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Tao, Do Xuan_ The Training of Vietnamese Communist Cadres in Laos

Do Xuan Tao

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THE TRAINING OF VIETNAMESE COMMUNIST CADRES IN LAOS

THE NOTES OF DO XUAN TAO, VIETNAMESE ECONOMICS SPECIALIST ASSIGNED TO THE PATHET LAO IN XIENG KHOUANG, LAOS, 1968

Edited by
JOEL M. HALPERN
WILLIAM S. TURLEY
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Preliminary Report on the Industrial and Trading Task in Xieng Khoang
This document when obtained in Laos, where it had been captured in 1969, was in the form of an English translation declassified from "confidential". It bore the stamps of COMUSMACV (Commander, U.S. Military Assistance Command, Vietnam) and CDEC (Combined Documents Exploitation Center). CDEC was the central clearinghouse for documents seized by American and "allied" forces all over Indochina during the Second Indochina War. The document was one of the many thousands translated by American and Vietnamese intelligence services. The translation had been executed perfunctorily for intelligence purposes and was of the most uneven quality.

Editing and verification of the translation did not become possible until a copy of the original was obtained from CDEC headquarters in Saigon in 1973. This copy showed the notes to have been taken in Vietnamese longhand on 187 vertically-lined pages. Conditions of composition and the notational format were obstacles to intelligibility, but the original was sufficiently legible to permit accurate comparison with the CDEC translation in all but a few brief passages. By such comparison, the translation was corrected, material that was unintelligible in the original was deleted, some passages were completely retranslated, and the process was edited to improve readability and eliminate unnecessary repetition. To present a text of reasonable length, certain technical passages have been eliminated. These pertain mainly to economic details which did not seem of general significance. The few personal references have been retained as they occurred in the text and indicate Xuan Tao's non-official concerns. Editors' notes and clarifications are in brackets.

On the basis of textual evidence it may be inferred that the author was a middle-level cadre and member of the Vietnam Workers' Party. The notes translated here were taken during a training course to prepare him for a three-year tour of duty in Laos. The course appears to have been held in Hanoi, and he journeyed to his assignment in central Laos by way of Vietnam's Nghe An province sometime in June 1968. Only a couple of entries resembling notes for a situation report were made after arrival in Laos. Judging from the quality of writing, he probably had a middle-school education and only rudimentary training in economics, his specialty. On the cover of his notebook there appeared the inscription in Thai characters: "National, Political,
The notes are significant for two main reasons: First, they provide a great deal of substantive information on the Laotian Revolution, the Vietnamese role in it, and Vietnamese techniques of dealing with peoples of different nationality. Second, they present the Vietnamese and Laotian revolutions as described by Vietnamese party leaders to other "insiders" not the masses. In this description can be seen the enduring image which Vietnamese communist leaders hold of both Laos and ethnic minorities in Indochina. It is also hoped that this document provides some insight into the ways in which national policies were carried out on the local level.
INTRODUCTION

Over the years of war in Indochina, the revolutionary movements in Vietnam and Laos were bound together in alliance. From the beginning of this alliance the Vietnamese Communists were the senior members, the indispensable tutors to the Pathet Lao, as the Lao movement was commonly known. Yet information about the inner workings of this alliance was difficult to obtain. What role did the Vietnamese Communists play in the formation and development of the Lao People's Revolutionary Party (LPRP)? How did the Vietnamese "tutor" the Laotians and what were their instrumentalities of direction? What degree of control, if any, did they exercise over the Laotians? What were the duties of Vietnamese cadres assigned to Laos and how did these cadres perceive the Laotians? How were Vietnamese cadres trained to assist the Laotians without offending Lao sensibilities? How, in other words, did the war-time alliance work in the field? Such questions are answered in part by the present document, one of the most important primary sources on the Vietnam-Pathet Lao relationship currently available.1

The document should be read with the history of the Indochinese Communist Party firmly in mind. For as LPRP general secretary Kaysone Phomvihan observed at the Fourth Congress of the Vietnam Workers' Party in December 1976, the communist parties of Vietnam and Laos were "born from the same mother -- the glorious Indochinese Communist Party founded, built and trained by the great President Ho Chi Minh".2 The Indochinese Communist Party (ICP) grew out of Ho Chi Minh's efforts to establish a communist party for Vietnam in 1920. Three organizations at that time were contending for recognition as the official party, and Ho ended this contention in February 1930 by consolidating them in a single organization dubbed the Vietnam Communist Party. However in October 1930 the name was changed to Indochinese Communist Party at the behest of the Communist International.3 Earlier, some party leaders had proposed waiting for Lao and Cambodian party sections to form before establishing a supra-national party and changing the name, but the Comintern directed the party to assume responsibility for all of Indochina immediately. The Comintern's rationale was that under French rule Indochina had been made into a political and economic unity and that only through close coordination of movements in all three countries, in spite of linguistic and ethnic differences, could French
power be effectively challenged. But organizing efforts in Laos and Cambodia at first were confined largely to Vietnamese workers resident in these countries, and separate national sections were not soon established. Since total party membership at the time of the party’s founding was only 211, resources for a more substantial effort, not to mention the will, were lacking. Party documents record the attendance of delegates from Laos and Cambodia at the First Congress in 1935 but leave the status of their respective party organs in doubt. Then, confronted with the challenge and opportunity of the Second World War, party leaders began to appreciate the strategic wisdom behind the Comintern instruction. At the central committee’s seventh plenum in October-November 1940, the plenum which authorized preparations for armed struggle, the goal of establishing an "Indochinese Democratic Federal Republic Government" (Chinh phu lien bang cong hoa dan chu dong duong) was announced. This and scattered war-time references by party leaders to an Indochinese federation suggested to some observers that the party wished to supplant the French as rulers of all Indochina. However, there does not seem to have been any serious discussion of the concept and it is more likely it only expressed the ideal of regional alliance against Japan and France. In any event, party leaders were committed first of all to the liberation of Vietnam and evaluated activities in Laos and Cambodia largely in terms of their contribution to this goal. Although Vietnamese party leaders paid more than lip service to the concept of international proletarianism, they necessarily were concerned mainly with the survival of their infant movement in Vietnam and tended to perceive the rest of Indochina through the filter of this need.

The party did not engage in any significant organizational activities in Laos until 1945. During the August Revolution which brought the Viet Minh to power throughout Vietnam in that year, Prince Souphanouvong obtained an audience with Ho Chi Minh and received Ho’s encouragement to organize a Lao independence movement. In early October Souphanouvong returned to Laos accompanied by seven officers of the Viet Minh Liberation Army who formed the core of his staff. Souphanouvong joined forces with the Lao Issara nationalist government in which he became commander-in-chief of the Army of the Liberation and Defense of Laos. Although his Vietnamese advisers aroused suspicion among the prince’s compatriots, with their help he was able to build a military organization and organize revolutionary committees in Laotian as well as Vietnamese
During the same period, such important future leaders of the LPRP as Kaysone Phomvihan (a half-Vietnamese from Savanakhet) and Nouhak Phomsavan also were recruited, apparently while residing in Vietnam. It was among such men recruited between 1945 and 1950 by the Vietnamese or with Vietnamese assistance that a nominally Marxist-Leninist organization under the titular leadership of Prince Souphanouvong began to grow in Laos. Laotians who joined "the party" during this period necessarily were members of the ICP, since there was still no separate Lao Communist Party.

Preparations for dividing the ICP along national lines were made at the Second Party Congress in 1951. At this Congress the ICP changed its name to Vietnam Workers' (or Lao Dong) Party, signifying the ostensible circumscription of the party's responsibility to Vietnam. The name change also implied that the revolutions in Laos and Cambodia should be independent movements. Lao and Cambodian leaders were among the "foreign observers" who attended the Congress, and in March a "Vietnam, Cambodia, and Laos Alliance Conference" was held to further consolidate "the alliance among the peoples of the three fraternal countries fighting against the common enemy ... in order to achieve the common ideal of national independence". According to Xuan Tao's notes, Lao membership in the party on the eve of the Second Congress was 600, and during 1953 and 1954 these members were taken as the nucleus of a separate Lao Communist Party. The formation of this party, at that time known as the People's Party of Laos (PPL), was not publicly announced until 22 March 1955, however. Other sources confirm that the Lao began to organize party cells with Vietnamese encouragement following the Second Congress and indicate that several emerge from this effort. A unified party organization was not established until the Vietnamese could afford the time after the war to take the initiative in bringing these factions together. It is not true as some observers have asserted that the Vietnam Workers' Party continued to exercise control through Lao who retained dual membership in the Vietnamese and Lao parties, though it is highly probable that the Lao who founded the PPL attained leadership status partly because of their early and close association with the Vietnamese. The Vietnamese preferred to make their presence felt, as Xuan Tao's notes make clear, through advisers and material assistance under the banner of Vietnam's "international duty" to the Laotian people.
Prior to departing for Laos in spring 1968, Xuan Tao, the author of this notebook received lessons in recent Laotian political history. These lessons suggest that while the Vietnamese advisory role in Laos was always substantial, it fluctuated in scope depending on the scale of conflict throughout Indochina but particularly in Vietnam. This point emerges clearly from a survey of the Laotian context up to the time of Xuan Tao's assignment.

According to the Geneva Agreements of 1954, Pathet Lao forces were to regroup in Sam Neua and Phong Saly provinces, and elections were to be held in August 1955 to merge the Pathet Lao with the Royal Lao Government. Before the elections could occur, a rightist government came to power in Vientiane and negotiation on the subject of political integration bogged down. Finally, after the neutralist Prince Souvanna Phouma (and Souphanouvong's half-brother) returned to power, the two sides agreed in late 1957 to form a coalition government, to integrate 1500 Pathet Lao troops into the Royal Army, to recognize the PPL's front organization (the Neo Lao Hak Sat, hereafter NLHS) as a legal political party, and to permit the NLHS to participate in National Assembly elections in May 1958. In these elections the NLHS won 9 seats and an allied group, the Santiphab Party, won 4 for a total of 13 out of the 21 seats contested. A few months later, Souvanna Phouma was forced out of office by the right-wing, American-oriented Phoui Sananikone, and NLHS ministers were removed from the cabinet. In May 1959 the Sananikone government ordered two more Pathet Lao battalions to submit to integration into the Royal Army, but one battalion escaped to North Vietnam. Souphanouvong, Phoumi Vongvichit and other Pathet Lao leaders who had participated in the coalition government were then placed under house arrest, from which they escaped in May 1960. Xuan Tao's notes accurately observe that the PPL "thus fell into a dangerous situation" from which the Vietnamese had to help rescue it. The Vietnamese were not motivated solely by humanitarian concern for a fraternal party, however, for they had just decided in central committee meetings in January and May 1959 to resume armed struggle in South Vietnam. For this purpose it was vital that they have allies in Laos to contain rightist and American influence on North Vietnam's western flank and to help secure a corridor to the South. From this point onward, the physical presence of the Vietnamese in Laos and their advice and assistance to the PPL were bound up with the war for reunification; as that war escalated so did their involvement in Laos. In addition to deploying
troops to support the Pathet Lao and protect the Ho Chi Minh Trail, the Vietnamese also sharply stepped up their efforts to build the PFL, as Xuan Tao’s notes indicate.

Souphanouvong and other NLHS leaders had escaped imprisonment little more than two months before a coup by the unknown neutralist Captain Kong Le brought Souvanna Phouma back to Vientiane in August 1960. The Kong Le coup opened the way for renewed negotiations between the Royal government and the Pathet Lao, and agreement for a second Government of National Union was reached quickly. However, another rightist coup in December 1960 ended this effort aborning and both sides resorted to military action. With the help of Vietnamese troops the Pathet Lao pushed the Royal Army out of its positions in the highlands and consolidated control over more than half the country. This fighting and looming confrontation between the U.S. and the Soviet Union led to arrangement of a cease-fire in May 1961 and the seating of a 14-power Geneva Conference to neutralize Laos. The Conference reached provisional agreement on neutralization in December, but the Laotians remained deadlocked on how to implement the agreement domestically until May 1962. Then, Vietnamese and Pathet Lao units overran the Royal Army outpost at Nam Tha that General Phoumi Nosavan had recently reinforced in a show of strength. It was in response to Nam Tha and to demonstrate American resolve to Hanoi and Moscow that President Kennedy dispatched 5,000 American troops to northeast Thailand. The Americans also pressured the rightists to compromise. Faced with decisive proof of communist military superiority and prodded by the United States, the rightists consented to a meeting at Khang Khay on the Plain of Jars, the headquarters of the Pathet Lao and the neutralists, in June. "The Plain of Jars Agreement" provided for a tripartite government headed by Souvanna Phouma, Souphanouvong and Phoumi Nosavan, and the Geneva Conference in late July formally adopted a Declaration on the Neutrality of Laos and a protocol on the withdrawal of foreign forces.

By this time the Pathet Lao army numbered nearly 20,000 men, and Pathet Lao representatives controlled several ministries in the new government. With international guarantees, both the coalition and the neutrality of Laos seemed assured. In practice, however, the three groups cooperated little and maintained separate military organizations. When rightists staged a coup in April 1964, the Pathet Lao declared the Plain of Jars agreement dead.
Subsequently, Souvanna Phouma consented to remain head of a government which the rightists effectively dominated. The annexation of what remained of Kong Le's neutralist command by the rightist general staff and Kong Le's exile in October 1966 completed this creeping coup. Since none of the major parties wished to return to the status quo of 1962, motions to form another coalition government were empty gestures. Just as the Vietnamese needed a secure flank and access to the South through Laos, the United States wished to obstruct this access in support of its own war aims and found it convenient to support rightist desires to exclude the Pathet Lao from the Vientiane government. Behind a veneer of neutrality kept up out of deference to diplomatic obligations and under Souvanna Phouma's largely figurehead leadership the Americans found a most tractable client.

While the war in Laos took impetus from social and elite conflicts that were indigenous to the country, the Vietnamese and Americans superimposed their much larger conflict on it. By deploying their own means of violence and mobilizing proxies they intensified the war to cataclysmic proportions. Particularly noteworthy was the enormous increase of aerial bombardment by the United States beginning in 1964 and the efforts of both sides to enlist the highland minorities in their respective causes. Although the Americans made contact with these minorities later than the Vietnamese and Pathet Lao, they did so on a scale and by means that could not have been better calculated to guarantee a vigorous counterreaction by the Vietnamese.

The American effort to enlist minority participation in the war against the Pathet Lao centered upon Xieng Khouang province, which contained both the strategic Plain of Jars and the bulk of the Meo population. The majority of the Xieng Khouang Meo followed Touby Lyfong, whose position as paramount chief had been recognized by the French and a succession of Royal governments, while dissident clans under Faydang allied with the Pathet Lao. Following the Kong Le coup in 1960, the Vientiane government attempted to strengthen Touby's ties to the Vientiane government by making him Minister of Justice and of Health and Welfare. Touby however conspired with the governor of Xieng Khouang province and Phoumi Nosavan in a bid for greater provincial autonomy; through this connection he received arms and supplies. When Phoumi's faction seized power in December 1960, Touby remained allied with the Vientiane government. American training, which had begun surreptitiously for some Meo even before
1960, and weapons and materiel then began to flow to the Xieng Khouang Meo in large quantities under the aegis of the CIA and the State Department's Agency for International Development. By mid-1962, the Meo guerrillas numbered between 14,000 and 18,000, a force not much smaller than that of the Pathet Lao.13 As this force grew, so did the political status of its principal commander, Major (later General) Vang Pao, who had risen from the ranks under the French and the Royal government and whose clan was linked to Touby's by marriage. With American assistance and a recruitment base swelled by refugees, Vang Pao's army fought the Pathet Lao right down to the war's end. In addition to the Meo, elements of the Black Tai and so-called Kha (Lao-Theng) minorities also allied with the Vientiane government against the Pathet Lao.

The importance of the ethnic minorities of Laos in Vietnamese calculations is evident in Xuan Tac's notes. Non-Lao peoples constituted roughly half of the total population and the overwhelming majority of the population in the Pathet Lao zones, the latter encompassing the vital Ho Chi Minh Trail. Therefore it was absolutely essential that Vietnamese cadres assigned to Laos be trained to operate in a multi-ethnic environment. Equally important from the Vietnamese point of view, however, was that the minorities the Americans were attempting to turn against the Pathet Lao, particularly the Meo and Black Tai, had even larger branches inside North Vietnam. The Lao-Vietnamese border had no cultural validity for these groups, of which large portions had exhibited willingness during the war against France to ally with whatever outside power would help them preserve their autonomy from lowland governments. In fact Black Tai in North Vietnam's Lao Cai province who had been armed and trained by the French were a major security problem for the DRV long after the war's end. American efforts to patronize their relatives in Laos were viewed by the Vietnamese not only as a threat to their operations in Laos but also as a threat to their own domestic security. As Lao Dong Party first secretary Le Duan observed in 1965:

In the mountains, especially in distant and remote areas, the enemy can drop commandos and bandits, utilizing our weaknesses in order to arouse national antagonism and prejudices between Vietnamese and other peoples, to intimidate or attract the masses, and to cause political disorder to disturb our rear.17

The potential for disruption among highland minorities inside Vietnam due to mobilization of related groups by the Americans in Laos was a constant worry
to Hanoi leaders throughout the 1960’s. It also provided strong motivation to compete for the allegiance of these groups. While the Americans had enormous material benefits to bestow in the form of refugee relief and military assistance, the Vietnamese and the Pathet Lao had to rely more on psychological incentives and the appeal of the political alternative or protection they represented. But in some instances this competition involved identical methods. A Hanoi journal, for example, boasted that a writing script devised for the Meo language by the Pathet Lao assistant province chief of Xieng Khouang province in the mid-1960’s was superior to the one offered by the Americans and the Royal government.18

The revolutionary model that Vietnamese cadres were to apply in Laos was contained in Xuan Tao’s detailed notes on the War of Resistance against France. The Vietnamese apparently regarded their earlier experience, particularly in northern Vietnam’s own mountainous regions, as directly applicable to Laos. In that war, the party organized its first bases of armed struggle in the highlands along the Chinese border inhabited by the Tay and Nung minorities. Top party leaders lived among and learned the language of these minorities, minority troops and cadres were recruited, and responsibility was given to minority leaders. The party won the allegiance of the Tay and Nung by leading them in struggle against injustices they found particularly unbearable and by admitting them to status positions in revolutionary organizations.19 Fragments of other minorities, including Meo and Tai, supported the revolution because their tribal or clan enemies had sided with the French or because the party made them a more convincing promise of autonomy.20 In all cases the experience taught the Vietnamese leadership the necessity of seeking active minority participation by extending equal rights in the revolutionary movement to minority peoples. This experience probably was as important as the party’s egalitarian doctrine in replacing the traditional Vietnamese contempt for minorities with at least outward respect for cultural diversity, and in replacing the presumption to dominate with the promise of partnership. Transferred to Laos, the Resistance model cast both Laotians and ethnic minorities in the role of fraternal equals to the Vietnamese in the common struggle against imperialism.

However, in practice this partnership was unequal because the Pathet Lao, like the minorities of northern Vietnam before them, did not have the material resources, training, literacy and motivation to develop a revolutionary
organization capable of resisting such great power as the United States deployed
on behalf of the Royal government. For these the Pathet Lao had to depend on
the Vietnamese. This dependence was especially great in the mid-1960's when
the Pathet Lao were still growing and the war was most intense. In 1968, the
Pathet Lao were receiving supplies and combat support from about 15,000
Vietnamese troops, of which about 7,000 operated alongside Pathet Lao forces
and 700 were advisers to Pathet Lao units. In addition, a contingent of
Vietnamese political and administrative cadres, of which Xuan Tao was one,
provided organizational and technical support in non-military fields. His notes
suggest that these cadres performed a broad range of administrative duties and
exercised a considerable degree of initiative, through the Pathet Lao, in
setting up organizations, managing trade networks, and so forth. Running
through these notes are comments on Lao capabilities and the progress of the
Pathet Lao that reveal a strong streak of paternalism. As one historian has
observed, Vietnamese support for the Pathet Lao was tinged with "cultural
evangelism" arising not just from ideological hubris but from defensive pride
in being able to assist a society even less developed than their own. This
paternalism, this combination of missionary pretension and practical need to
guide, teach, supply and supervise a weak ally, was in constant tension with
the ethic of revolutionary egalitarianism and respect for the independence of
a friendly party.

By the end of the war the Pathet Lao had become sufficiently disciplined,
cohesive and effective to dominate their coalition partners in the Provisional
Government of National Union that was formed in April 1974. The Pathet Lao
proved their decisive superiority in spring 1975 by expelling rightist leaders
and the American aid mission, mobilizing "people's committees" to seize
administrative power throughout the country during the summer, and establishing
a Lao Democratic People's Republic in December. Although American disengagement
and the communist victory in South Vietnam opened the way to these moves, the
Pathet Lao demonstrated they were by far the most effective and autonomous
political force in Laos. Subsequently, the LDPR has continued to receive
assistance from the Socialist Republic of Vietnam and the two countries have
formed one of the closest relationships in the communist world. There could
not be a more explicit description of this relationship or acknowledgement of
the Lao debt to the Vietnamese in an official source than the speech by Kaysone
Phomvihan before the Fourth Congress of the Vietnam Workers' Party in December 1976:

We are deeply moved by the blood sealed fraternal sentiments and the noble proletarian internationalism of the Vietnamese people to our Lao people when our country was still subject to aggression, when our native land was still devastated by the enemy and difficulties and hardships were still piling. It was actually during those days that the Vietnamese people were ready to accept all difficulties and hardships, and sent their sons to directly take part in the fight to assist the Lao revolution and concentrated so much efforts and energy and even blood to aid the struggle of the Lao people, side by side with the army and people of our country to defend each tree and each inch of land of Laos.

Vietnamese cadres, fighters and people, acting upon the instructions and recommendations of the Vietnam Workers' Party and President Ho Chi Minh to come and assist the Lao revolution, have displayed a high proletarian internationalism, shared weal and woe, sharing even a grain of salt and a stalk of vegetables with the Lao people, fought side by side with the Lao people and cared for them like their own brothers. Many of them have sacrificed their lives for the revolutionary cause of the Lao people.

All along the process of this assistance in the spirit of strict respect for the independence and sovereignty of Laos, and with their profound sympathy with and close attachment to the Lao revolution, the Vietnamese comrades have constantly sought the best and most effective ways and means to help the Lao revolution, took every initiative in helping the Lao revolution mature and grow quickly and constantly and also in helping the Lao revolution firmly maintain its independence and sovereignty and make judicious decisions concerning the destiny of its nation and its country.

From the bottom of my heart I want to say that in every success of the Lao revolution there is the direct contribution of the Vietnamese revolution, and on all battlepoints of our beloved fatherland there has been the blood of the Vietnamese internationalist combatants mixing with the blood of the cadres, fighters and people of our people. In the quick and firm growth in all fields of the Lao revolution at the present time there is the great and invaluable assistance of the Vietnamese people.

