." (Article 6)

As an important structural element of state management, state economic management manifests the people's power in the most decisive sphere of society. Those are the organizational activities of the entire system of state organizations aimed at implementing the economic tasks and functions of the state. They are not simply administrative activities of the state executive organizations in the economic sphere.

The above conclusion leads to the following important practical results:

First, in state economic management, the role of the National Assembly and various-echelon people's councils (elected organizations) must be heightened, and their real effect must be manifested. Those are the organizations that truly manifest the power of the people. Lenin stressed that "only when the wishes of the people are manifested correctly will we be able to manage the state."¹

Second, state economic management must be democratized. Only if the laborers participate consciously in management and the state apparatus maintains the principle of democratic centralism correctly will state economic management be effective and produce results.

Third, renovating state economic management will not achieve results if this is separated (with respect to contents and in space and time) from the renovation of state management in general, the renovation of the organization and activities of the system of state organizations, and the renovation of the political system.

Fourth, the management methods can be implemented effectively only if the state has laws and regulations.

The economic management activities are carried out by various state organizations, and this requires that the organizations be organized to form a unified and harmonious system. The tasks, functions, and powers of each element in the system must be determined rationally and clearly. Their operating forms and methods must be established and replaced in accord with the management contents (goals, management functions, and so on).

In our country, the system of state organizations that manage the economy includes the National Assembly, the Council of State, the Council of Ministers, the various-echelon people's councils and people's committees (the organizations with general jurisdiction), and the specialized organizations of these state administrative organizations such as the ministries, state commissions, general departments, and parallel organizations of these organizations in the localities (organizations with separate jurisdiction). The organizations with separate jurisdiction are directly responsible for managing specific economic aspects or processes. These two types of organizations are stable and change differently. Reality has shown that fundamental changes in the country's economy and society will, sooner or later, require and lead to changes in the organization and activities of the system of economic management organizations, above

all in the state organizations directly responsible for economic management. Two conclusions can be drawn from this. First, the system of state management organizations must be organized and operate in accord with the country's economic and social conditions. Doing things in an arbitrary, hurried, and voluntaristic manner in establishing or disbanding management organizations and stipulating their functions and powers instead of starting from the economic requirements and economic development is acting contrary to the laws. Second, any change in the objective management position must immediately be reflected in corresponding changes in the management system. What that means is that once the economy has undergone changes that have led to new quality, we cannot maintain the original organizational structure, functions, responsibilities, and management forms and methods of the state organizations as in the old situation. Today, the multi-faceted commodity economy, together with a multi-faceted cooperative system based on socialist guidelines and an "open" management mechanism, has proven very favorable for our economy. Because of this, a bulky apparatus of state organizations in which there is bureaucratic centralism and disharmony, in which the tasks, functions, and powers are not clearly fixed, and in which the management forms and methods are outdated is totally inappropriate and will pose a major obstacle in the new economic and social conditions. Drawing a distinction between administrative-economic management functions and commercial production functions and, from this, distinguishing two types of organizations—administrative-economic management organizations and commercial production organizations—as we did in the past did not satisfy the need to increase the independence of the economic units and ensure centralized state management with the aim of developing the economy. This can be seen in a number of stipulations on organizing the apparatus of a number of economic ministries.

Here, I think that the main problem is to make a distinction between the economic management of the state organizations and the commercial production management (or production and commerce) of the economic organizations (units). With respect to the economic units (enterprises, cooperatives, and so on), management—with the nature of a "special function arising from the nature of the social labor process" (Marx)—has a production nature. This management of production is directed toward fulfilling the economic and social tasks of each production and business unit in order to ensure that the production and commercial activities of these units are carried on regularly and continuously and achieve greater and greater economic results. Respecting this management means respecting the economic independence and independence in production and commerce of the economic organizations. Once the economic organizations have become involved in economic accounting and with socialist competition, that point will be of decisive importance.

The economic management activities of the state organizations as discussed above are forms for implementing

those powers. Regardless of whether they are operating in the economic sphere or some other sphere, the state management organizations never produce material products or distribute them. Unlike production management at the economic units, the management activities of the state economic management organizations are directed toward creating favorable conditions at the present level of development of the country's production forces to enable the economic units and localities to fulfill their production and business tasks.

Thus, the economic units will become truly independent in production and business and the state economic management organizations will stop "meddling" in minor matters and instead concentrate on solving the strategic problems of economic development on a broader scope, especially at the macro level, and creating favorable conditions so that the production and business units can operate effectively.

Strengthening the socialist legal system in economic management is a pressing requirement in renovating state economic management in our country today. The economic stimulants, meaning determining economic interests and the relationship between the state management organizations and the production and business organizations, must be placed under the law.

Science and practices in building socialism and socialist economic management have proven that socialist laws, with their role and special characteristics, are not just necessary tools of the state in managing the economy. In our society, they have gradually become a part of economic life, penetrated every "cell" of the economic body, and become a necessary factor of economic development. The laws have become an important factor of the economic mechanism.

Because of this, it is wrong to say that in our present unstable and complex conditions, it is impossible or useless to manage the economy using laws or to adjust economic activities and economic management using laws. Just the opposite is true. As the situation becomes more difficult, complex and unstable and as the number of negative aspects in economic management increases, the state must adhere to and resolutely protect the principles and key aspects and regulate the vital social relationships in the existing spheres of economic activities and economic management. Only in this way will it be possible to ensure that the economic activities of society, of the collectives, and of individual people are carried on based on a strong foundation and concentrate on fulfilling the key economic tasks put forth by the party. That is also the way to increase the creativity and independence of every economic unit, echelon, sector, and laborer.

Naturally, to do this, the laws must correctly reflect the requirements of the economic laws and give attention to the interests of the laborers, labor collectives, and society. The legal concepts and legal culture of the cadres

who manage and lead the economy and of the laborers must constantly be improved.

Analyzing our country's economic laws during the past period based on their perceived degree of effectiveness can lead to a number of shortcomings. First, along with the many documents manifesting the management mechanism that have been issued recently, large numbers of outdated regulations are still in existence. The economic laws have not been renovated in a synchronized and fundamental way. Appropriate legal documents have not been issued to adjust various spheres and key problems. Third, in economic law, the laws still play a very small role. Most are documents under the law, and sector documents account for most of these. That is the mark of the old mechanism. Fourth, socialist laws are not obeyed in economic activities and management. This is manifested in violations of the law, particularly by the state organizations and economic organizations in formulating laws and implementing and protecting the laws in the economic sphere.

Because of this, renovating the economic laws and strengthening the socialist legal system in economic management must focus on overcoming the above shortcomings, improving the economic management cadres' and people's understanding of the law, concentrating on gradually building a system of economic laws that is suited to the new economic mechanism, and creating the necessary economic and social conditions and legal guarantees to ensure that the laws are obeyed and become a part of life. This is the best way to guarantee that state economic management in our country today will be effective.

Footnotes

1. V.I. Lenin, *Collected Works*, Progress Publishing House, Moscow, 1978, pp 45, 134.

Socialism and Culture, Socialism for People

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 21-25

[Tran Van Binh, assistant professor of literature]

[Text] Socialism now faces serious theoretical and practical challenges. The weaknesses and sluggishness in the economic and social spheres requires that we take another look at the theoretical problems concerning socialism, because theoretical backwardness is the main cause of the weaknesses in our practical activities.

For a long time now, we have regarded the goal of the proletariat to be building socialism and communism, but we have not considered whether that is the goal or just a means to reach the goal.

History has shown that moving social systems from a preclass state to a class state with class pressures and finally to abolishing all classes is an objective phenomenon and tendency with the nature of a law. This will take place regardless of the subjective wishes of people.

The conscious role of people is to recognize this law and, through their activities, promote the objective progress of history. But when a social system has come into existence, the class that symbolizes that system will use every means available to reach its goals. Thus, an objective attitude toward history must be the necessary attitude of Marxist materialists. We condemn the old social system not because history gave rise to those systems (the appearance of the slave-owning, feudal, and capitalist systems was objective and necessary and in accord with the evolution of society) but because those classes symbolic of those systems have directed their activities toward selfish goals and toward impoverishing and corrupting the laborers. Similarly with socialism (the appearance of socialism was an objective necessity), the task that history has given to the proletariat and the communist party is to direct the activities at liberating the laborers and looking after both the material and spiritual lives of the laborers. Isn't that the goal of all our activities? That is the real meaning of Marxism-Leninism. About 100 years ago, F. Engels summarized Marxism in one short sentence: "Freedom for each person is the condition for expanding freedom to everyone."

The confusion between goals and means and viewing socialism as the goal instead of the necessary means to free and develop mankind has weakened the human nature of socialism and Marxism-Leninism. This has made it impossible to manifest the superiority of socialism. And economic and social weaknesses have arisen from this. Many of our political, economic, and social policies and positions have not taken the path that we had hoped.

Realities in many socialist countries, including Vietnam, during the past several decades have shown that when we first begin building socialism, if we do not give attention to the real requirement of liberating people or to the development of people, if will be very difficult to avoid making mistakes in actual activities. We say that administration must be returned to the people, but if the people do not have sufficient capabilities to understand their powers and manage society, such words are just a matter of form. In his "Report on the Party's Program at the Eighth Party Congress, March 1919," Lenin wrote: "We know the meaning of Russia's cultural backwardness and what effect this has had on the Soviet regime. We know that this cultural backwardness has disgraced the Soviet regime and helped restore bureaucratic centralism. It is said that the Soviet administrative apparatus is the administrative apparatus of the laboring masses. But no one is surprised by how far this is from actual reality."¹ The corruptness of a number of administrative organizations at one echelon or another poses a great threat to our country's revolution. This corruptness is an indication of the low level reached in freeing and developing people in our society. Eliminating corruption will take many years and cannot be done just by implementing laws and issuing administrative orders.

In the "Communist Manifesto," Marx and Engels said that communism will actively abolish private ownership, which means that it will forever end human corruption. That is the final and human meaning of the establishment of a system of public ownership. But how can private ownership be abolished? If private ownership and human corruption are tied to each other, the only way to eliminate private ownership forever is to liberate people and give attention to the development of people. Marx said that private ownership can be abolished only in conditions in which individuals have been developed in all respects.

The realities of the past several decades in the socialist countries, including Vietnam, have shown that Marx was correct. In every instance in which we have failed to create the conditions to liberate people and develop them in all respects, private ownership has continued to exist, and there has been a basis for the existence of this in the concepts of people. Of course, two conditions are necessary for the development of people's personality. First, using a variety of methods, their cultural standards must be raised. Second, the material means of production must be developed to a certain level.

For a long time, when looking for the reasons for our backwardness and sluggishness, we have usually related this to bureaucratic centralism and state subsidies. It's true that the system of bureaucratic centralism and state subsidies has led to many negative social phenomena. But the question is, Why, after being condemned for several years now, does this system continue to exist? Is this a matter of psychology and habit? To explain this properly, we must remember the ideas of Marx and Engels on the relationship between people and social relations. Marx affirmed that the "nature of man is a mixture of social relations." But Marx opposed those who looked only at "relationships" without seeing men and who felt that economic relationships controlled men (with the reality being that men create these relationships). Marx also affirmed that the "social relationships of men always stem from their individual personalities." What that means is that in order to have a new social mechanism, people's personalities must be developed at a new level. Or as President Ho phrased it, "To build socialism, there must be socialist people." Socialist people must be people who have been freed not only from exploitation but also from ignorance, prejudice, and old-fashioned habits. In short, they must be cultured people. Not unexpectedly, during the last years of his life and particularly in his political testament, Lenin often spoke about the cultural revolution and about quickly raising people's cultural standards. Thus, in discussing socialism, it's impossible to avoid talking about the cultural problems. The differences between socialism and capitalism are not manifested just in economic indexes, productivity, or the economic structure. The scientific and technical revolution is internationalizing the world economy. There is an economic race between the socialist and capitalism countries. In the present situation, the developed capitalist countries are far

ahead of the socialist countries with respect to many important economic indexes. Overtaking the economically developed capitalist countries is our action slogan. Of course, in developing their economies, the socialist countries always focus on the liberation and all-round development of men. That is the basic difference between the socialist and capitalist economies. If we ignore that target, the socialist economy will not be superior. Calculating profits and losses does not lie outside economic thinking, but that is not the final goal of socialist economic activities. The humanist meaning of socialist economics does not lie just in satisfying people's material needs but in creating the material conditions for the all-round development of people. The development of the socialist economy bears within it cultural factors and is aimed at cultural targets. Whenever the economy is far removed from culture, even if the cultural needs and cultural standards are developed, economic order and discipline will be destroyed and laborers will continue to be corrupted. That situation has occurred and continues to occur in a number of sectors and localities in our country's economic renovation movement.

