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**COMMUNIST PARTY
OF VIETNAM
7th
NATIONAL CONGRESS**

DOCUMENTS

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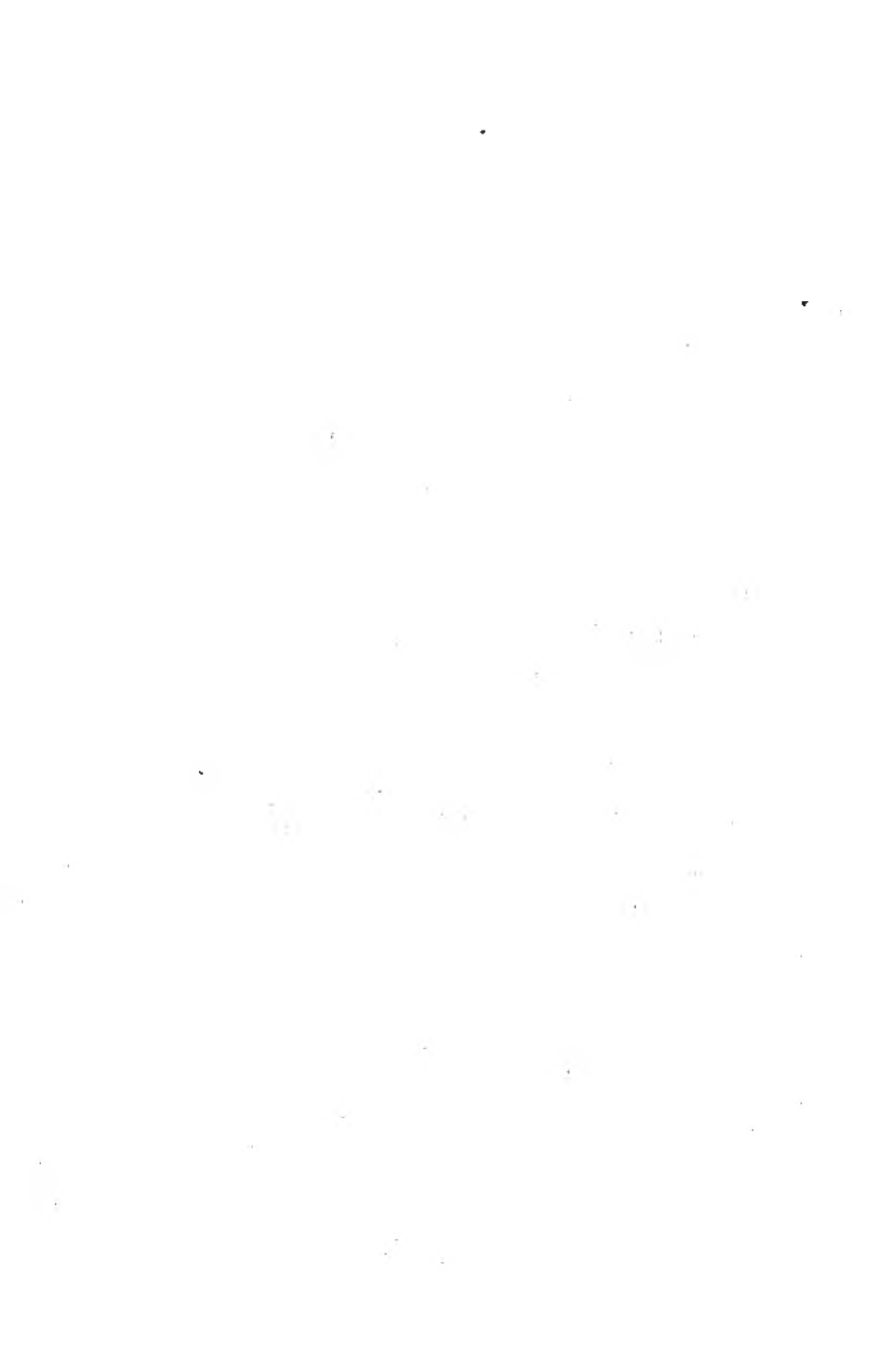
COMMUNIST PARTY OF VIETNAM
7th NATIONAL CONGRESS
DOCUMENTS

- * To Continue Taking the Cause of Renovation Forward Along the Socialist Path
- * Political Programme for National Construction in the Period of Transition to Socialism
- * Political Report
- * Strategy for Socioeconomic Stabilization and Development up to the Year 2000

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Editor's Note

¶ The 7th National Congress of the Communist Party of Vietnam was held in the capital city of Hanoi from the 24th to the 27th June 1991. Present were 1,176 delegates representing 2,155,021 Party members. Among the delegates were 134 women, 125 of ethnic minority origin and 743 university graduates or post-graduates including 100 with PhD and MSc degrees and 49 professors.

More than four years ago, the 6th Party Congress mapped out directions for all-round renovation, marking a revolutionary turning-point in the building of socialism in Vietnam. Over the past few years, the Vietnamese people have recorded important initial achievements in renovation. However, the country has not yet emerged from crisis.

This 7th Congress undertook the task of reviewing the implementation of the Resolution of the previous Congress, evaluating what has been achieved and what has been left unfinished, tackling new problems arising from the domestic socioeconomic situation and from the profound, rapid and complex changes taking place all over the world, and highlighting both strong points and shortcomings together with their causes, and experience drawn from renovation in the main areas of social life.

On that basis, the 7th Congress has set out directions, objectives and principal tasks for the period 1991-95 and up to the year 2000.

The importance of the 7th Congress also lies in the fact that for the first time since the Political Thesis on "the bourgeois democratic revolution in Vietnam" was adopted in 1930, the CPV Congress has ratified a Political Programme for national construction during the period of transition to socialism.

The 7th Congress of the CPV has comprehensively reviewed the Party's leadership, worked out directions and tasks for building the Party, revised the Party Statutes and elected the leading bodies within the Party. The new Central Committee consists of 146 members, the Political Bureau 13 members, and the Secretariat 9 members. The structure of these bodies demonstrates the continuity of succession in the leadership of the CPV.

This Congress has proved to be one of intellect, renovation, democracy, discipline and unity.

This booklet presents to the reader the main documents of the 7th Party Congress.

Hanoi, July 1991

TO CONTINUE TAKING THE CAUSE OF RENOVATION FORWARD ALONG THE SOCIALIST PATH

*Report of the Central Committee, 6th Term,
on the documents of the 7th Congress, presented
by General Secretary Nguyen Van Linh at the
Congress on 21 June 1991*

Our Congress shall have to examine five major documents: the Political Programme for National Construction in the Period of Transition to Socialism; the Strategy for Socioeconomic Stabilization and Development up to the Year 2000; the Political Report; the Report on Party Building and Revision of the Party Statutes; and the Party Statutes (revised). The drafts of these documents, plus reports on the reception and processing of ideas contributed by Party members and the people, have been sent to the delegates. Studies have been made by each delegation. Considering the presentation of each of these documents not to be advisable, the Central Committee shall present to the Congress a report on a number of major issues running through these documents, problems much discussed by the entire Party and people, or questions on which opinion remains divided.

In preparation for the Congress documents, back in February 1987 the Political Bureau set up a Commission for the

drafting of the Political Programme and the Socioeconomic Strategy. In March 1990, taking into consideration the need to further enhance the collective nature of the preparations for the Congress documents, the 8th Plenum of the Central Committee decided to establish five Sub-committees of the Central Committee. Each Sub-committee has collected many ideas contributed by members of the Central Committee, leading and management officials, representatives of various population strata, people's organizations and the Fatherland Front, experienced scientists and experts in different fields and in all regions of the country, State employees still in office and pensioners alike.

Each draft document has been carefully discussed and amended many times before publication to allow for a broad collection of comments from the entire Party and people. At its 12th Plenum, on the basis of the final summary of views expressed at the Party congresses (first round) at different levels, the Central Committee held discussions, accepted ideas contributed, and amended the drafts again before submitting them to the Congress.

The collection of ideas from the entire Party and people has become in fact a major drive in democratic political activity involving the majority of Party members throughout the country, hundreds of veterans of the revolution, thousands of scientists, prominent personalities and intellectuals, millions of members of people's organizations, and compatriots from different walks of life within the country or living and working abroad. The contributions are rich in format: conferences, seminars, articles published in the press or broadcast on the radio, letters, and talks to responsible leading officials and more. The Central Committee has received many letters welcoming the Party's decision to put democracy into practice and contributing to the drawing up of Congress documents. The political maturity of Party officials and

members and the people, their deep concern about the country's destiny, and their immense intellectual potential are outstanding features of the drive to contribute to the drawing up of the Congress documents. This has been made possible thanks to the reality of renovation over the past few years, to international experience in both success and failure, and to the deliberations and meditation of everyone with a well-developed sense of responsibility for the country's present and future.

Naturally, there are differences among the ideas contributed, which is quite normal. These ideas may be divided into the following principal categories: the first, which constitutes the majority, is in the main in agreement with the approaches in the drafts; the second, fairly numerous, includes proposals for many important amendments; the third one, small in volume but worthy of note, consists of opinions constituting major disagreements which should be scrutinized and screened with a view to accepting what is logical in each of them; the last one, very few, consists of approaches alien to our Party and people. In general, the common trend is one of basic agreement with the draft documents, plus amendments and improvements. Of the ideas contributed, many have been incorporated into the documents; others have been accepted only in part, quite a few being sound but not relevant to such documents, and shall be made use of by the Central Committee, 7th term, in exercising leadership over the implementation of the 7th Congress resolutions.

The outcome of the recent drive of making contribution to drafting Congress documents has reaffirmed the political unity within the Party and between the Party and people, the correctness of our renovation cause and the need to push further ahead; and the unshakable determination of our people to follow the socialist path under the leadership of the Party.

From this solemn platform, this Congress expresses its warm appreciation and thanks to all collectives and individuals within the Party and among the people, at home and abroad, for having contributed heartfelt opinions in the drawing up of the Congress documents.

I. TO HOLD TO THE SOCIALIST PATH IS THE ONLY CORRECT CHOICE

The overall and profound crisis in the socialist countries has caused socialism to be subjected to unprecedented and severe criticism from many directions. It is regrettable that even from among the ranks of communists there have been manifestations of indecision in terms of political stance, and trends negating the achievements of socialism, leading to the negation of the socialist path altogether.

Against such a complicated background, what is of particular significance is that through the drive for the contribution of ideas to the drawing up of the draft Congress documents, almost all the opinions expressed have unanimously confirmed the objective of socialism chosen by President Ho Chi Minh, our Party and our people, and re-affirmed the determination of our entire Party and people to follow to the end the road to that objective.

For our country, there is indeed no other road to genuine national independence and the freedom and happiness of the people. It should be stressed that this choice is one made by history itself, one that was made definitely in 1930 with the emergence of our Party at a time when other movements for national salvation, from the Can Vuong (pro-royalist) to the bourgeois and petty-bourgeois ones, had failed one after another through historical experimentation. Our people, under the banner of the Party and

developing the nation's traditions of heroism and undauntedness, have conducted a struggle full of sacrifices over many decades, accomplished in the main the tasks of the people's democratic national revolution, and moved on to carrying out the tasks of the period of transition to socialism, there is no reason for them now to turn to another road contrary to the chosen objective. Should the many gains of the revolution, obtained at a price of the blood of so many generations of Vietnamese, now be placed in the hands of forces taking the country on to the capitalist road, which certainly cannot ensure genuine independence for the nation and real freedom and happiness for the overwhelming majority of the people? There is neither any reason for us to "retreat" to the people's democratic stage through which history has already passed. If there are things left unaccomplished or unsatisfactory from the previous stage, let us accomplish them during the period of transition to socialism. That is why our people are determined not to accept any other road than that of socialism.

How to conceive of socialism and the road to socialism in our country, then? Can there be an accurate concept about these, now that socialism is in crisis, both in theory and in reality? In view of the indecision before such major questions, a few of us have raised the issue of the ability of the Party to draw up a Political Programme in the present situation.

It is true that there are certain constraints in terms of theory and practice as we start drawing up the Political Programme. But these do not constitute an unsurmountable obstacle. Socialism has had a history of over seventy years, with both successes and failures, and this is an invaluable source of experience. There have also been the experiences of the past years of renovation, reform and transformation which, by their achievements and shortcomings

alike, have revealed many important issues. These are practical foundations for drawing necessary conclusions under the guidance of a creatively applied Marxist-Leninist methodology. The draft Political Programme strives to follow that direction and, with the intellectual contributions of the entire Party and people, *concepts of socialism and the road to socialism in our country* have been shaped in their essential outlines. Naturally, what perceptions we have reached up to today shall have to be complemented and developed along with the later development of practice and theoretical thinking. Yet, at the present time, those are correct concepts. Here, allow me to draw your attention to certain points in the passage on the characteristics of the socialist society which we intend to build and on the basic directions for attaining such a society. Compared with the draft put forward for comment by Party officials and members and the people, and on the basis of the acceptance of many comments made, the present draft sheds more light on the concept of the socialist society which we intend to build. That is a society with the following characteristics:

- The working people as masters;
- A highly-developed economy based on modern productive forces and public ownership of the principal means of production;
- An advanced culture with a distinctive national identity;
- Man is liberated from oppression, exploitation and injustice, works according to his capacity, receives according to his work, enjoys a life of prosperity, freedom and happiness, and has conditions for the comprehensive development of his personality;
- The various nationalities in the country are equal, united, and help one another for the sake of common progress;

- Relations of friendship and co-operation with the peoples of all countries.

The fundamental directions guiding the process of building socialism also result from the profound reflections and broad intellectual contributions of the entire Party and people, having taken into account the experience of success and failure alike in the practice of building socialism in our country and in others. These directions are of a principled nature, which ensures non-deviation from the socialist goal while imbued with the spirit of renovation and permitting non-repetition of past errors. For instance, in the past, in guiding the revolution in relations of production, we stood for early abolition of the mixed economy, and early establishment of the pre-eminence of public ownership in the national economy; essentially commodity production, and were slow to abolish the system based on bureaucratic centralism and State subsidies. But, in the present draft, the approach guiding the revolution in relations of production reflects the spirit of renovation while ensuring the direction towards socialism, with the following concept: "In accordance with the development of the productive forces, to establish step by step the socialist relations of production from lower to higher levels with diverse forms of ownership. To develop a socialist-oriented mixed commodity economy operating according to the market system with the State control. The State and collective sectors become more and more the foundation of the national economy. To practise various forms of distribution, with distribution according to labour productivity and economic efficiency as the main basis."

Here, allow me to deal with an important point, namely the issue of *proletarian dictatorship*. As we understand it, the fundamental basis of proletarian dictatorship is that political power belongs to the people, in the first place the working class and the

working people (manual and intellectual); that this power follows the path of the working class of which the Communist Party is the vanguard. Applying that principle to Vietnamese conditions, the draft Political Programme writes: "... To build the socialist State, a State of the people, by the people and for the people, with the alliance between the working class, the peasantry and intelligentsia as the foundation, and under the leadership of the Communist Party. To exercise fully the democratic rights of the people, to strictly maintain social discipline, to oppose all violations of the interests of the homeland and the people."

Something should also be said about a new point in the passage just quoted on the issue of the State. What is new is that this time, the Political Programme deals not only with the worker-peasant alliance, but also with the *alliance between the working class, the peasantry and the intelligentsia*. There are a few delegates who do not agree, but the majority of us agree on that approach, regarding it as a very correct and necessary amendment. In fact, whereas in the national-democratic revolution, the intelligentsia already played an important role, in the building of socialism, its role is all the more important. If the working class is deprived of its own pool of intellectuals, and if the workers and peasants themselves do not have their knowledge improved and do not become gradually intellectualized, then socialism cannot be built. In particular, we are living at a time when, along with the process of social revolution, a modern scientific and technological revolution is taking place, having a powerful and all-round impact on the lives of nations, on the process of the development of the world economy, and on the revolutionary processes for social transformation themselves. Therefore, the role of the intelligentsia is becoming ever more important.

Naturally, this does not in the least minimize the role of the workers and peasants, and it would be a grave error if, from recognizing the ever-growing role of the intelligentsia, we came to minimizing the role of workers and peasants, the two basic strata of society.

The working class, the peasantry and the intelligentsia of our country are closely linked to each other by tradition. The reasons are that they all share the same destiny as children of a formerly captive nation, that the majority of intellectuals are of worker or peasant origins and have been raised under the socialist system; that many intellectuals are of other class origins but have, in the revolutionary process, volunteered to stand on the working class platform; and that the intellectuals of our country possess an ardent patriotism and are eager to contribute to the cause of the country's prosperity and the people's well-being. The cause of socialism requires a further broadening of the foundations of the alliance, from worker-peasant alliance to alliance between the working class, the peasantry and the intelligentsia.

II. ON MAJOR DIRECTIONS IN ECONOMIC POLICY

Economic development along the road of socialist construction in our country is that of releasing productive forces, awakening all potential, motivating and creating conditions for all Vietnamese to develop the will for self-reliance, industry and thrift in building and defending the homeland, striving to achieve prosperity for themselves and for the country. *The cause of economic development places man in the central position, combining economic development with social justice and progress.*

In the nineties, it is vital to surmount difficulties and trials, emerge from the crisis, stabilize the socioeconomic situation, strive

to overcome the state of being a poor and underdeveloped nation, improve the living standards of the people; to build up the social and economic infrastructures, develop education and training, enhance scientific and technological capacity in response to the requirements of these decades and in preparation for the future; to consolidate national defence, firmly maintain political security, social order and public safety; and to ensure an environment of peace, stability and co-operation in the interests of economic development. The achievement of these objectives demands an approximately doubling of our Gross Domestic Product by the year 2000 as against 1990.

To that end, we stand for *the consistent implementation of the policy on a socialist-oriented mixed economy*. All citizens are entitled to freedom of business activity in accordance with the law, and to guarantees as to legal ownership and income. Different forms of ownership may be combined or integrated with a view to establishing a variety of business organizations. All enterprises, regardless of their ownership relations, are granted autonomy in business, co-operation and competition, and are equal before the law.

The State economy is to be consolidated and developed in key sectors and subsectors, to retain important enterprises, and to undertake activities that other economic sectors are not able to invest in or operate. It is in this direction that the State sector must be restructured with new technology and administrative organization, be efficient in business, integrate with and support other economic sectors, thus playing the *leading role* and functioning as an instrument of macroeconomic management by the State. As for units for whom State-run status is no longer necessary, it is necessary either to change their form of business and ownership or to dissolve them, at the same time tackling the issues of

employment and living conditions for their workers. The tendency which underestimates the State economy, which advocates unrestrained privatization, and which holds that the shift to a market system must go hand in hand with privatization of all the means of production - that tendency is wrong. Naturally, neither is it correct to maintain and develop the State economy unrestrainedly nor prolong the system based on State subsidies.

The collective economy is to renovate its organization and mode of operation so as to achieve practical efficiency, to develop in a widespread and diversified manner in various sectors and occupations, with different scopes and scales of collectivization. In order to develop and combine the strength of the collective and the members of agricultural co-operatives, we regard co-operative members' households as autonomous economic units while strengthening the role played by co-operative managing boards in controlling and administering production, in organizing services in the processes and fields that the member's households are unable to operate in or do so with less efficiency than the collective. Together with the authorities and mass organizations, the co-operative is to contribute to the implementation of social policies and the building of a new countryside.

Land is held under the ownership of the entire people, leased by the State to rural households for long-term use. It is the opinion of the 12th Plenum of the Central Committee ⁽¹⁾ that land must not be privatized, otherwise major class polarization would occur, hampering the planning and building of infrastructure and other material bases, and adding to conflicts in the land ownership system which has traditionally been complicated.

1. The 12th Plenum, 6th term, held on 12-29 May 1991 in Hanoi to discuss preparations for the 7th National Congress of the CPV.

The individual economy, still existing on a fairly large scale, is to be developed in various sectors and occupations in both urban and rural areas and not limited in business expansion. It may either remain independent, or join different forms of co-operatives, or enter into large joint ventures in various forms. Co-operativization is to be implemented on the principles of freedom of choice, mutual benefit and non-coercion.

The private capitalist economy is to operate in those sectors beneficial to the well-being of the nation as defined by the law. The State may join private individuals, both Vietnamese and foreign, in various forms, to set up a kind of business belonging to *State capitalist economy*.

The household economy is not an independent economic sector but is encouraged to strongly develop.

The evolution of different economic sectors in the process of the transition to socialism takes place in various forms in keeping with the nature and level of development of productive forces, enabling a vigorous and effective development of social production.

In order to develop the enormous potential of a mixed economy, it is imperative to *continue with the abolition of the system based on bureaucratic centralism and State subsidies, with a shift to a market system under State management* by means of laws, plans, policies and other mechanisms. Looking ahead to the market, enterprises are to select their areas of operation, kinds of products, organizational scope, technology and forms with a view to maximum efficiency in the context of co-operation and competition. The State has a very important role to play in establishing macroeconomic controls, regulating the market, preventing and tackling adverse occurrences, creating a normal environment and conditions for production-business activities, ensuring

accommodation of economic growth with social justice and social progress. As the representative custodian of ownership by the entire people, the State also has the functions of administering and controlling the utilization of national assets in order to conserve and develop them, clearly defining and setting up a mechanism for the correct implementation of responsibilities and powers of the owner and executive directors of State-run enterprises.

A developed market economy calls for continued efforts to overcome the state of localisation, lack of integration, and isolation. Grassroots units, sectors, the localities and the whole economy are all to promote their comparative advantages, constantly enhance the competitiveness of their products, best respond to the requirements of production and daily life, and strongly and efficiently promote exports and import-substitution. To expand, diversify and multilateralize foreign economic relations of the principles of firm maintenance of our independence and sovereignty, of equality and mutual benefit, to attract external resources with a view to vigorously developing our national potential and resources.

Some people say that owing to our considerable weakness, we should rely mainly on external resources to achieve rapid growth. That way of thinking is still trapped in our traditional dependence on external aid. It should be realized that foreign economic relations must be based on the principles of equality and mutual benefit; therefore they can only be expanded and bring about the best result if they rely on and are directed towards maximum exploitation of all national resources and potential. Self-reliance does not conflict with this; on the contrary, it constitutes a fundamental condition for attract external resources.

Economic growth is closely associated with the process of the building of infrastructure, *restructuring economy in the direction of gradual industrialization* and escaping from a state of agricultural backwardness. Many have proposed that we continue to regard agriculture as being at the forefront of the socioeconomic strategy up to the year 2000. In our circumstances, it is only fair to attach particular importance to the role played by agriculture. However, in order to develop agriculture, industrial potential should be strengthened to meet the needs of agriculture, in terms of both "input" and "output". And only by so doing, can the economy achieve a high growth rate, find considerable sources for accumulation, and effect gradual industrialization of the country. The Party documents set out the direction of economic restructuring as follows: to develop agriculture, forestry and fisheries in combination with processing industries is a task of primary importance if we are to stabilize the socioeconomic situation; at the same time to speed up the pace and increase the proportion of industry, expand the service sector in the direction of fully mobilizing all potential for producing consumer goods and goods for export; to boost prospecting for, exploitation of and processing of oil and gas and other minerals; to develop on a selective basis a number of other industries manufacturing the means of production and infrastructure, prioritizing the development of electricity, transportation, irrigation and drainage, and information and communications.

National industrialization and modernization demand an appropriate technological policy that can make full use of its comparative advantages as a late-comer in the conditions created by the world scientific and technological revolution. There are opinions being expressed regarding the desire to proceed immediately to the widespread use of modern technology. This is

our approach: as the productive forces in our country are still at a low level of development, labour is still excess to requirements, and capital is still limited, we should combine different levels of technology, make full use of available technologies, and step by step improve them while striving to quickly absorb new technologies, selecting areas and processes within each sector and unit capable of moving straight into modern technology. For example, in circumstances where manual work still predominates, modern biotechnology can still be applied so as to alter plant and animal varieties, crops, processing techniques, and so on, to ultimately achieve rapid productivity increases and higher end product quality.

To further boost *education, training, science and technology*, considering it as a supremely important national policy to promote the human factor - the direct driving force for development. In the medium term, to make primary education compulsory, raise the people's intellectual level, provide vocational training for the majority of young people, quickly increase the number of skilled workers, train personnel of different levels, especially managers, businessmen, scientific and technical experts; to pay attention to identifying, nurturing and making proper use of people of talent. To rapidly renew the management system in education, training, science and technology in accordance with a socialist-oriented mixed market economy, closely linking the development of these sectors with production and socioeconomic objectives. To increase State investment on the one hand, and on the other to promulgate policies motivating the entire people and all economic sectors to join in efforts and contribute to this common cause.

In the face of these new productive forces, most countries have enacted educational reforms in order to produce a workforce with an intellectual level capable of responding to scientific and technological advances. We should evaluate recent educational

reforms with a view to working out appropriate options for the future. This is an issue of strategic importance and at the same time an urgent question requiring solutions.

III. ON RENOVATION OF THE POLITICAL SYSTEM AND THE QUESTION OF SOCIALIST DEMOCRACY

We do understand the importance of renovation of the political system. However, the issue here is to find the appropriate content, forms and steps. At this early stage, the Party takes economic renovation as the central focus, developing all potential in order to release productive forces, create plenty of products, and meet the pressing needs of people's daily lives. Simultaneously with economic renovation, we have step by step renewed the political system. Politics is an extremely complicated area. A hasty acceleration of political renewal without the necessary foundations, and incorrect renovation will result in political instability, which subsequently will cause numerous difficulties and hindrances in the whole course of renovation. This is a major lesson drawn from reality in our country as well as from the experience of restructuring and reform in some fraternal countries.

In our political system, the Party assumes the leading role in order to ensure that all power belongs to the people. The people exercise their powers first of all through elected bodies. The National Assembly and People's Councils at various levels are to exercise all the powers entrusted to them by the people. In this regard, some progress has been recorded in the past few years of renovation, although further renewal should be undertaken to satisfy the people's aspirations.

Our Party is determined to overcome evils such as authoritarianism, totalitarianism, and overlaps in the work of the

State and people's organizations. But this must not constitute a reason for committing another major error by loosening the Party's leadership. In addition, we cannot abandon our vigilance against slogans uttered by demagogues demanding that "the Party return all powers to the State and the people." This slogan is in essence nothing more than a scheme to sow division between the Party and the people, a call for the abolition of the leading role of the Party. Experience had clearly shown that once the right to leadership over the State by the Party of the working class is taken away, State power will no longer remain in the hands of the people, and the social system will be altered.

In order to guarantee the leading role of the Party and the relationship between Party and people, *the relationship between the Party and the State* must be properly defined in the first place. The State is entrusted by the people with powers and is responsible before the people for administering all aspects of social life. The Party's leadership should guarantee the development of the initiative and creativity of the State. The effectiveness and strength of the State are in themselves a manifestation of the effectiveness of Party leadership. There is no contradiction here between enhancement of the Party's leadership and the reinforcement of the State's effectiveness, nor any need to sacrifice one for the other; but instead only a unity which is so mutually-invigorating between the leading role of the Party and the managing role of the State.

Revolution is an undertaking of the people, by the people and for the people. The relations between Party and people have always been a question of vital significance to the revolutionary cause. The source of strength that has resulted in victory consists of the Party's integral association with the people. In the conditions of a Party in power, relations between Party and people have their focal expression in the role of the State, and that of the

Fatherland Front and the people's organizations. That is why we should accelerate the renovation of the Party's mode of leadership, renovation of the composition and management mode of the State apparatus, renovation of the organization and operation of the Fatherland Front and the people's organizations, with a view to developing all the material, moral and intellectual potential of all social classes and strata in an expression of national unity, striving for the well-being of the people and the prosperity of the country, for gradual transition to socialism.

The renovation and perfection of our political system is essentially the building of *socialist democracy*. Democracy is the law governing the emergence, development and self-perfection of the socialist political system; it is both an objective of and driving force for the renovation of society.

There can be no democracy without centralism, without State discipline and order, without civic responsibility. Democracy must go hand in hand with the law. Real democracy is distinct from authoritarianism and totalitarianism on the one hand and anarchy on the other. Vigilance is needed against demagogic manoeuvres abusing the banner of democracy in order to create confusion.

There are opinions held by some that there can be democracy only within a pluralistic political system with the existence of opposition parties. In fact, whether there is democracy or not does not depend on a single-party or multi-party system. Under the former Saigon puppet regime, there were dozens of political parties and factions, but nobody would say there was much democracy. A single-party or multi-party system is the reflection and the result of correlation of forces in political struggle

and class struggle. It is therefore the product of the specific historical conditions of each country.

In the context of this country, there is no objective need to establish a pluralistic political system, a multi-party system with opposition parties. Recognition of a multi-party system with opposition parties means facilitating the immediate and lawful surfacing of the forces of reaction and revenge living in the country or returning from abroad to act against our homeland, our people, and our regime. This is something that our people will never accept.

The question that remains is how to ensure full democracy in the conditions of a Party in power. This question really requires a business-like consideration with a high sense of responsibility before the people. Clearly conscious of this, our Party has striven to renovate itself, making great efforts to search for specific and effective mechanisms, forms and methods, permitting the realization of full democracy within the Party as well as in social life, with a view to fully developing the role, strength, self-awareness and creativity of all strata of people in the cause of running the country and society, building and defending the homeland.

Finally, there is another point that deserves attention: assessment of a democracy cannot rely only on the slogans put forward, but on seeing how that democracy is practised in actual life. To see whether a democracy is substantial or simply superficial or fake, whether it is for the majority of the people or simply for a handful of the ruling and exploiting class. This is a fundamental principle on which there should be no ambiguity and confusion.

IV. ON THE PARTY

One of the issues most touched upon during the discussion contributing to the drawing up of the Congress documents is the issue of the Party.

