

JPRS-ATC-94-002  
9 February 1994



---

# ***JPRS Report***

## **East Asia**

---

***Southeast Asia***  
***Vietnam: TAP CHI CONG SAN***  
*No 11, November 1993*

### **NOTICE**

**FBIS is discontinuing publication of this Southeast Asia JPRS report. Material normally carried in this report will now be published in the East Asia DAILY REPORT. The East Asia DAILY REPORT will be sent to U.S. Government customers of this JPRS report who do not already receive the DAILY REPORT. If you are a U.S. Government customer and do not wish to receive the East Asia DAILY REPORT, please notify us by fax at 703-733-6042; be sure to include your phone number. Nongovernment customers should contact the National Technical Information Service at 5285 Port Royal Road, Springfield, VA 22161, 703-487-4630.**

# East Asia Southeast Asia

## Vietnam: TAP CHI CONG SAN

### No 11, November 1993

JPRS-ATC-94-002

## CONTENTS

9 February 1994

[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.]

### Marxism-Leninism and Our Era

Safeguard and Develop Marxism-Leninism *[Dan Xuan Ky]* ..... 1

### Commemorating the 76th Anniversary of the October Revolution (7 November 1917-7 November 1993)

The Truth of the October Revolution *[Vu Hien; not translated]* ..... 5

Lenin's Viewpoint on the Nationalities Issue and the October Revolution  
*[Trinh Muu and Nguyen Khang; not translated]* ..... 5

The October Revolution and the Transformation of Ho Chi Minh's Thinking and the Vietnamese  
Revolution *[Le Van Yen; not translated]* ..... 5

### Research-Exchange of Opinions

On Industrialization in Our Country Today  
*[Phan Thanh Pho and Phan Huy Duong; not translated]* ..... 5

Accelerate the Equitization of State Enterprises *[Nguyen Khac Hien]* ..... 5

Maintain and Manifest the National Color Through Popular Culture  
*[Phan Dang Nhat; not translated]* ..... 8

Improve the Conceptual Abilities of Village-Level Cadres *[Ho Ba Tham; not translated]* ..... 8

### Reality-Experience

Cadres Are the Key Factor and the Key Element in Cadre Work *[Le Van Ly; not translated]* ..... 8

Formulating and Implementing Cadres Plans in Thai Binh *[Vu Dinh Thanh; not translated]* ..... 8

The Agricultural-Peasant-Rural Area Issue in Can Tho *[Tran Van Tu; not translated]* ..... 9

The Ha Bac Nitrate Fertilizer and Chemicals Corporation Has Advanced in the Market  
Mechanism *[Huu Duc; not translated]* ..... 9

### Investigation

Social Stratification in Northern Rural Areas *[To Duy Hop; not translated]* ..... 9

Influence of the Market Economy on the Political System at the Subward Level  
*[Duong Xuan Ngoc and Nguyen Chi Dung]* ..... 9

### Ideological Life

'Enduring Frivolity' *[Ha Khanh; not translated]* ..... 11

### The World: Issues and Events

Two Important Aspects in Current International Relations  
*[Nguyen Hoang Giap; not translated]* ..... 11

### From Foreign Publications

Russia in the Age of Marx *[P. Ca-nhiu-sai-a; not translated]* ..... 11

**Understanding Concepts**

The Role of the State in a Market Economy .....	11
---	----

**News of Theoretical Activities**

Scientific Debate: '50 Years of the Vietnamese Cultural Thesis (1943-1993)' <i>[Not translated]</i> .....	12
Scientific Debate: 'Renovating the Methods of Training the Ranks of Those Who Teach and Study Marxism-Leninism' <i>[Not translated]</i> .....	12

## Marxism-Leninism and Our Era

### Safeguard and Develop Marxism-Leninism

94JE0004A Hanoi TAP CHI CONG SAN in  
Vietnamese Nov 93 pp 3-8, 20

[Article by Professor Dang Xuan Ky, president of the Marxist-Leninist and Ho Chi Minh Thought Research Institute]

[Text] Ever since it came into being, Marxism-Leninism has always taken the lead in opposing the violence of the enemy forces and traitorous elements. In the previous century, they opposed Marxism. At the beginning of this century, they opposed Leninism. Anti-collectivism has existed in many countries for the past 150 years.

The reason for this opposition is that Marxism-Leninism is a revolutionary and scientific theory that has led the proletariat, laboring people, and oppressed peoples in the struggle to eliminate the oppressive, exploitive systems of capitalism, imperialism, and feudalism in order to build socialism and communism—in which people will no longer exploit other people—bring independence to every nation, make everyone free and happy, and build a new society that is more civilized and better than capitalism.

When Marx and Engels first stated their theory, the bourgeoisie fiercely attacked them with great hatred. This opposition has continued from the middle of the 19th century to today. They have mobilized every force and means available and used various plots, stratagems, and measures to oppose Marxism. They have limited and outlawed communist parties and revolutionary parties that adhere to Marxist-Leninist theory and pursued, arrested, imprisoned, and shot members of these parties. This has been the situation for many decades in many countries. The great fuss that the bourgeoisie is now making about "democracy," "freedom," and "human rights" cannot erase the terrible and bloody crimes that it has committed.

In recent decades, the situation has gradually begun to change. On one hand, the power-holding bourgeoisie has had to make concessions because of the struggle waged by the working class, laboring people, and communists. On the other hand, when its rivals were the Soviet Union and the other socialist countries, capitalism had to find a way to adjust in order to continue to survive and develop. They were willing to make those concessions in order to reduce social tensions and relax the situation as long as those concessions did not threaten capitalism. Conversely, they would immediately switch to using clubs and weapons regardless of the laws and common principles in effect in international relations.

As for the enemy forces, the opposition to socialism and Marxism-Leninism has been manifested clearly in the press, on radio and television programs, and most recently in the books 1999: *Victory Without War* by

Nixon and *The Great Defeat: The Rise and Fall of Communism in the 20th Century* by Brzezinski.

