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## **East Asia**

***Southeast Asia***  
***Vietnam: TAP CHI CONG SAN***  
***No 1, January 1990***

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# East Asia

## Southeast Asia

### Vietnam: TAP CHI CONG SAN

#### No 1, January 1990

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

**ERRATUM:** Please change the heading in the TABLE OF CONTENTS "From the Publications of Fraternal Countries" to "From Foreign Publications" in the following issues of TAP CHI CONG SAN published in JPRS-ATC-90-003, 17 Apr 90; JPRS-ATC-90-004, 1 Jun 90; JPRS-ATC-90-005, 27 Jun 90; and JPRS-ATC-90-006, 17 Jul 90.

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## Exploiting the Party's Wonderful Traditions in Renovating the Country

902E0198A Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 1-10

[Text] The Communist Party of Vietnam has passed through 60 years of fierce struggle filled with challenges and sacrifices and scored great achievements. In a situation in which our country and the world has faced countless difficulties, the party has led the people in a heroic and resolute struggle, defeated invading enemies one after another, won independence and freedom for the country, and gradually built socialism throughout our beloved Vietnam.

In order to score these achievements, our party and people have had to make great sacrifices. During the "white terror" of the French bandits in 1931 and 1932, tens of thousands of cadres, party members, and patriots were imprisoned and executed. Many of the party's outstanding leaders were killed. At the Con Dao prison, 793 people were executed and in Kong Tum, 339 people were killed. During the period 1954-1959 in the south, 466,000 party members and patriots were arrested, 400,000 people were jailed, and 68,000 people were killed. During the resistance against France and the United States, 160,000 party members were killed.

Our party was tempered during that long and difficult revolutionary struggle, when the enemy applied great pressure and carried out acts of terror. It was during that period that the party matured and forged resolute ranks hardened by the experiences of revolutionary struggle.

Looking at the fierce struggle of our party and people in the past 60 years, particularly during the national democratic revolution and during the resistances against outside enemies, we are extremely proud of the glorious history and wonderful traditions of the party. This is a tradition of formulating correct lines and formulas, regarding the revolution as the task of the masses, forging a close relationship with the people, maintaining solidarity, building ranks of cadres and party members and party bases, upholding international proletarianism, and maintaining close solidarity with fraternal parties and countries.

Everything that has been done and that has not been done and all of the achievements and mistakes of the party during the past 60 years, together with the complex changes taking place in the world today, show that the party's leadership has been a very important factor in the development of our country's revolution. On one hand, our party has affirmed the wonderful nature and heroic traditions of the party in the national democratic revolution and the initial efforts in the socialist revolution. On the other hand, it has frankly pointed out the weaknesses and shortcomings of the party in economic and social leadership and pointed out the errors in party activities. The party realizes that with respect to the political, ideological, and organizational aspects and with respect to intelligence and conscience, the party's

leadership is not yet equal to the revolutionary tasks. It has not yet satisfied the demands of renovation or the needs and aspirations of the people. The working class character and vanguard nature of the party has been seriously weakened, and many of the party's wonderful traditions have been forgotten and weakened.

The above is reflected in the following:

The level of theoretical understanding is low, and there are many limitations in the use of socialist laws. The theoretical work of the party does not have the strength to clarify the problems posed for our country's revolution, and it has not illuminated the economic and social problems that need to be solved. This has a great influence on formulating the party's lines and policies in a correct manner. Concretizing and implementing the party's resolutions have been carried on slowly. Some of the decisions are not in line with life. The organizational abilities of the party committee echelons are poor, and the administrative standards of the state organizations are low.

There are many cadres, and their standards have gradually risen. But because of the lack of plans and because of the irrational organizational mechanism and use policy, they have not manifested an effect or satisfied the requirements. The apparatus is too cumbersome, and functions have not been delineated clearly, with the result that they are skewed and ineffective.

The leadership capabilities and combat strength of the party bases are weak, and some places seem to be paralyzed. There are more than 2 million party members in 41,777 party bases and 142,377 party chapters. But in general, they are weak. The party members' awareness of communist ideals and the quality of the party members have declined greatly. A large number have deviated.

The party has failed to implement the organizational principles seriously. Within the party, there is a lack of both democracy and centralization, and the rules are lax. There has been a loss of solidarity at many places, and in some places this has become a very serious problem.

There is bureaucratic centralism, aloofness from the masses, haughtiness, and authoritarianism, and what is said does not match what is done. The relationship between the party and the people is no longer as close as it once was.

The cadres, party members, and people are very concerned about the above situation. This has affected the confidence of the masses in the leadership of the party and the management and administration of the state.

Today, our revolution is at a very important turning point. We are carrying on fundamental and all-round renovation as put forth by the Sixth Party Congress. In this, the key task is to renovate the economic policies in order to greatly expand the production forces. This change has posed many new and complex problems. This is a very fierce and difficult struggle.

At the same time, the tasks of solidifying national defense and security and defending the fatherland are still very serious, and there are new complexities. The enemy is planning to use our difficulties to destroy the revolution of our people. We must not let down our guard for even a minute.

With the powerful developments of the scientific and technical revolution and with the renovation and reform tendencies, the world is undergoing a very rapid and complex transformation. This is having a powerful effect on our country. This means that we must strive to grow, and, in particular, improve our standards and implement new and effective policies and operating formulas.

Facing the above situation, our party has a very great and heavy responsibility. Urgent steps must be taken to solidify the party and improve the leadership qualities and combat strength of the party, particularly in the sphere of economic construction and management. Stated another way, to carry on renovation in Vietnam, we must start by renovating the party. Party leadership, party activities, and party building must be renovated. If the party does not renovate itself, if the party organizations are not solidified, and if the people in the party, from high-level cadres to ordinary party members, are not developed, it will not be possible to carry on renovation. The people, whose standards are rising and whose needs are increasing, are placing demands on and counting on the party. The party is facing new and very difficult challenges.

The 5th Plenum of the CPV [Communist Party of Vietnam] Central Committee (6th term) pointed out that the general direction of party building today is to exploit the wonderful revolutionary nature and traditions of the party, thoroughly understand the resolution of the Sixth Party Congress and the resolutions of the CPV Central Committee and Politburo, continue to renovate thinking, renovate organization and the ranks of cadres, renovate the leadership and work formulas, increase revolutionary consciousness, strengthen the ideals, quality, knowledge, and leadership capabilities of the cadres and party members, expand democracy along with strengthening discipline within the party, strengthen the relationship between the party and the working class and laborers, and take steps to ensure that the party grows in line with the new tasks.

Steps must be taken to ensure that the party matures with respect to economic and social leadership and management. Lines must be developed and concretized, and correct solutions must be put forth. The production forces must be expanded, and production relationships must be reformed based on moving toward socialism. The party must serve as the vanguard unit of the working class. It must have ability and knowledge, and it must be capable of leading the socialist revolution. As Lenin said: "The party must be the brains, the honor, and the conscience of our era."

In order to follow these guidelines and satisfy the basic requirements, we must do many things. We will have to carry on a relatively long struggle. First of all, we must concentrate on solving the following important problems:

1. Have a correct understanding of the party's leadership in the present stage and renovate the party's leadership themes and formulas:

Everyone knows that party leadership is a problem with the nature of a principle. This is an objective law of socialist and communist construction. On many occasions, Lenin affirmed that "only by having a communist party can we lead the proletariat in the resolute struggle against all the forces of capitalism."<sup>1</sup> "Only the vanguard unit of the working class can lead the country."<sup>2</sup> Those are "principles" that "can no longer be doubted." If there is another viewpoint concerning the role of the communist party in its relationship to other political organizations, that is a "basic theoretical separation from communism and a tendency toward syndicalism and anarchism."<sup>3</sup>

As the renovation campaign becomes more intense and complex, the leading role of the party will increase. At a time when the country is experiencing many difficulties, even more attention must be given to solidifying the party and to renovating and improving the effectiveness of party leadership. This is an objective necessity in the development of society.

Renovating party leadership includes renovating the leadership contents and formulas. Before the establishment of the regime, the party had to do many tasks itself in order to educate, mobilize, and organize the masses in the struggle to establish a regime. After the regime was established, it became the leader of all of society, which includes many broad and complex spheres, above all the economic sphere. Naturally, the party could not act as it had done before. It must be clearly understood that the party is the leadership organization. It is not responsible for state administration, and it is not the highest state organization. The party must not be "state-ized" or transformed into a bureaucratic administrative organization. The party must not become bogged down in matters that fall within the jurisdiction of the state organizations or the economic and technical organizations.

The party leads means that the party is responsible for formulating programs, lines, and strategies, setting the basic targets of the revolution, and determining operational themes for the entire political system. It must elevate the role of the state, enable the state to serve as the agency of power of the people, and exploit the active nature of the mass organizations. It must closely control the implementation of the party resolutions, review the implementation of things, and revise policies that are not in line with reality. It must provide political and ideological education and persuade and mobilize the masses. It must formulate cadre lines, prepare and train the

cadres, arrange the cadres in the party organizations, and prepare the key leading cadres in the state apparatus and mass organizations.

The party carries out its leadership and control functions through its organizational system and through the ranks of cadres and party members by persuading and educating people and by having the cadres and party members set an example. The party must stay within the framework of the law. Each cadre and party member must enforce the laws strictly.

Thus, renovating the party's leadership themes and formulas is aimed at elevating the political vanguard role of the party, strengthening the political nature and political methods of party leadership, and overcoming "state-ism" and bureaucratization in party activities.

2. Continue to perfect and concretize the lines of the party and maintain a revolutionary and scientific nature:

The leadership role of the party, or its historical mission, is to formulate a correct political line. A correct political line is a line that correctly reflects the objective laws, satisfies the requirements of the revolution, and correctly represents the will and aspirations of the people. Stated differently, a correct political line has a revolutionary and scientific nature.

Revolutionary nature is manifested when formulating a line. The party must stand firmly on the revolutionary viewpoints of the working class, adhere firmly to the struggle targets, and remain absolutely loyal to the interests of the working class and laborers. Regardless of the circumstances and no matter how difficult or complex the situation here or abroad, the party must steadfastly adhere to this position, remain loyal to communist ideals and to Marxism-Leninism, not waver, and struggle tirelessly for socialism and communism.

Scientific nature is manifested in the fact that the party's political line is the result of making creative use of the objective laws, adhering to the aspirations and dreams of the masses, making a scientific analysis of the actual situation, and having suitable forms and measures. This scientific nature is contrary to subjectivism, empiricism, conservatism, petty bourgeois impulsiveness, and everything else that could lead to the formulation of an erroneous line.

Just after the the party was established, it was able to formulate a correct line, mainly because it thoroughly understood these basic principles. In its first political program, the party clearly pointed out that the tasks were to wage a struggle against imperialism and feudalism, win national independence, and give land to the tillers. The next step was to advance to socialism, by-passing the capitalist stage of development. This program was in line with Vietnamese reality—Vietnam was then a semi-feudal colony—and it satisfied the burning aspirations of most Vietnamese, 90 percent of whom were farmers. In reality, that program became the banner of solidarity and united the people.

After the great victory in the resistance against America for national salvation in April 1975, the Fourth Party Congress affirmed that the transition to socialism was a process of matching the laws of a united Vietnam. It affirmed that socialism was the direct goal of the Vietnamese revolution and that this was an objective necessity that was in accord with the laws of social development. The resolution of the Fourth Party Congress stated: "Only with socialism can we rescue our people from poverty and backwardness and ensure that the people enjoy a happy and civilized life. Only with socialism can we ensure that the people are the real owners of the country and ensure that the fatherland is independent, free, and prosperous."

However, in guiding and implementing things, the party has made a number of mistakes. That includes making mistakes in formulating a number of major positions and policies on the scale and speed of economic growth and the arrangement of the economic structure and in determining the management mechanism. The main ideological tendency of these mistakes has been subjectivism, voluntarism, and simple and hurried thinking and action regardless of the objective laws.

The Sixth Party Congress promptly discovered the errors, engaged in serious self-criticism, and put forth a policy to renovate all of society. Later resolutions issued by the CPV Central Committee all concretized the ideas and viewpoints of the Sixth Party Congress, affirmed the basic principles and guidelines of renovation, overcame old views that were not in accord with socialism, and put forth suitable forms and measures in order to carry on socialist construction in the country effectively.

To date, we have not yet finished formulating a political program and economic and social strategy for the transitional period in our country. There are still many problems that need to be studied and summarized or that must be concretized, developed, and supplemented. At the same time, life requires that we solve many urgent problems in order to soon stabilize the economic and social situation, particularly the financial and banking problems. We must expand the state economy, solve the burning social problems, maintain public order and security, and bring about democracy and social fairness.

Along with the party committee echelons, theoreticians, scientists, cadres, party members, and other people must ponder these problems, too.

3. Build unified ranks of cadres and party members with the qualities and capabilities to lead and organize the masses in the struggle to successfully implement the lines of the party:

The past 60 years have shown that the party's strength and prestige are due not only to its political lines but also to the combat strength of the cadres and party members. The masses evaluate the party based not only on its political policies but also on the daily activities of the cadres and party members.

In order to solidify and build the ranks of the party, the most important problem today is to clearly determine and concretize the requirements concerning party member standards and the rights and responsibilities of party members in the present stage. Based on this, party members must be educated and trained. In particular, it must be ensured that party members have a correct attitude regarding renovation, that they are loyal to communist ideals, that they are steadfast in the face of the changing and complex situation, and that they have the ability to implement the party's lines. They must be capable of leading and organizing commercial production and enriching the country. They must have a relationship with and a correct attitude toward the masses. They must have moral qualities, and they must live a wholesome life and have a concept of organization and discipline.

The decisive problem in building ranks of cadres and party members is to maintain quality. Lenin affirmed that a "small party can launch a revolution and win.... Even a very small party can get the masses to follow it."<sup>4</sup> When our party was first established, there were fewer than 500 party members, but the party led the people in the struggle with extraordinary energy and an attitude of "attack boldly" during the Nghe Tinh Soviet uprising (1930-1931). In 1945, with 5,000 party members, the party led 25 million people in carrying out the victorious August Revolution. During the years of the resistance against France and the United States and during the period of socialist construction in northern Vietnam, the party had only several tens of thousands of party members.