Imbued with these great and profound sentiments, the Lao People's Revolutionary Party has always taken care to urge the cadres, fighters and people of all nationalities in Laos to strive to cultivate and defend this special militant solidarity between Laos and Vietnam and make it ever firmer and stronger, on the basis of giving full play to the spirit of independence, sovereignty, and self reliance in order to assimilate the great assistance of the Vietnamese revolution. At the same time, moved by their pure and sincere sentiments, by the material wealth and also their blood the Lao people have striven to do all in their power to discharge their international duty and to live up to the brotherly friendship with the Vietnamese revolution.
We are very proud of the glorious Ho Chi Minh trail in the eastern part of our fatherland. It is an actual, glorious expression of Lao-Vietnamese solidarity and combat alliance. It made a positive contribution to defeating the U.S. imperialists and liberating southern Vietnam.

In the history of world revolution there have already been many brilliant examples of proletarian internationalism, but nowhere and at no time has there been such a long and all-round combative alliance, an alliance which remains as pure as it was thirty years ago, a firm and steady alliance that has given the fullest play to the spirit of independence and sovereignty and all the subjective factors of each nation and which has combined the strength of both nations in order to fight together and win together and together achieve their noble historic mission toward their respective nations and toward the world revolutionary movement.

. . .

The Lao People's Revolutionary Party and the people of all nationalities in Laos take great pride in the consistent Lao-Viet relationship. They pledge to strive to consolidate and strengthen this special relationship, to defend the Lao-Viet solidarity like the apple of their eye, and at the same time do their best to cultivate and develop further the relation of cooperation and mutual assistance in an all-round manner and on a long-term basis so as together to defend the fruits of the revolution, and build their countries each according to their own method and for their own interests as well as for the common interests of our two parties and nations.2

While Kaysone expressed gratitude to the Vietnamese and affirmed mutual respect for independence and sovereignty, it is noteworthy that he also asserted the Vietnamese had received vital assistance from the Lao. Through blood sacrifices and the Ho Chi Minh Trail, Laos had discharged its international duty by helping the Vietnamese effort to liberate the South. Lao leaders are grateful to the Vietnamese for both past and present assistance but regard the period of tutelage as over and the debt paid. Since the lines italicized in the passages above were deleted in the English translation released by Vietnam News Agency -- and not solely in deference to international opinion -- there may be some question as to how the Vietnamese perceive this Lao attitude.


4. Tran Huy Lieu, Lich su tam muoi nam chong Phap (Eighty Years' History of Resistance against France) (Hanoi: Ban nghienuu cuu van su dia, 1958), II, 1, pp. 35-36.

5. Be muoi nam dau tranh cua dang, p. 23.

6. Tran Huy Lieu, II, 1, pp. 36-37.


11. On these points, see Zasloff and Langer, pp. 92-96; and Zasloff, pp. 13-14.


15. In 1966 the U.S. Agency for International Development estimated the Meo population of Laos to be 88,000, while the Black Tai numbered over 8,500. See Joel Halpern and Peter Kunstadter, "Laos: Introduction", in Southeast Asian Tribes, Minorities and Nations, pp. 255 and 258. By contrast, the
DRW census of 1974 showed a Meo population in North Vietnam of 349,000 and a total Tai population of 631,000 of which perhaps one-third were Black Tai. Hoc Tap (July 1976), p. 76.

16. "Hundreds" of People's Army and regional force units were tied down in "bandit suppression" in Lao Cai and Ha Giang provinces. By December 1955, 5,200 "bandits" were reported to have been captured and 4,000 firearms seized. Le Chuong, "Thành tích hơn một năm quan doi nhân dân" /Over a Year's Achievements of the Army/, Nhan Dan (3 January 1956), p. 3.


18. This example and the notion of competitive patronization are developed in Alexander Woodside, "Vietnam and Laos: The Continuing Crisis", paper presented at the annual meeting of the American Historical Association, Washington, D.C., December 1969, p. 3.


20. For a detailed discussion of the role of minorities in the first war, see John T. McAlister, Jr., "Mountain Minorities and the Viet Minh: A Key to the Indochina War", in Kunstadter, Southeast Asian Tribes, pp. 771-844.

21. An additional 25,000 were stationed in Laos at that time to operate the Ho Chi Minh Trail. Zasloff and Langer, p. 151.


Lesson 1

History of the Revolution in Laos: General Characteristics, Development, and Future

Laos is located on the Indochinese peninsula without access to the sea. It has a common border with Vietnam for 1,600 kilometers, with Thailand for 1,635 kilometers, with Cambodia for 404 kilometers, with China for 391 kilometers, and with Burma for 248 kilometers. Militarily, it is an outpost of the socialist bloc, a position which influences its political affairs. The U.S. imperialists, the French, and the Thai want to transform Laos into a neo-colonialist country and crush the Laotian Revolution. As for nationalist countries, they want Laos to be neither independent (i.e., aligned with the communist world) nor occupied by the imperialists but rather to be neutral. Therefore Laos has become a place of contention for the imperialists in Indochina.

Laos has a surface area of 236,000 square kilometers, eighty percent of which is occupied by mountains. Laos is divided into northern and southern regions. The liberated areas in northern Laos comprise seven provinces: Vientiane, Xieng Khouang, Sam Neuva, Phong Saly, Muong Xay, Nam Tha, and Luang Prabang. These belong to the Neo Lao Hak Sat. Southern Laos is under enemy control and extends from Thakhek downward; it comprises the following provinces: Khammouane, Attopeu, Champassak, Sithandone, Sedone, Savannakhet, "Inter-District 90", and "Eastern Area". Northern Laos, excluding Vientiane, consists of mountains and forests; it is a vast, thinly-populated area of approximately one million people in 140,000 square kilometers. Southern Laos is composed primarily of plains and has about one and one-half million people in an area of 96,000 square kilometers. In the North, Luang Prabang city has about 20,000 inhabitants, while Vientiane, the political and cultural capital, has about 60,000, the majority of whom are foreigners. Savannakhet, the capital of southern Laos, has about 20,000 people and also is the military and political center of middle Laos. Most of the cities are located on the banks of the Mekong and Nam Khan rivers, which flow from upper to lower Laos.

There are two distinct seasons, a rainy season lasting from May to September, and a dry season from October to April. The highest temperature is 35.4 degrees centigrade and the lowest varies from zero to 3.2 degrees centigrade. The humidity is very high. The prevailing wind is from the southwest and whirlwinds are common, but storms are rare. There are about four
thousand kilometers of roads. Copper, iron, gold and salt mines are scattered throughout upper, middle and lower Laos. Precious woods, orris, shellac, opium and cattle, and especially domesticated elephants, are abundant in Lower Laos.

During the fourteenth century Laos had four feudal families which ruled four different areas. At the end of that century, the country was divided into northern and southern regions. Southern Laos is now ruled by the feudal Boun Oum family, northern Laos by the feudal families of Princes Souphanouvong and Souvanna Phouma. When the French invaded Laos they strengthened these feudal families in order to secure control.

Laos has sixty-eight ethnic minority groups scattered throughout various areas. Pure Laotians are not numerous and constitute only sixty percent of the population. The ethnic minorities are at different levels of economic and political development, and they can be divided into three branches defined by their origins: the "Sung", who live on the tops of the mountains; the "Theng" who live on the slopes; and the "Lam" who live at the foot of the mountains. There are one and one-half million Thai Laotians; one million live in cities; and there are 80,000 aborigines. The principal religion is Buddhism, therefore monks occupy an important position; about 30,000 monks live along the Mekong River. The economy, based primarily on agriculture, is still underdeveloped and inadequate. Eighty-five percent of the population is illiterate, a problem which has been partially eliminated in the liberated areas. In addition to Laotian, French is spoken. Some disintegration of social classes has occurred, faster in cities than elsewhere, but class struggle is still weak. The three main classes are the vassal class living in ethnic minority areas, farmers living in liberated areas, and the feudal class living in enemy-controlled areas.

The Laotian revolution may be divided into two phases: from 1893 to 1954, and from 1954 to the present. Since 1954, the Laotian revolution has shifted into a new phase which also may be divided into two periods of struggle: from 1954 to 1959, and from 1959 to 1962. The Laotian People's Revolutionary Party was established on 22 March 1955 to carry on the Laotian revolution. Since 1962, Laos has been carrying out the Geneva Agreements and has had much success in the military, political, cultural and economic fields. Friendly
forces have quadrupled in strength and development by comparison with 1955, and their equipment is relatively modern and fairly adequate.

The Laotian revolution has succeeded in bringing an alliance of the various neutral forces, while internationally its importance and prestige have grown. Second to the socialist bloc and the Vietnamese revolutionaries, Laos has played an important role in the past twenty years of fighting the common enemy.

**Important Events in Laos**

Nam Bac was liberated between January 1961 and July 1966, when the enemy reoccupied it with the purpose of consolidating his position for a move downward to attack Muong Xay. Until April 1967, the enemy was in an encircling position, then he called in eleven battalions. By November 1967, the enemy force had been reinforced by an additional battalion to help defend Nam Bac. From 14 to 16 January 1968, our troops liberated Nam Bac, killing 991 and capturing 2,450 enemy troops. Altogether, we put 4,800 enemy troops out of action, most of which were mobile troops stationed in the Nam Bac area.

**Lesson 2**

**Characteristics of the Laotian People's Revolutionary Party**

In order to have a good leadership policy for the Laotian People's Revolutionary Party in its struggle against the French and Americans, we must examine the characteristics of the Laotian situation:

**Characteristic 1**

Laos is a small country which has been invaded, dominated, and oppressed by feudal and imperialist countries for over two hundred years. The Laotian people, thoroughly understanding the party's popular orientation and revolutionary leadership, have risen up to rebel against the imperialists.

**Characteristic 2**

The U.S. scheme for invading Laos has been opposed or deterred by people all over the world.
Characteristics 3

After twenty years of struggle against France and thirteen more years of struggle against the Americans, the Laotian Revolution has developed strongly in military, political, cultural, social and economic fields. It has developed according to democratic principles and has moved gradually toward socialism.

Characteristics 4

The economy of Laos is chiefly a "small farm economy". In the south, imperialist countries such as the U.S., England, Japan, etc., have encroached upon the economy. In the north, the economy is a people's democratic economy based on the principle of mutual aid for self-sufficient production. Therefore, in Laos there are five social classes, totally different from one another in their political and economic points of view. These are: the working class, farmer class, feudal class, property-owner class, and petty bourgeoisie. These social classes belong to three different forces: the Anti-American force to save the country guided by the Revolution; the patriotic neutralist force; and the Anti-Revolutionary force.

Characteristics 5

The U.S. imperialists want to transform Laos into a neo-colonial country. Therefore, the Laotian revolution must go through various periods of violence and hardship, and at the same time it must be flexible in order to attract the neutralist forces.

Characteristics 6

The Laotian and Vietnamese revolutions have a very close relationship. It is a long, historic relationship in political, cultural and economic fields of two countries which have a common enemy.

The basic policy of the Laotian People’s Revolution contains three elements: people’s democracy, colonial feudalism, and neo-colonialism. The immediate objective and mission of the Laotian revolution is to struggle to pull the neutralist forces to its side in order to build an independent and neutral Laos, then to move toward emancipation of the people and establishment of a people’s democracy. This struggle is conducted by both military and political means, applying the Leninist weapons which are suitable to the conditions and characteristics of Laos.
Three missions are to be carried out immediately by the revolution: struggle to perfect the Laotian Revolution, broadening and strengthening the unity of the various groups of people; strengthen the liberated areas in the military, political, cultural, and economic fields; strengthen and develop the Party and use the rural areas as stepping stones in gaining access to the cities.

The Vietnamese Labor Party has had the mission and policy of assisting this "sister" country. From 1945 to 1950, this policy was carried out by the Indochinese Communist Party. From 1945 to 1955, a close relationship between the two revolutions and peoples was established; this relation has continued to the present. Cadres assigned to the assistance program from North Vietnam are instructed to respect the sovereignty of the "sister" country. Also, they must realize that this is an international mission and that they must dedicate their lives to the cause of the People’s Revolutionary Party in Laos as well as to the revolution in Vietnam. The Party’s assistance program was begun in 1955 and amended on 10 October 1967, and it must be carried out continuously in all fields. Cadres assigned to this program must have a broad knowledge of the mission, be specialized in politics, and be a jack of all trades and master of one.

Lesson 3

The Economic Situations and the Mission of the Liberated Areas in Laos

General features of the situation in Laos

Laos is a small country, but it occupies an important position in Southeast Asia. After twenty years of struggle, the Laotian Revolution has had many successes, and now it may be divided into two separate regions differing in military, political, financial and economic respects. The economy of the liberated areas will develop into socialism, while the economy in enemy-controlled areas will develop into capitalism. Stemming from the political relationship between our two peoples and countries, an extraordinary relationship has been established with respect to economics, manpower, materials, etc. This relationship is reflected in prices and in economic ideology, because it aims at establishing socialism in the sister country. The Laotian economy has
many conditions which make it receptive to technical assistance from socialist countries, especially from Vietnam.

**Characteristics of the liberated area in Laos**

The liberated areas have a common border of more than 2,000 kilometers with Vietnam and China. They occupy three-fifths of the country’s land surface and have a population of about 700,000 including sixty-seven ethnic minority groups. The needs of these groups are completely different.

Due to a low birth rate, there is a shortage of manpower. The number of full-time guerrillas is high, accounting for about five to six percent of the population. People not engaged in agricultural production are estimated to be about 1.8%, while monks represent 1.5% of the population.

Mountains and forests occupy most of the area. The delta area is not extensive. Rivers, hills and valleys are numerous; highlands occupy an extensive area. In consequence, Laos is rich in forest products and minerals, and all resources of the country are concentrated in the liberated areas.

The socialist economy continues to develop, but industries are nearly non-existent. There are light industries in enemy rear areas. The exploitation of agricultural and forest products in the liberated areas has not been adequate, while the demand for consumer products by the people is too high. Communication and transportation by land or water are very difficult. The significant economic progress which has been made in the liberated areas, as reflected in trade, communication, and transportation services, has been almost entirely within the state sector. Socialized handicrafts and farming also have developed through the organization of work-exchange teams. For this reason tradesmen should coordinate closely with farmers in exploiting agricultural and forestry resources to meet export requirements.

Areas and provinces differ from one another in their situations and struggle. The economy of Laos encounters many difficulties because of its 2,000 kilometer common border with Vietnam and China, but this is also an advantage since it permits direct assistance from the socialist bloc. Trade transactions are carried out at entry and exit points along the border of each local area. Therefore, the more violent the political struggle becomes, the
fiercer and more complicated the economic struggle will be. And wherever trade
activities are tenaciously conducted, production will increase.

With respect to the agricultural production situation, due to peace since
liberation, especially in northern Laos, things have changed for the better.
The feudal exploiting regime was overthrown and the working class was
liberated. These conditions favor developing production output. In several
areas, Production Cooperation Teams, also referred to as Labor Exchange Teams,
have been set up to provide mutual assistance in production work. In
agricultural production, we have helped our Laotian comrades in building their
irrigation and flood control systems, and each year we have contributed steel
for manufacturing tools. The land surface of Canh Dong Chu [Plain or Jars] has been expanded. These activities provide a favorable outlook for the
development of the agricultural economy of our Laotian neighbors, despite the
fact that no large movements regarding labor exchange services or loans for
raising cattle, have been initiated and no reasonable labor regime instituted.

Some "Muong Lam" methods of cultivation are still used, particularly
on high, dry land. With the exception of Khammouane Province, the agricultural
conditions in the other provinces are considered to be temporarily settled.

Cultivated land in the liberated zone amounts to about 161,400 hectares
consisting of 54,000 hectares of mountains ricefields and 117,000 hectares of
ricefields in the forest areas. This cultivated land can provide a yearly
individual maximum ration of 380 kg of rice, and a minimum ration of 250 kg.
The goal which we want to attain is 400 kg, maize (corn) and tubers excluded.
With its favorable natural conditions, Laos has a basis for reorganizing its
methods and systems of cultivation and raising more domestic animals, especially
oxen and horses.

Industry and handicraft

The total number of ore mines in Laos is 150; of these, more than 100 are
in the liberated area. In Xuyen Khoang [Xieng Khouan], the iron ore
deposits are very large. In addition, efforts have been made to detect
more coal, iron, gold, copper and lead ores. These resources would enable Laos
to build an independent, autonomous economy.
Handicrafts have a long history in Laos, engaged in mainly by families in conjunction with agriculture. Since the Americans began their invasion of Laos, they have followed a policy of commercialization to disrupt all the local handicrafts industry. They have imported various types of merchandise into Laos, though not woven reed mats which the Laotians still are allowed to produce. Vietnam has aided Laos in building up its handicraft activities, but this aid has not been sufficient to meet demand. Therefore, in order to build an independent, autonomous economy and to resolve ideological problems among the working people, especially in the liberated areas, the most urgent and important task facing our friends' party is to train and increase its economic cadres.

Communication and transportation

Laos has an old, main communication line connecting north and south which is part of the main communication system of Indochina. After its liberation, we constructed another road from lower to middle Laos which is 100 times longer than the one built previously by the French imperialists. Interdistrict and village roads have not been built, therefore we still encounter difficulties. As for sea and river routes, they have not been exploited.

In liberated areas, military routes are used for economic activities. Although efforts have been made to build commercial roads, the results have not met present requirements.

Trade, market price, finance and currency situations

The movement of commercial products has developed. In liberated areas, efforts have been made to exchange farm, forest, and other products of the land among the people in market places and rural areas.

According to our statistics, there are only about 1,200 tradesmen in seven provinces of the liberated areas. But in areas under enemy control, there are numerous tradesmen. In Xuyen Khoang, where tradesmen are numerous, most of them are foreigners, mainly Vietnamese and Indian. A number of them engage in big trade while fifty percent are small merchants. They trade for profit. In general, there are not so many tradesmen in the free markets of the liberated areas.

In the past, tradesmen contributed to the transportation of our goods.
Because our trade network remains weak and small, we must use these tradesmen in conducting the economic struggle against the enemy in his rear base. However, we do have branches which also have engaged in commercial struggle against the enemy.

In liberated areas, our trade has developed rapidly. We have business firms and companies, more than 90 stores, and a number of mobile cooperatives which purchase and exchange goods. Yet we do not purchase sufficient food-stuffs to meet the needs of military forces and party chapters. Goods for barter are available only in small quantities, and emphasis is placed on bartering our goods.

The sister country also emphasizes the export of valuable forest products such as precious tuber shellac and elephant tusks... On the average, each person can export 6,000 kip Laotian currency worth of products.

We have failed to take advantage of tradesmen in conducting the economic struggle against the enemy. The management of trade by the sister country leaves much to be desired, for goods to be traded have not been specified. Corruption and waste are rife. Although trade in the liberated areas has developed, it has done so at too weak and irregular a rate.

Market prices

In the first stage of Laos' economic dislocation, there were great variations in the prices to the individual of industrial, farm and forest products. Market prices varied greatly from province to province because of transportation and production costs.

In the second stage, the price of industrial products increased tenfold in one area; the price of rice increased twelvefold in Sam Neua; and the price of meat increased three to sevenfold.

After 1954, because too many people ceased productive labor, there was a great fluctuation in market prices. Typically, the prices of rice, clothes and salt in Sam Neua increased six to sevenfold. This was the reason for the devaluation of currency in our area of Laos. The result was a faster exchange of goods, creating a critical need for daily necessities by the people
and the cadres as well as an opportune moment from tradesmen to carry out business transactions.

Since 1964, the third stage, market prices have been relatively stable. Thanks to the adequate quantity of essential materials and industrial products that were imported, the requirements of the people have been fairly well met.

With these conditions in mind, commercial cadres were required to have some notion of history, realism and reasoning so that they could study, in depth, the trade of our sister country. As a result, tradesmen were not able to undermine market operations, and market prices have now been stabilized.

Since 1961, market prices in liberated areas have been set in accordance with the situation in each province but without guidance from Central presumably, headquarters of the Lao People's Party. In 1965, market prices could vary in such provinces as Nam Tha, Nuong Sai, Sam Neua and Kham Muon as much as follows: seven kg of rice, costing 16 kip, in exchange for 12 cm of cloth; and one kg of rice, costing 60 kip, in exchange for 26 cm of cloth.

**Finance**

The sister country relies primarily on rice collected for national salvation and foodstuffs requisitioned or purchased to meet the needs of the liberation army and administrative personnel. In some areas, income resulting from trade amounted to 30-40 percent of the goods exported. In addition, there are other sources of income such as those derived from war trophies, especially flare launchers. Economic aid received from the socialist bloc is quite substantial in comparison with the country's overall business profits which equal only one-tenth of this aid. As for expenditures, they have increased fivefold since 1962 and have been made mainly to meet the requirements of administrative agencies and the armed forces. No expenditures were made for build-up of forces. Due to much reorganizing, a large amount of money still must be spent to meet administrative needs. In trade, the distribution of goods, administration of foodstuffs and finance have not been properly carried out, so the quantity of goods received as aid has increased greatly.
Currency

Since Laos was taken over by the French/Americans, there has been a critical and constant devaluation of the kip. Since 1955, the Laotian currency has been the subject of a substantial inflation of 5 to 6.2 billion Kip.

In 1962, we issued a new type of currency in the liberated areas. In order to undermine our currency system, the enemy also issued Fu Ma currency, causing difficulties for the people's living conditions in liberated areas, especially in the highlands.

Liberated areas did not have their own currency, so Khang Khang currency was, and in some places still is, used. Also, Vietnamese currency is used in liberated areas along the Vietnamese-Cambodian border, and for business transactions at entry and exit points.

To have an autonomous currency base, we must have an amount of currency which is equal to the value of materials contributed by the population.

Previously, the people had to contribute their labor to the French and feudalists. It was a hard life, and their lives were shortened. After liberation, the people's livelihood was improved, but compared to their needs this improvement is not adequate. This inadequacy is the result of the lack of jobs and of the old-style agricultural tools and farm production methods. But policies on prices and on requisition and purchase of farm and forest products, which have not been fixed, also have not encouraged people to increase their output to better their living conditions.

Various political parties, including the neutralist party, have great confidence in the economic and finance policy mentioned in the party resolution of August 1966 and approved at the 1967 Congress on Transportation and Distribution. This was the first resolution laid down by the party and was enthusiastically implemented by the people. It acknowledged the significance of increasing economic and financial activities. Depending on the situation, the responsible cadre are to prescribe missions and make efforts to strengthen liberated areas in all fields, transforming them into solid base areas, with emphasis placed on economics and finance since they are the basis
of all activities. Strengthening activities in all fields, we also emphasize development of industry and handicrafts. The development of the people's economy must be considered the primary task and Sam Neua and Xuyen Khoang the main bases for local areas and the Central Office [possibly central headquarters of the Lao People's Party]. In order to restore [our economy], we must develop handicrafts and improve production techniques in all fields of the liberated areas. Our principal mission is not only to develop agriculture, but also animal husbandry and lumbering. With respect to production techniques for developing an agricultural economy, emphasis must be placed on improving the irrigation system and on transforming production cooperation cells to agricultural labor exchange cells. During the Three Year Economic Development Plan in 1968 - 1970, we must increase the output of the fifth and tenth month rice crops threefold in various provinces, such as Sam Neua and Khammouane.