Coming first is the question of the *class nature of the Party*. Through various deliberations the present draft Political Programme and Party Statutes (revised) have come up with the reaffirmation that our Party is the vanguard of the working class, the loyal representative of the interests of the working class, the working people and the whole nation. The Party takes Marxism-Leninism and Ho Chi Minh's thoughts as its ideological foundation and a guiding point for its actions and democratic centralism as its basic organizational principle.

Holding strongly to Marxism-Leninism is a number-one principle of our Party. Loyalty to Marxism-Leninism means grasping firmly its revolutionary and scientific nature, applying it correctly and appropriately to conditions in our country, and contributing to its creative development. We should counter arguments and plots made by hostile forces and opportunists to attack, negate and distort Marxism-Leninism.

What is new in the documents of the present Congress is the fact that along with Marxism-Leninism, our Party upholds *Ho Chi Minh's thoughts*. This is natural, as they result from the creative application of the former to the particular conditions of our country, and in reality, the latter have become a precious intellectual heritage for the Party and the whole nation. The Communist Party of Vietnam is the combination of Marxism-Leninism with the workers' movement and the patriotic movement of the Vietnamese people. President Ho Chi Minh is the most integral personification of this combination, a shining symbol of the combination

between class and nation, nationalism and internationalism, national independence and socialism. For every Vietnamese, Ho Chi Minh's thoughts are infinitely close and linked with the people's boundless affection and love for Uncle Ho Chi Minh in view of his great merits and crystal-clear ethics. Therefore, reference to Ho Chi Minh's thoughts accords with the revolutionary realities of our country, and with the feelings and aspirations of our entire Party and people.

Re-affirming the working-class nature of the Party, we do not dissociate the Party and the class from other strata of the working people, or from the whole nation. Since its inception, the Party has embodied the unity between class and the national elements. The standpoint and interests of the working class themselves require first and foremost national liberation. The Party draws its strength not only from the working class but also from various strata of the working people and from the whole nation. Likewise, the working people and the whole nation recognize our Party as their leader and the genuine representative of their own fundamental interests.

In order to discharge the heavy responsibility entrusted to it by history, our Party considers its *self-renovation, self-rectification and enhancement of its leadership ability* as a requirement of primary importance in the work of building the Party, and as a continuous task to ensure that our Party is always up to its revolutionary obligations. This also constitutes the aspiration and overriding requirement of the people. Renovation and rectification of the Party are aimed at making it strong politically, ideologically and organizationally. The issue of primary importance is continuing to renovate the thinking of the Party, and raising its level of wisdom to a new height. More than ever, to lead the cause of renovation to success, our Party should raise its level of knowledge and practical

organizational ability, ranging from discovering and gaining a firm understanding of the laws governing our social life and of the Party itself, to understanding the world and the times. Only on this basis can the Party put forward correct lines and policies, avoid errors and shortcomings, and have those lines and policies successfully implemented.

The Party enhances its wisdom by ceaselessly raising its theoretical standard, grasping and making creative use of the fundamental viewpoints and methodology of Marxism-Leninism and Ho Chi Minh's thoughts, while never ceasing to assess practical experience from the mass revolutionary movement. The basic direction to enrich the Party's wisdom, to perfect and develop its political line is to promote its theoretical work by assessing reality, reviewing new elements arising every day, every hour in the life of the country and the entire world, and absorbing the intellectual achievements of the whole of humanity.

Another question that has been given attention to and much commented on is the *principle of democratic centralism*. Our Party considers it as a basic organizational principle which distinguishes a new-type working class party, a genuine revolutionary party, from other parties. Negation of this principle is to negate the Communist Party in its very nature. Our Party is against bureaucratic centralism, authoritarianism and totalitarianism, but sticks fast to the principle of democratic centralism. Only by abiding by this principle is it possible to counter both bureaucratic centralism and a state of anarchy and sectarianism, thus ensuring the Party's unity of will and action; and only with this can the Party be endowed with strength and combativeness. The present draft Statutes (revised) lay stress on the full exercise of democracy within the Party. First, it is necessary to guarantee the rights of Party members, especially their right to straightforward and free discussion in

the organization of issues related to the Party's line and policies and their right to criticize and question, within limits, activities of Party organizations and Party members at all levels. These Statutes add the right of Party members to be informed of and to express reservations on ideas. These provisions create the necessary conditions for overcoming a situation where Party committees violate the rights of Party members while the latter remain passive and negative. In the full exercise of democracy, the Statutes at the same time lay stress on the guarantee of discipline, centralism and unity in the Party. Historical experience has shown that once the principle of democratic centralism is neglected, the Party becomes a type of club, paving the way for all types of opportunism, sectarianism and anarchy, eventually leading the Party to organizational disintegration, which also means liquidation of the Party itself.

The various draft documents lay particular emphasis on the reinforcement of *unity and unanimity* in the Party on the basis of Marxism-Leninism, the Political Programme and the principles governing the Party's organization and life. Unity constitutes a precious tradition of our Party and people, an invaluable heritage left to us by President Ho Chi Minh, and a true source of strength for revolutionary victory.

In order to maintain unity and unanimity in the Party, it is necessary to exercise full democracy in Party life, step up self-criticism and criticism in a straightforward and honest manner, with comradeship, mutual respect and affection. It is necessary to struggle without compromise against individualism, departmentalism, egoism, localism, opportunism and all manifestations of sectarianism in the Party. Retaliation against criticism is strictly forbidden; so is abuse of criticism for individual offences, calumny and division. Today, in the face of new issues in

the country and throughout the world, different opinions often emerge in the Party. This is normal. Debate aimed at common objectives and interests, in a principled manner and for the sake of truth, will not lead to disunity. On the contrary, easy unanimity often leads to superficial and transient unity. When every Party member, regardless of function, age, and so on sees the need to preserve intra-Party unity as the apple of his eye, stands totally for the truth and the common interests of the Party, and behaves in a principled manner and not from individual motives, then our Party's tradition of unity will be safeguarded.

During the process of discussing the Congress documents, there are numerous references to *the issue of Party officials and members, and that of the organizational apparatus of the Party and the State*, in the desire to see our Party vigorously renovated in these fields.

Now that the Party is in power, each Party member, regardless of his or her position, should remain an exemplary citizen; should strive to raise his qualifications in all fields so as to conform with the requirements of new tasks; should by his creative labour, contribute to eliminating poverty and backwardness, and improving the people's living standards; and should set a good example in law abidance and ethical lifestyle. A Party member should carry out effectively the work of motivating and organizing the masses to implement the decisions and policies of the Party and State. Party organizations and Party members should operate within the framework of the Constitution and the law. Party members, like other citizens, are equal in obligations and interests, with no one enjoying prerogatives and privileges. A Party member should take serving the people and his devotion to the ideals of the Party, as the *raison-d'être* of his life.

To improve the quality of Party members is currently an urgent need. It is necessary to deal resolutely with retrogressive and corrupt Party members; to admit to the Party persons who are really outstanding in the cause of renovation. By purifying the ranks of the Party, we can increase not only the Party's combativeness, but also the people's trust in the Party.

Personnel and their work really remain a requirement, both basic and urgent, and need to be renovated in terms of outlook, methods, policies and organizational matters, not only to meet the requirement of national construction at present, but also to prepare revolutionary generations to inherit the cause of our Party and nation in the future. The fight against conservatism and sluggishness is necessary; while oversimplification on the renovation of personnel and their work is not advisable. Our country is not short of talent; the question is to have proper policies and mechanisms in place to spot, nurture and make good use of talented people.

The renovation offers an opportunity for selecting and testing the body of officials. The Party should be clear-sighted and sober, have an objective and total outlook, and through practical activities, take results in the fulfilment of tasks as the main yardstick for an accurate evaluation of officials. To discover in time young potential workers, while knowing how to make efficient use of older and experienced officials. It is necessary to solve satisfactorily the relationships between various generations of officials, meeting the present requirement of renovation while preparing for the future development of the country.

V. INITIAL ACHIEVEMENTS OF RENOVATION AND MAIN TASKS AND DIRECTIONS FOR THE COMING YEARS

Over the past four years, in implementing the 6th Congress Resolution, our entire Party and people have carried out an all-round renovation, gradually overcome past errors and shortcomings, and opened up new directions and ways for emerging from socioeconomic crisis and taking gradual steps forward. Renovation - an undertaking full of difficulties, demanding arduous searching, much creativeness and courageous experimentation - has been all the more difficult for us over the past few years as our country has been hit by the adverse impact in many aspects of complex developments in the world situation.

In the course of renovation, we have achieved successes, but made mistakes and blunders as well. It is vitally necessary to make a correct assessment of the nature of and trends in the situation and draw correct conclusions serving as a basis upon which to determine directions for the coming years. The discussions of the draft Congress documents have come up with the quasi-unanimous assessment that the task of renovation has recorded very important initial achievements, testifying to the correctness of the line of renovation traced by the 6th Congress and the basic relevance of the steps taken in renovation.

The Congress documents, especially the Political Report, further elaborate on those particular achievements. Here only their significance is mentioned.

We have made initial economic progress, first and foremost in agriculture and especially in staple food production; taken a step in curbing inflation, and reduced to a certain extent difficulties in the people's living conditions. We have achieved progress

in exports and in improving considerably the export-import balance at the exact time that our foreign economic relations have been affected by sudden changes, international aid reduced substantially, the source of loans from outside to plug the budget deficit stopped and the import capacity of traditional markets drastically diminished. It can be said that recent economic progress has helped our country to emerge from a critical test. Naturally, one should not forget that this economic progress has come about not only as a result of the past few years of renovation, but also thanks to the effect of the correct policies and numerous construction projects carried out over many previous years.

Of importance is the fact that the economy is undergoing significant changes both in terms of structural readjustment and renovation of the management system. A mixed commodity economy has been established to an initial degree which operates according to a market system under State management. Important adjustments have been made to the pattern of investment and structure of production towards concentrating more resources on the three economic programmes, meeting more efficiently the needs of the domestic market and initially promoting the expansion of relations with the world market.

The initial progress made in the fields of economic construction, living conditions and social democratization, together with the achievements recorded in national defence, national security and foreign relations, has contributed remarkably to restoring, to an initial degree, the people's confidence in the future of socialism and in the Party's leadership. This is a factor of vital significance, ensuring our country's political stability under the complex impact of the current international and domestic situation. The general picture of our country, from the socioeconomic, political and socioideological

points of views, represents a change for the better, easily recognizable by everyone including foreigners.

The achievements recorded in the past four years and more have lessened to a certain extent the acuteness of the crisis. Experience gained in the course of renovation has shed more light on the path to socialism in our country. In reality, since the 6th Congress, we have changed the direction of our perception of and line on socioeconomic construction and development as well as in many domestic and foreign policies, consequently bringing about a change in the habits and way of thinking of the whole society. Many new methods have emerged. Reality has proved that this change of direction is a correct one. It can be said that it is the most important gain of the past four years and more of renovation, carrying fundamental and long-term significance.

Naturally, we should not overestimate our achievements. We should not forget that our country has not emerged yet from socioeconomic crisis. We cannot underestimate the factors likely to cause political instability. Inflation remains high and its causes have not been eliminated. Production remains in a slump in many aspects. Unemployment and underemployment is on the increase. The people's living conditions are still fraught with difficulty. The deterioration in many respects in the sociocultural field has not been halted. Corruption, social injustice and other negative phenomena remain rampant, social order and public safety remain in a confused state, while law and social discipline are not yet stringent enough.

While we assert the necessity of renovation, especially in economy, we should also see the other side of this task. To change a basically localised and self-sufficient economy based on bureaucratic centralism and State subsidies into a mixed

commodity economy operating according to a market system under State management is an absolutely correct and necessary option with a view to releasing and developing the productive potentialities of society. But it would be a mistake to assume that the market economy is a panacea. While being a stimulus to the development of production, the market economy also provides an environment for many social ills to emerge and flourish. There has emerged a tendency to get rich at any cost, even by fraud, crime and other violations of the law, and blatant encroachments upon human conscience and dignity. A decadent way of life catering to low-level tastes and unhealthy culture, as well as retrograde customs and superstitious practices, is reviving and growing. A segment of the young generation have lost ideological motivation and opted for a materialistic way of life. Quite a few Party officials and members holding different positions, including some who had made considerable contributions to the revolution, have lapsed into retrogression and corruption. In order to limit and do away with those negative phenomena and make sure that renovation goes in the right direction and the great nature of socialism is promoted, the Party, the State, the Fatherland Front and other people's organizations should perform effectively their role of leading, managing, organizing and educating. This is no easy struggle, allows for no slackening of effort and should be undertaken with determination, perseverance and good methods.

The practice of the more than four years of renovation has proved the irrelevance of the observation that we have carried out a mere formality and half-measure. Short of careful considerations regarding steps to be taken, renovation would fall inevitably into error. On the other hand, those who deny or underestimate the achievements of the task of renovation and wish to go back to the old ways are absolutely wrong (though they may be inspired by

well-justified concern and indignation at the social ills arising in the course of renovation).

Our country faces acute challenges over the coming five years. The pressing demand of the people is for the country to emerge from socioeconomic crisis and for an improvement in living standards. Whereas international aid has decreased substantially, foreign debts have increased and the country is still subject to an economic embargo by certain international forces. Hostile forces are undertaking overt and covert acts of sabotage and applying pressure from different directions, and carrying out a "peaceful evolution" scheme with many heinous manoeuvres. National defence remains an important task.

On the other hand, we have major opportunities for development provided that we undertake renovation in the right way, apply the appropriate policies and methods to continue releasing productive forces, developing our economic potential; and at the same time, making good use of opportunities for the expanding of our foreign relations and increasing our participation in international division of labour, attracting sources of foreign capital, technology and experience in the cause of national construction.

Our objectives for the five coming years are to overcome the immediate acute difficulties, strengthen political stability, bring the country basically out of the socioeconomic crisis and achieve some of the targets of the strategy for socioeconomic stabilization and development up to the year 2000. The directions for attaining these objectives are to unite and mobilize the people of all strata in carrying out the two strategic tasks of building socialism and defending the homeland and revolutionary gains, to continue complementing and completing the policy of renovation and undertake renovation in a more harmonious, consistent and effective

way, developing good points and achievements, overcoming shortcomings and difficulties, preventing new deviations that may arise.

On the basis of the main tasks defined in the Political Report and having received numerous suggestions and recommendations from Party officials, members and the people, the Central Committee proposes that the following tasks be carried out with resolute effort:

1. The most important task, both fundamental and urgent, is to *strive to boost production*. On the basis of continuing to build up ever more harmoniously a socialist-oriented mixed commodity economy operating according to a market system under State management, we are to muster all the material and intellectual potential of society, science and technology as a driving force, and the power of education, culture and ideology in speeding up the tempo of economic development with high productivity, quality and economic efficiency.

We continue to consider it a task of primary importance for socioeconomic stabilization to develop agriculture, forestry and fisheries in conjunction with processing industries, first and foremost to ensure the supply of staple and non-staple foods.

In developing the various economic sectors, in the fields of both production and services, we should pay attention to tapping the potential of and developing our comparative advantages in order to best meet the needs of production and life at home and to gear our economy vigorously in the direction of export.

The development of heavy industry and infrastructure should be carried out selectively, commensurate with the strength of the economy, and should be geared in the first place towards serving

effectively the three economic programmes and creating the foundation for subsequent phases of development.

The urgent question for industry, small industry and handicrafts production in all economic sectors at the present time is to search for every possible source of raw and basic materials, equipment, spare parts and capital in order to maintain production, to expand consumption at home and abroad, to exercise strict control over imports and combat smuggling so as to protect domestic production, to economize to raise product quality and economic efficiency in production and business, to handle the problem of continually loss-making enterprises, to concentrate capital and basic materials in key and efficient enterprises.

Along with boosting production, it is necessary to restructure distribution, renovate, reorganize and raise the efficiency of State-run trade, to guide the non-State trade and services sectors to operate in the right direction.

2. It is necessary to continue *perfecting the new economic management system*, firstly in the areas of finance and banking with a view to resolving difficulties for production enterprises, to continue checking and curbing inflation, prevent negative practices in production, business and services, and to create favourable conditions for the expansion of international co-operation.

We should quickly *formulate a national financial policy* and carry out a radical reform of State finances in the direction of both stimulating production and business, creating and accumulating capital in economic units, and ensuring accumulation of capital for the State budget, to create conditions for and at the same time put pressure upon economic units to look for every means of improving business efficiency, to distribute national

income rationally, gradually raise the rate of accumulation, economize and ensure social justice.

We are to continue restructuring the operations of the *banking* system, carrying out correctly the functions of both State banks and business banks, making a clear-cut delineation between finance and credit, and applying the concept of share-holding banks. Banks should improve their operations in order to live up to their role as monetary, credit and clearing centres for all economic sectors, which regulate liquidity on a nationwide scale, attract idle money from all available sources in society and encourage the people to reduce expenditure and accumulate money for the development of production. Order should be re-established as regards cash utilization and management in State bodies and economic organizations. The problem of mutual misappropriation of capital and debt insolvencies in production and business enterprises should be solved and the value of the Vietnamese currency gradually stabilized. Control of foreign currency should be effected through the banks, foreign currency used in a well-organized manner, a legal foreign exchange market established, and foreign banks allowed to operate in Vietnam in accordance with Vietnamese laws.

In order to help in the fight against inflation, one of the main measures is to *strictly economize* in production, construction and consumption. The State and economic, administrative and professional units should establish specific mechanisms and regulations for the effective implementation of this measure.

3. Both Party and non-Party members in grassroots units as well as at the recent Party congresses at various levels have shown much interest in and concern about matters related to *social policy*. This interest and concern are well justified. The documents have

presented the fundamental contents of social policies in which a *major direction* is highlighted, i.e. the main aim and driving force for development are for man and by man, first and foremost the worker. That is also the identical goal of both economic policies and social policies - all for the benefit of man.

The documents have also presented the specific directions and tasks in social policy. Here only a few points are dealt with.

Matters related to social policy are really diverse and complex. In each country and at each level of development, there are different social problems to be solved. In our country, when we enter the period of building socialism there is a host of social problems urgently needing solution. *First*, there is the kind of problem left by history and war, such as the caring of those who rendered meritorious services to the homeland and the revolution, the providing of relief aid to orphans and the victims of war, and social evils, and so on. *Secondly*, there are the kinds of problems which arise in a backward, underdeveloped economy and society, such as unemployment, low living standards, high population growth rate, superstition and so on. *Thirdly*, there are newly emerging problems such as social problems related to the development of a mixed commodity economy, the switch to a market system, the problem of land in the countryside, wage and social insurance policies, population distribution, building of new economic zones, streamlining of staff at public offices, and reduction of military forces, and many more.

How do we handle those problems? We are of the opinion that it is impossible to solve simultaneously these urgent

problems when social productivity remains low and State budget revenue always fall short of the expenditure requirements. *It takes time to solve these step by step and in keeping with the rate of economic development.*

We should mobilize all the energies of the State and people, at central and local levels, in a concerted effort to solve matters related to social policies. To set up social security funds for people in all economic sectors, to develop charitable and humanitarian societies in order to develop our people's tradition of humanism and mutual assistance and at the same time supporting the State in solving social problems.

In the coming five years, we should concentrate our energies on solving some of the most acute problems in the range mentioned above.

These are questions such as reducing the population growth rate, providing jobs for working people, firstly in the urban areas, to demobilized soldiers and school graduates, in the direction of the State providing the mechanism, policies, environment and vocational training and the working people seeking jobs that suit them. Reforming the wages system in such a way as to ensure reproduction of labour-power; monetizing wages and salaries; abolishing egalitarianism in wage and salary payments and linking wage reform with restructuring and staff streamlining; attending to those who have rendered meritorious services to the country; improving to a certain extent the living standards of the working people in terms of working conditions, food, housing, education, health care, travel and rest,

paying special attention to mountainous and border regions as well as ethnic minorities.

4. *We must firmly defend the independence, sovereignty and territorial integrity of the homeland, national security, social order and public safety; consolidate the armed forces and law-enforcement bodies, enabling them to maintain social order and discipline, to actively guard against and combat all acts of sabotage from within and without and in all fields of activity.*

The execution of these urgent socioeconomic tasks should be closely linked with the fight against corruption and smuggling. This battle has now become a political task for the whole Party and people with a view to purifying the State apparatus and building healthy social relations. Any corrupt or illegal act once discovered, should be punished severely, speedily and commensurate with the severity of the crime. Any act harmful to the interests of the people and society should be considered a crime and be severely punished by State laws, without giving immunity to anyone.

5. The Party and the State must continue *renovating the personnel and their work*, speedily replacing incompetent ones, punishing those with deviationist viewpoints or violating Party discipline and State laws, renovate and perfect the system for selecting and retraining officials, especially management officials at various levels, in order to meet the requirements of renovation and of the steady transition from one generation of officials to another; *we must rapidly perfect the State apparatus*, heighten its management effectiveness, establish order and discipline in the economy and society, thus making the State truly an organ of

power of the people, by the people and for the people; set about revising the Constitution and lead and organize the implementation of the revised Constitution; reform the administrative system with a view to building up a strong State executive and administrative management system from central to grassroots levels; alter those systems and policies that create loopholes for bureaucratism and corruption to grow; intensify control and inspection work and rapidly solve emerging problems.

Together with State bodies, the Party apparatus and people's organizations should also be revamped to become well-streamlined, highly qualified and efficient.

6. The over-riding task in *foreign relations* in the immediate future is to firmly maintain peace, expand relations of friendship and co-operation, create favourable conditions for the building of socialism and defending of the homeland, contributing an active part to the common struggle of the peoples of the world for peace, national independence, democracy and social progress.

We stand for equal and mutually beneficial co-operation with all countries regardless of sociopolitical regimes, on the basis of the principles of peaceful co-existence.

To consistently promote solidarity and co-operation with the Soviet Union, renew the system and improve the efficiency of Vietnamese-Soviet co-operation in the interests of both countries.

To continuously consolidate and develop the special relations of solidarity and friendship between our Party and people and the fraternal parties and peoples of Laos and Cambodia; to

renew the form of co-operation, with attention given to efficiency on the principles of equality and respect for each other's independence, sovereignty and legitimate interests; to endeavour to contribute to an early and comprehensive political solution to the Cambodia problem on the basis of respect for Cambodia's sovereignty and the UN Charter.

To promote the process of normalization of relations with China, expand step by step Vietnamese-Chinese co-operation, and solve existing problems between the two countries through negotiations.

To consolidate the relations of friendship, solidarity and mutually beneficial and equal co-operation with Cuba and other socialist countries.

The Communist Party of Vietnam undertakes to strengthen relations with communist and worker's parties and actively contribute to co-operation among fraternal parties on the basis of the struggle for the noble objectives of our times.

To stand in solidarity with all forces struggling for peace, national independence, democracy and social progress, and is ready to establish and expand its relations with social-democratic parties and democratic and progressive movements throughout the world.

To develop relations of solidarity and mutual confidence and raise the efficiency of our many-faceted co-operation with India; to continue expanding our co-operation with other developing countries; and actively contribute to consolidating and strengthening the Non-Aligned Movement.

To develop friendly relations with countries in South-East Asia and the Asia-Pacific region, striving for a South-East Asia of peace, friendship and co-operation; to expand co-operation on an equal and mutually beneficial basis with northern and Western European countries, Japan and other developed countries; and advance the process of normalization of relations with the United States.

To contribute to making the United Nations serve better the objectives of mankind, namely peace, friendship, co-operation and development; to co-operate with international financial and monetary agencies, as well as specialized UN agencies and non-governmental organizations.

With a wide open foreign policy, we declare that Vietnam wishes to befriend all countries in the world community and strives for peace, independence and development.

The coming five years will be a time of trials but also of promise for our people. Endowed with an innate tradition of patriotism and a revolutionary nature, with intelligence and creative talent, our people do not resign themselves to poverty and backwardness. Our Party has the great historical responsibility of leading the people in overcoming trials, seizing every opportunity, continuing to carry out successfully the cause of renovation, taking our economy and society out of crisis, improving the people's living standards, firmly defending the homeland and advancing towards successful construction of socialism in our country in the direction traced by the Party's Political Programme. That is the ardent aspiration of the entire Party and people and of our beloved Uncle Ho. With the

fulfilment of this historical responsibility, our Party, together with our people, will render a worthy contribution to the common cause of the peoples of the world for peace, national independence, democracy and socialism.

Our cause will certainly be victorious!

POLITICAL PROGRAMME FOR NATIONAL CONSTRUCTION IN THE PERIOD OF TRANSITION TO SOCIALISM

I. THE REVOLUTIONARY PROCESS AND LESSONS DRAWN FROM EXPERIENCE

1. Carrying out the Political Programme of 1930, throughout 45 years our Party, founded and trained by President Ho Chi Minh, has led our people in waging a protracted and difficult revolutionary struggle and recording great successes: the victorious August Revolution and the founding of the Democratic Republic of Vietnam, taking our nation into the era of independence and freedom; the victory over the French colonialists' war of aggression, liberating half of the country and ushering the north into the stage of socialist revolution; the victory in the anti-US war of resistance for national salvation, liberating the south, reunifying the homeland, and taking the whole country into the period of transition to socialism.

After the historic victory of spring 1975, further upholding patriotism and revolutionary heroism, our people have scored major achievements: establishment of people's power throughout the south; national reunification; economic rehabilitation and

overcoming of the heavy consequences of war; gradual installation of the new relations of production and the infrastructure of socialism; firm safeguarding of the homeland; and fulfilment of internationalist obligations.

In the socialist revolution, our Party has exerted great efforts in searching and researching in order to draw up general policies and precisely define socialist objectives and directions. However, it has committed errors originating from subjectivism and voluntarism and violating objective laws: haste in socialist transformation, willingness to promptly abolish the mixed economy; over-acceleration, at certain times, of the development of heavy industry; long-overdue overhaul of an economic management system based on bureaucratic centralism and State subsidies; many erroneous decisions related to price, monetary and salary reforms. Many serious shortcomings in ideological, organizational and State employee work have been made.

At its 6th Congress, the Party engaged in self-criticism and mapped out the line of renovation. The 6th Congress was an important historic landmark in our people's cause of socialist revolution. After more than four years, the work of renovation has recorded very important initial achievements. The socioeconomic situation has seen positive changes, creating a forward momentum and asserting the correctness of the path we are taking. However, there remain many difficulties, and the country has not yet emerged from socioeconomic crisis.

2. From the realities of the revolution, with successes, shortcomings and errors, the following major lessons may be drawn:

First, to hold firm the banner of national independence and socialism. This is one lesson running through our country's revolutionary process. National independence is a prerequisite for

the realization of socialism, and socialism is the basis for the firm safeguarding of national independence. To build socialism and safeguard the homeland remain two organically inter-related strategic tasks. The whole Party and the entire people will continue to hold firm the banner of national independence and socialism, the glorious banner handed down by President Ho Chi Minh to the present and future generations.

Second, the revolution is the cause of the people, by the people and for the people. It is the people that have achieved historic successes. All the activities of the Party must derive from the people's legitimate interests and aspirations. The Party's strength lies in its close ties with the people. Bureaucratism, authoritarianism and isolation from the people will cause immeasurable harm to the country's destiny.

Third, to constantly consolidate and strengthen unity: unity of the whole Party, unity of the entire people, national unity, international solidarity. Unity is a precious tradition and a major lesson of our country's revolution, as President Ho Chi Minh states: "Unity, unity, great unity. Success, success, great success!"

Fourth, to combine the strength of our nation with that of our time, to combine national with international strengths. Nowadays, in light of the struggle by peoples of the world for peace, national independence, democracy and social progress, of the stormy development of the modern scientific and technological revolution, and of the powerful internationalization of the world economy, it is all the more necessary to combine closely national with international factors, and the tradition with modern factors, so as to take the country forward.

Fifth, the correct leadership of the Party is the primary factor guaranteeing the success of the Vietnamese revolution. The Party

has no other interest but serving the homeland and the people. The Party should grasp firmly, apply creatively and help develop Marxism-Leninism and Ho Chi Minh's thoughts, and constantly enrich its own intellect, political prowess, and organizational ability, so as to be capable of solving the problems posed by realities of the revolution. All Party directions and policies should *stem from reality and abide by objective laws*. The Party should be capable of preventing and fighting dangers such as errors in policy directions, bureaucracy, and retrograde tendencies and degeneration of Party officials and members.

II. TRANSITION TO SOCIALISM IN OUR COUNTRY

3. Our country is going through a period of transition to socialism at *an international juncture characterized by great and profound changes*.

The scientific and technological revolution is vigorously unfolding, involving all countries to differing extents. Material production and social life are in a process of far-reaching internationalization, making a great impact on the pace of development of history and the life of nations. These tendencies both offer opportunities for countries to develop rapidly, and pose acute challenges especially for economically backward ones.

In the process of establishment and development, the Soviet Union and the other socialist countries have recorded great achievements in many fields; they once served as a solid mainstay of world peace and revolutionary movements and for combating the danger of nuclear war, and have made important contributions to the struggle for peace, national independence, democracy and social progress. But, owing to long-accumulated defects in the old model of socialism and lagging behind in the scientific and

technological revolution, many socialist countries have found themselves in a grave crisis. In certain countries, communist and workers' parties have ceased to play the leading role; the social regime has changed. Taking advantage of those errors and difficulties, imperialist forces have stepped up a ruthless counter-offensive with a view to wiping out the socialist countries. The contradictions between socialism and capitalism are unfolding fiercely.