Today, the party has more than 2,149,000 party members (which is equal to 3.39 percent of the total population and 7.73 percent of all laborers). Of these, 11.47 percent work at enterprises, work sites, and state forests; 46 percent work in rural areas; 11.14 percent serve in the armed forces; and 9.6 percent work in administrative organizations. As compared with many other parties in the world, these percentages are not high. But the important thing is quality. We must strive to lower the average age of party members (today, more than 18 percent of our party members are retired people, and the average age is over 40) and strengthen the combat strength of the party. In particular, the ranks of party members must be inspected, those unqualified to be party members must be expelled from the party, and the party must be kept pure. There must be a struggle against individualism, corruption, special rights and interests, theft of public property, bribery, a concern about status, bureaucratic centralism, paternalism, and envy. These are the things that are destroying our ranks of party members and tarnishing the reputation of the party.

4. Solidify and increase the combat strength of the primary level party organizations:

In expanding multi-faceted commodity production and implementing economic accounting, the guiding and creative role of the primary economic units must be

manifested. And in this, the party bases have a very important role to play. An urgent task is to concretize and expand the functions, tasks, organizational forms, and operating formulas of the party bases in accord with the new requirements. How must the party bases be organized and how must they must act in order to function as the political leadership core at the labor collectives and control the activities of the management organizations and heads? What must be done to enable these organizations to educate, train, and manage the party members, mobilize and organize the masses to carry out the positions and policies of the party and the laws of the state, monitor, control, and criticize the work of the party and state, and criticize the cadres and party members? These are the questions that must be answered.

The immediate task is to strengthen the ranks of core cadres at the bases, improve the quality of party chapter activities, and manifest the control role of the party chapters. All echelons and sectors must concentrate on consolidating the bases, particularly the weak bases, the bases that are directly involved in economic, security, and national defense matters, and the bases along the borders, on the islands, in the mountains, in areas that are experiencing many difficulties, and in areas that have great economic potential. A number of knowledgeable and talented cadres must be selected and sent to strengthen the bases. Where necessary, cadre teams can be formed and sent to solidify the bases for a specific period of time. They can help and guide the bases and strengthen the cadres.

In the face of the renovation requirements and the complex changes now taking place both here and around the world, each party base must strive to solidify and perfect itself so that it can play its role as the party's organization and as the party's combat fortress at the primary level.

5. Strengthen the relationship with the masses:

The party has always regarded mass work as one of the party's strategic tasks and as an important element of party building. The relationship with the masses affects the existence and development of the party. The party is tied to the masses by the things that it has done in liberating the country and freeing the people and in the struggle on behalf of the interests and happiness of the people. The people have placed their faith in the party, supported the party, and protected the party, because the people realize their interests are tied to the existence of the party. The goals of the party are the aspirations of the people. In reality, the party and people form a bloc through a flesh and blood relationship, a relationship that the enemy can never break. This is the source of the party's great strength. It is the wonderful tradition and priceless lesson of the party and our country's revolution.

Today, in the new historical situation, there are new advantages in the relationship between the party and the

masses that will enable this relationship to grow. But there are also new and greater demands, and we face new and very complex challenges. Along with the wonderful aspects, there are also many negative phenomena and difficulties that are affecting the lives, thinking, and feelings of the masses and that are having a major effect on the relationship between the party and the masses. The most serious things are bureaucratic centralism, authoritarianism, and corruption in a number of party organizations and state agencies and aloofness from the people, a lack of responsibility to the people, and even oppression of the people by some cadres, party members, and state employees. After being given positions and powers, many leading cadres at various levels and in various sectors become overly proud of their powers, show disrespect to the people, refuse to listen to the ideas of the people, and act in a paternalistic and dogmatic manner just like the "mandarins" of old. Many manifestations of corruption, special privileges, and trampling on the ownership rights of the people have not been opposed resolutely or handled in a serious manner. All of these things have tarnished the reputation of the party and reduced the confidence of the masses in the party. In some places, people have become discouraged and angry. They do not trust and have even opposed party cadres and state employees. This is very sad. The enemy is using this to launch attacks, separate the party from the masses, and separate the state from the people.

Clearly, we cannot allow this to continue. We must urgently implement measures to reorganize the party and state apparatus and solidify the relationship between the party, state, and people. The most pressing thing is to purify the ranks of the party and state apparatus and stop the rot among the cadres, party members, and state employees. We must not allow corrupt "revolutionary mandarins" who lack the qualifications of party members to remain in the party. If those elements are allowed to remain in the party, they will tarnish the party's reputation and weaken its combat strength. There must be a mechanism to force party members and state employees to have regular contact with the masses.

On the other and, there must be economic and social development policies and policies to stabilize living conditions and protect the interests of the masses. Specifically, everything possible must be done to create jobs for the people, particularly youths and workers, maintain the real value of the currency, and pay wages on time. Attention must be given to the administrative sector and the armed forces, public security forces, and retirees. There must be specific measures to reorganize the medical treatment and education of the people, with the emphasis placed on the tribesmen and mountain areas. A mass movement must be launched throughout the country to maintain public order and security and punish those who are involved in criminal activities and who are disrupting public order and threatening the interests of the masses. Social order and discipline must be restored and social safety must be ensured. Measures must be implemented to help the families of war invalids

and war heroes that lack manpower and that are experiencing difficulties. Social fairness must be ensured. The democratic rights of the people (including both indirect and direct democratic rights) must be upheld. The laws and the state organizations must protect the legal democratic freedoms of the people and punish those who violate the ownership rights of the people. Demagoguery and aping the masses must be opposed, and those who are trying to use democracy to break the law and oppose the work of the people must be stopped and punished.

6. Expand democracy in the party, solidify the party's organizational and operational principles, renovate work styles:

The foundation of the party's strength is organization, discipline, and solidarity throughout the party. Order and discipline must be restored in the party based on implementing the party's statutes and work regulations, solidifying the party's organizational and operational principles, implementing the principles of democratic centralism and collective leadership along with strengthening individual responsibility, and promoting self-criticism and criticism.

Democracy, which is a tendency and requirement of society, is the aspiration of all party members and people. At the same time, democracy is the motive force for carrying on renovation. Democracy within the party is manifested above all in the process of preparing and issuing decisions, implementing the decisions, and ensuring that the party's resolutions reflect the collective wisdom. In preparing decisions, the views of lower echelons, specialists, scientists, cadres, party members, and the masses must be sought. Party committee and party organization conferences must be carried on in a truly democratic manner. Each person must be encouraged to participate in debates and express his views. Accurate conclusions and solutions must be sought, and there must be a high degree of unanimity. People must not be afraid to express a different view. The important thing is that suitable conclusions must be drawn from the various views expressed in order to hit the targets set in accord with the wishes of the people.

The decision-making process must be democratized together with maintaining discipline in carrying out the resolutions. After a decision has been discussed collectively and passed by a majority vote, party members and lower-level organizations must discuss effective ways to implement the decision. They must not cite the special characteristics of their locality or unit as a reason for not implementing the party's resolution or implementing only those parts that are in line with their interests. They cannot arbitrarily impart their own views. At the same time, whenever necessary, attention must be given to studying and examining the views of the minority.

Internal democracy is manifested in party committee elections and cadre work. In preparing for an election, the opinions of the party members and masses must be

sought, and their opinions must be respected. The recommendations of higher echelons must be coordinated with those of the bases. Individuals must be encouraged to run for positions. Having the organizations elect people in a formalistic manner must be avoided. A system in which the party committee echelons regularly report to the collectives and lower echelons that elected them must be implemented. Making preliminary summaries and reviewing the work must be coordinated with engaging in self-criticism and criticism and observing and inspecting the cadres. The collective must discuss giving promotions and awards and disciplining cadres and party members. Before a decision is reached, the party members and people concerned or those who know something about that person must be asked to give their opinion, and the person concerned must be allowed to give his opinions.

Leadership styles and work methods must be renovated. Steps must be taken to end bureaucratic centralism, boasting, failing to match actions to words, a lack of responsibility, and failing to treat others with respect. Leading cadres at the various echelons must set aside time to visit bases, receive people, and handle specific tasks promptly on the spot. The number of unnecessary meetings must be reduced, and practices that disrupt the work must be eliminated. Control must be increased, and actions that harm the interests of the state and collective as a result of bureaucratic centralism or lack of responsibility must be dealt with resolutely.

Today, there is a lack of solidarity at many places, and in some places this is a very serious problem, particularly among a number of key leading cadres. There are many reasons for this situation, but the most common reasons are dogmatism, paternalism, and a lack of democracy in party activities and in cadre work stemming from individualism, envy of position, competition for rank, and localism. More than ever before, the cadres and party members, particularly the key cadres, must ponder their responsibilities, resolutely overcome this situation, and carry out the teaching of President Ho: Maintain party solidarity as you would protect your own children.

If the above tasks are carried out well, we will definitely be able to improve the quality and increase the combat strength of the party and enable the party to grow and satisfy the requirements of renovation.

#### Footnotes

1. V.I. Lenin, "Collected Works," Su That Publishing House, Hanoi, 1969, volume 31, pages 227, 228.
2. V.I. Lenin, "Collected Works," Su That Publishing House, Hanoi, 1968, volume 30, page 225.
3. V.I. Lenin, "Collected Works," Su That Publishing House, Hanoi, 1970, volume 32, page 314.
4. V.I. Lenin, "Collected Works," Progress Publishing House, Moscow, 1978, volume 44, page 38.

### The Main Targets of the 1990 Economic and Social Plan

902E0198B Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 11-15, 19

[Text] Based on the guidelines set by the resolution of the Sixth Party Congress and the resolutions of the CPV [Communist Party of Vietnam] Central Committee, in 1989, the renovation of the economic management mechanism was expanded in almost every sphere, sector, and echelon, producing positive changes in production and social life. One of the most striking accomplishments was that the rate of inflation was brought under control and the monthly and yearly rate of price increases was reduced to single and double digits respectively. The value of the dong was increased, and a new situation was created on the grain front. From lacking sufficient grain and having to import grain, we became self-sufficient in grain and had sufficient grain to reserve and export grain. The state economy gradually switched to economic accounting, and notable progress was made in mobilizing the capabilities of the economic elements. Foreign economic activities expanded, and a unified market was formed in the country. The standard of living improved somewhat. Initial changes took place in the various social spheres, there was economic democracy, and a number of other activities were expanded.

Looking back at the four years during which the resolution of the Sixth Party Congress has been in effect, particularly the positive and progressive changes in 1989, it can be affirmed that we have accomplished many things based on the contents of the basic tasks. We have made progress in stabilizing the standard of living, solved the grain problem, reduced the rate of price increases, and brought inflation under control. The greatest lesson is that to control inflation and stabilize the economy, it is essential to eliminate state subsidies and renovate the economic management mechanism in accord with the laws of commodity production. In this, the decisive factors are the macrocosmic management role of the state and positive mass movements in response to the positions and policies of the party and state.

However, there are still many difficulties. These include the old economic difficulties and new difficulties that have arisen in changing the economic management mechanism. In the past period, too little of the production capacity was used in the economy, many assets were lost, and there was much waste. The state economy and the infrastructure are still weak. Order and discipline in economic management are lax, and dispersion and waste are quite serious, especially in the spheres of capital construction investment, import-export management, and budget revenues and expenditures. The state budget shows a large deficit, and there are many shortcomings in banking activities. There is much confusion in using the planning mechanism and market relationships. Many people are still unemployed. The material and technical base in the educational, public health, cultural, and



social spheres continues to decline. The public order and security sphere is still very complex. Dictatorship, dogmatism, a lack of democracy, and disregard for the laws, directives, and resolutions of the party and state are still serious problems.

Thus, there are many difficult tasks to do in 1990. It will take a great effort to complete the tasks set by the Sixth Party Congress.

The year 1990 is a very important year. This is the final year of the 1986-1990 five-year plan. We must implement the resolution of the Sixth Party Congress, continue renovation, oppose inflation, and end the stagnation in order to exploit the achievements scored. This is also the year in which we must formulate the necessary preconditions for the 1991-1995 five-year plan and become involved in implementing the economic and social strategy in the new period.

Economic cooperative relationships between Vietnam and the other socialist countries will gradually be balanced based on the interests of both sides. On the other hand, the socialist countries are now carrying on reform and renovation. The economic and social situation in a number of countries is very difficult, and complex changes are taking place. At the same time, the imperialists continue to implement a policy of economic encirclement, and they continue to use the above situation to divide and fiercely attack the socialist countries. This has had an effect on the economic and social situation in Vietnam.

Thus, the guiding idea in formulating and implementing the 1990 economic and social plan is: Fully exploit the achievements that have been scored, make full use of the advantages in order to continue renovation, expand the multi-faceted commodity economy in every sphere, expand internal markets, and strengthen cooperative relationships and economic circulation with other countries. At the same time, we must elevate the spirit of self-sufficiency, overcome the difficulties, practice frugality in production, construction, and consumption, and actively deal with the unfavorable things that arise. We must strive to hit the following main economic and social targets:

First, we must continue to stabilize the economic and social situation, with the central task being to overcome the difficulties in production and circulation. Inflation must be controlled and further reduced. The positive and strong effects must be exploited on many fronts. Renovating financial, currency, credit, and price management must be regarded as a task of decisive importance in resolving the difficulties for production and circulation and controlling and reducing inflation.

We must continue implementing the resolution of the Sixth Plenum of the Party Central Committee (6th term) on controlling and reducing inflation. In 1990, this must continue to be viewed as a "pressing task and a prerequisite for ending the economic and social crisis and entering a period of stability and growth."

Controlling inflation is an integral part of this and cannot be allowed to create obstacles. Rather, this must help create the conditions necessary for expanding the multi-faceted commodity economy. Renovation of the economic management mechanism must be promoted in order to liberate the production forces, exploit the existing capabilities, and create many new capabilities. The country's potential and the creative capabilities of the people must be exploited. Internal strength must be coordinated with outside strength, and the three economic programs must be implemented successfully.

In order to control inflation, efforts must be concentrated on the key tasks, that is, ensuring that prices do not change suddenly and reducing the budget deficit and money shortage as compared with 1989. A larger percentage of the national income must go to the state budget. Domestic and foreign sources of revenues must be examined carefully in order to bring in sufficient revenues for the budget. A unified tax system must be implemented and applied to all economic elements, with taxes regarded as the primary source of revenues for the state budget. Controlling tax shortfalls is an urgent task. The sectors and various echelon authorities must regard collecting taxes for the budget as one of their important tasks. Voluntary forms of mobilization such as lotteries, bonds, and insurance must be expanded in order to make full use of the sources of revenues for the budget. Frugality must be practiced in production and consumption. The budget decentralization measures must be revised based on satisfying the common needs of the country, exploiting the independence of the localities, and implementing a budget adjustment mechanism throughout the country.