In the economic sphere, if socialist construction requires that we aim at humanistic targets, in the cultural sphere, those targets are even clearer. At that level, it can be said that socialism is synonymous with culture, because the goal of socialism is to free men and create the conditions necessary for men to develop in all respects (cultural development is also aimed at that target). Capitalism has produced an impressive volume of material products. But capitalism is now facing a serious conflict. In the article "Technical Advances and French Society," which was published in the January 1987 issue of *PROBLEMS OF PEACE AND SOCIALISM*, Rancee Loughen, a member of the Politburo of the French Communist Party, wrote: "The new industry has opened up great possibilities for women and allowed them to engage in any occupation and hold any position. This has become the means to bring about equality. But without democracy and a system of vocational training and unless people fight for their rights, the new industry may result in a loss of vocational experience and make their living conditions even worse."

Because of the historical conditions and the subjective mistakes made in the economic activities of many socialist countries, capitalism has moved far ahead of the socialist countries with respect to many economic norms. The problem now is not to return to capitalism to develop the economy (that is contrary to the objective laws of social progress and to the targets that we have selected and shed blood to hit). Rather, what we need to do now is make skillful use of the technical achievements and managerial experiences of the capitalist economy, transform those experiences and achievements into social assets, stimulate an expansion in production with the aim of satisfying the material needs of people, and create the necessary basis for liberating the laborers and developing them in all respects. In order to fulfill this

requirement, we must raise the cultural standards of the managers and laborers, give attention to the pressing needs of the laborers, implement the principle of fairness in circulation and distribution, and democratize things in life and production. That will create the spiritual strength necessary for developing the socialist economy.

Developing socialist culture must go hand in hand with developing the economy. The newest viewpoint is that culture is an organic part of the factors which, when used, will allow the laborers to control their own destiny and history. It will not be possible to form true socialism if the masses lack culture. An investment in culture is an investment in people, both the present generation and future generations. In this sense, an investment in culture is also an investment for the success of socialism.

Socialism will successfully meet the present challenges if theory and practice exploit its humanistic nature. That means that in all economic, political, and cultural spheres, socialism must be the system that ensures the liberation and all-round development of people. The attraction of Marxism-Leninism lies in the fact that it is the only theoretical weapon that can help men liberate and perfect themselves.

The history of the development of mankind is the history of replacing the modes of production and acknowledging the level of liberation and level of development of mankind. The appearance of socialism was a turning point in the history of this development. This is called a turning point because with socialism, mankind started down a new path, that is, putting an end forever to the

social bases dividing and oppressing the classes. Socialism is the first social system in history to record on its banner the slogan "all for men." Because of this, socialism is synonymous with real humanitarianism. Naturally, in order to satisfy the hopes of mankind, socialist construction must quickly expand the production forces, perfect the political system, and raise the cultural standards of the masses. With this concept, the period of transition to socialism is not a period of restoring capitalism but a period of preparing the material and spiritual bases for implementing real humanitarianism in life, with the basic theme of this being the liberation and all-round development of men.

Even though the history of mankind is dotted with turning points and sudden changes, it has nevertheless obeyed the law of succession. The cherished hope is to free mankind, and the conditions for gradually doing that have been accumulated in the old systems. Capitalism, the previous high point of human development, was a subtle and cruel system of exploitation in history and continues to generate major ideas and produce major achievements of civilization. These ideas and achievements are not the intellectual products of the exploiters but the crystallization of the intelligence and creative activities of the masses. Fighting for the achievements of civilization and human culture and directing those achievements toward hitting the targets are the tasks facing the communist parties and countries that are building socialism.

Footnotes

1. V.I. Lenin, *Collected Works*, Progress Publishing House, Moscow, 1977, pp 38, 199.

Several Questions on Stabilizing the Forests and Expanding Forestry*42100010 Hanoi TAP CHI CONG SAN in Vietnamese No 5, May 89 pp 26-31*

Phan Xuan Dot, minister of forestry]

[Text] I. The Forest Situation and Forestry Production in Recent Years

Implementing the party's guidelines on renovation, particularly those on renovating the policies and ways of doing things, and manifesting the active and creative role of the primary level, the forestry sector in the country has made positive changes and overcome the sluggishness of past years. Since 1986, as a result of eliminating state subsidies and actively creating capital to develop the forests, we have planted 447,000 hectares of new forest and 1.3 billion trees. Each year we have cut 3.3-3.6 million cubic meters of timber and 28-30 million cubic meters of firewood and obtained many types of forest products and other special products to satisfy the essential needs of the economy and the people.

In many localities such as Lam Dong, Vinh Phu, Ha Bac, Nghe Tinh, Long An, and Dong Nai, as a result of transferring land and forest areas to families and implementing policies to stimulate and protect the legitimate interests of the laborers, the people have become more concerned about looking after the forests and making rational use of the arable land. This has brought good results.

From a one-crop system, forest production has begun moving toward integrated commercial activities. A forestry-agricultural-industrial (or forestry-piscicultural-industrial) structure has been formed and conditions have been created to attract additional laborers and improve the results of production and business. The Song Trem State Forest and Fish Farm in Minh Hai Province, the Ma Da and Hieu Liem state forests in Dong Nai Province, the My Phuoc State Forest in Hau Giang Province, the Ea Sup and Gia Nghia forestry-agricultural-industrial federations in Dac Lac Province, and the Thac Thanh State Forest in Thanh Hoa Province are models in effectively implementing the integrated business guidelines discussed above.

However, the forest sector's most glaring shortcomings and problems concern managing and protecting the forests. Our forests are not stable, and they are declining in terms of both quantity and quality. Trees are cut down and burned to prepare slash-burn upland fields. In many places, trees are felled haphazardly in violation of the regulations. Each year, 500-600,000 hectares of trees are destroyed.

One of the main reasons for the decline in the forests is that we have not solved the grain problem or improved the living conditions of the hill tribesmen and nomads.

Because of the need for timber and firewood to maintain the lives of tens of millions of people (including the

workers, civil servants, armed forces, and others), people have extracted a large amount of forest products. This is often concentrated in a number of particular areas, and it is not done in accord with the stipulations on protecting the forests, with the result that the forests have declined rapidly. Along with this, the opening of new land and expansion of the area for growing grain and industrial crops in an unplanned manner has encroached on the forest area.

On the other hand, because of shortcomings in managing the forests, the forestry sector has allowed the forests to be exploited improperly and has not invested money to develop roads in keeping with the need to exploit the forests. As a result, many places have abused the forests.

II. Targets and Guidelines on Stabilizing the Forests and Expanding Forestry

1. Today, we have 19 million hectares of jungle and forest area, which accounts for more than 57 percent of the country's land area. This is a very important resource for the economy, society, and environment of the country.

With respect to the economy, forest assets now total more than 9.3 million hectares with reserves of more than 600 million cubic meters. The various types of forest products are long-term sources of supply to satisfy the needs of construction and industry and the needs of the people. With the advantages of a tropical forest and more than 10 million hectares of bare land and hills that can be afforested or planted in industrial crops, special products, and medicinal plants, forestry in our country can provide large quantities of various types of commodity products to support both domestic needs and exports. The arable land in the lowlands also has great development potential. This land can be used to plant trees to obtain wood, firewood, and special products. With a rational crop allocation, if we use intensive cultivation measures, yields can reach 10-15 cubic meters per hectare per year. (Eucalyptus wood, which is used as a raw material to produce paper, sells for \$40 per cubic meter. That means that we can earn \$300 per hectare per year after deducting production costs.) As for planting trees in a dispersed manner, if each lowland district plants 1 million trees a year, after 10 years, assuming that 100 trees will yield an average of 1 cubic meter of timber and firewood, the yield will be 10,000 cubic meters a year. This will make it possible to satisfy needs on the spot.

As for the social aspect, developing forestry will attract a large number of social laborers. If business is expanded at the same time and assuming that on the average each 5 hectares of jungle and forest land will attract one additional laborer and that each hectare of arable commercial land can support three people, forestry will be able to create jobs for and maintain the living conditions of tens of millions of people. On the other hand, expanding forestry in the mountains and midlands is a

precondition for contributing to developing the economy and society and gradually improving cultural conditions here.

Protecting the forests and expanding forestry is especially important environmentally. This is particularly true given the complex terrain and climatic system in our country. Because of forest destruction, particularly head-water forests, each year topsoil erosion results in the loss of 1 million tons of nitrogen, 1/2 million tons of phosphorous, and hundreds of thousands of tons of other important elements. At the same time, this destabilizes the currents of the rivers, lakes, and streams and has a serious effect on agricultural and fishing production and on the normal activities of water conservancy, hydroelectric, communications, and transportation projects.

2. To exploit and manifest the potential of the forests, the forestry sector must be expanded in accord with the uniform and long-term plans (for forestry, this is 50 years) with a stable forest allocation on approximately 19 million hectares. This includes:

Production forest: 12.2 million hectares. Protective forest: 5.7 million hectares. Special-use forest: 1.1 million hectares.

This should ensure the supply of an average of 0.4-0.5 cubic meters of timber per person per year. By the year 2005 when the population has reached 82 million people, there must be approximately 32-41 million cubic meters of timber and firewood. As for timber used as a raw material in the production of paper, 1.2 million cubic meters must be supplied, and by the year 2030 supply must be increased to 8-10 million cubic meters to produce 1 million tons of paper.

In order to hit the above targets, the forest sector must implement four programs simultaneously. The contents of these programs can be summarized as follows:

a. The program to manage, protect, and enrich the existing natural forests: This is the basic and key program aimed at enriching the forests, restoring order in managing and using the jungles and forests based on a proper division of labor and decentralization and on the laws and regulations of the country, and ensuring that land reclamation does not result in a loss of forest area. Conversely, measures must be adopted to exploit the forests in rotation, which will stabilize and enrich the forests. With the existing rich and average forest area, if we exploit approximately 70,000 hectares a year in order to satisfy present needs, after 20 years, we will have fully exploited this area. After that, we can begin exploiting the poor forests and sapling forests that have been cared for and enriched. The forests planted afterwards will be exploited in the following periods. Thus, if the forests are exploited in coordination with planting forests in accord with the plans and programs, the forests will be stabilized for long-term and continuous exploitation without having to fear that the forests will be lost. Conversely, if we fail to do a good job, there will be a loss of stability in business.

b. The program to carry on afforestation and make effective use of almost 10 million hectares of empty land and bare hills: The afforestation formulas must be developed in a synchronized manner:

Concentrated forests, with key investments, must be planted in order to create raw material zones for the mining, paper, fiber, and export timber industries. In this, there must be approximately 1.0-1.5 million hectares of large timber, 500,000 hectares of trees that can be used to produce paper, 400-500,000 hectares of pitch pine, 200,000 hectares of tung trees, and 60,000 hectares of cinnamon trees.

We must continue to transfer land and forests to units, organizations, schools, and families in order to carry on afforestation to obtain timber and firewood for household use and build forest gardens based on a coordinated agro-forestry form.

Cooperative forms must be expanded, and the afforestation activities of the sectors and localities must be coordinated. Cooperation with other countries must be expanded in order to invest in afforestation. This includes borrowing capital and obtaining aid from various international organizations using every means possible in order to step up afforestation in our country.

The agro-forestry formula must be used widely, and the long-term forest plant pattern must be tied to the agricultural and industrial crops, special crops, and medicinal plants that are harvested immediately in order to implement the "obtain short-term, raise long-term" and integrated business formula and generate capital for expanding afforestation.

The dispersed afforestation movement must be expanded broadly. The target is to plant 400-450 million trees a year (which is equivalent to 200-220,000 hectares of forest a year), strive to have each district plant 2 million trees a year, with each hectare of farmland having 100 trees and an annual yield of 1 cubic meter of timber and 0.5 cubic meters of firewood per hectare. Dispersed afforestation, which is a very effective formula, must be promoted in every region.

In carrying on afforestation, productivity, quality, and results must be the leading targets. There must be a strong shift toward intensive afforestation. New high-yielding varieties must be brought in, and the scientific and technical achievements and progressive experiences must be used in order to increase yields and shorten the business cycle.

c. The program to process and make economical use of the forest products:

The wood and special forest products processing industry must be expanded. This includes mechanical and chemical processing and integrated processing. Large processing centers must be zoned and formed (Hanoi, Ho Chi Minh City, and the Central Highlands). These must be equipped with modern technology. At the

same time, attention must be given to carrying on preliminary processing in the forests in order to make use of all the branches, small pieces of timber, and discarded materials that are now discarded. Only in this way will it be possible to quickly increase the volume of products to satisfy the consumption needs of the people. The techniques must be renovated in order to increase the use rate. An effort must be made to supply the wooden products that have been processed and stored. The various types of wooden goods must constantly be improved in accord with the tastes of the people and sold at reasonable prices.

d. The program to export special forest products:

Exports must be reorganized throughout the sector in order to quickly step up the production and processing of export goods, and an effort must be made to produce a large volume of goods of high value, particularly leading types of export goods such as finished floor planks, plywood, fine and high-grade furniture, oils, vegetable resins, rare products, and forest animals. Export markets must be expanded, and various forms of economic cooperation with other countries must be used in order to quickly increase the export value of tropical forest products. The various forms of joint ventures and production services must be expanded, and afforestation and exports and imports must be linked in order to expand forestry and improve the lives of the laborers.