Such opposition has also appeared in revolutionary movements and among opportunists, revisionists, and traitors during the unsettled periods and turning points of history. As for Marxism, during the period 1871-1904, when the revolutionary storms in Europe subsided and Western capitalism prepared for peaceful change, Lenin observed that "the international democratic-social movement is now passing through a period of ideological vacillation. Up to now, the teachings of Marx and Engels have been regarded as the strong foundation of revolutionary theory. But recently, in many places there are those who have said that those teachings are inadequate and outmoded."<sup>1</sup>

Marxism underwent its first major international crisis at the beginning of the 20th century when the opportunist and revisionist tide, with well-known representatives such as Trotsky and Kautsky, fiercely opposed Marxism. These people monopolized and then ruined the Second International.

The enemy's opposition to socialism and Marxism-Leninism was frequently coordinated very closely with internal opposition by opportunists, revisionists, and traitors to socialism and Marxism-Leninism. This led to unforeseen defeats, including the toppling of people within the movement.

Today, because of the collapse of the Soviet Union and Eastern Europe, socialism has suffered a setback, and Marxism-Leninism is facing a new crisis. Instead of just criticizing the mistakes of the ruling communist parties with respect to their lines in building socialism, people have turned to criticizing Marxist-Leninist theory. Instead of criticizing Stalin, people are going against the tide of the age to criticize both Lenin and Marx. Instead of just criticizing individual arguments and parts of Marxist-Leninist theory, people are criticizing and rejecting all of their teachings.

When he was alive Marx was hated and slandered. And now, during this new crisis facing Marxism-Leninism, history is repeating that but to a much higher degree. The chorus against Marxism-Leninism is much larger than before. Along with the enemy forces, there are also the opportunists, revisionists, and traitors, people who once followed the path of Marxism-Leninism. There are also people who hope to make a profit from this. Even though these people know very little about Marx or Lenin, they are vocally criticizing and rejecting Marx and Lenin. Many of the evil and base acts previously used in attacking Marxism are again being used. This includes distortion, slander, deception, and vulgar insults. There is no longer any culture in political or theoretical activities.

Marxism-Leninism has undergone many attacks and passed through many crises. Each time, Marxism-Leninism has continued to develop and advance. Clearly, you can bury a person, but you can't bury an



idea or theory, especially when that idea or theory has a scientific basis and has, for more than a century, encouraged hundreds of millions of people to rise up and struggle for self-liberation, when it has caused the enemy to quake many times, and when it represents the continuation of human culture and civilization and embodies the values of human culture and civilization. The same is true this time. History will evaluate the revolutionary and scientific ideas of Marx, Engels, and Lenin, including their theories on socialism, objectively, accurately, and fairly.

Our party has affirmed that Marxism-Leninism and Ho Chi Minh Thought are the ideological foundation and compass for action. Holding to this spiritual weapon, our party led the people to a complete victory in the people's national democratic revolution. Holding to this spiritual weapon, our party put forth the renovation line and has led the people in successfully implementing renovation, building a strong and prosperous country, and developing our country based on a socialist orientation.

The advance of our country's revolution has witnessed not only successes but also defeats and temporary and local setbacks. The party's leadership is wise and correct, but there have been times when it has made mistakes in this and that sphere. Those mistakes have stemmed from the fact that we have not fully understood Marxism-Leninism and failed to apply it correctly and creatively given our country's specific historical conditions.

In the face of the fierce attacks launched by enemy forces and traitors against Marxism-Leninism, our party is resolutely struggling to defend Marxism-Leninism, just as Lenin resolutely struggled to defend Marxism at the beginning of this century. It is defending this with a revolutionary and scientific spirit and with the concepts of renovation, independence, and creativity so that this doctrine can once again manifest its great vitality in Vietnam, which is carrying on renovation, and so that we, together with other true Marxist-Leninists in other countries, including those in countries where socialism recently collapsed, can struggle to ensure that Marxism-Leninism and socialism continue to develop.

Naturally, defending Marxism-Leninism means defending the theories formulated by Marx and Engels and developed by Lenin and defending the correct things advanced by those men.

The present age is very different from the time of Lenin, and it is even farther removed from the time of Marx and Engels. There have been great changes in every country and in every area throughout the world. Those changes have taken place in all spheres of social life. In particular, since World War II, modern capitalism has continued to develop. Conversely, realistic socialism, which people had been building for 50-70 years in a number of East European countries and the Soviet Union, has collapsed. It can be said that Marx, Engels, and Lenin could never have imagined, much less foreseen, many of the changes that have taken place. Thus,

with respect to their theoretical legacy, the scientific aspect must be understood under the light of the present age in order to clarify the following:

Their ideas and arguments that were correct both then and now, that still have long-term value, and that can guide liberating man and developing society.

Those issues that were correct during the time in which they lived, but that are no longer suitable and that must be supplemented and revised.

The shortcomings and limitations in their teachings that must be recognized and discovered through the test of reality and eliminated from our thinking.

As we all know, with a revolutionary and scientific spirit, Marx, Engels, and Lenin constantly engaged in self-criticism and pointed out the limitations in the old arguments that they saw were no long suitable and that needed to be replaced by new arguments because of the changes that had occurred in the workers' movement and revolutionary movement.

A number of arguments can be advanced as examples:

For several consecutive decades, Marx and Engels maintained that a proletarian revolution in Europe would quickly break out. But that did not happen. By 1895, in the introduction to *The Class Struggle in France*, Engels admitted that "history has shown that we and other thinkers who shared our views were wrong. History has clearly shown that the economic development of Europe in this period was not ripe for the elimination of capitalist production formulas."<sup>2</sup> Later, Lenin further explained that "Marx and Engels were often wrong, and they were usually wrong when they said that the revolution was at hand while hoping that the revolution would be successful."<sup>3</sup>

After the 1870's, when writing the foreword to the *Communist Manifesto* for later editions, Marx and Engels admitted that, because of the many changes that had taken place, a number of the arguments in the declaration were "outdated" and that if "we were rewriting it today, we would make revisions," particularly concerning the measures for carrying on the revolution and the relationship between the Communist Party and other parties.

Lenin also recognized the errors when evaluating the revolutionary situation in Eastern Europe following the October Revolution. Many viewpoints on socialism had to be fundamentally revised when he put forth his New Economic Policy: on a commodity and market economy and on the economic elements, particularly concerning the small peasants and state capitalist economic elements. When he realized the mistakes, he clearly stated that what is worrisome is not the growth of the petit bourgeoisie or bourgeoisie but the poverty of the laboring people. Private capitalism had to be allowed to assist socialism. That seems like a contradiction, but it is an irrefutable economic truth.