At present, capitalism still retains the potential for economic development, thanks to the application of new scientific and technological achievements, improvement of management methods, alteration of production structures, and modification to forms of ownership and social policies. Nevertheless, capitalism remains a regime of oppression, exploitation and injustice. The innate fundamental contradictions of capitalism, between the ever-growing socialization of productive forces and capitalist-private ownership, has become ever more acute. The contradictions between broad sections of the population and the bourgeoisie and between the capitalist monopolies, the transnational corporations and the major capitalist centres continue to develop. The contradictions between developed capitalist countries and the developing countries are ever increasing. It is the evolution of all these contradictions and the struggle of the working people of those countries that will decide the fate of capitalism.

Nationally independent and developing countries have to carry on an extremely difficult and complex struggle against poverty and backwardness, against colonialism in all its forms, and against interference and aggression by imperialism, for the defence of national independence and sovereignty.

The people of all countries are facing urgent global problems with a bearing on the face of mankind, namely the safeguarding of

peace, avoidance of the danger of war, preservation of the living environment, curbing of the population explosion, and prevention and eradication of dangerous diseases. Finding solutions to these problems will require co-operation and a great sense of responsibility from all nations.

A striking characteristic of our time is the sense and complex class and national struggle of the people of different countries for peace, national independence, democracy and social progress. Socialism is now facing numerous difficulties and challenges. The history of the world is following a tortuous path; but *finally mankind will certainly advance to socialism, for this is the law of evolution of history.*

4. Our country is going through the period of transition to socialism, bypassing the capitalist system, from a once colonized and semi-feudal society with an extremely low level of productive forces. It has undergone decades of war, which have had drastic consequences. Vestiges of colonial and feudal times remain. Hostile forces have constantly tried to sabotage the socialist system and the national independence of our people.

However, we also enjoy certain advantages: political power belongs to the people, and the country has entered the stage of peaceful reconstruction. Ours is a heroic nation with an intense desire to progress. Our people are profoundly patriotic, hard-working and creative. We have managed to build some initial infrastructure. The scientific and technological revolution, coupled with the trend towards internationalization of the world economy, represent an opportunity for development.

Going through the period of transition to socialism against such a national and international background, we have to continue to *uphold our spirit of self-reliance, utilising all the*

nation's material and intellectual potential while expanding co-operative international relationships, searching out appropriate steps, forms and measures for the successful building of socialism.

The socialist society that our people aim to build is one:

- in which the working people are the masters;

- with a highly-developed economy based on modern productive forces and on public ownership of the principal means of production.

- with an advanced culture with a distinctive national identity;

- where man is liberated from oppression, exploitation and injustice, works according to his capacity, receives according to his work, enjoys a life of prosperity, freedom and happiness and the right conditions for all-round personal development;

- where the different nationalities are joined by bonds of equality, solidarity and mutual assistance in the interests of common progress;

- maintaining friendly and co-operative relations with the people of all countries of the world.

To attain our objective, namely to make our people prosperous and our country strong along the path to socialism, the most important thing is for us to change radically our state of socioeconomic underdevelopment, and triumph over forces hindering the realization of that objective, in the first place elements hostile to national independence and socialism.

In the process of building socialism and safeguarding the homeland, the following *fundamental directions* should be firmly grasped.

First, to build up the socialist State, a State of the people, by the people and for the people, with the alliance of the working class, peasantry and intelligentsia as its foundation, and under the leadership of the Communist Party. To realize fully the people's democratic rights, to strictly maintain social discipline, and suppress all actions violating the interests of the homeland and the people.

Second, to develop productive forces, to industrialize the country in the direction of modernization, combined with the development of a comprehensive agriculture, regarding this as a central task in order to put in place step by step the infrastructure of socialism, and to constantly raise social labour productivity and the people's living standards.

Third, commensurate with the development of productive forces, to gradually establish socialist relations of production from the lowest to the highest levels and with diversified forms of ownership. To develop a socialist-oriented mixed commodity economy operating within a market system under State management. The State and collective sectors to become ever more effectively the foundations of the national economy. To apply various forms of distribution, with distribution according to the result of work and the degree of economic efficiency as an essential basis.

Fourth, to carry out the socialist revolution in the ideological and cultural spheres, ensuring for the Marxist-Leninist world outlook and Ho Chi Minh's thoughts and morality a guiding role in the intellectual life of society. To inherit and develop the fine cultural traditions of all nationalities in the country, to absorb the cultural quintessence of mankind, to build a democratic and civilized society which cares for the genuine interests and dignity of man and aims at ever higher intellectual, ethical, physical and

aesthetic standards. To fight retrograde ideology and culture, which run counter to the fine traditions, the noble values of mankind, and the path to socialism.

Fifth, to implement a policy of national unity, to consolidate and broaden the National United Front, to rally all forces in a common endeavour to make the people prosperous and the country strong. To carry out a foreign policy promoting peace, co-operation and friendship with all countries; to adhere faithfully to working class internationalism, to unite with other socialist countries and all forces struggling for peace, national independence, democracy and social progress throughout the world.

Sixth, building socialism and defending the homeland are the two strategic tasks of the Vietnamese revolution. While placing at the forefront the task of national construction, our people will always maintain their vigilance, consolidate national defence, ensure political security, social order and safety, and safeguard the homeland and revolutionary gains.

Seventh, to build a Party which is ethical, politically, ideologically and organizationally stable and equal to its tasks, to ensure that the Party will fulfil its responsibility to lead the socialist revolution in our country.

The *overall objective* to be attained by the end of the period of transition is the basic putting in place of the economic basis of socialism, coupled with an appropriate political, ideological; and cultural superstructure, to make ours a prosperous socialist country.

The transition to socialism in our country is a long process involving many stages. The *objective of the initial stage* is to bring about, through all-round renovation, a firm stabilization of society, creating the necessary momentum for swift development in subsequent stages.

III. MAJOR DIRECTIONS FOR SOCIOECONOMIC, NATIONAL DEFENCE AND SECURITY, AND FOREIGN POLICIES

5. *To develop a socialist oriented mixed commodity economy.* The State sector to play a leading role. The collective sector to be consolidated and constantly expanded. The individual sector to retain a fairly large presence, and to gradually embark upon the co-operative path on the principles of voluntariness, democracy and mutual benefit. Private capitalism is entitled to do business in sectors beneficial to national interests and people's living standards as provided for by law. To develop the State capitalist sector in various forms. The family economy is greatly encouraged; nevertheless it is not an independent sector. The different forms of ownership to be mixed and interwoven with each other into diversified economic organizations. The economic organizations to be autonomous, and to engage in integration, co-operation and competition in production and business.

By the end of the period of transition, to have established in the main an industrial economy with an *economic structure composed of industry, agriculture and services* and associated with an ever broader international division of labour and economic co-operation.

In the process of transforming a backward economic structure into a modern one, the national economy shall be composed of many sectors and trades, many areas, and many technological levels. To develop agriculture, forestry and fisheries in association with processing industries and the building of a new countryside, constitutes a primary task to stabilize the socioeconomic situation. To boost industries producing consumer goods and goods for export, to expand external economic relations, to develop service activities, to build an integrated infrastructure. To build heavy

industries with appropriate steps, in the first place in sectors directly serving agriculture. To promote specialization and economic integration among different regions and localities. To set up regional economic centres with a view to integrating industry with agriculture and urban with rural areas, and increasing the flow of commodities.

To completely abolish a management system based on bureaucratic centralism and State subsidies, to establish a *market system under State management* by means of laws, plans, policies and other mechanisms. To build and develop in a concerted manner markets for consumer goods, basic materials, services, capital, labour, etc. To ensure smooth economic interchange throughout the country and with world markets. To define the rights of the owner and user of the means of production and the management rights of the State in the economic domain, to ensure that every means of production comes under someone's control and that all economic units are autonomous and responsible for the outcome of their business activities. To renew and improve the State's effectiveness in providing guidance, control and regulation.

Science and technology play a key role in the development of productive forces and improvements in management standards, ensuring the quality and rate of growth of the economy. Strategies regarding science and technology should aim at modernization-oriented industrialization, and at striving to reach advanced world standards. To make more efficient use of, and quickly increase the country's scientific and technological potential. To develop integrated social sciences, natural sciences and physical sciences along with education and culture and raising the people's intellectual standards.

Education and training are closely linked to the development of the economy, science and technology and the shaping of a new culture and the new man. The State to have a comprehensive policy ensuring compulsory education commensurate with the needs and capacity of the economy, developing special skills and nurturing talent.

State policies regarding science and technology, as well as education and training, should be considered as having paramount importance.

6. The correct *social policies* for people's happiness constitute a major driving force for tapping all the creative potential of the people in the building of socialism.

The major direction for our social policies is to develop the human factor on the basis of ensuring justice and equality in terms of civic rights and obligations; to effectively combine economic growth with social progress, material with intellectual life, immediate needs with long-term interests, and the individual with the collective and the social community.

Social policies to ensure and constantly improve the *material lives* of all members of society in terms of food, housing, travel, education, rest, health care and physical development. The State to create the environment and conditions to ensure employment for all working people and to see to the improvement of working conditions. To encourage income generation and enrichment as a result of work. To draw up policies guaranteeing and rationally regulating the incomes of the different population groups, sectors and regions. To radically reform the wages system in the State sector on the principle of income distribution according to work. To pay attention to improving the situation of mothers, young people and

adolescents in terms of lifestyles, work and education. To attend to the education and protection of children. Reduction of the population growth rate should be regarded as State policy. To establish an integrated and diversified system of social insurance and allowances. To draw up appropriate policies regarding the families of fallen soldiers, war invalids, ailing soldiers, long-time State employees and pensioners. To take due care of living conditions for the elderly, the helpless, disabled, handicapped and orphans. To develop public institutions such as schools, hospitals, and cultural, sports and physical training facilities. To encourage and create the conditions for collectives and individual households to invest in the construction of dwellings. To strictly observe protection of the environment, to preserve the ecological balance for the present and future generations.

To build a new culture, to create a high-quality, rich and varied *intellectual life* that is humanistic, democratic and progressive in nature. To develop the role of literature and the arts in nurturing and inspiring the Vietnamese soul. To affirm and demonstrate genuine values, to foster the true, the good and the beautiful from a progressive perspective, to criticize the obsolete and the low. To ensure the rights of citizens to information and freedom of creativity. To develop the mass media and all the different forms of communication, and use all available sources of information that are timely, truthful and useful.

To integrate and develop the roles of society, mass organizations, schools, the family, working people's collectives and the community in the nurturing and shaping of *the new man*, one with a sense of being the master and a sense of civic responsibility,

with knowledge, good health and skills, one leading a cultured and humane life with a profound patriotism and genuine internationalism. *The family* is the nucleus of society, the beloved cradle wherein a person's whole life course is nurtured, an important environment wherein a way of life is inculcated and personality formed. State policies should pay attention to building a satisfying, harmonious and progressive family life. To heighten the sense of family obligation among all strata of the population. *Units of production, work, study and combat* should form an environment for building a work-ethic characterized by discipline, technical skills, high productivity and efficiency, where comradeship and fellowship can flourish, and the personality of the new man and the new culture can be shaped.

Social policies have a direct impact on the shaping of a civilized social community, wherein all *classes and population strata* have legitimate obligations and rights, unite closely, and contribute to the building of a prosperous and strong Vietnam. To develop the working class in both quantity and quality so as to be worthy of the role of vanguard class in the building of socialism. To build up the peasantry in all fields so as to be worth of the role of fundamental force in building the new countryside and contributing an active share to industrialization. To train, nurture and develop all potential among the intelligentsia with a view to creating sources of wisdom and genius for the country. To pay special attention to building up a pool of skilled workers, talented businessmen, qualified managers, and high-level scientific and technical workers. To attach sufficient importance to the interests of other population strata and develop their capacities in the national and their own interests. To

mobilize the active contributions of overseas Vietnamese for the building of their native areas and the country.

To achieve equality between men and women in all respects.

To implement a policy of equality, unity and mutual assistance among the different *nationalities*, to create all possible conditions for them to develop along the path of civilization and progress, in close association with the common development of the community of Vietnamese nationalities. To respect the interests, traditions, cultures, languages, lifestyles and beliefs of the various nationalities. To guard against a chauvinist mentality and narrow-minded nationalism, as well as ethnic discrimination and division. Socioeconomic policies should be appropriate to characteristics of the various regions and nationalities, especially minority ethnic groups.

Belief and religion being a spiritual need of a section of the population. To consistently carry out a policy of respect for and guarantees of the right to freedom of religion. To guard against all violations of freedom of religion, as well as all abuses of religion aimed at harming the interests of the homeland and the people.

7. *Our task in national defence and security* is to steadfastly defend the independence, sovereignty and territorial integrity of our homeland, the socialist regime, political stability, social order and public safety, and the people's right to mastery, and to foil all designs and acts of sabotage by imperialist and reactionary forces against our people's revolutionary cause.

To strengthen national defence and maintain national security represent a vital and unchanging task of the entire people and State. To constantly heighten the political consciousness and

vigilance of the people, to build a strong all-people national defence in close combination with public security in the new conditions, with well-trained key personnel.

The stability and all-round development of social life constitute the foundation for national defence and security. Socioeconomic development to go hand in hand with the strengthening of defence-security potential. To closely link the economy with national defence and security, and vice versa in socioeconomic development plans. To gradually build up the defence industry, to ensure ever more modern technical equipment for the armed forces, including the people's security forces.

To build the people's armed forces with an appropriate contingent of revolutionary, regular, gradually modernized and well-trained standing units, and with a strong and combat-effective reserve and militia force. To develop military policies and art of people's warfare in the new circumstances.

To make the security forces really regular, gradually more modernized and well-trained. To prevent and quickly punish all acts of sabotage of counter revolutionary elements and other criminals, to defend national security and to preserve social order and public safety, to protect socialist property and the interests, lives and property of the people. To combine specialized and semi-specialized forces and law-enforcement bodies with mass movements. To combine preventive and educational measures which are fundamental with the fight against and punishment of criminal activity of all kinds. To pay attention to raising the revolutionary qualities and political, military, cultural, scientific, technical and professional standards of the armed forces and the

corps of professional commissioned and non-commissioned officers. To ensure an adequate material and intellectual life for officers and soldiers appropriate to the nature of the activities of the people's army and the people's security force.

To strengthen the Party's leadership over the people's army and the people's security force.

8. *The objective of our foreign policy* is to create favourable international conditions for the building and defence of our homeland in its advance to socialism, and to contribute to the common struggle of the peoples of the world for peace, national independence, democracy and social progress.

To work for equal and mutually beneficial co-operation with all countries, regardless of different sociopolitical regimes, on the basis of the principles of peaceful co-existence.

To constantly consolidate and develop the traditional relations of friendship and co-operation with other socialist countries, and with the neighbouring countries of Indochina.

The Communist Party of Vietnam's consistent position is to support communist and workers' parties and revolutionary movements in the struggle for the common objectives of our time. The Communist Party of Vietnam is ready to establish and expand relationships with parties and forces struggling against warlike and aggressive forces which oppress and exploit underdeveloped countries, and for world peace and social progress. To take an active part in international organizations and the Non-Aligned Movement promoting peace, national independence and development.

To develop relationships with other countries in South-East Asia, to contribute actively to the building of this region into a zone of peace and co-operation.

To develop relationships of co-operation, friendship and mutual assistance with other developing countries.

To broaden mutually beneficial co-operation with developed countries.

IV. THE POLITICAL SYSTEM AND THE PARTY'S LEADING ROLE

9. All the organizations and operations of our country's political system at the new stage are aimed at building and gradually perfecting *socialist democracy* to ensure that power belongs to the people. Democracy, closely linked with social justice, should be implemented in all political, economic, cultural and social spheres, through the activities of the State elected by the people and through direct democratic measures. Democracy to go hand in hand with discipline and State regulation and to be enshrined in the law and guaranteed by the law.

The State to make laws to define civil rights and human rights; rights to go hand in hand with obligations and responsibilities.

10. As a body expressing and exercising the will and power of the people, and on behalf of the people, our State should be vested with full powers and the capacity to make laws and to organize and manage all aspects of social life through the law. To modify the State organizational system and reform the administrative apparatus, perfect law-enforcement bodies

with a view to effectively exercising the State's management functions.

The State to maintain permanent and close relationships with the people, to pay attention to public opinion, and to subject itself to oversight by the people. To have mechanisms and measures for controlling, preventing and punishing bureaucratism, corruption, abuse of power, irresponsibility, and violations of the democratic rights of citizens. To organize and conduct the State management apparatus on the principle of democratic centralism and unity of power, with division of functions and devolution of powers while ensuring uniform guidance from the central level.

The Vietnamese State represents the *unity of the three arms of government* - legislative, executive and judicial - with a clearly defined separation of powers.

11. *The Vietnam Fatherland Front and the people's organizations* play a very important role in uniting the entire people for national construction and defence, attending to the interests of their members, practising democracy and renewing the society, educating the people in revolutionary ideals, ethics, civic rights and obligations, and tightening the bonds between the Party, the State and the people.

The Vietnam Fatherland Front is the political alliance of people's organizations and representative individuals from different social classes and strata, nationalities and religions, and the political basis of the people's power. The Communist Party of Vietnam is at the same time a member and the leader of the Front. The Front operates through democratic consultation,

co-ordination and unity of action among its members according to a common plan of action.

The *people's organizations*, in accordance with their respective nature, aims and objectives already defined, to mobilize their members in attending to and protecting practical interests, while educating and raising their members' qualifications in various fields, and taking part in the management of the State and society.

The Party respects the autonomy of the Front and the people's organizations, supports all their positive and creative activities, and sincerely listens to their opinions. The State supports and creates conditions for the effective operation of the Front and the people's organizations.

12. *The Communist Party of Vietnam* is the vanguard unit of the Vietnamese working class; it represents faithfully the interests of the working class, the working people and the entire nation. The Party opts for Marxism-Leninism and Ho Chi Minh's thoughts as its ideological basis and focus of its activities, and adopts democratic centralism as its fundamental organizational principle.

The Party exercises leadership over society by means of its Political Programme, strategies, policy directions and work guidelines, through its work of information, persuasion, mobilization, organization and control, and through exemplary action by Party members. The Party recommends its best members, professionally and ethically qualified, for work in leading bodies of the administration and people's organizations. The

Party does not take over the functions of other bodies in the political system.

The Party exercises leadership over the political system, while being part of this system. The Party maintains close relations with the people, subjects itself to oversight by the people, and operates within the limits of the Constitution and the law.

To carry out its leading role, the Party should be strong politically, ideologically and organizationally; it should *constantly renovate itself, re-adjust itself* and actively raise its *intellectual level and capacity for leadership*. To preserve the *traditions of unity and unanimity of views* within the Party; to ensure full democracy and discipline in Party life. To regularly engage in criticism and self-criticism; to fight individualism, opportunism and all divisive and factional activities. The Party to pay attention to building up a contingent of personnel and members with integrity, ethical and professional qualifications, and combativeness. The Party to attach importance to the nurturing and training of those who will continue the revolutionary cause of the Party and the people.

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This Political Programme is a banner in the struggle for victory of the cause of building Vietnam in its gradual transition to socialism; it provides directions for all the activities of our Party at present and over the next decades. With the successful

implementation of this Political Programme, our country will certainly become a prosperous socialist one.

The Party calls upon all communists and compatriots at home and abroad to devote all their spirit and energies to the successful implementation of this Political Programme.

POLITICAL REPORT OF THE CENTRAL COMMITTEE (6TH TERM) AT THE 7TH NATIONAL CONGRESS

The 6th Party Congress put forward a line of all-round renovation, thus marking a turning-point in the building of socialism in our country. The historic significance of the 6th Congress lies in its correct analysis of the causes of the socioeconomic crisis that had continued for many years and its mapping out of major directions for a gradual emergence from that crisis.

In the process of implementing the Resolution of the 6th Congress, we have witnessed complex international developments adversely affecting the political, economic and social situation of our country. But our Party, State and people have endeavoured to overcome these difficulties and persevered in searching for and blazing an untrodden trail of renovation which is devoid of any predetermined model, and step by step translating the 6th Congress policies into action. Although numerous difficulties still lie ahead, the successes recorded so far testify to the ability of the Communist Party of Vietnam and the Vietnamese people to undertake renovation.

The 7th Party Congress has the task of reviewing the implementation of the 6th Congress Resolution, evaluating what has been achieved and what has not been done, tackling newly-arising problems and highlighting both strong points and shortcomings together with their causes and lessons to be drawn from the main areas of activity. On that basis, the 7th Congress will improve, add to and develop the policies of renovation of the 6th Congress and set out the major directions and tasks for the period 1991-95.

Part One

RENOVATION OF DIFFERENT AREAS OF SOCIAL LIFE

The past four years and more of translating the 6th Congress Resolution into action has been a process of experimenting, searching for, gradually defining, developing and putting into practice the major directions mapped out by the Congress Resolution. The Party and the State have on the one hand concentrated on tackling urgent economic and social problems and firmly maintaining political stability, and on the other carried out renovation in different spheres of social life.

From mid-1988 on, the decisions and policies on renovation have brought about marked progress, with the economic situation and people's living conditions gradually improving, democratic life in society being ever more enhanced, and the people's confidence in the cause of renovation being reinforced.

However, the progress brought about by renovation is still limited and unstable. Owing to subjective shortcomings and the adverse impact of external factors, *from the second quarter of 1990 up to now*, apart from the positive factors which have continued to develop, the socioeconomic situation has undergone new and

complicated developments. Many production and business units remain in a prolonged slump, inflation has remained high, corruption, negative phenomena and social injustices have continued to grow, the living standards of those whose main incomes consist of salaries or social allowances and of one section of the peasantry have continued to decline; and a feeling of unease has tended to grow among one section of the people.

The 10th Plenum of the Central Committee has made an in-depth analysis of the situation at this important juncture and worked out guidelines for consolidating and developing the successes obtained, endeavouring to overcome new difficulties in the economic and social fields, maintaining political stability and creating an impetus for subsequent years. At present, the above-mentioned requirements remain urgent tasks for our Party, State and entire people.

Below is a review of the implementation of renovation in the main areas:

1 . On economic renovation

The first achievement in the economic field is *the marked progress made in realizing the targets of the three economic programmes* (staple and non-staple foods, consumer goods and goods for export).

The situation concerning *staple and non-staple* foods has registered a change for the better. From a state of chronic shortage - we had to import more than 450,000 tonnes of rice in 1988 - we have now managed to produce enough rice for domestic consumption, with certain reserves and exports, thus helping to a significant degree to stabilize people's living standards and to improve the export-import balance. This has been the combined result of a stronger boost given to production, the implementation

of the contract system in agriculture, the abolition of State subsidies, free trading, and the supply-demand regulation of staples and non-staples on a nationwide scale. Nevertheless, our country's per capita production of staple foods remains low, regulation of the food supply has been at times less than satisfactory, management of national reserves is fraught with shortcomings, there have been sharp rises in the prices of staples and non-staples for different reasons, and periodic food shortages still occur in many localities. We must not be complacent and neglect the task of stepping up food production and regulation of the food supply.

Commodities on the market are more plentiful and varied, especially *consumer goods*, and their circulation is fairly easy. Domestically-produced goods, while still below planned targets, have increased in availability and visibly improved in both design and quality. The manufacture of certain means of production has seen a fairly large increase. Production establishments are more responsive to market demand, and State subsidies through capital allocations, prices for basic raw materials, wages, etc., have declined substantially. This has resulted from the decision to develop a mixed commodity economy and the renovation of many policies related to commodity production and circulation. However industrial production, including consumer goods production, has not fully utilized its potential. Many production establishments, especially those in small industry, handicrafts and local State-run industry, are beset with difficulties, mainly due to outdated technical equipment, low-quality produce, high production costs, lack of markets and capital, and competition from foreign goods.

External economic relations have developed quickly, broadening their scope and form, and making an important contribution

to the achievement of socioeconomic objectives. The value of exports has increased from 439 million roubles and 384 million dollars in 1986 to 1,019 million roubles and 1,170 million dollars in 1990. We have substantially cut excess imports and subsidies on deficits in export income. Since 1989 our exports have included items of value such as rice, crude oil and other new products. However, our exports need to be further increased so as to meet the demand for imports and debt servicing requirements, our access to foreign markets is still slow and unsteady, we still lack highly competitive key commodities capable of establishing themselves on foreign markets, the share held by unprocessed commodities in our exports is still high. There are still many loopholes in the management of external economic activities: wide-spread smuggling of foreign goods, lack of uniform control and efficient use of foreign currency earned through exports, especially hard currency, rivalry in buying and selling export goods causing price increases at home and price fixing by foreign buyers.

The achievements of the three economic programmes are closely linked with the positive changes brought about by the *re-adjustment of investment outlays and reshaping of the economic structure*. The State has cancelled or postponed many projects contracted with foreign countries or undertaken by various sectors and localities so as to concentrate available capital on key projects directly serving the three economic programmes or of paramount importance. In the 1986-90 period, over 60 per cent of investments from the central budget and 75 to 80 per cent of those from local budgets were allocated to the three economic programmes. As well, investment by the people was considerable and we were also able to attract some foreign investment. While centrally-allocated investments have been reduced, overall investments from the various economic sectors have not decreased. Many important

heavy industry projects started in previous years have now been commissioned. Certain new production sectors with bright prospects have emerged: oil and gas extraction, assembly of electronic equipment, shrimp rearing and processing, etc. A number of concentrated production areas have come into being, specializing in food crops, short-term and perennial cash crops and the catching and rearing of aquatic produce. A number of newly emerging and rapidly growing services have contributed to promoting the commodity economy and catering for people's lives. But the administration and utilization of investment capital is still too thinly spread, failing to concentrate on essential projects and being wasteful and inefficient. Besides, due to very limited budgetary resources, constraints have been imposed on additional allocations to the three economic programmes, to infrastructure and in-depth investments for technological renovation as well as to certain key sectors and areas producing rapid results. Many State-run industrial and commercial establishments have not been reorganized quickly enough; some trade and service activities have grown in an irrational and disorderly manner; agricultural, forestry and aquatic produce processing industries have been slow to develop; the economic structure of mountainous regions has not definitely switched over to commodity production.

Another achievement of economic renovation is *the initial establishment of a mixed commodity economy operating according to a market system under State management.*

Drawing up the economic policy of the 6th Congress, the 6th Plenum of the Central Committee affirmed that the development of a mixed commodity economy is a long-term strategic decision for the period of transition to socialism. That policy has enjoyed broad support from the people and was quickly translated into

action. It has contributed to promoting the people's right to mastery in the economic sphere, developing the potential and creativeness of the people in undertaking production and services, creating more jobs and products for society, accelerating the establishment and growth of the commodity economy, and fostering lively competition in the market.

To keep up with and boost the development of the mixed commodity economy, we have step by step renovated the economic management system in accordance with the principal guidelines of the 6th Congress, giving priority to solving key and urgent questions during each period of time.

In the whole set of measures to renovate the management system, the transfer from an administrative pricing system to a market pricing one has assumed a central role. Along with price reform, the renovation of the policy on distribution and the expansion of external economic relations have accelerated the establishment of a nationwide unified market linked in with the world market, thus helping to regulate the supply-demand relationship and to reduce the differences in commodity prices between different areas of the country. As prices now reflect more accurately value and the supply-demand relationship on the market, the selling and buying of basic materials and goods are carried out normally, ration cards have been abolished and an important component of wage has been monetized, a sharp reduction has occurred in false demand for and hoarding of basic materials and goods in production and consumption, as well as in budgetary price compensation and cases of false profit but real losses.

Planning has switched from mandatory plans to mainly indicative plans, coupled with the initial use of economic levers and material incentives to ensure an overall supply-demand balance in

the economy. We have drawn up a socioeconomic strategy and sectoral and regional scheme, expanded economic information and boosted the role of financial contracts.

In the financial sphere, we have amended and expanded the tax system and promulgated a decree on book-keeping and statistics, thus accumulating more budget revenue; reduced expenditure on subsidies, broadened the financial autonomy of grassroots enterprises, restricted investment grants and expanded investment through credits. The banking service has set up business banks, started trading in domestic and foreign currency and precious metals, and practised a flexible policy on interest rates (though not yet on a consistent basis).

The State apparatus has gradually switched over to assuming the function of administrative management appropriate to it and abstained from interfering in the conduct of business by grassroots enterprises. The drawing up of economic laws has been accelerated.

Along with the renovation of the management system at the macroeconomic level, we have continued to restructure relations of production in the countryside, improve the system of contractual output quotas and the management system of agricultural co-operatives, extend in many aspects the autonomy of State-run enterprises in business management, maximizing opportunities for economic establishments and individual workers' to develop initiative and creativeness. This has encouraged grassroots enterprises to produce according to market demand, endeavour to apply new technology and improve management, thus raising product quality and lowering production costs.

The new economic management system, which has now initially taken shape, remains incomplete, short of many laws and policies

to ensure that production and business operate in the right direction. We have been slow in evaluating in order to draw up programmes for the further renovation of economic management in a systematic way. Besides achievements, macroeconomic management and regulation by the State at all levels have also revealed many weaknesses, failing to discharge consistently and effectively the function of directing, controlling and regulating the economic sectors.