III. Principal Measures To Organize and Implement Things

1. Above all, urgent steps must be taken to reorganize the forests and production and rearrange the business structure in an efficient manner in accord with the nine forest economic zones (Tay Bac, Dong Bac, central Bac Bo, former Zone 4, along the coast of Trung Bo, the Central Highlands, eastern Nam Bo, the Red River Delta, and the Mekong Delta).

Based on dividing the forests into three types—production forests, protective forests, and special-use forests—there must be suitable forms and measures to organize and manage things based on the regulations for each type of forest. All 19 million hectares of the country's jungle and forest area must be zoned based on each state forest unit, sub-unit, subregion, piece, and plot. In this, the subregion is the basic unit for managing things, carrying on business activities, protecting the forests at the source, and ensuring that the forests are exploited and come to life again within a certain period. This is the leading measure to stabilize the forests and ensure that the forests expand. The scale of each state forest must be revised as appropriate. In this, each state forest should have an average of 15-20,000 hectares (with a business cycle of 20 years). The small state farms that deal in timber and special products should have a smaller area (5,000 to 10,000 hectares). State forests should not be allowed to control a large area if they do

not have sufficient business strength or their commercial activities are not achieving good results.

The transfer of land and forests should be re-examined. Based on a state inventory of the arable land resources (which should make it possible to calculate the value of the jungle and forest land) and depending on the special characteristics of each region, various forms of transferring and lending land and submitting business proposals must be implemented for the units, collectives, households, and private individuals to ensure that each plot of land and forest zone has an owner and is managed and used properly and that land is not transferred in a formalistic manner without specific owners. As for the areas already transferred to units and collectives, land must be contracted out to peasant households or to the families of cadres and workers, with this closely tied to the end products. Only in this way will business management achieve results.

The state farms must be tightly organized, and their commercial activities must be effective. The strengths of the forests and of agriculture, industrial crops, animal husbandry, marine products, hydroelectricity, and other sectors must be exploited. Those state farms whose business results are poor and that have been suffering losses for a long time must be disbanded or contracted out. The state forests must do a good job in carrying out the service activities regarding forestry (conducting inspections, planning forests, producing crop seed and saplings, controlling harmful insects and diseases, and providing forest machine services). They must play their activist role well in order to attract and organize laborers. They must carry out the settled farming and settled life movement well, purchase products, supply necessary items to the people, and, together with the localities, contribute to reorganizing the economy and society in the locality. Based on this, they must stop forest destruction. Nationwide, there are now 379 state forests that control more than 6.3 million hectares of jungle and productive forest land. If all of them manage their business activities rationally and effectively like the Ma Da, Song Tram, Chu Pong, Soc Son, Thack Thanh, and Huong Khe state farms, the forest situation will certainly be stabilized and production and business will expand rapidly.

The division of labor must continue to be perfected, jungle and forest management must be decentralized to the local people's committees, and favorable conditions must be created to enable the administrative echelons to perform correctly their state management functions concerning forests. The state management and production and business management and guidance functions of the various echelons with respect to forestry must be clarified.

2. The material and technical base must be strengthened for forestry

The material and technical base of forestry is still weak and unsynchronized. This is one of the reasons why forestry

has expanded slowly. This is particularly true of the road system, storehouses, means of transportation, processing installations and equipment, seed forests, and technical service installations. Thus, cooperation and coordination must be strengthened, and capital must be attracted in order to strengthen the material and technical base of forestry and satisfy both the immediate and long-term demands of production. Scientific and technical research must be promoted, and good support must be given to the four forestry programs. Technology must be linked to the science of management and sociology in order to satisfy the demands of forest production in the areas that are different from each other economically and ecologically.

Attention must be given to studying and summarizing the progressive experiences among the people and multiplying the good examples and models throughout the sector. The forms used to link science with production must be expanded, and the scientific and technical potential of sectors both here and abroad must be exploited in order to overcome the sluggishness in the scientific and technical development of forestry in our country. Technicians must be trained for the cooperatives and production collectives in order to satisfy the needs of forestry.

3. The new management mechanism must be implemented widely with respect to forestry, state subsidies must resolutely be eliminated, and there must be a switch to profit-and-loss accounting. With respect to forestry planning, there must be a shift from exploiting the forests to building and expanding the forests. Forest regeneration must be considered to be the root, and a balance must be maintained between exploitation and regeneration. In the forest industry sphere, processing must be considered to be the spearhead in order to quickly increase the number of types of consumer products and make rational use of and conserve resources. The forestry plans must start from the needs of the economy and lives of the people and must not deviate from the real capabilities of the forests. Attention must be given to the economic and social tasks within the forest area (such as attracting and organizing laborers to engage in settled farming and settled life and organizing their material, cultural, and spiritual lives). After we have switched to profit-and-loss accounting, forest products will no longer be products that are supplied using state subsidies but will be commodity products. Because of this, they must be circulated and exchanged based on the principle of equal prices just like other types of commodities. The extraction and processing of materials must be closely linked to marketing. Steps must be taken to satisfy the tastes of the people. Prices must both cover production costs in order to regenerate the forests and be acceptable to society. In extracting and processing items, priority must be given to supplying items to the households designated by the state based on the contracts that were signed. On the other hand, the direct relationship between the producers and the consumers must be expanded, and the markets must be expanded. Steps

must be taken to ensure that the commodities can circulate freely without having to go through many middlemen and without being impeded by administrative boundaries. The policies concerned must be studied, supplemented, and revised in order to encourage many forces, elements, units, and localities to participate in managing commercial forestry activities and use the empty fields and bare hills. This includes such policies as the policy on transferring and lending land, the policy on stimulating agro-forestry production, the policy on settled farming and settled life zones, and the policy on dividing the profits between the central echelon and the localities and among the sectors participating in production and distributing the profits of the provinces, districts and villages that have forests. The aim of this is to promote the process of stabilizing and expanding forestry. At the same time, a forest land tax and forestry tax policy must be promulgated in order to encourage and compel the masters of forest areas to become involved in intensive cultivation, protect the arable land, and regard the forests as their own gardens.

As for mountain areas, areas where people lead a nomadic life, and places with many difficulties concerning political and social conditions, the state must implement synchronized policies, adopt investment policies, and coordinate the investment sources of the various sectors (such as forestry, agriculture, communications, water conservancy, culture, education, public health, labor, wounded soldiers, and social welfare) to quickly manifest economic, cultural, and social results in these areas.

Identifying Vietnamese Culture

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 32-36

[Do Huy, MA, aesthetics]

[Text] Vietnamese culture today is the integrated result of many relationships formed during the course of history. Such relationships include traditional-modern, national-international, social-natural, and individual-social. But most of all, it is a manifestation of production standards and the dynamism of the ideological system.

Before we began building the new culture based on the Marxist ideological system, the people's production standards were very low. The Confucian and feudal ideological systems were still predominant, and they dominated social relationships. Village culture was widespread as a result of the wet rice cultivation formulas developed in South Asia. Marxism-Leninism was the spiritual weapon of the proletariat, and the proletariat was its material weapon. But in Vietnam, the working class was weak both quantitatively and qualitatively. Furthermore, when Marxism-Leninism was introduced into Vietnam, it encountered a pluralistic cultural tradition consisting of the ideological system of the landlords, feudalism, various religious beliefs, and strong opponents. Chinese feudal culture was deeply embedded in the ruling system, in education, and in the way of life in the country.

But Marxism-Leninism also encountered the ardent patriotism of the people. Like good seed planted in fertile soil, it quickly sprouted and grew. In the cultural sphere, "De Cuong Van Hoa Viet Nam" [Outline of Vietnamese Culture] came into being in 1943 and opened the path for Vietnamese culture to develop in the new direction and make progress. Today, the basic principles of De Cuong Van Hoa are still unified within the party's cultural line.

During the past several decades, under the leadership of the party, we have moved in the direction of building the new socialist culture. Major achievements have been scored in the culture sphere. As compared with before the revolution, the face of culture here has undergone important changes. In the past, more than 90 percent of the people were illiterate, but now 80-90 percent of the people can read and write. The educational system is unified throughout the country, with education provided from kindergarten to college. A large rank of scientific cadres with the capabilities to satisfy the requirements of building and defending the country has been trained. The many achievements scored in science and technology have stimulated production and supported daily life and national defense. Science is contributing to the expansion of the production forces and is becoming more closely linked to social progress and the lives of the people. Public health and athletics are expanding and are contributing to protecting and improving the health of the people. The public health network in the country is expanding greatly. Many achievements in treating a number of diseases have achieved international standards. We can be very proud of this. Literature and the arts contribute positively to improving the cultural and spiritual lives of the people. Professional artistic activities, mass arts and letters movements, press and propaganda activities, and exhibitions have contributed to propagandizing the lines and policies of the party and state. They have contributed to the struggle against negative phenomena and degenerate and reactionary culture, to strengthening the quality of the new man, and to building the new culture. In general, even though our production is still inferior and even though Marxist-Leninist thinking has not developed in all respects in cultural life, the face of culture in our society is constantly undergoing profound changes. Many new cultural values have been formed, the intellectual horizons of the people have expanded, the hamlets and villages have been improved, labor culture has moved in the direction of opposing oppression and exploitation and forming new productivity, cultural contacts have been expanded, and family culture has been built on the foundation of the new society. New personalities have been forged and educated, and a new art has arisen in terms of new targets, contents, and methods.

However, based on the spirit of the resolution of the Sixth Party Congress, we must renovate thinking and face the truth squarely in order to see what is blocking the construction of the new culture and find ways to overcome this.

The achievements of the new culture that have been achieved do not meet our expectations. The truth is, our people should be enjoying a higher culture. With respect to the cultural and arts and letters lines of the party and the cultural practices in our country, there are still many things that need to be discussed and supplemented. Why with such wonderful ideals do our culture and arts and letters continue to decline? Much has been said about the very important role of culture and arts and letters, but investments in such activities have not fulfilled the essential requirements.

Our present cultural situation is deplorable. Political culture is ensnared in bureaucratic centralism. Morality has declined continuously. The laws have not been formed adequately or implemented seriously. Education continues to decline. The environment is being violated and lacks a scientific base. The arts are inferior in terms of form, subject matter, and creativity. We lack a culture to manage the country and society.

The fact that we are skipping the stage of socialist development and advancing directly to socialism is having a great effect on the uneven development of our culture. Why are we skipping the capitalist stage of development? By skipping this stage of development, what conditions must be met and what principles must be observed? These are important questions that must be answered before we begin building the new culture. Historical experiences show that building a new culture must be based on cultural values whose laws of development can be perceived. In our country, when the political system liberated the workers, the cultural standards of the poor peasants and farmers were very low. They served as subjects to build a socialist culture of high value, but they did not have sufficient capabilities to serve as representatives of the new culture.

Switching from the culture of the feudal class to the new culture of the proletariat does not mean that we can bypass all the natural processes of development of labor culture, environmental culture, educational culture, and legal culture formed by the bourgeoisie. We must pass through those processes even if not fully and even if that is not the target of the new culture. The natural historical processes of technology and civilization must be selected for the new culture. This will be possible only if we have a strong working class.

The working class here has not been prepared by an industrial labor culture, and its developmental process is very slow. The present cultural situation of the working class is very bad. Labor culture is not respected. As for contact, there is hardly any free time to perfect the social relationships. Family culture is in crisis: Housing is cramped, sanitation is poor, and several generations live together in a very small area.

We have given priority to expanding heavy industry at a time when small and medium-sized industries have not become deeply involved in agriculture or prepared the

material conditions necessary to raise the cultural standards of the peasants. Giving priority to expanding heavy industry has become a process of attracting the surplus peasants into industry. The styles and operating methods of small-scale production have reappeared in the industrial sector. Because of this, the crowded housing, the old customs and habits, and the agricultural labor styles have quickly turned industrial culture into a type of hybrid culture.

The new culture must be representative of the new production formulas. In this, the production forces must be very strong. In the party's social transformation line, for many years now, priority has been given to transforming production relationships at a time when the production forces are still very weak. A common principle of Marxism is that production relationships can be transformed only when the production forces have a revolutionary spirit and threaten to smash the production relationships. Implementing the theory that production relationships precede the production forces has ruined the cultural-social relationships—these relationships must be developed like a natural historical process—among the laborers and other people and given rise to more conflicts between the social classes.

Marxist-Leninist ideals are the core of the new culture. The process of building the new culture is a process of having Marxism-Leninism penetrate our social life. In this process, there have been times when we have been guilty of dogmatism. There have been times when the unblemished and living teachings of Marxism-Leninism have been considered to be only a theory of nationalism and national liberation. At times they have been transformed into a Stalinist-type theory of the dictatorship of the proletariat. Mao Zedong's idea that "politics leads" has occasionally penetrated rather deeply into the cultural relationships of our people. This has impoverished and disrupted many traditional cultural values and created an immoral and ugly atmosphere in many cultural-social relationships.

Along with subjectivism, dogmatism, and imitation, there have been many instances in which backward and reactionary ideas have entered into our culture.