According to Lenin, when starting a difficult and complex task, it is very difficult to avoid making mistakes, and there will even be setbacks. He mentioned various theoretical mistakes and mistakes in implementing things.

The founders of Marxism-Leninism never claimed that their thinking was supreme or the peak of human intelligence. They never said that their arguments were absolute and final truths.

Along with the changes in real life, those following them can revise their ideas and correct their mistakes. Engels clearly saw that during that period, if someone wanted to reject the discoveries made by Marx, he would be burned in trying to do that. That could be done only by people living in a more developed period. He predicted: "...it is certain that we are just at the beginning of human history. Future generations will correct us. There will be much greater solidity as compared with the generations whose understanding we have had to correct, often with an attitude of contempt."<sup>4</sup>

The greatness of these people rests not only on the fact that they put forth a scientific and revolutionary theory to support the liberation and development of man and society, but also on the fact that they predicted and hoped that future generations, based on the new historical conditions, would correct their mistakes, supplement their teachings, and place their theory in the constant current of human intelligence and human culture and civilization. That is a true scientific spirit and completely revolutionary spirit. Such a spirit has rarely been seen in any scientist or revolutionary since then.

We are not defending Marxism-Leninism like someone guarding a treasury. Rather, with a revolutionary and scientific spirit, we are engaging in criticism and self-criticism, actively safeguarding things, and correctly developing their doctrine. Safeguarding [their doctrine] must go hand in hand with developing [their doctrine]. It must be defended in order to develop it, and it can be developed correctly only if it is actively defended.

Marxism-Leninism is not just a theory about development. It is also a theory of development, in which the theory itself can be developed. Engels was very clear about this: "Our theory is a theory of development and not a dogma that people must memorize and repeat mechanically."<sup>5</sup> Or, "conclusions become useless if they are transformed into something independent and self-existing and do not become the precondition for continued development."<sup>6</sup> The same is true with respect to socialist theory: "The theory of scientific socialism is something that is necessary for the parties and us, but that theory cannot be implemented unless it has the freedom to grow."<sup>7</sup> Lenin added to this viewpoint: "We must never regard Marxist theory as something complete and inviolable. Rather, we believe that that theory simply provides the foundation for a science that socialists must develop further on all fronts unless they want to become outdated with respect to life."<sup>8</sup>

To safeguard and develop Marxism-Leninism, it is essential to oppose revisionist opportunism and dogmatism. While revisionist opportunism will eliminate Marxism-Leninism, dogmatism will turn it into a rigid doctrine. Both of these erroneous ideological tendencies will harm the revolutionary forces, Marxism-Leninism, and socialism.

Throughout its process of formation and development, Marxism-Leninism has constantly had to struggle against revisionist opportunism and dogmatism. While revisionist opportunism ruined the First International and Second International, dogmatism has frequently deified those men, turned their doctrine into something sacred, generated a model containing many errors concerning socialism, and caused socialism to change form. This is one of the main reasons why realistic socialism in many countries has become sluggish and finds itself in crisis. Finally, because dogmatism was not opposed correctly and the proper steps were not taken to overcome the sluggishness based on principles and because Marxism-Leninism was not used as the ideological foundation, that allowed opportunistic, revisionist, and traitorous tendencies to arise, worsened the crisis, and led to the collapse of socialism in the Soviet Union and Eastern Europe.

To safeguard Marxism-Leninism, we must, of course, oppose opportunism and revisionism, but we must not defend this in a dogmatic manner. To develop Marxism-Leninism, we must oppose dogmatism, but we cannot develop this by revising Marxism-Leninism. Opposing opportunism and revisionism and fighting dogmatism must be carried on together in both safeguarding and developing Marxism-Leninism.

We must return to a principle of Marxist methodology. What is the standard for distinguishing between what is true and what is false and for determining what is correct development and what is a revision of Marxism-Leninism? The answer is reality.

The hundreds and thousands of arguments advanced by the enemy forces and traitors in recent years all agree that the crisis in and collapse of the East European countries and the Soviet Union prove that Marxism-Leninism in general and the theory of scientific socialism in particular were wrong. But as explained above, all that this proves is that there were deviations from their theory. Even more important, this shows the terrible damage that opportunism, revisionism, and betrayal can do to Marxism-Leninism and socialism.

The realities of socialist construction in the Soviet Union and Eastern Europe are not all bad as the distortions of the enemy forces and traitors would have people believe. What they prove is that socialism can greatly help liberate people, liberate the oppressed nationalities, and liberate mankind. The elimination of socialism that the traitors and enemy forces have carried out in the Soviet Union and Eastern Europe has pushed many countries and nations into the abyss, threatened the fate

of millions of honest people, and pushed history backward many decades. The people who are living amidst that turmoil and confusion are the ones who, more than anyone, truly know what is good and what is bad, what is true and what is false, and what is right and what is wrong.

In the 20th century, there have been many other things that have verified the values of Marxism-Leninism after it was applied in a creative manner and developed correctly and after the communist party understood how to use this theory as the sharp weapon of thinking, as a compass for action, and as a way to understand and improve reality. The realities of the Vietnamese revolution have made a particularly important contribution to proving this.

President Ho Chi Minh creatively applied and developed Marxism-Leninism in order to successfully handle the national liberation of Vietnam and the national liberation movement in the 20th century. From Vietnam, he traveled about the world, moving from patriotism to Marxism-Leninism and socialism. Once he saw the way to save the country and once he realized that the weapon of struggle was Marxism-Leninism, he returned to Vietnam and to the people in order to wage a struggle for independence and freedom and open the way for the entire country to advance to socialism. The realities of Vietnam were used as the starting point. Improving and transforming the realities of Vietnamese society was the target. This was linked to the practices of the world in different periods in order to use Marxism-Leninism-realistic viewpoints as the penetrating viewpoint in all the activities of Ho Chi Minh and in his concepts and theories.