It is important to note the inadequacies in the financial, banking and State-run commercial sectors. Our financial policies have failed to create favourable conditions for boosting production and generating revenue; tax evasion and budget deficits remain a big problem, the State has exerted only loose control or almost no control over the distribution of incomes in State-run economic enterprises. The banks have not become clearing houses and credit centres for society and have not implemented appropriate mechanisms to ensure a rational supply of capital to business establishments; there still exist many irrationalities regarding credit and deposit interest rates. The State-run commercial sector has not found yet a proper mode of operation and is not discharging adequately the function of regulating the supply-demand relationship and the prices of essential commodities. The management of the market shows many weak spots, smuggling and counterfeiting are rampant and persistent, and the State has been slow in enacting effective policies to protect domestic production. Still inadequate are our economic analysis and forecasting and the preparation of measures to cope with newly-emerging situations. Inspection and control is slack. Violations of the law have not been detected in time and duly punished (typical were major cases at the National Reserves, in banking and credit organizations, import-export companies, tax departments, and capital

construction service). There is a lack of co-ordination among sectors and levels concerned; "each going its own way" is common practice. At various levels and in many sectors there are business officials who still know very little about economics or law, professional and specialized qualifications are made light of, and degenerate and depraved elements have not been identified and dealt with in due time. Those are our main shortcomings in economic management, and should be overcome as soon as possible.

In the process of switching over to a mixed commodity economy operating according to a market system, besides positive aspects, *there have emerged many new negative phenomena* that we did not foresee, uncover in time or deal with properly. These include recklessly chasing after profits at any price, leading to violations of the law, deception, bribery, counterfeiting, smuggling, tax evasion, serious encroachment upon socialist and citizens' property, bankruptcy and capital misappropriation, etc. These also include the tendency to engage in commerce rather than in production, the indiscriminate commercialization even of cultural, health, educational and State administrative institutions, the slackening of State regulation, discipline and laws, and an increase in social injustice.

The results of the renovation of the economic management system, with the above-mentioned achievements and shortcomings, are manifested in different degrees in the different economic sectors.

The State-run sector is now in control of key areas and holds a dominant position in the economy, allowing it to regulate the market and control prices to a certain extent. Nearly one-third of State-run industrial enterprises have succeeded in their business

activities and in adapting themselves to the new system. There are now a number of efficient State farms engaged in agriculture and sylviculture. The weakest aspect of the State-run sector as a whole remains its efficiency in business operations. A fairly large number of State-run industrial enterprises, especially those under district management, are beset with difficulties. Many State-run trading enterprises have made losses; quite a few have been misused by private businessmen for illegal activities.

The collective sector in agriculture has shifted to a wide application of the system of contractual output quotas under which each member household of a co-operative is an autonomous economic unit with full rights to land utilization, thus initially releasing productive forces and tapping the people's potential in manpower and capital. New forms of co-operation have emerged, with various sectors operating together in the same area. The result have proved that Resolution No.10 of the Political Bureau is correct and conforms to the economic conditions of our country and the wishes of the peasants. But the majority of management boards of co-operatives and production groups are now at a loss as to how to carry out their work, failing to organize services catering for production and consumption and other managerial duties and to participate in the implementation of social policies in the country; cases of co-op members being left entirely on their own are widespread. Land disputes have been solved, but many complex problems remain.

In small industry and handicrafts production, about 20 per cent of co-operatives have succeeded in adapting themselves to the market. A large number are facing serious difficulties; about 20 per cent, including nominally collective units, have broken up or turned into private businesses. Inadequate attention has been given to the consolidation of co-operatives engaged in

industry, construction and transport, as required by Resolution No.16 of the Political Bureau.

The bulk of marketing co-operatives is doing badly and is at a loss as to which direction to go in. A big mistake was committed when we let urban credit organizations mushroom without proper guidance and control, leading to fairly widespread bankruptcies which involved quite a few cases of fraud. Credit co-operatives in rural areas have in general existed in name only, while private usury is expanding.

As regards private economy, the most obvious result is self-financing by many individual households and small proprietors in various sectors and occupations. Nevertheless, many large owners of capital have so far shown a certain reluctance to invest, especially in production, for lack of a guaranteed business environment and, to some extent, of confidence in the stability of State policies. While many private economic units have made positive contributions and made profits legitimately, some others have perpetrated unlawful acts, dupey and tax evasion.

Another important achievement is *the initial steps taken in curbing inflation*. This has been brought about by the combined results of the implementation of the three economic programmes, renewal of the management system, renovation of price and interest rate policies, expansion of circulation, and regulation of the supply-demand relationship. The average monthly price increase on the domestic market was 2.5 per cent in 1989 and 4.4 per cent in 1990, as compared to 20 per cent in 1986, 10 per cent in 1987 and 14 per cent in 1988. More significantly, this achievement has been made at a time when external sources of aid have dwindled and we have had to fight inflation while effecting a switch from State-subsidized prices to commercial ones.

However, inflation has not been curbed in a steady way; prices have at times risen again and fluctuated wildly. The fight to curb and drive inflation down remains an urgent and fundamental task.

In socioeconomic development in recent years, *science and technology* have continued to develop, beginning to play their role as a driving force, directing their work to applied research, contributing to boosting production, especially in agriculture, fisheries, consumer goods and goods for export, raising the technological standard of some production sectors, receiving and mastering imported technologies. Our scientific and technological potential has increased.

Our body of scientists has contributed to the laying of the scientific groundwork for decision-making in economic development, taken an active part in the drafting of the Political Programme, Strategy for Socioeconomic Stabilization and Development, and Strategy for Scientific and Technological Development, and carried out research in historical, linguistic and cultural issues.

The scientific and technological management system has been initially renovated with a view to closely combining science with production and life and expanding the autonomy and self-imposed responsibility of scientific autonomy and institutions.

However, science and technology in our country are developing at a slow pace, failing to meet the pressing demands of renovation. The social sciences have not yet made incisive studies or produced convincing arguments on the fundamental questions of our time and of socialism in our country. Science and technology have not contributed much to bringing about a vigorous change in the economy in terms of productivity, quality and efficiency

or boosting the development of those sectors with a high proportion of their activities in the area of science and technology.

Still lacking are specific policies for creating a favourable environment for a broader application of scientific and technological achievements. The delay in renovating the policy on employment and remuneration with regard to scientific and technological workers has resulted in a major waste of the country's precious grey matter. Financial investment by the State in scientific and technological activity is too small to ensure the necessary conditions for the carrying out of vital tasks and the building of the nation's scientific-technological potential. No appropriate mechanism has been set up for the maximum mobilization of capital for scientific and technological activities. Control and supervision is not yet regular or adequate enough to minimize wasteful and inefficient use of material resources reserved for this sphere of activity. Many leading officials in various sectors and at various levels, including at grassroots level, have not fully recognized the role of science and technology as a driving force and have failed to use them to promote socioeconomic development.

2. Implementation of social policies

While the implementation of social policies has made some progress, it has not received attention commensurate with its importance and has shown many shortcomings.

Life has become more stable and somewhat improved for a considerable section of the people as compared with the five years ago, but generally speaking it is still hard.

Since late 1988, the staple food problem has been better solved on a nationwide basis. The market in non-staple foods is better supplied. Demand for clothing is being better met. A section of the

population, both in towns and villages, has had better housing. Household conveniences are now more available for many families. People find that travel is easier. Some aspects of intellectual life have improved, such as the freedom to carry out business in accordance with the law, the right to ownership of legitimately earned income, participation in the making of major decisions by the Party and the State, broader access to two-way information, etc.

A section of the population has legitimately-earned high incomes thanks to business skills or the export of labour.

Thanks to new policies, the average share received by co-op members from the value of what they produce has risen considerably after the implementation of Resolution No.10 on contractual output quotas. Nevertheless, around 10 per cent of peasant households are still in difficulty and facing chronic food shortages; and this percentage is even higher in areas repeatedly hit by natural disasters, mountainous regions and regions inhabited by ethnic minority peoples, and localities with large numbers of social welfare recipients or needy families. Peasant housing in some areas remains in a rudimentary state. Cultural life in many rural areas is still poor.

In urban areas, those working in loss-making production establishments lead a very hard life, while people engaged in services or commerce are, in general, fairly well off.

A sizable segment of the population is still living below the poverty line. There is still a large number of malnourished children. Experiencing the most acute difficulties and seeing their living standards drop considerably, are those whose main incomes consist of salaries and social benefits.

Over the past four years and more, to meet people's living needs, we have mobilized and utilized the energies of the whole society, encouraged working people to increase their incomes and prosperity through legal means, and accepted the existence of gaps in income resulting from differences in labour productivity and efficiency. That is a correct cause which has created a driving force for development and raised the general living standards of society. But we still lack effective policies and measures to prevent illegal earnings and regulate income levels. In spite of generally low living standards, a section of the population and workforce is inclined toward a luxurious lifestyle and wasteful consumption habits, which in some respects are beyond the level and means of our economy.

Many of our economic and social difficulties stem from a population growth rate that is too high - about 2.2 per cent in 1990. Education and motivational work has not been carried out adequately among the population, too little in the way of resources has been earmarked for this work, and there is still a lack of consistent and effective policies in this regard. In many rural areas, no progress has been made in birth control. Our excessive population growth has placed strong pressure on living conditions and employment, and hindered our attempts to attain certain socioeconomic objectives and to raise people's living standards.

Employment is a particularly acute problem. Over the past four years and more, the implementation of the policy on a mixed commodity economy has created important conditions for the provision of more jobs. There have developed many forms of vocational training and job finding services run by the State, people's organizations and individuals. We are continuing to organize volunteer youth brigades going to build new economic zones or help with construction projects. More areas of economic activity undertaken by the armed forces have emerged. Thanks to these measures, during the 1986-90 period, some 4.2 million new jobs

were created. However, the efforts made and the progress achieved have met only part of the demand for jobs from society; the number of unemployed from various sources is growing rapidly. Policies and measures aimed at solving this problem are still ad hoc and inconsistent in character.

In the field of *education and training*, there has been some progress regarding the clear definition of the aims, contents, methods and structure of the educational system. Initial results are shown by the gradual diversification of education and training models, democratization of school management and the greater integration of schools with society. The contents of general education have been partly renewed; the quality of the first and second grades and of specialized schools and schools for the gifted has improved. University education and vocational training have been reorganized and somewhat improved. Thanks to the efforts made by the teaching profession, investments by the State contributions from the people, the work of education and training has been maintained and in some respects stabilized or developed. The total number of school pupils and students has reached 15 million, accounting for nearly a quarter of the population.

But our education has not emerged from its weak state due to the economic situation, lack of adequate attention at the level of strategic guidance, and at the same time, the many shortcomings and weaknesses in the managerial work of the educational and training service.

The quality of education, especially ideological and ethical education, remains low, with some pupils and students hazy about the socialist ideal. The number of pupils lacking motivation and school drop-outs has continuously increased. The number of illiterates keeps growing. Although there have

been some improvements in the policy regarding teachers, it still fails to attract talented youth to the teaching profession; the living standards of the majority of teachers remain too low, and in certain localities the number of teachers leaving the profession surpasses that of newly-trained teachers. The professional standards of teachers have not been raised quickly enough. Investment in education in mountainous and ethnic minority regions remains too low. Universities, colleges, vocational training schools and general education schools have been slow in getting reorganized.

The public health service and the enhancing of the people's physical strength have been maintained despite numerous difficulties. Primary health care has made progress. Extended immunization programmes for children have been successfully carried out on a national scale by the health service, showing encouraging results, bringing down the mortality rate among children under one year old. We have also obtained initial results in the implementation of the decision to protect the people's health aimed at solving fundamental and urgent problems, especially the fight against infectious diseases and malnutrition, and the maintenance of environmental health, while dealing with diseases peculiar to a country embarking on industrial development. The popular drive for physical education and sports have been sustained and expanded in many localities.

Generally speaking, however a host of problems still need to be solved in disease prevention and treatment and in health protection. The majority of hospitals from the central to provincial and district levels have been substantially downgraded. Malaria has spread in a number of mountain districts and villages. State expenditure far from covers the requirements of the health service whereas appropriate ways and measures to fill the gap are still

lacking. The collection of hospital fees has been done in an irrational way, resulting in a chaotic situation. Major problems are yet to be tackled regarding environmental health, such as clean water supplies, dumping of industrial wastes, and protection of the living environment.

Cultural, literary and artistic activities are now richer in content and more varied in form and genre. Some good works of literature and arts have been produced. Writers and artists from different generations have made contributions in the cause of renovation. The initial promotion of democracy in cultural, literary and artistic activities has brought about favourable conditions for creative work.

However, the level of cultural and artistic appreciation among the majority of the working population remains low, especially in many rural and mountainous areas. Cultural, literary and artistic activities are usually concentrated in urban areas and inclined to cater to unhealthy tastes. There have emerged deviation tendencies, for example, to make light of national and revolutionary literature and the arts, to view society pessimistically, to "let the popular masses freely choose their cultural diet."

The management of cultural activities, though renovated, still has many shortcomings and fails to maintain tight supervision of publishing work, and the import and making of films, which has led to the widespread distribution of harmful works. Active measures have not yet been taken to popularize works of value. Artistic fields such as cinema, classical opera, popular opera, etc., are beset with difficulties, which no measures have been found to overcome.

3. On national defence and security

In implementing the 6th Congress Resolution and that of the Political Bureau on the task of national defence, *military and national defence work* has undergone important changes. Starting from the concept of the people's war, a major strategic readjustment has been effected, including a redeployment of forces on a nationwide scale, creating a rational defence posture, strengthening of the defence capabilities in crucial regions, and step-by-step establishment of provincial and city-level defence zones. The armed forces have been streamlined to a substantial extent with a reduction of more than 600,000 to the standing army; at the same time, attention has been given to consolidating reserve forces and enhancing the quality of the militia.

Importance has been attached to raising the overall quality of the regular army, primarily in the political field, ensuring its steadfastness in the face of complex developments at home and abroad, its perseverance in upholding the goals and ideal of socialism, and its fulfilment of any tasks assigned. Many difficulties have been overcome in order to guarantee soldiers' living conditions and implementation of policies regarding them.

We have discharged with credit our internationalist duties toward the Lao and Cambodian revolutions and brought home all our volunteer troops from Cambodia.

Defence enterprises and the army's economic organizations have taken initial steps in switching over to the new management system, made efforts to fulfil the annual plan, thus contributing to ensuring national defence and participating in national construction.

Results obtained in the military and national defence sphere have had a positive impact on the carrying out of strategic tasks in

national construction and national defence, and created favourable new conditions for economic construction.

One notable shortcoming is that the overall quality of the armed forces still fails, in certain respects, to meet the requirements of the situation and of their tasks. The fighting strength, combat-readiness and training quality of certain units are still low. The lives of officers and men are still hard. The effectiveness of Party, Youth Union and political work remains limited. Numerous problems are yet to be solved in the building of defence zones at the provincial and city level as well as in the management and training of reserve forces and the militia. Many defence enterprises are beset with difficulties in the process of switching over to the new management system.

The Political Bureau's Resolution of national defence has not been deeply instilled into personnel at all levels and in all sectors. In certain respects and at certain times, the leadership and guidance of the Party's Central Military Committee and the National Defence Ministry still lack active and uniform measures. We have been slow in researching how to combine a national defence strategy with our socioeconomic strategy. The Party committees and commanders of a number of units have not been strict enough in the supervision of their soldiers.

The safeguarding of national security and maintenance of social order and public safety have been subject to important new changes regarding directions, decision-making, procedures and force build-up, which has contributed to firmly maintaining sociopolitical stability, creating a favourable environment for the cause of renovation, serving the requirements of the development of a mixed commodity economy and the renovation of the economic management system; shaping and promoting socialist

democracy and expanding external relations; and defending the Party, the State and revolutionary achievements in a new situation.

The mass movement to safeguard national security has been restored and developed in many areas, forming step by step integrated defence lines in regions with the potential and forms of activity for preventing and combating crimes. Resolute measures have been taken to oppose the "peaceful evolution" scheme, check the activities of spies and commandoes, maintain internal security and the sovereignty and security of border regions, punish common criminals and maintain public order.

However, the situation related to security and order remains very complicated. Hostile forces at home and abroad have collaborated with each other in exploiting the crisis of socialism and our mistakes and weaknesses to undermine our cause with threatening and dangerous manoeuvres. Our internal security, economic, ideological and cultural security, and border security leave much to be desired. Social order and public safety, especially in cities and towns, includes many problems to be solved; large-scale pilferage of socialist property, corruption, smuggling, and deterioration in ethical values, etc., are burning questions.

Many factors have led to this situation. We have not linked closely enough the tasks of socioeconomic development with that of safeguarding security and order; we have not paid adequate attention to removing the causes and conditions that give rise to and nurture criminal activity; law and discipline are too loose; the struggle against criminals is not vigorous enough, and we do not deal with them strictly enough. There is still a rightist attitude and a slackening of vigilance.

The People's Security Force, the shock brigade and key core in the struggle to safeguard security and order, have been through

the first stage of consolidation in the political, ideological and organizational fields. The force has been renovated in its concept of serving the people and the tasks of socioeconomic development. Their combativeness, work style and sense of organization and discipline have been enhanced; grassroots and part-time forces have been further consolidated and strengthened. But on the whole, the security force has not been built into a truly solid force and still falls short of adequately meeting the demands of the new situation. There are still numerous cases of negative behaviour, bureaucratism and authoritarianism. Inadequate attention has been paid to ensuring the unfastructure and living conditions of the security force.

4. On foreign relations

The 6th Congress Resolution and Resolutions of the Central Committee and Political Bureau have defined the objectives of our foreign relations as the maintenance of peace, taking advantage of favourable international conditions to push ahead with the building of socialism and safeguarding of the homeland, and active contribution to the common cause of the peoples of the world for peace, national independence, democracy and social progress.

In past years, we have gradually and successfully put that policy into practice. The relations between our country and the Soviet Union are being renewed in accordance with the interests of each people. The special friendship and solidarity between the Party and people of Vietnam and the Parties and peoples of Laos and Cambodia have constantly developed; their co-operation, solidarity and mutual assistance have become more effective. Our practical actions have constituted a very important part of the process of peacefully solving the Cambodia issue. The relations between our Party, State and people with Cuba and a

number of other socialist countries have continued to strengthen. We have consistently worked towards normalization of relations with China.

We have strengthened our solidarity with communist and workers' parties, with national and international movements, and organizations struggling for the defence of national independence and sovereignty, for peace and progress.

The many-faceted co-operation, friendship and solidarity between our country and India as well as many other independent nations and the Non-Aligned Movement have continued to develop.

As regards South-East Asia, we stand for the expansion of relations in various fields on the principle of respect for independence and sovereignty, non-interference in each other's internal affairs, and mutual benefit. The past years have also witnessed great efforts made by our State towards the improvement of relations with many other countries in the Asia-Pacific region, in Western and northern Europe and elsewhere.

Our achievements in the area of foreign relations have created a more favourable international environment for the cause of renovation, national construction and defence, undermined the conspiracy to blockade and isolate our country, made more friends for us and enhanced our country's prestige in the international arena.

However, there have also been shortcomings and weaknesses in the area of external relations: as the world situation and international relations have changed, we have failed, in some cases, to make comprehensive and timely assessments so as to make judicious decisions; we have also, in a number of cases, failed to reach

complete unanimity both in perception and action in a number of sectors of activity.

5. To practise socialist democracy, to renovate the operation of the State and people's organizations

One of the achievements of renovation has been the *initial exercise of socialist democracy* in different spheres of social life. The new mechanisms and policies have increased the autonomy of economic enterprises, developed the potential of the various economic sectors, and created the right conditions for everybody to freely do business in conformity with the law.

Activities in the fields of culture, information, the press and publishing have moved forward in terms of content and methods of information, research and creation, democratic discussion of differing opinions, criticism and self-criticism, and the fight against negative phenomena.

In the life of the Party, in the activities of State bodies and people's organizations, and in society at large, there has emerged an atmosphere of open and straightforward discussion, of criticism of shortcomings and errors, and manifestations of superficial democracy have been gradually overcome. Many major decisions, policies and laws have been subject to discussion by the people before being finalized.

However, progress is still limited. The people's right to mastery has not been fully respected or developed. There remain in society quite a few manifestations of lack of democracy or superficial democracy, and in certain areas these are very serious. Bureaucratism and the feudalistic and paternalistic mentality remain serious problems. At the same time, there have also emerged tendencies towards extreme liberalism or democracy unrestricted by discipline or the law. A sufficiently detailed system

and legislation guaranteeing the exercise of democracy are still lacking.

As shown by experience over the past few years , in order to renovate and enhance the political system, and to build up and exercise socialist democracy, *the key lies in a clear-cut delineation of the functions of the Party on the one hand and those of the State and people's organizations on the other and a resolution of the relationships among them; a resolute struggle against bureaucratism and violations of the people's right to mastery, coupled with criticism and overcoming of deviations.*

Following in this direction, there have been decisions and measures to change *the organization and mode of operation of State bodies.* Law-making activities have been stepped up. Over the past four years (up to the end of 1990), 24 laws and 33 decrees were promulgated by the National Assembly and State Council. The sessions of the National Assembly have given a clearer expression of democracy and the rights and responsibilities of people's deputies. The National Assembly's supervisory functions have been strengthened and made more efficient.

The Council of Ministers and people's committees at various levels have taken initial steps in renewing their mode of operation, performed better the work of governing and managing the State by means of the law, and succeeded in solving many major economic and social problems. The Council of Ministers and different ministries have attached importance to guiding operations at the macroeconomic level, and have initially restructured the organizational apparatus of ministries, general departments, and specialized bodies at provincial and district levels.

The work of courts and procurators' offices has been further enhanced. Many organizations which complement the work of the tribunals have come into being.

However, the State's executive and management operations at the macroeconomic level generally remain confused, with many shortcomings and weaknesses and certain decisions leaving loopholes. Many laws are still needed. Quite a few laws and decrees already promulgated still lack strict and uniform implementation. Many criminals have not been brought to trial, and trials, if they occur, have been slow and superficial. The organization of judicial bodies is still unsatisfactory.

Management science has not been adequately applied to the organization and operation of the State apparatus. There are still overlaps in the division of functions and responsibilities between the legislative, executive and judicial arms and in their relationship to each other. The delineation of management powers and responsibilities between the central and local levels is inadequate and does not conform with the changes in the management system. The body of State employees has undergone only limited training in legal and professional knowledge; they lack experience in State organization and management, especially as a new socioeconomic management system is replacing that based on bureaucratism and State subsidies; their working efficiency remains at a low level.

It is still too cumbersome in terms of organization and staff, and fails to meet the needs of a renovated management system and the mode of operation of the State. Organizational restructuring and streamlining of staff numbers have been superficial and ineffective in some cases. In short, a major shortcoming is that we

have up till now failed to carry out a fundamental organizational reform of the State apparatus as put forward by the 6th Congress.

Since the 6th Party Congress, and especially since the 8th Plenum of the Central Committee, the *Fatherland Front* and people's organizations have attempted to renew their organization and activities. The congresses of many organizations have been held in a spirit of renovation, democracy and unity. The people's and social organizations have attached importance to uniting and mobilizing their members to join efforts to solve problems of practical interest. A step has been taken in restructuring the apparatus of such organizations at various levels. Many new social and professional organizations have come into being, attracting large memberships and taking an active part in social activities especially at grassroots level.

Faced with the present demands for renovation, many organizations have failed to define clearly their functions and tasks, and are still confused about the mode of operation and organizational development. Their style of work is still heavily administrative, and the effectiveness of political and ideological work is low. Many grassroots organizations operate only sporadically. Many members are not committed to their organizations; and some office-bearers are only half-hearted in their work.

6. The Party in the renovation process

The period between the 6th Congress and the present has been a time of great challenges to our Party's leadership. Faced with rapid and complex developments in the domestic and international situation, the Party has firmly held to the line of renovation, put forward and led the people to successfully implement a number of major decisions and policies related to internal and international affairs, opened a new direction for the country's

development, and striven actively to overcome the shortcomings pointed out by the 6th Congress. In the process, the Party has further matured, and accumulated new knowledge and experience notably in economic and State leadership.

An outstanding feature is that within the Party there has been a *renovation of thinking, especially of economic thinking*. In a spirit of independence and creativeness, the Party has put into concrete terms and developed the 6th Congress Resolution, *forming to an initial degree a system of concepts and principles guiding the cause of renovation in our country*. In face of the complex developments in the world situation, the Party has asserted in good time the principled issues of renovation, and ensured political stability so as to successfully carry out the cause of renovation. Achievements in different areas prove that the policies and steps followed by the Party are correct, and that progress has been made by various levels and sectors in transforming resolutions into action and giving guidance in their implementation.

Ideological work has been accorded importance and has contributed to the renovation of thinking, ideological direction and the instilling of correct ideas into Party members and the people thus creating a unity of views with the Party's direction and approach. Attention has been paid to the expansion of information, use of a variety of information sources and dissemination of information on new factors in the renovation process, and good experiences; while actively combating negative manifestations and erroneous concepts and perceptions, and defending the Party's viewpoints.

As regards *organizational and personnel work*, a number of organizations have been restructured, and many key top figures of different bodies and sectors at different levels have been redeployed or replaced. A number of Party commissions, ministries,

committees and general departments have been streamlined, with numerous intermediate departments, sections and sub-sections being abolished. The grassroots administrative apparatus has been streamlined in many localities, as have the management boards of many enterprises and co-operatives. Party cells in the countryside have been rearranged in a more rational way, mainly on the basis of demographic areas (hamlet and the like). Among newly appointed staffs, many have played their roles effectively. Personnel work has been improved in some respects in the direction of broader democracy and collective-mindedness. The combining of different age groups within every leading body has been a good experience, ensuring continuity within the body of officials.

The implementation of resolutions on Party building, the *rectification campaign to purify the Party ranks*, especially the recent round of political discussions and congresses of Party organizations at different levels, have promoted inter-Party democracy, consolidated the Party's grassroots organizations and increased the knowledge and working capacity of Party members. Till now, although a section of the Party membership has become retrogressive and corrupt and some others are ineffective, the majority of Party members of whom the nucleus are the corps of key personnel from the central to grassroots levels continue to preserve their political quality, agree with the Party's direction and approach, endure hardships and overcome difficulties, and strive to put the Party resolutions into action.

There have been improvements in the *leadership mode* on the basis of a clearer perception of the Party's leadership functions, the State's management functions and the functions of people's organizations, and of respect for the role and rights of State bodies and people's organizations. There have been fewer cases of work overlap and confusion of functions.

However, changes in Party building work have been slow. The leadership capacity and combat strength of Party organizations at various levels have not caught up with the requirements of renovation. Many theoretical and practical issues emerging from the renovation process have not been clarified; some approaches and major decisions of the Party have not been smoothly transformed into action. In the face of the requirements of the renovation process, the Party's organizational system has shown illogicalities in different aspects; the apparatus remains cumbersome and operations are less than efficient. A number of grassroots organizations of the Party are too weak, some are almost paralyzed. Party officials and members are in general poorly qualified in terms of knowledge and of leadership and managerial skills. There has been a very grave deterioration of ethical qualifications among a section of Party workers and members. Internal disunity has occurred in many Party organizations. Within the Party, there are manifestations of conservatism and resistance to renewal on the one hand, and tendencies towards hastiness in renewal or imitation of other countries' methods on the other. There are also manifestations of inconsistency and political opportunism. The leadership mode is slow in being renovated, the old practices of Party committees (especially in the countryside) doing the job of administrative bodies have not been completely done away with; there are also cases where the Party's leadership has loosened in a number of fields and at a number of grassroots units (such as enterprises, offices, schools, etc.).

Many Party committees have failed to provide in-depth guidance in Party building work. A number of resolutions and directives related to Party building have not been thoroughly implemented. Ideological work has at times been lax, lacked initiative and lost its effectiveness. Ethical education and the removal of negative

manifestations among Party workers and members have not been carried out with resolve and efficiency. The enhancement of organization and streamlining of personnel have achieved little success due to lack of overall and scientifically-based plans and of centralized guidance. The recruiting, training and nurturing of Party workers have been inadequate. A rational mechanism for the identification and selection of talent is still lacking. Individualistic, localistic and feudalistic mentalities have hindered the evaluation, deployment and promotion of officials. The training and nurturing of workers have failed to meet the demands of the new mechanism and new tasks.

7. Overall evaluation and experience of the renovation process

To sum up, after more than four years of implementing the 6th Congress Resolution, *we have recorded very important initial achievements.*

The political situation of the country is stable.

The economy has gone through positive changes: a mixed commodity economy has been established to an initial degree and is evolving in accordance with a market system under State management; many production sources of society have been tapped more adequately; inflation has been curbed to a certain degree, the material and intellectual lives of a section of the people have improved somewhat. As compared with past years, the crisis has been reduced.

Democratic life in society is developing more and more. The structure and mode of operation of organizations in the political system are being renovated in the direction of promoting internal democracy and the people's right to mastery, enhancing the power of elected bodies, increasing the managerial efficiency of administrative bodies, at all levels, and initially consolidating

the Party while renovating its leadership over the State and society.

National defence has been firmly maintained and national security ensured. We have made gradual breaches in the economic and political blockade and expanded our international relations, creating a more favourable environment for national construction and defence.

The achievements mentioned above have proved that the line of renovation set out by the 6th Congress is correct and that the steps taken in the renovation process are basically appropriate. Through experience, we have gained new knowledge and important experience on the path of building socialism in accordance with our country's characteristics. This constitutes a very important basis for continued progress.

On the other hand, we should fully recognize major weaknesses and difficulties: our country has not yet emerged from its socioeconomic crisis, the renovation process still faces limitations, and many pressing socioeconomic problems have yet to be solved. Worthy of note are the following major problems:

Inflation is still high, many production establishments are in a prolonged state of slump, unemployment is on the increase. The wage system is illogical. The living standards of those surviving mainly in salaries and social allowances and of a section of the peasantry are declining. The population growth rate is still high.

In the cultural and social fields some aspects continue to deteriorate. Corruption, negative phenomena and social injustice are on the rise; a materialistic way of life and superstitious practices are on the increase. Violations of democracy are numerous.