In past decades, socialist democracy has been seriously violated. Many times, praise, orders, and one-sided explanations have enveloped the cultural-social atmosphere even though cultural life was declining. Many people unconditionally praise poverty and affirm that they can build a high culture even though material living conditions are poor. There have been times when emotions and humanism have been ignored. Prohibitions and "cutting clothes and trimming the hair" phenomena have cropped up in the cultural sphere. Many of the cultural reform movements in the rural areas have been very expensive, but they have stopped at formalism. Triumphant arches, banneroles, banners, slogans, and public bath houses have been built but in the end rural culture has remained backward.

The "party leads culture, the state manages culture, and the people serve as masters in creating culture" mechanism has come into being just recently. Many of the tasks of this or that echelon or this or that person has unintentionally encouraged backwardness and retarded progress.

Everyone knows that culture is a manifestation of the creative capabilities and freedom of people to become civilized. To have a strong culture, it must be thoroughly understood that the "development of each person's freedom is the necessary condition for the development of all peoples' freedom." (Communist Manifesto) Culture is not fond of monotony or authoritarianism. Regional culture is tied closely to the richness of local conditions. Coastal, lowland, mountain, and urban cultures must be integrated to form a multi-faceted national culture. The problem of plurality must be addressed in culture. The strength and richness of culture is its plurality based on Marxist-Leninist ideals and the new production formulas. If there is a lack of plurality concerning themes, understanding, methods, and values, people may replace the culture of the Central Highlands with coastal or lowlands culture and replace the creative colors with uniformity.

As for the reasons for our present cultural backwardness, there is a lack of understanding concerning cultural values, and state investment in the cultural sphere has not reached the proper level. Not only are the cultural development plans not specific but little attention has been given to organizing and implementing things in this sphere. People often talk about the "leavings" of the state budget and the concern that leaders have for cultural development. The village cultural committees, district cultural bureaus, and provincial cultural services are not important elements in the state organizational structure. In the cultural activities carried on at the village, district, and provincial levels, much time is reserved for discussing slogans and propagandizing a specific policy. Almost no attention is given to perfecting the political, moral, and legal relationships.

In recent years, pragmatism and chasing after money has expanded and penetrated a number of social classes rather deeply. Many localities have transformed the sports grounds into land for building houses. Little attention is given to organizing the traditional festivals, but when they are organized, the organizers forget about their cultural significance or transform them into tools to make money.

In building the new culture, people often view culture as a social system. Within this system, the various subsystems, cultural production, cultural distribution, and cultural consumption, are closely related to correct cultural leadership. The various religious creeds and beliefs all have their own objectives. Changing a belief is a choice that is related to cultural values. In the past, people took the "soul" of the deceased to the temple. People had faith in democracy and charity. Today, people often choose to take the deceased to a large state

cemetery or square, which is tied to social authority. This change in cultural values is not accidental. It is based on thought and intelligence.

Culture is a very important sphere and is closely related to the strategy of mankind. A strong culture will thrive from the strategy of mankind. Culture must be concerned with the formation of "chromosomes," genes, social relationships, population relationships, and creative abilities and the preservation of intelligence. This broad sphere requires a great investment. Without this investment, it will be impossible to develop the culture of a society.

Today, our country is facing crises on many fronts. The crisis in the cultural sphere is very serious, but there is a way out. We are looking more deeply into the process of socialist construction, looking for its shortcomings, and taking steps to enable Marxism-Leninism to be used correctly during the transition to socialism in our country. Based on these ideals and on this solid ideological foundation, we are re-examining the national and international relationships in order to vary and enrich our economy. We are looking for suitable formulas to free the rural areas, exploit traditional culture, and advance to a modern culture within the new culture of mankind. We are now standing between the currents of agricultural, industrial, and "belief" civilizations, a new choice that is stimulating the national culture to modernize.

Based on Marxist-Leninist thinking and on a new direction in production formulas and a new viewpoint on nation, class, and mankind, our country's new culture is prospering from the democratic changes in society, from the correct national and religious policies, from restored international relationships, and from the unity in plurality and the richness between northern and southern Vietnam.

The new culture will overcome its backwardness, and a new value system will be formed once a rational industrial-agricultural structure has appeared and the revolutionary dynamism of the party, which leads culture, has been strengthened. Culture is a value system. This is a selected and directional system. It crystallizes the all-round values of a particular period and remains forever. It penetrates deeply into all social activities. It binds social relationships and arises spontaneously. It uses the wholesome qualities in the social relationships so that they will bloom. And these flowers are planted for a later period of a new society. Thus, the party must give attention to investing in social development programs, which will enable the flowers to bloom brilliantly.

Accumulation and Consumption Policies During the Initial Stage of the Transitional Period

42100010 Hanoi TAP CHI CONG SAN in Vietnamese No 5, May 89 pp 37-41, 51

[Nguyen Van Ky, instructor, Nguyen Ai Quoc Institute]

[Text] I. Present Conflicts Between Accumulation and Consumption

In our country, the conflicts between accumulation and consumption are manifested in the following:

1. The need for rapid accumulation at a time when production is increasing slowly has limited the social consumption fund. Rapid accumulation is a major problem in our country today, a country that has only recently emerged from war and that is advancing from small-scale production to socialism without going through the capitalist stage of development. Because "accumulation is the most advanced function of society,"¹ accumulation is the precondition and motive force for expanding production.

Rapid accumulation in conditions in which production is increasing slowly and labor productivity is low requires that we limit consumption, "tighten our belts," and "bear the difficulties and reserve a suitable percentage of our accumulation for expanded reproduction and the construction of a material and technical base for socialism."²

In our country, the conflict between accumulation and consumption is manifested in immediate consumption and future consumption (immediate consumption is very low, and future consumption will also be limited).

2. The consumer fund must be increased quickly, and that will limit accumulation. The consumer fund is now very weak. It must be increased quickly, because the population growth rate is very high. Based on calculations made by United Nations (Food and Agriculture Organization), for every 1 percent increase in the population, the national income must increase 4 percent and food production must increase 2.5 percent to prevent a drop in the standard of living.³

During the period 1976-1980, the national income increased an average of 0.2 percent a year and food production increased 1.6 percent while the population increased 2.25 percent.⁴

With the above percentage relationships, the entire national income earned in 1976 was sufficient to satisfy only 89.3 percent of the consumer fund and 90 percent in 1980. The 1980 per capita consumption target was equal to only 82 percent of the 1976 target.⁵

During the period 1981-1985, even though somewhat greater progress was made, the population growth rate was higher than the rate of increase in the national income, and the rate of increase in food production was very low.

Per capital grain yields declined from 300 kg to 280 kg (1976).⁶ During the period 1981-1985, the national income increased an average of 6.9 percent a year. However, in 1986 it increased only 3.3 percent as compared with 1985. At the same time, the population increased at a rate of 2.2 percent each year.

The above situation has resulted in the following: The accumulation percentage is very low, that is, below 10 percent of the gross national income. Although the

consumer fund accounts for 86-90 percent of the national income used, the standard of living is still very low. The country does not have sources of accumulation from within the economy, and the consumer fund must borrow capital from abroad. These figures are shown in the following table:⁷

	1976	1980	1984	1986
Gross national income used	100	100	100	100
Percentage of national income from abroad	21.5	17.2	11.9	8.7
Accumulation Fund	25.7	10.0	8.9	8.2

What should be noted is that the accumulation fund percentage is smaller than the national income from abroad percentage. The difference must be compensated for in the consumer fund. Of course, loans are taken from abroad for accumulation, but because of the population and consumption pressures, we must take loans in order to survive.

Analyzing things in greater depth, it can be seen that not only is the population increasing at a high rate but there is a serious loss of balance in the population structure. Eighty percent of the population is concentrated in the coastal lowland areas, which account for only 20 percent of the country's land area. The remaining 20 percent of the people occupy the other 80 percent of the land area. Because of this, the large population, which cannot manifest results, is causing problems for both accumulation and consumption. In northern Vietnam, the narrow Red River Delta is very crowded, with an average of 1 person per 600 square meters. Thus, the situation is very tense with respect to food consumption. In 1984, inspections of a number of villages in Thai Binh showed that children and elderly people accounted for 44.5 percent of the population (33.6 percent were children). Women accounted for 77.4 percent of the youths ages 20-29. For every 100 laborers, women had to support 80 people. For every 20 direct laborers, there was one indirect laborer. The percentage of people who were laborers was only 47 percent. In other countries, the percentage was 60 percent, and in some countries such as Czechoslovakia, the figure was as high as 70 percent. The percentage of indirect laborers was around 20 percent. In other countries, the percentage was only 5-10 percent.

In summary, the population and labor structure is exerting great pressure to increase the consumer fund and further aggravating the conflict between accumulation and consumption.

3. The conflict between labor and jobs has led to a serious conflict between accumulation and consumption. Our labor forces presently total more than 30 million people, of whom more than 60 percent are agricultural laborers. Most of the laborers are in essential labor spheres, but productivity is low and it is held back. Thus, the labor forces here have not been freed. This limits our accumulation capabilities and puts great pressure on consumption.

In industry, communications, and construction, only 50 percent of the laborers have jobs. Many others are employed only part of the time. Besides this, there are millions of people who do not have any job. To provide jobs, there must be accumulation in order to have investment capital. But this is in conflict with the large population, low labor productivity, and our inability to accumulate.

Added to this is the fact that the imbalance in the economy is growing even worse as a result of such natural disasters as storms and drought. Also, the infrastructure is weak. Millions of people were affected by the rice shortages and bouts of famine at the beginning of 1988.

Along with the factors mentioned above, the conflict between accumulation and consumption is very sharp because of the bureaucratic centralism and state subsidies mechanism and the impatient subjective ideas. Manifestations of erroneous subjective thinking can be summarized as follows:

1. Impatience and a desire to industrialize quickly regardless of the objective conditions.

In a backward country such as ours that is just at the beginning of the transitional period but that wants to build factories to produce tractors, large-scale steel rolling plants, and large scale projects while giving little attention to satisfying the essential needs for such things as food, the result is subjectivism and voluntarism.

2. The investment capital has been allocated incorrectly. As a result, not only has the economic imbalance not been reduced, but it has even grown worse.

The goods produced by the agriculture sector account for 48 percent of the national income, but the state has invested only 18 percent of the total investment capital in this sector. At the same time, industry, which earns only 30 percent of the national income, receives 40 percent of the investment capital (30 percent of this goes to heavy industry).

Many projects have been built in the wrong place, and this has both limited results and blocked the construction of other projects. For example, a sugar mill was not built in Tay Ninh, which is an area that has many raw materials, but in La Nga, which has few raw materials and which is low terrain. Thus, when the Tri An hydroelectric station was built, high dams were not built out of fear that the sugar mill might be flooded.

3. People compete to build non-productive projects such as large headquarters buildings, airfields, and markets while letting the north-south communications route "go to pot." A typical example is Enterprise 11 in the Hong Gam Enterprise Federation. People built a magnificent 4,000 square meter building but did not give any attention to investing in new technology. Reality shows that people will pay 900 dong for a meter of yarn produced by the Thanh Cong Enterprise, but they will not pay even

400 dong for a meter of yarn produced by Enterprise 11. As a result, the director has dismissed 180 workers.

4. The small social consumption fund is not distributed fairly.

It can be said that for several decades now, we have not had measures to use the accumulated capital rationally or effectively. The capital has not been invested properly or for the right things. We have just been throwing money out the door. We have 315 state farms that were provided with 90 percent of the investment capital and 85 percent modern equipment. These state farms manage more than 80 percent of the technical cadres and agricultural engineers and have more than 1 million hectares of farm land. But to date, they have not paid any taxes. They have left 40 percent of the land uncultivated, and their output accounts for only 6 percent of the value of agricultural output. Almost 90 percent of the state farms are operating at a loss.⁸

Thus, what can be done to resolve the present conflict between accumulation and consumption?

II. Targets and Measures Concerning Accumulation and Consumption

1. The targets of the accumulation and consumption policies:

a. Short-term targets (from now until 1995):

Contribute to controlling inflation in our country. Contribute to balancing the budget, gradually reducing the confusion in the circulation and distribution sphere, and achieving social fairness.

Actively create sources of accumulation from within the national economy.

Move toward expanding the international division of labor and expanding economic circulation with other countries.

Promote the implementation of the three major economic programs: food, consumer goods, and export goods.

b. Long-term targets (from 1995 to 2005):

First, to have rational accumulation and consumption to contribute to stabilizing the economy and society.

Second, to have accumulation from within the economy instead of having to rely on taking foreign loans.

Third, based on a rational policy of accumulation and consumption, to contribute to expanding the international division of labor. The traditional artisan industries and handicrafts sectors and the travel and service sectors must be expanded, and a number of high-quality agricultural products must be produced for export in order to earn money.

Fourth, to consume based on the labor results, the capabilities of the economy, and the limits imposed by the relationship between accumulation and consumption during the process of industrializing the country.