In the credit sphere, we must study and expand the capital mobilization forms such as shares and bonds. A flexible credit interest rate policy must be implemented, and the economic and banking units must be encouraged to shift to real economic accounting. The task of issuing currency must be reorganized, and independence in regulating currency circulation must be maintained. The system of non-cash settlements must be used widely.

A one-price marketing mechanism must be implemented for all types of materials and commodities. However, for a few types of important materials and equipment for which supply and demand are out of balance, the state must continue to play an active role in establishing prices using a variety of flexible forms, such as holding auctions, establishing a price framework and limiting prices, setting prepared prices and guaranteed prices, and regulating prices or providing price support when necessary, but without breaking the market price floor. As for important types of commodities and materials, even though purchasing is convenient, this must still be controlled by the state.

Second, production and circulation must be promoted, and the thrift policies must be implemented. Everything possible must be done to increase the use of the existing

state industry equipment capacity. The difficulties must be resolved so that small industry and handicrafts can expand. Favorable conditions must be created to enable the private economy to grow in accord with the laws. The production of food, consumer goods, and export goods must continue to be expanded.

Agriculture must be expanded based on grain being the key element in commodity production. Grain yields must reach 21-22 million tons converted to paddy equivalent. The consumption needs of society must be satisfied, national reserves must be increased, and grain must be exported. The principal direction is to invest in intensive cultivation in all the regions, particularly in the Mekong Delta and the Red River Delta, in order to have high commodity yields. Multicropping must be coordinated with expanding the area wherever possible. The growing of food and industrial crops, particularly mulberries, jute, sugar cane, rubber, pepper, and peaches, must be expanded greatly based on encouraging the economic elements. Animal husbandry must be expanded based on improving the breeding herds, expanding the family economy, and forming specialized commercial households. Markets must be found. Meat processing installations must be built, and the export of meat must be regarded as one of the important measures for expanding animal husbandry. Fishermen must be encouraged to invest in building boats, and marine products fishing and processing installations must be built. Cooperative and joint ventures must be expanded, and investment capital must be raised both here and abroad in order to expand the marine products sector, particularly the rearing of shrimp for export.

In 1990, industrial production is viewed as one of the most important sectors. Through the self-renovation of the production installations and with the aid of the state, an effort must be made to shift to economic accounting, reorganize production, strengthen intensive investment, renovate techniques, and increase production capabilities 10-15 percent as compared with 1989.

Each industrial sector and each production installation must formulate a plan to make maximum use of the existing equipment and technical means. In this, much attention must be given to renovating industrial technology in order to improve product quality, lower production costs, and change the designs and patterns of the goods in accord with the tastes of the consumers so that our goods can compete with imported goods.

In reorganizing industry, there are two incorrect viewpoints that need to be corrected: expanding state enterprises everywhere or denying the role of the state enterprises. As for those state enterprises that are still having difficulties in the wake of the reorganization, the state will provide help as necessary, such as increasing investment capital, setting rational tax rates, and implementing suitable price support policies so that these enterprises can switch to economic accounting. As for those enterprises that have been operating at a loss for

many years and that cannot restore production, they can be allowed to go out of business in order to lighten the burden on the budget.

As for the private economic elements, the first thing is to perfect the economic and social policies in order to stimulate an expansion of production. The state will soon promulgate a tax law, business regulations, and other laws, recognize and protect the long-term existence of a property and inheritance system and the business results of businessmen. It will encourage and create a favorable environment in order to exploit the production and business potential in accord with the plans, satisfy market demand, and fulfill the obligation to contribute to the state budget.

Third, foreign economic activities must be expanded, and the export value must be increased quickly. The state must unify foreign currency control in order to promptly satisfy the economic and social development requirements and put a stop to the waste of foreign currency.

A policy that has the nature of a principle is all-round cooperation with the Soviet Union, Laos, Cambodia, and the other socialist countries. This must be done on an increasingly larger scale and to greater effect. At the same time, we must cooperate with other countries, international organizations, commercial associations, and private individuals based on the principle of fairness and mutual profit. Above all, we must increase the export value of both sectors, with the key being to continue perfecting the import-export mechanism based on "monetarizing" import-export activities and encouraging the production installations, the localities that have a direct relationship with the production installations, and the foreign corporations based on bartered goods formulas in order to create the conditions for expanding domestic production and increasing the sources of materials and raw materials from abroad.

The policy of having the state manage foreign currency must be implemented strictly. Trade and payments in foreign currency must be done through the foreign trade bank based on the rate of exchange announced by the bank in accord with the real market situation. Import and export activities that involve the use of foreign currency must be reflected in the state plan. It must be ensured that the foreign currency is used effectively based on the economic and social targets. The import-export organizations must be prohibited from depositing foreign currency in foreign banks.

Fourth, the standard of living must be improved, and the social problems must be solved.

The most important economic and social problem is to provide jobs for the laborers. The main direction is to encourage the economic elements to expand land reclamation, afforestation, and the planting of industrial crops and expand small industry and handicrafts production and services. Investments must be made in building the material and technical base in order to

attract more laborers. The training centers must be expanded, and occupational guidance must be provided. Labor cooperation with other countries must be reorganized and expanded.

To contribute to employing the laborers released from the state sector, the production installations must make maximum use of the existing production capabilities in order to use all of their laborers. Young and healthy laborers with techniques can be moved from places with a surplus of laborers to places that need laborers, or they can be sent for vocational training. As for the remaining laborers, various measures can be used, such as providing subsidies for temporary layoffs and retiring people. The state will reserve a suitable portion of the budget for dealing with these surplus laborers in cooperation with the enterprises.

Positive measures must be implemented in order to guarantee the real wages of the workers, civil servants, and armed forces. The incomes of the various classes of people must be distributed and redistributed correctly in order to ensure social fairness.

Efforts must be concentrated on resolutely implementing the family planning program. The birth rate must be reduced 0.04 percent as compared with 1989.

Scientific and technical activities must be promoted with the aim of hitting the economic and social targets. Basic research activities must be promoted. A scientific and technical development strategy and industrial policy must be formulated to form a basis and the basic themes for the state industrialization policy.

Efforts must be concentrated on solving the problems of the education, public health, cultural, and information sectors. Above all, steps must be taken to keep the material and technical base from declining. This must be done by increasing the level of expenditures and the percentage spent on these sectors in the state budget. A greater effort must be made to obtain help from international organizations and overseas Vietnamese and to mobilize the people to contribute to social development. Attention must be given to improving the quality of the educational, public health, cultural, and information activities. A better job must be done in satisfying the needs relating to education, medical treatment, and the spiritual lives of the people. Good support must be provided for the major holidays in 1990.

Important changes must be made in maintaining public order and security and combating social evils. State laws must be strictly enforced, and social discipline must be established in accord with the new control mechanism. These are the most pressing needs of our people today.

Democracy must continue to be expanded on the economic front and in social activities in order to exploit the strengths of the people in building and defending the fatherland.

Fifth, we must continue to build the all-people's national defense and a strong people's army to defend our socialist Vietnamese fatherland. Strong people's public security forces must be built to maintain political security and social order. National defense must be coordinated closely with security, and the all-round destruction strategy of the enemy powers must be defeated.

Hitting the above targets will mean that Vietnam's economic and social situation in 1990 will undergo good changes. Specifically:

Production will continue to expand. The gross value of agricultural production will increase five percent as compared with 1989 and that of small industry will increase six to eight percent. In this, the production of consumer goods will increase eight to 10 percent. The export value will increase 40 percent, the gross social product will increase six percent, and the national income will increase 6.3 percent.

Inflation will be reduced even more, and prices will gradually be stabilized. The budget and money shortfalls will gradually decline.

More attention will be given to the social problems.

The economic management mechanism will make new advances.

Thus, even though there are still many difficulties, by the end of this year, which is the final year of the 1986-1990 five-year plan, we will have achieved important and substantive results in hitting the economic and social targets, stabilizing the lives of the people, and creating favorable conditions for the next step of development in the 1991-1995 five-year plan.

### **The Vietnam Fatherland Front in the New Situation**

902E0198C Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 16-19

[Article by Nguyen Huu Tho]

[Text] I. The country's situation today (the end of 1989) can be characterized as follows: As a result of renovation, Vietnam's economy and society have undergone positive changes on a number of fronts. At the same time, a number of problems have arisen, and resolute action must be taken to solve them in order to step up the pace of renovation while ensuring that this is in accord with the laws of socialism during the initial stages in a country that has low industrial and scientific and technical standards and that has passed through many decades of terrible warfare.

Since the end of September 1989, Vietnam has aggregated enough conditions to be called development in peacetime, even though the security and national defense tasks are still extremely important. However, the ability to maintain security and national defense now

depends on the efforts to improve our economy and society—improvements within the socialist orbit.

The direction of our country is clear: Vietnam must be an independent, free, and prosperous country worthy of the past heroic struggle for the country. This direction can be adhered to only if Vietnam is a socialist country—a socialist country that adhere to the principles of Marxism-Leninism and that constantly seeks to perfect itself under the light of modern scientific advances and actual experiences in building the new society. Our socialist Vietnam is led by a proletarian party, a party that has long been faithful to the nation's interests and that has been tested by the people. Of course, the communist party clearly understands how it must grow with respect to vanguard ideology, intelligence, and pure organization, which will enable it to attract large numbers of people to contribute to building the country.

The historical realities of many countries show that no country can affirm its existence without having to pay a certain price. In the past, the Vietnamese people paid a price for independence and freedom. The price was millions of lives. In order to enable Vietnam to catch up with other countries in this region with respect to the level of production, the level of industrialization, and the level of science and technology, we must continue to pay a price. That is easy to understand. However, we must not "pay any price." The limits beyond which we must not go are the independence and freedom of the country, socialist ideals, and the character of the nation. We must not sell the many sacrifices cheaply or forget the advice of those who have preceded us—which of course includes the Testament of President Ho—in the hope of making a "leap" forward in well-being even if this is fake and could lead us back to slavery and rob us of our dignity as a nation and as individuals.

It should not be thought that we are completely safe on the path forward. One principle to which we must adhere is that anything that belongs to the nature of our system must not be encroached upon. That is a difficult problem to which we must provide a suitable answer.

II. Starting from an awareness of the functions of the Fatherland Front, we know that in the coming decades, Vietnam will develop with respect to aspects viewed as both contradictory and fundamentally unified—meaning that they serve socialist construction in the sphere of socialist law: many economic elements, including the state economy, which will play a guiding role; commodity production and distribution through both domestic and foreign markets; economic planning; investment by capitalist countries; and the strength of the domestic economy. We have not included such historical realities as religious beliefs, nationality, overseas Vietnamese, and so on.

With the credentials of a broad alliance of classes, organizations, and individuals, in order to defend and build our socialist Vietnam under the leadership of the communist party, the Fatherland Front must consider

the different rights of the member targets. Although there is a common political program, there are differences in many spheres, above all in the ownership of the means of production and in material income. If capitalists and the national bourgeoisie are allowed to survive along with hired laborers and if foreign capitalists are allowed to use domestic laborers, that is, if there are exploiters and the exploited, we will never complete the stage of creating a material and technical base as a precondition for the next step of socialism.

Along with the reality of a multi-faceted economy, the operating sphere of the front is quite varied, which is in addition to the original varied nature of the front.

The worker-peasant alliance is the foundation of the front. But it would be a mistake to give attention only to the workers and civil servants on the state staff. According to the economic and social management viewpoint of the party and state—decentralizing things, reducing the number of state enterprises, especially those that are operating at a loss, giving the production installations greater independence, and reducing the staffs of the administrative organizations—the number of workers and civil servants in the state system must be reduced. At the same time, the number of workers and laborers at the joint and private enterprises and service sectors and the number of manual laborers must increase. I would like to stress that the number of service laborers will increase, as will the number of laborers working for domestic enterprises and for capitalist corporations that have invested in Vietnam. All of these targets must be brought into trade unions. Their rights must be protected. They must not be allowed to gather spontaneously, and no one must be allowed to exploit them in violation of the law.

The views of the workers must become broader in line with the advances of science and technology. Intellectuals and technicians, or more generally, all intellectual laborers, which includes modern workers and even piece-work elements, play a key role. Things must be calculated based on results, not numbers. Thus, viewing intellectuals as part of the petty bourgeoisie is no longer correct.

The composition of the peasants has changed, too. The term collective peasants does not include all the peasants in our country today. The contract policy, the recognition of the peasants' right to use the land, and the diversification of farming and exploitation of agriculture, forestry, and fishing have created a number of independent laborers engaged in farming, forestry, and fishing activities. The production unit, which is sometimes the family, is in reality a group of hired agricultural, forestry, or fishing workers or seasonal workers. The interests of the various classes of peasants are not all the same. The state's policies are trying to encourage those with capital and a material and technical base to exploit the natural and labor potential in the country. With private enterprises, private projects, and private service installations, the reality is that among the social

elements are bourgeois elements, even though we aren't used to calling them this. Instead, we call them industrialists, traders, technicians, and so on. But that does not change the fact that the methods used to organize and manage production, circulation, and distribution clearly have the nature of capitalist relationships. The only difference is that these relationships account for only a small fraction of our entire system and they must obey the laws of the system. Within just a short time, the petty bourgeoisie have come to play an active role in the economy. They are, of course, in the nation's ranks, and they are a force of socialism.

Under the light of science, evaluating people who hold religious beliefs is no longer as simple as it was before. The followers of the various religions will be here a long time. Regardless of how history judges religion, we must respect these people's beliefs, because that is the right thing to do.

The minority groups in Vietnam have long been a part of the Vietnamese collective. But in the new construction conditions, suitable attention must be given to making economic, social, and cultural improvements for the minority groups.

For various complex reasons, the number of Vietnamese living abroad has increased greatly during the past 10 years. Regardless of what motivated them to leave their country and regardless of what the specific attitude of each person is, the overseas Vietnamese now living in more than 40 countries around the world are still our compatriots, except for a few worthless people. These people are a new target of the national solidarity policy, which the Fatherland Front is responsible for implementing.