The implementation of law and State discipline are not strictly complied with. The situation regarding security, public order and public safety remains complicated. There are still factors likely to cause political instability and they should not be underestimated.

The apparatus of the Party, the State and people's organizations is cumbersome, their style of work is still bureaucratic and ineffective. A great many Party workers and members are not qualified professionally and morally for their present assignments; some have even become retrogressive and corrupt and are not trusted by the people. The heightening of the revolutionary will within the Party, the purification of the Party ranks, the selection, deployment and nurturing of the corps of key workers, and a radical reform of the organizational system are major problems in need of solution.

The decisive factor in the achievement of renovation is the Party's perseverance and firm leadership and the revolutionary spirit and efforts of the whole people. Over the past four years and more, against the background of an extremely complex situation at home and abroad, our Party and State have persevered in carrying out renovation in directions and steps that are fundamentally correct; our people, with their ardent patriotism and confidence in the revolutionary cause led by the Party, have accepted the challenges, and endured and overcome many difficulties in the renovation process, bringing about gradual changes in the situation.

The difficulties and weaknesses are partly due to the consequences of previous years, the difficulties inherent in the process forward and the adverse impact of the world situation, but we need to emphasize the subjective shortcomings in the Party's leadership and in State management. The overriding problems are that the

Party has been slow in clearly defining the requirements and contents of renovation of its mode of leadership in this new stage; it has not concentrated on research in order to provide clear-cut directions, decisions and active guidance in the reorganization of the apparatus. There is still a lack of effective measures to raise the quality of Party members and Party organizations' leadership capacity and combativeness in meeting the demands of the revolutionary cause. Party workers still have many shortcomings. Our State still lacks managerial knowledge and experience and has done things which are not in keeping with objective laws. There is still much confusion, deficiencies and carelessness in macroeconomic control over and management of the market economy (especially in the fields of finance, money and wages) as well as in sociocultural management. There are both inconsistencies in a number of decisions on renewal and a loosening of the management role vis-a-vis society.

From the reality in the past few years, we may draw *some initial lessons* on how to advance the cause of renovation:

Firstly, we should firmly hold to the socialist orientation in the process of renovation, and combine firmness on principles and revolutionary strategy with tactical flexibility and sensitivity to the new. Advancing to socialism is the necessary path for our country. While criticizing mistakes and errors in the process of building socialism, we do not perceive them to be innate shortcomings of the system; we do not believe there are only mistakes and errors, deny what has been achieved and waver on the goals and path of socialism. Renovation does not mean the changing of the socialist goal but the successful realization of that goal through correct concepts of socialism, and appropriate forms, steps and measures. It is precisely for that reason that we should firmly maintain our independent and creative thinking while setting out the line on

renewal appropriate to the characteristics of our country's situation and meeting our people's interests and aspirations. While attaching importance to learning from foreign experience, we should never be dogmatic or automatically imitate other countries' methods. All decisions on renovation should be aimed at serving the goal of building socialism, bringing prosperity to our country and people, and should be tested by the results of socialist construction in Vietnam.

The essential condition for maintaining the renovation cause in the socialist direction and taking it to success is that in the renovation process the Party *should continuously and creatively apply Marxism-Leninism and Ho Chi Minh's thoughts, and firmly maintain its leading role over society.* The Party should renew and rectify itself and constantly improve its leadership capacity and combativeness.

Secondly, renewal is an all-round, and thorough-going undertaking, but there should be appropriate steps, forms and methods. Reality has shown that renovation is a profound revolution in all spheres of social life. In each sphere, the process of renovation also covers many aspects: from renovation of concepts to that of mechanisms, policies, organization, personnel and style and working method. If only one certain aspect or link is renovated, the renovation cause cannot achieve the desired results. At the same time, at each step we should correctly identify *the key link* on which we can concentrate our energies, using it as a basis for renewing other links and aspects.

Regarding the relationship between economic renovation and political renovation, we should concentrate on economic renovation, meeting the people's pressing demands for improvement in living standards, employment and other social needs, building

the infrastructure of socialism, considering it an important condition for a favourable realization of political renovation. At the same time with economic renovation, we should step by step renovate the organization and mode of operation of the political system, promoting more and more effectively the people's right to mastery and to be a creative force in the political, economic, cultural and social fields. As politics concerns especially complex and sensitive relationships in society, renovation of the political system should necessarily be on the basis of very serious research and preparations and should not permit any political instability leading to chaos. But we should not, because of that, be slow in renewing the political system, especially in organizational structure, personnel, the relationship between the Party, the State and people's organizations, as it is a necessary precondition for boosting socioeconomic development and realizing democracy.

Thirdly, developing a mixed commodity economy should go side by side with strengthening the State's role in socioeconomic management. It is absolutely necessary to renovate the economy, to change a self-sufficient economy with a system based on bureaucratic centralism and State subsidies into a mixed commodity economy operating according to a market system under State management, in order to release and develop the productive energies of society. But reality has shown that the market economy itself is not a panacea. Moreover, while stimulating the development of production, the market economy is also a favourable environment for all kinds of social ills to emerge and proliferate. To limit and overcome such negative consequences, and to maintain renovation in the right direction and promote and great nature of socialism, the State should fulfil its role in

socioeconomic management by means of laws, planning, policies, information, education and other means.

Fourthly, we reaffirm our will to constantly broaden socialist democracy; but to promote democracy in the right direction and successfully, this process should be properly led, with steady progress that is appropriate to the general political and social situation. Only in that way can we really guarantee the people's right to mastery and mobilize the entire people to take part with enthusiasm in the building of socialism. Pursuing extreme liberal demands, practising democracy without linking it in with order and discipline or without sufficiently taking into consideration the political and social situation, would only prevent good intentions about the promotion of democracy from being successful, on the contrary, this would lead to consequences harmful to the people's interests.

Fifthly, in the process of renovation, we should pay attention to prediction, identifying in good time and properly solving newly emerging problems in the spirit of holding to the line of renovation, strengthening the evaluation of practical activities, and constantly improving the theory on the path of building socialism in our country. Each socioeconomic decision, policy or measure, even if it is correct, can often entail, beside positive aspects which are essential, certain negative side-effects and new problems in the course of implementation; these should be foreseen and followed so that active measures can be taken to prevent or tackle them. Simplistic or biased thinking should be avoided; otherwise one could be perplexed and afraid whenever new problems or new negative phenomena emerge. We should not waver and return to the old erroneous methods because of key difficulties.

The deeper renovation goes, the more problems will emerge concerning our perception of socialism and the path to socialism. Only by improving the evaluation of practical activities and developing theories can the undertaking of renovation become a conscious, active and creative activity, and errors and complex detours avoided.

During the term begun by the 6th Congress, thanks to the efforts of the entire Party and people, we have recorded very important initial achievements, at the same time there remain many problems to be solved. Renovation is a revolution in motion and cannot be completed in a short period of time. The term beginning with the 7th Congress will continue to develop the achievements recorded, complete, complement and develop the line of renovation, prevent deviations that may arise, overcome difficulties and obstacles, and advance towards new successes.

Part Two

MAIN ORIENTATIONS AND TASKS OF THE 1991 - 95 PERIOD

1. Characteristics of the situation

On the threshold of the 1991-95 five-year plan an *international situation* is causing major changes for and profound impacts on our country.

From 1991, sources of external loans will decline substantially in number, preferential prices no longer exist, while annual debt service payments are increasing. The international situation has also caused major and sudden upsets to our export and import

markets, and to many of our co-operation programmes and labour agreements. Within a short period of time, we have led to transfer a considerable volume of our trade from traditional markets to new ones, with great impacts from the fluctuations in supply and demand and in prices on the world market. Meanwhile, certain countries continue to impose an economic embargo and blockade against our country. This situation has created difficulties for our economy and will continue to do so in the time to come.

Still, we also have new opportunities. The external relations of our country have constantly expanded, with a recent improvement in our relations with a number of countries, opening up prospects for gradual normalization. This creates more opportunities for us to expand our market, participate ever more widely in the international division of labour, capital and technology from various sources and to learn from world experience for our national construction. There are good reasons to anticipate that these possibilities will become greater and greater. At the same time, the expansion of external economic relations require from us swift adaptation to strict standards of quality and efficiency, and to business regulations and the laws governing the world market.

The world political situation has given rise to, as well as opportunities, new complications affecting our country. Hostile forces, with their "peaceful evolution" schemes, are agitating for political pluralism, a multi-party system and abolition of the Party's leading role, disseminating decadent and immoral ideas and cultures, and infiltrating spies and commandoes into our country for purposes of sabotage. They are working hand in glove with the reactionaries and bad elements inside the country to expand their subversive activities. The task of national defence remains a heavy responsibility.

Within the country, the socioeconomic crisis has not yet come to an end. The number-one problem awaiting solution is how to ensure balance in material and financial supplies, to expand consumer market, meet the objectives of economic stabilization and development, and overcome the present high rate of inflation. In the meantime, the economy in the main still lacks reserves built up from the productive national income, people's lives remain hard, millions of people, mostly the young, are jobless or have no stable jobs. Order and State discipline are lax; corruption and other negative phenomena are still widespread. The management capacity of the State, the organizational structure and personnel are still unable to meet the requirements of the situation in many respects.

On the other hand, great opportunities can be identified and made full use of. These are the very important initial achievements and experience of renovation gained over the past few years, the support given by the broad masses of the people to the line of renovation, and the stable political situation in our country. Our country still has great potential for development: a pool of hard-working, intelligent and creatively minded workers, scientists and technicians; as yet unexploited possibilities for intensive cultivation, crop multiplication and expansion of acreage in agriculture, and for developing forestry and aquatic production; favourable conditions for expanding the oil and gas industries, industries producing consumer goods and goods for export; the still sizable amount of idle capital dispersed among the people, etc.

With the achievements and experience gained over more than four years of renovation, our Party, State and people are certain to have the prowess and capacity to get our country out of the crisis and go forward to new successes.

2. Overall objectives and guidelines

In view of the above-mentioned situation and the objectives set for the initial stage of the period of transition to socialism, the overall objectives of the next five years are to overcome difficulties and trials, ensure socioeconomic stabilization and development, enhance political stability, and counter negative phenomena and social injustice, leading our country in effect out of its present state of crisis.

Here below are specific targets:

- To continue keeping down and curbing inflation, maintain and develop production, and build up accumulations from within the national economy;

- To create many more jobs for people of working age; to secure a substantial drop in the population growth rate;

- To stabilize and improve step by step the people's material and intellectual lives, to ensure that minimum payment levels meet the working people's essential needs, to prevent illegal and unjust earnings;

- To continue promoting socialist democracy, to renovate the structure and mode of operation of the Party, the State and the people's organizations, and to renovate their organizational structures and contingents of personnel;

- To ensure national defence and security, social order and safety, to safeguard the gains of the revolution.

Of the five years 1991-95, the first two will be of decisive significance in adapting our economy to changes in the international situation, and in safeguarding and turning to account the achievements of the renovation process.

The *guidelines* are:

To strengthen further national unity, and mobilize the energies of all population strata for the attainment of the objectives of building and defending the homeland. To strictly maintain intra-Party unity, and strengthen the close ties between the Party and the people.

- To combine economic incentive with moral motivation, to ensure harmony between the interests of the individual, the collective and society, to promote patriotism, national pride, the tradition of revolutionary struggles and resistance wars, the will for self-reliance, assiduity and thrift for national construction and to generate a popular movement striving for prosperity for the people and the country.

- To continue the process of all-round and harmonious renovation and ensure its in-depth development with steady steps taken, to consider economic renovation as the focal point, while promoting vigorously renovation in other spheres, especially with regard to the democratization of society, the organization and mode of operation of the political system, and educational, social and cultural policies.

- To create a favourable international environment, to broaden and strengthen our international relations in the political, economic, cultural, scientific and technical fields, based on the principles of respect for independence and sovereignty, mutual benefit, to protect the country's productive capacity, economy and security, to preserve and promote the fine traditions of our national culture.

Hereunder are the *main tasks* to be accomplished in order to attain the overall above-mentioned objectives.

3. Economic stabilization and development

To concentrate all efforts on *solving the most urgent economic and social problems*, and on this basis, successfully attain the *economic objectives of the 1991-95 five-year plan; to curb and control inflation, to stabilize, develop and boost the efficiency of social production, to stabilize and gradually improve people's living conditions, and to build up accumulations from within the economy.*

In order to carry out this task, it is necessary to develop the strength of the various economic sectors; to boost the three economic programmes with higher targets and to gradually shape a new economic structure in accordance with the demands of industrialization; to speed up the application of scientific and technological advances; to establish and operate fairly smoothly the new management system.

On sectoral and regional structures:

To concentrate investment both in width and in depth, to create clear changes in the economic structure, firstly for key branches and regions offering quick returns. Their directions are as follows:

- To develop *agriculture, forestry and fisheries in close association with the development of processing industries, the overall development of the rural economy and the building of a new countryside is the task of primary importance in stabilizing the socioeconomic situation.* To work out an overall scheme for each region to shape an appropriate structure of agriculture, forestry, fisheries and industry in accordance with regional ecological conditions, and protection of natural resources, associating the development of agriculture, forestry and fisheries with that of small and handicraft industries and processing industries using appropriate technologies;

to set up economic-technical service centres in each region and sub-region; *to build up the technical and social infrastructure in the countryside.*

In agricultural production, emphasis is placed on the food programme with a view to ensuring stability of supply for domestic needs and a considerable quantity, especially of rice and animal husbandry products, for export; to develop large-scale cultivation of perennial and short-term cash crops to be used as raw materials in processing industries, export items and import substitution.

To plan, exploit, protect and utilize water sources with a view to meeting the needs of economic development and daily life; enlarge the irrigation system, preventing and minimizing natural disasters.

To exploit in a comprehensive manner the *marine economy*, and the rearing, catching and processing of aquatic produce, especially that with export potential in close association with the strategy for the exploitation and safeguarding of the country's territorial waters.

To develop the *forestry sector*, to practise afforestation, to green barren lands and denuded hills, to more efficiently exploit and utilize forest resources, to protect natural resources and the environment.

- To boost production of *consumer goods and goods for export*, thus meeting the need for diversity and ever higher quality, well serving domestic consumption needs and export, and creating more jobs.

To diversify and increase the efficiency of external economic activities. To mobilize all the potential of the economy

and promote its relative advantages, to satisfy the needs of production and life at home while boldly looking forward to export. To continue paying attention to traditional markets while rapidly gaining a foothold in new markets and expanding regional markets. To improve the export structure in the direction of an increased proportion of processed goods and reducing that of raw materials, to create key export items such as petroleum, agricultural and aquatic products. To create before long a number of commodities manufactured, assembled and processed using modern technology and having export competitiveness. To develop tourism, air transport, international communications and postal services and other foreign currency earning services. To expand co-operation with other countries in the areas of manpower and expertise. To develop international co-operation in the financial, banking and insurance fields. To implement policies to attract foreign capital investment, initially in production, in various forms.

- To develop a number of *heavy industries* for the production first and foremost of agriculture, forestry, fisheries, consumer goods and goods for export, while creating the basis for subsequent stages of development; to pay attention to the exploitation of natural resources, contributing to the creation of initial accumulation sources.

In the five years 1991-95, special attention is to be paid to rapidly increasing the extraction of oil and gas; developing electricity, especially in the centre and the south; restructuring the engineering sector and investing widely in its development, aimed at serving firstly the production and processing of agriculture, forestry and fisheries produce; developing a building materials industry and electronics-information processing industries; setting up before long oil refineries and fertiliser factories; exploiting deposits of precious stones, bauxite and rare earths, etc.

- To develop *infrastructure*, to rapidly overcome the downgrading of communications and transport facilities, to expand and selectively modernize the communications and transport network, to pay attention to developing sea, river and railway transport and international airlines, to expand communications in rural and mountainous areas. To continue modernizing the network of international and domestic postal services; to reach the whole country with radio and TV transmissions; to develop the production of postal equipment.

To restructure and develop various forms of *techno-economic services* with a view to meeting the needs of production, living conditions and international co-operations.

To continue drawing up and implementing a *regional economic development strategy* in keeping with the overall strategy for the whole country. To develop the assets of each region and locality, turn to account locally available resources while actively expanding relations of labour division, co-operation and integration with other regions and with other countries. To define policies for urban development and for developing the two biggest centres of the country, Hanoi and Ho Chi Minh City. To select appropriately located cities and towns to become regional economic and cultural centres.

In the five years to come, to plan the exploitation of the assets of *upland and mountainous regions* with a view to creating marked changes in some regions. To formulate specific policies and measures regarding mountainous regions and ethnic minorities. To reorganize the central and local administrative apparatus in this field of activity.

To continue building the mixed commodity economy and renovating economic management.

To develop the fortes of the various economic sectors, these competing and co-operating with each other while complementing each other in a unified national economy.

The operational mechanism of the socialist-oriented mixed commodity economy is *a market system under State management* by means of laws, planning, policies and other instruments.

In this system, *economic units* enjoy the right to autonomy in production and business, relationships of equality, lawful competition, and voluntary co-operation and integration; the *market* plays a direct role in helping various economic units to select their fields of operation and projects for efficient production and business; *State* management of the economy is aimed at directing and guiding the various economic sectors, creating a favourable environment and conditions for production and business operations in accordance with the market system, strictly controlling and dealing with violations of the law in financial transactions, and ensuring harmony between economic development and social advances.

Some major tasks to be carried out are:

-To restructure and consolidate economic units

To urgently restructure and renovate the management of the *State sector*, to ensure its efficient development and its firm hold on key areas and sectors to develop its leading role in the economy. To concentrate energies on consolidating and developing key enterprises, efficient enterprises, and those of great significance to the national economy. To lease, change the form of ownership, or dissolve continuously loss-making and irretrievable enterprises.

To restructure various enterprise unions and general companies in accordance with the requirements of production and business in the market system.

To review the implementation of mechanisms and policies in various State economic units and co-operatives. To modify and supplement necessary mechanisms and policies so as to settle correctly the relationships between the right to ownership and that of utilization, between the State and State-run enterprises, between Party and people's organizations and directors. To entrust capital to, and widely apply various forms of output-quota contracts in State enterprises. To promulgate soon a regulation on State-run business. To build up a number of big companies or enterprise unions with prestige and competitive capacity in economic relations with other countries.

To continue renovating and perfecting the *collective sector* according to the principles of voluntariness, democracy and equality, to promote and combine harmoniously the strength of the collective and that of co-op members. To promote the diversification of co-operative forms and broaden collective economic forms in agriculture, small and handicrafts industries, trade and (rural) credits wherever necessary and possible.

To review the implementation of Resolution No. 10 of the Political Bureau; to continue renovating the management system of agricultural co-operatives towards ensuring autonomy for members' households while enhancing the role of management boards in managing and regulating production, ensuring necessary services, and carrying out, together with the administration and the people's organizations, social policies and the building of the new countryside. To link the household economy with zoning, the development of processing industries and the setting up of

amalgamated service companies in localities. To settle on the whole the problem of land disputes. On the basis of ownership of land by the whole people, land is handed to peasants for long-term utilization. The State defines by law various issues related to land inheritance and transfer of land utilization rights, etc.

To vigorously develop the *family economy* in various forms.

The private economy is entitled to develop, especially in the productive field, in accordance with State management and guidance in which the individual and small owners' economy with a fairly large scale in localities where collective sector cannot be conducted; the private capitalist economy is directed to develop along the path of State capitalism in various forms.

To improve before long the organization and operation of management over non-State industrial, building and transport enterprises.

To establish step by step joint-stock enterprises and companies.

-To form and expand gradually and harmoniously various markets for consumer goods, the means of production and services, a capital and money market, a foreign exchange market, labour market, etc. To develop ways of attracting capital and ensuring its rapid circulation. To establish a trial stock market when conditions permit.

To broaden nationwide distribution of goods, with attention paid to rural and mountainous areas, to abolish thoroughly all forms of market partitioning according to administrative boundaries. To link up the domestic market with the world market, to handle satisfactorily the relationship between domestic consumption and export, to implement policies to protect domestic production, to resolutely combat smuggling and other negative

phenomena in distribution. To enhance the role of economic contracts in keeping with the law. To perform well the task of forecasting, to take the initiative in ensuring balance regarding essential goods, to minimize and overcome in time fashion market price fluctuations.

To restructure and renovate the State-run trading system to increase its efficiency and develop its positive role in stabilizing and regulating market prices. To concentrate efforts on whole-sale trade, combined with retail sales of essential goods. To enforce a policy ensuring capital for State-run trading organizations for business and the necessary distribution reserves. To set up a mechanism for co-ordinating and regulating national reserves and circulation reserves.

To restructure and streamline export-import organizations at central and local levels; to establish export-import unions on a voluntary basis. To renovate and strictly control the granting of export and import licences and quotas.

To apply with determination the market price system to the prices of consumer goods and the means of production, exchange rates and credit interest rates; to re-adjust step by step the floor price and the exchange-rate relationship to accord with changes in international prices regarding imported basic materials, raw materials and equipment, while ensuring the development of production. To exercise control and supervision over the prices of the most important basic materials, commodities and services, as well as the prices fixed by certain monopoly business enterprises.

To continue abolishing in-kind forms of distribution; and calculate the full value of land and other natural resources being utilized.

- *To renovate and perfect the State's essential macro-economic management controls.*

To continue renovating, amending and synchronizing the system of *economic laws*. To reinforce order and State discipline in the implementation of State policies and rules; all sectors and levels are prohibited to alter them at will without approval from the competent level.

To raise the quality of *planning* in the national economy, and taking the market as the objective and most important basis. By means of target programmes and investment, credit and other economic policies, to provide conditions for and guidance in the development of various branches, localities and of the different economic sectors. Planning should define the major balances in the national economy and the policies and measures to ensure them. To raise gradually the level of socioeconomic forecasting in the work of planning.

To formulate a *national financial policy* and fundamentally reform State finances along the following lines: to tap the potential of nature and of the various strata of the population; to accumulate capital for economic units while ensuring sources of concentrated capital for the State; both to create conditions for while bringing pressure to bear upon economic units to raise their business efficiency; to ensure rational distribution of the national income, to meet expenditure requirements and at the same time to raise gradually the rate of accumulation, economize and ensure social justice; to contribute to curbing and controlling inflation.

To continue renovating and amending the legislation on taxation. To perfect the tax collecting system, to fight tax evasion and abuse of taxation and other negative phenomena in tax collection.

To diversify and effectively control the forms of insurance. To step up financial inspection and exercise control over the execution of the decree on accounting-statistics.

- The *banking system* should strive to effectively carry out its function as monetary, credit and clearing centre for the different economic sectors, mobilizing all idle sources of income in society, efficiently promoting the development of production, and helping to stabilize the value of the Vietnamese currency gradually. To clearly delineate and discharge adequately the functions of the State bank and business banks; between budget and credits. To apply the form of joint-stock bank. To exercise foreign currency control and transactions through the bank; to ensure planned utilization of foreign currency, and establish a legal exchange market. To allow foreign banks to operate in accordance with the laws of Vietnam.

To continue renovating and perfecting the system of accounting, statistics and economic information at the service of State management, production and business.

- To improve the *State's economic regulation* along the line of ensuring consistency in decision-making, to harmoniously coordinate the different management levels; and to intensify the work of supervision and control. To ensure a clear-cut delineation between State economic management and business management of grassroots units; to improve the division of economic management powers and responsibilities between central and local administrative levels.

4. Social policies

The aims of social policies accord with those of economic development, namely to develop the strength of the human factor and strive on behalf of human beings. To combine harmoniously economic development with cultural and social

development, economic growth with social progress, the people's material lives with their intellectual lives. Economic development constitutes the basis and premise for the realization of social policies; adequate realization of social policies engenders a driving force for economic development.

- The objective for improving living standards over the coming five years is to meet increasingly effectively the essential and ever more diverse needs of the different population strata; secure steady staple-food supplies, overcome chronic food shortages and pre-harvest famines in certain areas; increase non-staple food supplies and consumption, and raise the nutrition value of the diet of the broad masses.

To enable people to improve their housing conditions, to pay attention to big cities, some rural areas and regions often hit by natural calamities. To improve step by step public sanitation, protect the environment, and build up a civilized lifestyle. To develop and rise the quality of public communications systems.

To renew the *policy on wages and incomes*, encouraging everyone to increase his income and prosper legitimately from the fruits of his labour; to protect lawful sources of income; to regulate rationally the incomes of different sections of the population, sectors and regions. To fight and control illegal earnings.

To reform fundamentally policies on salaries and wages according to the following principles: salaries and wages should be based on the quantity and quality of work done and should ensure reproduction of the labour-power; to monetize salaries and abolish in-kind subsidies in salaries and wages; to realize a rational correlation among the salaries and incomes of the different sections of social labour. As from 1992, policies on salaries and wages are to be reformed with appropriate steps taken in connection with

streamlining the apparatus and personnel and creating more jobs for the extra manpower.

To sufficiently ensure a fixed quantity of in-kind supplies to members of the army and police. To implement allowances for demobilized officers and soldiers to help start a new life.

To renovate *social insurance policy* along the lines of ensuring contributions to the social insurance fund by all workers and all economic units belonging to all economic sectors. To separate step by step the social insurance fund for State workers and employees from the budget and form a common social insurance fund for workers in all economic sectors.

To look after the well-being of wounded or ill soldiers, the families of fallen combatants, and people having rendered meritorious service to the revolution and to consider it the responsibility of both the State and the entire people. To enact soon a regulation through which the entire people can contribute in gratitude funds to care for the well-being of wounded soldiers, fallen combatants' families and those having rendered meritorious service to the revolution.

To set up organizations of and for disabled people, and charitable societies, to organize assistance to lone elderly people and orphans, and people afflicted by misfortune. The State is to spend part of its budgetary reserves on relief for victims of natural disasters.

Protection of the people's health and improvement of their physical strength should become a conscious activity for everyone, backed by the concern of the State and the whole society.

To develop public health activities within the capacity of the State and the people, with prevention as the main aim; to combine

modern medicine with traditional medicine. To restructure the healthcare system, and consolidate the grassroots healthcare network, especially in mountainous regions. To work out health protection plans according to geographical regions. To gradually and in effect eradicate bacterial and parasitical infections, curb malaria, minimize the incidence of gonorrhea, prevent and fight AIDS. To carry out protection and care of mother and child; to ensure active prevention during pregnancy.

To meet the demand for pharmaceuticals. To expand the manufacture of medical equipment, build up the chemical-pharmaceutical and antibiotics producing industries, and develop production of medicines. To promote health insurance, to increase budget allocations for medical consultation and treatment.

To develop medical and pharmaceutical science, build up Vietnamese cutting edge medical and pharmaceutical sectors, pay attention to personnel training, absorb world scientific advances and apply them appropriately to our country on the basis of combining Eastern and Western medicine.

To expand international co-operation in the medical field; to make effective use of sources of international assistance in this area.

Physical culture and sports should be given attention in terms of raising the quality of physical education in schools, organizing, guiding and motivating the broad masses of the people to participate in daily physical training; improving the quality of centres for the training and nurturing of sportsmen, and improving records in certain sports. To improve the organization and management of gymnastics and sporting activities in the direction of closely combining State bodies and social organizations. To create conditions in terms of personnel and infrastructure for the rapid development

of certain sports in which Vietnam has a long tradition and good prospects.

- The policy on *population and employment* is considered as one of the very important targets of the coming five-year plan. *Population* reduction is State policy; it should become an extensive, powerful and incisive movement of the entire people. To increase expenditure, facilities and personnel while at the same time implementing other measures to step up the family planning programme. To consolidate organizations specialized in population and family planning.

The most important direction in solving the problem of *employment* is to carry out effectively the socioeconomic development strategy, with emphasis laid on both production and services. To combine creation of on-the-spot employment with redistribution of labour according to territorial regions, build new economic zones, set up small economic-technical-service centres in the countryside and provincial and district towns, while expanding the export of labour. To diversify sources of employment and income so as to attract labour from all economic sectors. Solving the employment problem is the responsibility of all occupations, and units belonging to all economic sectors, all families and all individuals, with investment from the State, economic enterprises and the people. To work out a well-synchronized programme for solving the employment problem. To shortly enact a law on labour and concrete regulations guaranteeing the rights, responsibilities and obligations of employees and employers.

- To realize unity, equality and mutual assistance among various *nationalities*, for uniting efforts to build a prosperous and happy life, while preserving and promoting the fine identity of each

nationality, such is the consistent policy of our Party and State. To promulgate policies for developing a market economy in regions where ethnic groups live, according to the conditions and characteristics of each region and each ethnic group, thus enabling ethnic minorities to exploit local assets for their own prosperity and in contribution to national construction and defence. To respect their own languages and work out appropriate policies on their scripts. To draw up specific policies to overcome the remarkable reduction in population growth of many minority peoples.

To guarantee to the Hoa community all civil rights and civic duties, to respect their culture and script, and to create conditions for them to work confidently, contribute to the building of Vietnam and cultivate friendly relations between the peoples of Vietnam and China.

To respect the culture and religion of the Khmer community, to implement policies helping to improve their living conditions, especially in areas beset with difficulties.

Faith and religion are spiritual needs for a section of the population. Our Party and State respect the people's freedom of belief or non-belief, and practise equality and unity between non-believers and believers and among various religions. To overcome all manifestations of narrow-mindedness, prejudice and discrimination against believers, to fight violations of religious freedom, while strictly prohibiting and checking misuse of religion directed against national independence and unity, socialism and the believers' fulfilment of their civic duties.

Regarding *civilian and military collaborators with the Saigon regime*, our Party, State and society are to judge them by their present attitude and deeds in national construction and defence; to wipe out all prejudices and create conditions for them to

contribute their talents and energy to increasing the people's well-being and the country's prosperity.