2. Measures to hit the targets of the accumulation and consumption policies:

The basic and most urgent measures in the accumulation and consumption policies are the distribution measures. Only by having correct distribution based on a suitable percentage can accumulation and consumption be correct.

a. Distribution measures and the use of the accumulation fund in our country:

First, in a number of countries, people carry on distribution through prices and the rate of exchange in order to sell goods and earn the largest amount of foreign currency possible. At the same time, they purchase goods from abroad at low prices and sell them domestically at high prices to earn a profit without harming the "national welfare and people's livelihood." That is a way to increase revenues and the present sources of accumulation.

Second, the state must immediately adjust the exchange rate for materials based on the principle that the budget will not compensate for any losses. The negative aspects caused by the large price differential must gradually be eliminated, and the economy must gradually accommodate itself to international markets. In order to control speculation and hoarding, a tax must be imposed on overage inventories for private individuals, collectives, and state enterprises, including the ministries (the tax must be higher than declines). Based on this measure, there must be both regular and unannounced inspections.

Third, there must be a redistribution of the exchange rate between industrial and agricultural goods based on the guideline of protecting the interests of the peasants and ensuring accumulation for the state.

Fourth, the distribution and use of foreign currency between the central echelon and localities and the sectors and production installations must be based on the formula: the state concentrates and distributes foreign currency at the level needed. The foreign currency earnings of the exporters, laborers, and sector specialists must be recalculated to ensure that they are rational. Sectors must not be allowed to use the foreign currency in whatever way they want, such as making trips and sending cadres abroad for training. They must do things in accord with the country's plans.

Fifth, with respect to the five economic elements, the state must have synchronized policies to create a business atmosphere, attract potential sources of capital among the people for accumulation, and have inversions between actual accumulation funds and potential accumulation.

Sixth, various forms such as associations, cooperatives, service activities, and joint ventures with other countries must be encouraged and expanded in order to create accumulation. There must be a policy to establish special economic zones in order to attract foreign capital and technology, and a way must be found to increase the amount of loan aid provided by the SEV bloc. In 1995 and later years, the amount of such aid must double or triple from the present level of 1 billion rubles-dollars a year using a variety of forms.

Seventh, there must be a policy to accumulate funds and concentrate the proper amounts on the economic elements in order to stimulate accumulation and economic competition. In the rural areas, in the coming years, conditions must be created to enable the "peasant households" to accumulate capital first and then collectivize. The state must look for ways to accumulate capital and then concentrate things. This must not be done in reverse order.

Eighth, there must be policies to distribute the capital among heavy industry, agriculture, and light industry based on concentrating most of the capital on agriculture and the three major economic programs.

b. A number of measures for using the consumption funds in our country:

From now until 1995, the main consumption item is food (food needs account for 70 percent of household incomes, with the rest spent on clothing, transportation, education, and other needs). The southern provinces produce much food (accounting for two-thirds of the food produced), but their needs are very low. On the other hand, the needs of the northern provinces account for two-third of the needs, but these provinces produce very little. Thus, the use of the consumption funds is related to transportation, processing, storage, and population distribution. The following are a number of specific measures:

First, because consumption sources depend mainly on domestic agricultural and light industrial production, there must be an investment policy and rational distribution of the means of production to agriculture and artisan industry and handicrafts in order to create direct sources of consumption. Tug boats and special-use boats must be provided to transport food between the north and south. There must be a system of storehouses, transfer stations, and ports to transport food from the south to the north. If these conditions do not exist, we should not concentrate too much nitrate fertilizer, insecticides, or other materials in the Mekong Delta, because that could lead to problems, waste, and poor results.

Second, with respect to population and population distribution, the system of one child per family must be put into law; otherwise, the economy will not be able to withstand the population pressures. That includes both accumulation and consumption. Along with limiting the number of births, there must be a policy to redistribute

the population and break the present fetter of 3 sao in the Red River Delta if we are to have a basis for handling the consumption fund.

Third, a number of tax policies must be promulgated in order to regulate illegal revenues and revenues not generated by labor in order to ensure social justice. Examples are a progressive income tax, a tax on the sale of buildings, a progressive land tax based on the number of sales, and so on. Today, many people occupy public land and purchase state materials at low prices to build houses, which they then sell for a high price. This earns them a large profit. There are also people who rent out large houses at reduced rates (there are people who take in much gold every month but who do not pay taxes).

Fourth, there must be policies to establish a balance between individual consumption and social consumption. Today, social consumption, particularly by the state organizations, party, mass organizations, and armed forces, is too great, and the social consumption fund cannot bear this. Thus, policies must be implemented to set limits for the wage fund items of the indirect organizations and administrative organizations.

Fifth, if consumption is to be fair and rational, the principle of distribution based on labor must be given priority. Distribution should not depend on position or special rights and interests. The masses must be launched to control distribution, authoritarianism, and collective corruption and bring these things to the attention of the public.

Sixth, there must be consumption policies to coordinate economic and social interests, but the interests of all of society must be the guiding element. We must not run after the interests of guilds or localities. The accumulation and consumption policies must be tied to the social policies, and social justice must be ensured.

Footnotes

1. Marx, Engels, and Lenin, "Discussion on Distribution," Su That Publishing House, Hanoi, 1974, p 121.
2. Proceedings of the Fifth Congress, Su That Publishing House, Hanoi, 1982, pp 1, 76.
3. THANG LONG TRE, Hanoi Municipal Communist Youth Union, April 1987.
4. Statistics General Department, Hanoi, 1982, pp 1-3.
5. Ibid.
6. Speech by General Secretary Nguyen Van Linh at the First Congress of the Vietnam Peasants' Association, NHAN DAN, 29 March 1988.
7. Data submitted by the Oc-Lop Group to the Politburo, 25 March 1988.

8. Report by Tran Thai Nguyen, the head of the Department of General Affairs, Department of Agriculture of the Central Committee, at the Nguyen Ai Quoc Institute in June 1988

On Domestic Market Organization

42100010 Hanoi TAP CHI CONG SAN in Vietnamese No 5, May 89 pp 42-46

[Hoang Dat, assistant professor of economics]

[Text] We have been discussing the market problem for a long time now, but in general, the measures to improve the markets still bear the nature of subjectivism, voluntarism, and impatience. There is a desire to have a superb and unified socialist market immediately, with state commerce and the marketing cooperatives being in full control. Thus, in organizing and managing the markets, there is often a tilt toward administrative measures. Organizational and economic measures are slighted. The time has come for us to determine a market organization or market strategy that is in accord with the transitional period in our country.

In organizing the markets, the most important problem is to build a unified market nationwide. Arbitrarily dividing the markets into separate zones is not right and will hamper production. However, during the transitional period, because of the rather wide gap in the level of economic development among the regions, rural markets will continue to exist (within the nationwide unified market). Thus, in organizing the markets, there must be rational policies and measures aimed at reducing the above gap. This must not be done by "paying debts and making allocations" as in the past but by using commodity circulation policies, market policies, and interconnected economic policies.

International factors also play a very important role in organizing the markets. Today, the countries with a developed economy or that are on the path of rapid economic development all advocate an "open door" economy. In this, the national market factors will gradually be incorporated into the international market.

In conditions in which the economy is still composed of many elements, even though the market is unified, the market will still be composed of many elements that will both supplement each other and compete with each other. An important problem is that we must enable socialist commerce to quickly become the representative for the state's interests and the interests of the masses. At the same time, attention must be given to forming a state regulatory system (through tax, credit, and pricing policies) that will apply to all the economic elements participating in the markets.

Another important point that must be stressed is that market relationships do not simply follow the law of supply and demand or the law of value. They also follow the planned direction of development of the socialist

economy. On the other hand, in the transitional economy, the markets help to regulate production.

The above are the basic problems that can be considered to be the necessary preconditions for planning and organizing the markets in the new conditions.

Market research in general and domestic market organization in particular are very complex tasks. The scope of these things includes all the economic and social conditions of reproduction and the changes in the supply and demand factors. Simple and one-sided adjustments concerning this lead to subjective conclusions and to positions and policies that are not in accord with the objective development needs of things.

For a long time, we have used administrative and authoritarian management methods using a distribution-payment formula, hoping that we could soon have an "organized market" with trading methods based on the orders. The result is that we have failed to stimulate production and have even hampered production and circulation.

Switching to a multi-faceted commodity economy requires that the markets be organized based on the following main requirements:

1. A market must be tied to the organization of commodity circulation:

The way to tie the organization of commodity circulation to the organization of the markets is to ensure that all commodities are circulated and mobilized based on the most efficient channels. Goods must follow the shortest route from production to direct consumption (for example, fresh foods that are difficult to store). In the future, after production and circulation organization standards have been raised, processed foods and export services can be utilized through one or several essential middlemen.

As for complex types of goods, each enterprise can only produce a few types of essential goods (such as cloth). But the enterprises are not arranged evenly throughout the regions and so things cannot be distributed directly from the enterprises to the consumers.

Thus, simple ties concerning a direct economic relationship (production-consumption) can result in uneven circulation and lead to confusion (including confusion concerning maintaining rational reserves) in the reproduction process. This is the objective basis for affirming the role of the trading organizations and socialist commercial organizations in a planned commodity economy.

The socialist commercial organizations in our country are still very inefficient. The apparatus is cumbersome, and there are many levels. This increases circulation costs and pushes market prices higher. This has displeased many people and even led to a denial of the role of state commerce, particularly the role of socialist trading organizations that were once considered essential in organizing commodity circulation and organizing

efficient markets. It must be realized that only through commerce can we organize studies on consumer needs and represent the consumers, order goods from the production installations, organize the circulation process rationally, and maintain a rational volume of reserve commodities to maintain circulation.

2. Research and prediction is an important tool in designing economic and social development strategies, which includes a market strategy. It must be said that the nature of the socialist economic model allows us to use this tool more effectively than the capitalist economic model. But unfortunately, we have paid little attention to this tool.

Predicting market changes is of significance not only at the micro level but also at the macro level in order to rationalize the production and commercial processes, optimize the sources of reserves, and make the use of the labor, materials, and capital more efficient. The development trends of the economic processes (production expansion, increase in the national income, and changes in needs that can be satisfied) must be predicted, and within this sphere, future developments of the supply, demand, and price relationships, meaning the factors of the market relationship, must be predicted. Also, capabilities, conditions, and means of taking over markets must be determined.

Market predictions cannot replace planning activities, but this is an advance step—like an essential preparatory stage—in formulating long-range plans.

Today, there are not enough data to formulate long-term market strategies for the various sectors. Based on the predictions already made, I think that market organization in the coming period must be directed toward the following:

First, organizing the consumer goods market must promote the formation of a close relationship between the state and the peasants and between the sale of production materials and industrial goods and the purchase of agricultural products and food.

A suitable percentage of the industrial funds (at least 70 percent of gross industrial production) must be reserved for the rural markets. This must be regarded as the operational strategy of commerce in agricultural production.

Because the real incomes of peasants in various regions differ greatly and because the terrain and farming and consumption habits are different, the needs of the rural areas for production materials and consumer goods vary greatly. We can no longer be content with satisfying the essential needs for ordinary consumer goods. We must also satisfy the demand for durable commodities such as cabinets, beds, bicycles, radio receivers, electric fans, television sets, and good-quality watches. The needs of the peasants in each region must be studied so that these needs can be satisfied. Today (using 1987 figures), 66.6 percent of the paddy is purchased using two-way

exchange materials, 3.88 percent is purchased using two-way exchange consumer goods, and the remaining amount is purchased using cash. During inflationary conditions, paper money is constantly dropping in value and so if this situation continues, agricultural production will be held back and commodity circulation will be limited.

Second, the commodity markets must stimulate the production of more varied products and contribute to perfecting the relationship between production and consumption.

In the future, the consumer goods markets in the cities will reduce the tension concerning quantities created by the continually increasing supply pressures of the economic elements participating in the markets. But there will be major divisions in needs concerning allocations. Thus, the allocation of goods to the cities must be varied. Each sector must have a variety of goods at different price levels.

In every country, the urban markets must satisfy three needs: the rather varied needs of the urban dwellers, the need to sell goods to rural markets, and the needs of travelers.

Given our traditions and existing commercial bases, the present distribution of production forces, and our limited capabilities for changing the investment structure in the coming years, the urban markets will play a leading role in affecting the enterprises, enterprise federations, and economic elements participating in the production of consumer goods. The trading centers, central storehouses of the trading federations and corporations, large markets, and large department stores will have to have marketing elements in order to coordinate things with the marketing organizations of the enterprises and enterprise federations. They will have to prepare lists and determine amounts and types of goods to produce and enter into long-term contracts to produce and supply consumer goods for the future.

If such a market organization can't end the present crisis, it will not be able to improve the production-consumption relationship.

Third, the potential and sources of strength of the domestic markets must be closely coordinated with import-export activities.

