

HOC TAP: HOANG QUOC THINH ON BUILDING SOCIALIST TRADEHanoi HOC TAP in Vietnamese Nov 76 pp 15-22 BK

[SRV Internal Trade Minister Hoang Quoc Thinh's article: "Transform Old-Fashioned Trade and Build Socialist Trade in the Southern Region of Our Country"]

[Text] Before liberation day goods production was relatively developed in the southern region of our country, and capitalism was beginning to develop. This development was linked with the expansion of the war of aggression of the U.S. imperialists and with the implementation of their system of neocolonialism. Since the southern economy was "dependent on foreign countries, though it possessed a number of capitalist modern establishments, small scale production was still prevalent." (HOC TAP footnote: Resolution of the 24th party Central Committee plenum on the tasks of the Vietnamese revolution in the new stage)

Over the past years trade in the southern region developed under special circumstances. On the one hand, development of goods production required expansion of circulation and markets. On the other, the commercialized, substantial military aid that the United States poured into the south required rapid consumption. To this end, the puppet administration often had to sell goods at dirt-cheap prices to obtain money to feed the U.S.-puppet war apparatus. This was an appetizing bait which attracted many people into commercial and service activities. Wholesale trade became specialized in specific categories of goods, and the commercial network spread to both urban and rural areas. Buying and selling were closely linked as were trade and credits. Conditions of commercial dealings and settlements were easy. The various service sectors and trades became rather developed. Hotels were rather numerous but were mostly owned by foreigners. Restaurants, dance halls, coffee shops and night clubs mushroomed everywhere. This made for a society with commodities, a consumer society with false prosperity. Behind store windows displaying luxurious commodities was a production system depending mainly on foreign raw materials, supplies, technology and capital, and characterized by dishonest commercial deals and swindles.

Foreign capitalists and the domestic comprador bourgeoisie controlled and monopolized the economy of the south in both production and circulation and domestic and foreign trade. The comprador bourgeoisie colluded with the ruling militarists to control all economic arteries, almost all economic relations with foreign countries and almost all economic relations between industry and agriculture and between cities and the countryside. They monopolized imports, exports and wholesale sales on the domestic market. They resorted to numerous business tricks and set up well organized and extensive networks in cities and rural areas. They enriched themselves to our people's detriment during the recent criminal war.

In the south there were too many small traders and a large number of unemployed people, and inflation was serious. The law of war and material values governed all market activities, with the result that prices fluctuated frequently and that the market was constantly in disarray. For more than a year the revolutionary administration has sought to restore production and stabilize the people's livelihood by struggling to overthrow a section of the comprador bourgeoisie, to nationalize banks, to change the currency, to monopolize imports and exports, to control important industrial enterprises, to manage the supply of essential technical materials used in industrial and agricultural production and in transportation and to apply certain administrative and economic measures aimed at controlling the purchase and distribution of a number of goods essential to the people's life, opposing the speculative activities of the forces, gradually strengthening the state-run economic

However, circulation of goods and commercial activities have inevitably experienced difficulties and disruption because in the past the southern trade and markets did not depend mainly on the development of domestic production and also because ever since the liberation of the south, U.S. aid has stopped and U.S. troops and puppet officers are no longer consumers. Moreover, it has been rather difficult to organize and manage the market because small scale production is still rather prevalent in the south, because there are acute contradictions between the supply of and demand for goods, because free market operations are still extensive while the organized market is very limited and because socialist trade is still weak in many areas and cannot yet develop its leading role in the market.

Over the past year in the south the bourgeoisie--especially the comprador bourgeoisie and dishonest traders--have taken advantage of the above-mentioned difficulties to speculate and to hoard goods. Their activities have adversely affected the market. Many bourgeoisie have narrowed their production and business scope, manufactured bad quality and phony goods, dispersed their stock, steeply raised prices or slowly put goods on sale and even tried to buy precious and rare goods to hoard. They have extended their activities to the rural areas by raising the prices they will pay for agricultural products three, four and in some cases, eight or ninefold over the state-fixed prices in order to compete with the state-run trade sector. They have bribed cadres to extract state economic secrets and to take hold of state materials and goods and have evaded taxes and used a number of degenerate cadres to hide their illegal acts.