As a disciple of Marx and Lenin, Ho Chi Minh grasped the soul of Marxism-Leninism and understood the spirit and methods of Marxism-Leninism. He was not bound by the words, conclusions, or slogans in their books. He was not at all dogmatic and rarely quoted them. He focused mainly on drawing from the storehouse of Marxism-Leninism those things that were necessary for the Vietnamese revolution and that were in accord with the Vietnamese nation. Using Marxist-Leninist viewpoints to illuminate practices and using Marxist-Leninist methods to analyze reality, Ho Chi Minh arrived at conclusions for the Vietnamese revolution. While using Marxism-Leninism, Ho Chi Minh did not forget to link this to the essence of the nation and to the major ideas of mankind, particularly Eastern ideas, ideas that neither Marx nor Lenin had been able to study deeply. Ho Chi Minh explained those major ideas very clearly and succinctly in ways that were easy for people to understand, and he linked them to the Vietnamese spirit. This won the sympathy and approval of many people of conscience throughout the world. Ho Chi Minh Thought has great persuasive power.

Because of the demands of the work of liberating Vietnam and other colonial peoples, Ho Chi Minh made major contributions to developing Marxism-Leninism

with respect to the national and colonial issues and made a very important and decisive contribution to formulating a theory on national liberation in the 20th century, which led to the collapse of colonialism and the victory of national liberation movements throughout the world. The world recognizes his ideas on national liberation. The realities of the national liberation movements have affirmed the truth of Ho Chi Minh Thought, thoughts that have contributed to changing the face of the world. Even if the 20th century has not witnessed the victory of socialism, it has witnessed basic victories by national liberation movements, and it was Ho Chi Minh who led the Vietnamese people in taking a vanguard position in this great work.

Ho Chi Minh made creative use of and developed Marxism-Leninism with arguments on the Communist Party, the state, fronts, the army, ethics, man, religion, the path to socialism of an underdeveloped country such as Vietnam, the relationship between national and international, peace, friendship between nations, and so on. There were many problems that he did not have time to solve, but he created the preconditions for others to study the issues and continue to develop things.

Ho Chi Minh Thought was tested by the realities of the Vietnamese revolution and the world revolution. Those realities have refuted the distortions and slanderous statements made about him and the arbitrary conclusion that he focused on the nation and slighted class or that he focused on solidarity and slighted struggle and so on. Because of this, the world recognizes Ho Chi Minh not only as a national liberation hero but also as a well-known man of culture. This is because Ho Chi Minh Thought has penetrated culture and become the cultural property of mankind. Studying Ho Chi Minh Thought will clarify the great contributions made by Ho Chi Minh to the storehouse of Marxism-Leninism and the strong values of Ho Chi Minh Thought for both today and the future.

In the wake of the collapse of the Soviet Union and Eastern Europe, arguments against Ho Chi Minh have appeared in an attempt to use this opportunity to eliminate things already affirmed and accepted by the world. Thus, safeguarding and developing Marxism-Leninism must be carried on together with safeguarding and developing Ho Chi Minh Thought as was mentioned in the party's Program.

The periods from Marx and Engels to Lenin and from Lenin to Ho Chi Minh represent continuous stages of a scientific and revolutionary theory for the liberation of man and the development of society that reflects the revolutionary movement of the proletariat, laboring people, and oppressed peoples against capitalism, imperialism, and colonialism. Ho Chi Minh left a model on creatively using, safeguarding, and developing Marxism-Leninism for all revolutionaries, theoreticians, and social scientists.



### Footnotes

1. Lenin: *Collected Works*, Progress Publishing House, Moscow, 1978, Volume 4, page 230.
2. Marx and Engels: *Collected Works* (Russian language edition), National Political Publishing House, Moscow, 1962, Volume 22, page 535.
3. Lenin: *Collected Works*, Progress Publishing House, Moscow, 1979, Volume 15, pages 293-294.
4. Marx and Engels: *Selected Works*, Su That Publishing House, Hanoi, 1983, Volume 5, page 124.
5. Marx and Engels: *Collected Works* (Russian language edition), National Political Publishing House, Moscow, 1964, Volume 36, page 504.
6. Marx and Engels: *Collected Works*, Su That Publishing House, Hanoi, 1978, Volume 1, page 768.
7. Marx and Engels: *Collected Works* (Russian language edition), National Political Publishing House, Moscow, 1965, Volume 38, page 77.
8. Lenin: *Collected Works*, Progress Publishing House, Moscow, 1978, Volume 4, page 232.

### Commemorating the 76th Anniversary of the October Revolution (7 November 1917-7 November 1993)

#### The Truth of the October Revolution

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 9-12

[Article by Vu Hien; not translated]

#### Lenin's Viewpoint on the Nationalities Issue and the October Revolution

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 13-15

[Article by Trinh Muu and Nguyen Khang; not translated]

#### The October Revolution and the Transformation of Ho Chi Minh's Thinking and the Vietnamese Revolution

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 16-20

[Article by Le Van Yen; not translated]

### Research-Exchange of Opinions

#### On Industrialization in Our Country Today

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 21-23

[Article by Phan Thanh Pho and Phan Huy Duong; not translated]

#### Accelerate the Equitization of State Enterprises

943E0004B Hanoi TAP CHI CONG SAN in  
Vietnamese Nov 93 pp 24-27

[Article by Nguyen Khac Hien, high-level economist]

[Text] Equitizing the state enterprises is a very new and difficult and complex task, but this is also the basic way to reform the state enterprises in our country.

In a market economy that develops under capitalism, the formation of public corporations occurs like a law. This is because the small private enterprises that want to expand operations or avoid going bankrupt must put up capital in order to create a bigger enterprise with the strength to compete on the market. This is done under the form of a limited corporation (a small number of people put up the capital) or a public corporation (shares are sold to many people). In order to increase their ability to compete or to reduce the risks and avoid going bankrupt, large enterprises, too, must invest in many different enterprises by buying shares in public corporations or by selling shares to other enterprises.

Thus, in the capitalist countries, forming a public corporation is very convenient, because all shareholders have the same goal. They buy shares, elect a board of directors, choose a director, monitor the production and commercial operations of the corporation, and divide the profits based on the percentage of capital contributed. Forming a public corporation is completely voluntary and independent. The only thing required is to follow the legal procedures.