In the coming period, we will continue to encounter difficulties concerning imported raw materials and foreign capital. Thus, it will be difficult for the rate of expansion of the domestic consumer goods sectors to exceed 10-12 percent a year. A number of types of goods produced from domestic raw materials (pottery, porcelain, glass, and goods made of sheet iron and galvanized sheet iron) and a number of new production sectors such as the assembly of electronic goods can perhaps expand at a faster rate (up to 15 percent a year).

Assuming that the rates mentioned above can be achieved, in the next 10-15 years, we will still lack consumer goods and our country will still be one of those countries with a low per capita consumer index. Along with this, improving the quality of the products has become a leading task of the consumer goods industry.

Our task is to organize the markets to ensure that the capabilities of the economic elements participating in the production of commodities are exploited. At the same time, this must have a positive effect on the rearrangement of the production organizations, and there must be in-depth investments for the production installations with potential. We must resolutely do away with those installations that have been suffering losses for a long time.

With the potential for producing export goods of the economic elements and with the push provided by open policies, export capabilities to reproduce materials and consumer goods will no longer be limited to the levels of previous years. Given the new political situation in the world today and the investment capabilities of foreigners here, small-volume trading and commercial exchanges along private paths will expand and contribute greatly to changing the face of domestic markets. A market strategy that promptly grasps the new factors, exploits the advantages as much as possible, and limits the negative aspects (lack of selection in imports and importing types of goods that will damage the domestic commodity production) will create a new way of looking at market organization, link domestic consumption to exports, and gradually incorporate our markets into the world market, above all the markets of other socialist countries and the markets of Southeast Asia (opposing the tendency to flock to Zone II markets and slight Zone I markets, which are our strategic customers).

3. Organizing the markets must be tied to implementing a correct consumer policy in accord with our country's economic and social conditions. We must also selectively accept world consumer trends.

In the coming years, rational consumption and economization will continue to be the national strategy.

The food markets must contribute to solving the food problem for all of society in order to reproduce manpower. In accord with the conditions existing in each region and each type of labor, we must strive to provide each person with 2200-2500 calories a day with the ratio of protein, fat, and carbohydrates being 18, 12, and 70 percent respectively.

The industrial goods markets must satisfy the clothing needs. The present level (averaging 3-3.5 meters per person) is too low and must be raised in accord with the nature of the labor in the various sectors and regions (particularly in the mountain areas). Attention must be given to the clothing needs of youths and the need of women for ready-made clothing.

Housing needs are also very urgent. This includes everything from building materials and construction members to activity facilities. The need for cultural and educational goods must also be satisfied in line with creating and educating a generation of cultured youths who can maintain our national traditions and selectively accept modern ways of living.

Through organizing the markets and implementing market policies, we must stimulate and protect domestic production. We must also participate in the international division of labor and not look down on foreign goods. But we must not "worship" foreign goods, and we must have measures to control the production of bogus goods.

4. The economic elements participating in the markets must be arranged in such a way that they will form a rich and vital market free of disorder.

Above all, the socialist system of commerce must be completely reorganized based on reducing the centers and middlemen, implementing the principles of profit-and-loss accounting, tying trading to retail selling, and expanding economic connections in order to control the goods and markets. The large trading organization of state commerce must play a key role in the transitional economic forms such as associations and public corporations in order to concentrate the commercial producers in the socialist orbit and create wholesome competition.

The domestic commercial markets must coordinate things with foreign commerce, and the import-export organizations must be combined in an import-export union in order to have great commercial strength.

In conditions in which our economy has many elements, designing and organizing a domestic commercial system cannot be done in an inflexible manner, with organizational forms imposed from above. We must implement flexible planning with broad and voluntary coordination within the planned framework.

It should also be stressed that state administrative management methods are essential. This includes registering commercial and production activities and registering commodity trademarks and patterns. There must be measures to protect production and to protect inventions and discoveries. These measures, together with the laws in general and the economic and market laws in particular, are important tools in reorganizing market activities in an orderly manner.

Looking After the Lives and Protecting the Legitimate Interests of the Laborers

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 47-51

[Tien Hai]

[Text] The workers and laborers in our country are the activist forces of society. Everyone knows this. However,

a rather large percentage of these forces lead very difficult lives. Their living conditions and their material and spiritual lives are very difficult, and they suffer various injustices because of policy shortcomings and negative aspects of society.

As a result of the above situation, few laborers are enthusiastic about production and work. They work without spirit and do not obey labor discipline or give any attention to productivity or to the quality or results of their work. And they do not look after socialist property. Many people, including senior workers, have had to leave their jobs in order to find another way to make a living. Many people feel anxious and irritated, and they have lost confidence. There has been a serious decline in the relationship between the party and state and the masses.

There are many reasons for this situation, one of the most important of which is that the party and state have not given adequate attention to this matter or implemented active measures to look after the lives of the laborers and protect their legitimate interests.

Living conditions are determined by production. But the production forces are primarily people. Because of this, solving the pressing problems in the lives of the laborers will have a positive effect on production and create a motive force for production. Looking after individual and social interests is one of the themes of the renovation movement. If adequate attention is not given to these two aspects when formulating positions and policies and if, because of the pace of economic development and because of social interests, individual interests are slighted, the result will be the opposite of what is intended. This will damage economic development. The realities in our country during the past few years have proven this.

A pressing and very striking problem today in the lives of the laborers is the problem of jobs. Having enough work and the conditions to achieve high productivity and good quality is the legitimate hope of the workers and laborers. Besides the people at the work sites and enterprises who do not have enough work, the reorganization of production and the organizational rearrangements made by the party, state, and mass organizations have resulted in many people being laid off. Each year, millions of urban dwellers and youths of work age lack jobs. Only if a person has a job can he have legitimate income. Unless jobs are created for the laborers and their families, no wage policy will be able to resolve the difficulties in their lives. Reorganizing production, reemploying the laborers, and launching the workers and civil servants to exploit the labor, machine, equipment, materials, and raw materials potential in order to organize secondary production, form joint economic ventures, and exploit the sources of materials and raw materials in the country in order to create additional jobs is the main thrust aimed at creating jobs for the workers and civil servants. With the large number of surplus laborers, plans must be formulated to retrain these people and

help them change fields and develop the family economy or participate in developing rural production and services in the state economic sector. The Confederation of Trade Unions must participate in discussions with the state in order to provide subsidies for people who have been laid off and who are waiting for work and to formulate social welfare policies for the surplus laborers. In reorganizing production, reducing the size of the staffs, and organizing various echelon trade units, the role of monitoring the implementation of the policies must be strengthened and negative phenomena in selecting, managing, and using laborers must be opposed based on upholding the principle of fairness.

Labor cooperation with other countries will continue to expand using many forms. This is an important direction for creating jobs for laborers and increasing revenues for the state. However, to ensure fairness, steps must be taken to oppose bribery and end the inconvenience in sending people to work abroad. The outdated policies must be revised, and the agreements that have been signed must be supplemented in order to guarantee the rights of the workers when they are working abroad and when their contract is up and they return home.

Suitable wages are an important factor in stimulating production and a very important requirement in the lives of the laborers. In our country, however, the wage system is still very inefficient:

The wages paid do not ensure a minimum standard of living for the laborers. In 1960, the minimum wage provided 2,300 calories a day. But by 1988, this had dropped to 1,700 calories a day (the United Nations considers anything below 2,000 calories a day as poor nutrition). Surveys conducted in key enterprises in 1988 revealed that even though nominal wages had increased greatly, because of inflation, the real wages of the workers and civil servants at the end of 1988 were equal to only 40 percent of real wages in September 1985. The following are a few examples: As compared with 1987, during the 1st quarter of 1988, wage expenses per ton of cement at the Bim Son Cement Plant increased 11.7 times, but the real wages of the workers equaled only 51 percent. In 1988, surveys conducted at a number of key enterprises showed that the real wages of the workers at the enterprises in Ho Chi Minh City were equal to only 42 percent as compared with that in September 1985. In Dong Nai the figure was 45 percent, in the Rubber General Department it was 36 percent, and in the construction sector it was 33 percent. As compared with September 1985, in September 1988, the real wages of the workers and civil servants in the production sector were only 50.8 percent and in the administrative sector they were only 33.2 percent. Overall, the figure for workers and civil servants nationwide was approximately 40 percent.

Wages do not match labor results. Actually, that is just a type of relief fund that violates the principles of distribution according to labor and social fairness. The trend toward anarchy, localism, and guilds in paying wages in

many localities has become very serious and has created an unfair situation in the distribution of income. Cadres who perform the same types of jobs, who are at the same level, who have the same standards and qualities, whose work results are the same, and who work together in a united country have different real incomes. Just because one works in this locality, he earns four-five times or even ten times more than someone else who works in a different locality. And in our country, the real wages of those who perform simple labor is much higher than those engaged in technical labor. In many cases, excellent workers earn less than slow-witted people. The wages of active workers and lazy workers are the same.

We are actively opposing state subsidies and average-ism in paying wages, because that will hinder production, destroy the enthusiasm and creative abilities of the laborers, and encourage laziness and dependence on others. But to date, in reality, the problem of state subsidies and average-ism has not been solved. The issue of wages is a very complex problem. To solve this problem in a satisfactory way will take time. We cannot rush things. However, laborers here have had to put up with irrational wage policies for too long. The state should quickly reform the wage system. There is no reason to prolong the "agony-filled waiting" of the laborers.

In conditions in which the state's commodity funds are insufficient and commodity prices are unstable, the state should soon implement a "high cost subsidy" system and maintain commodity funds for goods essential to the workers and civil servants in order to maintain their real wages based on the spirit of the Sixth Party Congress: "The wages of the workers and civil servants must be adjusted in accord with the price system and actual level of prices. The state must maintain adequate commodity funds for wage earners. In the situation in which the state's commodity funds are insufficient and prices are unstable, there must be suitable sales formulas and people must be paid wages sufficient to purchase essential commodities."¹ Regardless of the situation, wages must be paid on time and grain must be sold to the workers and civil servants on time.

Protecting the laborers is an extremely important factor in looking after the lives of the laborers. Today, in our country the working conditions of many workers are very bad. The level of dust and noxious gases, noise levels, and temperatures at many factories, enterprises, and mines exceed the allowed limits. The number of labor accidents has increased every year. Occupational diseases, particularly black lung disease, brain disorders, neuroses, and lead and chemical poisoning, are increasing. The policies to eliminate the dangers and train the heavy laborers are inadequate and do not compensate for the labor expended. Thus, steps must be taken to maintain labor safety and labor sanitation, prevent occupational diseases, and educate those engaged in dangerous work. That is not just a fact of life but also a condition and principle of production.

We must carry on propaganda work and teach the laborers, particularly those who have just begun working, to carry out the regulations and stipulations on labor safety and occupational sanitation. The labor unions must coordinate things with the labor, public health, and internal affairs sectors in promoting inspections and recording labor safety and occupational sanitation marks. At the factories and enterprises, the directors must formulate plans to improve working conditions and provide labor safety equipment. They must give much attention to the working conditions in dangerous environments and to the working conditions of female workers. Women must not be allowed to perform jobs prohibited by law.

Housing is another pressing need in the lives of the laboring people. In many industrial zones, including Hanoi, the families of the workers live in very crowded conditions in collective zones. Many families must live together in one house, with the average space per person being approximately 2 square meters. There is a shortage of sanitation projects and clean water. In many of the rubber zones, state forests, state farms, and new economic zones, the situation is even worse. At the same time, the state subsidies policy on housing is very unfair. Some cadres who have used their housing allotment use their power to reserve housing for relatives, and they pay little rent. Many loyal workers who have made contributions throughout their lives must live in crowded conditions. Even by the time they retire, some people still do not have a nice place to live.

The state must formulate a housing strategy along with policies to manifest the principle of social justice. Housing rents must be recalculated to ensure that the rents are sufficient to repair the houses without the state having to make up the losses. Housing use quotas must be recalculated based on the principle of distribution according to labor and based on contributions to society. Priority must be given to excellent workers, labor heroes, emulation warriors, people who have scored achievements for the revolution, leading scientists, and talented artists who have made many contributions. In the wage structure for workers and civil servants, a percentage should be earmarked for housing. Those who do not live in state housing should receive money to repair and build their own homes. Along with investing capital in building and repairing state housing, there must be policies to issue land and to mobilize the capital and manpower of the workers and civil servants to build housing based on the motto the "state and people working together." The state must implement a policy of selling on credit or making loans and of selling materials to the workers and civil servants so that they can solve the housing problem themselves. Only in this way will it be possible to solve the housing problems of the workers and civil servants and reduce the burden on the state.

Improving the social policies regarding workers and civil servants and the social assistance policies regarding laborers is an effective way to look after living conditions and protect the legitimate interests of the laborers. The state should soon promulgate a Social Insurance Law for

workers and civil servants and social insurance policies for laborers in economic elements outside the state enterprises and for people who have returned after engaging in cooperative labor abroad.

The number of retired workers and civil servants is increasing daily. The lives of retired people are in general very difficult. All aspects of their lives are unstable, including psychological and emotional aspects, their standard of living, way of life, and living conditions, medical treatment, recreation, and so on. Procedures and policies must be implemented correctly for these retired people, and steps must be taken to ensure that they are paid their salaries and sold sufficient food and other essential commodities on schedule. Social, public health, cultural, and information services must be organized even better for retired people.