Moreover, jobless people have eagerly engaged in trading secondhand merchandise, thus increasing the number of small traders, buying and selling goods in a disorderly fashion and further disrupting the market. The prices of goods on the market have risen daily, and the prices of many kinds of goods have increased two, three, five and even tenfold since the south was liberated. The laboring people have been living in difficult circumstances because their low and unstable income has been greatly affected by market prices. The net income of cadres, workers and government employees has also been greatly reduced. Meanwhile, many bourgeoisie have had the opportunity to further enrich themselves. The profit made by speculating bourgeoisie is illegal and criminal as Lenin said: "Speculators, dishonest traders and saboteurs of state-run monopolies are our principal internal enemies since they are enemies of the economic measures of the Soviet administration." (HOC TAP footnote: Selected Works of V. Lenin, Su That Publishing House, Hanoi, 1959; Volume II, Part II, page 489)

If these negative manifestations are allowed to continue, they will greatly damage economic restoration and development; lower and destabilize the living conditions of the laboring people; and have a bad effect on the worker-peasant alliance, social order and security, and the confidence of the masses in the revolutionary administration and the new regime.

In the course of the current socialist transformation and construction, it is therefore urgent to transform old-fashioned trade rapidly, comprehensively and thoroughly and to endeavor to build and vigorously develop socialist trade with a view to developing an organized and unified socialist market which will effectively promote the development of an economic system with large scale socialist production.

Socialist transformation and socialist construction are two closely related elements of the socialist revolution. The transformation of private capitalist trade and the transformation of small trade into socialist trade are closely related tasks which influence each other. Only by stepping up the socialist transformation of private capitalist trade and small trade can we rapidly build socialist trade. Conversely, only by building sufficiently strong socialist trade can we profitably transform private capitalist trade and small trade. Without sufficiently strong economic forces, the revolutionary state cannot struggle and force the bourgeoisie to accept the policy of socialist transformation. We must simultaneously transform and build, simultaneously and gradually expand the organized market and narrow the free market, build the southern market into a socialist market and combine it with the northern market in a nationwide unified socialist market.

Socialist transformation and construction of the market involve a hard, complex and protracted struggle which is part of the class struggle between socialism and capitalism to answer the question of "who will defeat whom". This struggle can be seen most clearly and is most fierce in the market. We must know how to draw lessons from successes and failures in the north in order to avoid undesirable shortcomings and to take steadier and quicker steps to transform and build the southern market to become uniform and socialist.

To transform the southern market into a socialist market, it is necessary to rapidly build and develop two forms of socialist trade--state-run trade and cooperative trade. A state-run trade based on the system of all-people ownership of means of production is the principal economic component of socialist trade and its role is to lead the entire domestic market. During the initial stage of socialist transformation when there are still many economic components in the south, the state must strengthen and vigorously develop the state-run trade forces and struggle against "rightist" thought which makes one hesitant and afraid to develop the state-run trade, thereby allowing the bourgeoisie to manipulate the market. It is therefore necessary to build and vigorously develop state-run trade and insure that it completely controls wholesale trade, soundly organize and manage retail sales, and control the market of all goods essential to the people. The state must now firmly control all kinds of goods produced by state-run enterprises and joint state-private enterprises, all kinds of import goods, all kinds of goods sent from the north by the state, all kinds of handicrafts and goods produced by artisan industry by using raw materials managed by the state, and all kinds of agricultural goods and foods essential for industrial production, export, and the people. The Ministry of Internal Trade must uniformly manage wholesale goods which are circulated throughout the country or in many large regions.