In socialist countries, there are other reasons for equitizing the state enterprises, and this is carried on in conditions different from those in capitalist countries. Because of this, it is more difficult and complex. The operating results of many state enterprises are inferior to those of private enterprises because of the bureaucratic centralism and state subsidies planned management system, because the collective ownership system depends on making decisions in the name of but without clearly stipulating the actual owners of the state enterprise, because the material interests of the laborers in the state enterprises have not been adequately ensured, and for a number of other reasons. Because of the poor results and because of the state subsidies idea, many state enterprises suffer from a serious shortage of capital, and so they have taken tens and hundreds of billions of dong from the budget and from each other.

For these reasons, the state must equitize a number of state enterprises with three main targets in mind: First, it must transfer some of the ownership rights of the state to the shareholders in order to improve the production and commercial results of the enterprises. Second, it must mobilize capital for investment in commercial production. Third, it must enable the laborers to really control the enterprises.

Besides these three targets, equitizing the state enterprises must be coordinated with such secondary targets as thoroughly eliminating state subsidies for enterprises, recovering capital for the state budget in order to reinvest in the necessary spheres, and creating conditions for establishing and developing a bond market.

Equitization of the state enterprises in our country is taking place in conditions different from those in the capitalist countries. There are now three major conflicts in our state economic sector:

First, there is the conflict between giving the enterprises greater independence in commercial production and determining who the actual "owners" of the state are. The "ownerless" character of the state enterprises has resulted in serious losses. Many enterprises have used this "ownerless" situation and the lack of clear rights and responsibilities to engage in corruption, spend extravagantly, and establish "black" funds for each other.

Second, the state lacks money, but the state enterprises simply wait for infusions of capital from the state budget. But at the same time, much of the capital existing in the state economic sector sits idle or it is used in a very wasteful and ineffective manner. There are also very serious losses of this capital, and many state enterprises continue to lose money.

Third, there is the conflict between the role and great potential of the state economic sector and the poor results achieved by the state enterprises. Today, the state enterprises hold most of the assets of the state. Approximately 90 percent of our skilled laborers and scientists work at state enterprises, and 90-95 percent of state credits (state subsidy credits) go to the state enterprises. But more than 30 percent are suffering losses, and more than 20 percent are in danger of going bankrupt.

Thus, the state enterprises must be reformed. There is, however, no single solution for all these enterprises. They must be divided into three types in order to have policies and solutions appropriate for each type.

Type 1 consists of those state enterprises whose state enterprise form must, in today's conditions, be maintained. This includes state enterprises operating in the following four spheres:

Enterprises that support security and national defense (this includes enterprises that produce weapons and ammunition, explosives, poisons, and broadcasting means). What needs to be given attention is that today, in the security and national defense sectors, there are

many enterprises that were established in the past or in accord with Decision 268/HDBT that are not directly connected to security and national defense work. This must be dealt with in accord with decisions 315/HDBT and 196/CT.

Enterprises that hold a key position in the national economy and that create a basis for the state to carry out its macroeconomic management function, overcome the blindness and anarchy of the market economy, and prevent monopolization by private domestic and foreign companies (enterprises that operate in the energy and oil and gas sectors, that extract gold and gemstones, that build airports, ports, and roads, that produce iron and steel, and so on).

Enterprises essential to economic development for which the other economic elements do not have sufficient investment capabilities (regarding capital, technology, and management knowledge).

Enterprises that support the public infrastructure (rail and air transport, the production of implements for the handicapped, the transport of commodities to the mountains and islands, and so on).

The state enterprise form must be maintained for these type 1 enterprises, but we are testing the use of various solutions: a. implementing management council regulations, b. implementing measures on transferring capital and preserving and increasing capital, c. implementing tax and credit measures and other measures similar to those for other elements, and d. implementing a wage system based on functions and standards and unified norms concerning production and commercial expenses and work administration.

Type 2 enterprises are state enterprises that do not have to be maintained as state enterprises. This includes enterprises that are operating at a profit, breaking even, or operating at a loss, but to the extent that they must be combined, leased, or disbanded. Such enterprises account for approximately 60-70 percent of the enterprises. The basic solution for this type is equitization.

Type 3 enterprises are state enterprises that have been operating at a loss for a long time, that do not have the ability to pay their debts, and that have received much help from the state to no avail. Such enterprises now account for about 20-25 percent of the enterprises. According to Decision 315/HDBT, the way to deal with these enterprises is to combine them, lease them, or disband them. To date, the state has disbanded more than 300 small enterprises, mainly in the districts.

Placing the matter of equitizing the state enterprises within the framework of reform of the state enterprises in general like this highlights the importance and urgency of equitizing the state enterprises.

To ensure that the equitization of the state enterprises in our country achieves good results, in my view, the following problems must be solved:

1. The entire party, all the people, and the sectors and echelons must understand the necessity and benefits of equitizing some of the existing state enterprises.

First of all, we must clearly distinguish the concept of "privatization" from that of "equitization." "Privatization" refers to transferring the ownership of state property to private individuals or turning over spheres of activities previously monopolized by the state (such as import-export activities) to the private sector. "Equitization" refers to transferring ownership of assets and spheres of activities long controlled by the state to economic elements, including both private and state elements. Thus, when equitizing a state enterprise, it isn't necessary that all of the capital belong to private individuals. The essence of equitization of the state enterprises is "pluralizing" ownership rights to the state enterprises. The result of this will be to enable the enterprises to carry on commercial production activities more effectively.

Comparing a state enterprise that is presently a type 2 enterprise (meaning that it does not need to be maintained as a state enterprise) to a public corporation, it can be seen that the public corporation has the following advantages over the state enterprise:

The material responsibilities and rights of each element (shareholder) are very clear, and distribution is fair and straightforward (based on the percentage of capital contributed).

(Economic) ownership and use rights are very clear. There is no direct administrative interference by various echelon authorities in the commercial production activities of the corporation. The corporation's management board and director are elected by the shareholders, and they are responsible to the shareholders.

This will overcome the "ownerless" situation, lack of responsibility, and distribution based on averages and enable the laborers to gain real mastery over the economy. Because only when they buy shares and become shareholders and participate in selecting the members of the management boards will the laborers have real rights and not face any pressure.