Female workers account for 46 percent of all workers and civil servants. In many industrial sectors and in the education, public health, and scientific research sectors, women play the main role. Thus, in solving the general problems of the laborers, attention must be given to the separate difficulties, needs, and interests of the female laborers. Attention must be given to employing and making rational use of the female laborers, helping them advance in their occupations, and reducing the difficulties in shouldering family burdens.

Besides the problems mentioned above, timely and accurate information must be provided to the laborers concerning the situation in the country and the world. They must be kept informed about the activities of the enterprises, organizations, localities, and country so that they can discuss and investigate matters. Better attention must be given to the cultural and spiritual lives of the laborers, particularly those living in remote areas. Resolute action must be taken to end the situation in which laborers cannot read newspapers, listen to the radio, and attend movies and other art events. The laborers must be provided with better conditions concerning training, travel, recreation, and medical treatment.

Looking after the lives and protecting the legitimate interests of the laborers is always the leading concern of the socialist system. We must gain a deeper understanding of this and implement this point. Because the level of civilization and superiority of a social system is usually determined based on the ability of that system to solve these fundamental problems.

Footnotes

1. Minutes of the Sixth National Congress of Delegates, Su That Publishing House, Hanoi, 1987, p 179.

Precinct 10 on the Renovation Path

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 52-56

[Pham Dinh Dang]

[Text] Thoughts in the Face of Potential Abilities

Located in the center of Ho Chi Minh City, Precinct 10, which encompasses an area of more than 5.6 square km, has great potential and strength. This is a gateway that links eastern and western Nam Bo. With an important eastern port, busy highways, a large population, and many production, travel, and service sectors, Precinct 10 has the conditions to reach out and create the things necessary to advance. Thus, why is Precinct 10 still poor and weak?

Of course, no one denies the efforts made and the achievements scored by the party organization and people of Precinct 10 since liberation. But very little has been done as compared with the requirements and the potential of this very rich area. The main reasons are the directions and methods. Even though the precinct has 220,000 people who are highly experienced in production and services, it has been developing the sectors based on the old methods: miscellaneous production and miscellaneous and unstable trading. Production has blossomed, but there is a lack of clear direction, and the essential spearheads, including state and collective zones, have not been created. There is still a very serious conflict between supply and demand and between production and consumption. The precinct is located in a central position, but culture, travel, and services are still underdeveloped. At the same time, many hectares of marshy land have been "forgotten," and many of the strengths have not been exploited. In short, things are still being done very slowly, and what has been done does not match the precinct's potential.

In preparing for the Sixth Party Congress, the Fourth Precinct Party Organization Congress (1986) made a comprehensive analysis of the precinct's potential and strengths and pointed out the weaknesses and problems and ways to overcome these weaknesses and solve these problems. During the very vigorous and even heated debate, with a spirit of facing the truth squarely and taking responsibility, a direction was stipulated: To become self-reliant and exploit every potential, expand commodity production, and concentrate on two spearheads, that is, to produce consumer and export goods and promote travel and services. Along with consolidating and developing the state and collective zones, the precinct stressed expanding and promoting other economic elements on a suitable scale and building ties between the urban and rural economic units in order to provide jobs for the laborers and exploit the precinct's strengths concerning raw materials, equipment, and production experience. It also stressed promoting travel, cultural, and service activities, making effective use of the "dead" land fund, carrying on economic and cultural development within the precinct, and promoting the production of export goods. The reality of the past 2 years shows that this is the correct and rational direction for Precinct 10.

Carrying on Integrated Commercial Activities

Having inherited almost nothing from the old system and restrained by the system of bureaucratic centralism

and state subsidies, during the 10 years since liberation. Precinct 10 has encountered many difficulties in organizing and developing the economy and society. With no capital and few materials and raw materials, many production units have had to cease operations.

With the renovation trend, Precinct 10 realized that it had to quickly change its economic activities to profit-and-loss accounting and take responsibility for the results if it was to advance and assert itself.

The first decisive step was to mobilize the sources of capital (the existing capital and capital borrowed from the people), expand commercial production, and use the results of the commercial activities to make investments, settle the debts, and concentrate on building and expanding the material and technical base. With a suitable rate of interest (6-8 percent), the precinct mobilized thousands of ounces of surplus gold valued at billions of dong from the people. When Council of Ministers Decision 217 was stipulated together with the financial decisions, Precinct 10 switched to generating capital and supplementing the liquid assets and tried to avoid having to rely on bank loans. The business motto put forth by the precinct was "buy fast and sell quickly, money and goods in circulation continuously, promote joint ventures, tie production to the markets, and promptly satisfy the needs of the consumers." The result was that in 1988, the value of purchases by the precinct commercial sector reached 72.3 billion dong, which exceeded the plan by 17.7 percent and which was 2.9 times higher as compared with 1987. Sales totaled 74 billion dong, which exceeded the plan by 14.9 percent and which was an increase of 2.7 times as compared with the previous year. In this, retail sales reached 52.2 billion dong, accounting for 70.5 percent of total sales. Today, Precinct 10 has a large amount of liquid assets, almost 10 billion dong, of which the banks provided only about 30 percent.

Precinct 10 is also emphasizing adjusting the scale of production, and it is practicing intensive investment, particularly for the key production sectors that serve the consumer and export goods programs. This is considered to be an effective way to increase capital quickly and promote commercial production in the state economic sector. Take, for example, the Legamex Corporation (originally an enterprise that produced leather shoes and ready-made clothing for export). The precinct invested in building three additional work shops and equipped two additional production chains to produce domestic consumer goods and process goods for export to the Soviet Union, East Germany, Italy, Japan, Hong Kong, and Taiwan. Almost 1 billion dong (mainly from existing sources of capital) was invested in enterprises that fell timber and process forest products for export. In 1988, the Legamex Corporation earned 1,800,000 rubles/dollars for the precinct, an increase of 1 million rubles as compared with 1987. Doing things this way, in 1988, with respect to the export value, Precinct 10 took an important step forward: it exceeded the plan by 8.1 percent with 7.58 million rubles/dollars, an increase of

67.56 percent as compared with 1987, and mobilized money from overseas, with an increase of 17.9 percent as compared with the previous year. Now, Precinct 10 is not only the trusted customer of such domestic production units as Viet Thang, Phuoc Long, OSC, and Seaprodex, but it is also the trusted customer of many countries throughout the world.

Precinct 10 is striving to create the conditions necessary to liberate the productive capabilities in the private economic sector. In conditions in which there are great difficulties concerning capital and materials, the precinct is arranging for a number of production installations to borrow cash and giving priority to supplying electricity and raw materials. At the same time, the precinct is switching to a contract and bidding mechanism and implementing a more open tax policy. As a result, in recent years, the private economic sector has prospered. Today, the district has 1,583 production installations with 4,475 laborers in various sectors such as heavy machinery, bicycle production, aluminum and leather goods, ready-made clothing, and textiles. Besides this, there are 300 production cooperation teams and other production groups. Almost all of these units are in close contact with the markets. They are producing many types of goods whose value accounts for almost 30 percent of the precinct's gross value of commodities.

Tie Economic Development to Cultural and Social Development

Nature has favored Precinct 10, but the precinct also bears heavy burdens. Tens of thousands of people are unemployed, and illiteracy is a serious problem. Social evils are widespread, and the lives of the cadres and other people are very difficult. With the viewpoint "all for mankind," along with restoring and developing the economy, Precinct 10 is giving great attention to developing the culture and society. This is regarded as one of the precinct's fundamental tasks of strategic significance.

The Precinct 10 CPV Committee is guiding the organizations, sector committees, and mass organizations in the 15 subprecincts to enable them to grasp the labor objectives of providing jobs, organizing training, arranging work for each type, particularly discharged soldiers and assault youths, and stabilizing their lives. The precinct is concentrating on establishing a relationship with the central and municipal economic units, expanding foreign economic activities, expanding the precinct's commercial bases, and tying vocational training to the economic and social development targets. In 1988, more than 3,500 people were given jobs based on this guideline. The Legamex Corporation alone hired 2,000 people. On the other hand, the precinct sent almost 2,000 people to the schools and assault youth forces.

Implementing social welfare policies, the precinct has organized regular relief activities for 5,740 people at a cost of 31.12 million dong. It has aided all the children of

war heroes by providing 13 kg of rice a month. It has also provided new housing and repaired 42 houses for "policy targets."

In order to strengthen education and maintain and improve the quality of the teaching, during the past 2 years the precinct has concentrated on carrying out two important tasks: consolidating the educational apparatus and formulating an action program for 1989 and 1990. The precinct organized a congress of delegates for instructors throughout the sector to discuss guidelines for expanding the education sector in the present stage. Clear guidelines were set for the sector in the coming years. Along with consolidating the system of schools and building 24 new classrooms, the precinct has given attention to the lives of the 2,614 teachers in the precinct and provided each of them with an income equivalent to 80 kg of rice per month.

Reality has affirmed the correctness of the precinct's policy in expanding the integrated cultural forms, which is aimed at improving the material and spiritual lives of the people. The establishment of the Cultural-Travel-Services-Commercial Corporation has manifested the effects of the various forms of activities of the joint zone, which includes the Hoi Binh Theater, the Ky Hoa Theater, and the open-air music zone. In the past, this area was a marshy area filled with garbage. In the future, it will become a cultural-travel-services-commercial center with modern facilities to attract visitors from both here and abroad. This will stimulate the production, service, and commercial activities of neighboring zones. In January 1989, Precinct 10 organized the 1989 Spring Fair in this joint zone. More than 70 economic units from the center and from the municipality and neighboring provinces participated in the fair. This became a large recreational, services, and trading area with more than 2,000 people a day coming to the fair, and this had a clear effect on the need to develop society and commodity circulation.

With the motto "resolute, urgent, long-range, and synchronized," Precinct 10 is promoting launching a mass movement to maintain the security of the fatherland and solidify the primary-level security forces and organizing campaigns to eliminate crime, coordinate construction with opposition and education and prosecution, and take a notable step forward in establishing order and discipline in the economic and social spheres. In 1988 the number of crimes committed declined by 70 percent and traffic accidents declined 75 percent as compared with 1987. A total of 21 thefts of socialist property were discovered, 16 cases were solved, and more than 19 million dong were recovered for the state. A total of 83 violations of economic laws were discovered, 127 targets were arrested and prosecuted, and contraband worth more than 50 million dong was confiscated. Also, 61 million dong in unpaid taxes was collected.

Along with the above programs, Precinct 10 has implemented many other social programs. These include building the new life, maintaining the environment,

implementing family planning, eliminating superstition, striving to hold the population growth rate to 1.75 percent, strengthening state management with respect to public health, organizing and improving the work methods of the subprecinct public health stations, organizing collective and private test centers to give examinations and provide treatment, attracting and using the skilled workers in and outside the precinct, and improving the quality and conditions of examinations and treatment for the people. The precinct has organized things to preserve, exploit, and make good use of the public cultural projects. It continues to maintain the cores of the movements. It is making basic changes in the activities and formulating a mass health education movement to contribute to improving the health and labor abilities of the people. During 1987 and 1988, the marshy areas in Subprecinct 10 were filled in, the water drainage systems in Subprecinct 15 were cleaned, and 2.2 km of asphalt roads were constructed. This contributed to changing the face of the precinct.

Organizational and Cadre Renovation

With 2,000 party members and 500 key cadres, of whom 70 percent are below the age of 40, Precinct 10 can lead renovation. But just as in many other places, the precinct's apparatus is very cumbersome, and the standards and abilities of the cadres are limited. Thus, the precinct must actively solidify the apparatus and perfect the ranks of cadres. In just a short period of time, the precinct has eliminated 11 offices and committees, dismissed 45 indirect cadres, and reassigned a number of capable and experienced cadres to important production installations, such as the Legamex Corporation, the Export Forest Products Processing Enterprise, the Lead Wire Enterprise, and the Ky Hoa Tobacco Enterprise, to staff committees and integrated committees, and to the key subprecinct bases. In perfecting the apparatus, the precinct is giving attention to clarifying the responsibilities, powers, and work methods of the Precinct CPV Committee and the People's Committee and the relationship between the Precinct CPV Committee and Precinct People's Committee and between the organizations, units, and mass organizations. It is taking steps to improve the leading role of the party committee echelons, increase the dynamism and managerial effectiveness of the administrative apparatus, and improve the integrated and mass organization role of the mass organizations.

The selection of cadres has been carried on with the confidence of the masses and in coordination with work realities. The production and business results have been used as criteria to measure the quality and abilities of the cadres. It is not necessary that the directors, office heads, and store managers all be party members.