It is necessary to thoroughly organize and strengthen level-I wholesale corporations and form a network of wholesale corporations, warehouses and stations established by the central level in the south. The local administration must take charge of the distribution and direct retail sale of goods to the people. It is necessary to strengthen the level-II state-run trade sector in provinces and municipalities. The actual situation in each locality must be taken into consideration in soundly setting up general or specialized corporations which must be able to control sources of goods, broaden their business scope, manage the market and also insure the highest economic efficiency of their business. It is necessary to rationally expand the network of retail outlets of the state-run trade sector in municipalities, cities, and towns. According to local demands and possibilities, these shops will deal in many kinds of goods or specialize in only some.

As for public eating places and various kinds of services, the state-run trade sector must directly manage a number of nationalized hotels and hotels from which the owners are absent; cater foods and drinks at certain places if necessary; organize the repair of tools used by the people, especially electric and mechanical utensils sold by state stores; coordinate sales with repairs; sell new goods and buy old ones; guarantee the goods sold by the state-run trade sector to buyers; and gradually expand other kinds of business and service.

Cooperative trade is constituted by collective economic organizations of the laboring people in rural and urban areas. It is necessary to rapidly set up and vigorously develop marketing cooperatives in the southern rural areas. The duty of marketing cooperatives is to help state-run trade promote agricultural production, handicrafts and household subsidiary industry, to serve the laboring people's welfare, and to participate in managing the rural market. Marketing cooperatives play an important role in promoting the socialist transformation of agriculture, bringing the peasantry onto the road of collective business, leading agricultural production to large-scale socialist production, and also helping transform private trade along socialist lines. Therefore, it is first necessary to set up marketing cooperatives in villages.

A village marketing cooperative is a business auditing unit which coordinates its activities with the villagers' production and life and is led by the village party committee and people's committee in all aspects. It is also being guided by the district marketing cooperative managing committee in the implementation of the marketing policy and the business management system. A village marketing cooperative is entrusted with buying agricultural products and foods for the state-run trade sector and acts as an agency to sell industrial goods of the state-run trade sector to villagers, to use products which peasants need to sell, and even to buy certain production means for peasants such as fertilizers, insecticides, breeding livestock, and plant seeds. The business capital of a marketing cooperative is contributed by its members. If capital is lacking, the marketing cooperative may borrow money from a credit cooperative or bank. The state-run trade sector will give marketing cooperatives enough capital to buy goods for the sector. It is also necessary to set up stable district marketing cooperatives because these are both business units and managing agencies at a higher echelon than village marketing cooperatives.

A consumer cooperative is a collective socialist trade organization of the laboring people in urban areas. At the outset these cooperatives developed to supply the necessities of life in the southern cities, especially in Ho Chi Minh City. The duty of a consumer cooperative is to meet the essential needs of the cooperative member's daily lives, to distribute goods entrusted by the state-run sector, to insure that goods reach the consumers and to buy certain routine goods which are not managed by the state and to sell them to cooperative members. A consumer cooperative is a business unit which is voluntarily set up by the people who will themselves assume responsibility for profits and losses and which aims mainly to serve the cooperative members. Experience in Ho Chi Minh City has demonstrated that consumer cooperatives suit the present circumstances, really benefit the laboring people and are welcomed and supported by them. Therefore, it is necessary to vigorously develop this form in other cities and also to further consolidate and expand it in Ho Chi Minh City itself. Party committees and people's committees in city wards and blocks must directly lead consumer cooperatives to fully implement the democratic management system.

We must also soundly organize and manage markets in the countryside and cities so that these markets will play a useful role and supplement the unified socialist market.

Transformation of private capitalist trade and small trade is an urgent task and will result in the gradual revolutionary change of old-fashioned trade. Each progressive step of socialist trade will narrow the scope of private trade and will be an advance in transforming and reorganizing private trade.