Conclusion

With a view to developing the economy and conducting an economic struggle against the enemy, the [presumably Lao People's] Party has worked out a specific economic policy. This policy has been successfully implemented, resulting in a strong growth of the economy and an improvement of the people's living conditions in rural areas. This is an improvement in building an independent and autonomous country.

8 April 1968

Regulations for cadre who go on mission C [code for Laos]

The government and the party pay much attention to the families of cadre who go on mission C. In 1963, the Central Office [evidently the Central Committee of the Lao Dong, or Vietnam Workers' Party] assigned to the Ministry of the Interior the responsibility for drafting a policy and for administering to the needs of families of cadre who went on mission C. One element was then assigned to coordinate with Office 8 of the Interior Ministry to prepare a clear-cut policy on the granting of privileges to these families. The Secretariat Section then issued resolutions 86 and 73 and directive 203. The
policy concerning benefits to be granted to families of cadre who went on mission C was then promulgated. As for the families of military personnel, they are cared for by the Central Office and local agencies. According to Directive 203, party and government authorities in local areas, cities, provinces, districts, villages, party chapters and production units are responsible for the families of cadre who have gone on mission C. In return for the confidence which the Central Office places in these families, they must encourage their sons and relatives to go on mission C.

10 April 1968

Missions to be carried out with respect to the people

1. The Party's concept of the people

The feudalists denied a great role to the people in making history. In the era of capitalism, the work of the people, especially the intellectual workers, was acknowledged but only to a limited extent. The people were considered a class that had to take orders, which was a conception of the people that feudalists also held in the past. The concept of the people in a Marxist-Leninist party acknowledges that human history has been made through the efforts of the working class and through the achievements of national heroes (especially leaders of production).

Mankind has produced tools and later machines through his own manual labor. Thus, the people are the masters of every field of activity, cultural, artistic, etc., and not only in the production field. But their own history did not begin until the birth of Marxism-Leninism, previous to which there was only self-abnegation. Since its appearance, Marxism-Leninism has restored to the people their role in history by indoctrinating them with political consciousness. Only after the Revolution was the role of the people recognized in the limelight of history. The primary mission of our party now is to inculcate Marxism-Leninism and a sense of political consciousness in the masses. Therefore, each party member is responsible for establishing a relationship with the masses.

Revolution is the work of the people, so a day of revolution now is worth twenty years in the past, because the people will be masters of their country
and society. Since the people's capabilities could not be developed during the feudal period, the party wants the people to learn its scientific methods.

2. **Five-step mission to be conducted among the people**

- Study the situation of the people first.
- Propagandize and motivate the working class.
- Select, train and organize loyal people.
- Be active in different professions.
- Organize people's groups.

The best and easiest way to achieve success is to follow the people. This means that we must understand our party's concepts and conduct our five-step mission among the people.

3. **Situation and organization of the people in Laos: practical missions to be carried out in the country**

In motivating the people, we should give attention to the following features. Since Laos is just emerging from the feudal era, its economy is not well developed and in some areas is still characterized by barter. Twenty percent of the country is occupied by forests, mountains and highlands, which causes many difficulties for economic and cultural circulation. Twenty percent of the country is occupied by forests, mountains and highlands, which causes many difficulties for economic and cultural circulation. Thirty percent of the country is occupied by forests, mountains and highlands, which causes many difficulties for economic and cultural circulation.

Trade is relatively new, and in Khammouane and the liberated areas there are very few markets. Business therefore encounters difficulties which greatly affect the country's economy.

The population is sparse. In some villages, there are only five households, and in the remaining villages there are on the average 10 - 15 households. Particularly during the resistance, the population scattered in small groups. This fact also greatly affects the economic and cultural situation.

Politics are very complicated. Many ethnic minority groups and tribes live together, and the enemy uses the ethnic minority groups to exploit the people. Especially upon the arrival of U.S. troops, the enemy broke up the people's organizations ... (dividing them into many factions with different warlords such as Kong Ie, Phoumi, Duon...Pathet Lao).
The revolution in Laos has developed in a reverse way. It originated in an external struggle, and its armed forces also have been formed from the outside of Laos. For this reason the political organization is very poor, and the people’s political consciousness cannot keep pace with the development of military forces. This contradiction in the Laotian revolution must be solved.

Because of the characteristics mentioned above, the people’s political concepts are vague and poor. They think the Pathet Lao are traitors who sell their country to the Vietnamese, an idea which is an enemy scheme aimed at creating friction among the people. As a result, we must indoctrinate the people politically and make them aware of who are friends and who are foes. The people’s thinking is still characterized by an inferiority complex, passiveness, and lack of democracy in the execution of tasks. This is because our effective organizations, the party and authority were established only in 1961, when the political consciousness of the people was weak and the requirements of the revolution high.

Development of underground agents attained 50 percent. In some tribes, party chapters still operated secretly. As for popular organizations, there were only Youths’ and Women’s Associations and the Neo Lao Hak Sat organization. Administration was very complicated. The major administrative elements consisted of former personnel such as Ta Xeng, Fo Ban. As a result, the enemy forced the Ta Xeng and the Fo Ban, and especially local bandits, to work for him.

Aside from the party, the most developed organization in Laos is the guerrillas. Women take charge of welcoming cadres and troops when they arrive in their areas.

The people’s livelihood depends on the weather and climatic conditions. There are no food reserves. Famine therefore occurs regularly... For the last two years the harvest has been lost in central Laos. The people of Khammouane have had to eat corn, manioc and wild tubers. Later, some people died of famine, which had never happened before in Laotian history. In Mac Rieng and Lao Thong (possibly), the people still suffer from poverty and starvation. Especially during the war years, in winter months children have died in large numbers because of cold and lack of fire. Sickness prevails and population growth is low.
The ethnic minorities are very fond of study, especially the Laotian language. The majority are women who have a low level of education. In some provinces, there are only nine students at the grade II level. The minorities are natural, joyful, warm, simple-mannered, honest, industrious, generous and broad-minded. They make sacrifices and contribute their manpower and resources to the revolution without complaint, showing the deep affection of the Laotian people toward the Vietnamese. Relations between the army and people of both Vietnam and Laos already show the respect of the people for the revolution and for the international mission.

In view of the above characteristics, the Laotian revolution still has to settle some contradictory issues: political activities must keep pace with military ones. We must pay more attention to the people's capabilities and to improvement of their living conditions in order to meet the needs of the revolution. In order to build a perfect nation in the liberated areas, we must motivate the people and establish democracy so that political consciousness can be achieved and kept up with military developments. Furthermore, we should strengthen the people's forces and rely on them to build a stable overall economy in the liberated areas.

The policy of resolution 15 is to organize civilian agents, and make the people masters of their own areas, and to develop international social welfare activities, especially agriculture and commerce. Trade is to play an important role in the development of the people's economy and welfare in liberated areas. As for social welfare, we must assist our friends with respect to agriculture, animal husbandry and forestry. At the same time, we must have a good trade system which can actively facilitate imports and exports, and also carry out public health and cultural activities. Resolution 15 holds these activities to be important at present in assisting our friends.

For carrying out these missions, the essential qualifications are patience, endurance, alertness, and flexibility. We must help our friends enthusiastically, and we must consider their revolution as one of our own revolutionary achievements.

In order to motivate the people, we must correct their erroneous thoughts, organize people's agents, and develop the economy and social welfare.
Politically, our party's greatest task in Laos at present is the advancement of nationalism, democracy, and social welfare.

To sum up the situation, the special points are that the level of the people's political awareness is still low, the organization of agents is still lax, and living conditions are poor.

11 April 1968

Organization tasks: Development of cadre and strengthening the party

1. Organization and strengthening of the party in our friends' country

The Laotian People's Revolutionary Party was established on 22 March 1955. In 1950, the nucleus of this party consisted of an estimated 600 persons who previously had belonged to the Indochinese Communist Party. It was not until 1953 and 1954 that the latter was divided into three parties, the Vietnamese, Cambodian, and Laotian Communist Parties. Developing rapidly, especially in 1956 and 1957, the Laotian People's Revolutionary Party has grown to 14,000 party members. The friendly party displays high quality in fighting against the most powerful imperialist countries in the world, France and the United States.

At present, a well-integrated organization has been established at the central, regional, district and local levels. In 1957-1958, after the coalition of forces, a large number of party members were captured, imprisoned or killed, and the party thus fell into a dangerous situation. In 1959, after the events in the Plain of Jars, our party re-established a close relationship with the fraternal party and provided the latter with assistance to consolidate the revolutionary movement and organization in Laos. Since then the party has flourished with its central headquarters, province and district party committees more developed than before, but not the party chapters, which are still weak.

A couple of large movements led by the party in respect of their revolutionary activities have developed steadily since May 1959 in both political and military spheres. However, the friendly party still displays
such shortcomings as placing more emphasis on military than on political matters; placing more emphasis on development of the central headquarters than on the party chapters; the uneven development of party members, particularly in the enemy's rear bases where the number of party agencies is too small and especially in towns and cities. In liberated areas a number of party organs are still concentrated in mountainous areas where they have existed since the Resistance against the French. In rural areas the number of party organs is still too small, especially in the health and youth branches where party organs seem to be non-existent.

The friendly party also displays many shortcomings with respect to quality. Only 25 percent of all party chapters display good leadership; 30 percent display fair leadership; and 45 percent display inferior leadership. In addition, not fully understanding party policy in all provinces and regions, a large number of party members still display a poor fighting spirit left over from 1966 to 1967. Relative to present requirements, the overall quality of leadership displayed by party committee members is inadequate because of the inability to hold a national congress.

The distribution of party members is not even, and some areas do not have any at all. Distribution by ethnic group also is uneven:

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lao Hung</td>
<td>60.02%</td>
</tr>
<tr>
<td>Lao Lam</td>
<td>36.7%</td>
</tr>
<tr>
<td>Lao Xung</td>
<td>3.08%</td>
</tr>
</tbody>
</table>

The morale of party members has been tested by the two wars of resistance against the French and the Americans. Families of party cadres have suffered much hardship. The level of political and cultural knowledge of party members is still weak and vague... and their spirits are sometimes weak. In brief, thanks to our party's policy and assistance, the friendly party has developed rapidly since its foundation, but it still has many shortcomings which must be overcome.

There are two types of organizational systems for party chapters: party chapters with Ta Xeng and those without Ta Xeng. To help in the development of party chapters in the friendly party we must strengthen its "four knowledge" party chapter by leading in every respect and motivating the people to stage a revolution. Due to the social and cultural situation in our
friends' party, criteria for a "four knowledge" party chapter must be established. To establish these criteria, the following specific tasks must be carried out:

1. Help the party chapters provide guidance to the government, guerrillas, and security agents in order to consolidate the government.

2. Provide guidance in production work in order to improve the people's life materially and spiritually. Motivate the people to cultivate their land and place emphasis on the production of rice. Actively organize labor exchange cells. Provide guidance in education and health.

3. Indoctrinate the people so they can thoroughly understand party policies, such as the policies on democratic reform, rice collection for national salvation, ethnic minorities, wounded and war dead.

4. Improve the activities of party cells and chapters, develop the number of party members, and control the latter.

The organization of "four knowledge" party chapters is necessary to meet the specific situation of the Laotian Revolution in each period. We must indoctrinate party members, improve their ideological knowledge and fighting spirit, and eliminate their fear of death and sacrifice, reliance on higher echelons, and desire for leisure.42

To improve the quality of party members, we should select people in their local areas...and be patient in educating weak party members. Those who rally to the enemy and betray the revolution should be expelled from the party. We should do the same to those who have a shirking attitude or are corrupt.

To improve the route activities of the party, cells and chapters, specific plans should be made during the monthly meeting. Executive committees, secretaries, assistant secretaries and chapter party committees must be consolidated, and members must be responsible for providing guidance. They should pay attention to social classes, the policy of national solidarity, and the women's forces. Committee echelons should be trained to improve their methods of handling the internal affairs of the party, and we should develop party members among the guerrillas.

As for the development of new party members, the policy is to strengthen and develop them simultaneously. But it is important to develop them correctly. We should develop party members in new hamlets and villages and places where
there are few members. Our targets should be poor farmers and workers who are constantly oppressed. Party members should be recruited from the guerrillas, youth, and women.

The four criteria for admission to the party are: have a good political background; be enthusiastic in the performance of tasks; be trusted by the people who want to enter the party (and not have any relations with the enemy). We must propagate and educate prospective members by giving them tasks which test them. The first step is to instill in them hatred for the American imperialists and with national consciousness so they will want to join the revolution and have sympathy for the party. Then, gradually, we should indoctrinate them in class consciousness so they will serve the revolution to the end. We must use specific examples and explain clearly to the people when we conduct propaganda activities. Party propaganda activities in the army and a number of agencies of the central office have been carried out in a semi-overt manner, but the party has operated secretly among the people and workers. The admission of new members should be made in compliance with regulations already described.

2. Organization and training of our friends' cadre ranks

Since 1960 and particularly from 1964 to the present, the number of cadres has increased very quickly. There were about 5,000 to 6,000 political cadres of district committee level and higher. In addition, the number of high ranking cadre reached 6,000.

The majority of cadres originated in the farmer and worker social classes. Some of them belonged to the aristocracy and engaged in the Resistance against France as well as in the present combat against the U.S. imperialists. For current domestic and foreign affairs, it is essential that there be a number of friendly cadres who have educational, scientific and technical backgrounds. Suitable for the performance of diplomatic missions.

Some weaknesses are that key cadres from the exploited classes and ethnic minority groups are too few, and young and female cadre non-existent. Almost all cadres are old, have no specialized skills, a scanty knowledge of economics, and poor educational and political backgrounds. Most cadres have, however, been tempered by the long resistance and have high revolutionary awareness.
They are quick to set examples of sacrifice. But they are still weak in class viewpoint and mass leadership, and they do not thoroughly understand policy lines.

Because key cadres assigned to economic and cultural branches are very few and weak, the party's policy is to place emphasis on building the cadre network.

The three-year plan for training cadres is to develop and consolidate a cadre network for military, political, economic and cultural branches. At present, we still encounter difficulties in the development and improvement of friendly key cadre ranks because we lack enthusiasm in helping them. There is a great difference in knowledge among them. But we have set up good plans for strengthening key cadres in these professional branches according to the prescribed criteria. Specifically, we should improve the key cadre in the following subjects: the significance of the revolution, the reason they should join the revolution, the class viewpoint, people's warfare, and establishment of the administration. Ideologically, we must oppose shirking attitudes and be able to endure hardships... We should try to improve old key cadres and actively train new cadres to meet the requirements of the revolution.

The method for strengthening and improving key cadres is to conduct short-term training classes for political cadres in agencies, especially those who operate at the village level. These cadres must be made familiar with the terrain features and characteristics of production in the local areas where they are to operate... We should improve the level of politics, professionalism and education of the cadres, conduct an anti-illiteracy campaign in villages and hamlets by initiating a popular education movement, and at the same time strengthen the party.

In equipping key cadres with the necessary degree of knowledge for their role in leading the administration, we should pay attention to and understand the policy line prescribed by party chapters on the strengthening of key cadres. We should assist our friends in establishing a party network to lead the revolutionary movement. We must select dynamic elements and aggressive cadre to develop the party organization, the administration, the guerrillas, youth and women's forces. The two important things, to summarize, are to develop a network of cadres and key cadres in the leadership of various occupations,
and to have an adequate supply of cadres for military, political, economic, educational-cultural and social affairs.

**Policies, purposes and principles in aiding our friends**

The problem of assistance has three parts which cover eight points:

- **Part I**: Method and conduct of assistance.
- **Part II**: Good ideological concepts and attitude.
- **Part III**: Improvement of our vanguard role and international proletarian spirit.

The eight tasks to be carried out are:

1. Improve our fighting will on the basis of a true international proletarian spirit toward the Laotian revolution to provide long-range assistance for the friendly party.
2. Maintain solidarity with and confidence in the friendly party and respect its equality and sovereignty.
3. In carrying out different tasks, from the least to the most important, we must take practicality as our guideline and refrain from mechanical conformity to dogma. We must assess the situation of the friendly party to know the situation of the people.
4. Stay close to the people, and study them in order to provide careful guidance so that the friendly party will carry out its tasks well and have a good working procedure and organization method.
5. Help the friendly party realize that the development and strengthening of party members and chapters are essential tasks.
6. Help the friendly party comply with specific plans.
7. Always display the good conduct of a socialist cadre, good revolutionary morale, and a high international revolutionary morale, eliminate corruption and licentious behavior.
8. Help the friendly party overcome its shortcomings and develop its good points.

We must learn how to practically use human labor in different tasks by observing our friends' actual situation. We must help our friends initiate ideas, into which we may inject our own. We must know how to withdraw our erroneous ideas in order to realize the slogan, "What belongs to Laos will remain the property of Laos".
Questions for Discussion

1. What is the correct mass viewpoint for the party member to hold toward the friendly people?

2. What is the relationship between the sublime international proletariat spirit and the true national mission?

3. What basic virtues are required of a party member who is assigned to an assistance mission in a friendly country?

A revolutionary soldier or party member must possess the following qualities:

   - Make sacrifices to fight for the communist cause throughout his life.
   - Develop the will to fight for the revolution.
   - Be voluntary, self-conscious, and determined in helping friends.
   - Place the party's interest above all.
   - Be absolutely faithful to the party's line and policy.
   - Be economical, fair, honest, and opposed to individualism.

4. Why must the sovereignty and decision-making rights of the friendly country be respected?

To satisfactorily carry out these principles, it is necessary to avoid such faults as self-conceit and disregard for the friendly people, and to avoid the pride of being from a big country doing everything for its friends.

5. What constitutes over-all and long-lasting assistance? Why are training and improvement so important? Why is improvement of the political viewpoint so basic and important?

6. Why are successful projects, winning the hearts of the people and developing cadres so important in our assistance to Laos? What must be our specialists' responsibilities and behavior?

The Mass Viewpoint of our Party

Our party has accurately assessed the role and position of the working class in the course of social history, because it has been imbued with the historical materialism of Marxism-Leninism. With a thorough knowledge of the role and power of the people, the party has acted in accordance with the following principles in the course of its revolutionary struggle:
1. Always be faithful to the interests of the working class and the masses of laboring people. Knowing how to rely upon the strength of the masses is basic.

2. Motivate the people from all walks of life to fight for the revolution.

3. Show interest in the aspirations and interests of the laboring masses.

4. Mingle with the people, stay close to them to give assistance, and train them and listen to their opinions.

5. Always be concerned with the material and spiritual life of the people, and constantly develop their knowledge in every field.

6. Have confidence in the people and be willing to serve them. Know how to guide and educate them. Perform along the party's policy line. This will help us gain increasing victories in the course of our revolutionary struggle.

15 April 1968

Policies on cadres who serve in operations theatre C

After the agreement between our party and that of the friendly country following the coalition in 1961, Group Doan 959 was ordered to remain there and help the friendly people. Cadres who served in Laos were entitled to 15 days off after a year of service. At the end of 1964, the new regulations mentioned in resolution 86 were put into effect for cadres who served in operations theatre C. This resolution constituted the standard operating procedures for Group 959.

Supplementary directive 37 which followed resolution 86 provided a 45 percent pay raise and gave each man a quilted coat and five meters of linen.

We must make cadres familiar with the customs of Laos so that they can fulfill their long-range mission...and we should stock a sufficient quantity of material supplies to insure long-range service in the friendly country. In our rear area, we have to guarantee a normal daily life for the families of the cadres on the mission, particularly regarding financial matters and health. We must maintain a balance between the standard of living of cadres sent to operations theatre B South Vietnam, those sent to Laos, and those remaining inside the country. We also must maintain a balance between the standard of living of cadres and people in the friendly country.
Specific regulations

1. Except for special circumstances, cadres assigned to a long-range mission are permitted to return home every three years for a three to six month training course.

2. Cadres must be given lessons in political and professional affairs. The western task section will establish a refresher training school for cadres.

3. Salaries: in addition to their salaries, cadres assigned to a mission in the western region receive a 45 percent bonus. When they return home, they will lose this bonus beginning with the fourth month of their return. With respect to the seniority allowance, they will receive a three percent increase in salary after three years. After that, they will receive a one percent increase every year. The maximum increase in this allowance is a sum equaling 25 percent of the base salary.

4. Health allowance and medical treatment: after three years in the friendly country, cadres receive a 1.2 $DRV daily health allowance and free preventive medicine. If they are sick and need hospitalization, they will be sent back to receive medical treatment.

5. Equipment issued: issuance of equipment varies according to the category of cadre belonging to Group 959 and the study team. In general, each year every cadre will receive one uniform, one set of cotton clothes to wear during winter and spring, one quilted coat, one canteen, one saucepan, one dagger, one pair of rubber sandals, one hammock, one nylon sheet used as a tent, one lighter, one Pathet Lao cotton hat, one flashlight, and three pairs of batteries.

6. Cadres receive 15 days off each year, not including time spent for the round trip. They usually are entitled to leave when returning home after three years on a mission abroad. If they work instead of taking leave, they will receive pay for these days.

7. Annual awards and discipline: Cadres may be awarded the Labor Medal upon the recommendation of Doan 959, this has occurred since 1966 at the time of the patriotic emulation movement.

8. Social insurance: This policy is similar to that which applies to working people at home. Sickness is treated as it is for those serving in heavy industry.

9. War dead in the western region and their families enjoy the following: When he dies, the cadre serving abroad must be brought home. If transportation is impossible, the corpse must be carefully buried in the friendly country, and his relics must be kept and brought home to his family.

10. Families of cadres dispatched on official business to the western region which have difficulties of livelihood may be
helped materially during the entire term of assignment. Parents are entitled to free medical care and treatment, children are given priority in school admission. It is the responsibility of the local authority to carry out the policy prescribed. This policy consists of offering employment to the cadre's family, furnishing them with supplies, medical care, and priority in selection of children to go abroad for schooling.

Medical visits and treatment granted to dependents of cadres assigned to BC

According to Memo 99 VTVP, the following policy points must be observed:

1. The dependents of cadres must be listed in a household register.
2. These dependents are granted free medical care and treatment at state hospitals. Their names are listed above those of other patients in matters of urgency. Adult dependents, however, must pay for food rations taken while being treated at the hospital, but children are excepted. The cost of food rations charged to adult patients can be reduced or waived in special cases, upon recommendation by the local authority. This policy was adopted by the Inter-Ministries of Interior, Finance and Public Health in February 1967.