The precinct is giving great attention to decentralizing cadre management and separating the cadres by type: leading cadres, state management cadres, production and business management cadres, and professional and

scientific and technical cadres. It is gradually "standardizing" the cadres with the aim of employing the cadres more effectively. It is resolutely prosecuting those cadres who have committed violations and also implementing a system of suitable rewards. In 1988 the precinct disciplined three key cadres who had committed violations, transferred three other cadres because of their lack of ability, and promoted 38 cadres. The precinct has implemented a system of rotating the cadres in a planned way based on the guideline of strengthening the bases, encouraging the cadres to hold positions, and striving to provide even better training.

In tying the work of implementing the economic and social tasks to the work of promoting the movement to purify and increase the combat strength of the party and state organizations and make social relations more wholesome, Precinct 10 has concentrated on guiding and improving the quality of the party activities, particularly at the corporations, enterprises, party chapters, and primary level party organizations. It has guided the primary level party committees in formulating struggle plans to improve the model vanguard role of the party members and in formulating plans to actively expand the party, with the focus being on workers and laborers at the enterprises and artisan industry and handicraft production installations, management cadres, and scientific and technical cadres.

On the renovation path, Precinct 10 has made mistakes and encountered problems. There are still many limitations and difficulties. But the important thing is that the precinct has chosen the right path and begun to form the preconditions necessary to exploit the potential and strengths of the precinct. Precinct 10 is striving to exploit the initial results that have been achieved, move forward, and hit the basic targets.

Photographs Before the Needs of Social Life

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 57-59, 65

[Nguyen Long; article not translated]

What Can Be Learned From the Minh Hai CIMEXCOL Case?

42100010 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 60-63

[Quang Viet]

[Text] Recently, the Supreme People's Court convened to try the CIMEXCOL (Minh Hai Province) case. On trial were Duong Van Ba, the former deputy director of this corporation, and his accomplices. This was a major economic case in terms of the number of ringleaders and their accomplices, with about 100 people involved altogether, the amount of property and materials stolen, with the value of the items stolen reaching tens of billions of dong, and the scope of the case.

1. What Is CIMEXCOL and Who Is Duong Van Ba?

Duong Van Ba comes from Minh Hai. In 1978, when he was still working for TIN SANG in Ho Chi Minh City, Ba organized a private transport unit that transported items for the Minh Hai Building Materials and Fuel Corporation. Thanks to cultivating influential people and gaining their "confidence," during the period 1983-1987 Ba was appointed deputy director of the Timber Corporation, the Federation of Timber Enterprises, the [Timber] Felling and Transport Enterprise, the Joint CIMEXCOL Enterprise (which was formed in February 1985), and then the Minh Hai CIMEXCOL Corporation (which was formed in April 1986 after the Joint CIMEXCOL Enterprise was disbanded). The Council of Ministers entrusted these two corporations with the task of "processing forest products for carrying on export-import activities with Laos" and fulfilling the economic contracts with the Lao Mountain Area Improvement Corporation (BPKP). It's worth noting that during the time that he served as deputy director of these enterprises and corporations, Ba continued to serve as the head of the transport unit that transported items on contract for these corporations.

2. "Quickness" in the Economic Activities of Duong Van Ba

According to a proposal by Duong Van Ba, processing forest products for export-import with Laos would make Minh Hai rich. Specifically, this would strengthen the rural areas and build an infrastructure for the province. Because of this, many people praised Ba for scoring major achievements for Minh Hai. Together with a number of leading provincial and sector cadres in Minh Hai Province, Ba was very "quick" and creative in business. It's true that in conditions in which our country's economy needs to switch from bureaucratic centralism and state subsidies to independence, profit-and-loss accounting, and socialist business and expand the commodity-currency relationship, creativity and "quickness" (in the sense of not being restricted by the old ways and not being afraid to try new things with a constructive spirit for the common good) are qualities that must be encouraged. But in reality, our laws are not in harmony or complete, and they have not kept up with the development of the economic and social situation. Thus, it is not always easy to distinguish between dynamism and creativity and criminal activities. There have even been instances of "tearing down fences," meaning that in form, people have violated the law but that their activities have actually been reasonable and in accord with the needs of economic development in view of the fact that the law has not kept pace. However, "quickness" also has its limits, and going beyond those limits is a violation of the law. In life, those limits have been set even though they can change depending on the requirements of economic and social development. Based on this, we can examine the criminal signs in the "quickness" of Duong Van Ba and his accomplices.

Theft of State Property

CIMEXCOL is a state-owned corporation. It was established and is directly managed by Minh Hai Province. Because of this, its assets belong to the state, and internal distribution must adhere to the state's management principles. But Duong Van Ba and his accomplices regarded this property as their own property. After each mission, they took a very large share of the money, gold, and commodities. Many times, Ba and the others altered the documents and records and made use of the loopholes in management to engage in corruption and steal state property. In 1985 they falsified reports on the volume of timber extracted and transported in order to receive payment from the corporation. They did the same thing with the amount of gasoline used by the rented vehicles. They dishonestly canceled the debts owed by the vehicle unit or shifted the debts to the timber corporation. Using these corrupt methods, they stole approximately 20,871,000 dong, which is equivalent to 117.16 ounces of gold (calculated based on prices at that time). During the period 1985-1987, they sold seven old vehicles used by their vehicle unit. But based on the commitment made in March 1979, these vehicles belonged to the corporation. It is worth noting that they were both sellers (using various aliases) and representatives for the buyer, that is CIMEXCOL, of which Ba was the vice director! The result was that they pocketed 16,350,000 dong (equal to 106 ounces of gold). Of this, Ba took 80 ounces and divided the rest among his accomplices. In 1987, by falsifying the accounting records for the contracted vehicles, Ba and his accomplices stole more than 22 million dong. In 1986 and 1987, when the provincial people's committee authorized the mobilization of money from overseas Vietnamese for the corporation, Ba and his accomplices pocketed more than 800,000 dong (which actually belonged to the state) and appropriated 18 Honda cubs. Thus, using various stratagems and tricks in managing the money and goods, Ba and his accomplices stole more than 62 million dong from the state (which was equal to 248 ounces of gold based on the time of theft) and appropriated other property valued at more than \$8,203. Ba alone pocketed 207 ounces of gold and took seven motorcycles and one hydraulic machine.

Intentionally Violated State Management Principles

CIMEXCOL is a commercial production organization that participates in import-export activities. All private, state, and collective organizations must fulfill their economic responsibilities toward the state, particularly the obligation of paying import-export tariffs. And they must implement the policy of remitting foreign currency based on the state's current regulations. That is a principle. But the import-export activities of CIMEXCOL were concealed under the guise of helping friends. Actually, it was exporting goods that it had purchased. It tried to purchase goods from many places within the country and imported various types of goods for sale in Vietnam. Under this guise, Ba and his accomplices avoided remitting the foreign currency and avoided paying import-export tariffs. During 1986 and 1987, through Ho Chi

Minh City Integrated Import-Export Corporation II, they exported 1,790 tons of coffee, 62 tons of piper nigrum, 379 tons of peaches, 434 tons of legumes, 887 tons of frozen shrimp, and 8,404 cubic meters of timber. During that same period, under the guise of helping friends, they imported 132 trucks, 2,000 automobile bodies of various types, 25,000 tons of cement, 5,000 tons of NPK fertilizer, hundreds of television sets, tens of thousands of radio cassette players, tens of video players, and thousands of bicycles. The unpaid tax on these items was huge. Naturally, they split the profit after selling these goods and used some of the money to pay bribes. It was not just Duong Van Ba and his accomplices who violated the law. CIMEXCOL, with the credentials of an economic juristic entity, also violated the law. People in the organization carried on illegal business activities and avoided paying taxes. They set up illegal funds and spent money contrary to principles. As for receiving visitors, during the period December 1986 to September 1987, the corporation spent 7 million dong. Ba alone spent more than 4 million dong. Nguyen Quang Sang, the temporary director, advanced 3,705,000 dong in public funds in order to construct buildings, for which 2,487,000 dong is still owed. Besides that, he authorized an advance of more than 23 million dong from public funds, but to date no one has received this. He sent false reports to higher echelons on the corporation's economic situation. Ba admitted that "I reported only 50 percent. I reported everything that was beneficial to me. If it wasn't beneficial to me, I ignored it." This is one reason why Ba and his accomplices were able to get away with things for so long.

Many People in Many Places Took Bribes

How did Duong Van Ba and his accomplices manage to avoid paying taxes and get around the economic management regulations of the state and organizations responsible? They were able to do this because they used many clever tricks, including bribery. They offered bribes (which were accepted) using many forms to many leading cadres in the province and a number of sectors in the province. They also bribed a number of cadres at the Ho Chi Minh City Foreign Trade Bank, at the Generalimex Corporation, and even at the Cau Treo Customs Station in Nghe Tinh Province (in order to confirm that they were engaging in the import-export activities for friends). The money or goods that they gave to each person was worth at least 1 ounce of gold. Altogether, they paid tens of millions of dong in bribes. Because of this, they enjoyed the protection of state employees at the organizations responsible. For example, Nguyen Duy Thuong, the deputy director of Generalimex, a corporation subordinate to the Ministry of Foreign Trade that is located in Ho Chi Minh City, was paid a bribe of 1.5 ounces of gold, a Honda motorcycle, and more than 2.8 million dong to issue a permit authorizing CIMEXCOL to import goods from abroad. Nguyen Thanh Hoa, the head of the Import Planning Office of this corporation, was paid 3 ounces of gold to handle the import-export procedures for CIMEXCOL. Le Phuong, the head of the

Integrated Planning Office of a branch of the Ho Chi Minh City Foreign Trade Bank, was paid 1.4 ounces of gold, one video machine, and one radio cassette player to guarantee foreign currency for CIMEXCOL in importing goods from abroad.

3. What Can Be Learned From This?

The case of the Minh Hai CIMEXCOL Corporation is a typical economic case these days. The things that took place range from corruption, theft of property, the establishment of illegal funds, and wasteful expenditures to falsification of documents, bribery, and intentional violation of economic management principles and measures. They made use of the weaknesses of the organizations responsible, degraded state cadres, controlled things inside, exhibited a complete lack of responsibility, made use of the blind faith of the leading and management echelons, and carried on trade both here and abroad in order to line their own pockets.

The activities of Duong Van Ba and his accomplices have had a very serious economic effect. Today, CIMEXCOL owes foreign corporation more than \$5.5 million, or approximately 25 billion dong. What percentage of CIMEXCOL's assets would have to be sold to pay that debt? That is one more debt that the state will have to repay to foreign corporations.

In the present situation in which many economic elements exist together and in which the trend in production and business is toward integrated business activities and toward the outside, the state must grasp the targets, tasks, and functions of each production and business organization. Regardless of which economic element these organizations belong to, they must be compelled to obey the currency management and tax regulations. The

state economic bases must take responsibility for their economic activities and fully manifest the budget revenue and tax items in order to compensate for the fixed and liquid assets provided by the state. Based on this, they must carry on internal distribution in accord with the income earned based on the principle of distribution according to labor. In a planned commodity economy, as the enterprise directors are given greater freedom of action, that does not mean that higher echelon leadership and management can be relaxed. Just the opposite is true. That is, they must provide good leadership and management and create favorable conditions to enable to the production installations to operate actively and creatively. They must monitor and inspect their activities. Because of the serious violations committed at the CIMEXCOL Corporation over a period of many years, thought must be given to the role played by the organizations in Minh Hai Province that lead and manage this corporation and by the other organizations concerned. There is no excuse for the lack of responsibility, blind faith, and corruptness in the face of bribery and the weaknesses in leadership and management here. Many cadres in Minh Hai Province, including a number of key leading cadres, accepted the bribes offered by Duong Van Ba. These people assisted and encouraged Ba and his accomplices and pretended not to see anything even though the masses filed complaints and higher echelons reminded them about the activities of Duong Van Ba and his accomplices.

The CIMEXCOL case shows how good the quality and abilities of the leading and management cadres must be in today's new situation. Poor capabilities added to a lack of quality will result in leading and management cadres who lack training easily stumbling in the face of the deceitful actions of people like Duong Van Ba and the "smell of gold."

Necessity or 'Bad Habit'?

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 64-65

[Hoang Cong; article not translated]

Where To Start?

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 66-69

[Vu Duc Nhuan; article not translated]

Gains and Losses

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 69-70

[Nguyen Thanh Tuc; article not translated]

Definitely Not a 'False Alarm'

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 70-72

[Readers' Department; article not translated]

Southeast Asia Facing the Prospect of Peace and Cooperation

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 73-77

[Kieu Nguyen; article not translated]

The Historical Position and Nature of Capitalism

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 78-82

[Nguyen Thanh Tuan; article not translated]

The Common Interests of Mankind and Class Interests

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 83-86

[Article not translated]

On the Problem of Attracting Western Capital in Order To Overcome the Economic Difficulties

42100009 Hanoi TAP CHI CONG SAN in Vietnamese
No 5, May 89 pp 87-88, 72

[Article not translated]

10
22161

44

NTIS

ATTN: PROCESS 103

5285 PORT ROYAL RD

SPRINGFIELD, VA

22161

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

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

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

SUBSCRIPTION/PROCUREMENT INFORMATION

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

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

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

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

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

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