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The 7th Plenum of the Central Committee of the Communist Party of Vietnam (6th Term)

**A Number of Pressing Problems on Ideological
Work in the Present Situation at Home and
Abroad**

*00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 1-4*

[Published in FBIS-EAS-89-166, 29 Aug 89]

Address by General Secretary Nguyen Van Linh

*00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 5-12*

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**We Affirm the Steadfast Determination of the
Entire Party To Continue on the Glorious
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*00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 13-24*

[Article by Nguyen Van Linh; published in FBIS-
EAS-89-173, 8 Sep 89]

**Renovation in the Cooperatives and
State-Operated Sector: the Path Forward**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 25-31

[Article by Tran Duc; published in FBIS-EAS-89-201, 19
Oct 89]

Thoughts on Organizing a Socialist State

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 32-35, 31

[Article by Nguyen Dang Dung; not translated]

A Number of Ideas After Reading 'Lessons To Be Drawn From the Widespread Decline in the Prices of Goods in March and April 1989'¹

902E0157A Hanoi TAP CHI CONG SAN
in Vietnamese No 9, Sep 89 pp 36-41

[Article by Nguyen Van Ky, instructor at the Nguyen Ai Quoc School]

[Text] The first lesson: "Have we put a stop to inflation and entered a period of deflation?"

This lesson wants to stress the following points:

1. Serious inflation is very dangerous, because it disrupts life and does not distribute the national income in a rational manner.
2. But deflation, which can hamper production, is even more dangerous than inflation.
3. Deflation contains the germ of reinflation, which will be much worse than inflation.
4. Based on the three ideas mentioned above, we have not controlled inflation, because inflation has been replaced by deflation, which is just as dangerous. In the final analysis, we are the ones who are responsible for the shift from inflation to deflation, and "we have ignored this."

In my view, first of all, we have scored successes in controlling inflation, but these are just initial successes, like a doctor who has just "broken a fever." Now, we must switch to the "second phase" of the anti-inflation process.

Even so, we can still conclude that this has been a great victory. Furthermore, we are not the only ones to recognize this. A number of other countries such as Thailand and the Soviet Union have recognized this, too. We must view this great victory as just the initial step and realize that we face many more difficulties. But that is no reason to say that we have failed to achieve anything in combating inflation.

Second is the relationship between inflation and deflation.

Inflation is a situation in which there is an excess amount of money in circulation as compared with the small amount of goods available. Deflation is a situation in which there is a shortage of money in circulation, which leads to a crisis in circulation. Commodities cannot be sold. And because commodities are stagnating, there is a slowdown in production and an increase in unemployment.

In short, inflation and deflation are the reverse of each other. But one can be used to combat the other using the motto "fight fire with fire." This is something new to mankind. Germany used deflation to fight inflation prior to the Second World War. During the NEP [New Economic Policy] period, the Soviet Union used deflation to

fight inflation and achieved results. Thus, it's not that people have failed to consider or "neglected" this phenomenon, which many scientists have been predicting. At the anti-inflation seminar that was held in Hanoi on 25 October 1988, Professor Vu Quang stated: "Deflation may cause a slowdown in production for a certain period of time, but this will definitely solve the problems of an economy that has had two prices and inflation."

In March 1989, we raised the price of a number of materials and raised lead-in prices four to six times based on reducing state subsidies through prices. That will naturally lead to price increases and an increase in the amount of currency in circulation. But we have raised prices without increasing currency, or the increase has not been in proportion to the price increase. Together with the other anti-subsidies measures, this will lead to a lack of currency in circulation and disrupt circulation. Commodity sales will stagnate, and this will cause a slowdown in production and an increase in unemployment.

That is not a "sacrifice of production" but a solution that must be accepted in order to fight inflation. This solution is in line with the guideline affirmed by the resolution of the 6th Plenum of the CPV Central Committee (6th Term): gradually reduce the money supply until no more money is being put into circulation for expenditures....

In life, it is difficult to have an all-round solution that doesn't cost anything. If we want to fight inflation, we must accept a period of deflation. That is just common sense. We are aware of this. It's not as if someone is forcing us to do this.

The problem is, to deal with inflation, we are using deflation. But if we don't maintain control and use the right "dosage" and the period of deflation is limited, we may "overload the fuse" and this could lead to another round of inflation. Or if we implement a number of measures to control deflation, such as issuing currency, stimulating production, and creating new markets, and the "dosage" is wrong, we will end up with state subsidies just as in the past and this will lead to inflation.

Thus, the correct attitude is to remain calm. We must look for correct principles and the proper dosage. We must not be overly hasty, which could weaken the resolve of the macrocosmic managers.

The second lesson: I would like to discuss the lesson on "Solutions To Using too Strong a Dose—Effects and Dangers."

The writer mentioned two solutions that have been too strong:

1. Recent interest rates have been too strong a medicine.
2. There has been a flood of imported goods.

Here, I would like to discuss the problem of interest rates.

According to the writer, interest rates on time deposits have risen to 11 percent, which is 36 times higher than the world rate and 22 times higher than during the period when there was no inflation in Vietnam. Loan interest rates will increase to above five percent, 10 times the world rate and 10 times the rate when there was no inflation in Vietnam. What is strange is that the interest rate on deposits are almost double the rate for loans. This situation exists only in Vietnam.

We can analyze the above problem from the following angles:

First, we can't compare interest rates in our country, where the rate of inflation is above 20 percent a month, with those in countries with a stable currency and state interest rates in

order to conclude that interest rates here are too high. That is because the specific conditions existing in Vietnam are different from elsewhere in the world. Vo Van Kiet, the vice chairman of the Council of Ministers, has affirmed that "interest rates must be high enough to attract depositors..." And, "we cannot compare the deposit interest rate machinery in our country's present economic situation with interest rates in the socialist countries that have a stable economy and stable prices."²

Second, we can't compare the new interest rates, which are aimed at attracting money to the banks, with interest rates during the period of state subsidies and, from this, conclude that rates are high.

Interest rates on deposits prior to 1988 were as follows:

Year	Annual Rates	Inflation	Value of 1,000 dong one year after deposit in a bank account
1983	14-20%	49.0%	716dong
1984	24-36%	64.9%	649dong
1985	24-36%	91.6%	558dong
1986	96%	487.2%	201dong
1987	96%	301.3%	318dong

The above figures show that because of low interest rates, after one year, instead of earning money for the depositor, a 1,000 dong savings deposit has actually declined in value, with the principal being worth only 201 dong in 1986, that is, 80 percent of the amount deposited has been lost. Such interest rates crushed credit. And naturally, no one with money would have been foolish enough to deposit their money in a bank.

The situation regarding loan rates is similar. The rates for the period 1983-1987 were 5.2 percent, 5.2 percent, 5.7 percent, 16.6 percent, and 23.2 percent respectively. With such rates, people naturally tried to borrow as much money as they could from the banks. In 1987, the banks loaned 680 billion dong, incurring losses of approximately 297 billion dong. In short, those were subsidized interest rates generated by the bureaucratic centralism and state subsidies mechanism. We cannot compare these subsidized rates with the rates later put into effect to fight state subsidies and inflation.

Looking at commodity and market relationships, money is really a commodity, and loan interest rates are simply the purchase price of that commodity. Commodity prices are affected by the relationship between supply and demand. If purchase prices are low, supply will be low. And if selling prices are low also, demand will rise, and we will always be in a situation in which there is a shortage of money. Even though more money is printed, there will never be enough, because demand will always be greater than supply. It should be remembered that this is artificial demand. This demand has been generated by speculators who profit from price differentials. This is not an actual demand of life.

Now, we have done the reverse. Interest rates on deposits have risen to above 11 percent. That is, purchase prices

have been raised, which has increased supply greatly in just a short period of time. Conversely, loan rates have also been raised (five percent), which has reduced the number of borrowers. That is, demand for loans has declined. Thus, instead of demand being greater than supply, supply is not greater than demand. That is the result of our having renovated the credit rate mechanism. In reality, in just a short period of time, we have mobilized more than 300 billion dong, which has been taken out of circulation and put into the banks, without distributing anything of equal value.

Because people want to have savings deposits, they won't use their money to buy gold. Some people have even sold gold in order to obtain money to open savings accounts. The change in the credit supply and demand relationship has led to a change in the supply and demand relationship for gold, silver, and gemstones. People used to consider money as a piece of hot coal that had to be passed on to someone else as quickly as possible. The result was that money passed from one person to the next very quickly, and this created a serious inflationary psychology. Because the velocity of money was too fast, inflation increased rapidly.

Now, through the effects of interest rates and prices, we have reduced the velocity of our currency, which had been running at a gallop, and gradually brought it under control. That is a major victory that has contributed to fighting inflation. Previously, everyone was buying gold, which meant that the demand for gold kept rising, and outside factors also contributed to the gold fever. All of these things pushed up the rate of inflation. Now, few people are buying gold. They are no longer buying gold to hoard it as in the past. Some people have even sold their

gold, with the result that the supply of gold has increased, driving gold prices lower (40 percent lower as compared with the price of gold at the beginning of 1989). Instead of losing value, currency has increased in value. The price of gold, on the other hand, has dropped to a more normal level.

The two factors mentioned above have contributed to calculating prices for other types of goods. That, too, is a great victory. From a situation in which almost 800 billion dong worth of materials and commodities were stagnating because of price speculation and because of reserving goods for 500 days (it would have been difficult for us to use an administrative order to mobilize those stagnating materials), using the interest rate level, we have been able to mobilize and reduce the stocks of materials to the necessary level in an effective and rapid manner. That is another great victory for our renovation of the mechanism.

From a situation in which the state did not have cash to buy gold or purchase the agricultural products of the farmers and we had to bear rather high costs in order to print new money to purchase goods, in just a short period of time, the state now has hundreds of billions of dong. Thanks to "having currency in the hand," we have turned this money into gold and into reserve grain. We can export some of this grain and gold and a number of other agricultural products in order to obtain hard currencies.

Instead of lacking currency, gold, and foreign currency, the state now has an important share of the currency, gold, grain, and foreign currency.

With the tools in hand, the state can end the run on gold and rice, which was like a stampede in past years. With gold, foreign currency, and grain, the state will be able to control the economy. Although this is just the initial victory, with many difficulties left to overcome, this has astonished many people.

The lesson to be learned from this is not that a "large quantity of medicine" should be given. Rather, the medicine must be used boldly as necessary. That is why we have achieved the results discussed above. Of course, besides interest rates, there are many other objective and subjective factors that have contributed to the above successes (which I will not discuss here).

Third, concerning loan interest rates, the writer wrote: "What is strange is that interest rates on savings deposits are double loan interest rates. This situation does not exist anywhere else in the world. The press has discussed the harmful effects of this in great detail."

To be honest, the above has been more "beneficial" than "harmful" for the following reasons:

If interest rates were not high enough to attract people, no one would deposit their money with us.

In comparison with what are interest rates on deposits high? As compared with price levels and inflation: At that time the

inflation rate was about 20 percent a month. Interest rates on loans were approximately 11-12 percent a month and so that can't be called excessively high.

As compared with black market prices: Black market interest rates were averaging about 20 percent a month as compared with 12 percent for the state. How can that be called too high?

As mentioned above, interest rates are prices. As such, they are affected by the relationship between supply and demand. Today, supply is very low while demand is very great. Because of this, to reverse this relationship, setting the purchase price at 12 percent and the selling price at six percent is rational.

In the future, once this relationship has reversed itself, with supply increasing and demand declining, we must actively lower the purchase price and the selling price to nine percent and seven percent and then seven percent and five percent respectively, as we are doing today (depending on the period and the correlation between supply and demand).