Because of the above factors and the fact that directors with adequate knowledge and capabilities can be selected, that the investment capital will be used effectively, and that the enthusiasm of the cadres and personnel can be increased by material profits (share dividends), public corporations will improve commercial production results, and the incomes of the laborers will increase.

To summarize, equitizing the state enterprises will improve commercial production results. Furthermore, which state enterprises should be equitized and what percentage should be sold to private individuals is up to the state to decide. Thus, there is no reason to fear that equitization will lead to privatization of the entire national economy.

2. The basic viewpoints of the party and state regarding equitization of the state enterprises must be determined.

To date, no official document has been released to explain the basic viewpoints on equitizing the state enterprises. This has created difficulties for unifying thought and action in the equitization process. In my view, the basic viewpoints on equitizing the state enterprises can be defined as follows:

a) Starting from the line on transforming our country's economy into a multi-faceted commodity economy that operates based on a market mechanism and that is regulated by the state based on a socialist orientation, equitization is one of the basic solutions for improving management of the state economic sector. The scope and degree of equitization of the state enterprises must ensure that commercial production results are improved and that the financial position of the enterprises that have undergone equitization is strengthened. At the same time, this must maintain the macrocosmic management of the state with respect to the national economy, ensure national sovereignty, and oppose monopolization by either domestic or foreign private companies.

b) Equitization of the state enterprises must enable the laborers to become the real masters of the enterprises through ownership rights to the capital and assets, through clear rights and responsibilities based on the laws and the corporation's statutes as related to the number of shares owned by each laborer, and through the trade unions and representatives of all the laborers in the corporation.

c) Equitization of the state enterprises must ensure harmony between the rights of the state and those of the laborers in the enterprises and between the rights of the state and those of the public corporations. This must ensure a rational relationship between the central and local budgets with respect to revenues brought in by equitization of the state enterprises, and this must ensure a rational relationship between domestic and foreign investment capital.

d) Equitization of the state enterprises must be carried on in close conjunction with the general strategy for reforming the state enterprises, with establishing bond, capital, and financial markets, and with promulgating new laws or revising the existing laws as appropriate.

e) Equitization of the state enterprises must be carried on mainly by explaining things to people and persuading them. But compulsory measures can also be used in situations in which people, because of local interests, try to block this or don't want to implement equitization.

Based on the above viewpoints, the government must promulgate specific positions and policies in order to answer a number of questions concerning equitizing the state enterprises:



- Which state enterprises should be equitized? To what degree? How many shares should the state own? Does it need to own any? To what degree should private individuals here and abroad be allowed to participate in purchasing shares?
- How should the rights of laborers who do not sign contracts with the public corporations be handled? How much should laborers be allowed to borrow to purchase shares and for what length of time? What should be done with the undistributed funds and public welfare projects prior to equitization?
- How should the value of the assets (and land) of the state enterprises be determined for equitization purposes so that the state does not suffer losses and so that share prices are not too high? How should the existing problems of the state enterprises be solved prior to equitization?
- How should the money earned from the sale of shares be used to ensure an efficient use of the money between the central and local budgets? In what projects should that money be invested?
- What should the policy be toward the directors (party and trade union secretaries) at those state enterprises that have been equitized?
- Should policies give favorable treatment to the state enterprises that have been equitized to help these public corporations achieve good results?

These are the issues that will have a decisive influence on the equitization of the state enterprises and that must be dealt with by the policies and regulations. The test phases are responsible for clarifying and revising things.

### 3. Guiding the implementation of this must be strengthened.

Today, the government has assigned the Ministry of Finance the task of managing the equitization tests with the cooperation of the organizations concerned (the Central Economics Management Research Institute, the Ministry of Labor, War Invalids, and Social Welfare, the Vietnam Confederation of Trade Unions, the state bank, and so on).

In order to guide things directly and have full power to make decisions on all issues related to equitization, the East European countries established a new, full-time organization having broad powers that could deal with the problems quickly (in Poland, the Ministry of Property Reform; in Hungary, the Privatization Commission; in former East Germany, the Administrative Council, and so on). Of course, the equitization targets in the East European countries were different from ours. But clearly, in those countries, the fact that a new, full-time organization was established shows the complexity of this and the difficult problems that can arise when equitizing the state enterprises.

In Vietnam, in my view, we should establish a state enterprise equitization committee, with a vice premier serving as chairman and the minister of finance serving as the deputy chairman and with members including ministers of the ministries concerned. This committee must make a preliminary summary of the tests done on equitization in the past period, determine the existing problems, outline the basic viewpoints and policies related to equitization of the state enterprises as discussed above, present these to the Secretariat of the Communist Party of Vietnam Central Committee and government for approval, supervise the judicial sector and the other sectors involved in formulating the laws necessary for equitization for submission to the National Assembly, determine what steps must be taken (if necessary, more tests can be done), make preliminary summaries on a periodic basis, learn the lessons, exploit the positive factors, copy the good models, and promptly correct the mistakes and deviations. This committee should have the power to issue decisions requiring the equitization of those state enterprises that have sufficient conditions and that need to be equitized but whose leaders are dragging their feet or opposing this because of local interests or because of localist thinking. At the same time, the committee must coordinate things with the organizations responsible in order to train or retrain ranks of directors who can manage commercial production based on a market mechanism.