III. Looking at the situation in general and the situation with respect to social structure, now that renovation has begun to manifest an effect, we can see the great role of the Fatherland Front, if we don't visualize the front as a core organization to handle things once the country has completed its mission of liberating the people. As long as society still contains elements that are not in total agreement about material and spiritual interests, it will be necessary to have an alliance of the social classes based on an agreement on a minimum action program. The Fatherland Front is the center of this alliance. The front is a collection of forces whose purpose is to maintain the process of socialist construction during the initial stage. Each force has its own individual characteristics and even its own difficulties, but they are all in agreement about the targets that reflect the progressive objective needs of all of society and of each force.

The front must be the front of the renovation movement. It must be a broad solidarity front for positive change and attack the strongholds of slowness, conservatism, backwardness. There must be good coordination between the allocation of the social forces and the need to open up the economy and culture and free the potential of man in order to overcome the country's

backwardness. Based on this, the Fatherland Front is also a struggle front for democracy in a constantly changing and developing situation that requires that things be improved and perfected. The way to create the material and technical preconditions for socialism is to manifest the positive value of the variety in the social structure and encourage each social element to move in the same direction. That, in short, is the primary task of the Fatherland Front.

Clearly, that is a complex task. It refutes the idea that the front's work during the period of socialist construction is easy and that everything will proceed smoothly. Society must deal with new conflicts, and the front is one of the means that can contribute effectively to that process.

In order to complete its historical task, the Fatherland Front must, together with the elements, exchange opinions with the alliance bases, follow the changes in the situation, and seek even more suitable forms of cooperation using practical and concrete measures. It must not and cannot be content with "adopted unanimity" in its activities if the front is to be in line with reality—a place where viewpoints are crushed, where different rights compete, and where concessions are made for the sake of the country and for socialist ideals in an effort to reach a true agreement.

In the new situation, the Fatherland Front is an experiment in "using the people as the root" in the sphere of an alliance of classes and organizations for common targets.

### **The Concerns of President Ho When the Proletarian Party Gained Power**

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in Vietnamese No 1, Jan 90 pp 20-29

[Article by Tran Back Dang]

[Text] For more than half his life, President Ho—during the period that he was known as Nguyen Tat Thanh and Nguyen Ai Quoc—contributed all his strength and time to liberating the Vietnamese people and oppressed peoples everywhere. By the time of the victorious August Revolution in 1945, President Ho was already 55 years old. As a result of specific historical conditions, the Communist Party of Vietnam founded by Nguyen Ai Quoc became the sole political party in Vietnam. It resolutely and bravely led a patriotic and democratic movement in this colony of the French imperialists. The victory of the Vietnamese patriotic movement in 1945 was at the same time a victory of the Communist Party of Vietnam—a model of harmonious cooperation between the interests of the nation and the interests of the laborers on a national scale, the first nationwide scale in the colonized world. Ho Chi Minh unified two spheres, proletarian party leadership and national leadership. Based on this, through the role of the communist party, he raised both the national banner and the international banner. Following the August Revolution, liberating the people and finishing the struggle for national independence were still the leading requirements. The

same thing was true following the historical victory at Dien Bien Phu. That remained the case until the final days of April 1975, six years after the death of President Ho. However, since the August Revolution in 1945, the Communist Party of Vietnam has had a new obligation, the obligation of holding power. The difference with other movements and other organizations is that the regime led by the communist party belongs to the people, that is, the majority.

In his "Appeal on the Anniversary of the Founding of the Indochinese Communist Party" on 18 February 1930, Nguyen Ai Quoc talked about the establishment of a worker-peasant-soldier government once the imperialists and counterrevolutionary forces had been defeated and full independence had been won. At that time, 1930, seizing power was just a slogan, because that was something that required a long and arduous struggle. In August 1945, after the national congress, Ho Chi Minh—this was the first time that that name had appeared—sent a letter calling for a general uprising. In that letter, he clearly used the words "Vietnam National Liberation Committee and our present provisional government." But the concept of a government was still mentioned in a general way. In the Declaration of Independence, which was read on 2 September 1945, President Ho stressed that "we, the provisional government of the Democratic Republic of Vietnam, solemnly announce to the world that 'Vietnam has the right to be free and independent. A free and independent nation has been formed.'" We can see that during the transition from slavery to freedom, the word regime was synonymous with the word independence.

Shortcomings quickly arose after the party seized power. But they were soon discovered by President Ho, a person with much revolutionary experience who had the interests of the people and country at heart. Just a little over 1 year after we seized power, President Ho directed that "resolute steps must be taken to overcome the following shortcomings:

#### "a. Localism

"This refers to giving attention only to the interests of your own locality and ignoring the common interests and to supporting only the element in which you work. Many things have arisen because of this shortcoming. If this is overlooked, there will not be any relationships. In reality, this is very harmful to the general plan. For example, some want to take all the cadres and materials for their own locality and do not want to let higher echelons send the cadres and materials to where they are needed.

#### "b. Factionalism

"If someone is close to you, you will listen to them no matter what. But if someone is not close to you, you will refuse to listen to them regardless of what they might have to say. This is a very destructive shortcoming. Because of this, the mass group will lose cadres, lack unity, and frequently make mistakes. This is a very dangerous disease.

#### "c. Militarism and bureaucratic centralism

"When you are in charge of an area, you act like a king, doing whatever you please. You ignore higher echelons and use your power to step on those below you. Toward the masses, you act like a mandarin, striking terror in the masses. This has generated antipathy and divisions and created a separation between higher echelons and lower echelons and between the mass organizations and the people.

#### "d. Narrow-minded thinking

"We must remember that everyone has good points and bad points. We must use their good points and help them correct their bad points. Using people is like using a piece of wood. If a carpenter is skilled, he can use any piece of wood regardless of whether it is big or small or straight or crooked.

"If a person is narrow-minded, his actions will be petty, too, and he will have many enemies and few friends. Few people will help someone who is narrow-minded. If a mass organization is narrow-minded, it will not grow.

#### "e. Formal appreciation

"The practical effects of something are not examined. Only the outside form is given attention. People just want to show off and boast. For example, in the military, the focus is on training people how to fire a rifle, use a knife, throw a grenade, and use the terrain and how to carry on reconnaissance activities. In short, each person must be trained in guerrilla tactics. But some places devote little time to training. That's the same as studying music to put out a fire.

"In many places, when carrying on propaganda campaigns, they make up slogans, prepare signs, decorate the information and propaganda headquarters, and prepare speeches for the occasion. But they do not stay close to the masses on a regular basis in order to explain the policies of the mass organization to them.

#### "f. A 'desk-bound' work style

"People like to do too much 'paperwork.' They sit in one place pointing with their five fingers. They never go to the localities to inspect the work or to explain the plans to implement the directives and resolutions of the mass organization. These people don't know whether the higher-echelon resolutions sent to the localities are implemented or not. This work style is very harmful. If things are done this way, we cannot monitor the movements or gain a clear understanding of the local situation. As a result, many of our policies are never implemented.

#### "g. Lack of discipline

"In many war zones, people have arbitrarily left their locality and gone to another zone without the approval of the mass organization or higher echelons. These people have not only displayed a weak spirit, doing only

what pleases them and not doing things that are difficult or that they don't like, but they have also showed scorn for mass organization discipline, which has disrupted the ranks of the mass organization.

"In many places, people who have made mistakes have not been punished. People who have been demoted in one place go to another place and are given back their old rank. Or people are just demoted in form only, and they continue to work at their old level.

"Some people should be punished, but instead they are just criticized or given a warning. Some places even cover up for and connive with each other. They fool higher echelons and conceal things from the mass organization. With such discipline, comrades will not know how to correct their mistakes. Instead, they will continue to ignore discipline. If the discipline of the mass organization becomes loose, counterrevolutionary elements will have an opportunity to enter our ranks and destroy our mass organization.

"h. Selfishness and corruption

"Some comrades are concerned only about status, striving to become a member of this committee or the chairman of that committee. Some are concerned about living the life of luxury and converting public property to private property. They use their positions and tasks to grow rich. They are more concerned about their own personal matters than they are about their official work. No matter what their revolutionary morals are or how critical public opinion is, they don't care.

"Some comrades are arrogant and self-satisfied. They think that because they are former political prisoners and because they belong to the Front, they are better than others. The imperialist prisons were training grounds, and the Viet Minh was a mass organization composed of patriots who were concerned about saving the country. But outside the Viet Minh, there were many good people whom the Viet Minh had not organized. Moreover, if a political prisoner or front member is better than others, does not mean that those who did not have the honor of going to jail or who were not in the front are worthless?

"Every comrade must be modest. The older and better they are, the more modest they must act. They must be progressive and remember the words of our ancestors: 'You must study, study more, and continue to study.' Arrogance and self-satisfaction will prevent you from advancing.

"Some comrades are still in the habit of 'acting like mandarins.' They put their relatives and friends in this and that position regardless of whether they can do the job. If the work of the mass organization suffers, that's fine as long as their relatives and friends have a position.

"There are also comrades with many fine characteristics, such as patience, perseverance, resourcefulness, and creativity. Those are valuable attributes. They form a

foundation for the development of other good characteristics. But in the present time of great difficulties, having just those fine characteristics is not enough. Only if comrades use that good foundation to resolutely overcome the shortcomings mentioned above can we win total victory.<sup>2</sup>

From the above excerpts, we can see that President was great not only in struggling, together with the communist party, to seize power but also in predicting the dangers once the party seized power.

Using the ideas that he had inherited from Tran Thai Tong, Tran Quoc Tuan and Nguyen Trai and his own thoughts and feelings, President Ho devised the slogan "use the people as the root." On 5 April 1948, he wrote:

"This country uses the people as the root.

"During the resistance for national construction, the main forces are the people. Thus, when dealing with or living among the people, the soldiers, government organizations, and mass organizations must remember and practice the following 12 points:

"The six things that must not be done:

"1. Do not do anything that might damage the gardens, fields, or houses of the people.

"2. Do not ask for or borrow things that a person doesn't want to sell or lend.

"3. Do not take live chickens into the homes of tribesmen.

"4. Never break a promise.

"5. Do not belittle the religious beliefs or practices of the people (such as sleeping in front of an altar, putting your feet on the stove, playing music inside the house, and so on).

"6. Do not do or say anything that might cause a person to think that you dislike him.

"The six things that should be done:

"1. Help the people with their daily work (such as harvesting crops, cutting firewood, obtaining water, and mending clothes).

"2. Depending on capabilities, purchase necessary items (such as knives, salt, needles, thread, pens, and paper) for people who live far from markets.

"3. During spare time, tell short and simple stories to the people that will increase their spirit of resistance without disclosing any secrets.

"4. Teach the people to read and write, and teach them the elements of good hygiene.

"5. Study the practices of each place in order to generate good feelings and then gradually explain things to the people so that they abandon their superstitions.

"6. Do things to show the people that you are a good person who is concerned about the work and who is well disciplined."<sup>3</sup>

For President Ho, "using the people as the root" was not just a general principle. This had to be concretized as practical "things not to do" and "things to do."

Every year, President Ho became more and more concerned about keeping the party close to the masses, even though we were then in a period of fierce resistance. On 18 January 1949, in a speech marking the close of the Sixth Plenum of Party Cadres, President Ho mentioned five tasks that had to be done during the year (1949). These included reorganizing the administrative apparatus from the bottom up starting from the village and reorganizing the mass organization. He stressed that "to carry out the above tasks, the party itself must be reorganized. Suppose that the party is a generator and the above tasks are a lamp. Only if the generator is strong will the lamp work."<sup>4</sup> "There are two shortcomings in today's work methods in the party:

"The older cadres do things in a 'handicrafts' manner.

"The younger cadres do things in a scientific manner, but they go to extremes and do not do things in accord with the resistance situation.

"These work methods must be corrected in accord with our conditions. They must not become mechanical."<sup>5</sup>

"We cannot expect to earn the love of the masses simply by writing the word 'communist' on our foreheads.

"The masses respect only those who have qualifications and morals. To lead the people, you must serve as a model for them to follow. Many of our comrades have done this, but there are also some who are corrupt. The party has a responsibility to get rid of those people.

"If you want to ask the people to be frugal, you must be frugal yourself. Our comrades must adhere to the four revolutionary virtues: diligence, frugality, honesty, righteousness.

"To carry on a revolution, you must first reform yourself."<sup>6</sup>

Prior to that, in October 1947, when the regime was still in its infancy and was restricted to a small zone, under the pen name X.Y.Z., President Ho wrote a book entitled "Changing Work Style," in which he discussed some basic problems related to the party seizing power.

#### Chapter I: Criticism and Correction

In this chapter, the writer talked about some of the "illnesses" common to party members. That included subjectivism, narrow-minded thinking, and arrogance. According to the writer, the "cause of subjectivism is a lack of theory, disdain for theory, or useless theory."<sup>7</sup> According to the writer, narrow-minded thinking is a shortcoming concerning the relationship between those

in the party and those outside the party. "Narrow-minded thinking can cause many diseases, such as localism, particularism, and individualism, a desire for fame and status, belittling excellent people, corruption, and so on."<sup>8</sup> are put in charge of something, they bring in this and that person. If they like someone, they bring him in. But if they don't like someone, they look for ways to get rid of him."<sup>9</sup> "Some comrades are arrogant and look down their nose at others. They don't want to know about the strengths of others. They consider themselves to be excellent people after learning just a little theory and consider themselves superior to everyone else."<sup>10</sup> "They forget that solidarity within the party is not enough for the revolution to succeed. There must also be solidarity among all the people of the country. They forget that as compared with the population, the number of party members is very small. For every several hundred people, there is only 1 party member. Without the support of the people, the party cannot do anything."<sup>11</sup> "We cannot remain aloof from the people. If we remain aloof from the people, we will be isolated."<sup>12</sup> Summarizing Chapter I, the author wrote: "Subjectivism, selfishness, narrow-minded thinking, and so on are all enemies. There is no reason to fear outside enemies. It is the enemies within that we should fear, because these can destroy us from the inside."<sup>13</sup>

#### Chapter II: A Few Experiences

1. There are good cadres who complete every task given them. "Success or failure depends on whether the cadre is good or bad. That is an absolute truth."<sup>14</sup> "In our operational sectors, there are talented and creative people. But because our leadership is still weak and bureaucratic centralism is still strong, some of these people have been belittled instead of being promoted."<sup>15</sup>

2. Correct policies but wrong methods: The author wrote: "We frequently make appeals to build model villages, model farms, and model soldiers, and so on. Those slogans are correct. But to date, this has not been done, or it has been done only halfway. Why?