Following is the mailing address; use two envelopes as shown:

Inside envelope: "From: ... To: Do Xuan TAO, Work Team No. ...; outside envelope: "From: Pham Tuyet LAN, CSHTXM/b, Thanh Thuy, V/Phu; To: Organizing Dept., CP 38 Ha Noi."

17 April 1968

Political Mobilization

Resolution 175 of T.U.D. Trung Uong Dang - Party Central Committee for all the party, army and people.

I. All to defeat the American invaders.

Topics:

(1) Conditions which have allowed us to move our revolution into the new phase, the phase of victory.
(2) The spring offensive and uprising of our southern people.
(3) The enemy’s schemes and the immediate tasks for our people.
(4) Requests for reports on the situation and specific activities.

It is requested that the situation be assessed in a comprehensive way so that the central party can realize the victories achieved by our armed forces and people in South Vietnam since the early spring of this year. An accurate assessment of the situation would reveal the turning point in the revolution. It should reflect all enemy schemes since our victorious achievements in South Vietnam. And from this we would be able to realize what our duties are. . .

1. Under what conditions did our revolution move into the phase of victory?

The stage of victory began on 30 January 1968, after a long period of revolution in which our people scored continuous successes. This new period was the result of a long process of development...

There were two decisive elements in the transition to the new period. Following the Geneva Accords, the Americans conducted a special type of war in South Vietnam, but most of their schemes were foiled. During this revolutionary period, our party directed its main attention against the enemy’s strategic hamlets, and we succeeded in destroying 4,000 of them causing the enemy government to fall. In retaliation, the Americans escalated the war, and since mid-1965, 200,000 American troops have been dispatched to South Vietnam. Our party’s resolution was to maintain a steady position in our continuous assaults on the enemy. During the dry season in 1966, we knocked 114,000 enemy troops out of action, including 30,000 American and satellite troops. Pressing forward after our success, during the following rainy season we killed 70,000 more enemy including 10,000 American and satellite troops. During the dry seasons of 1966/1967, the Americans reinforced their troops by 100 percent and started "Operation Johnson City" to establish more strategic hamlets. The heavy blows we dealt then resulted in 85,000 American and satellite troops killed during the aforementioned operation. By the end of 1967, 400,000 American troops had been put out of action. The Tri-Thien operation and other later operations in the rainy seasons cost them heavy casualties.

The enemy was so tired after these operations that through the dry season of 1967-1968, he could not conduct any operations and remained a target.
for our activities. We then launched significant attacks on the strongest enemy bases in the town and cities, thus beginning a new tactical period at the beginning of the dry season of 1968. This marked the turning of the revolution into a new phase. Events in the winter-spring months beginning with the general uprising and attack by our southern fighting men and people have created advantageous circumstances for the revolution at this new stage.

So far, the American enemy has made his greatest efforts in the military and political fields. He has rushed manpower, weapons and ammunition, as well as all his financial resources, to the Vietnam battlefields, but the more he got involved the more he lost. Yet he persists in his efforts against the liberation army. He strives to carry out his plan of gathering people from the liberated areas into his controlled areas. He is building and repairing roads and communication lines, establishing a new puppet government, trying to create a protective belt to deter us from bringing reinforcements to our troops in South Vietnam. The Americans have failed completely in their schemes. American failures in both parts of our country have helped people throughout the world... see the true face of the Americans. American economic capability has completely collapsed, causing an uprising in the developing countries.

At their face value, the enemy’s efforts and schemes obviously cannot cause us any fear; on the contrary, we are more resolute in our struggle against him. Since the beginning of the revolutionary movement, we have built our armed forces into three categories, guerrillas, regular forces and self-defense forces. These forces together make up an army of 31 million soldiers -- the whole of our population -- to fight against the Americans. There is no way for the Americans to win the war. They have to face the Resistance of a whole population. These circumstances enable us to anticipate a victorious period and to defeat the American invaders.

2. Our General Offensive in early spring of 1968 marked a new period, with the three following purposes:

- Destroy all enemy installations and exterminate all puppet troops and elements, in order to seize the government.
- Try to destroy a large part of the American force to deprive the enemy of his fighting capabilities, resulting in his stopping the war in Vietnam. We then will establish a Democratic Government in South Vietnam. The period for these achievements may be long or short depending upon our party’s leadership and the efforts of our party members.
At the beginning of spring 1968, the first movements of our general offensive caused a surprise to the whole world. In one night, 64 enemy positions were attacked by our armed forces. Our party had demonstrated skillful leadership in keeping the movements of our forces everywhere absolutely secret. We dealt so heavy a blow to the enemy that his army was broken into pieces and his government could not re-establish itself until ten days later. As of 15 March [1968], enemy casualties were as high as 150,000 killed, including 45,000 American and satellite troops.

There were 250,000 enemy soldiers who deserted. Faced with the disintegration and demoralization of the enemy soldiers, the puppet government troops in 15 provinces rose up against the U.S. and puppet government. They left 600 posts to surrender or run away.

As for enemy facilities, we attacked 68 airfields and destroyed or downed 2,000 aircraft. We destroyed 3,200 military trucks, 1,750 armored vehicles, 300 gun pieces, 233 combat roads, and 300 gas depots in which there were very large gas deposits, such as Long Binh. We also cut off routes 4, 1, and 7 to interrupt supply lines to Saigon.

The puppet government’s administration, especially at province, district and village echelons, was paralyzed, unable to control the people. For example, in Hue and Thua Thien we built liberated areas, enlarged areas adjacent to certain cities, spoiled the U.S. pacification plan, and destroyed the defensive belt leading to Independence Palace.

In some areas our armed forces multiplied to three times what they were before. Because we did not completely destroy the vital forces of the U.S., we had to continue our fight to crush the American aggressive will.

In assessing our victory, we have achieved great successes having strategic significance. These successes show that we attacked U.S. support and war facilities and cut off their vital communications routes. We also extended the war into the American sanctuaries and rear bases, destroyed strategic hamlets and liberated areas connecting rural areas to cities and concentrated manpower and material resources. We paralyzed and disintegrated the puppet government troops so that they had to change their strategy. As for our side, we rapidly developed forces and established larger rear service bases and enlarged liberated areas. These maneuvers showed great success in
dealing deadly blows against the aggressive will and puppet government and troops, defeating them without chance of recovery.

The U.S. imperialist scheme is to conduct a defensive war against us, therefore they meet failures, their science deteriorates, and they are defeated.

There are four reasons for our success:

- We have Marxism-Leninism, applied by the party to the Vietnamese Revolution.
- Our people are united, we have the National Front in the North [the Vietnam Fatherland Front] and the National Front for the Liberation of South Vietnam to bring about reunification of the country in the struggle against the enemy. For these reasons, the enemy is defeated by our people’s war.
- We have a revolutionary armed force which consists of three types of troops emanating from the people...and methodically organized.
- We have consolidated international support.

3. The U.S. imperialists’ plan and what the South and North must do before the plan is carried out.

Although the enemy is defeated he is capable of carrying out the following three things: increasing his troops by 30 to 100 thousand, thus developing and consolidating the puppet administration to fight a protracted war with the purpose of awaiting the outcome of the U.S. presidential election; increasing troops to 750 thousand to launch large-scale operations in support of his pacification plan against our revolutionary movements; and extend the limited war to the North (if necessary making war with China), in accordance with the American imperialists’ subjective and adventurous nature. In the present situation, the enemy also can intensify his raids on North and South Vietnam.

If the enemy carries out the first point, he will be driven to the defensive and be defeated; if he adopts the second approach, he must mobilize his manpower and in doing so will face the anti-war protests of the American people; if he takes the third approach, we will have to continue our defense against him and the war will be greatly expanded, along with the participation of the greatest force on the socialist side. At present, the enemy is able to resist and prolong the war with a view to carrying out his scheme through peace negotiations, but there is no change.
What must be our mission in the face of the American scheme? Our momentous and urgent mission is to mobilize manpower and material to defeat the U.S. aggressors. On this basis, we can carry out the three following missions: coordinate armed struggle with political struggle, conduct a three-front attack, receive aid from socialist countries, open three fronts in Vietnam, Cambodia and Laos, and at the same time crush the Americans' aggressive will; mobilize manpower and material in the North to the maximum in order to support the South and the secondary battlefields in Laos, and prepare forces in the North for self-defence against the enemy's scheme of escalating the war into the North; increase the national defense forces. With respect to economics, it is necessary to step up handicrafts, communications and transportation and to pay attention to improving the people's health. As for the party, it must develop its strength through movements.

4. Faced with these requirements, what points of view must the people, cadres and branches hold?

The party requires that everyone change his point of view in accordance with the current strategic situation. We must encourage all of the people to have much more confidence in victory over the U.S. aggressors. We must confide in the people, heightening the spirit of independence and self-governance under any circumstances. We must do this so we will gain victory whenever we fight, not be demoralized, not halt in the face of difficulty, and not get overly pleased with victories we have achieved.

As for party members, we must heighten their vanguard role and set examples by going to dangerous places. In the most rigorous situations, party members must be ready to make sacrifices for the revolution. This is an ideological improvement.

In line with ideological improvements, there also must be great improvements in organization, especially in the party and revolutionary organizations. The government must implement the national salvation line against the U.S. imperialists, intensify leadership serving in the frontlines, and improve the conduct of leaders in accordance with war-time conditions. To achieve success the Center demands that we develop the spirit of independence and a sense of urgency as we carry out tasks and strive for objectives. In short, while carrying out our mission we must strive to cultivate the following traits: democracy, haste, concentration, realism, and accuracy.
II. Resolution 175 of the Political Department Central Headquarters

The resolution was issued to the party, troops and people as an order for execution; it consists of three parts:

1. [Illegible]

2. After the springs, winters, summers, and falls of 1966 and 1967, the American imperialists became bogged down in a defensive position; we gained many victories which could lead the revolution into a new phase.

3. This mobilization is one in which all the party, army and people contribute in a concrete way all available manpower and material to the strategy determined by central headquarters.

III. The 1968 Work Program of the Central Committee of the Friendly Party

The leadership of party chapters must fully understand the program of providing aid to the friendly party. In Laos, the enemy has been on the defensive since the beginning of the dry season. Since the Nam Bae Campaign \(^{1968}\), he has not been able to cope with the Lao Revolution. Until this great success, the party was trying to seize an opportunity to develop its economic and military activities. The tasks of the Lao Revolution now are to attack the enemy in all circumstances and to strive to consolidate military, economic and educational activities in the liberated areas so they can keep on operating as an independent country. The intermediate tasks of the party in 1968 are to educate the people in the liberated areas ideologically, strengthen administrative organizations, self-defense militias, and guerrillas, which are the real forces of the people's democratic government, and carry out the policy of national unity. Economically, in 1968, the tasks are to concentrate efforts on development of agriculture and cultivation, on transportation of goods from one place to another, on improvement of communication routes to deliver magazines and bulletins to the people, on trade and finance to improve the people's standard of living, on strengthening and developing the cadre ranks, and on preparing for negotiations.

Questions

1. What conditions and sources allow us to say the war has turned into a new phase, the phase of General Offensive and Uprising to achieve decisive victory?
2. What are the purposes, evolution and policy of the South Vietnamese people and troops' General Offensive and Uprising? How were great victories achieved in the beginning phase of the General Uprising and Offensive by our people and troops?

3. How have the enemy's scheme and the situation developed? What are the general and specific missions in the North? What is the decisive factor?

4. Facing the mobilization of the entire party, what will our party chapter do? What will party cadres do during training or in process of assignment to Laos in accordance with his role?

25 April 1968

Operations

Financial and Economic Policy During the Resistance: The Economy of Vietnam from the August Revolution to Victory

Trade is an intermediary stage between production and consumption... and it greatly affects both production and consumption. In economically backward countries, trade therefore must be developed.

Trade in its two aspects, active and passive, was considered a very important part of the revolution during the Resistance against France. Economically,... our economy was backward, dependent, and exhausted. This was especially true in agriculture, which was exhausted after years of war. Moreover, our economy retained feudal and colonial characteristics. Laos still retains natural characteristics.

Then, in 1945, a disastrous flood caused great harm to nine provinces. Two million people starved to death in the terrible famine caused by the French and Japanese aggressors.

Since the French and Japanese imperialists did not intend to civilize and develop our country, there was no heavy industry except for a few firms run by capitalists. Even industry for making commodities needed for daily consumption was non-existent, so everything had to be imported. This further hampered the development of our industry.

At the beginning of our uprising, we were hard pressed for money.
Although we seized over 2,200,000 piasters from the Treasury, we could not lay our hands on the Central Bank. We had to pay for large expenditures while we were short of money.

During the Resistance, all lines of communications were sabotaged. Even roads, bridges and other structures in towns and cities were destroyed and made impassable for vehicles. Only two sections of railway from HT [possibly Ha Tinh province] to Quang Ninh province remained. As for us, we went by bicycles and boats.

The old system of trade remained unchanged, therefore speculation and hoarding were incurable. Especially after 1945, when relations with other countries were broken off, goods needed as merchandise or for consumption became insufficient.

Militarily, because the economy was still permeated by colonialism and by feudal production relations, our territory was divided into several military areas. Some of these areas were completely liberated, such as Nghe Tinh, Quang Ngai, and Binh Dinh provinces. But other areas, such as Hanoi, were occupied by the enemy for a long period of time, from 1947 to 1954. Still other areas were disputed, and finally there were those areas located in the enemy’s rear, such as Hai Hau, Nam Dinh, Thai Binh...

The areas occupied by our troops were large but thinly populated. The greater part of the terrain was full of mountains, abundant with local and forest products, but there was a shortage of salt. Areas occupied by the enemy were fertile and rich.

The enemy intensified his sabotage against us in every respect. The French in the past, just like the Americans in the present, concentrated their sabotage activities on the communication lines to hinder supply routes and block circulation between the two areas. The enemy sabotaged dikes, bridges, culverts, hydraulic dams, installations and production plants. He also fired upon agricultural production facilities and cattle..., and upon markets such as Kiem, in Thanh Hoa, and Duc Thang, in Hiep Hoa district. The purpose of these activities was to ruin and paralyze our production in order to force us to surrender. These were some of the military features of the Resistance, which had consequences for the economy and finance.
Politically, we had a party, a government, and the unity of the entire people. Under the party's leadership, we regained our independence and set up a government of the people united in love of country and in the fight against the French.

In order to build up financial resources and the economy, the party set forth the slogan that the resistance should be conducted by all the people in a total and protracted manner. Thus, the economic and financial policy was comprehensively fulfilled over the long term.

II. The Principal General Economic Policies of Our Country

The Resistance against the French... was full-scale, protracted, and self-sufficient. Self-sufficient in this resistance meant that we had to set up an independent finance and economy. Therefore, from the beginning, the party set forth a plan to boost production to insure supply. If we want to be self-sufficient, we must give close attention to economic and financial tasks.

1. Develop production to insure supply

There are two aspects of production: the relations of production and the mode of production. Being the basis of economy, production must be developed in order to insure supply.

In the beginning, Chairman Ho issued measures to deal with famine, illiteracy, and foreign aggression. His slogan was: "Each inch of soil is an inch of gold". In consequence, we were not to leave even a tiny part of our land untilled. To comply with the slogan, the party planned to develop agriculture and handicrafts first, then industry. The achievement of production and practice of thrift were spread among the people. Each area was to work in such a manner as to provide itself with things it needed according to its capabilities. These goals were never to be imposed under unreasonable conditions.

Actually, we established an economic plan for each province, which was to be relatively well organized. The economic plan was set up on a small scale to avoid being undermined by the enemy.
The policy of self-supply was well fulfilled. The economic plan worked out on both small and large scales was perfectly and widely brought into effect. Consequently, our liberated areas successfully provided themselves with adequate agricultural products during the Resistance.

As for handicrafts, some goods such as cloth and paper were made in Thanh Hoa, Nghe An, and Quang Ngai, while cloth, sugar, and oil were made in Son Tay and Ha Tinh for local consumption. In industry, all efforts were concentrated on the manufacture of rudimentary national defense equipment, such as rifles, ammunition, and acid for supply to the battlefield. And in trade, we built foundries for casting iron to support production, and the state-controlled workshops such as Lua Viet workshop, Minh-Khai workshop in Thanh Hoa province..., and a pottery workshop which still exists today.

2. Establishment of an independent financial system and currency to serve the Resistance

During the Resistance against France, expenditures exceeded receipt. Therefore, such funds as the independence fund, Gold Week, and the Resistance rice collections were organized to support the troops in their fight against the French.

In the Gold Week organized in Hanoi in 1945, Mr. Tran Van Bo and Ex-Emperor Bao Dai competed with each other to put up the largest amount of gold for a portrait of Chairman Ho. Tran Van Bo offered 125 Lang or tael, one lang equalling 37.8 grams of gold, the highest amount in this competition. He is now chairman of the Vietnamese Fatherland Front in Hanoi.

The Resistance fund was established after 1949. Chairman Ho, in 1950, issued a decree to encourage contributions from the entire people by imposing taxes on their farm produce. These taxes were not paid with money but with rice because currency was seriously depreciated at that time. The purpose of these taxes was to support the troops. In 1950, the land tax was increased forty percent in order to meet financial requirements. Resistance savings bonds were issued in 1948 for use as payment certificates by buyers of the bonds, and in 1950, receipts for the national debt were issued to persons who contributed rice to the government. But all of the above actions failed to balance our budget, because expenditures were very great during the Resistance.
In the last days of the Resistance, with the aid of foreign countries, a balance between receipts and expenditures was almost achieved. The government strove to maintain this equilibrium and successively increased the amount of receipts. The most important thing was to avoid issuing too much paper currency, which would have had a bad influence on the people's livelihood. Our own currency had been issued for the struggle against the enemy ever since October 1947. Indochina Banknotes became worthless in 1950. In 1951, our economy entered a new phase thanks to the party's leadership and the assistance of China.

According to comrade Pham Van Dong, the economic mission in 1951 was to bring receipts and expenditures into balance.

All receipts were to be regulated and centralized by the government for reasons of equity. All expenditures for every agency from the central government level down to the district level were to be regulated by and financed by the national budget. And a number of taxes to be paid in kind and in rice were established under unified management. These types of taxes were as follows:

1. Agricultural tax
2. Commercial tax
3. Merchandise tax
4. Import and export tax
5. Slaughter house tax
6. Registration tax

The commercial tax was based on the issuance of commercial licenses; the merchandise tax was imposed on goods such as cigarettes; the import and export tax was imposed on merchandise; the registration tax was levied on property /houses/.

These were the only taxes levied. Among them, the agricultural tax was the most important and had to guarantee 20 percent of the total receipts.

In order to have our own currency, a bank was established in March 1951 to issue new paper currency. Trade regulations stabilized the prices of merchandise. This, consequently secured the people's livelihood. But it remained important to maintain the balance between the government's receipts and expenditures.
3. Development of commerce to serve the Resistance and improve living conditions

Our commerce before the Resistance was that of a colony. It was heavily dependent upon imports, especially of goods for consumption. Trade in mountainous areas developed very slowly, especially in goods.

After 1947, some merchants in Vietnam carried goods outside enemy towns to trade freely. Most of their merchandise was handicrafts. Gradually, this merchandise was used up, and we had to use goods such as opium in exchange for goods from foreign countries....

In 1951-52, our commerce developed more than before because we had a clear commercial policy modelled after that of China. At the same time, we worked out a commercial policy with the banks: domestic trade was to be free and foreign trade controlled. We also reactivated various markets and district capitals to exchange merchandise with the people, and we encouraged merchants and the bourgeoisie to provide capital to business in accordance with the guidelines of the state-controlled trade organizations. This system of state-controlled trade to serve the Resistance and improve living conditions was established in May 1951.

4. Economic struggle against the enemy to protect our independent and autonomous economy

To struggle economically against the enemy, the party initiated a policy of scorched-earth resistance, by which we destroyed 33 district towns and provincial capitals, 170,000 kilometers of roadways, 1,950 kilometers of roadways, 1,950 kilometers of railroad and 1,500 kilometers of bridges to blockade the enemy and impede supply of his towns.

We had many political advantages, but the people encountered economic difficulties because the enemy's siege was extensive. Our policy proved to be inappropriate as the enemy operated more widely, so we changed our policy. We removed our blockade of the enemy, and exchanged merchandise with enemy areas, and struggled economically against him by establishing supply offices in Thanh Hoa, Bac Ninh, Bac Giang and in other places.

The requirements of the Resistance and of the people increased daily, so we exploited and maintained resources such as forest and local products,
especially in mountainous areas (after 1950). Later, we initiated a policy of managing trade between enemy and liberated zones in order to struggle against the enemy. According to this decree, our economic struggle was to follow four principles:

1. Domestic trade should be free.
2. Exports should be encouraged and imports limited.
3. Value of currency and of national finances should be increased.
4. Production should be protected and developed.

The line on economic struggle with the enemy was that we should be independent and self-governing, and that we should exchange goods when conditions were advantageous for us. The economy in liberated zones also was to strive to supply the troops according to the principles of independence and autonomy.

5. Implementation of land reform to strengthen resistance forces

This was of concern to the economy because it was a great revolution. It increased resources for supply, and it strengthened the resistance forces. Land reform led to the collection of an agricultural tax which enriched the economy and our finances much more than other resources.

6. Simultaneously conducting resistance and building a new democratic economy

In February 1951, the basic line of the party on strengthening the economy was to increase production to meet the needs of the Resistance and improve living conditions for the benefit of both government and private individuals, laborers and the bourgeoisie; to develop the state-controlled economy and cooperatives; and to encourage the people to intensify local products and instruct them in how to carry on business.

7. Strengthen economic and financial management and the training of economic and financial cadres

Strengthening economic and financial management means that management of our economy, which is a people's democratic economy, should develop its democratic characteristics. For this purpose we must strengthen collective
responsibility in economic management. But we must regard this as being under
the leadership of the party.

Previously, the level of our organizational and technical skills was poor,
and we had to manage the economy to have the situation well in hand. Gradually,
we applied scientific techniques in order to raise output. We also trained
economic and finance management cadres in socialism. From this experience we
learned the following things about economic and finance management:

1. Thoroughly understand the national democratic revolution with respect to
economic work.

2. Follow the guidelines, "All for the front-line, all for victory;
   independence must go with democracy, resistance with nation-building, and
   motivation with improvement."

3. The economic and finance policy has many fields. We should not disregard
   any field, but the production policy should be regarded as the key.

4. Our war is a people's war. Therefore our economy must be a people's
democratic economy (in which we should pay particular attention to the role
of the farmers). Farmers and workers should unite in a single bloc. We
must rely on the people to develop our economy and finance, and we must pay
proper attention to individual economic activities.

5. We always should demonstrate self-sufficiency and international
   proletarianism in order to help our friends strengthen our economy and
   finance. The party resolution of January 1951 noted that we had gained
   victories due to the unity, self-sufficiency and determination of our people.
The support of friendly countries was secondary. It would be wrong to
place our confidence in foreign support.