The general line of transforming and reorganizing private trade is to rapidly eliminate the commercial monopoly organization of bourgeois traders and to resolutely struggle against dishonest traders' hoarding for speculation and cornering the market. It is necessary to decrease the commercial dealings of the bourgeoisie engaged simultaneously in production and processing and in commercial trading, and to transform them by actively transferring them to production. Those who are considered necessary for the circulation of goods will be selected and employed by the state-run trade sector in the retail sale field in accordance with the price and distribution system set by the state, and will receive reasonable commissions for specific commodities. They will also have to do bookkeeping and deliver invoices. They will be controlled by state organs.

Some private capitalists must be employed while the commercial network for each category of good is reorganized. This section will be considered a support for state-run trade and the use of this section means that the bourgeoisie's abilities in manpower, capital, material and technical bases and their professional knowledge will be used in the retail sale of goods. At the same time it is necessary to limit exploitation by these bourgeois elements and provide opportunities for them to transform themselves from exploiters into laborers.

Small traders are laborers linked with the market and take part in the goods circulation system of capitalist trade. While abolishing the organizational structure of the commercial bourgeoisie, we must, therefore, transform and reorganize small traders, transfer most of them to production and select a number of them for such jobs as processing, transportation, packing, and retail sale of goods in the service of state-run trade and cooperative trade. Though the transformation and reorganization of small traders is urgent and must be continuous, it must be gradual according to an overall plan and coordinated with other tasks such as production development, labor management, population registration and food management. It must involve specific measures consistent with each locality, category of good, and type of occupation. This transformation must be aimed at helping small traders stabilize their life with a reasonable income without, however, adversely affecting the fulfillment of other needs of society.

Under the centralized and uniform leadership of the party Central Committee and the government, it is necessary to complete soon the liquidation of the comprador bourgeoisie, to nationalize their property, to soundly manage and operate the nationalized establishments, to continue the registration of private industry and commerce, to calm stock of and control the property and goods of the bourgeoisie and to implement tax measures and the labor-capital policy to limit and control their business activities. On the other hand, it is necessary to draft specific projects for the transformation and reorganization of each and every branch of private trade, starting with those which are most important and essential to production and the people's welfare.

Meanwhile, preparations must be made to organize the necessary cadre apparatus and force to continue the socialist transformation of private trade. Forces must be concentrated to satisfactorily do these tasks in the key city, Ho Chi Minh City--which is the focal point of the commercial bourgeoisie small traders and arteries of trade and which is also the principal market in the south.

To rapidly build a new trade system and transform the old system, it is necessary to develop the integrated strength of proletarian dictatorship. It is necessary to closely coordinate the consolidation of management through administrative measures of the revolutionary government concerning private capitalist trade with the development of the laboring people's sense of collective ownership in both production and consumption. It is also necessary to continuously increase the forces of state-run trade.

The true aim of socialist transformation of private capitalist trade is to completely abolish the system of capitalist exploitation in commerce and to make the bourgeoisie become laborers. For this reason, the bourgeoisie is reluctant to accept socialist transformation. Therefore, we must closely coordinate and simultaneously carry out economic, administrative, educational, and mass motivation measures. We must not rely only on education and persuasion to transform the bourgeoisie. Of these measures, the economic ones are the most important since using economic measures to transform the capitalist economy and the bourgeoisie is aimed mainly at changing capitalist production relations into socialist relations and simultaneously transforming exploiters into laborers.

We have attached great importance to propagandizing and educating small traders. We have truly helped them solve personal difficulties. At the same time we have taken sound economic and administrative measures relating to the tax, population, labor and food policies to insure a successful socialist transformation.

In short, to correctly carry out the socialist transformation of private trade, we must thoroughly understand and apply these guidelines: combine transformation with construction; carry out tasks with a revolutionary offensive spirit and insure their satisfactory, steady and complete execution; coordinate economic, administrative and educational measures with mass motivation; and combine transformation with the task of launching and intensifying the mass movement to successfully carry out immediate tasks.