The lesson here is that we have gradually eliminated the state subsidies mechanism, shifted bank credits to a commercial mechanism, used prices to affect supply and demand, and based on the correlation between supply and demand, adjusted prices. The markets have accepted these things. This is an initial model for analyzing markets, keeping up with the markets, and influencing the markets based on gradually reducing state subsidies.

Another question is, Why are loan interest rates only half as much as borrowing rates, with the state having to make up the difference? Won't this give rise to inflation? There is no way that we can continue to make up the losses based on the state subsidies model. But given the existing situation, we must accept the state subsidies level for a period. State subsidies must be eliminated, but this must be done gradually. What we want is for borrowing rate to be equal to the basic rate plus a sliding price level. The loan rate should be equal to the borrowing rate plus a service charge and bank interest. But before doing that, we must begin at the bottom. That is what Lenin advised.

Loan rates were four to six percent, but none of the directors would borrow or they borrowed only a little, because they thought that rates were too high. We either had to lower borrowing rates (which we could not do at that time because of the supply and demand correlation and inflation) or raise borrowing rates (in which case the directors would have borrowed even less). Interest rates of four to six percent had a great effect. Of course, along with the advantages, there were also disadvantages. For example, the enterprises lacked capital, and the banks had a surplus of capital because no one wanted to borrow money.

If banks don't make use of the deposits that they have mobilized, it's like a "ghost looking after property." Instead of deflation, this could reignite inflation. But if

the banks engage actively in business activities, turn the money into goods and hard currency, that will be a factor in restoring production.

In June 1989 TAP CHI CONG SAN held a scientific seminar and put forth 10 measures for restoring the production of the national economy (the substance of which was combating inflation in stage 2). Those were also measures aimed at gradually reducing "deflation" and continuing to fight inflation more effectively.

The following are a number of specific solutions:

In order to reduce deflation caused by a shortage of money in circulation, the leading measure is to gradually increase the money supply in various ways. This includes:

Capital construction investment capital can be increased, more jobs can be provided, incomes can be increased, and through this, social purchasing power can be increased.

A domestic investment law can be promulgated in order to encourage private individuals to put up production capital, which will create more jobs and increase social purchasing power.

Interest rates can gradually be reduced based on the supply and demand relationship.

Interest rates can be distinguished based on the reproduction cycle.

Conditions can be created for paying debts in order to increase loan sources from international currency funds.

Peasant purchasing markets can be created using many specific measures.

Production can be rearranged in accord with Council of Ministers Decision 217.

Doing processing for other countries can be promoted, and the export of labor can be increased.

Trade barriers can be erected against goods that can be produced domestically.

New commercial enterprise directors can be chosen.

Joint ventures with other countries using a variety of forms can be promoted.

The production installations can be allowed to have direct contact with other countries in order to raise business standards.

In summary, once the state has obtained sufficient means and tools such as reserves of materials, grain, and foreign currency and this is added to the management experiences and lessons learned recently, the state will no longer have to tremble before those pleading stagnant production as a reason for returning to price differentials, state subsidies, and monopolies. In many cases, a certain amount of stagnation is more beneficial than

production. Production is good when good quality products are produced, production costs are low, a profit is made, and the goods are accepted by the markets. But if production just continues to place a greater and greater burden on the national budget, obviously, it is better to halt production temporarily (if there are no policies) than it is to continue producing. That means knowing when to carry on activities and when to stop. It doesn't make sense to continue producing regardless of the price.

The above are a number of initial ideas aimed at contributing to fighting inflation in Vietnam today.

Footnotes

1. See TAP CHI CONG SAN No 6, 1989 [JPRS-ATC-010, 21 Dec 89 p 22].

2. See NHAN DAN 10 December 1984.

On the Social-Class Structure in Our Country Today

00000000 Hanoi TAP CHI CONG SAN in Vietnamese No 9, Sep 89 pp 42-46

[Article by Do Khanh Tang; not translated]

The Way Forward for Renovation in Literature and Art

902E0157B Hanoi TAP CHI CONG SAN in Vietnamese No 9, Sep 89 pp 47-55

["Excerpts" from interviews with the heads of a number of arts and letters associations and units by Phan Quynh Anh; date and place not specified]

[Excerpts] Last year, almost all the arts and letters associations organized congresses. Entering the new period, arts and letters are facing new political tasks. The directives and resolutions of the party and state on ideological, cultural, and artistic work, including Directive 01/CT issued by the chairman of the Council of Ministers on 5 January 1989 on the management, organization, and activities of the mass associations, have posed new problems for the literary associations and arts units. Such problems include: How to renovate in order to satisfy the requirements of life and of the revolution? What to do in order to stand firm and develop in today's difficult situation? We interviewed the heads of a number of arts and letters associations and units on these pressing problems. The following are excerpts from the interviews.

[Question] How are the arts and letters sectors renovating themselves in order to contribute to carrying out today's political tasks and instilling revolutionary feelings in the people? [passage omitted]

[Answer] Xuan Trinh, deputy general secretary of the Vietnam Stage Actors Association: We have long talked about "arts and letters serving politics." That is correct,

but that is very simplistic. And because of misunderstandings, things have become very inflexible. Obviously, genuine arts and letters will always try to have an effect on social understanding and contribute to building and perfecting man. What needs to be pointed out is that literature and the theatrical arts can affect social life and the revolution only through images. In the theater, there have recently been many works that have posed questions of great social interest. But unfortunately, those problems have not been expressed through images and some have not had any form at all. Some people have said that Nguyen Khai's criticism of Tuy Kien was wrong. I feel that regardless of what people think about Tuy Kien, the important thing is that Nguyen Khai discovered and developed an image and form for that period.

Perhaps there are few periods, with today being one of the exceptions, when each person must know many things in order to advance and have a correct world view. Our arts and letters must contribute to the understanding and self-perfection of man. [passage omitted]

Bang Viet, secretary general of the Hanoi Arts and Letters Association: That is a very broad question that encompasses the tasks of many sectors and many circles. I would like to summarize things as follows:

The creative atmosphere must be made more wholesome. Criticism of works that lack a genuine humanistic spirit must be promoted. Those "works" that exploit titillating stories and cater to sick tastes in order to gain publicity must be criticized.

Control over editing and publishing must be strengthened. Those individuals who allow half-completed or completed works of a harmful nature to be released to the public must be held accountable.

Rational policies and procedures must be studied so that writers and artists aren't forced to make a living in any way they can in order to make ends meet. Above all, the arts and letters associations must take greater responsibility for this.

[Question] What is the relationship between individual artists and the renovation of arts and letters?

[Answer] Nguyen Dinh Thi, secretary general of the Vietnam Writers Association (Term III): I would like to address both of the questions asked.

During the past two years, the realities of literary life have provided us with a number of initial lessons. There are many problems and so I would like to address two points about which there has been much discussion.

Some argue that only when writers are the target of the authorities or stand in opposition to the authorities will society be democratic and writers have character. I think that writers must write as their conscience dictates. During the August Revolution, Chiang Kai-shek's army helped the Koumintang organize demonstrations to overthrow the government. When Xuan Dieu, who was

coming down the road, encountered the demonstrators, he shouted: "Support the government." Xuan Dieu had character and was protecting democracy. Another example is the French writer Andre Malraux. During the period that France was occupied, he worked with General De Gaulle in waging resistance. And until his death, he was devoted to the work of General De Gaulle. To my knowledge, no one has ever questioned the character of Andre Malraux. The question is, what do writers perceive of as a just and righteous cause? It certainly isn't in being a target or standing in opposition. As for our system and state, I think that writers will support whatever is right and criticize whatever they think is wrong. They will contribute ideas and make suggestions on how to correct things. In my view, that is democracy.

Concerning democracy, reality has shown what the results are of allowing people to publish anything they want and show video tapes in our country's present situation. The state should not subsidize literature, but I think that every state must manage the cultural life of society. It must do this using laws, regulations, and specific policies and organizations in order to support what is good and block what is harmful.

As for the literary problems, on the occasion of the coming congress of writers, I think that we should abandon the phrase "arts and letters serving politics," because that way of talking has created much confusion. I think it is clearer to say, the "responsibility of writers and the political tasks of writers in the country's present situation." Socialist writers should not be required to have an orthodox creative method (socialist realism). For me, dialectical realism is both very good and very difficult. Each writer should be allowed to choose the creative method that best fits him and the work.

Xuan Trinh: Considering the events that have occurred recently, I do not think that the substance of the problem matches the caustic expressions that have appeared in a number of newspapers or the uproarious events that have happened at a number of debates. Are there differences within literary circles? There are, but in the final analysis, all those who view themselves as holding the banner of progress and all those who are regarded as conservatives are all in agreement on the literary directions put forth in Politburo Resolution 05. Of course, there are differences in evaluating things and assigning responsibility for the mistakes that have been made. The mistakes of the past have been corrected, and efforts are being made to solve the problems that still exist. There have been mistakes in understanding, but once these have been recognized, steps have been taken to correct them. The important thing is that once a mistake has been recognized, there is no need to make the same mistake again. It's very likely that new mistakes will be made. But if people want to put all the blame on just a few people, I object. Frankly, among today's liberals, there are some who used to be very cruel. I hope that people will be more forgiving and kind toward each other.

In the renovation movement, our literature has made advances. However, as a writer, there are many things about which I am very concerned. There are few times such as today when artists and writers have to face themselves squarely. It is very difficult, and people may shift the blame to someone else. That is not good. Clearly, time is needed in order to work, and the association must benefit its members more in the creative sphere. In my view, in the coming period the writers association must devote much time to discussing ways to help its members. Furthermore, the congress should not be entrusted with tasks that it can't carry out right now, such as demanding unity with respect to decisions and evaluations. That will take a long time, and a final conclusion will never be reached.

Hoang Tu Trai secretary general of the Vietnam Photography Association To renovate arts and letters, artists must renovate their own viewpoint regarding the objectives of reflection and service. More than ever before, arts and letters must clearly reflect the realities of the country. Artists must not create works based on the "invoices" or "orders" of people or try to serve politics in order to conceal their own weaknesses. Instead, they must reflect life with the sophistication of artists. Each artist must carry out the renovation of each type of art. On the other hand, renovation will give artists greater artistic freedom. But that is not an anarchic, apolitical freedom. The noble freedom of artists if one of their responsibilities with respect to the common tasks of the country. [passage omitted]

[Question] As for organizations and mechanisms, how must the arts and letters associations and units renovate in order to heighten the creativity of artists and operate in accord with the principle of self-control as mentioned in Directive 01 of the chairman of the Council of Ministers? What have the arts and letters units done and what will they do in accord with this spirit? What proposals have you made concerning organization, procedures, and policies on artists?

[Answer] Bang Viet: Initially, I think that the arts and letters associations should accept state aid during the process of gradually shifting to self-control. The amount of aid will gradually decrease in keeping with the growing maturity of the commercial activities and accumulation of the associations. Initially, public funds should be used in order to build a material base and provide means of operation in line with the direction decided on by the leadership committee of each association. That direction must bring results. It must develop over the long term and rely on the intellectual powers of the association. An intellectual business enterprise is an excellent art. As for the Hanoi Arts and Letters Association, we have organized fine arts shops, construction design shops, and photography and music clubs to expand artistic services for the agencies, mass organizations, production installations, overseas Vietnamese, and foreign specialists. Both working and studying, the associations will certainly achieve notable results. In order to carry out this

work well, each association must re-examine its operating forms and organizational structure and take steps to ensure that a state subsidies system does not arise again.