### Maintain and Manifest the National Color Through Popular Culture

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 28-31

[Article by Phan Dang Nhat; not translated]

### Improve the Conceptual Abilities of Village-Level Cadres

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 32-34

[Article by Ho Ba Tham; not translated]

## Reality-Experience

### Cadres Are the Key Factor and the Key Element in Cadre Work

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 35-37

[Article by Le Van Ly; not translated]

### Formulating and Implementing Cadres Plans in Thai Binh

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 38-40

[Article by Vu Dinh Thanh; not translated]



### **The Agricultural-Peasant-Rural Area Issue in Can Tho**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 41-43

[Article by Tran Van Tu; not translated]

### **The Ha Bac Nitrate Fertilizer and Chemicals Corporation Has Advanced in the Market Mechanism**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 44-46

[Article by Huu Duc; not translated]

## **Investigation**

### **Social Stratification in Northern Rural Areas**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 47-50

[Article by To Duy Hop; not translated]

### **Influence of the Market Economy on the Political System at the Subward Level**

943E0004C Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 51-53

[Article by Duong Xuan Ngoc, MA in philosophy, College of Propaganda and Training, and Nguyen Chi Dung, MA in philosophy, Ho Chi Minh Institute of National Politics]

[Text] The subward is the basic echelon in our country's administrative-economic management system. This is also a sphere in which the positions, policies, and laws of the party and state are implemented. Whether the subwards are strong or weak depends on many factors, one of the most important of which is whether its political system has been solidified. How are the party, administration, and mass organizations there operating? What is the relationship between them? Now that we are switching to a market economy, the political system at the subward level is being greatly affected by the market mechanism.

#### **1. Party Organizations**

Effects are manifested in the following:

Ideologically, some of the old views on socialism are beginning to change. Most cadres and party members at the primary level say that markets do not belong just to capitalism but also to socialism. Based on this, many cadres and party members at the primary level have a new understanding concerning property, exploitation, social stratification, and the gap between rich and poor. Thus, many party members at the subward level have enthusiastically invested money in commercial activities, organized enterprises, opened shops, and purchased shares in a number of enterprises. Becoming wealthy is

no longer a point of debate, like a criterion when determining if a party member has sufficient qualifications, except when someone tries to become wealthy using illegal means. Based on a survey conducted in Hanoi, 75 percent of the respondents said that becoming wealthy is normal. Only 12.7 percent said that this is abnormal. In a similar survey conducted among poor households, 56.3 percent said that wealth is an ordinary phenomenon.

As for organization, because of the existence of a multifaceted economy and the effect of markets, life requires that party members at the primary level, particularly in the cities, participate in activities in all the economic elements. Thus, the composition of party members at the subward level is becoming more and more varied. In addition to the party members who are cadres, workers, and civil servants in the party and administrative organizations, public security organizations, and schools, the number of party members in other spheres of activity such as trade, commerce, and handicraft occupations is increasing. Some people have said that at the subward level, the party is becoming "elderly," because a large number of the party members are elderly. Surveys conducted in a number of subwards in Hanoi have shown that at present, retired party members account for the great majority of party members.

Name of Subward	Percentage of Retired Party Members
Chang Vu	93.1
Diem Bien	94.0
Hang Dao	80.1
Dong Xuan	76.1
Quynh Mai	97.0
Phan Chu Trinh	92.0

At the same time, increasing the number of new party members is very difficult. Since 1990, the subward party organizations in Hanoi have gained an average of only five to six new party members. Many subwards have recruited only two-three party members. Most of these new party members work in public security units, people's committees, or general schools. Most of today's youths are struggling based on economic targets. They give little attention to politics or ideals and are not interested in joining the party.

Along with these changes, the role of the party chapters and party cells is facing new challenges. The street party chapters are composed mainly of retired people. The specialized leadership tasks of the party chapters have changed. The elimination of the state subsidies administrative system has eliminated the task of leading distribution and payments based on the old mechanism. Party chapter and party cell activities lack the important contents that a primary-level party organization must have. Party members attend many of the regular activities of the party chapters and party cells mainly in order to gain information about the international and

domestic situation or to discuss the lives and living conditions of party members. It is very difficult to carry on other political tasks, such as mobilizing the masses to implement the positions and policies of the party and state, controlling the implementation of those policies, protecting the legitimate rights of the laboring masses, and so on. Many street party chapters are in danger of "becoming clubs."

Markets are affecting not only the party organizations but also the thoughts, feelings, and activities of each party member. Actual surveys conducted in a number of subwards in Hanoi, Haiphong, and Ho Chi Minh City have shown that at present, a number of party members are participating in commercial production, business, or service activities in various spheres. They have a high income, and their income is increasing. The standard of living of these party members has clearly improved. But the majority of party members in the subwards continue to live on their pension or disability allowance. Even though the standard of living of these people has improved during the renovation process, it has improved very slowly. Thus, there is now a gap between the rich and the poor in the party. Many party members and party organizations at the primary level, particularly retired party members, are very concerned about this.

## 2. The administration

Since we switched to a market economy, functions, tasks, and the relationship between the authorities and the party in the subwards have changed. Because the state subsidies administrative system has been eliminated, the subward people's committees have gradually shifted to truly performing state management functions at the primary level. This includes managing the population within the area, maintaining political security and social order, performing urgent tasks in order to improve the people's economic, cultural, and spiritual lives, implementing the directives and resolutions of higher echelon state organizations, and so on. Outmoded administrative procedures are gradually being discarded. Cadres in many subwards are giving more attention to remaining close to the people and understanding the thoughts and dreams of the people in order to handle things in a timely manner. Many things are even being handled within the population group or neighborhood cell. The party organizations are no longer doing things in place of others. The leadership role of the party organizations is being manifested through controlling and monitoring the implementation of the policies and policies, through arranging civil affairs, through the prestige of the cadres and party members, and in particular through the correctness and real results of the party's decisions. However, because of the movement of the market economy, every echelon, sector, and organization must act in accord with this movement. Activities involving revenues and expenditures at the subward level are handled by the people's committees. Thus, those financial sources must be dealt with satisfactorily in the relationship between the party and the administration.

## 3. Mass Organizations

Because of the all-round effect of the renovation process, the mass organizations at the subward level have changed with respect to size and quality. Along with the existing mass organizations such as the Ho Chi Minh Communist Youth Union, the Women's Association, the Elderly People's Association, the Fatherland Front, and so on, many new mass organizations such as the Old-Age Security Association, the Veterans' Association, the Charity Association, and the Red Cross Association have been formed. In a number of places, associations based on occupation and personal preference have been formed. Members find spiritual and even material comfort in those associations. Because of this, most of these new associations operate relatively harmoniously and hold a specific position in social life in the subwards.