The more than two million *Vietnamese residing abroad* have close ties with their relatives, their native places and the homeland. Our Party and State appreciate their endeavours to preserve national identity, traditions and cultural values, their attachment to their native areas and the country, their sense of community, their solidarity and mutual assistance in daily life, their efforts in building good relations with the peoples of their host countries, as well as their attention, support and contributions to the cause of national construction. It is necessary to organize adequate information for overseas Vietnamese about the situation of the country, and to create favourable conditions for them to pay visits to their homeland.

5. Science, education and culture

Development of science, education and culture is aimed at developing the human factor, and in the interests of human beings in national construction and defence.

Science and education play a key role in the cause of socialist construction and national defence, and constitute a driving force to take the country out of poverty and backwardness, and up to the world's advanced level.

Scientific and technological activities should provide a scientific basis for important decisions by leading and managing bodies, constitute the principal tool for raising the productivity, quality and efficiency of all socioeconomic activities, and contribute to the shaping of the new culture and the new type of man, and to the acceleration of the overall renewal of the country.

Social sciences should make a worthy contribution to renovating our thinking, laying scientific foundations for the path taken by our country towards socialism, a correct political stance and viewpoint as well as consciousness and personality, and overcoming erroneous ideas. In the coming years, the main task of the social sciences is to creatively apply Marxism-Leninism and Ho Chi Minh's thoughts, to sum up experience from the realities of our country and absorb selectively the scientific achievements of the world, study fundamental theoretical questions so as to perfect and deploy the Political Programme, the Strategy for socioeconomic stabilization and development and the other documents of the 7th Congress. To overcome the sluggishness of the social sciences, fundamentally renovate the content and methods of teaching Marxist-Leninist sciences, economics and management science; to speedily develop various faculties of economics, sociology, law, political science and management science, especially economic management and State management science.

Natural and technological sciences are to concentrate their efforts on transforming, renovating and improving our country's present technological level, modernizing traditional technologies of major economic and social significance, and to selectively absorb new technologies. To concentrate efforts on selectively developing certain modern technologies such as electronics and information sciences, biotechnology and new materials technology. To study and popularize efficient measures for a rational utilization of natural resources and the protection of the environment.

In the next few years, it will be necessary to implement the following important measures: to work out democratic regulations, enhance co-operation, encourage research and debate in scientific life; to pay attention to the nurturing and selection of a

contingent of scientific workers and the boosting of their abilities. To substantially increase investment in scientific and technological activities from different sources and control their effective utilization. To expand international co-operation in the areas of science and technology, and to improve its efficiency. To perfect the system of scientific and technological organizations with flexible structures linking research applications and deployment with the needs of socioeconomic development. To continue renovating the management system and policies on science and technology in accordance with the need to develop a mixed commodity economy and to expand international co-operation. To speed up the movement for creative work and application of scientific and technological advances among the people. To continue perfecting institutions and policies for economic management so as to vigorously promote the application of science and technology. To set up a National Council to draw up policies on science and technology.

Education and training are to be aimed at raising the people's intellectual level, training manpower, nurturing talent, and forming a pool of workers with knowledge and skills, practical ability, self-possession, a dynamic and creative mind, revolutionary virtues, patriotism and love for socialism. Schools are to train youngsters in the direction of comprehensive knowledge coupled with specialization, and the awareness and capacity for self-employment in a mixed commodity economy.

The tasks for the coming five years are to continue renewing, stabilizing, developing and raising the quality of education and training. To attach importance to the quality of political and ethical education for pupils and students; to modernize to a certain extent the content and methods of education; to democratize school and educational management; to diversify the forms of

training and schools; to establish step by step semi-public schools, people's schools and private (vocational) schools; and to develop study-and-work schools. To expand vocational training; to nurture more and more people well-versed in science, technology, business, and economic and social management, as well as a growing pool of skilled workers; to raise the cultural, scientific and technical levels of the working population.

To consolidate and stabilize the existing system of pre-schools and classes. To concentrate efforts on achieving a programme of compulsory primary-level education and combating illiteracy; to develop secondary- and third-level education in accordance with the needs and conditions of our economy. To consolidate and develop general education schools for handicapped children. To restructure universities, high schools and secondary vocational schools. To rationally increase the range of university training, to expand post-graduate education and raise its quality. To continue amending regulations governing school enrolment and scholarships. To step up educational research and experimentation, to institutionalize the structure of the national education system.

To increase investment in education in mountainous regions and areas inhabited by ethnic minorities, expand boarding schools, and work out a scheme for the training of State employees and intellectuals with ethnic minority origins.

In the years to come, it is necessary to review recent educational reforms, and prepare for further educational reform along the line of training a contingent of workers with the ability to adjust to a market economy.

To continue building and developing the cause of Vietnamese culture, preserve and promote the nation's cultural

traditions, and absorb the cultural quintessence of mankind. To motivate the entire people to adopt an industrious, thrifty and civilized lifestyle. To ensure widespread dissemination of the cultural knowledge needed for production and life. To ensure equality between men and women and protect women's dignity. To launch a popular movement against superstition and other social evils.

Shaping the family of a new culture in the present situation is of paramount importance; it contributes to developing productive forces, stabilizing and improving living conditions, implementing family planning, and preserving and promoting the fine moral and cultural traditions of our nation. To increase the sense of family obligation among various strata of the population. To combine and promote the roles of society, people's organizations, schools, working collectives and population communities in the nurture of comradeship and fellowship, and the formation of the noble personality and cultivated way of life.

Literature and the arts constitute an important part of culture, and are closely attached to the people's lives and the revolutionary cause led by the Party. To encourage freedom of literary and artistic creation for the perfection of man, to nurture his noble soul and feelings, to highlight our sense of national pride, strong will and self-reliance, to strive for the country's prosperity and the people's well-being, to criticize the evil, the cruel and the debased. To pay attention to themes on national, revolutionary and resistance traditions, while highlighting realities of contemporary life. Through creative literary and artistic movements among the masses, to identify, nurture and develop talent, especially young talent. To raise the quality of literary and artistic theoretical research, presentation and criticism; to select and help to publicize works of high ideological and artistic value for

popularization among members of the public. To impose severe punishment on those engaged in disseminating and trading in reactionary and decadent culture, to fight alien, unwholesome culture.

To develop *information, the press and publishing* in the direction of raising quality, meeting the people's need for information, and increasing their all-round knowledge. To boost investment in radio and television facilities, bring information to every corner of the country and to most families, especially in rural and mountainous regions. To attach importance to external information operations. To strictly control operations in the fields of publication, information, the press and cinematography.

The State to enact correct policies regarding different cultural production; to pay due attention to training talent, to attend to the well-being of men of culture, of letters, artists and journalists who have made major contributions; to encourage political, theoretical and professional qualifications for leading and management officials working in these fields. To reorganize and improve State management of activities in the spheres of culture, the arts, information, the press and publishing. To renovate the mode of operation of cultural and artistic units and of various artistic and literary associations.

6. National defence and security

To consolidate the all-people's *national defence* and the disposition of people's warfare with a view to firmly safeguarding the independence, sovereignty and territorial integrity of the homeland, checking and foiling all enemy schemes and acts of sabotage and aggression. Such is the task of the entire people, the entire armed forces and the entire political system.

To step up the building of provincial and city defence zones in the disposition of people's warfare, to make them capable of checking and smashing all local counter-revolutionary schemes and acts and actively fighting for local defence in all eventualities. To build necessary key defence projects. To closely combine economic development with national defence, and vice versa, in the economic development schemes and plans of the whole country and of each locality; to build up and consolidate firmly strategic rear-bases; and to prepare alternatives for military mobilization when necessary.

To build up the people's armed forces with ever increasing quality. To build up a regular, gradually modernized and well-trained people's revolutionary army with a rational organizational structure and standing effectives; to raise its aggregate quality and fighting capacity. To build a strong and adequately trained and monitored reserve force, and to ensure its rapid mobilization as planned when necessary. To build the militia and self-defence corps on a broad scale, with quality as an essential requirement.

To make efficient use of all potential in manpower, scientific capacity and army infrastructure in taking part in economic construction and in the consolidation of the system of defence industries. To put emphasis on in-depth investment, to turn to account the productive capacity of existing enterprises in the defence industry. To build up and implement step by step a long-term scheme and five-year plan for the defence industry. To complete the transfer of defence enterprises to the new management system. The efficiency of economic projects undertaken by the armed forces is to be judged on the basis of both socioeconomic and defence aspects.

To attend to Party and political work. To improve the quality of the body of officials. To amend and implement policies regarding the armed forces and their relatives in the rear areas in accordance with the army's specific work. To strengthen the Party's leadership over the armed forces and national defence, thus ensuring the armed forces' constant loyalty to the homeland, the revolutionary cause of the Party and the people as well as their steadfastness in all eventualities.

To firmly maintain *national security*, ensure the country's political stability, fight and foil every scheme and act of sabotage by hostile forces and criminals; to maintain *social order and public safety*, defend firmly the gains of the revolution and serve the renovation process efficiently constitute a task of primary importance in the cause of building and defending the homeland. To work out an integrated strategy combining the tasks of socioeconomic development and defending security and order; to combine consolidation of the all-people national defence with the building of the people's security dispositions. To promote the aggregate strength of the political system and the revolutionary dynamism of the masses; to ensure co-ordination between defence and security forces in the struggle, to defend security and order.

To launch a far-flung and broad popular movement for the defence of national security, to build secure front and areas in terms of security and order, to undertake preventive initiatives and fight effectively against hostile forces and criminals. To take integrated measures of struggle; to closely combine the defensive with the offensive, but to regard the former as the main factor; to both rule severely and take lenient measures, to both suppress and to re-educate.

To build up untarnished and strong people's security forces worthy of being an armed shock brigade on the front for keeping security and order; to set great store by and strengthen the grassroots forces, semi-specialized forces; to improve the quality of the force of border guards. Through the mass movement, to improve professional work and the training of officers and men.

To strengthen material and technical equipment; to pay attention to training, nurturing and improving their all-round knowledge and seeing to the material and spiritual lives of the people's security forces with attention paid to those constantly operating along frontiers, in remote regions and special localities.

7. Foreign policy

The overall task related to our foreign policy in the near future consists of maintaining peace, promoting relations of friendship and co-operation, creating favourable international conditions for socialist construction and national defence, and at the same time contributing an active part to the common struggle of peoples of the world for peace, national independence, democracy and social progress.

We should be sensitive to, aware of and foresee complicated developments and profound changes in international relations and the vigorous development of productive forces and the trend towards internationalization of the world economy with a view to making appropriate foreign policy decisions. In the new context, we should pay all the more attention to applying the lesson on combining the strength of our nation with that of our time, our internal strength with international strength, and traditional factors with modern factors at the service of the construction and defence of the socialist homeland.

We stand for equal and mutually beneficial co-operation with all countries regardless of different sociopolitical systems and on the basis of the principle of peaceful co-existence.

To consistently strengthen solidarity and co-operation with the Soviet Union, to renew the mode and improve the efficiency of Vietnamese-Soviet co-operation in order to meet the interests of each country.

To consolidate and constantly develop the special relations of solidarity and friendship between our Party and people and the Parties and fraternal peoples of Laos and Cambodia. To renew the mode of co-operation, with attention paid to efficiency and on the basis of equality and respect for each other's independence, sovereignty and legitimate interests. To strive to contribute to the early achievement of an overall political solution to the Cambodia issue on the basis of respect for the sovereignty of Cambodia and for the United Nations' Charter.

To promote the process of normalization of relations with China, gradually expand Vietnamese-Chinese co-operation, and solve problems pending between the two countries through negotiations.

To consolidate and develop friendship and solidarity with Cuba and other socialist countries.

The Communist Party of Vietnam works for the strengthening of its relations with communist and workers' parties, and for active contributions to solidarity and co-operation among fraternal parties on the basis of Marxism-Leninism, and to the struggle for the noble objectives of our time.

To join with forces struggling for peace, national independence, democracy and social progress, and to establish and expand

relations with social-democratic parties and democratic and progressive movements throughout the world.

To develop relations of solidarity and mutual confidence and raise the effectiveness of our multi-faceted co-operation with India. To continue expanding co-operation with other developing countries. To make an active contribution to the consolidation and strengthening of the Non-Aligned Movement.

To develop relations of friendship with other countries in South-East Asia and the Asia-Pacific region, and to strive for a South-East Asia of peace, friendship and co-operation. To expand equal and mutually beneficial co-operation with northern and Western European countries, Japan and other developed countries. To promote the process of normalization of relations with the United States.

To contribute to putting the United Nations Organization more effectively at the service of the objectives of mankind, namely peace, friendship, co-operation and development. To co-operate with international financial and monetary organizations as well as specialized agencies of the United Nations and non-governmental organizations.

8. To promote socialist democracy, to heighten the efficiency of State management and the role of people's organizations

To exercise *socialist democracy* is the substance of renewing and perfecting the political system. This constitutes both a goal and a driving force in the renewal process.

An important condition for promoting democracy is to build up and perfect the legal system, to strengthen socialist legislation, and to elevate the people's intellectual level, their level of awareness of the law and their sense of law-abidance. To renew the

information work and the process of decision-making of the Party and the State, so that decisions may reflect the will, aspiration and wisdom of the entire Party and people. To combat bureaucracy and encroachments upon the people's democratic rights; to prevent and overcome superficial extremist and bourgeois democracy. To punish severely acts of sabotage, trouble-making and hostility.

To continue reforming *the State apparatus* in the following direction: the State is really of the people, by the people and for the people; the State runs society by means of laws and under the leadership of the Party; its organization and operation follow the principle of democratic centralism, with unity of powers but a clear-cut division of work and devolution of rights and duties; its apparatus is streamlined, and operates with great efficiency on the basis of applying the achievements of science, technology and management.

A number of tasks should be satisfactorily done:

- To amend the Constitution, to strengthen socialist legislation. To continue to construct and amend the legal system concerning the economy, culture, society, criminal matters, civic affairs, administration, civic duties and civil rights, etc. To improve the skill of State bodies in making laws, to rapidly issue regulations on construction priorities, to promulgate and organize the implementation of the law with a view to helping the State manage in all respects the life of society through the law. To carry out legal education on a regular basis and foster among the people a sense of living and working in accordance with the law.

- To improve the organization and operation of the National Assembly and people's councils so that they can perform their functions properly. To renovate deputies' qualifications and the

rules and regulations for activities regarding National Assembly and People's Council elections.

- To modify the organizational structure and mode of operation of the government; to attach importance to collective discussion while upholding the individual responsibility and authority of the heads of government and ministries in management and executive work.

- To redefine the functions and tasks of province, district and village levels, so as to restructure the organization of each level ; to uphold the autonomy and responsibility of the localities, at the same time ensuring uniform guidance by the central government. To build strong administration at village and urban ward level.

- To improve the effectiveness of law-enforcement bodies. To renovate the operations and organizations of the Procurator's Office and People's Courts. To ensure the necessary conditions and means for them to safeguard the law and fulfil their tasks.

- To carry out with resolve, right from 1991, an organizational restructuring and streamlining of the apparatus in administrative and professional offices, making them streamlined and their functioning efficient. To promulgate soon regulations for State employees. To build up a pool of State employees with political qualifications and a highly-developed sense of responsibility and professional skills.

- To continue with determination and persistence the fight against corruption. The fundamental direction for checking corruption is to build up and perfect the apparatus , the management system and the law; to take justified action against

perpetrators while stepping up ideological education and tightening internal control.

The Fatherland Front and people's organizations should have their structure and operations renewed so as to really contribute to the implementation of democracy and social renewal, and attend to and defend the legitimate interests of the people; to participate in State management; to firmly maintain and strengthen the close relations between the Party, the State and the people. The people's organizations have the task of carrying out political and ideological education as well as social activism of all strata of the people, and uniting the entire people in endeavours for the success of the renewal process.

The people's organizations should have diverse forms of structure and activity, responding to the people's legitimate needs as regards professions and living conditions, meeting the interests of the country and the family, and ensuring mutual affection and assistance; they should be founded and operate on the principle of freedom of choice and autonomy, under the leadership of the Party, and in accordance with State laws; they should be oriented towards the grassroots and in close touch with their memberships. The situation in which people's organizations operate like State and administrative bodies should be overcome.

The apparatus of people's organizations should be streamlined, and operate properly as mass organizations. Most of their office-bearers are not full-time; they are to be selected from among the best participants in the movement, should be capable and virtuous, and have the confidence of the membership.

To renew and improve the effectiveness of Party committees' leadership over work among the people and over people's organizations. To pay special attention to building up the

working class and nurturing the younger generation. Every Party member is obliged to undertake work among the people and take an active part in the operations of people's organizations.

The Vietnam Fatherland Front plays a very important role in consolidating and strengthening the unity of the entire people and in building and defending the socialist Vietnamese homeland. The State should institutionalize the rights and responsibilities of the Front and other people's organizations in taking part in the management of the economy and society; it should closely co-ordinate the activities of people's organizations, and the latter's activities and those of State bodies at each level.

9. To renovate and rectify the Party, to improve its leadership capacity and combativeness

To lead with success the renewal process and the whole cause of building socialism and defending the homeland, our Party should renovate and rectify itself so as to acquire new knowledge, capacity and combativeness, successfully overcome negative phenomena and weaknesses, and restore and raise its prestige among the people. The Party should be strengthened politically, ideologically and organizationally; it should really be the political vanguard of the working class, faithfully representing the interests of the working class, the working people and the entire nation.

The following are important and urgent issues to be solved in the coming five years:

To renew and raise the quality of theoretical and ideological work, adequately serving the need to raise the intellectual potential of the Party, understanding and developing the resolutions of the Party's 7th Congress, mobilizing the entire Party, people and armed forces to strive for the successful implementation of

the socioeconomic plans and further boosting the people's confidence in the renewal process.

To continue nurturing Party workers and members and the people in the fundamental principles of Marxism-Leninism, the ideas, morality and style of Ho Chi Minh and the viewpoints and policies of the Party. To foster a spirit of independence, sovereignty and self-reliance combined with expanding international co-operation and being assiduous and economical in national construction and defence. To heighten vigilance against all enemy schemes and manoeuvres of divisiveness and sabotage against our people's revolutionary cause.

To organize satisfactorily theoretical research and evaluation of realities; to raise the potential and ability to apply Marxism-Leninism to the specific conditions of our country, to contribute to the drawing up of Party decisions and policies, and to find answers to new questions posed by daily life. To fundamentally renew political and theoretical education.

To streamline the organization and apparatus of the Party, to create a change of revolutionary significance at all levels of its organization and apparatus. To build Party executives from the Central Committee to the grassroots and ensure they have the wisdom and leadership ability commensurate with the requirements of each level. To ensure in time the replacement or additional appointment of executive members when necessary, without waiting for the expiry of their terms. To continue consolidating the specialized bodies of Party executives in the direction of compact organization, streamline staff and qualified cadres. To streamline the structure and activities of grassroots Party organizations in accordance with changes undergone by economic and social organizations and the Party's mode of leadership in the new



ĐỖ MƯỜI

**General Secretary of the Central Committee
of the Communist Party of Vietnam**

BIOGRAPHY

Mr Do Muoi was born on 2 February 1917 in Dong My village, Thanh Tri district, Hanoi.

Born into a peasant family, he became a house-painter, joined the revolution in 1936 as a member of the Popular Front Movement, and in 1939, was admitted to the Communist Party of Indochina. In 1941, he was arrested by French authorities and sentenced to 10 years' imprisonment in Hoa Lo Gaol, Hanoi.

In March 1945, he escaped from prison and resumed his revolutionary activities as a member of the Party Committee of Ha Dong province, and leading the uprising to wrest back political power in Ha Dong. Following the 1945 August Revolution, he became Secretary of the Party Committee of the province. Early in 1946, he took up the post of Secretary of the Party Committee of Ha Nam province, and later that year, became Secretary of the Party Committee and Chairman of the Resistance Administrative Committee of Nam Dinh province. In 1948, he was a member of the Party Committee of the Third Zone and Secretary of the Party Committee of Ninh Binh province. In 1950, he held the posts of Deputy-Secretary of the Party Committee, Deputy-Chairman of the Resistance Administrative Committee, and Political Commissar of the Military Command of the Third Inter-Zone. From 1951 to 1954, he was Secretary of the Party Committee, Chairman of the Resistance Administrative Committee, and Political Commissar of the Military Command of the Red River Left Bank Zone.

In 1955, he directed the 300-day take-over of the zone, and was Secretary of the Party Committee and Chairman of the Military-Administrative Committee of Haiphong.

In March 1955, he was co-opted as an alternate member of the Party Central Committee. In 1960, at the 3rd National Congress of the Party, he was elected a member of the Party Central Committee.

From 1956 to 1973, he held the following posts : Deputy-Minister then Minister for Internal Trade, Chairman of the State Commission on Pricing, Chief of the Government Inspectors' Mission, Deputy-Prime Minister and Chairman of the State Commission for Capital Construction, Deputy-Prime Minister and Minister for Construction.

At the 4th National Congress of the Party (1976), he was elected an alternate member of the Politburo while keeping the post of Deputy-Prime Minister.

At the 5th National Congress of the Party (1982), he was elected to the Politburo, also holding the post of Deputy-Chairman of the Council of Ministers.

At the 6th National Congress of the Party (1986), he was re-elected to the Politburo and assumed the duties of a standing member of the Party Secretariat.

In June 1988, he was elected Chairman of the Council of Ministers by the National Assembly.

He is a deputy to the National Assembly, 2nd, 4th, 5th, 6th, 7th and 8th Legislatures.

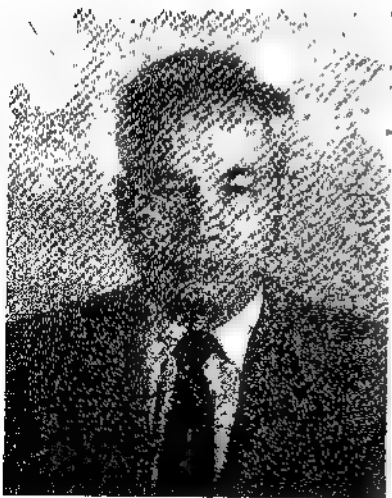
In June 1991, at the 7th National Congress of the Party, he was elected General Secretary of the Central Committee of the Communist Party of Vietnam.



LÊ ĐỨC ANH



VÕ VĂN KIẾT



ĐÀO DUY TÙNG



ĐOÀN KHUÊ



VŨ OANH



LÊ PHƯỚC THỌ



PHAN VĂN KHẢI



BÙI THIÊN NGỘ



NÔNG ĐỨC MẠNH



PHẠM THẾ DUYỆT



NGUYỄN ĐỨC BÌNH



VÕ TRẦN CHÍ

THE POLITICAL BUREAU

- 1- Đỗ Mười
- 2- Lê Đức Anh
- 3- Võ Văn Kiệt
- 4- Đào Duy Tùng
- 5- Đoàn Khuê
- 6- Vũ Oanh
- 7- Lê Phước Thọ
- 8- Phan Văn Khải
- 9- Bùi Thiện Ngộ
- 10- Nông Đức Mạnh
- 11- Phạm Thế Duyệt
- 12- Nguyễn Đức Bình
- 13- Võ Trần Chí

THE SECRETARIAT

- 1- Đỗ Mười
- 2- Lê Đức Anh
- 3- Đào Duy Tùng
- 4- Lê Phước Thọ
- 5- Nguyễn Hà Phan
- 6- Hồng Hà
- 7- Nguyễn Đình Tú
- 8- Trương Mỹ Hoa
- 9- Đỗ Quang Thắng

situation. To overcome at all costs the existence of weak and rotten grassroots Party organizations. To pay attention to consolidating Party organizations in areas inhabited by religious communities and minority ethnic groups.

To enhance internal democracy, abide by the principle of democratic centralism and preserve intra-Party unity and unanimity. To guarantee to every Party member the democratic right to take part in the discussion and drawing up of the Party's direction and policies, to stand for election and elect its leading bodies; to exercise supervision and control over the activities of Party executives. Party members are entitled to express all their views in the process of preparing a resolution, to present their viewpoints within the organization, and to have reservations; but once the resolution is adopted, they should implement it strictly and are not permitted to speak or act according to their personal views. Party executives should listen attentively to Party members' views without prejudice or discrimination.

Executive members at all levels have the right and responsibility to express their ideas, to join straightforward deliberations, and participate in decision-making by the executive body. To combat all expressions of totalitarianism, patriarchy, imposition of individual ideas, and resignation in the face of erroneous views and actions.

To increase the authority of auditing committees at various levels; to pay attention to exercising control over the implementation of the principles governing Party organization and life and over the qualifications of Party members including executive members of the same levels, to examining and taking disciplinary measures against Party members and Party organizations as set out in the Party Statutes.

To further enhance self-criticism, from the highest leading body to the grassroots. To foster comradeship, to resolutely combat individualism, opportunism, sectarianism and departmentalism.

To purify Party ranks and improve their quality. Based on the criteria for Party membership at the present stage, as set out in the Party Statutes (revised), all Party members should work and train themselves to be sufficiently qualified in virtue, knowledge and capacity to fulfil the task entrusted to them, and to uphold their vanguard and exemplary role in both work and lifestyle. Party executives should constantly nurture and improve the quality of Party members and their overall perception, and perform adequately the task of training and managing Party members.

To expel from the Party those politically and morally retrogressive and degenerate members engaged in divisive and sectarian activities, corruption, bribery and oppressive behaviour. To remove from the Party in appropriate ways those members who are not committed to the Party, lose their combativeness, and are in fact useless to the Party's leadership.

In the admission of new members, overall quality should be ensured. Attention should be paid to making the membership younger and increasing the proportion of Party members of worker background.

To continue the renovation of personnel and their work, to successfully build a strong and integrated pool of officials including political leaders, State managers, businessmen and experts in different fields, satisfying the requirements of the renewal process and achieving a steady transition between the various generations of officials.

The fundamental criteria of leading officials at the present stage are : revolutionary virtues and strong political prowess, the knowledge and capacity to achieve renewal, organizational and executive ability, honesty, straightforwardness; a healthy lifestyle, capability for unity, democratic and collective style, sense of organizational and disciplinary control, practising what they preach and enjoying the confidence of the masses.

To urgently draw up specific standards for each category and each title of personnel at all levels and in all branches, on which basis to train, assign and utilize personnel, putting an end to appointments made on the basis of acquaintance or subjective reaction.

In personnel work, attention should be given to each of the following three aspects : proper training and placement so as to develop the talents of available personnel, timely replacement of incapable officials and taking of due measures against corrupt and degenerate personnel and those with ideological and political deviations or violating Party discipline, active planning and training of alternate personnel at all levels.

To renew the attitude towards personnel and their work. To implement a policy of uniting, mobilizing and developing all personnel, both within and outside the Party, avoiding narrow-mindedness and prejudice regarding life history and family background. To draw up methods for identifying, promoting and dismissing personnel; to ensure democracy and collectivity in personnel work. To apply to different areas and levels suitable ways of finding, examining, evaluating and recommending person-

nel. To overcome manifestations of coercion, imposition and superficial democracy.

To renew rules and policies regarding personnel, firstly the policy on remuneration, to ensure a stable livelihood for State employees, encourage those with talent or making outstanding contributions, and attend to the well-being of personnel having rendered meritorious services to the revolution, retired personnel and those operating in difficult areas. To abolish egalitarian rules and policies as well as regulations which institutionalize privilege.

To strengthen the united leadership of the Party and the direct responsibility of State bodies, people's organizations and production and business units in regard to personnel work. Key leading personnel at each level and in each branch and unit should attend themselves to personnel work. To consolidate bodies specializing in personnel work; not to allow those who are politically unstable, dishonest or degenerate and incapable to do personnel work.

The various Party executives and organizations should strengthen their leadership over the *Ho Chi Minh Communist Youth Union*, to improve the quality of Union members and personnel, enhance the role of the Union as the nucleus of the youth movement, worthy of being a reliable reserve force of the Party.

10. Some urgent socioeconomic tasks

Along with the implementation of directions for overall renewal as outlined above, in order to take steps towards stabilizing the socioeconomic situation and continuing curbing and controlling inflation in the coming period, efforts should be concentrated on the fulfilment of the following urgent tasks:

- To promote the production of staple foods, including rice and subsidiary crops. To raise the output of cash crops and livestock breeding so as to increase the sources of export commodities. To supply adequately and in time basic materials for agriculture, to assist peasants with production capital by expanding various forms of credit.

- Regarding production by industry and that by small and handicraft industries belonging to all economic sectors : to look to all sources to meet the need for raw materials, other materials, equipment, spare parts and production capital; to expand markets for domestic consumption and export; to strictly control imports and combat smuggling to protect domestic production; to economize and to raise product quality and economic efficiency in production and business; to deal with chronically loss-making enterprises so as to concentrate capital and materials on key enterprises engaged in efficient business activities.

- To enact policies to mobilize all sources of capital so as to ensure the implementation of the 1991 plan for capital construction and to make preparations for key building projects for the national economy.

- To boost exports, to mobilize all sources of foreign exchange so as to be able to import basic materials and commodities essential to production and daily life, to actively work to improve the balance of payments and to contribute to maintaining the major balances of the national economy.

- To expand and regulate the circulation of commodities among various regions of the country. State trading organizations to sell goods by wholesale and regulate those commodities most essential to production and daily life, to contribute to keeping a balance between supply and demand and stabilizing prices.

- To strengthen State management of banking and to tightly control the issue and circulation of currency. To continue renewing banking activities along business lines, to carry out satisfactorily credit operations, actively create capital sources for production and business activities by all economic sectors; to effectively carry out clearing operations in the national economy.