6. We must always recognize and carefully study the relationship between
   ourselves and the enemy in order to conduct an economic struggle
effectively.

7. Party leadership is a decisive factor in economics and finance as well
   as in protracted resistance. In all economic and finance tasks, we must
   thoroughly understand the policies of the party.

In brief, our economy is backward and poor. During our resistance against
France, we used manpower and material to increase productivity. For this
reason we had to pay special attention to the role of the farmers and rely upon the people to strengthen the Resistance. We heightened our self-sufficiency in economic struggle thanks to the clear-sighted leadership of the party.

III. Commerce of Vietnam During the Resistance

In the economic struggle against the enemy, there were two periods. The first period, 1954 to 1950, saw the Resistance carried to all parts of the country. In 1947-48, our commercial life was exhausted, merchandise was not available, and agricultural and manufactured products were in short supply. Faced with this situation, the party developed a policy to transport salt and rice to Viet Bac and salt from secure areas to our bases. Merchandise was not to be transported to enemy areas. As for the enemy, he prohibited the movement of essentials such as typewriters, medicines and explosives to liberated zones, and non-essential items as well.

We, therefore, established supply offices, the first one in Bac Bac to purchase merchandise such as cloth, kerosene, medicine, and explosives. These were insufficient to supply the Resistance, so we established additional supply offices, called foreign trade branches to purchase merchandise in Cao Bang, Dien Dien, and Nghe An; these purchased merchandise from foreign countries, especially medicine and cloth. Private commerce was left entirely free to develop. At this time, population in prosperous district seats such as at Cau Bo and in certain places in Nam Bo grew quickly. These foreign trade offices were established to arrange for the transport of merchandise and to provide supplies to the Resistance and army.

At this time, prices changed constantly because more money was needed and no definite policy had been worked out:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>5 piastrs was valued at 1 kg. of rice</td>
</tr>
<tr>
<td>1949</td>
<td>20 &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
</tr>
<tr>
<td>1950</td>
<td>96 &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
</tr>
<tr>
<td>1951</td>
<td>925 &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
</tr>
</tbody>
</table>

The second period lasted from 1951 until the Resistance ended in victory. Following our victory at That Khe, we opened a line of communication with
China to facilitate the transport of goods between the two countries, and we continued to develop economic ties between liberated zones.

Following the Second Party Congress in 1951, which drafted new economic and financial policies to increase production, stabilize prices and step up supplies for the Resistance, trading activities were pushed forward in several ways. We recognized freedom of commerce in domestic trade. We exerted control over imports and exports in foreign trade. We conducted an economic struggle and asserted control over exchanges of merchandise with the enemy. And we developed cooperation and mutual assistance with our friends. We developed commercial relations with over 40 countries. However, in mountain areas economic activities were controlled by dishonest small traders and feudalists.

At that time, state-controlled trade accounted for only six percent of all trading activities. Therefore, we had to allow freedom of domestic commerce in order to exert political influence and rally to us traders in the enemy controlled zones. We also exerted control over traders to prevent them from becoming speculators.

All of these activities were aimed at stepping up production and establishing a completely independent economy. We had to develop diplomatic and economic relations with capitalist as well as socialist nations in order to obtain advantages in economic and financial activities.

2. The role of state-controlled trade

State-controlled trade comprises several branches which retain commercial characteristics, such as food, medicine, culture, and the post office. The role of state-controlled trade in the establishment of a new democratic economy is very important and is carried out by means of a state-controlled economy, a collective economy, an economy of capitalists and private individuals, and an economy of small producers and merchants. In trading activities, we must build up cooperatives, help and guide small producers, merchants and capitalists.

We founded an international trade office in 1945 and a foreign trade department in 1947. In 1950, we formed a domestic trade office for Viet Bac Inter-Zone. Then, in 1951, we established a state-controlled trade service composed of all foreign and domestic trade offices in order to undertake the
economic struggle. The state-controlled trade service, thus established, assumed five missions:

1. To provide supplies to meet the needs of the army and agencies in the Resistance; a plan to meet the needs of the people was not then worked out.

2. To expand communications lines for transportation of goods, arrangement of markets and stabilization of prices.

3. To promote production activities, to guide and help traders carry on business in the service of the Resistance, and to better living conditions and combat speculation.

4. To conduct economic struggle against the enemy.

5. To exchange goods with foreign countries.

The state-controlled trade service operated in accordance with four principles:

1. Control the main types of merchandise.
2. Control the main markets.
3. Control wholesale trade.
4. Coordinate business for profit with execution of all policies.

Due to the lack of capital, the state-controlled trade service in the beginning only supervised the main types of goods such as rice, and salt, in order to supply the Resistance. Later, it controlled other goods such as oil and five additional ones.

Why is it necessary that we control the main markets? Because they are where exchanges of goods take place and where numerous types and amounts of merchandise are concentrated. In the beginning, Phu Tho, Thanh Hoa, and possibly Cho Tong, Dap Da, Tam Ky, Tam Quan, Nho Quan provincial capitals were considered main markets. These were places where the trade service could closely supervise and determine the prices of goods. These main markets also were coordinated with secondary ones in order to counter speculation. "Your main market is any place which is able to make use of a variety of agricultural and forest products."

Why should we consider selling goods wholesale as our main business activity? To sell goods wholesale, commerce must have resources for distribution. This is very important. At the same time, we must have
organizations to sell goods retail. "In our friends' situation, we must guide the organization of resources in order to sell whatever we can, as appropriate to requirements, capabilities, and forces." The policy of emphasizing wholesale trade is aimed at a union with private businessmen in order to guide the struggle with the private economy.

3. Organize, lead and execute policies concerning commerce

New democratic commerce is different from the business of feudalists in the past. For this reason, we must conduct indoctrination classes for leading and underground cadre so they will thoroughly understand all policies concerning commerce, banking, and finance.

Upon completion of the indoctrination course, we must immediately conduct propaganda and disseminate policies among the masses, especially the proletariat and the poor. At the same time, we must give attention to progressive businessmen including wealthy farmers and landlords, although we also must point out their deficiencies.

To execute policies, we must study and keep abreast of policy changes in order to promptly correct errors. We must know policies which are being applied in each area in order to keep the situation well in hand and to cope with new developments.

Cadre must adhere to the party's political policies and leadership. For this purpose, they must understand the party's point of view on politics, production, the masses, and the resistance. They must be expert in political, scientific, and diplomatic fields. They cannot lack complete knowledge in any one of these fields.

In carrying out commercial work, we must from the very beginning display a spirit of dedication, thrift, and honesty. We must immediately take up managerial work and heighten revolutionary vigilance.

Previous experience in trading activities has taught us many things. First, being an under-developed agricultural country enduring a protracted resistance, we have had to concentrate attention on trade. Second, to establish a democratic economy in Vietnam, we have had to correctly evaluate
the role of private commerce, providing assistance and guidance and employing private enterprises in our business. We also have had to emphasize establishment of state-controlled trade and merchants' cooperatives. Third, exchange and trade between enemy controlled areas and liberated zones follows an objective pattern and is a necessity which requires keen leadership and organization. "Exporting goods to the enemy area is our main task." In the economic struggle with the enemy over trade, we always must do better. Fourth, being an embattled country, we had no means of stabilizing prices; this is not beyond our grasp, however.

Our real prices were not susceptible to stabilization. Prices rose an average of thirty-six percent a year. At present, if we want to stabilize prices it is essential that we have a stable state policy on controlled trade and exchange relations with the friendly country Laos to push forward our trading activities. We also should do the following:

a. Exchange experiences with the friendly country on economic and financial problems and try to raise the standard of living.

b. Exchange experiences concerning the people's democratic economy during the resistance. We must try to understand its tasks and the influence it exerts on the economic situation in the friendly country.

c. Exchange experiences regarding the trade of an under-developed agricultural country at war in order to develop agriculture and industry successfully. For its part, our country must increase its agricultural and forest products.

d. Strengthen control over the state-controlled trade sector so that it will perform its mission and functions in a successful manner. Control over economic activities must be effected at the beginning.

27 April 1968

Some Actual Experiences in Commercial Work in Laos

We provide assistance to promote agricultural activities in the friendly country, paying attention to sixty villages (the region in which this cadre
worked ?). Our communications and transportation activities help it to develop its roads.

Our trading activities help it to establish a hundred-legged department from village to the central level. Our friends have only resources which equal five percent of the aid. These resources are reserved for the troops. It meets only twenty percent of the troops' requirements. For this reason our friends must rely on the aid of other countries. The total aid given to Laos by other countries equals the total quantity of products obtained by Laos every year.

Our friends' finances amount to about 700,000,000 dong, which were assigned to Khang Khay Am when the coalition government was formed. When Khang Khay Am fell, Laos continued to use that type of currency, called the kip of the liberated zone.

Commercial Activities and (Their) Situation:

Individual self-sufficiency plays an important role in the markets and movement of merchandise in the economy of the friendly country. Markets have not yet been set up in many places, but twenty-one markets have been established in Xieng Khoang and one in Nam He, the latter located near the border with China. Nam Ha Market attracts about 1,000 people. People of other districts gather in the district seat and province capital to buy, sell and barter goods because they do not have any other market places. Such is the commercial situation in liberated areas.

In the exchange of products, food items such as vegetables, chickens, fish, eggs, cabbage, and are not traded by small traders in these markets. In the international market at Nam Pha, Chinese products are sold and small traders may operate. Foreign traders also frequent it to buy opium and tiger's skeleton a tonic for elderly people.

In many areas, people still barter goods. But people living in lowland areas near the roads understand commerce and methods of measure, weight and counting and spend hours bargaining over prices.
Traders' Activities

The total number of traders living in the seven provinces of the liberated zone is more than 1,000. Six hundred traders are concentrated in Xieng Khoang, 300 in Sam Neua, and from thirty to fifty here and there in other provinces. Big traders of foreign nationality, such as Indians, French, Chinese and Vietnamese, live in Xieng Khoang.

The largest capitalized business [in upper Laos?] is 10,000,000 Laotian kip and the lowest is 2,000,000. But the largest capitalized business in lower Laos is 5,000,000 kip and the smallest is 2,000,000.

The number of foreigners [in trade?] living in [liberated zones of Laos] is 500, comprised of 100 Vietnamese, 300 Chinese, and 100 Laotians.51

Most merchants squat temporarily at marketplaces. Besides trading, they also live on farms. In wartime, traders of this type have emigrated to the rural areas and some of them have abandoned their trading to live on farms (in villages).

Most of the Vietnamese residents of Laos are former "Gardes Indigenes" who emigrated to Laos to live by trade.52 Most Chinese residents of Laos are former refugees.53 Some foreigners have dealt openly in opium.

In wartime, most Laotian traders do not sell goods wholesale to the state-controlled trade sector. In Kham Muon (province in South Laos), we have employed twenty traders who have abandoned their own trading activities to serve us. Traders living along the Nam U River use motor boats to transport goods for the armed forces and for state-controlled trading organizations. At present, most traders live as farmers or tailors. A few deal in opium, animal bone glue and forest products.54

Commercial Activities [illegible]

At present, the people living in liberated areas need goods in the amount of 800,000,000 Laotian riels.55

Every year, each person is allowed to buy 1,600 kilograms of salt; for exchange purposes he is allowed to buy [an additional?] 1,900 kilograms.
of salt. People also are allowed to buy three to five meters of material and... [blank] of writing paper. Food provisions [presumably prepared foods], eucalyptus oil and soap are not vital needs of the people. At present their vital needs are salt, clothing, material, blankets, jackets, and kitchen utensils. Sales amount to about 800,000,000 Laothian riels per year, purchases to about 600,000,000. The balance between sales and purchases is almost equal.

A system of commercial enterprises and offices has been set up in eleven provinces of the liberated areas including Sam Neua, Thakhek, Sa Kam, and Kam Muon. In addition, an economic section has been established in each of the other provinces to carry out all commercial activities. Subordinate to the economic sections, each district has set up a shop controlled by three to five people. The biggest shop is equal to one of our cooperative stores.

Various economic branches in the section, such as the commercial branch, have been promptly developed. In addition, other branches barter for merchandise among the people, armed forces, and within the agencies and sugar workshops. By comparison with the beginning, domestic trade is now four times larger.

The sum used to buy merchandise for the seven provinces is 114,000,000 kip. The sum used by the government and armed forces to buy merchandise is 217,000,000 kip. The total sum used to buy merchandise is about 350,000,000 kip.

Total income from selling merchandise is 225,000,000 kip. The total which the government and armed forces obtain from selling merchandise is 205,000,000 kip. Therefore, our sales must increase by more than fifty percent. And in buying merchandise we should triple the amount previously purchased. To this end, we must develop a commercial network suitable to the requirements of the people.

Available funds amount to 700,000,000 kip but available merchandise is worth only 150,000,000 kip. The price of goods has increased too much, so we must barter merchandise instead.

To distribute commercial goods in the friendly country and avoid difficulties of transportation, goods are gathered for sale at large warehouses.
Most of the friendly country's goods are handicraft and industrial goods distributed from provincial branches to districts which then issue them to agencies for use in barter for agricultural products in rural areas. At present, in some places, these goods are delivered to unclear for sale to the people with periodic settlement of accounts and commissions.

The central trading machinery does not provide a sales office and continues to transport goods to various districts as an aid program.

Foreign Trade:

The main trade item is opium. The quantity of opium purchased is not fixed and varies from year to year; it is transported into Vietnam for sale to China. There are also trading activities at exit and entry points for Cambodia and Burma. These countries have requested establishment of trade relations with the friendly country, but this is still under negotiation.

Economic struggle against the enemy:

Usually, cadres use enemy money to buy goods and transport them to the liberated areas. But in some areas, such as Xa ram, the friendly side has lost up to 800,000 kip due to loss of cadres. At that time, the enemy was launching attacks on our friends' trade.

The enemy has raised the cost of coffee with the purpose of attracting producers to its area by planting coffee and living a life of luxury. In addition, the enemy has brought more buffaloes and oxen into the areas he controls, and the price is three times higher than it is in the liberated areas...

29 April 1968

Comrade Nhat's Report on Vietnam's Trade Organization

1. Position and importance of commerce in socialist regimes.
2. Basic principles of commerce in socialist regimes.
3. Development of domestic trade in our country.
4. Directions for the improvement of new organizations.
I. Position and importance of commercial organizations in socialist regimes

As soon as a policy is drafted, organization becomes decisive; and as soon as the apparatus is set up, human will becomes decisive. As Comrade Stalin said: "Once a correct policy line has been devised, organization will be decisive."

At present, once we have established a trading network our duty will be to neglect nothing, especially the human being.

1. Political and economic significance

As soon as commercial work has been organized, it will develop its capabilities and effects efficiently. If we fail to organize well, it will not meet the requirements of social production. As for its effects, it will promote the development of production and serve the people's livelihood, which constitute the great missions of commercial work. It will also affect the distribution of national income, contribute to the stabilization of markets and prices, and increase the receipts of the national budget.

a. Commercial capabilities and effects to be developed:
   - social production
   - encourage development of production
   - serve the people's livelihood
   - redistribute national income
   - stabilize markets and prices
   - contribute to increasing the receipts of the national budget

b. Guarantee the victory of the socialist revolution.

c. Realize the national planning task in accordance with the plans of national economic branches.

d. Strictly manage the agency's economic and financial affairs to create conditions for the betterment of cadre work.

2. Organization of commerce is a difficult and complicated task

The organization of commerce affects millions of people, therefore it constitutes a very difficult and complicated task. Because commerce acts as an intermediary between production and consumption, it usually plays a passive role with respect to both of them.
The organization links both theory and practice in economics. It is a scientific and technical task which daily becomes more civilized, progressive, logical, and economical, especially in the trade agency system.

The basic characteristic of the Vietnamese economy is that it is passing directly from a backward economy to a socialist one without passing through capitalism. For this reason, it encounters many difficulties and has to implement both reform and construction in its development.

- How should we pursue construction in order to reform?
- How should we pursue reform so as to be compatible with construction?

The secondary characteristic is that we are simultaneously fighting and producing. Therefore, what must we do to organize our trade in an effective manner?

- Due to this situation, we have many missions in trading which require the practice of requisition and purchase, retail, production, and preparation of by-products. With respect to distribution, we must assure fundamental necessities and emphasize the interests of the collectivity.

3. We have the ability to organize and manage domestic trade well

While it is true we have to face many difficulties, we are able to overcome them.... The reason is that we have an excellent regime. The development of our economy and distribution are carried out methodically.

Capitalism has no management organs and no production plan, so economic crises and surpluses of goods occur frequently in capitalist countries.

Our domestic trade is independent and is well organized under the leadership of our Party.... Thanks to realistic experiences in domestic trade obtained over the course of time, our agency's cadre has matured. This is our greatest resource in the development of organization for domestic trade.

To achieve this, we must have a good knowledge of the problem; we must know how to train and improve cadre right at the beginning. We must master all theories and principles pertaining to the organization of commerce and apply them to the actual situation so that every aspect of commerce is well organized. At the same time, we should have a good understanding of the
Party's policy line in each period in order that we may do a good job of organizing in parallel fashion; learning from experience is necessary to the achievement of good results.

II. Principles and policy line in the organization and management of commerce in the socialist revolution

a. Basic principles

1. Unify political and economic leadership

   This is the main principle. With respect to all problems, it has been found that leadership in politics cannot be separated from leadership in economy, because both play the same important role.

   - With respect to ideology, party policies must be respected in order to unite politics and economics.

   - We must develop organizational consciousness and all principles concerning national plans.

   - We must develop strict behavior in exact compliance with the policy line, oppose the notion of conducting business only for profit, oppose authoritarianism toward the population, and nurture the spirit of dedication to public works in oneself.

   In organization work, we must try to apply these principles: thoroughly understand party policies while developing organization; have organizations incorporate all of the party's policy lines as well as the leadership of local authorities; pay attention to the strengthening of agents and keep the organization linked closely to the party; promote party leadership in the mastery of the commercial task in all its aspects.

2. Centralization and Democracy

   Centralization and democracy are two aspects of the same principle. Centralizations must be carried out on the basis of democracy, democracy on the basis of centralized, unified leadership. Centralization must be respected concerning policy, plans, systems, and sources of essential goods; democracy here
means that local authorities must be entrusted with administrative power in all its aspects.

As for commerce, we must broaden the scope of powers of local authorities with respect to planning, goods, etc. Authorities at the provincial level only have the right to control and encourage provincial activities concerning management, planning, and indoctrination.

To apply these principles, it is necessary to strengthen the spirit of democracy, organization, and discipline, and to oppose partiality, selfishness, bureaucracy, and localism. In organizing, the duties and rights of all echelons from high to low must be clearly prescribed....

3. Collective leadership and individual accountability

According to the party's collective leadership policy, the unit commander is the cadre in charge and workers are participants in management.

To realize this principle, we must oppose any arbitrary policies. These three aspects must be closely coordinated, while the leading role of the unit commander should be heightened.

4. Accounting

This is a principle of management, a kind of economic management, which is the practice of thrift.

When carrying out business, we must employ accounting to achieve our mission and policies, to compensate for costs of circulation, to practice storage on behalf of the nation, and to promote growth of interest.

To understand this point well, we must heighten the sense of responsibility and the practice of thrift. The heart of this is to reduce expenditures for transportation and to assure the maintenance of goods.... The trade network should be organized rationally so as to enable trading units to have sufficient authority to exercise control from lower to higher echelons.
b. Principles of inspection and control

This is a socialist management system. To insure the proper implementation of the plan, we must step up production, improve our work, heighten our sense of responsibility with a view to preventing mistakes and errors, and protect our cadre. If we do not heed these principles, we will not be able to carry out properly the above principles in the political and economic fields.

From the beginning, importance must be attached to the inspection and control system, which must be strictly applied and strengthened. As for ideology, we must have a correct conception of the control exercised by the government. He who carries out this task must be very dedicated in order to be able to protect public property, the policies laid down by the government, and our cadre.

In organizational matters, the following principles are important:
- Party organization, to exercise general inspection.
- Professionalism.
- People's organizations for inspection.
- Organization of inspection teams with controllers' cards issued by the party and government to inspect local situations frequently and properly.
- Establishment of a control system to provide reward and punishment judiciously.

These five principles are closely related, and the most important one is the first one.

c. Policy and plan for organization of trade under socialism

1. Enlarge and consolidate the unified market under socialism
   - State controlled trade (people's ownership).
   - Merchants' cooperatives (collective ownership).
   - Rural markets (individual ownership).

All three of the above forms of economic activities still exist, therefore lines of communication should be established to promote the unified socialist market.
2. Organize according to the two following systems:
   - Trade administrative management (staff function).
   - Business management (combat operations function).

   If the trade level is low, these two functions can be coordinated. But if the trade level is advanced, they must be carried out separately. One is for administrative management of regulations, systems and policies for the supervision and control of the market; the other is for business management of all merchandise.

3. Organization of management according to branches and levels

   Management aims at specializing each branch in order to attain good economic results. Such management is often conducted in areas which have a high economic level and favorable conditions for economic development. Management according to levels covers the four following levels: central, provincial, district, and village. In order to attain unified leadership, we must coordinate and develop economic activities in local areas, but we must assign tasks to these local areas in accordance with the time and level of knowledge of each area.

4. Development of state-controlled trade from low to high levels

   This should be based on the two principles of ensuring support for missions and ensuring economic planning.

   a. Organize sale and purchase of merchandise in common, then move on to sale and purchase of merchandise separately.

   b. Develop wholesale and retail sales in common then move on to wholesale and retail sales separately. When we attain a high level of development of trade and industry, we should be able to purchase and produce at the same time; then we will move to specializing in the sale of many kinds of merchandise of the same nature, then the sale of one kind of merchandise.

5. Logical arrangement of trading networks

   This should be arranged from the sale of various kinds of merchandise to the
sale of one kind of merchandise, from key points to populated areas, based on the principles of supporting missions and advantageous economic planning.

6. Strengthening of business units

It is essential that we map out partial or complete economic plans according to each business level.

We must organize economic management machinery consisting of various bureaus in order to serve the directors of all companies and corporations. Large stores also should organize elements to help the central managers, but they should arrange these elements logically in order to guarantee the principles.

7. Unceasingly heighten the degree of socialist abundance

Once we have succeeded in producing an abundance of goods, the administration of merchandise will have to be heeded even more, and the production of merchandise more and more intensified.

Merchandise may be abundant, but at the same time it must be of good quality. Material installations and techniques will be more and more improved. The more the quantity and quality of merchandise increase, the lower will be the price and the higher will be labor productivity.