Dang Nhat Minh, secretary general of the Vietnam Cinematography Association: The most important thing with respect to the survival of the arts and letters associations (with includes the Cinematography Association) is to make specific decisions on the tasks, functions, and operating mechanisms of the associations so that the associations can coordinate their activities with the organizations of the party and administration in order to reach the common goals. The economic independence of the associations is not an insurmountable or difficult problem. The most important question for association members is how to mobilize the creative energy of all artists and improve the quality of Vietnamese films and how to ensure that films are evaluated fairly and correctly. We must avoid making deductions and avoid "indifference and fear at the head."

Trinh Mai Diem, director of the Vietnam Film Materials Institute: To have a large body of works, we must end the situation in which small and average investments are made in arts and letters. Specific procedures and policies on artists and writers must be implemented, and the present situation in which control is "fading away" must be ended. The state must be the "revolutionary soldier" of artists and look after each type (and each generation) of artist. Party and state leaders should meet with artists on a regular basis to discuss matters, organize occupational seminars, and take steps to enable people to go to the bases. Those who do not speak a foreign language should be sent to school and allowed to study abroad for an extended period. When they return, they can go to the bases for a period of time. There must be policies to exploit the intelligence of elderly artists.

Allowing the arts and letters associations and units to manage themselves is the right thing to do. If these bases are allowed to manage things themselves, this will promote investments in works of art. Artists will no longer be dependent on state subsidies. The state has "given the green light," and the people will help. The cultural fund must be expanded, and it must have social meaning. Enterprises, international organizations, and overseas compatriots must provide help. That is the only way to help all talents. The economic directions of the arts and letters associations and units must be tied to creativity and professionalism.

The Film Materials Institute has done away with the state subsidies mechanism and become a professional unit with a relatively good income. Rare Vietnamese and foreign films are being preserved carefully, and valuable and wholesome films are being shown at a number of points designated by the Ministry of Culture. Because of this, the institute now has money to purchase equipment and build a material and technical base (storehouses, theaters, work sites) for the institute and to store films

(each year, the institute must spend about 23 million dong to replace the film cases).

The Film Materials Institute has certain advantages in economic work. We are showing new and bold films, and we are preserving films and copyrighting them. Our goal is to support cultural and educational work and contribute to improving the cultural lives of the people. [passage omitted]

Hai Ninh, director of the Vietnam Feature Film Company: In 1989, the Vietnam Feature Film Company has had to rely solely on bank loans and coordinate many production formulas in order to survive. We have produced five feature films and five video films for the Vietnam Cinematography Federation, and we have carried on joint ventures with other organizations. Territories have been assigned to the company's studios, which have been made responsible for signing contracts. In order to reach a compromise between "quality" and "practicality" in today's motion picture situation, we have to find ways to earn money while at the same time making truly valuable films, such as "When will October Come," "Mother," and "Calm Town." We must also produce films to support entertainment needs.

In order to improve the quality of our films, we must promote scriptwriting. The company increased scriptwriting fees from 156,000 dong (the state level) to 500,000 dong. Now this has been increased to 1 million dong. In recent years, we have obtained scripts must faster. Our films have gone more deeply into national cultural and spiritual values. This is the correct direction. But recently, videos have cut into the film market and ruined the tastes of viewers. Our plan to produce films on Son My and the Da River has come to naught, because if we went ahead with this, we would lose money. The "lead out" must be through production, but scripts must be produced to see if there is a market. It is the scripts that will decide the life of the film companies. The difficult thing today is that few people watch films of artistic value or even foreign films that have won many Oscars. I would like to discuss a number of pressing problems of the movie industry:

Order must be restored in controlling videos in order to contribute to building a wholesome public atmosphere. A unified mechanism must be built between film production and film distribution. Steps must be taken to ensure that film artists make use of the value of the works produced, and the self-control of the film-making units must be maintained.

Film management and investment must be closely tied to the production units, that is, the companies and artists.

The state should provide aid for works that reflect historical people and events (in preparation for 1990, when there will be many important commemorative days).

Cao Xuan Huong, deputy secretary general of the Vietnam Architect Association: We are asking for help. It is essential to implement Council of Ministers Directive 01, but I don't think that we should regard arts and letters associations like all the other mass associations. The associations

should be self-governing, but this must evolve gradually. Like other associations, the Architect Association is confused about this. If the association relies solely on state aid, it won't be able to look after the interests of its members or forge professional relationships in the international community. This is without mentioning the rather large amount of money that must be paid to the Union of International Architects (U.I.A.) in dues each year. The association is looking at the contributions made by the two architectural shops (of the association) in Hanoi and Ho Chi Minh City. But these two installations have very little work, because the state is limiting capital construction. Moreover, control of design and construction is loose.

Duong Vien, secretary general of the Vietnam Sculptors Association: For a long time now, the associations have been controlling their members based on the state subsidies mechanism, which has had very bad consequences. The time has come to build a simpler organization without so many sections. Although there are hundreds of executive committees, they cannot represent all artists. Thus, shouldn't a single management board mechanism be used at the associations?

As for the material bases of the arts and letters associations, there is nothing to guarantee the implementation of self-management. The state should provide aid for the first three to four years so that the associations can establish financial sources. Each association must establish its own fund. The state must permit the associations to bring in revenues, and the associations must stipulate the responsibilities of association members with respect to making contributions. Depending on the capabilities of each association, commercial production installations must be organized. (The state must provide or loan the initial capital at a low rate of interest, and taxes must be reduced or waived entirely).

The state must regulate arts and letters activities. It must promulgate laws on contracts and implement policies on artists and writers. As for the plastic arts, the state must guide the reorganization of the markets and implement rational tax measures for artistic works in order to encourage people to produce works of art. There must be an investment policy for large works of art (at both the ideological and artistic levels). There must be measures to prevent the import and sale of harmful pictures and films.

Dam Linh, deputy secretary general of the Vietnam Musicians Association: Creative organizations must resist bureaucratic centralism in organizing things and carrying on activities. The Vietnam Musicians Association does not advocate establishing various boards. Each member of the executive committee must be responsible for a number of tasks, conduct studies, rely on the intellectual contributions of the association's members, formulate work plans, and give them to the Secretariat for implementation. Besides this, depending on the real needs, committees can be established to concentrate on handling and solving the arts and letters problems in each period.

As for how the association's coming activities will be organized, we foresee:

Professional training classes will be organized in order to raise the professional standards of association members (based on links between the central echelon or local associations and the local organizations that want to aid arts and letters).

A system of clubs called "creative clubs" will be organized at the central echelon and in the localities for people who love music. These will be test sites for introducing new compositions and exchanging ideas and viewpoints on creativity. Here, theoreticians will be able to make criticisms and help set guidelines for creating works of art. These places will attract talented performers, particularly young performers.

Steps will be taken to organize propaganda activities to spread music among the people (not just through the newspapers and radio and television stations). By signing contracts, the association will send musicians to teach and give talks on music at the general schools and enterprises.

In my view, it was necessary to implement Council of Ministers Directive 01. But the associations cannot all be

viewed in the same way. The arts and letters associations, which includes the Musicians Association, are important units that contribute to determining the ideological and emotional orientation of society and people. Depending on its capabilities, the state must continue to aid these units. Of course, the associations must engage in economic work. After carrying on economic activities in order to survive and grow, they must do everything within their power (and not just carry on economic work in music) and obey the laws.

Hoang Tu Trai: The basic difficulty today is the financial problem. If the state cannot provide suitable financial support for cultural and arts and letters activities, this will affect the quality of our arts and letters, and it will be impossible to avoid the commercialization of works of art. There have already been too many negative examples in the publishing, stage, and motion picture sectors in recent years. Investing in these activities is the responsibility of the party and state in order to build man—the factor that must be given attention in economic and social strategy. Musicians are a special product of society. If they are looked after and valued, society will benefit greatly.

Renovation: Results and Confidence
902E0157C Hanoi TAP CHI CONG SAN
in Vietnamese No 9, Sep 89 pp 56-60

[Article by Ha Thiet Hung, secretary of the Hoang Lien Son Provincial CPV Committee]

[Text] Implementing the party's renovation line, in recent years, Hoang Lien Son Province has encountered great difficulties. In 1986, 1987, and the first half of 1988, there were serious natural disasters. Harvests were very poor, and a large percentage of the population lacked sufficient food. We had been building socialism for many years, but the economy of Hoang Lien Son was basically still a natural, self-sufficient economy. Although the province did produce some commodities, commodity production accounted for only a small percentage of the gross value of agro-industrial production. We had not yet created varied sources of goods for exchange and could not balance the consumption needs of the localities. The state-operated economy did not play a guiding role in the national economy.

For the past two years, clearly recognizing its responsibility to the party and people, the party committee echelons and party organizations in Hoang Lien Son Province have overcome the difficulties, boldly carried on experiments, put the party's line into practice in life, and as a result of this, generated new changes and strengthened the people's confidence in the party's leadership role.

On the economic and social front, we have achieved a number of important initial results: Grain yields have increased seven percent as compared with before the Sixth Congress. As a result of applying the technical advances in production, rice and corn yields have increased nine and 25 percent respectively. The province's strengths—forestry, industrial crops, and export crops—have been exploited in order to produce commodity products that can be exchanged for grain to meet the needs of the people. Thus, we have reduced the severity of the food shortage and mobilized grain for the state, with the amount mobilized being 10 percent more than before. Animal husbandry has made progress, too. The number of buffalo and cattle has increased seven and 13 percent respectively. The number of pigs has remained stable. Crossbred hogs have grown well in the lowland districts. The natural and outdated animal husbandry practices have been overcome in many places. The production of consumer goods has undergone good changes. New and better quality products, such as building materials, wooden articles, pottery, and medicines, are being produced. The gross value of industrial goods has increased, with the value of consumer goods increasing 14 percent. Special attention has been given to producing export commodities. Goods such as tea, cinnamon, canned pineapple, fine porcelain, and industrial ceramics hold an important position on both domestic and foreign markets. These types of goods have increased an average of 18 percent a year.

On-the-spot production has increased. We have promoted product circulation and exchanges in order to obtain more grain and commodities for production and life. Using these economic measures, we have reduced the rate of inflation and increased financial equilibrium in the localities.

The ownership rights of the people have been respected and manifested better. Democracy and openness have been used properly, and bureaucratic centralism has been overcome to a degree. In political and social life and, above all, in the election of leadership organizations, we have guaranteed democracy and respected the rights of the voters. New positions and policies have been implemented, tested, and reviewed, and the views of the broad masses have been sought. Thus, the policies that have been implemented have been very effective. We have implemented a policy of having the leading cadres at the various echelons meet regularly with people at the bases and with the masses through "political days." Attention has been given to resolving the complaints and accusations made by the masses and to overcoming sluggishness and stagnation. With respect to the economy, we have respected and implemented the self-management rights of the commercial production installations and of those who have accepted contracts through applying the new management mechanism. As a result, the political and social atmosphere in the province has been renovated, and the relationship between the party and state and the masses is now more open, straightforward, and wholesome.

National defense and security work has changed directions in accord with the new thinking and in line with the general tendencies of the period and the practices in the localities. The national defense, security, and border defense forces have been reorganized. In accord with the people's war viewpoint, the defense lines in the province have been rearranged. We are giving attention to improving the quality and increasing the combat strength and combat effectiveness of the armed forces. The border population and economy have been reorganized in accord with the new situation. As a result, public security and the lives of the people who live near the border have been stabilized. The tribesmen now feel more at ease and more confident.