All the activities of the home trade sector must thoroughly reflect the guidelines and task of building a socialist economy throughout the country and must involve efforts to serve and promote economic restoration and development and stabilization of the people's livelihood. This is a primary duty of the home trade sector and is also a basic and practical measure to solve one of the great difficulties now facing us--that is, maintaining a balance between supply and demand. The socialist transformation of private trade aims mainly at promoting the fulfillment of this basic duty since the objective of transformation is to promote economic progress and step up the development of goods production and circulation. The objective is not to hamper production and circulation of goods--which would make it difficult to boost production and would affect the people's livelihood. Along with the socialist transformation of private trade, the home trade sector must, therefore, properly do the following tasks: organize service for people living in new economic areas and supply production means to agriculture within its area of responsibility; promote fishery and the breeding of fresh water shrimp and fish and help develop the production of salt and fish sauce; and endeavor to serve and boost light industry, food industry, artisan industry and various handicraft branches, especially the age-old traditional branches among the southern people.

An immediate task of the home trade sector is to improve methods of goods distribution and to insure that goods reach consumers in an equitable and convenient manner without allowing speculators to act as intermediaries and disrupt the market. The home trade sector must soundly organize and manage retail sales through its own network, including the state-run trade sector, marketing cooperatives in rural areas, consumer cooperatives in cities, canteens in public agencies and enterprises and a number of traders selected and nominated as agents by the state-run trade sector. On the other hand, the home trade sector must rely on the administration and mass organizations at the grassroots level to equitably and democratically distribute to the masses varieties of goods for which demand is great and which cannot yet be widely distributed because of limited possibilities. By doing so, the home trade sector will contribute simultaneously to building and consolidating the administration and mass organizations at the grassroots level and to building a stable socialist commercial organization and training its own cadres.

By satisfactorily carrying out the socialist transformation of private trade and building a stable socialist trade sector, we will be able to successfully develop production and provide jobs for the people, reorganize the goods circulation and distribution system, and stabilize prices and the market--thus contributing to rapidly stabilizing the livelihood of cadres and people in the south and taking the entire country rapidly, vigorously and steadily to socialism.

#### BRIEFS

**BULGARIAN CINEMA DELEGATION--**Hanoi, November 23--A Bulgarian cinematographic delegation has paid a friendly visit to Vietnam. It was led by Peter Karrangov, first deputy-director of the cinematographic centre under the Commission of Culture and Arts of the People's Republic of Bulgaria. While here, the delegation was received by Nguyen Van Hieu, Vietnam's minister of culture, and Ha Xuan Truong, chairman of the Vietnam Cinema Workers' Association. It also visited Ho Chi Minh City and Quang Ninh Province. [Text] [Hanoi VNA in English 1521 GMT 23 Nov 76 OW]

**HUNGARIAN GIFT--**Hanoi, November 23--A ceremony was held here this afternoon to receive laboratory equipment presented by the Ministry of Education of Hungary to the Ministry of Education of Vietnam. Present on this occasion were representatives of the ministries of education and foreign affairs and of the Commission for Cultural Relations With Foreign Countries. Hungarian Ambassador Jajos Karsai was also present. Vietnam's Vice Minister of Education Ho Truc thanked the Hungarian people for the token of their warm friendship and wished the co-operation between the two countries further development. [Text] [Hanoi VNA in English 1523 GMT 23 Nov 76 OW]

**YUGOSLAVIA NATIONAL DAY--**Hanoi, November 25--A press conference was held here today by Yugoslav Charge d'Affaires a.i. Blajewki Risto to mark the 33rd anniversary of his country's national day (November 29). B. Risto spoke of the great achievements the Yugoslav people have recorded in national construction, and dwelt on the directions and tasks of Yugoslavia's sixth five-year plan. The speaker wished the friendship and co-operation between the peoples of Yugoslavia and Vietnam constant development. [Text] [Hanoi VNA in English 1525 GMT 25 Nov 76 OW]