III. The development process of trade organization

In feudal times, the production of merchandise was controlled and limited, so trade did not develop. Trade also was restricted due to absolute respect for the hierarchy of intellectuals, peasants, workers, and tradesmen until 1819 when trade became a specialized business occupying the 36 streets. These streets included cotton street, salt street, hemp street, drum street, and others. From that time onward, the French began to spy on our country with a view to invading it and turning it into a colony. They organized monopolies to extract all our resources. They used the bourgeoisie as their henchmen to consume their goods, forced our people to buy their alcohol, and created a great number of small merchants.

After the victory of the August Revolution, we succeeded in eliminating monopolistic commerce from the cities. But shortly afterward the French
returned to invade our country.

The Resistance against France from 1946 to 1954 saw our country divided into two zones, the temporarily occupied and the liberated zones. In the liberated zones, we abolished the monopolies and special privileges enjoyed by the feudalists. We established a domestic trade system, giving special attention to homemade goods. Small merchants and ethnic minority bourgeoisie participated in the struggle to seize control over domestic and foreign trade. In the temporarily occupied areas, essential commercial activities were concentrated in the cities in the service of the puppet government, army, and feudalists. The relationship between the two markets at that time consisted of our using small traders to carry merchandise from the liberated zones to enemy-controlled areas for sale; then these small traders would buy goods and bring them to the liberated zones to support the Resistance.

With respect to organization, there were two kinds of management, administrative and trade business. Industry and commerce were placed under the control of the Ministries of Industry and Commerce and the central level, and in the province offices for industry and commerce exercised control over private businessmen. For business, there was a Central Trade Service, the mission of which was to supply goods to the army and various agencies, to help develop production, and to conduct economic struggle with the enemy in order to control home and foreign trade.

Trade Service Organizations

Some general storage depots purchased and prepared merchandise at the same time, thus constituting combined businesses. All profits and losses went to the services.

At the regional level, regional sub-services helped the Service with business leadership. At the provincial level there were Internal Trade Sub-Services.... These Sub-Services in particular relied upon private persons to buy and sell merchandise. Near lines of communication, there were foreign trade branch services such as the Bac Bac Trade Branch Service. At the district level there were District Trade Agencies and below this level there were stores. By 1954 there were 140 stores.
The Period of Economic Restoration, 1955-57

In order to restore the national economy in accordance with the criteria set in 1939, the party set forth the following missions:

- Increase state-controlled trade activities by helping cooperatives so that these organizations would develop commercial activities such as the purchase and sale of goods to develop production and serve the people's livelihood. These activities were aimed at stabilizing prices, helping agriculture and industry, and ensuring the supply and storage of merchandise for the government.

- Counter speculation and cornering of the market by merchants. For this purpose, trade agencies bought a number of essential commodities, such as sugar, peanuts, beans, cotton and jute. Commercial activities of small merchants were restricted. We associated with businessmen to buy secondary farm products and turn a number of small merchants into producers of agricultural and industrial products. We tried to use traders to buy agricultural products on commission. We rechecked the registration of traders and took control of some kinds of tobacco, such as waterpipe tobacco.

With respect to organization, we had to meet the requirements of administration of trade and business by setting up two ministries, one for industry and one for commerce. These two ministries provided leadership for all levels from the center down to the localities through the Trade Offices.

In domestic trade, there were at first three general companies. At the end of the development period, we had ten companies, 909 stores and 249,988 personnel serving in a direct chain of management from general companies to the various stores. Stores were established in important areas and their merchandise included food, sundries, and forest and local products. In 1955, we had 36 merchants' cooperatives and 122 stores. In 1959, we had 169 cooperatives and 179 stores.

Commerce contributed a substantial part to the restoration of the state-controlled economy. It was especially useful to handicrafts: wholesalers sold 78 percent, and state-controlled trade agencies and merchants' cooperatives retailed 29.6 percent of handicraft products. The people purchased 70 percent of the handicraft products.
Reform and Development of Economy and Culture from 1958 to 1960

In this period, the primary mission set by the party was to push the development of socialism in North Vietnam. This was done by encouraging businessmen, craftsmen, small merchants, industrialists and private enterprises, and at the same time by strengthening the state-controlled economy. The purpose of the three-year plan in trade was to develop production, improve the working people's standard of living, and contribute to strengthening the socialist economy.

The First Five-Year Plan, 1960 - 1965

The reform of commerce was completed in 1960. We, therefore, worked out the first five-year plan. We had to strive to achieve the industrialization of socialism, lay the foundations of socialism, and reform the socialist economy in order to turn the economy of the North into a socialist agricultural and industrial economy.

Commercial Missions Set Forth by Resolution 8

Domestic trade tasks were to be aimed at establishing economic relations between urban and rural areas, between lowlands and highlands, and between the state-controlled economy and cooperatives. To this end, we must carry out successfully the requisition and purchase of merchandise and enlarge the commercial market; increase supervision of the free market with a view to stimulating and strongly developing production and improving the living conditions of the people. Domestic trade must expand the improved requisition and purchase of merchandise and extend the internal market in order to develop the economy according to the five-year plan. The Home Trade Ministry therefore has had to hand over some of its responsibilities to a number of branches.

Other Important Home Trade Missions

- Sell manufactured retail and wholesale merchandise to consumers.
- Requisition and purchase agricultural products and foods.
- Modify agricultural products and produce a number of goods, and supply food and commodities.
- Provide services for social activities such as hair-cutting, dressmaking, and market reorganization.

To these ends, home trade has continued to deliver merchandise to other branches, and the ministry has delegated power to local authorities to administer merchandise, the purchase of which has been done with capital issued by the ministry, while the proceeds of general companies went to provide leadership in business.

[These proceeds] were administered directly to units of level I. Companies of level II successfully helped the ministry provide guidance to local areas. Thanks to this, local authorities satisfactorily led commerce and properly executed policy.

At first, we assigned only a part of the management responsibilities, and local areas therefore sometimes were passive in their activities. Merchandise sometimes was held in local areas and not transferred to the center. We then reassigned responsibilities to the merchants' cooperatives. In 1962, all cooperatives were established in villages to exercise actual management in accordance with the collective economy in order to purchase, sell, and administer the markets.

In this period, home trade also was reorganized, expanding the requisition and purchase of merchandise and delivering merchandise to other branches.

In 1964, we had six specialized trade departments; five companies of level I; 2,775 state-controlled trade stores; and 4,350 cooperative agencies.

During the Resistance against the Americans, commerce has had two missions: to build up the material foundations of socialism, and to concentrate efforts on supporting the anti-American national-salvation struggle. As a result, commerce has had to support the production and combat missions, to serve as a center for people's war, and to promote production.

In order to improve the formula for distribution according to labor, it has been necessary to pay attention to collective interests and benefits, to increase the administration of markets in order to stabilize prices, and to step up financial management especially in wartime conditions.
The quantity of merchandise retailed from 1964 to 1967 increased 33 percent.... This provided positive support for the production of agricultural and manufactured products. Yet attention was not paid to handicrafts because their value occupied 40 percent of the total value of manufactures, thus serving combat activities in an effective manner as they sometimes were supplied in excess of requirements. They rendered a great service to our lives by stabilizing the market price of merchandise.

Besides these achievements, there were weaknesses. Cadres were not motivated to control the sources of merchandise satisfactorily. In three years of resistance against the Americans, we were able to purchase only 30-40 percent of the total of pigs. As for chickens, each household on the average received hardly a thin slice. The problem has not been well understood, and the motivation of cadre to control the sources of merchandise is still weak.

As for organization, local requisition and purchase companies have been poorly organized and have not kept pace with the development of the situation. Because cadres were poorly motivated to carry out requisition and purchasing, distribution has not been done equitably and the people's living conditions generally have been affected.

At present people show understanding for the State products but require trading agencies to distribute them in accordance with policy. On the one hand, some aspects of the administration of markets have been neglected or influenced by rightism; on the other hand, arbitrary orders have been given to producers who have been arrested and threatened. Some small merchants were not issued registration numbers, yet taxes have been levied on them. To summarize these weaknesses, organization has not kept pace with the requirements of the Revolution.

Summary

The strongpoints in home trade are that it has developed and improved unceasingly to serve the political mission and economic activities successfully in each time period, thus contributing to the building of the material foundations of socialism. Its development has taken place in accordance with its mission. Policy lines and principles have consolidated organization.
The weakpoints are that organization has not been promptly increased to meet the requirements of new missions, and production and consumption are not balanced.

Other specific weakpoints are that the capabilities of domestic trade missions have not been properly developed, trade in handicrafts has not been unified, and trade in one province has been different from trade in another. Change in management has been slow. The responsibilities of personnel in local areas have not been given proper emphasis. Plans for organizing purchases have not been thoroughly understood; for example, wholesale and retail in districts and cooperatives have not been carried out correctly, as in Thanh Hoa and Hai Duong provinces. Working procedures have not been improved. Overlapping of duties still prevails. Material installations are still inadequate. There has been a lack of technical care. The very quickly changing situation has been responsible for these weakpoints.

Organization also has been weak, discipline poor, scientific and technical research almost non-existent. These are subjective reasons. In addition, organizational leadership has not been carefully exercised.

To fulfill the assigned tasks we must place emphasis on organization right at the start.

IV. Requirements and Lines on Reorganization

In the situation of a fierce war against the American aggressors and with a plan to build up a socialist economy in 1968, during wartime, we must be energetic about safeguarding the nation's economic potential by stepping up production and practicing thrift. We must assure the people's living conditions and increasingly provide guidance in the management of the economy. We also must motivate the masses to prepare for the years to come.

Requirements of Industry and Commerce

We must be sure to provide materials and goods to meet the requirements of combat, production, living conditions; better understanding of tasks and the methods of carrying them out; provide good management in the distribution of goods; strengthen socialist commerce and improve market administration; and strengthen financial management with respect to materials, labor, and capital.
The three great problems in domestic trade are: 1) to determine clearly the capability and missions of commerce, 2) improve the system of distribution and management, and 3) improve organization and working procedures.

Questions

1. What is the responsibility, capability and effect of commerce in the national economy?
   Commerce in the period of People's Democratic Revolution.
   Commerce in the period of socialism.

2. How must we understand the role and importance of socialist commerce?

3. Apply the basic principles of socialist commerce in various periods.

Deputy Chief of the Technical-Financial Service, Ministry of Home Trade

/Signature/ Giang

[Presumably name of individual who presented lecture]

6 May 1968

Home Trade Statistics

What are statistics? Statistics is an independent social science which concentrates on the quantitative study of society and has relevance to the qualitative aspects as well. In the course of the class struggle, its results with regard to quantity and quality are different. For the capitalist class, statistics is a science used to deceive people and give them an illusion of society's development.

Statistical figures show the specific quantity, time and place in their relationship to each other and reflect the development of society. For example, the consumption of goods in North Vietnam in 1967 had a value of 190,000 million dong and in 1958, 200,000 million dong. These data are indicators which give a clear and specific picture.
In society there are many complicated and diverse phenomena, and we cannot use statistics to study all of these...phenomena. In consequence, the principal task of statistics is to study the method of production, especially with regard to productive forces and production relationships. For example, in agriculture it is necessary to study the development of agricultural cooperatives, which illustrate productive relationships, and to study the production techniques which are the productive forces that daily grow more great. Statistics also must study factors affecting production such as improvements in tools and techniques.

The objectives of statistical study are society's productive forces, society's productive relationships, cultural and political phenomena, activities of society and other human factors such as techniques and plans which have an effect on society, and how society exercises an effect on them.

According to Lenin, statistics are the most effective tool for knowing about society. In the classical works of Marx, statistics were numerous. Even in literature, writers used statistics for specific demonstrations. Lenin, himself, used statistics to develop Marxism, saying: "Statistics are an important tool for understanding the rules for the construction of communism."

The increasing rates of production of different nations may be compared by using statistics. If the production rate in 1929 is taken as base 100%, then according to the rules of socialism production rates developed as follows:

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</thead>
<tbody>
<tr>
<td>U.S.S.R.</td>
<td>100</td>
<td>573</td>
<td>466</td>
<td>671</td>
<td>721</td>
<td>870</td>
<td>1082</td>
<td>1266</td>
</tr>
<tr>
<td>U.S.</td>
<td>100</td>
<td>207</td>
<td>155</td>
<td>170</td>
<td>175</td>
<td>160</td>
<td>182</td>
<td>200</td>
</tr>
<tr>
<td>England</td>
<td>100</td>
<td>-</td>
<td>112</td>
<td>121</td>
<td>135</td>
<td>144</td>
<td>167</td>
<td>160</td>
</tr>
<tr>
<td>France</td>
<td>100</td>
<td>-</td>
<td>63</td>
<td>74</td>
<td>85</td>
<td>92</td>
<td>92</td>
<td>140</td>
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</tbody>
</table>

Over the course of 20 years, the rate of development has amounted to a 24-fold increase in production and an 11-fold increase in effects. In our North in the last three years, in accordance with socialist rules, production increased six times. To prove these socialist rules of continuous development, it is necessary that statistics abide by rules of demonstration.
The death rate of various nations:

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<tr>
<th></th>
<th>1913</th>
<th>1927</th>
<th>1953</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>13.8</td>
<td>11.3</td>
<td>9.6</td>
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<tr>
<td>England</td>
<td>14.5</td>
<td>14.5</td>
<td>11.4</td>
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<td>France</td>
<td>17.7</td>
<td>16.5</td>
<td>13.0</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>30.2</td>
<td>22.8</td>
<td>8.0</td>
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These statistical data were recorded during peacetime, and the war factor was eliminated to prove the rule that socialism constantly helps raise the standard of living of the population.

In compiling statistics, we must select the most representative, illustrative and basic phenomena to show the fundamental laws of socialism, and we must do it objectively..., and we must go deeply into the principal parts of the problems to distinguish specific phenomena in society.

In the collection of data, "statistics" cadre must possess a knowledge of economic geography and of sociology. Thus, when data are obtained they already will contain economic and sociological information.

**Experience in collecting statistical data**

The collection of statistical data is based on the people's viewpoint. Therefore, to perform statistical work well, it is necessary to respect the following principles:

- The party provides leadership.
- The people give support and participate in statistical work.
- Statistical personnel are responsible for providing organization and guidance.

The Democratic Republic of Vietnam began to conduct statistical operations in 1958. Statistics on domestic trade were begun in 1959. Since 1960, we have proceeded to organize the collection of statistical data.

To conduct statistical work in a friendly country requires that we select able key cadres who have been enthusiastic in the task of obtaining data from
various agencies to compile preliminary statistical data. We must focus on accounting and business data to synthesize and analyze statistics. We must focus on the situation in each area...to set forth the requirements for collecting data for appropriate study. And to ensure the collection of data, we must standardize investigative criteria for all quantities of items purchased, sold, and kept in stock....

Statistics are a necessity in a planned economy. This is a rule.

As for the class characteristics of statistics, capitalist statistics gradually become an instrument of exploitation; they no longer reflect true social aspects in order to conceal the nature of capitalism. Statistics in the hands of the proletariat are an instrument in the service of the interests of this class, but they can reflect all the true aspects of society.

In the management of finance and economy, there are three kinds of planning in which statistics play a role: accounting (money), business (transactions), and statistics (a number of phenomena). In planning, we must focus attention on management of goods and commodities, management of labor, and management of capital.

8 May 1968

Nationalities Trade Work: Characteristics of National Minorities in Vietnam

There are 64 minority groups in Vietnam with over four million people. These peoples are present particularly in the North, where there are over three million people whose development is very unequal. Their cultural knowledge is very low and on the day of liberation nearly 100 percent were illiterate. These ethnic minorities live mostly in the mountainous areas adjacent to China, Laos, and Cambodia.

Forest products in these areas are plentiful but many types of precious wood have not been exploited. Farm land is fertile and abundant in the highlands, and large meadows are convenient for cattle husbandry (buffalo and oxen). There are precious minerals such as silver, gold, etc.
In addition, the mountain areas have many streams which can provide hydroelectric power, such as those which serve the apatite mines of Cao Bang.

The mountain region is large, the population sparse, and farm land makes up two-thirds of the plains areas. Tilling practices vary among the minority groups. Their cultivation relies on nature, and their agricultural tools are rudimentary and inadequate. Their lives are very meager and occasionally unreliable, when they eat nothing but stems and wild tubers. Famine is a yearly event and periodic disaster, especially in the early days after liberation when famine was especially acute. In some groups, two-thirds of the people died of hunger.

Handicrafts seem to be non-existent. They manufacture only a few household tools for family use or exchange. The minorities differ greatly in their consumption of goods. Our party will have to study all of these matters in the course of implementing its minorities' policy.

They make very few by-products and do so only for family use. Their economy consists primarily of family self-sufficiency. The nationalities live separately and lack solidarity, a condition inherited from the colonial and feudal regimes.

But they also have a fine tradition of uniting when they have to struggle. The minorities played an important part in the Vietnamese Revolution, therefore, our party places much emphasis on its minority policy. This policy is summed up in the slogan, "Solidarity, equality, and mutual support." Solidarity among the various minorities and the Vietnamese constitutes a fundamental element in our fight against the American aggressors. Equality is the basis for securing solidarity; it must be displayed in every trading policy and all nationalities must be served equally. In order to bring about solidarity and equality in all matters, we must provide support for the minorities and help them progress. Development of economy and culture and improvement of material life are the main factors which enable us to resolve the problems of solidarity and equality. The minority policy of our party throughout the various periods of the Revolution has always placed solidarity among its highest priorities. To implement this policy, we must end the superiority complex of being citizens of the larger and older nationality. This superiority complex is a vestige of colonialism and feudalism surviving among us.
A. The role of trade work among the minorities

This is an important element of the economy in general. It also plays an important role with respect to politics when practiced among the ethnic minorities.

The party's policy lines are widely explained and propagandized through the work of the trade system. Production activities also are stepped up, and the ethnic minorities are more united thanks to this system. In addition, the requisition and purchase of forest and local products help improve the living conditions of mountain people.

B. Contents of trade work among the minorities

Trade work is carried out with the purpose of serving the political activities, increasing food production, improving the living conditions of the people, and gradually changing the economics of each mountainous area.

The most important task is the requisition and purchase of forest and local products. This type of trade is not aimed at gaining profits; rather, it only serves to consume the products of the local people and thus create conditions favorable for the improvement of their standard of living. Requisition and purchase activities should not be performed only in nearby areas, but we should also carry them out in remote areas. If necessary, we should even incur losses to provide scarce products for the people.

Requisition and purchase constitute a kind of political task. Classification of goods, as to quality is a political task, and our attitudes toward requisition and purchase is a political task. Therefore, we must supervise the quality of goods from their place of manufacture.

While requisitioning and purchasing forest products, efforts must be made to provide transportation facilities and close coordination must be made between the purchaser and seller to reduce transportation expenses and to break-up the economy of self-sufficiency. In particular, we must not neglect to purchase secondary forest products such as oleaginous grains, orris roots, etc., because these products are very important to the improvement of the people's living conditions. Attention also must be given to the requisition and purchase of
forest products in high mountainous areas and in border areas, where this mission is considered an important task in the political field.

We should rely upon the masses to solve difficulties while carrying out this work especially with respect to the transportation problem. We must closely coordinate the viewpoints of the state with those of the masses.

In mountainous areas, rice sales aim at supplying needy areas with the surplus of other areas. Dealing in rice and salt sometimes may involve losses, for example, in the supply of rice and salt to the highlands from the delta or the transport of these items from nearby to remote areas to unite the various ethnic minorities. Personnel in charge of trading activities, therefore, must assess the spirit of solidarity and equality among the different nationalities.

Salt is an essential item for the mountain people, and it is requested that we reserve a large quantity for them. This is a great political task which we must accomplish to secure solidarity among the nationalities.

After peace was restored, our trade in goods and foodstuffs brought us some advantages in ethnic minority areas. However, these advantages were not all the same since we traded in the agricultural field only with a view to breaking even.

Providing goods for ethnic minority areas means meeting the people’s requirements and also solving political problems. In addition to industrial goods, we must pay attention to ordinary goods which meet daily needs. Before providing goods to ethnic minority areas, we must examine the customs, clothing and agricultural implements (and make use of them) for better farming of the people living there....

We should also provide assistance to the ethnic minorities to develop their handicrafts, such as weaving.... The ethnic minority peoples are very fond of jewelry and ornaments. We must know exactly what kind of goods they desire or can produce for themselves in their local areas. In order to do this, we must know thoroughly the handicraft products of the mountainous areas to avoid sending goods of the same kind from the lowlands.
Organization of the trading system in ethnic minority areas

This is a large area with few people. The people require goods in great variety, but the number needed is small. A basic feature of trade among them is that they sell forest products only when they need to purchase goods. For this reason, to meet the needs of the ethnic minority peoples and to cope with these circumstances, we should organize the trading system close to them. We must establish many general stores to sell goods and to purchase forest products. At the same time, we should organize mobile teams and send (them) to markets to serve the ethnic minority peoples, especially in the seasons (when) they sell opium and white cardamom in the border areas. In addition, we should organize fixed teams to sell and purchase goods.

The trading system will steadily push forward all kinds of production in the highlands and will greatly extend political influence. It can prevent small businessmen from operating for their own profit. By making use of the customs of the minorities, we will get them together for trade.

This system is but an adaptation of cooperatives to the North's mountainous areas, established in order to improve the people's living conditions. After peace was restored, we re-established markets in various mountain areas. Trade at that time was mere exchange of goods for forest products between us and the minority peoples, based on the broad national union of all peoples. We already had set up markets for economic and political activities, and to conduct these activities we had organized many centers in various localities. With these centers we were able to gather all kinds of goods and transport them to the lowlands.

Apart from markets and collection centers, we also took strong appropriate measures against businessmen in mountainous areas, especially against "profiteering Chinese businessmen", so that our trading system could function smoothly. Occasionally, we had to purge them from our trade organizations or reorientate them.

Cadre policy in ethnic minority areas

The training of cadres in ethnic minority areas is an important policy of our party.
Discussion

- Is the trade mission a political task?
- What are our party's policies toward the ethnic minorities?
- What kind of food should we provide for the ethnic minority areas?

9 May 1963

Report on prices by comrade Hoa, Chief of the Bureau of Commodity

Price Contents

1. Concepts of prices and price systems.
2. Price situation during the anti-French Resistance.
3. Price situation following the restoration of peace.
4. The current price situation.

1. Concepts of prices and price systems

Price plays one very important role in the national economy. It represents the activities of all branches of the economy. It is also an important factor in stimulating other activities in the economy. Thus, it plays a most influential role in the relationship between the state's accumulation and the people's lives.

These facts are derived from the ability of prices to serve as a means for calculating social labor and to redistribute national income. Price is expressed in money with which we compute social labor.

The role of prices

By developing the role of prices we can enhance production in all fields, build up supply and technical agencies, and assign duties to new laborers serving development of agriculture and industry while preserving a balance between the two.

Generally speaking, the price of our goods originated in a backward, dispersed, individual-based economy and then developed with the present one.
Prices greatly influence the people’s living conditions. It is through prices that we can regulate consumption in accordance with the availability of goods. Prices also contribute to the consolidation of socialist trade and reform the individual economy and free market and thus to consolidation of the socialist economy. Moreover, prices link industry to agriculture. Agriculture should serve as a basis for developing industry, while the latter in turn serves as the basis for development of the entire national economy.