Notable advances have been made in renovating the organization and operating formulas of the political system. The directives and resolutions of the Politburo and CPV Central Committee have been implemented seriously. Efforts have been concentrated on putting an end to negative aspects. We have eliminated bureaucratic centralism and state subsidies and promptly switched to socialist economic accounting. A one-price mechanism has been implemented. By carrying out these tasks, our party organizations have been made purer and stronger. Through the various challenges, the combat strength of the party organizations has been increased somewhat. In particular, the leadership role of the party in the economy has been manifested more clearly. Thanks to this, concretizing and systematizing the

party's resolutions and turning them into policies and measures, particularly economic measures, which has long been a weak point of the state organizations in the province, has made important progress and made it possible to solve many difficult problems and overcome sluggishness in production and life. The mass organizations have realized that if they use an administrative, bureaucratic centralism style, the masses will not accept them and they will not be able to survive. Thus, they have gradually made innovations in organizing and mobilizing the masses and transformed the party's renovation line into a living reality in daily life.

When the resolution of the Sixth Party Congress was first implemented, there were many problems that had not been concretized or systematized, but we did not wait. We actively guided the development of the three economic programs in order to set guidelines for the people in the province in order to overcome the difficulties in agricultural production. We soon reviewed the contract mechanism in accord with Directive 100 of the Secretariat of the CPV Central Committee (fifth term) and promulgated a resolution to enable the agricultural production cooperatives to carry on contracting based on price units for each cooperative member household right from the start of the 1987-1988 winter-spring season. According to the resolution issued by the provincial CPV committee, the contract area will remain stable for 15 years, and the cooperative members families will receive 50-60 percent of the yields. The size of the cooperatives can be adjusted in accord with the managerial capabilities of the cadres. The cooperatives in the highlands areas (which in essence have been cooperatives in form only for many years) can be turned into work exchange teams and production solidarity teams. Implementing the resolution of the provincial CPV committee, during the 1987-1988 winter-spring season, there were 95 contract cooperatives in the entire province, and 472 cooperatives in highland areas were turned into work exchange teams and production solidarity teams.

In the state economic sector, we have allowed the enterprises to shift gradually to accounting based on the commercial prices of materials and commodities in order to eliminate state subsidies and increase revenues. As for circulation, we have gradually reduced the number of goods sold at two prices, gradually eliminated the two-price mechanism, and implemented plans to slow down inflation using various measures, including stepping up production, making effective use of the investment capital, and cutting expenditures. During the past two years, the provincial-echelon state apparatus has undergone much renovation. The Provincial People's Committee has concretized the state's policies in accord with local conditions in order to promote the growth of export industrial crops (tea, peanuts, and soybeans). New types of plants have been put into production in the province (winter corn), and the expansion of small industry and handicrafts has been encouraged.

Hoang Lien Son is a mountainous, border province and, therefore, its commodity economy is not yet developed. For Hoang Lien Son to advance, it must have large amounts of investment capital, but the province's sources of capital are very limited. To overcome this situation, we have resolutely adjusted the investment structure and concentrated 85 percent of the capital on the three major economic programs. In this, the food program accounts for 31 percent of the capital. We have eliminated nonessential projects and projects that will not bring immediate results. On the other hand, we have encouraged private individuals to invest capital in production. Although the movement is still not very strong, the value has already reached about 1,000 ounces of gold. That is without mentioning the capital invested by private families in order to expand commercial production in the contract areas.

In short, after carrying on renovation for slightly more than two years based on the spirit of the resolution of the Sixth Party Congress, Hoang Lien Son Province had scored a number of rather important initial results in the socioeconomic, security, and national defense spheres. However, along with these initial results, Hoang Lien Son still has many shortcomings and weaknesses:

The economy is still natural and self-sufficient in nature, and commodity production is expanding slowly. Hundreds of thousands of people in the border highlands areas still engage in nomadic farming, and some still live a nomadic life. Monoculture is still widespread in agriculture. Forests account for 75 percent of the province's total natural area, but the forests are gradually declining. Very little of the agricultural, forestry, mineral, and aquatic products potential has been exploited. The people continue to worry about grain. The purchasing power of the people is still very low.

Although industry has expanded, in general it is still small, productivity and quality are still low, and there have been losses for an extended period. The state-operated economy has not manifested its guiding role in the national economy. The technical equipment is old and outdated, but there is insufficient strength to replace it. Few traditional occupations in small industry and handicrafts still exist, and because of this, many of the existing raw materials have not been exploited or used. The private economic elements are very weak.

The infrastructure, especially communications and transportation and signal and liaison, is very backward and is in a state of decline. The highlands and border rural areas lack stable production land. In many areas, the people live by working slash-burn upland fields. Because of this, expanding commodity production is very difficult. Production expenses are high, and the quality of the products is low. These products cannot compete with products from other localities or foreign products.

Although negative social phenomena have decreased, such things are still a major problem. The quality of the

cultural, educational, and public health sectors has dropped. The rural areas, particularly the highlands areas, have been slow to renovate, and the population growth rate is still high.

Although the activities of the political system are better now, the functions and tasks of the party, state, and mass organizations have not been clearly stipulated, and the state's economic management functions and the commercial production functions of the bases are not clear.

There are deep historical reasons for these weaknesses, and these weaknesses also stem in part from the natural conditions. But this stems mainly from shortcomings in the leadership and guidance of party committee echelons and the various echelon authorities in the province.

Today, Hoang Lien Son has specific projects and targets aimed at intensifying renovation in order to stabilize the socioeconomic situation and create the preconditions for successfully carrying out the tasks during the initial stage of the transition to socialism in this mountainous, border region. The main guidelines are:

To concentrate on leading and organizing the successful implementation of the three economic programs. The leading element is still agricultural production, with food being the spearhead. Intensive cultivation must be carried on to increase yields, along with expanding the area, mainly by planting additional crops of winter corn and raising corn to the same level as rice. The rearing of buffaloes, cattle, hogs, and fish must be expanded in line with commodity production. At the same time, attention must be given to expanding the cultivation of peanuts, soybeans, and other types of food plants. That is a target put forth at the 4th Congress of the Hoang Lien Son Party Organization. This is aimed at balancing the food needs of the locality.

We must continue to promote commodity production and concentrate on those types of goods requiring the raw materials and materials possessed by the localities. Based on this, investments must be made to exploit these strengths intensively in order to lower production costs, increase yields, improve quality, appearance, and packaging in order to gain a large market share in the province, in the country, and abroad. Special attention must be given to expanding small industry and handicrafts on a small and medium scale and integrated commercial enterprises. In general, no new state enterprises should be built. As for those state enterprises that are operating at a loss, bids should be organized for collectives and private individuals. On the other hand, based on economic accounting, we must re-examine and re-plan the state enterprise network and form a rational structure so that these enterprises can maintain their guiding role in the national economy.

We must continue to develop export goods and concentrate on increasing quantities and improving the quality of the main types of goods, that is, tea, cinnamon, fruit, and canned fruit. This must be done hand in hand with exploiting the raw materials in the localities in order to

produce many more types of goods. The districts, cities, and enterprises must produce export goods. Collective and private individuals must be encouraged to produce export goods. They can export their goods using consignment formulas. On the other hand, import methods must be adjusted, and a suitable portion must be reserved to invest in expanding the production of export goods.

In order to implement the province's three economic programs, the first thing is to concentrate on solving three urgent problems: end the stagnation of commodities and materials, increase revenues, and reduce inflation and satisfy the capital needs of the commercial production installations. At the same time, a program to expand the forest economy and protect and restore the forests must be developed, because the forests are organically related to the three economic programs. The economic management mechanism must continue to be renovated, with the first task being to shift the economic units to economic accounting. Any remnants of the bureaucratic centralism mechanism must be eliminated. Planning must be renovated, and there must be a switch to directed planning. The plans must be tied to the markets, and production and the markets must be regulated. State commerce must be reorganized, the number of middlemen must be reduced, circulation expenses must be reduced, the rural markets must be expanded, and industry must be aided in distributing products. Based on approval by the state, all the policies supporting the three economic programs, particularly the price and tax policies and the policies on protecting local production and economic activities outside the state-operated sphere and on signing short- and long-term labor contracts, must be examined and revised.

Scientific and technical activities and information and a movement to exploit innovations must be encouraged, and the technological advances must be used in production, especially agricultural production. Conditions must be created to provide jobs for unemployed laborers. The size of a number of cultural and social activities, particularly education and public health, must be studied and adjusted in order to improve the quality of education and medical treatment. Other cultural activities and athletic activities must be expanded. The circulation and use of cultural products must be tightly controlled, and harmful cultural products must be eradicated.

We must continue to make changes in and renovate national defense and security and improve the quality and increase the combat strength of the armed forces and security forces. Synchronized measures must be implemented in order to intensify the movement to maintain order and security, block and eliminate negative aspects, purify social relationships, and bring about social fairness.

The new economic management mechanism requires that we renovate the organization and operating formulas of the political system. The most important problem is clearly distinguishing the functions and tasks of the party, state, and mass organizations. The party

organizations must be solidified so that they are strong enough to maintain a socialist direction for the renovation movement and uphold the six principles that were affirmed in the resolution of the 6th Plenum of the CPV Central Committee.

Caring for People's Health

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[Article by Pham Song, minister of public health]

[Text] Before evaluating the health of our citizens, we must first agree on a definition of health. According to the new viewpoint of doctors worldwide, health is not simply an absence of disease. Rather, it is a state of physical, mental, and social well-being. Thus, health depends on five factors: the natural environment; the social and family environment; the work, study, and rest and recreational environment; the training and concept of self-improvement of each period; and finally, the effect of medicine and public health.

An evaluation of the health situation must depend on socioeconomic and medical and public health indices. World organizations have introduced 127 indices, of which 27 are commonly used. We will use the following 15 indices: babies who die before the age of one; children who die before the age of five; babies weighing less than 2.5 kg at birth; the percentage of the population having usable sources of water; the percentage of the population that can reach a public health clinic within one hour; children below the age of one who have been vaccinated with six types of vaccine; the percentage of mothers who die in childbirth per 100,000 live births; the percentage of literate adults; the ratio of men to women; the number of doctors in the population; the number of surgeons in the population; the percentage of violent deaths; the average life span; the national per capita income; and the ratio of public health expenditures to the gross national income. Based on these 15 indices, Vietnam ranks 64th out of a total of 131 countries, and it is far below other countries in the western Pacific region.

The other 12 indices concern the environment: the natural environment, living conditions, the work and study environment, and the job outlook. It can be concluded that the health of our people is in a very worrisome state. In particular, the health of fetuses, new-born infants, children, and youths, who are very valuable assets to the nation both now and in the future, is in an alarming state. Here, I would like to present a few basic examples:

Approximately 21.7 percent of all new-born infants weigh less than 2.5 kg, which indicates that they lacked proper nutrition while in their mother's womb (the world percentage is nine percent). A total of 51.5 percent of children below the age of five lack proper nutrition. (In Thailand, the percentage was 30 percent in 1985 and 20 percent in 1988.) Fifty percent of the children who are blind went blind because of a lack of vitamin A.

Ordinarily, every decade, the height and weight of children will increase 1 cm and 1 kg respectively [as compared with those born 10 years earlier]. In Japan, today's children are 14 cm taller and 9.8 kg heavier than children born 67 years ago. But in Vietnam, comparing today's children with those born 42 years ago (1943-1985), height and weight have not increased, and there are even places where they have dropped. Using 15-year-old males in 1966-1967 as an example, the results become quite clear:

Vietnam: height, 1.47 meters; weight, 34.4 kg. Thailand: height, 1.49 meters; weight, 40.5 kg. Philippines: height, 1.53 meters; weight, 45.5 kg. India: height, 1.55 meters; weight, 49.5 kg. Japan: height, 1.64 meters; weight, 53.5 kg.

Today's international standard for height for youths is 1.7 meters for males and 1.6 meters for females. Japan has met this standard. Students in Vietnamese colleges are well developed in terms of height and constitution. According to the Ministry of Higher Education, in 1980 males and females averaged 1.62 and 1.57 meters respectively. But by 1988, the figures had declined 1 cm for both sexes.