"Because we have forgotten a very simple rule: Every task is done by people. That is true no matter how small or how large the task.

"To build a model village or model unit, you must first train model people.

"If the conception of a model village or unit does not start from an actual village or unit, the plans will not match the actual situation.

"That, too, stems from our subjectivism."<sup>16</sup>

3. Lack of intensive study of experiences: The writer said that the achievements are rarely analyzed in depth. They are not studied in order to determine why it was possible to score these achievements. The difficulties and mistakes are not pointed out.

4. There must be more innovative thinking and enthusiasm: According to the writer, the lack of innovative



thinking and enthusiasm is due to the fact that "our leadership is not democratic."

"We become upset whenever someone says that we are not democratic.

"But with respect to the leading organizations and leaders, even though they have ideas, the party members and cadres don't dare speak up. Even though they want to make criticisms, they are afraid and don't dare make any criticisms. Thus, there is a separation between upper echelons and lower echelons. There is a gap between the masses and the party. Above, everything is wonderful. But below, there are things that can't be mentioned.

"They don't speak, but it's not because they don't have ideas. They don't speak, because they don't think that higher echelons will listen to them or because they might be 'punished.'

"They don't dare speak, and so they keep things inside. They become indignant and discouraged. What happens is that "they don't speak to people directly but talk behind their back." "Within the party, they keep quiet, but outside, the words rush out." People become 'stealthy,' and other bad habits develop.

"Experience has shown that if an organization holds a meeting and higher echelons allow everyone to express their views about what is right and wrong, everyone in that organization will be quite 'eloquent' and nothing will be done in a 'stealthy' manner.

"If a person is unhappy, it will be difficult for him to feel good about anything. Once he has gotten over his discontent, it will be easy for good thoughts to penetrate his brain. That is a very simple rule. Higher echelons should occasionally solicit ideas and criticism from lower echelons. That is like giving a mirror to someone who has a smudge on his face so that he can see the smudge. Once he sees the smudge, he won't need any advice. He will rush to wash his face."<sup>17</sup>

5. For whom are we working? The writer criticized those who look only at the state and party and not the people in carrying out things. "Cadres just issue orders and use force. As a result, the people don't understand, and they bear resentment.

"The forms of organization and work are supposed to be in the interests of the masses. Thus, if a way of organizing and doing things are not suited to the masses, we must have the courage to suggest to higher echelons that they eliminate or revise that. If a method is suited to the people and the people want it, even if this does not yet exist, we must propose this to higher echelons. If necessary, this can be done first and then reported, provided that it works.

"Cadres like to stick to the old ways. We don't want to get rid of things even though they don't work, and we don't want to try something new even though it is needed."<sup>18</sup> The writer viewed that as an irresponsible way of managing things. The writer also said that

another form of irresponsibility was "not thinking maturely and comparing things carefully. Doing one thing one day and something else the next will just confuse the masses."<sup>19</sup>

6. Be close to and meet with the masses: The writer strongly criticized "cadres who act like 'mandarins' when they visit a lower echelon."<sup>20</sup> That is not staying close to or meeting with the masses.

**Chapter III. Qualifications and revolutionary morals: In this chapter, the writer affirmed that the "party is not an organization in which people can act like mandarins and grow rich. The party's task is to liberate the nation and bring prosperity to the fatherland and happiness to the people.**

"The party must not conceal its shortcomings or be afraid of criticism. It must recognize its shortcomings and correct them in order to advance....

"The party must always expel corrupt elements....

"The party must constantly re-examine its resolutions and directives. Otherwise, these resolutions and directives will become just empty words, and this will weaken the people's trust in the party."<sup>21</sup> The writer affirmed that the "party has no other interests besides those of the people and fatherland."<sup>22</sup> According to the writer, communist party members must have good moral qualities: mercy, righteousness, wisdom, courage, and integrity. "Being merciful means loving and helping comrades and other people... instead of yearning to become rich, fearing hardships, or worrying about prestige....

"Righteousness means being straightforward, unselfish, behaving properly.... and doing and saying what needs to be done and said....

"Wisdom means...a pure and clear mind....

"Courage means being brave and valiant. It means having the courage to do what is right and correct the shortcomings....

"Integrity refers to not desiring position, wealth, personal pleasure, or sycophants. In this way, a person will be clear and straightforward and never become corrupt."<sup>23</sup>

The writer reserved a rather long section to criticize a number of "diseases":

Leader mentality: "After fighting in a few battles or carrying out a few tasks in a locality, the person considers himself to be a very talented person, a hero, who is worthy of being a leader. But as compared with the task of national liberation, those achievements are very insignificant. And as compared with the great tasks in the world, they are even more insignificant.

"Of course, the party wants many heroes and leaders who have the trust and love of the people. Such heroes and leaders are valuable assets of the party and nation. However, such heroes and leaders are forged through

struggle and experience, and they are chosen by the people and party. They can't appoint themselves leaders or heroes.

"The masses have never trusted or loved arrogant people or self-styled leaders or heroes."<sup>24</sup>

Forming cliques: "Factionalism leads to divisions. Whoever joins your group is considered good even though he may be an evil person, and everything that is done is considered to be good even though the tasks have not been completed. People conceal things and support each other. Conversely, a person who is not a member of your group is considered to be evil even though he is a good person. The good work that he does is criticized, and everything possible is done to portray him in a bad light and belittle him.

"This 'disease' can cause much damage to the party. It destroys unity, robs the party of men of talent, and prevents the party from carrying out its policies. This destroys the friendship and solidarity of comrades, and gives rise to doubts."<sup>25</sup>

Shortsighted views: "People are not far-sighted. They don't think about the big problems, concentrating instead on relatively minor matters."<sup>26</sup>

Individualism: "People consider themselves to be 'old revolutionaries.' They can't do the big jobs and won't do the small jobs. They are hesitant in their work and lazy in their studies."<sup>27</sup>

Chapter IV. The cadre problem: The writer affirmed that the cadre problem is a very important and pressing problem. Thus:

Must know the cadres: "To date, the party has not regularly examined its cadres. This is a major shortcoming. Experience has shown that every time that we examine people, on one hand, we find new men of talent. On the other hand, we also discover corrupt people."<sup>28</sup>

Promote cadres properly: "Before promoting a cadre, it must be determined that he is close to the masses and has the trust and admiration of the masses. It must also be determined that he is the right man for the job. If a person has talent but is not employed properly, the work will not get done.

"Great damage can be done by promoting people to leadership positions 'at random' without first examining them careful."<sup>29</sup>

Know how to select cadres: Select "a. People who have shown great loyalty and enthusiasm in their work and in times of struggle.

"b. People who have established close contact with the masses, who understand the masses, and who always give attention to the interests of the masses. If that is done, the masses will trust the cadres and accept the cadres as their leaders.

"c. People who can take responsibility for solving the problems in difficult conditions.

"Those who are afraid of taking responsibility and who do not have ingenuity cannot be leaders.

"A good leader is one who does not waver after suffering a defeat or become arrogant after winning a victory. When carrying out the resolutions, he must be resolute and courageous and not fear the difficulties.

"d. They must always maintain discipline."<sup>30</sup>

Be adept in using the cadres: "No one is right all the time. Thus, we must be adept at using people. We must correct their shortcomings and support their strengths."<sup>31</sup>

The writer also pointed out that "when using cadres, many people are guilty of the following:

"1. Wanting to use relatives, friends, and acquaintances, saying that they are more dependable than others.

"2. Wanting to use sycophants and disliking honest people.

"3. Wanting to use those whose disposition is similar to your own and avoiding those who have a different nature.

"As a result of this, regardless of what the person does, you will be lenient and help to cover up his weaknesses, which will only make him more corrupt. As for the honest people, you will constantly look for faults in order to get revenge.

"What is the right way to use cadres?

"Only if you are broad-minded will you be able to deal with cadres in a fair and unbiased manner and prevent them from being abandoned.

"Only if you are broad-minded will you be able to approach people whom you do not like.

"Only if you are patient in providing instruction will you be able to improve those comrades who are still weak and help them to advance.

"You must be wise if you are to avoid being surrounded by people who are hesitant and kept apart from good cadres.

"Only if you maintain a friendly attitude will the cadres be content and remain close to you."<sup>32</sup>

Reading the above sections in his book "Changing Work Style," we can see that for more than 40 years, during a time of resistance, President Ho mentioned a number of viewpoints on the party in power.

President Ho gave much thought to his Testament, revising it many times over a period of 4 years. In the first edition (15 May 1965), President Ho talked "first

about the party." This "first" problem was not something sudden, and placing this first did not mean that he viewed the party, which he had founded, as having special privileges. He had to talk "first about the party" in giving advice, because the party had been the core of the classes, people, and fatherland for many decades. And "our party is the party in power"—his main reason and also a concern of his. Correct and incorrect views on the ideas, lines, positions, and policies of the party and the good and bad qualities of party members have an effect not only on the party itself but also on all of society. This even affects the country's fate. Thus, he said that "all comrades, from the Central Committee down to the party chapters, must preserve the solidarity and unity of the party just as they would the 'apple of their eye.'

"Within the party, [we must] establish broad democracy and practice self-criticism and criticism regularly and seriously."<sup>33</sup> He stressed that "ours is the party in power. Each party member and each cadre must be deeply imbued with revolutionary morality and show industry, thrift, integrity, uprightness, and total dedication. Our party should preserve absolute purity and prove worthy of its role as the leader and very loyal servant of the people."<sup>34</sup> In May 1968, President Ho added a section to his Testament. He advised that after the resistance against America for national salvation wins total victory, the "first task is to reorganize the party so that each party member, each youth union member, and each cadre can complete the tasks assigned by the party and serve the people body and soul. If this is done, no matter how great or difficult the task, we are sure to succeed."<sup>35</sup>

He clearly pointed out that the "first task is to reorganize the party." President Ho was thinking about the complexities of the post-war changes and the difficult challenges facing the party, which was responsible for handling all the threats to the people and which was responsible for building socialism, preserving the country's independence, manifesting democracy, and restoring happiness and fairness throughout society.

A reorganization of the party was a need of both the party and the country. Given the new situation and new conditions, the party had to renovate itself thoroughly. It had to draw closer to the people. Not only did it have to resolutely oppose the old mistakes, but it also had to gain new qualities, with wisdom, democracy, and honesty being essential qualities. Because without these qualities, the party would not be able to carry out its very difficult mission.

The predictions of President Ho were obviously well founded.

By means of "motivation" in conjunction with sticking close to reality, President Ho soon plumbed the depths of the changing situation in the process of the party shifting from leading the masses in the struggle to seize power to leading the masses in the struggle to maintain power. At this new level, there had to be a conflict between those

who ruled and those who were ruled. Naturally, this conflict was fundamentally different from that in societies where the rulers and their representatives belonged to the oppressor class. But there was a conflict. Conflicts are common. But if the conflict is tied to the standards, capabilities, and quality of the party, the phenomenon will be abnormal. In handling this, the results depend on whether the proletarian party understands its new role. Throughout every stage, it is the concept toward the masses that is decisive. But once the party is in power, that concept must be elevated to match the increase in power. The degree of difference between power and the concept of serving the masses signals that the organism is diseased. If the difference is great, it could become a matter of life and death.

President Ho mentioned a long list of internal defects that he considered to be even more dangerous than external enemies: localism, factionalism, belittling and crushing excellent people, militarism, bureaucratic centralism, narrow-minded and shallow thinking, lack of wisdom, selfishness, depravity (President Ho used depravity in a broad sense to mean anything far from the ideals), arrogance, considering oneself to be a leader, lack of discipline, a desire for wealth, fame, and luxury, and a love of flattery and fear of criticism.

Unless the party takes steps to overcome these defects, the party will become their prisoner.

Forty years ago, President Ho, the nation's great hero and a man of great culture, pointed out the dangers facing the party in power and ways to block these dangers. His ideas were brilliant.

The following is not predetermined but rather a law: If a party in power moves away from the principle of constantly striving to improve itself, sooner or later, there will be a disaster.

I don't know how many people here remember President Ho from the standpoint of morality. But his morality was not a "self-perfection" type of morality or a pure theory of "ethical values." Those were guiding ideas and viewpoints for national construction both now and in the future based on a strong and wholesome process. This was a high-level and decisive political problem that combined the tradition of "ethical values" with constitutional requirements and that marked a shift from "from it" to "for it" of the Vietnamese working class and laborers.

Turning people into communist party members means forming people with high standards, but still on the basis of "forming people." Doing away with the qualifications for forming people and doing away with human feelings means doing away with everything.

The ideas of Ho Chi Minh had a guarantee: His life was eloquently persuasive. His life mirrored his words.

Perhaps it was because Vietnam was a backward agricultural country that still bore the remnants of feudalism

that President Ho soon took steps to guard the Communist Party of Vietnam from the dangers of corruption, misuse of power, authoritarianism, and despotism. The communist party's rise to power became an international reality. That is why Ho Chi Minh's Testament is still of universal value.

#### Footnotes

1. Ho Chi Minh, "Collected Works," Su That Publishing House, Hanoi, 1984, volume 4, pp 3, 4.
2. Ibid., pp 295, 296.
3. Ho Chi Minh, "Collected Works," Su That Publishing House, Hanoi, 1985, volume 5, pp 77, 78.
4. Ibid., p 184.
5. Ibid., p 184.
6. Ibid., pp 184, 185.
7. Ho Chi Minh, "Collected Works," Su Thai Publishing House, Hanoi 1984, volume 4, page 444.
8. Ibid., page 447.
9. Ibid., page 447.
10. Ibid., page 450.
11. Ibid., page 450.
12. Ibid., page 450.
13. Ibid., page 450.
14. Ibid., pages 452, 453.
15. Ibid., pages 452, 453.
16. Ibid., pages 453, 454.
17. Ibid., pages 456, 457.
18. Ibid., pages 459, 460.
19. Ibid., page 460.
20. Ibid., page 461.
21. Ibid., pp 463, 464.
22. Ibid., p 465.
23. Ibid., pages 466, 467.
24. Ibid., pages 471-472.
25. Ibid., page 473.
26. Ibid., p 473.
27. Ibid., page 474.
28. Ibid., page 493.
29. Ibid., p 493.
30. Ibid., pages 494, 495.
31. Ibid., pages 493, 494.
32. Ibid., pages 498, 499.
33. President Ho Chi Minh's Testament, published by the Central Committee, 1989, page 35.
34. Ibid., page 36.
35. Ibid., page 41.