- To strive for the fulfilment of the 1991 State budgetary plan. To encourage the development and raise the efficiency of production and business; to collect taxes correctly and sufficiently, to combat failures in tax collection so as to increase revenue for State finances, with a view to meeting necessary expenditure requirements, on the basis of economizing, using revenue for expenditure, and reducing budget deficits.

- To take integrated measures to solve problems related to the lives of people confronted with difficulties.

The State to provide assistance to peasants in areas stricken by natural disasters to restore production and stabilize their lives, in parallel with efforts to encourage mutual assistance.

To initiate a study of radical reform in the salary and wage system, to link this with a rational restructuring of organization and personnel, to draw up insurance regulations to mobilize the entire people to contribute to the gratitude fund for those having rendered meritorious services to the revolution.

To strive to create more jobs, including jobs for extra manpower resulting from the restructuring of production, business and the management apparatus, with attention paid to vocational re-training and the provision of part of the necessary initial capital.

- To speed up the struggle against corruption and smuggling; to review, modify and amend State policies and rules so as to create conditions for successfully fighting corruption; to take timely and severe measures in cases uncovered to dismiss from the apparatus corrupt and degenerate officials.

- To maintain the campaign involving people of all strata, with the people's security forces as the nucleus, for ensuring security and social order and public safety.

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The 7th Party Congress reaffirms the determination of our Party and people to vigorously carry on renovation in all fields, to bring our country through its trials and gradually into a situation of stability and dynamic and stable development.

Ahead of us remain many difficulties and obstacles, but also new opportunities. On the basis of the achievements already recorded, and with the political prowess and undaunted revolutionary traditions of our Party and people, our renewal undertaking is sure to achieve new and even greater successes.

Following the path of Marxism-Leninism, the one that Uncle Ho has chosen, Vietnamese communists and the entire people of Vietnam, united in heart and mind, are determined to do their utmost to build a strong and prosperous socialist Vietnam, for the happiness of the people.

STRATEGY FOR SOCIOECONOMIC STABILIZATION AND DEVELOPMENT UP TO THE YEAR 2000

Part One

SOCIOECONOMIC REALITY, POTENTIAL AND RESOURCES FOR DEVELOPMENT

I. SOCIOECONOMIC REALITY

1. Embarking upon the road to socialism from a low starting point, our country has so far remained a *poor and underdeveloped nation*.

The cause of national liberation and reunification completed, our people have scored great achievements in healing the wounds of war, restoring and developing production, laying the foundations of national infrastructure, and promoting education, science, culture and public health.

However, the economy is still agriculturally backward and very localized. Technology and socioeconomic infrastructure are out of date. Economic structure is seriously out of balance. A management system based on bureaucratic centralism and State subsidies has had many negative consequences. The economy

operates at low efficiency, low labour productivity, small domestic revenue and is heavily dependent on others.

The socioeconomic crisis has continued for many years, characterized by serious inflation; unstable production; increasing unemployment; wages and salaries below subsistence level; failure to ensure social order and public safety; widespread corruption and other social evils; violations of social justice; an erosion of cultural, spiritual and moral values; and declining confidence in the Party and the State.

This reality has its roots in history and is the consequence of many years of war. But the main cause is our subjectivism, voluntarism and violation of objective laws in socialist transformation, in the process of industrialization and economic management. Such errors together with inertia in organization and work among State employees have hindered the growth of productive forces and neutralized many of the driving forces for development.

2. The approaches to and policies on socioeconomic renovation adopted by the 6th National Congress of the Party, transformed into reality and developed in the course of their implementation, in particular the positive solutions implemented since late 1988, have led to initial yet very important achievements: development of a mixed commodity economy, elimination to a great extent of the system based on bureaucratic centralism and State subsidies, initial shift to a State-controlled market system, cuts in inflation, better response to demand for staple foods, non-staple foods and consumer goods, rapid increases in exports, and development of new external economic relations.

Nevertheless, progress so far is uneven. Inflation remains high; production has yet to be stabilized; and negative social

phenomena are still serious. *The country has not yet emerged from the socioeconomic crisis.*

The shift to a market system falls short in terms of consistency and comprehensiveness, especially in the financial monetary sector; macroeconomic management has failed to totally free itself from the old system while control has become loose in many aspects; institutes, State apparatus and personnel have not yet been able to respond to new demands.

The consequences of past errors have yet to be overcome while many new difficulties have emerged as a result of shortcomings during the process of renovation as well as adverse changes in the international situation.

In progressing, the country has scored initial successes in economic reform and developed new potential, but at the same time faces challenges.

II. POTENTIAL AND RESOURCES FOR DEVELOPMENT

1. Human resources

As it enters the 90s, our country has ~~36~~ ^{(44) now} million inhabitants with 33 million of working age; by the year 2000, there will be approximately 80 million inhabitants with over 40 million of working age.

This abundant manpower resource - the Vietnamese are traditionally patriotic, hard-working, creative with a strong cultural and educational basis and receptive to scientific and technological advances - *constitutes our most important resource.*

On the other hand, rapid population growth exerts heavy pressure on living conditions and employment. The Vietnamese are now limited in their efforts in terms of physical strength, knowledge, skills and are accustomed to outdated modes of

production and the old system. Only by overcoming these limitations can human resources and the human factor really become one of the country's strengths.

2. Natural resources

Our country's natural resources are relatively rich and diversified.

Pedological and climatic conditions, flora and fauna resources make it possible to develop agriculture, forestry and fisheries capable of feeding a large population and producing a wide range of goods for export. But frequent natural disasters continue to cause major devastations.

Arable land is limited, but the potential for crop multiplication and intensive cultivation are still considerable.

Forests, subjected to indiscriminate exploitation and clearing, have become ruined, but could be regenerated in a short time if appropriate policies and solutions were to be implemented. The remaining 9 million hectares of forests, if well protected and properly exploited, plus about 10 million hectares of barren land and denuded hills, if covered with vegetation and effectively utilized, could represent a strength, both economically and ecologically.

Our vast territorial waters and continental shelf have a major potential in the areas of marine products, oil and gas and sea nodules, maritime services, tourism, and so on.

Our water resources can meet the requirements of increased production and improved living standards. Hydroelectric power could be generated in many areas to provide a major proportion of our energy requirements.

Minerals constitute an important resource and potential wealth, but have not yet been carefully surveyed or fully exploited. There are remarkable reserves of minerals such as petroleum, coal, bauxite, apatite, iron ore, rare earths, precious stones, and those which can be used as building materials. Many others, in scattered locations, could be exploited on an appropriate scale and with appropriate technologies.

3. Geographical position

Located in an area experiencing the world's most dynamic economic development and at a major international crossroads and with many sea ports (even for use by other countries and areas in the region), our country is vested with potential for expanding external economic relations, attracting foreign investment, and developing trade, air and maritime services and tourism.

4. Infrastructure and scientific and technological potential

Though lacking in standardisation and to a large extent technologically backward, our existing infrastructure represents initial capital for advancement, including a number of important establishments.

The capital resources of economic units and of the population are not negligible, and could soon be mobilized and utilized effectively.

Our body of scientists, technicians and workers and the network of training schools and research institutes offer great potential. On the other hand, given the requirements of development, we still lack knowledge about and experience in market economics, and badly need qualified businessmen and managers, talented scientists and technologists and skilled workers.

5. External resources

In the 90s, the world situation will remain complex, consequently causing immense difficulties for Vietnam, particularly in the near future. On the other hand, the internationalization of the world economy, economic, scientific and technological interchange, the trend towards peace and co-operation in the region and throughout the world will continue. In line with the policy of renovation and openness, our country can gain access to a huge pool of external capital, and to markets, technology and managerial expertise, to complement and develop our own as a nation.

In order to utilize most of the above-mentioned resources and potential, numerous obstacles will need to be overcome. But correctly defining strategic approaches, objectives and solutions must be a precondition for translating that potential into reality.

Part Two

DEVELOPMENT APPROACHES AND OBJECTIVES

I. On the basis of the major and long-term objectives and policy directions as stated in the Political Programme of the Party, this strategy up to the year 2000 has been formulated in accordance with the following development approaches:

Socioeconomic development along the road of consolidating national independence and building socialism in our country constitutes the process of making the people prosperous and the country strong, advancing towards modernization in a society where the working people are the masters, where compassion, cultural values and discipline prevail, where oppression and injustice are

banned and where everyone enjoys a prosperous, free and happy life.

The main objective and driving force in development is *for man and by man*. The socioeconomic development strategy *places man at the centre, releases productive energies*, inspires the full potential of each individual, each working people's collective and the entire community, encourages and assists all Vietnamese people to develop *the will for self-reliance, industry and thrift for national construction and defence, building prosperity for themselves and for the country*. The interests of each individual, each collective and the entire society are intertwined with the interests of individuals serving as a direct motivating force.

All citizens shall *enjoy freedom of business activity in accordance with the law, with their ownership and lawful incomes being protected*. The economy has a *multi-sector structure with many categories of ownership and many forms of business organization* in line with the characteristics and level of productive forces that vigorously speed up the efficient growth of social production. All economic units, regardless of system of ownership, operate in accordance with a system of *autonomous business, co-operation and competition as equal partners before the law*.

The economy is to evolve in keeping with the *market system* with State management by means of laws, plans, policies and other instruments. Dynamism and creativeness are to be encouraged while order and discipline are to be established in economic activities. To utilize relative advantage, to constantly increase the competitiveness of products, to best meet the needs of daily life and production, to strongly and effectively promote export-led and import-substitution strategies.

To expand *economic relations* with all countries, international organizations, foreign firms and individuals on the principles of firm preservation of our independence and sovereignty, of equality, and of mutual benefit. To develop our spirit of independence and self-reliance, non-reliance on others, and to exploit to the maximum all natural advantages and resources of the country constituting a basic condition for effectively expanding external economic relations and ensuring the economy's active development.

Socioeconomic efficiency is the most important criterion of development. Economic units are to operate efficiently and profitably while fulfilling social obligations in accordance with the law. The State is to promulgate policies providing incentives and assistance to those economic units which suffer losses while working in the public interest.

To vigorously develop *education and training*, to constantly enhance our *scientific and technological* capacity, to pay due attention to application of research results for *national industrialization and modernization*. To combine *technologies of different levels*, to use as best we can advanced technologies, and make full use of the natural advantages of a late-developing country. To utilize development factors, both *extensively and intensively*, with increasing focus on the latter. To take advantage of *medium- and small-sized enterprises*.

Economic growth should be closely linked with *progress and social justice, cultural development, and environmental protection*. To take "distribution according to work done" as the major basis, to encourage people to work to become prosperous while striving to reduce the number of poor people in the population, to provide social welfare in accordance with the level of economic development, to ensure equality between the sexes, and to create opportunities for everybody to contribute to and enjoy the fruits of development.

To democratize social life; *civil rights, human rights and personal freedoms* are to be guaranteed by law, exercised within the framework of the law and bound only by the law.

To closely combine socioeconomic development with *political stability and renovation, with consolidation of national defence, maintenance of political security and social order and public safety.*

II. The overall objectives of this strategy up to the year 2000 are to *emerge from crisis, stabilize the socioeconomic situation, strive to overcome the condition of poverty and underdevelopment, improve living standards, consolidate national defence and security, and create the necessary conditions for the country to develop more rapidly in the early 21st century.* Gross domestic product (GDP) by the year 2000 will be double that of 1990.

These objectives cover the following issues:

Firstly, to overcome immediate acute difficulties, emerge from crisis, stabilize the socioeconomic situation. To drive down and control inflation, stabilize and develop production, stabilize people's living standards, improve the balance of payments situation; to halt the deterioration in education, culture and public health care, combat social evils; to speed up economic reform, implement in a concerted manner the market system; to adjust and improve the managerial effectiveness of the State apparatus, to fight corruption, and establish order and discipline in the economy and in society. This is the focus of the five-year plan (1991-95);

Secondly, to strive to eradicate famine, reduce the numbers of poor people in the population, solve the employment problem, guarantee basic needs, improve the people's material, cultural and intellectual lives, gradually accelerate domestic accumulation,

attract as much as possible external resources; to strengthen infrastructure, effect a radical switch in economic structure in the direction of industrialization;

Thirdly, to consolidate and build up socioeconomic infrastructure, develop education and training, improve people's intellectual standards and scientific and technological capacity with a view to responding to the demands of the 90s and preparing for the future;

Fourthly, to consolidate national defence, firmly maintain security in the new situation, ensure order and public safety as well as an environment of peace, stability and co-operation to promote economic development.

Part Three

ECONOMIC STRUCTURE

The successful achievement of our strategic objectives requires a radical switch during the 90s in economic structure in the following directions:

- Overcoming its localized and close-knit characteristics, drastically shifting to a commodity economy, linking the domestic market with foreign market, boosting exports and meeting import needs;

- Developing agriculture, forestry and fisheries in association with processing industries represents a task of the utmost importance in stabilizing the socioeconomic situation; increasing the growth rate and share of industry, expanding the service sector, strengthening infrastructure, taking the economy one step out of that of a backward agricultural one. To achieve an average annual

growth rate of approximately 4 to 5% and 10 to 12% in agriculture and industry respectively;

- Restructuring and renovating the management system with a view to ensuring efficient development of the State-run and collective sectors; promoting all forms of business activity capable of bringing about a high level of socioeconomic efficiency, creating an environment of co-operation and equal competition for all economic units;

- Focusing investment on and giving development priorities to those sectors, products and regions that can bring about the fastest and greatest socioeconomic efficiency, generating sources of accumulation which serve as a lever in stimulating and supporting other sectors and regions.

Structural change is to be effected through the investment and production-business operations of all economic sectors under the impact of the market system, guided and driven by the State using macroeconomic controls and investment programmes based on concentrating capital.

I. ECONOMIC SECTORS

In a market economy, with freedom of business activity guaranteed by the law, on the basis of the three basic forms of ownership (ownership by the entire people, collective ownership and private ownership), there will be many economic sectors with various forms of business organization.

The *State economy* is to be consolidated and developed in key sectors and sub-sectors, to retain ownership of essential enterprises and to undertake operations that other sectors are not able or interested in investing in. The State sector is to be

restructured with updated technology and managerial organization, to be efficient in its business activities, and to integrate with and support other economic sectors, thus playing a guiding role and fulfilling the function of a macroeconomic regulator.

State-run enterprises are to exist and develop in the form of 100% State-owned capital enterprises or joint ventures in which the State owns a dominant share of capital; they are to operate on the principle of business autonomy, self-financing and profit accumulation within the context of co-operation and competition; the State shall only grant short-term subsidies to enterprises badly in need.

As for enterprises for which "State-run" status is no longer required, the State is to either change their forms of business activity and ownership or dissolve them, but at the same time promulgate policies guaranteeing employment and living conditions for their workers.

The *collective economy*, with its prevailing form being the co-operative, is to renovate its organization and mode of operation, develop in a widespread and diversified manner in various sectors and trades with different scope and scale of collectivization, on the basis of voluntary contribution of capital and labour by working people. A co-operative's organizational and operational area will not depend on administrative boundaries. A household may join different co-operatives, and is entitled to withdraw therefrom in accordance with the rules.

In rural areas, based on the augmented role of co-operative members' household autonomous economies, the co-operative is to channel its efforts into processes and subsectors that its members' households fail to work in or work in with less efficiency than the co-operative; together with the authorities and

mass organizations to take care of social problems and the building of a new countryside.

Land belongs to the all-nation ownership. Peasant households are to be granted by the State long-term land leases with proper licences. The law is to provide specifically for the inheritance and transfer of the right to lease land.

The *individual economy* is to be encouraged to develop in various sectors and trades in urban and rural areas alike; not restrained in their business expansion, they may operate independently, or join different types of co-operatives, or enter into large joint ventures in various forms.

The *private capitalist economy* is to develop without limits in terms of scale and place in sectors and trades which are not prohibited by the law. The State may join private individuals, both Vietnamese and foreign, in various forms, to set up a kind of business belonging to *State capitalist sector*.

Household economy is not an independent economic sector, but it is encouraged to develop quickly.

Enterprises belonging to different economic sectors may be integrated into unions or collectives on the principle of freedom of choice, and on the basis of cost-effectiveness and mutual benefit.

The State is to consistently pursue the policy on a mixed economy, to abstain from discrimination, appropriating lawful assets, carrying out forced collectivization of productive materials, and imposing business structure, to encourage activities beneficial to the well-being of the people.

II. ECONOMIC SECTORS AND SUBSECTORS

1. Linkage between agriculture, forestry and fisheries and processing industries, integrated development of the rural economy and the building of a new countryside.

Agriculture, forestry and fisheries are to develop in the direction of commodity economy, linked with processing industries, to meet domestic demand, to promote exports, to make the most of ecological advantages, and to protect the environment and natural resources.

Agricultural production is to embark upon specialized cultivation in combination with integrated business with a view to obtaining the highest possible yield per acre. To apply intensive cultivation and crop multiplication as a major practice while expanding acreage wherever feasible. To increase food output so as to meet the needs of domestic consumption, reserves and export. To rapidly raise the proportion of cash crops, non-staple food crops and livestock. To define certain regions specializing in cash cropping and animal husbandry, including processing industries, destined for foreign markets.

To develop and complete the hydraulic system, basically solve the problems of irrigation and drainage in selective high-concentration areas of food crops and cash crops. To fully utilize organic fertilizers, increasingly meet the demand for chemical fertilizers, actively prevent destruction by insects. To widely apply biological technologies and measures to the main processes involved in agriculture, forestry and fisheries production, and check environmental pollution and soil degradation. To gradually and efficiently mechanize the main processes of production.

It is the primary task of *forestry* to protect and develop forest resources and forest land. To accelerate afforestation and forest

cultivation delineation, to green and make full use of barren land and denuded hills in close conjunction with the re-allocation of manpower to upland and highland areas, to sedentarize cultivation and habitation, thus stabilizing the lives of ethnic minority peoples. Every piece of forest land, including commercial forest, preventive forest and nature reserves, must have a direct owner. Forestry is to be combined with agriculture, linked with extractive and processing industries, or with integrated business of forest land.

Fisheries are to develop the exploitation and cultivation of different varieties of aquatic and marine resources, especially those of high export value. To strictly observe rules and regulations on the protection of aquatic and marine resources, to put an end to the destructive exploitation of natural resources. To build up a contingent of skilled sea-related workers, to instal infrastructure and processing facilities, to protect the livelihood of fishing communities. To develop an offshore fishing fleet.

To attach importance to post-harvest technology. To promote the widespread introduction of *processing industries* for agricultural, forestry and fisheries produce, combining various forms and scales of technology, to co-operate with and enter into joint ventures with other countries in order to modernize our techniques and to enhance the competitiveness of our products. To phase out and ultimately terminate the export of products in the form of raw materials.

Economic development is to go hand in hand with the *building of a new countryside*. To make the most of the peasant household economy in combination with the efficient operation of co-operative economic entities, which are to involve the majority of rural households and be associated in different ways with the State-run economy.

To strongly develop sideline occupations and trades, especially industries and services in rural areas, to speedily introduce new agricultural techniques and technologies down to household level, to meet employment needs and alter the composition of the workforce, reducing the proportion of manpower engaged in agriculture. To set up industrial, commercial and cultural centres in the countryside.

The State is to assist in building a new countryside mainly through construction of infrastructure and the promulgation of policies on finance, credits, prices and investment to encourage production and raise the incomes and purchasing power of the rural population.

Economic development is to be closely combined with the *shaping of a new culture*, bringing about social progress, especially with regard to education and health care and gradually reducing the number of famine-affected households and areas. To build a new countryside according to plan, avoiding as much as possible the need to encroach on farmland.

2. Consumer goods and export industries

To put to maximum use the capacities of all economic sectors, to promote steady growth in consumer goods industries through various forms, scales and appropriate technologies in order to satisfy demand for basic goods (textiles and clothing, paper, medicines, hardware and appliances), respond ever more adequately to the increasing consumption needs of the people, and boost exports.

To actively generate domestic sources of raw materials and increase the domestic capacity for technical equipment, while stepping up the import of raw materials and equipment as yet unavailable at home. To renovate equipment and technology and

ensure the quality of raw and other basic materials with a view to enhancing the competitiveness of our products. To encourage the production of new commodities.

To expand various forms of joint venture and co-operation with other countries in the production of goods for export as a priority issue in developing and modernizing our consumer goods industries.

3. Industry producing capital goods; and exploitation and processing of minerals

To promote the selective development of certain sectors to mainly serve agricultural, forestry and fisheries production, and the production of consumer goods and goods for export. The scale and timing of construction, and the scope of development of such sectors are to be determined on the basis of investment efficiency and capacity, particularly the possibility of attracting foreign capital and technology.

To formulate an overall plan and national energy policy; to give priority to the development of the *energy sector*.

To undertake the planning of the *electricity industry's* development, to ensure a balance between hydroelectric and thermal power together with the power transmission and supply network; to pay attention to meeting the demand for electricity in central and southern regions.

To vigorously promote co-operation and joint ventures with other countries in prospecting for and exploiting and processing oil and gas reserves. To build up refining and petro-chemical industries using modern technology, encouraging the growth of other industries using oil and gas as raw materials.

To stabilize and develop *coal* production to satisfy the need for fuel, including fuel for domestic use, and to boost export; to co-operate with other countries in high technology coal exploitation, transport, sorting and processing .

To develop certain industries producing raw and other basic materials, mainly basic chemicals, fertilizers, pesticides, building materials, some ferrous and non-ferrous metals, to expand co-operation in the exploitation and processing of iron ore, bauxite and rare earths. To promote the early development of new materials and to make use of modern technologies in raw and other material industries.

To survey, protect and speedily begin to exploit a number of rare and precious minerals.

To restructure and renovate techniques, technologies and products from the *engineering industry* so as to primarily satisfy the needs of agriculture, forestry and fisheries, processing industries and transportation; to ensure repair services. To expand co-operation both at home and abroad in the engineering field, to enhance competitiveness against foreign products, and to make full use of export potential.

To boost our scientific and technological capacity at home and attract international co-operation in the development of the *electronics and information processing* industries immediately at up-to-date levels, thus helping to meet the needs of home consumption in electronic appliances and gradually improving levels of automation in production and computerization in management.

To improve the technological capacity and standards of the *construction industry* with a view to satisfying domestic construction needs and expanding operations abroad.

To build up the *defence industries* commensurate with economic capacity enabling them to play a key role, together with civilian industries, in ensuring the repair, rehabilitation and production of some equipment for the armed forces; to carry out division of labour and co-operation between civilian and defence industries, assuring the needs of industrial mobilization when the circumstances so require; to develop the capacity of defence industrial enterprises for producing civil goods with practical efficiency.

4. Service sector

To expand the service sector in both urban and rural areas, to increase its importance in the economic structure and composition of the workforce.

To develop multi-sector commerce on the basis of free circulation of goods in accordance with the law, to restructure and consolidate the role of State-run commerce in the trading of technological items and certain essential consumer goods. To rapidly develop services related to transport, banking, insurance, science and technology transfer, economic information and advertising, investment, legal counselling, and export of manpower and expertise.

To make the most of the beauty of our country's natural landscape, rich cultural legacy, and other advantages, to expand co-operation with other countries in strongly developing tourism.

5. Socioeconomic infrastructure

To transform, upgrade and expand the *communications and transport network*.

To give priority to the development of water transport, increase the capacity of existing sea and river ports, build

new deep-water ports in both north and south; to develop forms of water transport, expand the fleet of ocean-liners.

To upgrade north-south railway lines and international railway links.

To upgrade a number of arterial roads, in the first place Highways 1 and 5, and to build major bridges along them; to improve other highways. To ensure uninterrupted year-round communication on inter-provincial and inter-district roads. To develop communications facilities in rural and mountain areas.

In co-operation with other countries, to develop civil aviation at home and on a number of international routes; to modernize international airports.

To modernize and enhance our international and domestic *postal services*, to ensure uninterrupted communications and liaison with rural and mountain areas and islands, to pay special attention to building up the industry producing postal equipment.

To attach importance to building up *cultural and social infrastructure* in both urban and rural areas, first and foremost in terms of housing, domestic water supplies, and facilities for scientific research, education, health care and cultural activities.

In the overall development of the economy, vigorous growth in the 90s can and must be ensured in the following sectors and subsectors so as to stimulate and support other sectors:

- Production of staple and non-staple foods;
- Processing of agricultural, forestry and aquatic produce and industrial exportables;
- Prospecting for and exploitation and processing of oil and gas and a number of minerals;

- Electricity, transportation, irrigation and drainage, information and communications.

In the course of implementing this strategy, further clarification will be made about key products from these sectors and subsectors, as well as about the possibility of some other sectors and products becoming key areas such as electronics and information technology, new materials, tourism, and so on, depending on the availability of capital, technologies and markets.

III. DIRECTIONS FOR ECONOMIC DEVELOPMENT IN VARIOUS REGIONS

The *plains* hold a key position in the production of staple and non-staple foods, short-term cash crops, fruit growing, in animal husbandry, in developing rural industries and in the growth of services.

To channel efforts into developing production of staple and non-staple foods in the Mekong and Red River Deltas; to give priority to those localities with better potential in terms of effective investment and share of commodities in production.

The *uplands and mountainous regions* are to shift to commodity economy, take advantage of their potential for forestry, establish areas specializing in perennial cash crops and fruit growing, linked with processing industries, development of animal husbandry and mining. To muster the human and material resources available in the region as well as throughout the country and to enlist international aid for full and efficient use of waste land and denuded hills. Exploitation is to go hand in hand with protection, regeneration of natural resources, protection of the

environment and of the interests of ethnic minority peoples. To speed up the exploitation of minerals and hydroelectricity, the shaping of industrial-commercial and urban centres linked with territorial economic complexes, such as coal in the northeast, chemicals, fertilizers, metallurgy, electricity in the northwest and northern uplands, hydroelectricity and mining in the Central Highlands.

As for mountainous regions, the State is to assist with investment in the expansion of communications and transport, environmental protection, and the financing of public health care, education and training of people of ethnic origin, and at the same time, to apply preferential policies in taxation, credits, wages, and so on, to speed up socioeconomic development.

Territorial waters and offshore islands are to concentrate on the cultivation, exploitation and processing of aquatic resources, and the exploitation and processing of oil and gas and sea nodules, on developing sea-related production and service facilities, and on expanding tourism. To gradually and comprehensively exploit the vast potential of the marine economy, to develop the economies of the offshore islands, to ensure control over our territorial waters and to exercise sovereignty over economic special zones.

Coastal provinces are to make the most of their natural advantages in opening up to the outside world, to adapt production and construction strategies to adverse climatic conditions; to closely associate economic development and protection with consolidation of national defence and social security.

The cities, provincial towns and townships are to be the economic and cultural centres, primarily industrial and commercial centres of their respective areas. The strategy for urban

development is to set up many medium and small centres, logically sited, avoiding overconcentration of the population in major cities.

Certain areas important both to their respective overall regions and to the entire country (the Hanoi-Hai Phong area and Quang Ninh in the north, the Ho Chi Minh City, Bien Hoa-Vung Tau-Con Dao area in the south, Da Nang and some other port cities in the central region) are to attract domestic and foreign investment with a view to bringing into full play the role of economic, cultural, scientific and technological centres, and focal points for the development of foreign economic relations, integrated with other localities and stimulating their development. To set up in these areas a number of zones with special administrative-economic status conducive to investment in production of goods for export and business with the outside world.

Each province or city, on the basis of national and regional strategies, is to work out the socioeconomic development plan for its own area, to carry out urban and rural construction, from the smallest demographic unit (village or commune) to the township, provincial town, quarter and city. The production structure and investment structure are to be directed at utilizing the natural advantages and mobilizing the resources of all local economic sectors, and co-operating and integrating with other entities, including foreign units; *to closely link economy with defence*. Central and local authorities are to assist regions of importance to national defence, mountainous areas and former resistance bases facing considerable difficulties.

Part Four

MANAGEMENT SYSTEM AND MAJOR POLICIES

I. RENOVATION OF THE MANAGEMENT SYSTEM

To continue with the abolition of a system based on bureaucratic centralism and State subsidies, to establish harmoniously and conduct efficiently the State-controlled market system. Establishing order and State discipline under the new system constitutes both a basis and a pre-condition for our emergence from crisis, for stability and socioeconomic development.

1. *The market* is to give direct guidance to enterprises in selecting fields of activity, kinds of products, scope, technology and forms of production-business organization with a view to the greatest efficiency in the context of co-operation and competition.

To establish a *complete market system*, which comprises manpower, capital and money throughout the country and linked with the world market. To eliminate the in-kind component remaining in salary payments and usage of housing, land, and means of transport.

Prices, exchange rates and credit interest rates are to be defined in accordance with the market system. The State is to resort only to economic measures to influence supply and demand conditions in the market, stabilize prices and only fix prices for a few essential products on which it holds a monopoly, and to issue policies on price guarantees for certain farm produce and export items.

To set up an official foreign currency market so as to facilitate foreign currency exchanges and transactions through the bank at

market rates. To issue policies encouraging planned utilization of foreign currency.

To strive for a healthy balance of payments situation to pay due debts. To create growing foreign exchange reserves with a view to having real power to regulate the foreign currency market, making the exchange rate better reflect the real purchasing power of the Vietnamese currency and eventually making it convertible.

To link the domestic prices system with international prices, to apply policies on appropriate and limited protection for domestic production but only to such an extent as not to lead to inertia and decline of competitiveness in commodities.

To respect the principle of credit rates being higher than inflation rates, lending rates higher than deposit rates, to abolish subsidies through credits, to ensure normal business conditions for commercial banks. The bank is to extend operations to all economic sectors and population strata without discrimination.