The intelligence of the Vietnamese people, which is a great potential of the Vietnamese nation, has been recognized throughout the world through the educational activities of Vietnamese living abroad and the intellectual achievements of Vietnamese here in the spheres of basic science and arts and letters. But this intellectual potential is being seriously threatened, particularly among children. Approximately 0.4 to 2.18 percent of the children below the age of 15 are mentally retarded. Studies conducted with samples ranging in size from 3,000 to 15,000 children showed that meningitis and a serious disease at the time of pregnancy were the underlying causes in 70 percent of the cases of mental retardation. Approximately 2.26 percent of children and youths have violated the law, 3.03 percent have used alcohol, and 0.1 percent have smoked cigarettes.

Today's world, which is a scientific and technical world, requires high intelligence. Industrial laborers need to be fit both physically and mentally. In Vietnam, manual labor is widespread. There is little mechanization let alone automation. With the physical capabilities of today's children and youths, we cannot satisfy that need. Unless we take steps to solve this problem, that will pose a serious threat to the development of the country in the next decade.

Why has the health of our people reached such an alarming state?

Objectively, counting from 1945 to 1979, the nation had to fight for more than three decades to win independence and freedom. The other countries in this region used that time to develop.

As a result of the terrible effects of more than 80 years of colonialism, our nation started from a very low point on

the health and socioeconomic fronts. (To show this better, a few figures need to be mentioned: The average life span of a Vietnamese prior to 1945 was 30 years for men and 32 years for women. Today, it is 60 years for men and 62 years for women. In the past, the death rate for children below the age of one was 30 percent; now it is 3.8 percent (according to UNICEF, it is 6.4 percent). In the past, there was one doctor for every 180,000 people; now there is one doctor for every 2,850 people.)

Our country's population is quite young. The natural population growth rate is too high as compared with the nation's economic growth rate. Thus, even though great efforts have been made, the economy seems to be marching in place. There has been a serious decline in social services and the standard of living.

Subjectively, after the country was united, the party and state implemented an erroneous economic line. We have been slow to switch from the wartime state subsidies economy to the multifaceted planned commodity economy of socialism in Vietnam.

The strategic position of man in the political system, whose target is physical wellbeing, justice, democracy, lack of exploitation, freedom to develop one's character and abilities, scientific knowledge, and greater productive capabilities than capitalism, has not been debated thoroughly in order to have a suitable percentage in the investment structure of the national budget. The party has clearly stated that there must be unity between the economic policies and the social policies, but in reality, not enough money has been invested in man. As for protecting the health of all the people, not enough money has been invested even though the districts have invested more than the provinces and the provinces have invested more than the central echelon. (Take public health expenditures, for example. In the central budget, 2.7 percent is earmarked for public health. The figure is 10 percent in the localities and 20-25 percent in the districts.)

On the other hand, the public health sector, too, has many shortcomings. Public health work has not been socialized well. We have not switched to preventive medicine or coordinated prevention and treatment. We have not exploited the potential of traditional medicine or coordinated Eastern and Western medicine. We have not developed treatments not requiring the use of medicines. The training of public health cadres and scientific research have not kept pace with reality in order to satisfy the needs of health maintenance, particularly at the base line. Intensive public health has not been tied to basic public health. The organizational network is broad but poor in quality, things have not been fit together well, efforts have not been concentrated on the villages, subwards, factories, and schools, and economic thinking in public health has not been renovated promptly. Science and methods of implementing public health [activities] to provide primary health care are poorly developed and so the majority of the cadres are weak with respect to organizing and implementing things.

In today's difficult economic and social conditions, expenditures on public health are very limited. The state budget satisfies only 35 percent of today's needs. Expenditures are only 60 percent of what they were in 1985. Thus, it will be very difficult for us to maintain our position in the world health standings (64th out of 131 countries).

Our strength is that we have a superior political-social system. We have the bright medical and public health line of the party and a large rank of public health cadres. We have received humanitarian aid from fraternal countries, UN organizations, and humanitarian organizations in developed countries throughout the world. We must exploit these strengths and favorable conditions.

From a worldwide perspective, with the slogan "health for everyone," looking after people's health to the year 2000 is actually a struggle for human equality in the sphere of social services. In Vietnam, protecting the health of the people is one of the targets in the social policies of the party and state. Thus, the political preconditions for providing primary health care have a very strong basis. Because looking after the health of all the people is a mirror of a country's economy and the political system of that country. Our remaining problems are economic problems. The problem is, How can a country that has one of the lowest per capita incomes in the world and that spends very little on public health hit the target of improving and protecting the health of its citizens, particularly children and youths?

Based on the public health line of the party, the public health sector has improved on things already done and learned from the world in order to become a part of the modern age. We have affirmed that the target to the year 2000 is to implement 10 themes in providing primary health care.

In 1989 and 1990, we will select six national priority programs for implementation.

The first is to solidify primary level public health in order to provide primary health care.

The second is to implement family planning along with protecting mothers and young children. The contents are the GOBIF program (monitor the weight of infants from birth to age three, give oresol for diarrhea, encourage long-term breastfeeding, give six types of vaccines, and implement family planning).

The third is to expand examination services, mobilize the state, collective, and private health systems, improve the quality of first aid and medical treatment, coordinate Western and Eastern medicine in providing treatment, develop treatments that do not use drugs, provide outpatient and inpatient treatment, and coordinate prevention and treatment.

Fourth is to carry on anti-malaria work, reduce epidemics, lower the death rate from malaria, and reduce the incidence of malaria.

Fifth is to implement the vaccination program, with the target being to vaccinate 80 percent of the children below the age of one with six types of vaccines, and give inoculations to prevent tetanus in fetuses.

Sixth is to supply essential medicines and materials.

In order to develop these six national priority programs well with the aim of creating the preconditions necessary for protecting the health of all the people, between now and the year 2000, we must resolutely implement the following nine measures:

1. Health protection activities must be highly socialized, and laws must be implemented to help protect the health of the people. The fourth and fifth sessions of the eighth term of the National Assembly passed a Health Protection Law and created a strong basis for socializing health protection. The Health Protection Law must be propagandized widely among the people.

2. The public health cadres must be looked after on three fronts: The material and spiritual aspects of their lives must be cared for, they must be provided with regular and continuous supplementary education, and they must be provided with the equipment needed to carry on public health activities.

3. A material base must be created for the sector. Emphasis must be given to expanding the pharmaceutical and public health materials and equipment industries.

4. The economic mechanism in the sector must be renovated. The first thing is to concentrate on the main elements and problems. For example, in providing drugs and public health materials, there must be a switch to economic accounting. The way that budget funds are allocated to the public health sector must be renovated. This must be done based on the number of people rather than the number of hospital beds and the number of students trained each year. The policy mechanism regarding humanitarian aid must be renovated. Health insurance must be provided beginning with health examination insurance.

Health insurance is the best economic plan for hitting the target of examining all the people. This is a civilized way of paying for examinations. Every person will fulfill his obligation to himself and to his countrymen. This will manifest humanitarianism and gradually bring about social justice in public health. Everyone experiences birth, sickness, and old age. Thus, members of society who earn money by working must take turns caring for the health of each other by contributing money for health insurance. Because today, if a laborer becomes sick, it will be difficult for him to pay all the health expenses unless the people contribute. If all the people have health insurance, this will limit the negative aspects in the private health sector.

5. Manifesting the national medical potential and coordinating Eastern and Western medicine must be developed.

6. Training and scientific research are of decisive importance to the quality of health care.

7. An efficient public health organization must be built, cadres must be delineated, and work methods must be renovated. We must concentrate on the primary level public health network, make preparations for the generational transfer in the 1990s, particularly 1995, and switch to programmed activities.

8. We must forge links with the other sectors, mass organizations, and traditional networks in order to promote providing health education for all the people.

9. The public health sciences must be developed. Leading cadres in the public health service and district-level public health cadres throughout the country must be trained (in 1989 and 1990 respectively) in public health subjects. Work methods must be developed in accord with the projects, and good examples must be set at the primary level. By 1995, all of the cadres in the public health sector must be familiar with the public health sciences.

The resolution of the Sixth Plenum of the CPV Central Committee (Sixth Term) helped the public health sector gain greater confidence in the policies of the sector. If all of society helps, by the year 2000, the health of the Vietnamese people, based on the 27 socioeconomic and medical indices, will certainly have improved.

Promoting Cooperation With Other Countries on Labor and Specialists

902E0157E Hanoi TAP CHI CONG SAN
in Vietnamese No 9, Sep 89 pp 65-69, 46

[Article by Le Nhu Bach, a high-level economics specialist]

[Text] In the world today, there are about 25 million people (with their families) who can be classified as foreign laborers, that is, (manual and intellectual) laborers who are working outside their own country. The world labor market, which is a sphere of the world economy, has existed for many decades. Today, 2-3 million people a year go to work in another country. This figure is still increasing even though the rate has declined as compared with previous decades.

The world labor market was formed in an objective manner as a result of the fact that the distribution of labor worldwide was uneven and different countries had different population growth rates. (In some countries, the population has grown slowly, remained unchanged, or even declined. In others, the population has grown quickly or even too quickly.) The various countries have also had different rates of economic development. There are many other reasons, such as differences in the wages paid to the same types of laborers between those countries that need to import foreign labor and those countries that have a surplus of labor. Another reason is the

policy of using foreign laborers to block the demand for wage increases in capitalist countries.

Because of these objective and subjective reasons, the world has long been divided into two groups of countries: those that import labor and those that export labor. Those that import labor include: developed capitalist countries such as the United States, Canada, Australia, France, West Germany, England, Switzerland, Belgium, and Holland; countries in the Middle East such as Saudi Arabia, Libya, Iraq, Kuwait, and the United Arab Emirates. Socialist countries such as the Soviet Union and the East European countries also need laborers, but they cooperate with each other for the most part. Those that export labor include: Arab countries such as the Yemen Arab Republic, Egypt, Syria, Jordan, and the Sudan; Asian countries such as the Philippines, Thailand, Pakistan, India, and South Korea; and various other countries such as Turkey, Mexico, Portugal, Spain, Italy, and African countries.

In short, labor cooperation between countries is an objective requirement in the international division of social labor. Vietnam cannot remain separate from this process. The problem is that we must make use of the opportunities and avoid the cracks in order to promote and improve the results of sending laborers and specialists to cooperate with other countries.

We first began sending laborers and specialists abroad in 1979. That expanded gradually. Since 1987-1988, there has been a notable increase, and the socioeconomic results have improved.

From 1980 to the end of 1988, we sent a total of 200,000 laborers and specialists to cooperate with other countries. In 1987 and 1988 alone, we sent more than 140,000, which was equal to 158.6 percent of the total number sent in the previous 7 years.

As for labor cooperation, since 1980, we have sent laborers primarily to the Soviet Union, East Germany, Bulgaria, and Czechoslovakia. Since 1986, we have sent technical workers and cadres to Iraq and Algeria. Of all the laborers sent, almost 40 percent are workers who are working in state enterprises and state organizations. More than 40 percent are skilled workers, with the majority being of average grade or below. Almost 60 percent are unskilled workers. About 40 percent of the laborers sent abroad have a general middle school education, and more than 30 percent have a general primary education.

By the end of 1988, 60,000 laborers had returned home, and almost 40 percent of these had found a job. As for the specialists, from 1981 to the end of 1987, we sent more than 6,000 specialists to work in 12 developing countries and a number of international organizations.

Besides this, we have sent a number of students to Czechoslovakia to obtain vocational training and practice synchronized production at enterprises. During the period 1980-1988, more than 10,000 people went, and

that does not include the more than 10,000 people who, after three years of vocational training, switched to labor cooperation for another three years.