Prices play an important role in the relationship between supply and consumption by struggling ceaselessly to lower the cost of production and help improve consumption and increase the state’s accumulation for defeating the American aggressors.

The trading system has two relationships: the relationship between supply and demand and the relationship between money and goods. In setting prices, we should estimate the quantity of goods to be purchased by the people...and the quantity of goods to be sold in the market. The pricing task will reform small merchants in the public market and at the same time effect price reforms among private merchants retailing goods on the free market. Prices play a part in the consolidation of industry and agriculture and in promoting unity among peoples.

Prices may be set in accordance with three factors: 1) the political and economic situation within a given period, a point regarded by our party as of primary importance; 2) the value of goods, which fluctuates according to output (but in practice the price of each item is based on the wholesale cost); and 3) the relationship between supply and demand, particularly for daily necessities,... In addition, we must contact various economic branches of the state economic controller to fix prices.

2. The price situation during the Resistance / in Vietnam /

In enemy-controlled areas, prices were relatively stable because these areas were in the rich delta region where there were many rice depots. In the resistance bases the price of local products such as wood and tea was very high, whereas the price of manufactured products in the enemy-controlled area was very low because the enemy imported a great quantity of goods with the purpose of collecting all our people’s products and creating a false prosperity in order to seduce our people. Thus, the enemy paralyzed our production in an
attempt to monopolize the market in our country. This enemy scheme greatly affected the price of goods.

In the liberated zones, prices changed through time as follows:

Example: Price of rice (in DRV dong)

<table>
<thead>
<tr>
<th>Year</th>
<th>Lang Son</th>
<th>Thai Nguyen</th>
<th>Ha Nam</th>
<th>Nghe An</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>8</td>
<td>4.4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>1949</td>
<td>20</td>
<td>15</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>1950</td>
<td>98</td>
<td>135</td>
<td>68</td>
<td>56</td>
</tr>
<tr>
<td>1951</td>
<td>925</td>
<td>770</td>
<td>490</td>
<td>320</td>
</tr>
</tbody>
</table>

Trading organization did not come into existence until 1951. From 1946 to 1948, the Resistance was not well developed, and we still had control of the delta. People then had a considerable stock of goods. Military and political activities did not require great expenditures, therefore, it was unnecessary for us to issue additional currency. Circulation was good and prices were relatively stable. Then, from 1949 onward, the Resistance expanded, traffic was intercepted and exchange of goods encountered many difficulties. The enemy occupied the delta and chased us into the mountains. We strengthened our national defense force, and prices of goods such as rice and salt accordingly increased daily.

After 1951, we enjoyed a change for the better in our activities. The liberation of the border areas gave us many advantages in trade with foreign countries, and the liberation of Hoa Binh gave us advantages in trade between Regions 3 and 4. Military victories greatly affected our country’s economy.

Due to this situation, the party laid down a policy on collecting agricultural taxes so that all the people could contribute to the Resistance. Then a tax was levied on industry and commerce. We tried to increase collections and reduce expenditures. We established a state-controlled trade agency to supply goods and guide the market. We established a state bank to manage the country’s currency and promulgated the policy on unifying administration of finance and economy.

At that time, we drafted a plan to stabilize prices. We conducted our economic struggle against the enemy by encircling his economy. It was due to this that manufactured goods became very expensive and, contrarily, forest
during the anti-French Resistance because of difficulties in transportation. In order to foster large purchase of goods from the inhabitants, we constantly improved transportation and used the quickest means of transporting goods in order to meet people's needs....

Price stabilization during the Resistance was of primary importance. Only when prices were stabilized could we stabilize the market, the value of currency, and people's living standards.

Based on these lessons, we know that in order to stabilize prices we must:
- Keep the general economic and financial situation under control.
- Know economic trends by watching production, consumption, and the printing of currency, etc.
- Coordinate the various branches so as to stabilize prices.
- Know in detail the prices in various markets.
- Know the trouble and disorder caused in the economy by prices.
- Know the functions of state-controlled trade.
- Control the source of such key items as salt and rice.
- Stabilize prices in principal markets.
- Stabilize prices in areas where we purchase agricultural and forest products.
- Stabilize prices in areas where natural calamities have caused crop losses.
- The state-controlled trade department should establish a trading system for the important branches to sell and purchase goods and provide leadership for the various markets and unite businessmen.

Two measures that are appropriate for combating speculators are:
1) Administrative measures to stabilize prices; and 2) Making clear regulations for trading. Insure that all trading activities provide adequate supplies to troops and organizations.

3. Prices after the restoration of peace and at present in Vietnam

After the restoration of peace, prices set in liberated areas were maintained in the areas of temporary enemy control as well. We succeeded in maintaining uniform prices in these two areas because we either lowered
prices in liberated areas to the level in areas previously controlled by the enemy or raised prices in the latter areas to bring them into line with prices in the liberated areas. Our policy was to advance and build up an independent economy, and a price policy was necessary to consolidate economic development.

During the economic recovery period, prices changed suddenly. Speculators kept a great quantity of goods in stock, undermining the market. Elimination of speculators was a major problem.

During the period of reform we, therefore, must compete with capitalists and tradesmen with respect to prices...small industries should be made to produce more.

During the five-year plan $1961-65$, all prices served a threefold revolutionary purpose: technical improvement, development of production, and labor productivity... The guidelines on stabilizing prices at that time were: firmly stabilize prices, daringly adjust prices in a reasonable manner, try to reduce prices. Our party has continued to follow these guidelines since the war, but there have been changes. We must guarantee living conditions and try to maintain the standard of living as it was before the war.

The policy on requisition and purchase of agricultural products in the present period of resistance against the U.S. has great effect. It reflects a form of alliance between workers and farmers and will enable small industry and farms to develop in harmony.

Price Policy Toward Mountainous Areas

We must encourage the production of industrial plants, food products, forestry, and animal husbandry. We must adopt a general plan for production in the main areas where industrial plants grow. The location of animal husbandry should be convenient for transportation so as to reduce expenses and obtain good results. We should promote cattle breeding. We must encourage self-sufficient production in local areas where modern tools cannot be adopted. When purchasing forest products, we must pay attention to agricultural products. We should not allow prices to affect the input of human labor because it will cause disadvantages to production. Prices should be relatively equalized among the branches of production. In local industry, we should control prices and try to reduce the cost. The main task is to encourage thriftiness.
Questions for Discussion

1. Why can we say prices are the final result of financial and economic activities?

2. Analyze the effects of prices upon the national economy.

3. Upon what basis should we determine the price of goods?

4. What makes prices unstable?

5. What affected prices during the period of Resistance?

6. What is the price policy of our party?

7. What is the party's price policy toward mountainous areas?

12 May 1968

Reform and Employment of Merchants During the Resistance Against France

1. How did our party evaluate the role of merchants in the national democratic revolution?

   During the Resistance, economic activities were aimed at serving the war and social welfare. For this reason our party assumed the responsibility of directing it.

   Merchants in our country, with the exception of reactionary capitalists, were considered a very important force. Small merchants of working class background were major elements in operating our country's market. In view of this fact, our party worked out a policy to mould them into a collective economy so that they could serve the Resistance and contribute to society's welfare. In addition to the available force of merchants, our party motivated people to participate in distributing goods from temporarily occupied areas to liberated zones.

2. What was party policy toward small merchants and businessmen throughout the period of Resistance against France?

   ...The market was divided into many small areas inserted between the enemy and ourselves. The major market in the cities was controlled by the
enemy. In rural lowlands and liberated zones, our guerrillas controlled the market.

The characteristic of the market in liberated, mountainous and lowland areas was the lack of foodstuffs and industrial goods. This was an important special characteristic. Our forest products were sold in both regions (liberated and enemy-occupied), but the main market was in the occupied areas. Therefore, there was a fierce struggle in the market to obtain foodstuffs, items related to national defense, consumer goods and forest products in order to maintain the value of currency. Moreover, because the market was intermingled in irregular fashion with that of the enemy (chī ràng lùō -- lit: "dog-toothed"), we had to cope with many difficulties in transporting goods.

Our guideline at the time was to control foreign trade but allow free domestic trade.

The general policy toward small merchants was: unity in struggle, struggle for unity. The party policy toward businessmen was not to suspect, despise, cause difficulties or arrest them, but rather to guide them in trade, especially in the trade of forest products. Furthermore, we tried to win over other social classes in order to find more sources of goods. Our primary goal was to educate them in the economic form and make them join the struggle against the enemy in the economic field.

But our management policy still had a lot of gaps. And in another critical situation, smuggled goods and luxury items were imported freely. Essential goods such as oil and salt were scarce because of speculation by businessmen. To deal with businessmen, the state had to strengthen its economic forces, promulgate various policies which reduced their negative activities, and direct them toward anti-French economic activities.

Strong and Weak Points in Dealing with Private Merchants and Controlling the Market

In general, we properly evaluated the role of merchants. We know how to employ them in trade. Their achievements in circulating goods played a particularly important role in the Resistance against France. Other strong points were that we succeeded in motivating the masses to participate in circulating goods and controlling the market within our areas. We met the
essential requirements of the Resistance, stimulated production, and set up an independent economy. With respect to leading and reforming merchants, we worked out suitable policies on taxes and prices.

But there also were weaknesses. For instance, at the beginning, we conducted economic blockades in a mechanical way with the slogan "Do not use enemy goods". It was an error because at the time we did not have a source of imports. As a result, arrests and prohibitions occurred everywhere. Our plan for managing and employing businessmen was not applied properly, which affected their livelihood excessively. Management of the domestic market and communication among areas within the country were not carried out successfully. Sometimes market prices changed suddenly. Our production often was concentrated in one area and was not distributed to other areas.

3. What was trade in North Vietnam like after peace was restored? How did we manage private trade and markets?

First, we had to follow the principle of reducing profits then reducing consumption and seizing monopoly control of the market. The main purpose of our struggle was aimed at the capitalist class of businessmen. We motivated small tradesmen to join our struggle against the capitalists.

This struggle began in 1955. We adjusted all industrial and trade prices. By the end of 1966, we had classified six types of main goods to be purchased and distributed exclusively by the state: rice, salt, oil... But the main purpose of the state at present is to succeed in managing the purchase of rice.

14 May 1968

Comrade Reports on Foreign Trade Work

Exports and imports during the Resistance.

Part I

We established bases to struggle economically against the enemy in the
Resistance. This was a new and unique policy which originated in the free, democratic nature of our regime. This Resistance was one of our entire people, a total struggle embracing economics as well. The material basis of the Resistance lay in the rural areas with which we encircled the enemy’s economy in the cities. In brief, socialism determined our policy in economic struggle with the enemy, and this struggle was one of the entire people in protracted conflict to secure the material well-being of the people.

Part II

Development of Economic Struggles Against the Enemy in Different Periods

1. Encircle the enemy’s economy

2. Exchange goods with areas temporarily controlled by the enemy
   a. Exchange goods on a limited basis with enemy-controlled areas. Encircle and take advantage of the enemy’s economy in order to launch an attack against him. (His shortcoming is that he cannot establish effective control.)
   b. Develop and improve the work of closely controlling exports and imports between enemy and friendly areas.

3. The period after peace is restored

   When taking over the administration of towns, ...currency will flow out of the country, goods will flow out of the country, and the goods of capitalists which are in stock [will be depleted]. These matters are of concern to imports and exports. Imports and exports constitute the last branch to serve domestic trade, harmonize markets, and stabilize prices.

Part III

Relations between our country and China were officially established in 1952. China had provided us with (expertise?) and goods since the border campaign [in late 1950].

In commercial transactions, there must be an equality of interests for both sides. This is a source of support for our economic struggle against the enemy to achieve final victory.
Prior to receiving aid from China we frequently exchanged goods with the temporarily occupied areas. Our economy was affected because prices were imposed by the enemy (French) and the market was at the disposal of private businessmen. Our people had to produce for self-sufficiency, and we succeeded in conducting our economic struggle against the enemy.

12 May 1968

Comrade Vi, Chief of Trade Section, Reports on Financial Accounting

Accounting is a form of economic control and calculation. What is the role of this work? It consists of following all types of economic activities so as to manage them to our advantage.

As long as mankind has existed, there has been control and calculation. Only the methods have differed in accordance with the different periods. We must adopt three forms of economic accounting: business operations control, statistical control, and accounting control. What should we do in each of these three forms of control?

1. Technical and business operations control

This type of control consists of regularly evaluating economic transactions and the quantity and maintenance of goods. It must be carried out regularly and directly.

2. Statistical control

Statistical control consists of observing all fields of trade and carrying out all plans of the nation. It is based on business operations control and accounting to analyze and observe totally the economic activities of a unit.

3. Accounting control

Accounting control is a method of reporting, recording and directly administrating trade capital, transactions, manpower, material resources, goods, and technical skills.

In brief, to find out the quantity of goods in stock, we should consult comrade Nghiep. To find out whether the quantity in stock is accurate, we should...
control the amounts of money recorded in accounts. To find out the trade activities within a unit, we should keep a statistical record.

The purpose of accounting control differs in socialist as compared to capitalist countries. According to socialist economic policy, the proletariat follows the absolute leadership of the party which accounting control must serve. The principal characteristics and basic rules of socialism are to meet cultural and material requirements through the continuing daily development of technical skills. The main characteristics of capitalism are to expropriate the people's property and make them destitute. Capitalism also exploits the underdeveloped countries in order to increase the income of capitalists. Therefore, capitalist accounting control is directed toward these objectives, while socialist accounting control is aimed at meeting the cultural and material requirements of society....

Our accounting control serves the proletariat, unceasingly develops their interests, improves their living conditions. Laborers will enjoy high, equitable and fair pay.... For this reason, accounts must be recorded clearly and accurately, because they serve the proletariat. The accounting control of capitalists, by contrast, is only a means for enhancing their exploitation and increasing their incomes.

Our accounting control reflects the production process and develops socialism. That of the capitalists places great emphasis on the circulation of money and the amount of profits.

The purpose of socialist accounting control is clear and honest. Those who make false accounts are considered criminals.... The purpose of capitalist accounting control, however, is dishonest. They pretend that accounts must be kept secret. They do not want the proletariat looking at their accounts, for in this way they can deceive them more easily.

4. The mass character of accounting

In contrast to the capitalists, the accounting of socialism deals with people. Therefore, our accounting documents must be easy to understand. At the same time, accounting tasks must be made simple so everyone can understand them and carry out trading operations easily.
Uniform accounting is imposed on the entire branch and on the national economy under a socialist regime.... As for capitalism, each enterprise carries out production in its own way, so there is no uniformity and the accounting system is by no means unified.

As the requirements of the economy grow, accounting also develops. Thus, the role of accounting grows more and more important. According to Leninism, accounting is the fundamental basis of socialism, and socialism is accounting. As a result, the party and state pay very close attention to accounting and promulgated regulations on accounting in November 1961. These regulations were supplemented in April 1963. Directive 90 and Resolution 959 issued by the secretariat dealt with strengthening economic management and achieving austerity. As a result, accounting plays a vital role in economic activities.

The main point is that all units should be urged to make a reasonable use of capital and goods (which make up to 90 percent), maintenance of transportation, distribution, etc. Accounts should be rapidly settled in order to avoid mistakes in the use of capital. All units should be encouraged to limit their expenses and to a comprehensive view of the economic plan so that they may serve political and economic interests effectively. And we must take note of the people's viewpoint, motivate them to take part in economic administration, organize and guide them to engage in economic activities.

Storage and Transportation Work

1. Importance of storage and transportation activities:

If the storage and transportation tasks are performed well, transport expenditures and wholesale prices will decrease, improving the people's living conditions.

Storehouses serve as a middle step between the maintenance and distribution of goods in support of production and combat; they also are a barrier which prevent bad qualities from entering....

2. How is the storage and transportation network set up?

Storehouses are built on transportation and communications lines. Thus trade and transportation form a single organic organization.

After peace was restored, storage and transportation networks took shape...
with their centers in HP /Haiphong/?, HN /Hanoi/? and ND /Nam Dinh/? . These places were the heads of transportation lines in industrial centers and administrative areas from the first to the second and third levels /echelons/. In the Resistance, these networks came under enemy attack (because of their concentration).

Storage and transportation systems must be close to the places of retail sales. They must be either concentrated or dispersed in ways which guarantee safety, and they must be built on communications lines so as to provide goods for two or more provinces or for two or more districts.

Some kinds of goods such as tobacco, tea, batteries, require covered storehouses with counters and windows. Storehouses in mountainous areas have limited uses and contain only petrol and oil. Other goods cannot be placed in these storehouses because of their high hydrometric ratios. The quantity and quality of goods in stock must be inspected by storekeepers every day and by higher echelons periodically.

The duties of storekeepers are to watch over goods,... take prompt measures against damaging goods, equip storehouses and make arrangement against fire, enemy /action/, destruction, flood, etc. These are state regulations. Storehouses require stands, chests, windows, etc. in order to maintain goods. We must wrap up goods to keep them from spoiling. Past experience show that storekeepers are one of the decisive factors in maintaining goods and in the storage and transportation mission.

21 May 1968

Comrade Thanh Son, Head of the Purchasing Cooperative, Reports on His Experiences

Party Policies Toward the Purchasing Cooperative

1. The importance of trade

Purchasing cooperatives in Vietnam regularize agricultural activities and direct peasants into simple ways of developing the economy. This includes state-controlled trade and trading cooperatives.
In order to resolve contradictions with the private economy, we must establish purchasing cooperatives, because they constitute a simple system which is easily understood by the peasants. It also serves as a link between production and consumption, and between urban and rural areas; it benefits not only the present but also the future.

In order to remove dissension between exploiters and the exploited, we must establish the following three kinds of cooperatives in rural areas: agricultural cooperatives, purchasing cooperatives, and consumer credit cooperatives.

Agricultural cooperatives were established in our country when new production relationships appeared in rural areas. At present, there are two economic sectors: the nationalized sector and the cooperative sector. A notable feature in North Vietnam now is the existence of commercial cooperatives. Since goods which are produced must circulate, it is necessary to have a collective economy, which in rural areas means that trading cooperatives must be established.

2. The role of trading cooperatives in building socialism in Vietnam

The cooperatives are an intermediate step between production and consumption, and they are a driving force for production. Cooperatives must be activated in rural areas. Their main activity must be agricultural production, under the guidance of the state.

Manpower and material must be mobilized to build socialism and support the present resistance against the United States. To do this, we must press forward with the three revolutions in culture, science, and production relations.

In people's war, trade cooperatives and state-controlled trade play important roles. The trade cooperatives are rear services for the Resistance.

In agricultural production, trading cooperatives also play an important role in both the collective and private economy. For example, they supply tools for farm families; in addition, they help increase production in rural areas. Trading cooperatives guide families in production and animal husbandry so that the state can coordinate all sources of purchase in order to serve national defense and production.
Supervision of family production

Priority must be given to growing vegetables, raising pigs, raising fish, and weaving bamboo baskets.

Trading cooperatives improve the people's living conditions in villages and hamlets. They assist state-controlled trade by distributing goods to consumers, buying agricultural and forest products, and controlling the market. In requisition and purchase and distribution of goods, they provide 63 percent of retail goods in domestic trade. They have many purposes, they help consolidate the worker-peasant alliance, and they are a capable instrument of revolution and socialism and development in rural areas.

3. Responsibilities and duties of trading cooperatives

Trading cooperatives and their offices in villages are economic accounting units. Originally, trading cooperatives had their offices at district level, but in 1962 they were moved into the villages in order to assist the development of rural areas and the new relations of production more appropriately. These cooperatives set responsibilities for retail cooperatives, such as moving goods in rural areas, arranging for storage, serving as agents for the state, and obtaining forest products for state-controlled trade.

The duties of trading cooperatives are to control trade in such a way as to develop production, serve socialism, and develop new rural areas; to serve the needs of villages with respect to their living conditions and culture; to support and prepare for combat in village areas; to support new relations of production in rural areas. In order to perform these duties, we must carry out the revolutions in science and technology, culture, and production relations. In addition, trading cooperatives must serve trade installations in the villages, consolidate village organizations, and support state-controlled trade.

4. How should we organize the purchase and sale of goods in villages?

The central organization has a department for purchase and sale cooperatives which operates among the people and conducts business with other countries.
There are nearly 5,600 villages, of which 85 percent have purchase and sale cooperatives. Inter-village cooperatives have been established in some mountainous areas.

Purchase and sale cooperatives are socialist organizations set up by the farmers and laborers. They are also party organizations. All farmers and laborers from age 16 can contribute their share and derive benefit from them (except for persons who have lost their civic rights and landlords who have no right to join village purchase and sale cooperatives).

Purchase and sale cooperatives are voluntarily established and democratically managed. Their highest organ of power is the assembly of village members who elect a management committee to take charge of accounting problems and plan the yearly program of activities. The assembly re-elects the management committee every two years and divides the profits among the cooperative members.

In accordance with regulations, purchase and sale cooperatives must have the approval of the district level before any trading activities may be conducted. The cooperatives are directly supervised by village party committees. They must observe party policy and cannot make decisions (unilaterally) at the local level.

A characteristic of village purchase and sale cooperatives is that they are not set up for large-scale activities though they take charge of both purchase and sale. Since they are economic units, their activities are complicated. Cooperatives collect and buy foodstuffs, agricultural goods, and other products. They also retail handicraft and manufactured goods. Furthermore, they conduct other types of business such as bicycle repairing, dress-making, hair-cutting, masonry, and preparation of foodstuffs for cooperative members.

The annual turnover of each village (cooperative) amounts to 600 or 700,000 dong. This level of production is sufficient to ensure a living for the cooperative members. Each year, the cooperatives divide profits among the members (not exceeding 5.20 dong for each one). This must be done regularly so as to remind members of their duty in economic management.

In order to conduct business effectively, we must respond to the needs of the people and meet the requirements of production. We should not think
of doing business for profit by conspiring with small merchants to sell to cooperative members at a high price.

The characteristic feature of management of a village purchase and sale cooperative is the democratic way in which it is conducted. As for management personnel in the...cooperatives, we know there are some comrade chiefs who work only ten days monthly but are paid for the whole month. We also know that incorrect assignments of personnel cause overlapping and shortages of personnel. Personnel management is a most difficult and complicated task, for it involves great difficulties in the employment of laborers (manpower being the basic factor).

Purchase and sale cooperatives in the mountainous areas of our country

At present, 70 percent of the villages in the remote areas have cooperatives.

To establish cooperatives in mountainous areas, we must fulfill three conditions: provide good cadre; guarantee party leadership, and know the people's needs.

Cadres must be trained in culture and professional skills. We also must create conditions favorable for cooperative cadre in mountainous areas so that they may establish branches at the village level. We must be determined not to carry out business or open state stores until we have trained cadre capable of keeping records.