#### An Important Article by Nguyen Ai Quoc

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 30-32

[Article not translated]

### Historical Necessity and the Superiority of Socialism

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 33-39

[Article by Hoang Chi Bao; not translated]

### All-People Property and Individual Property Rights—the Interests and Ownership Rights of the Laborers

902E0198E Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 40-46

[Article by Ha Xuan Truong]

[Text] People comprise all social relationships, but the decisive relationship is the relationship between people and the means of production, the fruits of their labor, and the right to enjoy the fruits of that labor (interests). The contents of the corruption of laborers that Marx discussed are the separation between the laborers and the products produced, the separation between the laborers and ownership rights, the separation between the fruits of their labor and their enjoyment of those fruits. It is these things that gradually destroy the human nature and character of the laborers. Marx tied this corruption to ownership of the means of production under capitalism. "Private property is the general material manifestation of corrupted labor." Laborers are exploited, because they don't have rights to the means of production and are not really the owners of the means of production. Their interests are not treated fairly. To whom do the means of production belong and are the rights and interests of the laborers protected? Those are the basic problems of an economy. Shifting from a system of private ownership to a system of public ownership is not simply a matter of replacing a form of ownership. Rather, this means changing the nature of a system of production organization based on guaranteeing the ownership rights of the laborers by fully exploiting the capabilities of the laborers and enabling the laborers to become full members in the collective of owners with the credentials of masters of the country. Under socialism, the corruption of the laborers is not due to exploitation (which stems from private ownership of the means of production) but to an immature and erroneous understanding of the nature of socialism and, above, all, socialist ownership—the fundamental problem of a socialist economy because of the state subsidies management mechanism and dogmatism at higher echelons.

When carrying on socialist transformation in the north, we had a metaphysical and formalistic conception of socialist ownership. We did not see the decisive role of the laborers. That is why we started from the abstract will power of the leadership instead of the powers of the laborers. The party put forth collective ownership rights very early, but these were abstract in nature. The explanations were correct and sounded good. The mistake was that the positions and policies did not start from the interests of people and all of their social relationships.

Thus, when we began socialist transformation, revolutionary ideas were raised, particularly among the peasants. But once transformation was concluded, not only had the economic situation not improved, but it had even deteriorated, reaching the crisis level. The large investments by the state were ineffective and generated much waste. The so-called "progressive" and "model" units depended on state budget funds and subsidies, and this created a "false profits, real losses" situation. This situation dragged on, with the result that the state's role became ineffective. The state economic units were totally dependent on the state for their survival. Today, it's clear that the forced change from private to public ownership did not generate new quality for the economy. During wartime conditions, the public ownership form, which was at a low level and which was administrative in nature, played an important role in concentrating the forces for winning victory. But after life returned to normal and the economy had to follow objective laws, the public ownership system (which we sometimes mistook as socialist socialization) was just a change in the wage work situation. People were exploited by being "chained" to bureaucratic centralism and state subsidies, which encouraged laziness and which created a class of people under the a "lies above, deception below" management system, with people seeking positions at all echelons of the state and party. "The entire country has gone on strike, and all the people are engaged in smuggling," which is an exaggeration but which conveys a sense of the economic and social instability in our country. Since the Sixth Party Congress, in renovating thinking about socialism, the plenums of the Party Central Committee, the resolutions of the Politburo, and many state regulations and orders have moved in the direction of switching the entire economy to economic accounting, liberating the potential of the laborers, giving independence to the production units, tying the peasants to the fields and the results achieved, tying the workers to the factories and productivity to the interests of the laborers, tying the scientific and technical cadres to production, restoring small industry, allowing free commodity circulation, and receiving investments from abroad. These correct directions will revitalize the country's economy. From this, the laborers will be able to manifest their potential and dynamism. Laborers, and their individual interests, must be put at the forefront. This is the point on which we must rely for economic and social development.

It's necessary to distinguish between "individual" and "private" with respect to ownership rights and ownership of the means of production. In the socialist system, individuals do not stand in opposition to the collective, rather, they are a conceptual component of the collective. Private (capitalism) is parallel to the collective. On the economic front, private capitalism both competes against and cooperates with the state economy, cooperatives, and other socialist economic forms. When it is no longer needed, it will wither away by itself. Individuals will last forever within the collective. They are the starting point of a whole society and develop with

society. "Individual freedom is necessary for the growth of freedom of all people." This lasting truth was first recorded by communism in the "Communist Manifesto." The mistake of thinking that "individual" and "private" ownership of the means of production are the same has caused much confusion when trying to solve the problem of ownership, with people regarding individual ownership as being opposed to all-people ownership. They have failed to realize that individual ownership is a manifestation of the highest ownership right of each individual with respect to all-people ownership in a socialist system. These ownership rights must be manifested in the interests of the laborers that they have earned through their contributions to society. This is the substantive difference between capitalist ownership and individual ownership in a socialist economy (public ownership of the means of production). In "Das Capital," Marx wrote: "Capitalist ownership formulas are determined by capitalist production formulas. Because of this, the capitalist system of ownership is a negation of the system of individual ownership based on one's labor. But capitalist production also spawns its own negation, which has the necessity of a natural process. That is a negation of a negation. This negation does not restore the system of private ownership but instead restores the system of individual ownership based on the achievements of the capitalist age and based on cooperation and public ownership of the land and means of production produced by labor."<sup>1</sup>

This law of negation of the negation concerning the system of ownership and individual ownership has taken place differently in our country. The small production ownership formulas (capitalist factors were formed in the south, but they were not large) engendered by the feudal production formulas have been negated by public ownership formulas in accord with the orders of the worker-peasant state, which made it impossible for them to create new production formulas. "Socialism" is not just a name that we gave these. Actually, the small production formulas never were eliminated. Thus, this requires negating a negation. From the first negation to the second negation is a mobilization process. The second negation must take place with creating a new production force higher than the first negation. One complex problem is that we want to guide this negation toward socialism, a production formula that is higher than capitalism, without ever having gone through the capitalist stage. In order to solve this complex problem, we must pass through a transitional period from a small production economy to a large-scale socialist economy (which is different from the period that Marx conceived of as moving from capitalism to communism, with the first stage being socialism). Thus, the essential requirements of development are in this transitional period. The problems that capitalism has experienced (or solved), such as markets, commodities, and currency, must be solved using socialist formulas and, at the same time, promoting the new factors of socialism (higher than capitalism). Solving these problems will bring a new quality to individual ownership that is different from

small-production individual ownership and capitalist ownership. This will be individual ownership based on cooperation and public ownership of the means of production as Marx observed.

We are still in a very difficult economic and social situation, a situation that has existed for many years now. The manifestations of this crisis are evident in many aspects of our lives, from the infrastructure to the superstructure. The thing about which everyone is concerned is that the character of the Vietnamese people, about which everyone can be very proud, is being torn apart by negative aspects, with each person being both the culprit and the victim of these negative aspects. The problems of the people must be solved correctly and in an all-round manner. Every sector has requested that the party and state solve the problems confronting that sector. Those requests are proper and necessary. But capital, budget funds, and other conditions are either lacking or non-existent. What can be done? Obviously, we have to choose the principal targets and directions (immediate and long-term).

In our country's present situation, concentrating on the economy is entirely correct. Solving the economic problems will establish a basis for solving the social problems. However, it must not be forgotten that people regard the economy and society as a whole. If you give attention to one aspect, you must also give attention to the other. The view "unity between economic policies and social policies" must be manifested in the policies and in the implementation of those policies. To achieve results in solving the economic problems, this must be done within the framework of economic-social unity. This unity is manifested in the labor policies. The most basic policy is to give them ownership rights, not vague collective ownership rights, which could turn into "ownerless ownership rights," but "owner ownership rights," which are manifested by assigning collective ownership rights to individuals. This does not mean appropriation. This means giving individuals ownership rights (individual ownership rights) not by dividing the collective property but by having mechanisms, policies, and laws with the awareness of the laborers regarding themselves and the collective. Individual ownership in a collective system is totally different from the individual ownership of small peasants and manual workers based on independent individual labor. It is also different from private ownership in the capitalist system, in which the capitalists have appropriated and have a monopoly on the property. Individual ownership in a collective system is a dialectic relationship between the private and the public. Specifically, it is a rational division of labor and separation of powers, with the laborers responsible for the assets of society. The quota forms, with quotas given to each household and laborer, bids, and transfers are the policies that will give real ownership rights to the rural area laborers with respect to all-people's ownership, the basis of a socialist economy. In industrial production, worker ownership rights are manifested in the production and business independence of the enterprise, the contract

system, the shareholding system, the joint responsibilities of the workers and managers for the survival and expansion of the enterprise, and the relationship to the common interests of the enterprise as well as the interests of the director and workers. By advancing steadily in this direction, implementing policies to purify the social environment (oppose laziness, living off of others, and theft), and creating conditions to exploit the labor capabilities of each person, the "laborers will mount the throne," as our peasants would phrase it. That is, we will gradually build a wholesome, prosperous, and just society while sticking close to the all-people ownership principle of a socialist economy.

Based on the above analysis, the all-people ownership system can be implemented by transferring ownership rights to individuals. That will ensure that all-people ownership "has an owner." "Having an owner" refers to three themes: natural ownership, personal ownership, and social ownership. In this article, I have limited the discussion to property ownership and have not gone into socialist ownership forms or their varied forms, which the Soviet Union and many other socialist countries are now studying and testing. To solve the ownership problem, it is also necessary to deal with the capabilities of the owners. Solving the ownership problem and dealing with the capabilities of the owners must be tied to the economic environment that we advocate building and expanding, that is, a commodity economy. What our society lacks most at present are cultural standards. If we don't give attention to solving the cultural problems (including morals and political views and culture) and "bringing culture to the laborers," we will not be able to resolve the conflict between a commodity economy and the development of human aspects with the credentials of "all social relationships." These problems must be manifested in the mechanism to manage and organize production, circulation, and consumption and ensure the nature of the socialist commodity economy. There are both similarities and differences between a capitalist commodity economy and a socialist commodity economy. In my view, the basic difference between these two types of commodity economies is the humaneness of the socialist system. It certainly isn't in the commodity production or distribution methods. The most important feature of a commodity economy is the economic effect, that is, it satisfies the varied needs of the consumers and creates favorable conditions for consumers. In this respect, the capitalist countries are far ahead of the socialist countries.

The Sixth Congress and the resolutions of Party Central Committee plenums have tried to build and promote a commodity economy during the period of transition to socialism in Vietnam. That is a correct line that is in accord with the objective laws of economics. Thus, in order to ensure unity between economic and social policies, we must actively look at the reverse side of a commodity economy with respect to social development in order to develop a commodity economy and struggle against the negative aspects created by the development

of a commodity economy. Marx and Engels spent more than half their lives studying the capitalist economy, analyzing its cells, that is, commodities, and analyzing the power of money, the indifference of selfish considerations, and the transformation of everything into articles of exchange, including the qualities of man and even the bones of sages. The development of a commodity economy is an objective law. Socialism must use this in the dialectic relationship with the laws of other social and economic systems. The negative aspects of the commodity economy that could arise should not be exaggerated, but these should not be slighted either. Money always has two sides. Economics is the basis, but not everything is economics. We must build culture, morals, and social psychology, which can stimulate the commodity economy and which have the power to control that economy. We must defend and develop the traditional moral values of the nation, create new values, and build the new socialist man.

We must also give attention to expanding trade relations with other countries, including Western countries. We can't simply say that we will import only their goods and technology without importing ideas and ways of life. Our open-door policy is clear, not only in the economic sphere but also in other spheres. Cultural transfers between Vietnam and the world have always been necessary. This "incorporation" is expanding. The problem is the choice made by the nation and each person in the face of this transfer. This is a struggle against the attacks by capitalism with respect to ideas and a way of life. This struggle must not be waged by using interdiction but by our own strengths. The special characteristic of a commodity economy is competition. Competition on the ideological and cultural fronts is an ideological struggle. This will create many quality works of international caliber having humane values. This will build and ensure confidence in the path chosen and in the lasting cultural values of Vietnam and the Vietnamese people. The ideological differences should not be allowed to have a bad effect on international relations. But there will be an ideological struggle as long as the world is divided into two different political and social systems and there are different classes.

The real reason for the unstable and retrogressive social situation in Vietnam is that we have not handled ownership rights correctly. Laborers have become corrupted because the concepts concerning socialism are erroneous, because the mechanism has limited and killed the interest of the laborers, and because the average cultural standards of society are very low, especially on the managerial and legal fronts. Building the new man and building and managing a modern civilized society cannot be done using the vague morals of the feudal class. Rather, this must be done using the lives of free laborers who have real ownership rights. Ownership and capabilities go hand in hand with the real democratic rights of laborers. Even though providing jobs for hundreds of thousands of laborers is now a pressing problem, we must still regard laziness and dependence on others as the greatest social evils of society. These evils spawn

other evils. These are the basic problems that must be solved using clear, all-round, and democratic means revolving around the relationship among ownership rights, the capabilities of the owners, and the commodity economy environment.

**Footnote**

1. Karl Marx, *Das Kapital*, Su That Publishing House, Hanoi 1975, volume 1, part 3, page 352.



### A Few Thoughts on the Path of Renovation

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 46-51

[Article by Tran Xuan Bach; published in FBIS-  
EAS-045, 7 Mar 90 pp 67-71]

### Should the Cooperatives Be Disbanded?

902E0198F Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 52-54, 51

[Article by Tran Duc, high-level economics specialist]

[Text] In previous articles, I have affirmed the position and role of cooperatives, including when the family economy was dominant. However, in the process of implementing Resolution 10 of the Politburo, some places called for the disbanding of the cooperatives. Some districts eliminated the cooperatives and turned their functions over to the hamlet authorities. Was that the right thing to do?

In order to gain a better understanding of this problem, I would like to give a brief description of cooperativization in a number of countries, not only in socialist countries but also in capitalist and developing countries.

1. In world economic history, ever since the peasant class came into being, there have been various forms of mutual aid groups in the rural areas. At the end of the 19th Century, cooperatives were formed to participate in the trading process.