From having sent laborers and specialists to cooperate with other countries during the past eight years, we can make the following observations:

On labor cooperation: Sending Vietnamese laborers to cooperate with fraternal socialist countries has contributed to providing jobs, training people and improving their skills, and providing them with an industrial style. In general, other countries view our laborers as intelligent, quick to learn the work, and diligent and hard working. They are viewed as having contributed to fulfilling the country's production and construction plans. Many Vietnamese workers working in fraternal countries are viewed as having "golden hands." They have received emulation rewards and medals, and about 15-20 percent have reached the level of high-grade workers.

The average incomes of Vietnamese laborers in the Soviet Union and East European countries range from 160 to more than 200 rubles a month. Some highly skilled workers with high productivity are paid 400-600 rubles a month. With such incomes, these workers have been able to save some money and remit 50-100 rubles (which is equivalent to 100 kg of rice) a month to their families.

The state has earned hundreds of millions of non-commercial rubles (during the period 1980-1988), because the fraternal countries have paid the selection expenses, social insurance, and allowances for being away from home, and Vietnamese workers have contributed a portion of their wages to building the fatherland.

Labor cooperation with fraternal countries has contributed to developing cooperative and friendly relationships between our people and the peoples of those countries.

On specialists: In general, the specialists sent to cooperate with developing countries have been given high marks, and their skills have been in accord with the needs of those countries. Many people have shown themselves to be diligent and hard working with a simple and friendly demeanor. In general, the incomes of Vietnamese specialists are lower than those of specialists from the developed capitalist countries. On the other hand, Vietnamese workers and specialists have saved money and remitted a large portion of their wages to their families. The state, too, has earned foreign currency from this.

It can be said that labor and specialist cooperation has not expanded in keeping with our needs and capabilities, and the socioeconomic results are still low. There are still weaknesses in organizing and managing labor and specialist cooperation both here and abroad. Negative aspects have not been thoroughly overcome, and there is

still much confusion in providing jobs to those laborers who have completed their assignments abroad and returned home.

On labor cooperation: Initially, we did not have experience and became impatient. At times, we rushed to send people, and there was a lack of preparation with respect to policies, procedures, organization, and cadres. As a result, negative phenomena occurred at certain times and places, and this hampered sending people abroad. After solidifying and strengthening organization and management, particularly after the resolution of the Sixth Party Congress was issued, sending laborers abroad was stepped up and organization and management were strengthened.

On specialist cooperation: The selection of people did not meet the standards, particularly with respect to foreign language skills, and a number of people violated the law. These shortcomings were promptly overcome. The weak point today is that we have not yet signed long-term (five year) contracts in order to send specialists abroad in a planned manner.

It can be affirmed that the positive aspects in sending laborers and specialists abroad are the basis, and these will be exploited more and more if we have a strategy and procedures and policies and if we organize and manage things well.

Promoting and improving the results of cooperation with other countries in terms of laborers and specialists is a pressing requirement. The Sixth Party Congress pointed out that "scientific and technical cooperation and the training of cadres and workers must be promoted. Sending laborers and specialists to work abroad in accord with the contracts must be organized well using many forms. Attention must be given to synchronized contracts for construction and service projects.¹

Our country now has a large labor force of diligent and intelligent workers who learn quickly. We have a rather large number of engineers and specialists who are capable of adjusting to the progressive scientific and technical achievements. From sending laborers and specialists to cooperate with other countries, it can be affirmed that we have the ability to fulfill the contracts on an ever larger scale and that we can achieve greater and greater economic and social results. The important thing is that there must be advances, solutions, and suitable organization and management in order to fully exploit these strengths.

In order to set targets for promoting and improving the results of cooperation with other countries in the coming period, priority must be given to conducting detailed studies based on accurate data on today's world labor market situation and the prospects for the next 10-15 years. We have not done this carefully or systematically. Now, this must be carried on urgently, concentrating on the following points:

1. The labor import needs of each group of countries, each region, and each country to which we must give attention. (This includes numbers, the occupational allocations, the wages that those countries pay domestic and foreign workers, and the standard of living and work environment in those countries.)

2. The capabilities of countries presenting exporting laborers and specialists, with particular attention given to comparing the strengths and weaknesses of our laborers and specialists with those of their laborers and specialists.

Initial studies on world labor markets have revealed the objective reasons why countries must import laborers (for both now and in the future, this depends on each group of countries, each region, and each individual country).

With respect to the developed capitalist countries, there is a gradual decline in the need for imported labor (because of the shift to intensive development, an increase in mechanization and automation, and a shift of those industries that pollute and that require many laborers to the developing countries). These countries will give priority to importing specialists that they can't train or that they can't train as well (in languages, literature, and Eastern medicine). If they do import workers, they will be used to do heavy and dangerous work or to do low-paying jobs that their citizens don't want to do. Some countries that import laborers do not use the laborers for domestic work but contract them out to build projects in other countries.

The Middle East, with the exception of a few countries such as Iraq and Iran, will continue to need more and more foreign laborers, but there will be a change in the occupational allocations and level of skills. That is, the need for unskilled laborers or laborers with a low level of skill will decline, and the need for highly skilled workers and specialists will increase.

In Africa, there will be an increase in the number of specialists brought in from the developed capitalist countries. Some will be brought in from developing countries that have higher scientific and technical standards than they do. They will also need to bring in construction, water conservancy, and communications and transportation workers. The most suitable form will be construction bids using the following formula: local country plus a developed country having machinery, equipment, capital, and technology plus a developing country to supply laborers.

As for countries that now have a surplus of laborers, although they are trying to reduce the population growth rate, it will be difficult to reduce the rate to below two percent by the end of this century. With more than 300 million people now unemployed worldwide, there is a huge supply of export labor. Because of this, competition in the labor market will become quite fierce. The countries that win will be those countries that have a correct

strategy, correct tactics, and correct solutions and that are creative and dynamic in their thinking.

In the Soviet Union and the socialist countries in eastern Europe, because their populations are increasing slowly and because they are still limited in the sphere of automation, "mechanized people," in the next 10-15 years there will still be a great need for imported laborers. In this region, we have an advantage in that Vietnamese laborers have been cooperating with these countries for almost 10 years now and they comprise the majority of the foreign laborers in those countries. There is some competition, but it is not strong competition.

Based on conducting in-depth studies on world labor markets and on each region and each country and making comparisons with our long-term and 5-year economic and social development plans, we will set targets for promoting and improving the results of labor cooperation with other countries from now until the year 2000. We will determine what steps to take and find suitable solutions (based on reviewing our past experiences and studying the experiences of socialist and capitalist countries). We will look for ways that are in accord with our country's special characteristics and today's trends.

The guiding ideas on cooperating with other countries in terms of laborers and specialists in the coming period can be set forth as follows:

1. Expanding cooperation with other countries is an extremely important socioeconomic task. This is both an urgent and long-term task that must bring greater and greater economic and social results, create the conditions for stabilizing the economy and society and expanding domestic production, and prepare the conditions for stepping up socialist industrialization in the future.

From this, we must set specific targets for labor cooperation with each country (for other socialist countries and for third countries and capitalist countries).

2. Cooperation on laborers and specialists must be made more varied. There must be broad cooperation with those countries that need laborers and specialists, with the scale and results of this increasing continually. Cooperation with the Soviet Union, the socialist countries in eastern Europe, and a number of countries in the Middle East, Africa, and Latin America must be used as the basis for expanding this to other countries, including developed capitalist countries such as Australia, Canada, and France.

3. We must seize the opportunities and not allow opportunities to slip by because of making excessively high demands concerning the rights of the country and of the Vietnamese laborers and specialists or because of failing to make preparations. We must study the needs and capabilities of other countries, particularly the conditions and rights of other foreign laborers and specialists now working in those countries, in order to formulate a

suitable negotiating plan. We must avoid the tendency to send people regardless of the price or before making careful preparations.

4. By organizing and managing things well, by educating and training Vietnamese laborers and engineers working abroad, and by spreading propaganda, we must make our laborers and specialists attractive and make them highly competitive in the world.

5. We must constantly improve the socioeconomic results of labor cooperation with other countries, exploit the positive aspects, limit and finally eliminate the negative aspects, give special attention to choosing highly effective formulas and forms of cooperation, monitor the collection of foreign currency for the state, and encourage the laborers and specialists to send home foreign currency or commodities and essential materials. (We must discuss this with the other countries in order to create favorable conditions for doing this.)

6. Opposing negative aspects in labor cooperation must be strengthened by:

Implementing suitable policies and procedures here (selections, priority standards, and labor contracts).

Formulating regulations on laborers and specialists living abroad.

Carefully preparing the laborers and specialists before they leave (concerning education, responsibilities, organization, and cadres).

Strengthening control right after they arrive in the host country, coordinating things closely, increasing the responsibility of the host country to manage things together with us, and handling labor disputes and negative phenomena promptly.

Opposing negative phenomena within the organizations responsible for controlling the laborers and specialists, within the organizations and corporations that provide services to the laborers and specialists, and within the elements of the sectors concerned (internal affairs, public health, customs, and the labor services).

Strengthening on-the-spot inspections and inspections when leaving the country.

Reporting and processing accurate and timely information from abroad, ensuring people's right to file complaints, and dealing with the complaints of the cadres and laborers in a correct and timely manner.

Based on the guiding ideas mentioned above, specific steps must be set for each period, specific measures must be formulated, and at the same time, the lessons must be learned and summarized promptly.

Footnotes

1. Minutes of the Sixth Congress, Su That Publishing House, Hanoi, 1987, p 85.

Several Problems in Renovating the Macrocosmic Management Mechanism in the Chemical Industry

902E0157F Hanoi TAP CHI CONG SAN
in Vietnamese No 9, Sep 89 pp 70-75

[Article by Le Van Dy, director of the Chemicals General Department]

[Text] I. A Number of Themes in Renovating the Chemical Industry Management Mechanism

The chemical industry plays a very important role in the national economy. It affects increasing the productivity and improving the quality and results of the other economic sectors through the technical advances and new technology. It also has an effect on replacing traditional and scarce raw materials that have to be imported by using new domestic raw materials. The products of this sector participate in satisfying the needs of social life, such as the need for food, clothing, housing, travel, medicines, and other consumer goods.

In recent years, the material and technical base and the management apparatus of the chemical industry has been strengthened greatly. But in general, the industry has still not eliminated its old bureaucratic centralism and state subsidies way of thinking and operating. Implementing the resolution of the Sixth Party Congress and the resolutions of the CPV Central Committee on renovating the economic management mechanism, the chemical industry is concentrating on solving the following problems:

1. Determining the important economic spheres:

The needs of the national economy and of social life require that the chemical industry be consolidated and expanded in all respects and in many spheres. However, in order to make effective use of the capital, attention must be focused on expanding the production spheres that are of decisive significance to the expansion of the entire industry. Renovating the management mechanism and testing the new economic models of the industry must begin with these important spheres. Because based on forecasts concerning the economic and social strategies of the chemical industry to the year 2005, we have determined a number of the industry's important spheres in the coming years:

Based on the sources of mineral products, above all apatite and coal, the industry must concentrate on expanding the production of various types of fertilizer to support agriculture. At the same time, in cooperation with other countries, it must study assets and technology and produce chemical products of high economic value for use domestically and for export.

Based on the sources of limestone, sea salt, and hydroelectricity, the industry must study and develop the basic chemical products and other chemicals such as baking powder, soda, carbide.

Based on the domestic sources of natural rubber, the industry must expand the production of rubber products such as automobile and bicycle tires in order to support consumption and the other industrial sectors.

Based on tropical plants containing fiber and oil, the industry must conduct studies in order to develop and produce products such as perfume and art goods.