To create an environment and conditions for *lawful competition, for co-operation and joint ventures on a voluntary and equal basis* between enterprises from all economic sectors both within the country and with foreign partners. To abolish monopolies and prerogatives in most economic sectors and subsectors. Where a monopoly is unavoidable, the State is to exert a controlling mechanism in order to prevent authoritarianism and price manipulation. To accept bankruptcies in loss-making units, and to enact a law on bankruptcy.

To implement throughout the country a *uniform law on business*, and to apply uniform units of measurement, standardization and quality control. To develop communications and transport, a network of marketplaces, buying and selling points and trading

enterprises in all geographical areas. To lift all barriers restricting the flow of goods between sectors and localities.

To enhance the *marketing ability* of enterprises. To set up business associations, strengthen the Chamber of Commerce and Industry which is to serve as a focal point assisting transactions between home and foreign businessmen. To develop various forms of economic information services, advertisements, trade fairs, exhibitions, etc. To create favourable conditions for producers to conduct market research and transactions with home and foreign partners.

Trading enterprises, in particular State-run enterprises, are to fully discharge their function as representatives of consumers in placing orders with producers. To expand contract-based relations. To promote legal and economic guarantees and the role of public opinion in upholding credibility in business, combating the counterfeiting of products, speculation and smuggling.

2. On the basis of ensuring the business autonomy of enterprises, the State is to focus on successfully exercising the following macroeconomic management functions.

To create the right environment and conditions for production-business activities:

To ensure political, economic and social stability for the people to carry on without concern their production-business activities. To maintain the law, social order and public safety; to establish consistent policies and institutions in the direction of renovation; to stabilize the macroeconomic environment, to control inflation, to regulate the market, to prevent and tackle negative occurrences.

To build infrastructure ensuring the basic conditions for economic operations: physical infrastructure (communications,

power, water supply, information, national reserves, etc.), the financial-monetary system, legal system; sociocultural infrastructure (education, training, scientific research, health care, environmental protection, etc.)

To guide and assist development efforts by means of economic planning and policies, to utilize in a selective manner accumulated resources and reserves, to promote the role of the State economy, to strive for a breakthrough in diplomatic relations and support different organizations and individuals in their foreign economic relations

To formulate and implement social policies, ensuring co-ordination between economic development and social development.

To manage and control the utilization of national assets with a view to conserving and developing them, including assets transferred to the State-run economy.

3. To renovate and perfect essential macroeconomic controls

- To renovate the formulation, promulgation and execution of the law in such a way as to meet the requirements of socioeconomic management under a market system. To ensure the systematicity of laws and by-laws, with due attention paid to international laws and practices. To formulate and promulgate before long a system of economic laws, laws on environmental protection, civil laws, etc. To popularize the law among the entire population. To develop various forms of legal services. To expand the scope and improve the quality of training of lawyers, especially in finance laws. To perfect the law-enforcement apparatus. To research the organization of economic courts.

- To enhance macroeconomic planning on the basis of renovating the planning, switching from centralized bureaucratic

planning to indicative planning, ensuring a fundamental overall balance in the economy (supply-demand, money-commodity, revenue-expenditure, export-import, savings-consumption, etc.) State plans have investment programmes and projects of the government as a guarantee of the attainment of their major objectives, plus the application of economic levers as the main method of guiding and supporting the sectors, localities and enterprises to develop in the planned directions.

- To establish a system of *accounting, statistics and economic information* serving State management and the management of production-business in a timely, accurate and adequate manner, in line with international standards and in the direction of gradual modernization.

- To fundamentally renovate the financial-monetary system.

National finance policies are to focus on generating capital and effectively using capital throughout society, increasing rapidly social products and national income, regulating the savings-consumption relationship in the direction of gradually raising the rate of savings, improving steadily and step by step the living conditions of the people, ensuring social justice in accordance with our level of economic development.

To strive to balance the State budget in an active way: encouraging and developing sources of income, minimizing revenue losses, satisfying expenditure requirements necessary for the common interests of development; to make up deficits through borrowings rather than by printing money.

To perfect the law on taxation using it as a lever and guidance for production-business operations and to collect budget revenue, regulate incomes and ensure social justice. To educate the entire people on their duty to pay taxes. To build an effective and law-binding apparatus and modes of tax collection.

To reform the *banking* system for higher efficiency, turning it into an effective centre of money, credit and payments that plays a key role on the capital and money markets.

The State Bank is to perform the function of a State administrator of all credit and financial transactions, supply and regulate the circulation of money and stabilize the value of the currency. Commercial banks are to function as a credit and financial business unit, operating on the principle of financial autonomy and subject to the control of the State Bank as regards credit and finance policies and regulations. To consolidate the operations of State-run commercial banks, develop rural credit organizations, promote the formation of share-holding banks and joint ventures with foreign banks. To permit foreign banks to open branches operating in Vietnam and to create conditions for Vietnamese banks to set up overseas branches.

4. To put into practice the system of production-business autonomy of State-run enterprises

State-run enterprises are *obliged* to abide by the law, conserve and develop the capital allocated by the State, fulfil obligations set out by the State, including tasks assigned and orders placed by the State when necessary.

The enterprises are fully entitled to such *rights* as autonomy in organizing production-business; financial autonomy; recruiting and deploying labour, paying wages to and laying off workers according to the law, carrying out transactions with domestic and foreign customers; selecting forms of integration and joint ventures with other economic units regardless of administrative boundaries. Production-business unions are organized and operate effectively, bringing profit to member units; these unions do not function as an intermediate administrative management level.

Legal enterprises are units that can take initiatives in business and are entitled to join or leave unions according to their rules.

To expand step by step the concept of joint-stock enterprises in the State sector. To clearly define the responsibilities and rights of the asset owner and the executive director and have proper organization and mechanisms for ensuring their correct implementation. To establish rules stipulating the activities of Party and people's organizations in State-run economic units in accordance with the new system.

II. POLICIES AND SOLUTIONS REGARDING CAPITAL AND EXTERNAL ECONOMIC RELATIONS

1. Policies and solutions regarding capital

To actively *generate domestic capital*. The ratio of 2-3% between domestic accumulation sources and gross national product in 1990 is to rise to 8-10% by 1995 and to about 15% by the year 2000, ensuring about 1/2-2/3 of the demands for development capital in 10 years. To gradually increase the contribution of national income to the budget, at the same time sparing a necessary share for the enterprises and the people to invest by themselves.

The main source of capital generation should be business efficiency, *economization in production and in consumption*. All able-bodied people should be employed, all talents properly used, all resources, assets and idle money mobilized for economic development, all enterprises should be cost-accounting, self-financing, self-generating and contributing to the State.

To correctly evaluate and efficiently exploit and utilize national assets and resources. To implement a system of conserving and developing the capital the State allocates to business

units. The State is to lease or sell a number of unused or under utilized assets and resources and turn them into liquid assets yielding capital to be invested in those fields deemed to be necessary.

Along with banking reforms, to establish insurance organizations, to develop various kinds of share-holding enterprises, various forms of bonds and shares, paving the way for the formation of a stock exchange. To prevent usury, fraud and speculation on the capital and money market.

To encourage and provide guarantees for all organizations and individuals to invest in business, buy bonds and shares, buy insurance, and deposit at savings co-operatives, with a view to mobilizing all sources of capital available in society for economic activities.

To use all possibilities and different methods of *attracting foreign capital*.

To firmly grasp the principles of foreign policy making, to combine the open-door economic policy with flexible diplomatic tactics in order to break the economic blockade and embargo against our country.

To secure aid and long-term soft loans. To attach importance to promoting direct investment by foreign firms, linked with the transfer of advanced technology and boosting of exports.

To provide favourable conditions for overseas Vietnamese to invest in economic development, to assist their relatives at home and to contribute to the reconstruction of their native areas and the homeland.

Domestic enterprises may borrow from abroad for their own investment provided repayment is guaranteed and advanced technology is involved.

The State is to strictly control borrowings from and repayments to other countries. To negotiate with creditors on immediate solutions for debts owing, to guarantee the fulfilment of commitments, to build up credibility, and to seek new sources of loans.

State-owned capital is to be heavily invested in essential infrastructure and other important projects. Projects using State-owned capital must be kept under strict control in terms of economic and technical groundwork, design, cost estimation, implementation, liquidation, ect., to combat waste and corruption. To perfect the bidding and subcontracting mechanism for wide application in construction activities.

Enterprises and the people are to invest in production-business with their self-generated capital, share capital, and borrowed capital; to join forces with the State in investing in the building of infrastructure and public works .

2. External economic relations

To *diversify and multilateralize* economic relations with all countries and economic organizations on the principle of respect for independence, sovereignty, equality and mutual benefit. To consolidate and strengthen our standing on familiar markets and with traditional partners, to actively penetrate and establish footholds in new markets, to develop new relations.

To rapidly increase the volume and improve the composition of *exports* in the direction of an increase in processed items, reducing the share held by primary products, to develop a number of commodities which can be produced in large quantity and have relatively stable markets. To apply policies on exchange rates and taxation that strongly encourage exports. The volume of exports over the 5 years 1991-95 is to increase by 2 to 2.5 times as compared

with 5 years ago, and to increase about five-fold by the year 2000 as against 1990.

To develop various forms of foreign currency-earning services, especially tourism.

Policies on *imports* must effectively serve the development of production and technological revovation, stimulate improvements in the quality and competitiveness of products, and cover the essential needs of life.

To continue perfecting the mechanism of control over import-export and foreign exchange.

To create a favourable environment and conditions for foreigners to come to our country for *investment, co-operation and business*. To ensure promulgation of uniform regulations, stable and convenient institutions and their strict observance; to put under uniform management the handling of foreign investment procedures and requests. To ensure essential conditions concerning infrastructure, working and living facilities for foreigners, first of all in export-processing zones and key areas in external economic relations. To organize well-functioning economic information systems and actively prepare projects calling for foreign capital investment. To train a body of personnel capable of handling foreign economic operations under the new system and with new counterparts. To fulfil our country's membership obligations and rights in international organizations, to join other international economic organizations and associations when necessary and where possible.

III. POLICIES ON POPULATION AND EMPLOYMENT, ON INCOMES, SOCIAL INSURANCE AND HEALTH CARE

1. Policies on population and employment

To comprehensively implement the strategy on *population* in three respects: size, composition and distribution of population; to reduce population growth rate by about 0.4 to 0.6 per thousand annually.

To translate into practice the family planning programme by means of radical and integrated measures on the basis of a nationwide and in-depth social movement, mobilizing all forces, using various types of organization, combining respect for freedom of choice and persuasion with guarantees of the interests of different parties concerned, and with mother and child care as well as with women's emancipation. Reducing the annual population growth rate constitutes an important task for the administration and people's organizations at all levels, particularly in localities and among population strata with high birth rates. The State is to adequately invest in this programme, at the same time mobilizing different forms of voluntary contribution of efforts and money, to actively solicit and efficiently utilize grants from the United Nations Fund for Population Activities and other international organizations.

To solve the *employment* problem and utilize the potential labour force to the maximum constitutes an objective of primary importance in this strategy, and a criterion for determining the directions of economic structure and technological selection. Priority is to be given to provision of employment for those of working age, especially in urban areas, and demobilized soldiers and graduates.

Working people should take the initiative in generating their own jobs and in looking for jobs. All occupations that produce income for the worker and benefit society are respected. The State is to provide conditions in terms of system, policies, environment conducive to production and business, and vocational training. To rapidly increase the proportion of specialized workers, to encourage multi-skilled workers.

To enact a law on labour, guaranteeing everyone the right to be master of his or her own work. Within the framework of the law, everyone is free to learn and pursue a vocation, to choose his work and place of work, and to hire manpower. To organize a labour market and different forms of job centre; to renew policies on residence and household registration; to expand the system of labour contracting; to apply preferential policies toward those who work in difficult working and living conditions.

The national employment programme is to focus on developing selected sectors and localities capable of job generation such as cultivation and processing of farm, forestry and aquatic produce, production for export, labour-intensive industries, greening and utilization of barren land and denuded hills, building of infrastructure, expansion of the service sector and export of workers.

2. Policies on incomes and social insurance

To encourage everybody to make his or her living legally so as to increase his incomes. To *remunerate* according to work productivity, effectiveness of production-business, and efficiency of work; to encourage higher incomes based on work outcome, to draw up an income scale which corresponds to the progressive value scale in society. The State is to use income tax in order to contribute to the ensuring of social justice.

To reform the *wage and salary system* in the public sector in the direction of ensuring reproduction of labour-power, monetization of wages and salaries, abolition of subsidies and overcoming egalitarianism. To reform the wage and salary system in association with restructuring of the State apparatus, re-deployment of staff in accordance with the new system, to reform the insurance system. Where major changes in prices occur, the State is to provide timely and adequate compensation for wage earners and pensioners.

To develop production and life insurance services based on voluntary contributions, operating on the basis of cost-accounting under State guarantee.

To implement a policy under which the entire people make contributions as an expression of *gratitude* to wounded soldiers, families of fallen combatants, to those who have rendered meritorious services to the nation; a policy on sponsoring orphans, the disabled and helpless aged; a policy on providing relief to disaster-prone areas, and to destitute families. Funds may come from such sources as social foundations, charitable societies, aid from international humanitarian organizations and partly from the State budget.

To renovate the policy on *housing*. The State is to encourage and create favourable conditions for people to build their own houses in accordance with residential planning regulations. The owner of a house is entitled to rent, bequeath or sell it. State-owned houses are to be sold or rented at fair prices with the rental being sufficiently incorporated into the salary. Housing companies are to operate under a system of cost-accounting and capital retrieval for reinvestment. To develop housing banks.

3. Policies on health protection

To protect and improve the health and physical condition of the people, to combat malnutrition among children, to increase the height and weight of the younger generations, to raise the average life expectancy of Vietnamese people.

To eradicate the perennial and inter-harvest famines existing in some areas; to improve the diet, increase the proportion of foodstuffs rich in energy and nutrition; to boost the production of ready-made food; to strive to achieve on average 2,400 calories per head/day by the year 2000.

To expand the scope and improve the quality of *disease prevention and treatment*, to comprehensively develop preventive medicine, to combine traditional medico-pharmacology with modern science, to create a number of cutting edge industries in Vietnamese medicine.

To consolidate and expand the grassroots medical network and primary health care down to household level. To successfully implement children's immunization programmes, to combat malaria and goitre. To eliminate in each region infectious and parasitic diseases, and widespread social diseases, to keep other common diseases in check; to prevent AIDS. To implement programmes in clean water supply, waste treatment, to build sanitation facilities in urban and rural areas. To halt deterioration, to provide better equipment and improve the quality of treatment at State hospitals. To set up more rehabilitation and health care centres intended for the aged.

A number of modern health care centres are to be built. Activities by collective and private health care service units are to be encouraged, guided and controlled. Production and export

and import are to be promoted in an effort to meet the need for pharmaceutical substances, medicines and medical facilities.

Reasonable health care fees are to be levied on patients; health-care allowances for workers and public employees will be incorporated into salaries and wages; at the same time a policy is to be enacted on granting direct allowances to certain eligible recipients. Health insurance and accident insurance are to be expanded.

To launch among the population, particularly among young people, a movement to engage in physical training and sports both in width and in depth. Physical culture and sport clubs and societies which operate on a self-governing and self-financing basis under the control of and with partial financial support from the State are to become more numerous.

IV. POLICIES ON CULTURE, EDUCATION, SCIENCE, NATURAL RESOURCES AND THE ENVIRONMENT

1. Cultural policy

To improve the cultural and intellectual life of the people, to create a new culture, a new way of life and new type of man, starting with each family.

To select, preserve and enhance the cultural quintessence of the whole community of Vietnamese nationalities and of each nationality, to preserve and develop the languages and scripts of ethnic groups while absorbing the cultural and scientific values of the whole of mankind. To apply creative forms of education in order to instil socialist ideals into the people, nurture ethical values, sentiment, ennoble their souls and enhance their aesthetic sense, raise their level of cultural knowledge and ability to

appreciate culture and the arts, to combat corrupting cultural products and artistic activities. To mould a way of life and social psychology which are resistant to backward customs and ideas, debauched lifestyles and immorality. To protect the dignity of

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To encourage free creation of cultural values and the fostering of talent. To preserve and enrich various forms of traditional culture and the arts, to preserve and restore historical and cultural relics. The State is to provide investment in and set up an appropriate management system for cultural and artistic activities.

To intensify and modernize the work of the mass media, enhance its quality and contents in such a way as to meet the needs of different target groups and nationalities and expand it in remote areas, to ensure TV and radio coverage over the whole country.

To develop various forms of cultural activity, conducted either by the State, collective or private organizations. To do away with administrative controls over cultural and artistic units and avoid the mere commercialization of culture and the arts.

2. Education and training policy

Education and training policy aims at developing human resources, raising the people's intellectual level, training talented people; building up contingents of intellectuals, businessmen, managers, technical experts and highly-skilled workers able to perform immediate tasks and paving the way for the country and the younger generation to enter the 21st century.

The educational and training system is to be overhauled so as to achieve higher quality and practical efficiency, while the scope of education and training will be expanded in keeping with the objectives and tasks of socioeconomic development.

The *general education reform* conducted so far is to be reviewed and evaluated to serve as the basis for further decisions appropriate to strategic directions. To focus efforts on the universalization of primary education, ensuring that schooling is accessible to all school-age children and that the majority of young people complete at least secondary education; to combat illiteracy and relapse into illiteracy; to consolidate and raise the quality of pre-school education; to step up adult education.

Various forms of career orientation and vocational training run by the State, collective or private organizations are to be developed along with the formation of a system of *technical education* in society. Business enterprises are encouraged to organize their own vocational training activities. Traditional occupations should be promoted, technical trades developed through short-term and long-term, regular and non-regular training courses; and skills training incorporated into school curricula. The mass media should consider it their duty to disseminate knowledge and to include educational programmes during their normal broadcasts.

The *higher education and vocational training system* is to be restructured; the contents and teaching methods of training programmes renovated for better quality with importance being attached to the fostering of morality, personality and practical ability. Universities and colleges also serve as cultural scientific and technological centres for training people of talent. Post-graduate training and retraining should be expanded.

All the potential of society should be tapped in the cause of education and training. The role and responsibility of the family in educating children and bringing up the younger generation must be preserved. Self-education activities should be encouraged and

facilitated; self-taught students are entitled to take exams for degrees or certificates. Within the framework of the law, everybody is guaranteed the right to teaching, learning, taking exams, selecting professions, schools, teachers to his or her liking and studying abroad. The tuition fee system is to be perfected. Scholarships will be granted to high achievers and to needy students covered by social-welfare policies. The system of State-run schools is to be consolidated and schools run by the people to become more numerous.

A special policy is needed to develop *education and training in mountainous regions and those inhabited by ethnic groups*, to expand and raise the quality of boarding schools with importance attached to the training of State employees and intellectuals from ethnic minority groups.

Funding for education is to be supplemented by means of budgetary allocations and from other sources. The material and intellectual lives of the teaching profession are to be nurtured, teacher training colleges are to be consolidated, the teaching profession and excellent and exemplary teachers are to be honoured. To rebuild and improve existing schools, to ensure the quantity and quality of textbooks and teaching and learning facilities, to gradually introduce computers into the education system, including primary schools.

3. Science and technology policy

Policy relating to science, technology, education and training is of prime importance in socioeconomic development, in improving management by the State and the leadership capacity of the Party.

To develop in an integrated manner the social sciences, natural sciences and technical sciences in the direction of the following basic functions:

- To establish scientific grounds for socialist construction in our country, for the socioeconomic development strategy and for major policies and plans;

To creatively apply Marxism-Leninism and the thoughts of Ho Chi Minh while absorbing world advances, to study fundamental theoretical problems and at the same time contribute to solving pressing socioeconomic problems. Importance is to be attached to questions of humanistic science;

- To serve as a lever for the development of productive forces and for the gradual modernization of the country. The focus should be on research into and application of scientific and technological advances with a view to achieving the objectives of socioeconomic development. To improve and renovate the technology of existing production enterprises, improve and update traditional technologies; and to build selectively some areas of modern technology such as electronics and information processing, biotechnology, new materials technology, alternative fuels, advanced processing technology, to create high-technology industries and services;

- To closely associate these with education and training, constantly raise the intellectual potential of the nation, to build up a new culture, new man and an advanced science and technology capable of solving problems posed by the daily life.

To renovate the scientific management system, put an end to administrative and subsidized management, expand the autonomy of R and D units.

The State is to contract out research by placing orders or tendering. Scientific research institutions sign direct contracts with business enterprises in various economic sectors for other research activities. The results of scientific and technological

research constitute a special commodity which will be paid for according to its worth. The State protects the copyright of authors of scientific works and the right to industrial ownership.

To channel more investment from various sources into scientific and technological research and to raise the efficiency of capital utilization. Allocations from the State budget are to be made mainly to the building of scientific research centres and the implementation of research work of national significance.

Scientific creativity and debate are to be encouraged, democracy in scientific work promoted and exclusivity and the cult of the individual combated. Scientific information is to be well organized in order to meet the demands of research work. All organizations and individuals are entitled to conduct scientific-technological research and provide services in this respect in accordance with the law.

Scientific and technological research centres are to be restructured in line with the new system, linking science with training, production and business. A number of research-training-production organizations on a national scale in certain areas of high technology are to be set up, thus creating industries at the cutting edge and keeping up with international standards.

To formulate policies and regulations for recruiting, nurturing, properly using and remunerating talented people to ensure proper conditions for scientific workers to put their hearts and minds into research work. To expand, diversify and increase the effectiveness of *international co-operation* in science and technology, to enlist the co-operation and financial support of other countries, organizations and individuals as well as of Vietnamese scientists living overseas. To encourage direct relations in scientific and technological areas between Vietnamese organizations and individuals and foreign counterparts in accordance with the law.

To step up the movement of the whole people to learn, absorb, apply and master scientific and technological advances.

Importance is to be attached to scientific research in the service of socioeconomic and cultural development in mountainous regions; to promote the application of new technologies and link technology transfer with the training of technicians in mountainous areas.

4. Policy on natural resources and environmental protection

To protect and properly utilize natural resources, improve the environment, combat the increasing environmental degradation, and fight the tendency to care only about the economic growth rate and its immediate benefits while causing damage to the environment. To make active efforts to prevent and lessen the impact of natural calamities.

All natural resources, when put to use, are subject to taxation or rent.

Regarding renewable natural resources, exploitation must be coupled with protection and full use of the potential of the tropical environment for their replenishment, restoration and development; *genetic diversity* must be preserved. To preserve *forestry* diversity, particularly watershed forests, and to restore forest cover by about 40% by the year 2000. The *land* resource is to be put to rational utilization, and the use of land for non-farm purposes is to be limited; land erosion and degradation is to be curbed. To work out plans for the exploitation and utilization of *water* resources; to ensure water supplies for industry and daily life in urban areas and some rural areas; to increase control over sewage treatment systems. *Marine resources* are to be tapped in a rational manner and the risk of overexploitation countered; active measures are to be taken to prevent ocean pollution

resulting from the development of the oil and gas industry. *Mineral resources* are to be tapped and utilized with maximum efficiency. All factories are to establish the scientific groundwork for handling wastes, and to avoid causing pollution or noise in populated areas. Measures are to be taken to reduce dust levels in cities.

The State is to provide specifically for the right to ownership and utilization of as well as responsibility vis-a-vis natural resources, thus putting an end to the situation of natural resources without owners. A law on the protection of nature is to be enacted. Education on natural resource and environmental protection is to be conducted from a young age. To set up natural resource and environmental protection organizations from the central to local levels which link their work with mass movements in this area. To start before long our participation in and co-ordination of activities with international and regional organizations in protecting natural resources, the environment and landscapes.

V. ORGANIZATION OF THE STATE APPARATUS AND PERSONNEL POLICY

1. To revamp the State apparatus in order to enhance managerial effectiveness and strengthen judicial processes.

To ensure the unity of State power and to clearly delineate the functions and powers of the legislative, executive and judicial arms, to make a distinction between the State-apparatus and business organizations; to renovate the working relationship between the State apparatus and the organizational system of the Party and those of the people's organizations; to establish in a scientific manner the organizational structure and functioning mechanism of the State apparatus with a contingent of fully-qualified personnel. *The reform process is to focus on the*

administrative system with the main focus being the establishment of a well-functioning executive and administrative system fully empowered, qualified and effective from the central to grassroots levels.

The ministries discharge the function of State management in their respective domains on a nationwide basis. The function of techno-economic management vis-a-vis units of all economic sectors comprises the mapping out of strategies and plans for the development of the related sectors, management of science and technology, formulation of policies, regulations, and institutions on personnel management and training as well as exercising of control over their implementation. To reduce the number of line ministries and to promote co-ordination between various ministries.

Local-level administrations are to base themselves on the uniform system of laws, policies and guidelines in State plans to perform their function of State management over socioeconomic matters vis-a-vis all organizations and individuals operating in their respective localities, ensuring strict enforcement of the law, attending to the well-being of the people, building up socioeconomic infrastructure and strengthening security and national defence.

The State budget constitutes a uniform system of policies and regulations on revenue and expenditure. Revenue sources and annual expenditure are legally authorized and decentralized to various administrative levels corresponding to their respective managerial responsibilities. Administrative bodies must not set up funds outside the cost-accounting system. The divisive and parochial style of economic and budgetary management is to be eliminated. The distinction between the centrally-run and locally-run economy is to be removed.

To reduce the intermediate administrative levels between central and local levels, to streamline the functions and apparatus at district level. To make a national delineation of the scale and boundaries of the various administrative levels.

To reform the organization and operating procedures of public offices, eliminate unnecessary intermediate levels and streamline the apparatus. To reform administrative procedures and techniques and to take steps to modernize administrative techniques.

2. To fundamentally renovate State employee work in line with the new system

To make a clear-cut distinction between *elected personnel* operating on a fixed-term basis and *professional administrators and public employees*.

Concerning State management personnel elected by the people, criteria for election include quality, knowledge and the capacity necessary for fulfilling his or her assignment.

To formulate regulations on State officials and employees in each area of State management, professional activities, production and business with a view to forming contingents of qualified, knowledgeable, highly professional and legally-aware personnel.

To develop a contingent of good businesspeople from different backgrounds, from the owners of household economy to managers of big business. To create an environment for people who have an aptitude for doing business to apply their talents.

To judge and assign personnel according to their practical efficiency be they Party members or non-Party members; to eliminate prejudices regarding family backgrounds. To rectify

those mechanisms and policies that have loopholes or create conditions for the growth of bureaucratism and corruption . Those who have committed corruption, or taken repressive actions against the people, must be purged from the State apparatus, regardless of rank, and those incapable of discharging their responsibilities are to be replaced. To put into practice the principle that the person-in-charge has the authority and main responsibility concerning the recruitment and assignment of his or her subordinates.

To renew the personnel training work. To develop various forms of retraining and training for personnel in the State management apparatus as well as businesspeople from various economic sectors, enabling them to meet the requirements of the new management system and to master modern management techniques.

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This strategy constitutes the direction for actions of the Vietnamese people up to the year 2000 with a view to overcoming poverty and backwardness and to bring prosperity to themselves and to the country.

Our entire Party and people reassert their determination to successfully implement this strategy, thus satisfying Uncle Ho's last wish in his Testament, namely: "To build a peaceful, unified, independent, democratic and prosperous Vietnam and make a worthy contribution to the world revolution."

Appendix

Major targets up to the years 1995 and 2000

A. TARGETS FOR THE WHOLE PERIOD:

Targets (1)	Unit (2)	1991-1995 (3)	1996-2000 (4)	1991-2000 (5)
1. Average GDP growth rate:	%			
- Option 1		5 - 5.5	8.0	6.9
- Option 2		6 - 6.5	8.5	7.5
2. Average growth rate of agricultural output	%			
- Option 1		3.7 - 4.0	4.0 - 4.5	4.0
- Option 2		4.0 - 4.5	4.0 - 4.5	4.2
3. Average growth rate of industrial output	%			
- Option 1		8.0 - 9.0	10.0 - 11.0	9.5
- Option 2		10 - 11	14 - 15	12.5
4. Total export value	US\$ (in bil- lions)			
- Option 1		12	25	37
- Option 2		15	30	45

(1)	(2)	(3)	(4)	(5)
5. Growth rate of consumption fund	%	3.5 - 4.1	5.0 - 6.0	4.5 - 5.0
6. Growth rate of accumulation fund	%	10 - 15	16 - 20	14 - 18
7. Total investment in capital construction	US\$ (in billions)			
- Option 1		7.7	27.3	35
- Option 2		10.5	34.5	45
<i>a. Domestic investment</i>				
- Option 1		4.1	17.9	22
- Option 2		5.0	20.0	25
<i>a1. Investment by the State</i>				
- Option 1		2.4	7.6	10
- Option 2		3.0	9.0	12
<i>a2. Investment by businesses and the people</i>				
- Option 1		1.7	10.3	12
- Option 2		2.0	11	13
<i>b. Foreign investment</i>				
- Option 1		3.6	9.4	13
- Option 2		5.5	14.5	20

B. TARGETS FOR SOME LANDMARK YEARS

Targets	Unit	1990	1995	2000
1. Population	(in mil- lions)	67.6	73.2	80 - 81
2. Workforce		32.7	37.4	42.0
3. Proportion of GNP	%			
- Agriculture		50.6	48.0	42.0
- Industry		20.2	22.0	28.0
4. Internal accumulation	%	2.9	4.2 - 8.6	13 - 20
5. Accumulation - consumption ratio	%			
- Accumulation		8.1	14 - 18	23 - 30
- Consumption		91.9	82 - 86	70 - 77
6. Percentage of exports in GDP	%	14.0	24 - 26	27 - 30

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