What factors led to the establishment of cooperatives? Above all, this included the economic and social pressures, the demands concerning expanding production and improving the standard of living and the demands concerning modernizing and industrializing agriculture (such as the use of chemical fertilizers, crossbreeding, artificial insemination, and food processing), the expansion of commercial exchanges on an international scope, the market factors with contract production forms, the efforts of the small farms to cope with the monopolization of the large plantations and the excessive exploitation by private companies, and, finally, the ever increasing need for technical help and credit. The effects of all these things were also factors that had a direct effect on cooperativization. Clearly, cooperativization was an objective requirement of production and life. This did not originate from subjective aspirations or will power.

Who usually participated in the cooperatives? Tenant farmers participated in cooperatives more than peasants directly engaged in farming, and in general, people with little land participated more than people with much land. But the important thing was the need to coordinate the production factors that had brought on the cooperativization movement. For example, if a person with much land, a person with many laborers, and a person with capital worked together, they would have sufficient conditions to expand production. As the educational

standards of the peasants rose, more and more joined cooperatives. And more younger people joined than did older people.

The type of production also affected participation in cooperatives. For example, some cooperatives are more suited to producing fruit than vegetables, and some cooperatives are more suited to producing milk than meat. Stated differently, the organization of a cooperative depends on how well the products match (cereals and milk, for example, can both be produced in one cooperative), on how difficult it is to store the products, and on processing capabilities and packaging techniques.

2. There are many types of cooperatives. First of all are the service cooperatives in the circulation and distribution sphere. These cooperatives, which are usually established before production cooperatives, contribute to destroying the natural nature and increasing the social nature of production, developing the commodity-currency relationship, and creating an objective basis for the collective economy. And in the socialist countries, they help consolidate the worker-peasant alliance and form a basis for transformation in agriculture. The strong point of the cooperatives in the circulation sphere is that while manifesting the superiority of collective business formulas, they don't touch the problem of changing ownership rights. This makes it easier for the peasants to accept this.

In the circulation sphere, the credit cooperatives have the task of providing financial help to the equipment projects and loan targets, that is, the peasants and production cooperatives. The credit cooperatives are the basis of all the cooperative movements in Europe. After the credit cooperatives come the consumer cooperatives. The consumer cooperatives directly help the cooperative members consume products based on having the cooperative members promise to sell agricultural products of a certain quality and price at a specified time. Since the 19th Century, this type of cooperative has expanded widely. They have sold processed raw materials such as sugar beets, cotton, tobacco, cereals, and animal fodder. Some consumer cooperatives have sold goods on assignment and received a commission.

In the supply sphere, many service cooperatives have been formed. They supply chemical fertilizers, animal fodder, and machinery to support crop growing, animal husbandry, and the processing of agricultural products. Since the beginning of the 20th Century, in Europe, many cooperatives have appeared to help farmers with the plowing, threshing, selecting of purebred stock, importing of breeding animals, and implementing of artificial insemination. Recently, some cooperatives have begun renting electricity-operated milking machines mounted on "gip" vehicles to animal husbandry farms. And some cooperatives use hired employees. Today, in many of the developed capitalist countries, there are service cooperatives that rent tractors, modern combines, and other types of equipment, including computers used in automated management

systems. The lessees are cooperative members, farm owners, or other customers. It is much cheaper to lease the equipment than to buy it. When more modern machinery becomes available, these cooperatives usually sell or lease the older models to cooperatives or other organizations in order to obtain money to purchase the newer machines. That is quite common in the United States and in many European countries. In Japan, people like inexpensive equipment so that they can replace it quickly when it becomes outdated.

Other types of service cooperatives are cooperatives that stimulate agriculture, train cadres, and provide training in accounting. There are also cooperatives that invent things and use them in production. These cooperatives are formed using the combined funds of scientific cadres, landowners, or organizations. These cooperatives rarely survive more than two years (the time that they are needed to do research and apply the technical advances). These cooperatives can go bankrupt doing research or they may make huge profits.

3. In the agricultural production sphere, in the socialist countries and developing countries, cooperative organizations, which are known by many names such as cooperatives, collective farms, APK [expansion unknown], and so on, are more common than in the developed capitalist countries. The press in our countries has provided much information about this, and so in this article I will concentrate on the situation in the developed capitalist countries.

In these countries, capitalism is going deeper and deeper into agricultural production. In recent years, the authorities in these countries have encouraged farmers to join cooperatives, because the cooperatives can help them control the agricultural policies better than private capitalist corporations. The cooperatives can help them shoulder some of the tasks, which helps maintain the system in a manner suited to the present age. As a result, the cooperatives are attracting more and more farmers, especially people with a concept of their rights and people with higher than average economic capabilities. But in many places, under the influence of a competitive economy, strengthening agricultural industrialization based on capitalist formulas has greatly limited the importance of the three basic principles of cooperatives (voluntariness, mutual interests, and democratic control).

In general, in the developed capitalist countries, the farmers with their small farms (in Japan, the size of a farm averages 1.18 hectares) still occupy a leading position, and their business activities are effective. Their production is based not only on private ownership, such as classical farms, but also on other forms, such as tenant farming without time limits and contract farming. At the same time, agricultural business activities in the agricultural products processing, technical supply, and product distribution sectors are carried out by capitalists (such as

in the United States) or by full-time cooperatives (such as in many European countries, where the capitalists have less capital than their American counterparts). Reality shows that today, just as in Marx's time, in countries where the traditional economy of the farmers has been maintained under one form or another (such as in the United States, France, and Sweden) wheat is more prevalent and it is cheaper than in other countries. Today, most of the agricultural products produced in the United States are produced by 1.8 million farms using agricultural laborers, who account for only four percent of all laborers in the country, with technology and energy equal to that used by workers in industry.

In many European countries, agricultural production is maintained by a farm economy under the family economy form, with the service, technical, supply, and product distribution tasks carried out by cooperatives. That was the conclusion of Traianov, an outstanding Soviet agricultural economist who devoted his life to the cooperative movement, when he reviewed the experiences of farms in the United States, England, France, Italy, Germany, and Russia. Traianov said that agricultural production is not in accord with the system of working for others (paying wages by the hour or by the amount of work). It cannot put up with the indifference of the wage earners, because farmers must be concerned about the harvests and love the land and living things. Based on this observation, he suggested that in the agricultural sphere, as cooperativization moved away from the farmers having to deal directly with living things, results would improve. Thus, cooperativization should concentrate as little as possible on the biological processes and gradually expand the boundaries and concentrate on related spheres, from improving the land and selecting varieties to using machinery and supplying technology and from processing and distributing products to providing credit and building an infrastructure.

From the experiences of other countries in the world, looking at our country's agricultural development path as put forth in the 10th Resolution of the Politburo, I see that it advocates using the family economy as the independent production and business unit in the rural areas, with the cooperatives providing services (supplying technology, providing credit, and distributing products). This is a correct line that is in accord with worldwide laws on agricultural production organization. This is the path, although the methods and forms can vary from one country to another. In the United States, the lead-in and lead-out tasks of production are shouldered by the cooperatives, but in Vietnam these are handled by the state sector, cooperatives, and private individuals working in conjunction with each other, as actual practices in many rural areas show.

Thus, the cooperatives should not and cannot be disbanded. The objective necessity of the agricultural production cooperatives must be affirmed even though the family economy has "ascended the throne."

### Re-Establish Discipline and Gradually Stabilize and Balance the State Budget

902E0198G Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 55-60, 84

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

[Text] The fourth session of the Eighth National Assembly (December 1988) reviewed the 1989 state budget and instructed the Council of Ministers to implement it, with the requirement being that the 1989 deficit must be smaller than the 1988 deficit.

The 1989 state budget revenues did not fulfill the plan at a time when the state had to maintain expenditures for capital construction investment and many other unexpected expenditures such as aiding storm victims and purchasing additional grain. As a result, the state budget was always strained, and the 1989 budget did not satisfy the stipulated requirements.

What is the reason for this? I feel that the main reason has to do with the fact that in just a short period of time, the state has reorganized the economic structure to hit the targets of the three economic programs, liberate the production potential, switch from a bureaucratic centralism and state subsidies mechanism to an economic accounting mechanism based on the concept of developing a multi-faceted planned commodity economy on the path to socialism, and expanding and improving foreign economic results. This has generated positive but unstable changes. There is still serious imbalance in the economy, and activities have been ineffective. A new management mechanism is being built, but it has not been synchronized. Many outdated factors have not been eliminated or corrected, and many new factors have not been supplemented or perfected. Many mistakes have been made in using the new mechanism, and discipline is lax.

Besides this, there are factors that have led to the instability in the 1989 state budget. I will concentrate on the following main points:

First, budget revenues have been very low. The percentage of the national income mobilized for the budget is only 20.6 percent. The resolution of the National Assembly stipulated that the percentage mobilized must be 23-25 percent. Revenues in the state economic sector have fulfilled only the revised plan. As compared with the plan formulated at the beginning of 1989, revenues have declined by hundreds of billions of dong.

It is estimated that the 1989 value of gross industrial production will increase approximately three percent as compared with 1988, but many of the products aren't selling, and the value of the materials and commodities in inventory is high (even though it did decline somewhat at the end of 1989). As a result, products have stagnated, and there is a shortage of capital. Public debt

has increased, and repayment has been slow. Some workers need jobs, and payments to the budget have declined.

In circulation, a number of commodity products of state commerce are of poor quality, the prices are high, and it difficult for them to compete against products from outside the state sector. As a result, inventories are large, and cash from sales and contributions to the budget have declined.

Management and tax collection in commerce and industry have changed closely. Although a number of localities have striven to organize campaigns to oppose tax collection shortfalls and collect taxes, the amount collected for the year declined by hundreds of billions of dong as compared with the plan at the first of the year.

The shortfalls in import-export tariffs are very serious. Large quantities of foreign goods are being imported, but the control of imports is loose. Many localities give little attention to managing imports and exports or to protecting domestic products. This creates obstacles for collecting taxes. There are even places that have actively organized things to import goods in violation of the state's stipulations. Because of this, large quantities of goods are imported, but the amount collected in import duties is small, and there are many loopholes in controlling the collection of the duties. The percentage collected is quite small as compared with the large volume of goods imported.

The amount of agricultural tax collected has almost been as planned, but payments to the budget have been slow because of difficulties in shipping and receiving. The tax shortfall is quite large with respect to annual industrial crops, fruit, and perennial industrial crops. Results have also been very poor in collecting back taxes owed.

Second, management is lax. State budget revenues cannot cover the expenditures stipulated in the plan at the beginning of the year. Thus, the expenditure plans of the sectors, localities, and administrative and professional units must promptly be re-examined, expenditures must be concentrated on the most urgent items, irrational and non-essential norms must be cut resolutely, and frugality must be practiced. But many places have not done this. And some have even created many new expenditure needs requiring budget allocations. Waste, expenditures in excess of the norms stipulated, and the establishment of "black funds" in order to provide separate norms for a number of sector and local organizations have not only not decreased but they have even increased, which has played havoc with the state budget.

At a time when the amount of state budget capital construction investment capital has declined, the investment projects using the existing capital of the sectors, localities, and non-productive projects has continued to increase. Because of the lack of measures to reduce the

number of ineffective or unnecessary projects, the budget deficit and currency shortage have increased, and project costs have risen.

Third, financial discipline is loose.

Not only is revenue collection for the budget not supervised regularly, but there is also a lack of discipline in collecting revenues. Many state enterprises operate at a profit, but they also use budget funds. People's committees in many localities do not regard tax collection as one of their main tasks and still think in terms of the locality, slighting the interests of the state. Tax avoidance cases have not been prosecuted resolutely or promptly. Very few of those who engage in corruption, take bribes, take state property, and engage in speculation and smuggling have been charged with violating the law. Nothing has served to warn them or heighten financial and budgetary discipline. The cases in which norms have generated much waste and in which public property has been used for personal profit and public funds have been lost have not been prosecuted resolutely.

Fourth, the management apparatus and the cadres of the finance sector are very weak and not equal to the tasks. Reality shows that at the macrocosmic level, the management apparatus has not changed clearly, fulfilled its macroscopic management functions, or become deeply involved in guiding, helping, and controlling the primary-level units. Special attention should be given to the fact that the tax collection system is very weak. It does not have the strength to manage the growing economic sectors outside the state sector. The entire industrial-commercial tax sector has almost 22,000 cadres, but fewer than 30 percent have received systematic training. The cadres in charge at the primary levels are unstable. The organizational apparatus is in a state of confusion, but little has been done to reorganize the apparatus. The systems for collecting the agricultural and import-export taxes, managing the allocation of capital construction investment funds, and managing foreign financial affairs are weak, too.

Fifth, in organizing, managing, and guiding the implementation of the 1989 state budget, things have been done passively, and the bases have not been monitored closely.

When the 1989 state budget estimates were submitted to the National Assembly, there were still many points that did not have an accurate basis, and they were just rough estimates. In the process of implementing the budget, there have been new factors and changes, but the budget has not been revised, and no measures have been implemented to deal with these promptly. Controlling the implementation of the budget has not been strengthened and so the errors and deviations of the bases, sectors, and echelons have not been discovered in order to correct them.

Many party committee echelons and authorities do not fully understand the importance of the state budget. As a

result, they have not strengthened leadership and guidance, improved organization, helped the financial organizations complete the tasks, or educated and mobilized the units, organizations, and people to step up production, economize, and fulfill their obligations to the budget.

In order to gradually stabilize things and balance the state budget in the coming years, attention must be given to the following points:

#### A. Basic and long-term measures:

We know that the state budget will stabilize only when the national income increases at a rapid rate and national income moneys are mobilized for the budget at a level sufficient to satisfy the essential investment needs of the state for the three main economic projects, satisfy the commercial production expansion needs, and maintain national defense, security, and administrative expenditures in line with eliminating state subsidies, economizing, and resolutely fighting corruption and waste.

The following are the main solutions:

First, a national financial policy must be formulated in accord with the specific economic and social conditions. This must correctly reflect the implementation capabilities and essential needs of the country as well as the developmental tendencies of the age. Finance must be turned into an effective tool of the state dictatorship of the proletariat in organizing, building, and managing the new society and new economy.