Along with this, the industry must make preparations to expand the use of new resources, that is, gas and oil, in order to turn this into a leading sphere as soon as possible.

2. Constructing management models and formulating cadre training and employment policies:

There is a dialectic relationship between the management mechanism and the management apparatus and cadres. Now that the management mechanism has shifted from bureaucratic centralism and state subsidies to an economic accounting and socialist business mechanism, clearly, the management apparatus must be renovated and the managerial cadres must be retrained. Because studying and constructing management models and training managerial cadres for the units and echelons in order to satisfy the need to change to a new management mechanism is a function of macrocosmic management. In recent years, the Chemicals General Department has tested many management models in production and in scientific and technical operations.

In the production sphere, we have used corporate and federated enterprise models. These models are in accord with the special characteristics of a country with an extended topography and with the present organizational and managerial conditions of the chemical industry. On the other hand, the production installations in the south that were built in the past already had a team nature in the production chain systems. Thus, when we assumed control, it was relatively easy to turn them into corporations and federated enterprises. Organizing federated enterprises is also tied to implementing two-level management and eliminating the middle-level apparatus (as in the case of forming enterprise federations). Naturally, these corporations and federated enterprises have been renovated with respect to management contents and methods. At the corporations and federated enterprises, the independence of the member enterprises has been fully manifested. Depending on the size and level of development, the member units have the credentials of juristic entities. They can open bank accounts and can sign production and product distribution contracts. Expanding rights is closely related to increasing responsibilities. The member enterprises must take responsibility for their commercial production activities. They must take responsibility for expanded reproduction and take steps to maintain the standard of living of the cadres, workers, and civil servants. At the same time, they must expand with the general plan of the corporation or federated enterprise.

However, the commercial production independence of the enterprises has been monitored. The corporations and federated enterprises have actively promoted joint ventures, particularly joint ventures based on product group, such as the rubber group, the cleansing agent group, and so on. This is a form of organizing commercial production in the economic and technical sectors that is employed by many economic elements based on the principle of volunteering and joining interests in order to manifest the integrated effects of the members and combining the material strengths of the state-operated units with the quickness and dexterity of individuals, teams, and cooperatives in order to create many highly valuable products for society. The members of the product groups will compete in terms of quality, production costs, and so on. But the goal is not to destroy each other. Rather, the goal is to help each other, promote the expansion of the entire group, and, based on the general plan, develop a unified industry.

Many different models are also being developed in the sphere of science and technology. This includes scientific production federations, specialized centers with independent accounting within an integrated institute, research centers with independent accounting in the corporations and federated enterprises. The purpose of this is to tie research to production, shorten the time it takes to move from research and testing to production, and transfer technology to industrial production. In general, these centers have been very active in tying science to production and the markets. After being successfully tested in the laboratories, a number of items have been used in production to create commodity products and support consumption. The Ho Chi Minh City Science and Chemicals Production Federation is one of three test installations. After 4 years of operations, it has become an independent economic accounting unit in everything from research and experimentation to production. Here, the system of allocating state budget funds based on the number of people on the roll has been abolished. Instead, this unit uses accounting based on the tasks assigned (subjects, projects, and so on) using invoices. As a result, the federation has paid its debts and contributed hundreds of millions to dong to the state budget. A few centers, such as the "nong duoc" and petroleum additives center subordinate to the Industrial Chemicals Institute and the "nong duoc" chemicals research and production center subordinate to the Southern Disinfectants Corporation have begun making profits. They have liquidated their debts and contributed revenues to the state. To date, the striking thing in scientific and technical activities is that all five of the large organizations in the sector have switched to independent economic accounting, and each year they have contributed money to the state budget.

The selection of a management model must start from the internal needs of the production installations, with economic results being foremost. There cannot be any pressure from higher-echelon organizations. However, in the case of a number of units that are not doing well and

that have suffered losses for many years, it may be necessary to temporarily attach them to a federated enterprise in order to help them in commercial production. Later on, when conditions make it possible, they can again become an independent enterprise.

The new management mechanism requires that the selection and employment of cadres be renovated. There must be a new way of viewing them in order to evaluate their qualities and capabilities correctly. Based on the requirements and through the implementation of the new management mechanism, cadres must be selected, trained, and employed accordingly. This is because we are perfecting the projects and evaluating cadres, from the leaders of the corporations and enterprises to the departments and general departments. At present, the Chemicals General Department does not feel that there are sufficient conditions to elect a director. Instead, a survey can be taken to measure confidence in the essential units. Only after the democratic standards of the masses have been raised, the new management mechanism is functioning well, the directors are fully responsible for the survival and expansion of the enterprises, and cadre training has been carefully prepared will there be a legitimate basis for electing directors. Given the conditions of commodity production and the existence of many economic elements and the recognition that there is competition, cadres must be skilled in commercial production and constantly work to improve their morals and quality and make effective use of the lines and policies of the party and state.

3. Studying the use of the technical advances: economic information and scientific and technical information:

To ensure that science and technology become a direct production force, at the macroscopic level, with the material and intellectual conditions (ordering goods for the institutes and large enterprises), efforts must be concentrated on solving the major problems that have a strategic nature and that will set the direction for the entire industry. During the period 1986-1990, the scientific and technical work of the Chemicals General Department has been and is being guided in accord with the guideline of tying science and technology to production and supporting the three major economic programs of the party. Science and technology must participate in intensive investment, product diversification, and the creation of many new products. Along with this, the operating formulas of the scientific organizations must be renovated, state subsidies must be eliminated, and economic accounting must gradually be implemented throughout the entire industry.

The material and technical base of the chemical industry has not yet been fully exploited. Many of the new production chains are using only 50 percent of the planned capacity. The general department has many machine shops with many cutting tools, metal processing tools, iron and steel casting furnaces with a capacity of 3,000 tons of steel per year, and 6,000 mechanical and electrical workers. Many machine shops such as those at

the Ha Bac Nitrate Fertilizer Plant (which has more than 150 tool-making machines, a large iron and steel casting installation, and sheet iron pressing machines capable of pressing iron to a thickness of 30 mm) and at the Lam Thao Superphosphate Plant, the Xuan Hoa Battery Factory, and the Sao Vang Rubber Factory have large material and technical bases, but they have not operated efficiently, using only 20-30 percent of the machine and equipment capacity. Should we lease these installations to collective or private individuals or convert them into partnerships in order to make effective use of their production capabilities and create additional products for society? This is a macrocosmic question that must be studied in detail in order to set guidelines and have specific regulations. On the other hand, at the microcosmic level, suitable forms must be proposed in order to run tests at each stage.

II. The Relationship Between Macrocosmic and Microcosmic Management in the Chemical Industry

In the old mechanism, the general department rarely carried out its state management functions. Instead, it meddled too much in the commercial production functions of the production installations. With the new mechanism, a clear distinction must be made between the microcosmic and macrocosmic management functions, and these two functions must be coordinated well. In distinguishing between these two functions, we must start from the needs of managerial realities. Unless these are clearly distinguished, the administrative functions will overwhelm the commercial functions, and production will decline because of the bulky bureaucratic centralism management apparatus. But these two management functions should not be kept completely separate, because both theory and reality have shown that the two have a very close relationship and that they form the preconditions for each other to expand. The following are a number of specific themes with which the Chemicals General Department has and is experimenting:

1. In socialism, plans must be formulated on the basis of commodity production and the law of value. All of the commercial production activities of the production units in the sector must switch to economic accounting and socialist business, correct use must be made of the commodity and currency relationships, the plans must be tied to the markets, and the production strength of the economic elements must be freed. The Chemicals General Department must expand planning based on the following principles:

Enterprises have the right to formulate and implement the general economic and social plans based on the plans for expanding the sector (the guidelines), the legal norms, and the invoices of customers subordinate to the economic elements.

Enterprises have the right to balance materials and carry on production based on the orders of economic elements at the prices agreed on. As for legal norms, with respect to the important products based on the needs of the state, such as roasted phosphate fertilizer and superphosphate, there are two norms: product quantities and

quality and contributions to the budget. With respect to enterprises that have balanced the materials themselves, only one norm needs to be given, contributions to the budget. Commodity prices appear to be an important norm. But because prices fluctuate, this norm cannot be planned from the beginning of the year.

With respect to the federated enterprises and corporations, the general department advocates boldly transferring rights to those member enterprises that can carry on independent economic accounting, carry on production themselves, distribute the products, look after the lives of the cadres, workers, and civil servants, and fulfill their responsibilities to the federated enterprise and state. (Of course, the independence of member enterprises is different from that of the enterprises directly subordinate to the general department because of their level and size and their organic relationship with the federated enterprise.) As for enterprises such as the Lam Thao Superphosphate Plant and the Sao Vang Rubber Factory that are not yet federated enterprises but that are large in size, we feel that the shops with sufficient capabilities, such as the machine shops and the secondary production shops, should be allowed to act independently in commercial production.

With macrocosmic management functions, the agencies of the general department must give the enterprises guidelines, provide them with economic, scientific, and technical information and forecasts, and stimulate the production installations to step up commodity production and integrated commercial activities. The enterprises must tie production to the work of organizing product distribution services in order to ensure that the goods reach the consumers and to achieve the highest economic results possible. To date, many of the enterprises in the industry that produce consumer goods have applied and continue to apply many forms to tie production to product distribution. The enterprises that produce fertilizer have been given permission to experiment with direct distribution without having to go through an agent. They distribute goods directly to the consumers in accord with state norms and guidelines.

In order to involve the enterprises in activities using the new production mechanism, with its macrocosmic functions, the general department has tested using bids in production and capital construction in the case of a number of types of products for which this is possible or that have a small scale. This form must be developed. We will learn the lessons in order to make use of the positive aspects of competition and promote commercial production. The invoice method will also be used in scientific and technical activities; directors, plans, and topics will be voted on; and material expenditures will be contracted to individuals or subject groups.

2. The financial sphere:

In the new mechanism, the enterprises must pay the expenses incurred in commercial production. The state will issue initial capital to the enterprises only once. Later on, if they lack capital, they must borrow the

money and pay interest to the banks. With its macrocosmic management function, the general department has implemented suitable measures in order to mobilize and control the sources of capital existing within the sector. These are not compulsory administrative measures, and they do not violate the rights of the production installations. This is a mechanism to guarantee the material rights of the enterprises and encourage a concept of responsibility for the common good and for the development of other production installations and the sector as a whole.

In capital construction, the sector has implemented loan and equity (of the enterprises in and outside the sector and localities) measures. This has enabled it to mobilize a large amount of capital to build fertilizer production projects to serve agricultural production. If these measures are perfected and expanded, they will contribute to reducing production expenditures and to lowering production and product sales costs so that consumers will accept these products.

3. International cooperation and market connections:

The new mechanism requires that production be tied closely to domestic markets and that relations with foreign markets be expanded. In renovating microcosmic management, the enterprises have been given the right to form direct commercial production relationships with companies, corporations, and foreign enterprises, particularly those in the Soviet Union and other members of the Council for Mutual Economic Aid. Depending on the specific conditions, the enterprises can export products directly or through an agent. At the macrocosmic level, the general department has set guidelines and formulated material incentive policies for the enterprises engaged in joint ventures with other countries and that have export goods in order to create materials and generate foreign currency. At the same time, the general department will recommend cooperative projects with other countries, guide the implementation of the state's policies, promptly provide scientific and technical advances and information, formulate policies and plans, and train primary level cadres.

The other spheres, such as cadre organization and wages, must all manifest the close relationship between the microcosmic and macrocosmic management functions.