At the same time, the older mass organizations are facing new challenges. At the subward level, the Ho Chi Minh Communist Youth Union is now very weak. Surveys conducted in a number of subwards in Hanoi have shown that very few of the street youth union chapters are still active, or they do very little. Many union chapters carry on activities just once or twice a year. The youths on the streets are not organized. In Phan Chu Trinh, Dien Bien, Pham Dinh Ho, Hang Ngang, and Hang Dao subwards, only the union executive committee is active. The youth union has not found suitable forms of activities to attract youths.

The Women's Association and the Elderly People's Association in the subwards are mass organizations that have received good marks for their activities, particularly in carrying on the planned parenthood movement, maintaining city sanitation, doing charitable work, and helping people find jobs. But most of the members of the Women's Association are retired or disabled women. Few young or middle-aged women want to participate. This is greatly limiting the activities of the Women's Association. The members seem to play their role mainly within their own families rather than in society.

In the face of this changing situation, it is urgent that effective measures be found to improve the leadership role of the party, the management effectiveness of the state, and the role of the mass organizations.

The leadership role of the party in the subwards depends on the capabilities and prestige of each cadre and party member. In order to ensure that the subwards have a strong rank of cadres, training talented and zealous youths on the spot must be coordinated with mobilizing retired people who are still capable of carrying on activities. Reality in many subwards shows that where such coordination exists, there is solidarity within the party, the work gets done, the mass movements are good, and the positions and policies of the party, state, and higher echelons are implemented seriously. But when there is a lack of coordination, there are internal divisions and even divisions between young and old. At

meetings of the people's councils and at party organization congresses, there are usually unnecessary arguments that do nothing to help solve the pressing problems concerning the economic and cultural lives of the people in the subwards.

Besides this, there must be a resolute struggle against the negative phenomena in the subwards. Purifying the ranks of cadres and party members in the subwards in today's market economy conditions is essential. The real models of cadres and party members at the primary level have great persuasive power over the masses in implementing the positions and policies of the party and the laws of the state.

What needs to be given attention with respect to the subward authorities today is that the state must quickly improve the legal system so that the primary-level authorities can implement the motto of living and working according to the laws and gradually replace resolving matters based on emotion by doing so based on reason and respect for the law. There must be clear and concrete regulations concerning the functions, tasks, and powers of the subwards, particularly in managing the construction of city projects, collecting taxes, prosecuting crimes, satisfying the need for electricity and water, building schools, public health clinics, and cultural centers, and so on. Setting tax rates and collecting taxes must be tied to responsibilities, and there must be incentives for the subward authorities.

One political organization that must be reviewed in today's socioeconomic conditions is the subward people's council, because in reality, this exists in form only. The regular sessions of the councils reflect the concerns and proposals of the people living at the primary level. But their decisions are rarely implemented by the administrative organizations. It's as if they have no real power.

In order to improve their role of bringing people together and of organizing, educating, and persuading people, the mass organizations must make their activities more practical and effective. To do this, they must understand the ideas, feelings, hopes, and needs of each stratum of people and of each social group. For example, regarding street youths, occupational training must be organized well, suitable jobs must be found for them, associations of young professionals must be formed, commercial activities must be guided in today's market economy conditions, and so on. These are useful and practical activities that will attract youths.

### **Ideological Life**

#### **'Enduring Frivolity'**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 54-55

[Article by Ha Khanh; not translated]

### **The World: Issues and Events**

#### **Two Important Aspects in Current International Relations**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 56-58

[Article by Nguyen Hoang Giap; not translated]

### **From Foreign Publications**

#### **Russia in the Age of Marx**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 59-61

[Article by P. Ca-nhiu-sai-a; not translated]

### **Understanding Concepts**

#### **The Role of the State in a Market Economy**

94JEO004D Hanoi TAP CHI CONG SAN in  
Vietnamese Nov 93 p 62

[Excerpt] [Passage omitted] Our country's economy is a socialist-oriented multi-faceted commodity economy that is tied to a market mechanism under the control of the state. The control of the state under the leadership of the party is an objective necessity and an important guarantee that the market economy in our country operates with a socialist orientation, with the target being to build socialism.

The state's management role in the our country's market economy is manifested in the following:

Through legislative activities, an adequate and stable judicial environment must be created to ensure that commercial production activities are carried on in a normal, safe, and stable manner. To do this, synchronized laws must be formulated, a safe environment must be created for economic activities, and people must feel secure about investing money in commercial production. Based on this, illegal activities such as illegal commercial activities, tax evasion, the production of bogus goods, corruption, smuggling, and so on must be opposed. The state must build a system of synchronized laws without loopholes that can be used to conceal corrupt and negative activities.

Executive activities play a very important role. They ensure that the economy develops in a smooth, planned, and orderly manner and that things are done in accord with the laws, policies, and other tools such as the macrocosmic, price, currency, financial, and banking plans. Forming bond and manual and intellectual labor markets, export processing zones, and so on are related to the executive role.

The state management organizations permit, control, and deal with commercial activities. The currency, tax, price, and financial policies must be turned into laws and regulated by the laws.

The ministries and equivalent organizations and the various-echelon people's committees must carry out their state management functions and not interfere in the commercial production tasks of the economic subjects. They must coordinate joint enterprises, coordinate things between the economic elements and localities in the country's general economy. State management by territory is all-round management of each sphere of social life: economic, cultural, and social aspects, national defense, security, and so on. A market economy requires effective, scientific, and responsible administration. The ranks of civil servants must have specialized training, they must adhere to the laws and have good moral qualities, and they must satisfy the new requirements of the market economy.

The judicial organizations must be solidified and strengthened in accord with the requirements of a market economy and socialist democracy. They must maintain strict discipline, resolve the economic disputes

satisfactorily, and ensure that the economic subjects and citizens are all treated equally before the law. The organs of control must carry out their tasks in accord with the laws and prevent and prosecute acts of extortion, abuses of power, and other criminal violations.

### News of Theoretical Activities

#### Scientific Debate: '50 Years of the Vietnamese Cultural Thesis (1943-1993)'

0000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 pp 62-63

[Article not translated]

#### Scientific Debate: 'Renovating the Methods of Training the Ranks of Those Who Teach and Study Marxism-Leninism'

0000000 Hanoi TAP CHI CONG SAN in Vietnamese  
Nov 93 p 63

[Article not translated]



**END OF**

**FICHE**

**DATE FILMED**

11 MAR 1994