The national financial policy is the basis for implementing and manifesting the distribution and control functions of finance with respect to all economic and social life. Lenin clearly stated that "if our efforts to transform the country in a conscious manner are to achieve results, there must be a unified financial policy that has been clearly stipulated. Moreover, the regulations must be enforced from top to bottom."<sup>1</sup>

The national financial policy is a synthesis of the basic guidelines and principal financial, budgetary, currency, credit, and insurance forms and measures that have been codified to form a unified law in order to have a conceptual effect on protecting and exploiting the country's potential and resources and exploiting the effects of international cooperation in order to create sources of capital, distribute and make effective use of the capital, and inventory and check by currency the economic and social activities.

The aim of the national financial policy is to reduce the budget deficit, reduce the rate of inflation, eventually balance the budget and solve the inflation problem, stabilize and solidify state financial and budgetary affairs, and prepare the preconditions for promoting industrialization in the next stage.

"In the coming period, the national financial policy—as pointed out in the Council of Ministers report, which

was read by Chairman Do Muoi at the Eighth National Assembly—must create large sources of capital in order to step up the pace of national construction and soon get the country out of its present crisis and difficulties.

Second, the national financial policy must be systematized to form specific policies on domestic and foreign financial mobilization and financial distribution, currency and credit policies, policies on mechanisms to manage national finances and control finances, and policies on organizing the finance sector apparatus and cadres. In this, the most important thing is to reform revenues in the state economy, reform the tax system with respect to the economy outside the state sector and the individual income tax system, revise the policies on mobilizing foreign capital, revise the investment policies and mechanism and the social consumption policies, and revise the measures for decentralizing budget management to the localities.

Third, budget management in general must be improved, and decentralization of budget management to the localities must be improved based on a spirit of "revenue and expenditure contracts" based on norms with a scientific basis and clear stipulations. Unified centralization of the state budget must be ensured, and the localities must be given independence in managing and implementing the budget with the aim of gradually balancing the central and local budgets.

Fourth, financial discipline, macroscopic management, and financial control must be strengthened. Based on the national financial policy and the specific financial policies promulgated as law, financial, budgetary, and currency discipline must be restored and strengthened, the accounting and statistical regulations must be carried out strictly, and financial surveys must be organized regularly. The responsibilities of the sectors, echelons, units, and party organizations at the primary level must be increased with respect to national finances and the state budget. Finance, credit, currency, price, and wage activities must be guided closely and coordinated so that they have a unified effect.

Fifth, a mass movement must be launched in order to step up production, economize, fight corruption, waste, and bureaucratic centralism, protect socialist property, build and improve management organization, perfect the apparatus, and train a rank of good quality and talented finance cadres who can carry out the tasks.

B. Urgent measures to hit the targets, re-establish discipline, and reduce and eventually eliminate the state budget deficit. The following are a number of key measures:

First, all sources of revenues must be fully exploited and strengthened, revenues collections must be adequate and in accord with the plans, supervision of revenue payments must be strengthened, and appropriation of budget revenues must be stopped. An effort must be made to mobilize 23-25 percent of the national income for the state budget in 1990.

With respect to the state economic sector, the finance and banking sectors must concentrate on resolving the difficulties for the state-operated installations, quickly restore production and circulation to normal, and ensure that they continue to expand.

The units must be given sufficient independence in carrying on commercial production, bureaucratic centralism and state subsidies must be eliminated, the state enterprises must resolutely be switched to economic accounting, production must be tied to the markets, equipping and synchronizing the production chain must be renovated, the types of goods must be increased, the commercial sector must be made more varied, product quality must be improved, labor productivity must be increased, and production costs must be lowered. [The units] must pay the expenses themselves, contribute adequate state revenues and taxes, and make a profit.

Payment of public debts must continue to be promoted in accord with the policies of the state with the aim of reducing and eventually ending the appropriation of capital and enabling the enterprises to settle their accounts in order to increase the velocity of the capital. At the same time, the various echelon finance units must given attention to allocating capital funds based on the state budget plan (capital construction investment, vocations, national defense, and so on) in order to solve the problems concerning product stagnation and appropriation of capital.

Official payment norms must be given to the state enterprises based on revising the state revenue norms in accord with raising the price of materials, raw materials, and energy and the interest rates of the banks after inspecting things carefully at the production installations.

After assigning payment tasks to each production installation, the finance [units] must closely monitor the commercial production activities of the units in order to supervise prompt payments and resolutely prosecute those who appropriate budget revenues.

As for economic sectors outside the state sector, an "operation" must be carried on urgently to control industrial-commercial tax revenue shortfalls right from the beginning of 1990. There must be synchronized coordination between the tax sector and the other sectors under the close guidance of the various-echelon authorities.

The tax collection management measures must be improved. Inspections must be made to ensure that the commercial production households that "fell through the cracks" are managed and taxed. There must be regulations to coordinate things closely between the agencies that issue commercial registration permits and the tax agencies. Business incomes must be regulated in accord with reality. Cases in which agencies, mass organizations, or enterprises organize things or join with private businessmen to engage in business activities

without paying taxes and cases in which private businessmen try to hid their activities under the name state-operated activities in order to avoid paying taxes must be discovered promptly. Cases in which [taxes] from a number of households are withheld for the subward or village budgets, the tax policy is implemented improperly, and taxes are reduced arbitrarily must be prosecuted resolutely. There must be a resolute struggle against negative aspects in the ranks of tax cadres. This must go hand in hand with giving suitable awards to honest cadres who set an example and who complete the tasks in an outstanding manner.

The large and medium-sized business households must be guided and controlled, accounting records must be kept, and the regulations on drawing up invoices and other documents must be implemented in accord with the law in order to standardize the calculation and collection of taxes. The supervision of payments must be strengthened, things must be organized to collect the taxes through the banks, and tax avoidance cases must be prosecuted resolutely. Also, those who delay paying their taxes and who commit acts of violence against tax cadres must be dealt with harshly. Propaganda must be strengthened, and citizens must be educated about fulfilling their tax obligations.

The party committee echelons and authorities must urgently stabilize the tax collection apparatus and give particular attention to solidifying the collection organizations at the primary level, especially the ward and district tax offices and the tax units and stations in the streets, subwards, villages, markets, and communications centers.

The tariffs on imported goods must be collected resolutely in accord with the new orders, and strong customs barriers must be erected in order to control tax losses and prevent imported consumer goods, particularly luxuries, from flooding the country. This is because more and more luxuries are entering the country. Careful inspections must be made on a regular basis, and those who violate the law must be punished severely. The agricultural tax must be waived for farmers in accord with the Testament of President Ho Chi Minh (waive the tax for a total of one year over a two year period, that is, waive 50 percent of the tax in 1990 and 50 percent in 1991). Precautions must be taken against loopholes and negative phenomena. At the same time, active steps must be taken to avoid losses, and any back taxes owed must be collected. Measures must be implemented to mobilize and encourage the peasants to make effective use of the taxes waived to expand agricultural production.

Other sources of revenues such as lottery sales, insurance, and fees must be thoroughly exploited. They must not be slighted or overlooked. Special attention must be given to reorganizing lottery activities, which are taking tens of billions of dong of the budget. Sources of revenues in the villages must be exploited actively in accord with the policies, and village budget management must

be reorganized in order to reduce higher-echelon subsidies. At the same time, steps must be taken to ensure that village authorities have sufficient funds for public works.

An important measure is to stop the appropriation of budget funds. This must be done in order to satisfy the pressing requirements concerning planned expenditures and to establish order and fiscal discipline.

Second, the management of expenditures must be strengthened. Ineffective or unnecessary expenditures must be postponed or reduced, and strict frugality must be practiced.

Above all, the management of capital construction investment expenditures must be strengthened, investment results must be increased, and waste in capital construction must be controlled.

The state's investment capital must be concentrated on key projects and projects that will soon bring results. Priority must be given to intensive investments in order to synchronize and modernize the existing bases. Projects for which there are no economic-technical arguments must be eliminated. Steps must be taken to control "self-arranged" investment capital, the investment projects that use the existing capital of the localities, sectors, and units, and non-production projects. Unnecessary projects not included in the plans must be postponed.

An effort must be made to reduce construction prices, and holding bids must be reorganized in order to make this more effective.

Efforts must be concentrated on satisfying a number of pressing social requirements. There must be a greater variety of forms and methods used to satisfy the social, cultural, educational, and public health needs in accord with the motto: "the state and people working together." The collection of hospital fees, school tuition, and so on must be reorganized in order to establish order and ensure that these are used properly.

The wage fund and organizational expenditure contract mechanisms and the administrative expenditure mechanism must be used for the administrative and professional organizations in order to promote reorganization, simplify the staffs, and economize. The "revenue-expenditure compensation" mechanism must be applied for all occupations with sources of revenues in order to exploit and mobilize the revenue capabilities of the units and expand their activities.

A broad economization movement must be launched among the cadres, workers, and civil servants. Corruption, waste, and theft of socialist property must be dealt with severely. Resolute measures must be implemented in order to block and put a stop to the misuse of public funds, corruption, various forms of bribery, and waste.

Third, foreign financial management and the management of foreign currency must be improved and strengthened. Taking loans, the use of loan funds, and

the payment of foreign debts must be managed closely. Finance [officials] must take the initiative and stay on top of the situation. They must avoid loopholes and not let things drift.

Fourth, guidance in implementing the budget plans must be strengthened, and the implementation of the budget must be controlled.

Based on the above measures on exploiting the revenue sources, controlling losses, and strengthening expenditure management, the echelons and sectors must regularly evaluate the implementation of the budget, examine the quarterly and monthly budget plans with a view to reducing the deficits of the sectors and localities and actively contributing to reducing the budget deficit of the central echelon, and formulate plans to increase revenues and reduce expenditures for the following quarter and month. The currency, price, and credit situation must be monitored closely in order to handle things promptly and not allow anything unexpected to occur.

Teams must be organized to control the implementation of the state budget. At the central echelon, the teams

must concentrate on controlling the sectors, provinces, and cities that have large sources of revenues or that have large expenditure needs. The provinces must control a number of key wards and districts, and the wards and districts must control the subwards and villages.

**Footnote**

1. V.I. Lenin, "Collected Works," Progress Publishing House, Moscow, 1977, volume 36, p 435.

**Eradicating Illiteracy in Vietnam**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 61-65

[Article by Vu Ngoc Binh; not translated]

**Dien Chau Renovates and Strengthens Ideological Work**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 66-69

[Article by Ngo Thanh Tra; not translated]

**I Was at Fault**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 70-71

[Article by Nhat Linh; not translated]



### **Expand the Scope of the Guiding Plans**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 72-73

[Article by Tran Kien; not translated]

### **The Guiding Role of the State Economy Must Be Manifested by Economic and Social Results**

902E0198H Hanoi TAP CHI CONG SAN  
in Vietnamese No 1, Jan 90 pp 74, 75

[Article by Huynh Tu, MA in Economics, Ho Chi Minh City Institute of Economics]

[Text] It is a mistake to view the process of reforming, building, and expanding our country's economy and the economy's process of advancing as simply a process of increasing the importance of the state economy without giving any attention to expanding and diversifying the other economic elements and without giving attention to the economic and social effects of each unit. In expanding commercial production, the various forms of ownership of the means of production must not block each other but must coordinate things and aid each other. No ownership form, whether state ownership or private ownership, is completely pure.

Thus, in my view, in order to manifest the guiding role of the state economy, the decisive problem is to ensure that the state economic units expand commercial production in an effective way. The commercial production results of the state economy will confirm its guiding role.

In order to enable the state enterprises to carry on commercial production effectively, we must have more powerful, daring, and synchronized viewpoints on the path of renovation. In my view, the following are a number of basic problems:

First, there must be a fundamental reorganization of the economy based on the realization that Vietnam's present economy is a multi-faceted commodity economy. This economy is a unified body that cannot be divided into a central economy and a local economy. The commercial production installations subordinate to the economic elements are all equal before the law. There is no need to have managerial echelons, managerial organizations, or higher echelons that provide direct management. And it is not necessary to have a separate managerial mechanism for the enterprises subordinate to the various economic elements as at present.

Second, there are two functions that must continue to be kept separate: the function of managing commercial production activities at the production installations (which is the function of the primary level economic units) and the function of state economic management (which is the function of the various echelon state organizations and the organizations empowered by the law). I think that states in general and socialist states in

particular must play a major role in the economic and social activities of the country and in the commercial production activities of the production installations. However, the effects of the state on the economic process also have certain limitations, and in the different spheres, these vary depending on the themes, methods, and forms. It should not be thought that economic management is a function that is tied only to the nature of a socialist state or that it is a special function of a socialist state. In order to survive, every country must manage the economic and social activities and control the country's economic processes. However, because their natures are different, the management goals and means of each country are different. Because of the above confusion, we have long ignored the good points concerning managerial methods, production technology, and the economic management tools of the capitalist countries. Along with that, we have "nationalized" the commercial production processes and failed to differentiate between state actions and commercial actions in the processes affecting the economy. As a result, the state has done things that it should not have done and ignored important and necessary things.

Third, the system of state organizations and support organizations must be reorganized from the central echelon to the localities, and the commercial production functions of the ministries and general departments must be abolished. The integrated organizations, such as the State Planning Commission and the Price Commission, must be re-examined, consolidated, and reorganized. At the local level, in today's conditions, it is not necessary to have provincial planning and price commissions. The integrated functions of these organizations can be performed by small elements within the people's committees. Thus, in today's conditions, there should be only two echelons that formulate plans: the central echelon, which formulates macrocosmic economic development plans, and the primary level, which formulates the plans of the commercial production units, or microcosmic economic plans. There will no longer be local plans or sector plans with the credentials of a perfect planning echelon. If there are, these will just serve to coordinate things.

Fourth, a legal system sufficiently strong to manage the economy, society, and country must be built. No individual, agency, or organization can hold itself above the law or operate outside the framework of the law. The commercial production rights of the primary level economic units, which have the credentials of commodity production subjects, must be respected and guaranteed. No distinction should be made between state economic elements and economic elements outside the state sector. The primary level economic units must have the right to purchase the things required to carry on production, and they must have the right to manage the production processes and sell the results (products and services) of the commercial production activities. This must be guaranteed by law, not just by resolutions or directives.

**A Look Back at the World Situation in 1989**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 76-80

[Article by Kieu Nguyen; not translated]

**The New Challenges Facing Socialism**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 81-84

[Article by Vu Hien; published in FBIS-EAS-0044, 6 Mar  
90 pp 68-70]

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00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 85-86

[Article not translated]

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00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 1, Jan 90 pp 87-88, 86

[Article not translated]