III. A Few Conclusions

A number of conclusions can be reached based on the operating practices of the chemical industry:

1. If the sector echelons want to carry out their macrocosmic management functions well, they must renovate the economic management mechanism at the macrocosmic level. The corporations, federated enterprises, and federations of enterprises must become real commercial production units that are responsible for their own financial affairs. They must be in charge of allocating capital and repaying debts. Macrocosmic and microcosmic management are tied to each other very closely. Neither one can be slighted. Renovating microcosmic management must be regarded as the starting point for renovating macrocosmic management.

2. In conditions in which the old mechanism has not been completely eliminated and the new mechanism has not yet been fully synchronized, the functional elements of the general department cannot completely abandon their commercial production management functions. But they must be reorganized, and they must gradually stop interfering directly in the commercial operations of the primary level units. Determining the right percentage with respect to each type of management function is the job of the managers, who must choose a suitable management strategy given our current socioeconomic conditions.

3. Macrocosmic management requires regular contact with the research and control installations. The problems and difficulties concerning the mechanism that the production installations cannot solve by themselves must be solved promptly. At the same time, through actual practice, the problems in the policies and laws must be discovered so that the policies and laws can be revised as necessary.

4. Macrocosmic management functions are usually manifested by the promulgation of legal documents and specific decisions, because this requires that the sector-level cadres make renovations in substance. In the present stage, the functional elements must conduct studies and put forth measures to deal with those enterprises that are suffering losses. They must clarify the foundation of the planned norms and the norms for accurately evaluating the economic results of the units.

5. After the old mechanism has been eliminated and the new mechanism has been synchronized and strengthened, the state's management apparatus will no longer need many people to manage the sector.

Renovating Behavior

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
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[Article by Thanh Son; not translated]

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The World: Issues and Events

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The Plots of Imperialism

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
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**Asia and the Pacific in the Face of the Bush
Administration's Ambitions**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese
No 9, Sep 89 pp 80-84

[Article by Ho Bat Khuat; published in FBIS-
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China: Crises and Thoughts

902E0157G Hanoi TAP CHI CONG SAN
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[Article by To Thieu Tri and Vuong Dat Chau that was published in ECONOMIC WORLD on 24 October 1988]

[Text] The experiences of various countries and logic and theory all show that the transition from a highly centralized and planned economy to a free and competitive market economy is a very painful and costly process that requires standing before and passing through many difficult gates.

The first gate is inflation, or an increase in prices. In switching from a product economy with product distribution formulas to a commodity economy with market exchange formulas, in which money is the primary medium of exchange, it will become necessary to issue more money, and the economy will open its doors wider and wider to the outside. The prices of goods will have to be adjusted, and the incomes of consumers, particularly the hundreds of millions of peasants, will increase. In such a situation, it will be impossible to avoid a rise in inflation. The question is, at what level will the powerholders be able to keep inflation? Is this in line with the increase in the Gross Social Product and labor productivity? Will this directly serve or at least benefit reforming the previously inefficient pricing system and constructing a new pricing system? Will a number of financial organizations use this to increase financial revenues, or will the state enterprises that have not yet carried on reform use "deficit" measures to "swallow this whole?" If that happens, prices could skyrocket to the point where investors and consumers might lose confidence.

The second gate is bankrupt enterprises and unemployed workers. Based on the need to "market-ize" the economy and the tendency to apply the principle of competition, inefficient enterprises that fail to make a profit will go bankrupt. They will go out of business, and a large number of the workers and civil servants will lose their jobs. Or weak or inefficient workers will be fired. These people will become part of the huge army of unemployed. They will exert great pressure on the government and become a serious social problem. Thus, this also affects the socioeconomic sphere and ideological concepts and poses a great challenge to traditional viewpoints and ways of doing things.

The third gate is the worship of money and the commercialization of the economy. It must be acknowledged that the shift from a product economy to a commodity economy represents an historical leap of 10 years of reform and openness. The appearance of a psychology of putting money ahead of everything, of "all for money," is a necessary stage (even though it is just a preliminary and immature stage) in order to establish a strong and orderly market economy. The worship of money has a definite effect and is a sharp blow to the love of power.

But the advantages and disadvantages are not absolute or unchanging. The independence of man can sometimes mean that man is isolated or that man has lost his concept of the group. A blind love of money can sometimes cause people to forget their moral principles. The income gap will widen, and those who become rich first may damage the sublime and ruin the chances of other people and classes. This new socioeconomic situation poses a challenge to powerholders, economists, and all people. How should we develop? How can we maintain a spirit of progress, solidarity, and enthusiasm? How can we coordinate economic progress with social progress and, most important of all, the progress of man?

Pluralizing and ending the monopolization of the ownership system and gradually transforming and socializing the state enterprises are the principal and most important conditions for reforming the price system based on marketization. The lessons of Hungary and Poland show that without a system of enterprises that are free to operate according to market laws free of control by a restrictive administrative apparatus, no matter how good the price reform plans are, they will have absolutely no effect. Clearly, if the assets and workers all belong to the state, the markets will not be able to survive. If production, supply and consumption, and the leaders of the enterprises continue to rely heavily on an administrative network, "market prices," without the freedom of competition, will only be able to "make corrections" and measure things. The main reason why currency reform in East Germany after the Second World War was effective and why a number of countries in East Asia and South America were able to implement a price system so quickly is that in establishing enterprises, expanding business, and breaking up things, everything was based on free economic activities. Things did not depend on politics or the will power of the state. A free price system and a free enterprise system are the two basic signs of a market economy, and the formation of free prices is determined by the establishment of free enterprises. As economists have pointed out during the past several years, implementing a corporate system is the most effective way to end the monopolization of public ownership and re-establish the rights of the enterprises. Today, there is a good opportunity to implement a corporate system on a broad scale and transform this from a slogan into action, from a local experiment into a general change. However, two things need to be clarified. First, a corporate enterprise system is not a system of simply dividing up things based on sources of revenues or of [issuing] bonds that people can buy but can't sell, which is what has happened in a number of countries in eastern Europe and in a number of regions in China. This is not a "copyright" of certain "progressive" enterprises that enjoy a monopoly. To the contrary, the corporate system must be formed in an environment in which all the enterprises compete with each other. All individuals, units, and collectives must have the right to buy and (in particular) sell shares. This must encourage both the progressive and backward enterprises to make

use of the surplus capital in society and exploit the investment dreams of the people.

Second, not only does a corporate economy mean that enterprises must be established based on a corporate system, but it also means that the economic and social resources must be distributed based on the principal of compensatory use and the principal of cost comparisons. What is good must be strengthened, and what is bad must be eliminated. There must be greater competition, fairness, and freedom. A market distribution system (and not an administrative system) must be established in all spheres, including housing, arable land, manpower, production materials, technology, capital, foreign currency, bonds, and stock.

In the present period, reforming the banking and currency systems is a very urgent task that will have a great effect. Not only will it have a clear effect in fighting inflation and improving the economic environment, but it will also help to gradually cut the "lines" of the enterprises leading to the storehouses of the state and benefit the work of "commercializing" the economy and enabling the enterprises to become more independent.

Our present banking system is a "highly unified" system. Interest and credit rates are determined by the power-holders at the central echelon. Because of this, the banks cannot do a good job of controlling the inefficient loans taken by outmoded enterprises. The banking and currency systems have not yet been commercialized. They are not yet an organic part of the commodity economy. The inflationary situation in our country came into being in close conjunction with the "magic lamp," which the enterprises used to demand state funds. Thus, the state forced the banks to run deficits, and the banks relied on printing more money.

Agriculture is the foundation of the entire national economy. It is also the basis for evaluating the progress made by reform and for determining how successful we have been. In a country such as China in which the majority of the people are peasants, this is indisputable.

In the past period, people vied with each other to purchase goods. This shows that our country's economy is still suffering shortages of foodstuffs and light industrial goods and that agriculture is still very weak. First, because there is the appearance of a "surplus of agricultural goods" (difficult to sell cotton and difficult to sell meat), people think that the agricultural problem in China has been virtually solved. Because of that idea, the consumption structure has been changed, and people have been encouraged to consume in an inappropriate manner. A number of industrial and processing sectors have been expanded (such as the production of beer). As a result, many agricultural products have been lost, investments in agriculture have been greatly reduced, and an irrational situation with respect to prices of agricultural products in relation to the prices of industrial goods has developed, with the result that peasants no longer want to grow grain crops or cotton and

agricultural production has slowed. Second, the contract system in agriculture, using the family as the unit in specific periods, has exploited a large source of labor. But in the end, this method of relying on increasing labor intensity is limited. And this is without mentioning the fact that this limits the expansion of agriculture, because the arable land is divided into small plots and the level of mechanization and water conservancy is reduced. Furthermore, for various reasons concerning viewpoints and policies, the process of transforming Chinese peasants from small commodity producers into large commodity producers has been limited. This is because we have encountered a number of new problems such as the hiring of workers, the concentration of land, the scale of commercial activities, the vicissitudes of village and town enterprises and specialized households, and their efforts to swallow each other. Finally, it should be mentioned that because of the laxity of the planned parenthood policy, during the past several years the population has increased rapidly. On the average, the population has been increasing at a rate of 15 million people a year. But at the same time, grain yields have not increased, with the result that per capita quantity of agricultural products has declined greatly. Thus, the supply situation has become very tense, and there have even been shortages.

Measures can't be implemented to solve all the problems at once. The only thing that can be done is to implement measures aimed at solving the existing problems. We feel that much attention should be given to the slogan "carry on stage two agricultural reform."

Because of the socioeconomic crisis that has arisen and that is growing worse daily, it is essential that the political system be reformed.

We would like to summarize the two problems about which people are now most concerned:

1. The sharp rise in prices:

Something that cannot be concealed is that the skyrocketing prices of the past period is related to a lack of preparation and a failure to evaluate the situation when making decisions. This is also related to the blindness of the masses and the fact that individual households have raised prices. But the most important factor that has caused prices to increase is the inability to check the increase in the money supply. In this situation, in the final analysis, who has the power to push up prices throughout the economy? Only organizations or officials engaged in trade activities and large state enterprises that rely on the bureaucratic system have access to many materials and much information. Only their production structure, production capabilities, and products have the ability to influence the entire economy and society. Stop and think. Is it the increase in the price of vegetables and fruits sold by a few small traders that influences the price

index? Or is it the large organizations and officials engaged in trade activities and enterprises that make use of the two-price system that are responsible for the increase in price of such things as coal, electricity, steel, materials, and cement, which is terrifying all of society? The answer is very easy. If we allow the administrative formulas of the bureaucratic state to continue controlling our economic arteries and if we allow the organizations and officials engaged in trade to continue engaging in such activities, it will be very difficult to imagine that price and economic reform, in their broader meaning, can achieve success.

2. Why are a number of party and administrative organizations so greedy?

It is easy to draw a few conclusions:

- a. A number of people and organizations have too much power.
- b. This power has not been limited, and it is not controlled. "Power leads to corruption, and absolute power corrupts absolutely." This saying has eternal meaning.

There are two formulas for eliminating corruption in political life:

1. Rely on educational and ideological measures, mobilize the administration, promote discipline, eliminate superstition, rely on the awareness of the people and the role of the progressive elements, exhort people to "kill the one who threatens hundreds of others," implement strict measures, aim at heightening the discipline of the party and administration, punish acts of corruption, block deviations, and assure the masses.

2. Through rebuilding the system, the elements in the power structure must be enabled to form a system of checks and balances and any single organization or individual must be prevented from seizing absolute power. At the same time, laws must be promulgated and perfected in order to bring about and maintain this situation. Whenever something happens too quickly in political or socio-economic life, this can be corrected automatically using the model and system already in place (not by the will power of an organization or individual).

Traditional society relies on the first formula. Modern society relies more on the second formula.

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