The montagnards are enthusiastic about contributing capital for business, but we must construct more roads to transport goods, establish more state stores, and protect these stores. We must not neglect anything, not even the smallest thing, while organizing purchase and sale cooperatives in mountainous areas. In particular, we must not regard the minority peoples with disdain.

The trading activities of purchase and sale cooperatives in mountainous areas are still weak and capital for cooperatives is small. The old system of purchase and sale through intermediaries is no longer acceptable. Therefore, it is desirable that all the people participate in the cooperative system.

When organizing cooperatives in mountainous areas,...it is very important
that cadre from the district cooperative understand their tasks. The working class must provide guidance and assistance to the cooperative in every respect so that the cooperative can enjoy favorable conditions of operation. The state must support the cooperatives by giving business credits and reducing taxes and transportation costs.

22 May 1968

Transportation and Trade Work

1. Transportation in domestic trade

In general, personnel in the economic branches will carry out transportation work, but particularly personnel in domestic trade should carry out transportation work.

If the means of transport and communication are good, the circulation of goods also will be good. We should utilize the shortest distances in order to increase the speed of transportation to the maximum so that freight costs may be reduced... The transportation network should be coordinated with the storage network and receive assistance from the latter.

Organization of the main transportation team

This includes all transportation facilities: cars, motorboats, junks, and other facilities. Communication and transportation should be further developed.

In brief, transportation work in domestic trade is very necessary. We should pay particular attention to transportation with mechanized vehicles, and especially to rudimentary facilities in mountainous areas where for instance we must use pack bicycles.

2. Transportation networks in mountainous areas

The quantity of goods transported from the lowlands to the highlands and of forest products carried from the highlands to the lowlands is particularly large. To insure these tasks..., we must organize a large transportation network for circulation and distribution. The two major transportation networks
are the one from Lao Cai to Lai Chau and the one from Suoi Rut and Cho Bo to Lai Chau.

To establish transportation networks we must take into account where goods originate.... The organization of a command committee is essential to supervise the domestic trade transportation apparatus. All transportation tasks of all branches, particularly...in mountainous areas, must rely on the people in those localities. Approximately 40 percent of the goods must be carried by animals, individuals, or groups of people.

25 May 1968

Equipment for Cadres on Mission "C"

The total value of 160 dong is broken down as follows:

<table>
<thead>
<tr>
<th>Service Year</th>
<th>Item(s)</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st year</td>
<td>2 suits of clothes</td>
<td>34.00</td>
</tr>
<tr>
<td>2nd year</td>
<td>1 suit of clothes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 set of underwear</td>
<td>27.00</td>
</tr>
<tr>
<td></td>
<td>1 sweater</td>
<td>16.00</td>
</tr>
<tr>
<td></td>
<td>pack, battery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.7m hammock</td>
<td>42.50</td>
</tr>
<tr>
<td></td>
<td>3 meters nylon sheets</td>
<td>13.50</td>
</tr>
<tr>
<td></td>
<td>1 water canteen</td>
<td>5.60</td>
</tr>
<tr>
<td></td>
<td>pair of rubber sandals</td>
<td>5.60</td>
</tr>
<tr>
<td></td>
<td>1 lighter, 1 flashlight</td>
<td>7.80</td>
</tr>
<tr>
<td></td>
<td>1 bayonet, rifle</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>1 rice bag, hat</td>
<td>5.00</td>
</tr>
</tbody>
</table>

In central Laos at present there are 116 trading cadres, 50 tailors, 50 animal husbandry workers, and 300 other cadres.

The main economic centers are Sam Neua, Xieng Khoang, Khan Muon, and Savannakhet. Sam Neua is the center of organization in the sister country. At the center there are six cadres. Cadres are distributed among other posts as follows:
27 May 1968

Xieng Khoang province in the highlands of upper Laos is completely liberated. It consists of six districts and 83 villages: Xam Non, Nong Het, Muong Moe, Muong Kham, Muong Khun, and Muong Bet.

Of the villages, 36 are liberated, 23 are contested, and 24 are under enemy control. The province has 130,000 people and 1,251 hamlets of which 500 are liberated. Kham Khay market is the largest. There are a lot of Chinese, Vietnamese, and spies. The situation is very complicated.

Trade is quite brisk. At present there are 20 cadres in the trading network, of which 16 are old and four new. Comrade Minh, deputy chief of the trading office in Nghe An province, is group leader. Manh, from Ha Bac, is chief of the trading network. Dinh is deputy chief of the trading network.

Summary of Situation

Study and understand the following: "Take Route No. 7 from Nghe An to Muong Xen in five nights. Upon arriving at our destination we will have to walk 15 days more on the road."

An entry written in a different hand and bearing a signature not Xuan Tao's appears at this point in the original text. It has been moved to the end of this translation so that entries will appear in chronological order.
Hanoi, 30 May 1968

My dearest mother, young brothers and sisters,

I am sure that you, my brothers and sisters, are waiting to hear from me hour after hour. I am happy to inform you all that I have graduated from the training course. Many others and I are now grouped in Hanoi. We are waiting for our salary and permits for leave.

My leave permit is from the 1st to the 15th of June, including departure and return. It is a very short time, isn’t it, dear mother? But in any event I shall try to arrange to see all of you. I will try to be home in the middle of the fifth month by the lunar calendar.

Central Laos, where I have been assigned, is very distant as compared with the place where my friends have been sent. It takes five nights to get there by car /–truck ?, plus 15 days walking after crossing the border in Nghe An. From Hanoi it is 700 kilometers by car, not including the walking.

According to higher orders, everyone will be home after three years of duty. This means I will be with you again in 1970.

Lovingly yours,
Your son,
[–Signed illegibly–]

The three-year plan (1967-70) of friendly forces: Contents of Resolution 14

Resolution 14 deals with the improvement of economy and finance in liberated zones of the friendly party.

This is the first resolution dealing with the total economic and finance task aimed at building and perfecting the liberated zones. The basis of this democratic and popular revolution is the building of the economy.

Common tasks for all people
- Strive to lead, organize and use all of the people’s capabilities for self-sufficiency.
- Make the best use of assistance of fraternal countries.
- Improve all economic and financial affairs so as to meet immediate and long-range requirements.
- Strengthening economy and finance is part of the mission of attacking the enemy.
Specific Tasks

- Build up a democratic and popular economy in every field. The main factor is development of agriculture, handicrafts, communications, and transportation.

- In building up the economy, we must consider local activities (in Sam Neua, Xieng Khoang) as basic.

- Restore trades and handicraft to the people and at the same time develop small state-run industries.

- Develop the liberated areas, make progress in science and technique. Strive to develop agriculture in general, including cultivation, animal husbandry, and forestry.

(These appear to be personal notes of Xuan Tac)

"When giving birth to an additional child, remember to enclose birth certificates of three children for miss Pham Thi Thinh at D705 - BC17 so she may draw allowance for the third child in accordance with regulations." [Quotation marks in original].

Register to send 30 dong to the family each month.

Four quarters per year x 90 = 360 dong
\(\text{sent home each year}\)

Party fee: \(0.725 \times 12 = 8.70\) dong \(\text{per year}\)

Postal fees for year: \(= 5.40\) dong

Food expenditures for year: \(360 + 374.10 = 734.10\) dong

Yearly salary \(= 870.00\) dong

Yearly expenditures \(= 734.10\) dong

Yearly savings \(= 136.00\) dong

I plan to return to my country in February 1970.

I hope to receive back pay for:

- Received for 18 months' leave \(= 200.00\) dong
- Duty allowance \(= 100.00\)
- Allowances \(= 30.00\)
Tasks

1. How to send money to the family and for saving:
   See comrade Pham Thi Thinh in the Economy Section CP38.

2. How to solve family difficulties:
   See comrade Bui Duc Cuong for settlement.

3. Returning leave permit at CP38
   See comrades Thiem and Huan at Mr. Ton's house in Yen Truong hamlet, Truong Yen village, Chuong My district, Ha Tay outskirts of Hanoi, left off the route from Hanoi to Hoa Binh past kilometer marker 29.
   See comrade Huan to settle all papers concerning temporary duty, purchase of goods and medicine; get papers for crossing the border, take inventory, know the departure time and route of movement.

4. Individual equipment and instruments for daily activities should be sufficient and neatly packed.

5. Cell 35b at Xieng Khoang (50%) - 35a at Khang Khoi (50%)
   The man who transmits money to Hoang Quy's family will arrive between the 10th and 20th. Inquire of comrade Pham Thi Thinh at postal station 17 group 705 if Hoang Quy fails to receive it. If his address has changed, write to comrade Pham Thi Thinh to let her know.

   "When cashing money at the post office, tell the P.O. personnel that Miss Pham Thi Thinh of postal station 17 Group 705 keeps it."

   Pham Thi Tuyet Lan (woman's name)
   "Take boat to cross the Day River, then come to Thanh Thuy, Phu Tho"

   (CP 38 is located at 93 Ly Nam De Street, Hanoi).

   Tran Duc Bay HT: 15,609 VS
   Pham Van Hau
   68 Cho Don Street, Lg Son HB (possibly Hoa Binh province, Vietnam).

   Poultry 1st category: 2.30 dong
   2nd: 2.00
   The last entry chronologically appears to be a note taken by some cadre other than Xuan Tao.
7 August 1968

Preliminary Report on the Industrial and Trading Task in Xieng Khouang

Production has encountered many difficulties. There is a lack of raw materials, transportation, and other facilities such as smithing and weaving.

Due to the price policy, which changed July 1st, we also have met great difficulty in purchasing agricultural and forest products. Private business has shown some sign of resistance with respect to prices.

Our ally seems to be making good progress. The people have begun to study resolution 15 concerning improvement of the whole economic branch. Both friendly cadre and people have attended courses and since then have developed their consciousness.

There also have been successes in the military field, and the center has provided good guidance in economics. Furthermore, friendly cadre have increased their skills both in quality and quantity, and youth and women's associations have been active.

In industry and commerce, four new party members have been added, raising the number from three to seven party members in the party branches of these offices.

The situation has been good, with enthusiastic assistance being received especially in the first six months of 1968. The trading network has developed strongly; two stores have opened in Sam Che and Nam Non. At present there are ten state-managed stores and two others managed by the Military Zone. There also is a textile factory in Non Het.

Trading cadre comprise 292 persons.... There are 147 production installations in Lao Lung, Lao Tuong, Lao Thon, and Hu Kiem. There are 69 cadres serving stores, 76 serving storage offices, and a relatively large staff of trading cadre and personnel. At the same time several training courses have been conducted for all personnel.
Results of five months' production activities in the whole industrial and trading services

In smithing, 150 types of tools were manufactured.
Weaving: blank
Tailoring: 6,023 sets of clothes were made.
Husbandry: one ranch.

Sales in the first five months of 1968 amounted to 60,421 million kip. About 60 million kip worth of goods were sold to the people. Private business had sales of seven million kip.
Non Het, 17 million.
Bon Xa Van: blank.
Nem Non: blank.

As compared with 1967, both sales and purchases were higher.

Purchases in the first six months of 1968 amounted to 35 million kip. In the same period in 1967, purchases were only 25 million, an increase of 10 million kip.

After inventory it was found that clothes sold slowly because they did not please the buyers.

The situation was quite good with respect to the purchase of some merchandise, such as opium, shellac, drugs, 77 tons of pigs, 55 tons of pork, 17 thousand eggs, 500 kilos of poultry, and 700 kilos of opium (in Non Het). A number of buffaloes were sent to Muong Phan.

Foreign trade was conducted regularly with Nghe An province in Vietnam in 1967 and in the first six months of 1968.

Solidarity is being strengthened among the villages.

Situation assessment: Favorable and difficult situations met by our specialists while helping the friendly country carry out trading tasks

Difficulties: Cadres were confused with respect to organization. They covered too many branches and trades. They were not specialized and could not perform their tasks in the political field.
Market prices: In the first six months of 1968 in Xieng Khouang there was some fluctuation of prices due to the competition of small tradesmen, such as in Muong Khum. In three towns -- Muong Khum, Bon So Van, and Khang Khay -- there were Vietnamese and Chinese tradesmen. When asked to work as carpenters or tailors, they would not do so; the Chinese in particular did not want to practice such trades.

As for business management, in the first six months of 1968 there were losses in the following items:
- General commodities: 4,000,000 kip.
- Damage due to accidents and war: about 2,000,000 dong.
- State stores in Non Bep and Non Kham sold many items on credit and could not recover what was due them.

Foreign trade advanced by 195,395 dong to Vietnam in the first five months of 1968. As for imports, 395,000 dong worth of goods were paid to Vietnam as payment for previous debts. These goods were sent to Vietnam as foreign trade with Nghe An.

END
Footnotes

1. In 1968, when this was written, Laos was officially composed of 16 provinces.

2. Neo Lao Hak Sat (NLHS), known as the United Lao Patriotic Front, the formal public political organization of the Pathet Lao as distinct from the party organization.

3. Other provinces were Wapikhanthong and Borkhane.

4. The Nam Khan River flows through the Tran-ninh plateau near the Plain of Jars in Xieng Khouang Province.

5. Prince Boun Oum na Champassak was at this time the incumbent "Inspector General of the Kingdom" in southern Laos.

6. Prince Souvanna Phouma was then Prime Minister of the Royal Lao Government, Prince Souphanouvong the official head of the Pathet Lao.


8. In 1893, after a period of Franco-Siamese confrontation culminating in a French naval blockade of Bangkok, Siam, renounced all rights to territory east of the Mekong, thus ending Siamese intervention and opening the way to consolidation of a French protectorate. The date 1954, of course, is that of the Geneva Agreement which ended French rule in Indochina.

9. The first Government of National Union ended in 1959 when the Pathet Lao was outlawed, and its leaders were arrested. A second experiment in coalition government was inaugurated in July 1962.

10. According to Fred Branfman, in "Presidential War in Laos, 1964-1970", in Laos : War and Revolution, edited by Nina Adams and Alfred W. McCoy (Harper Colophon Books, N.Y., 1970), p. 244, the Royal Lao Army defended Nam Bac with 4,500 to 5,000 troops and with massive air support. They were defeated by some 2,000 to 2,500 Pathet Lao and North Vietnamese forces.

11. The reference here presumably is to the remnant groups originally associated with Captain Kong Ie who was forced into exile in October 1966. See Hugh Toye, Laos, Buffer State or Battleground (Oxford University Press, N.Y., 1968) for an account of his role.


13. According to an official estimate prepared for the U.S. AID mission in Laos in 1969 some 760,000 people were said to be under Pathet Lao control.

14. The number of ethnic groups is at best arbitrarily defined and without precise ethnological meaning.
15. Many of the tribal peoples in Pathet Lao areas at the time were not Buddhist.

16. No comprehensive mineral survey had been undertaken up to the time this was written. Except for salt, only tin has been exploited commercially.

17. It is difficult to understand the exact meaning of this statement since large-scale land ownership did not exist in Northern Laos. Although in theory the king was the ultimate owner of the land, formal titles usually did not exist but were the result of recognized ownership through use within the village community. The situation was, of course, different near the major towns. There were, however, traditional status hierarchies within tribal groups based on descent, but the amount of property controlled was not very great.

18. Presumably by digging for flood (by rainwater) or possibly by irrigation.

19. The term in the original is nearly illegible but appears to be a reference to some form of slash and burn (swidden) agriculture.

20. Presumably the total figure should be 171,400 or otherwise the rice fields are included within the overall figure.

21. In terms of yearly individual consumption rural figures from the Vientiane area and the Bangkok Plain are almost the same, roughly 250 kilos. Therefore, the figures cited in this text seem high. (See J. Halpern, *Economy and Society of Laos*, Monograph Series Number 5, Southeast Asia Studies, Yale University, New Haven, 1964, p. 76.)

22. For a description of Laotian mineral resources see, Frank M. LeBar and Adrienne Suddard (eds.), *Laos, its people, its society, its culture*, HRAF Press, New Haven, 1960, pp. 211-12. There are many deposits but development capital and transportation facilities always have been major problems.

23. Presumably a reference to part of the so-called Ho Chi Minh trail complex.

24. As of 1959 there were 1,300 Chinese and 1,521 "foreign Asians" (mostly Vietnamese but presumably some Indians) in Xieng Khouang. Most had small shops or were involved in trade. See, J. Halpern, "The Role of the Chinese in Lao Society", *Journal of the Siam Society*, July, 1961, pp. 21-46, especially pp. 32-33, and 40.

25. This trade was developed under French colonial rule. (The official exchange rate was 240 per dollar in 1966 and the legal free market rate 500, held constant by Western (mainly American and French) support.)

26. See Georges Chapelier and Josyane Van Malderghem, "Plain of Jars, Social changes Under Five Years of Pathet Lao Administration", *Asia Quarterly*, 1971, no. 1, pp. 61-89, for a discussion of these obligations, especially pp. 71-72. The authors were associated with a United Nations technical assistance mission and so do offer a "third" viewpoint.

27. This would apply to the tribal mountainous areas as such but not to the market towns where hill peoples use silver coins from the colonial period as well as paper money.
28. The major plains along the Mekong River were largely controlled by the Royal Lao government forces at the time this notebook was written.

29. In 1959, approximately half the population of Xieng Khouang province lived in villages of less than 100 houses. See Table 4, p. 157, in Halpern, Economy and Society of Laos, op. cit.

30. "Phoumi" presumably refers to General Phoumi Nosophan; "Duon" to Col. Deuane, a one-time associate of Kong Le.

31. Ta Xeng (Tasseng) is the district administrative unit in Laos and also term for district administrator, Pho Ban (Fo Ban?) a village headman, a group of whom report to a Tasseng.

32. Lao Thong, the barely legible term in the original manuscript, may refer to the Lao Theng or Lao of the mountainsides, the aboriginal inhabitants of Laos. These are contrasted with the Lao Scung or Lao of the mountaintops (Meo, Yao), groups that have migrated south from Yunnan and North Vietnam during the past century, and the Lao Lus or Lao of the valleys, the ethnic Lao who occupy the wet rice lands. (See also footnote 7 and, Peter Kunstadter, ed. Southeast Asian Tribes, Minorities, and Nations, Princeton, Princeton University Press, 1967; especially section on Laos, pp. 233-303).


34. Langer and Zasloff, ibid., p. 95, suggest the party at that time may have been "only a few hundred for all of Laos, but the meagerness of available data makes this at best an educated guess". It is possible that Xuan Tao’s figure includes members of mass organizations.


36. On 28 December 1956, Princes Souvanna Phouma and Souphanouvong reached an agreement whereby the Royal Lao Government would pursue a neutralist foreign policy and permit the Pathet Lao to participate in government as a legal political party. This agreement was not given effect until November 1957 due to maneuverings of conservative forces. At that time a national union government was established with Souphanouvong as Minister of Economic Planning and Phoumi Vongvichit as Minister of Religious Affairs. Supplementary elections in May 1958 gave the Neo Lao Hak Sat, the Pathet Lao front party, nine seats in the National Assembly and four seats to an allied party. Some 1,500 Pathet Lao troops were ceremonially integrated into the RLG Army. This experiment in coalition government began to disintegrate when Phoui Sananikone, an American-backed opponent of cooperation with the Pathet Lao, replaced Souvanna Phouma as Premier. (See footnote 9.)

37. In May 1959, the RLG ordered the integration of remaining independent Pathet Lao forces into the RLG Army. One battalion stationed in the Plain of Jars fled to North Vietnam, precipitating the arrest of Prince Souphanouvong and other Pathet Lao leaders.
38. Zasloff and Langer, op. cit., pp. 70-71, suggest that the Hanoi Government benefited by the turbulence in Laos at this time because the decision made in May 1959 to increase support to the insurgency in South Vietnam required securing access to the South through the southern panhandle of Laos.

39. The intended context of this statement is unclear. In these years the United States steadily intensified its secret air war, largely supplanting the RLG Air Force prop-driven planes with American jets. The only major ground action was the RLG's reoccupation of the Nam Bac region.

40. Lao Soung (Xung ? Hung ?) see footnote 32. This refers mainly to ethnic Meo. As is widely known Meo fought with the Royal Lao Government as well as with the Pathet Lao. It also includes Yao and other Sinicized groups. The Lao Theng (Xung ?) or Lao of the mountainsides, the aboriginal inhabitants of the country, were pushed into the seemingly most marginal ecological areas and had the lowest social status of all groups in Laos. They also were the major population group in the area controlled by the Pathet Lao. Accurate population statistics by ethnic group do not exist, but it is probable that ethnic valley Lao (Lam ? Lum ?) are overrepresented in proportion to their numbers in the population.

41. See footnote 31.

42. See Chapelier and Van Malderghem, op. cit., p. 79, for a discussion of indoctrination.

43. Fall, op. cit., p. 183, Table 1, estimates 3,000 Pathet Lao cadre as of 1960 and less by 1965.

44. The reference to aristocracy related to the titular leader of the Pathet Lao, Prince Souphanouvong, as well as other high ranking officials. See Langer and Zasloff, op. cit., p. 17, for references to Phoumi Vongvichit and Singhkapaoh Chounarameny who fall in this category.

45. "The Vietnamese Doan 959 (Group 959) is the key instrument through which North Vietnam furnishes advice to the Lao leadership", Langer and Zasloff, op. cit., pp. 106-107.

46. In the official DRV periodization of the war, 1960-64 was the period of "special war" whose distinguishing characteristic was combat between southern revolutionary forces supported by the North and Saigon forces supported by the United States but not yet direct conflict between the DRV and the U.S. Destruction of the strategic hamlet program and defeat of American-trained units in several large battles, according to DRV spokesmen, led the Americans to change their strategy to "limited war", which lasted from 1965-68. In this period the U.S. directly attacked the DRV while the DRV sent its regular forces into the South, culminating in the "Tet Offensive" of 1968 which is held to have forced the Americans to adopt the policy of "Vietnamization", the third period of the war lasting until the Paris Agreements were signed in 1973. For further discussion of this periodization see William S. Turley, "The Political Role and Development of the People's Army of Vietnam", in Joseph J. Zasloff and MacAlister Brown (eds.), Communism in Indochina; New Perspectives, D.C. Heath, Lexington, Mass., 1975, pp. 146-48.
47. Characterized by lack of development?

48. The date of the Second Party Congress at which the party was reconstituted as the Vietnam Workers' Party.

49. Khang Khay on the Plain of Jars, Xieng Khouang province, was the Headquarters of Souvanna Phouma and his Neutralist faction when in coalition with the Pathet Lao (1961-63). Subsequently this area came under Royal Lao Government control. In addition to the Vietnamese currency unit the dong, the Laotian kip and the Cambodian Riel were used. (See also footnote 56). In 1968 the dong was valued internationally at U.S.$0.67.

50. Nam Tha (Nam Ha?) town and province in northern Laos.

51. This apparently refers to Pathet Lao areas only. There were 1,527 Chinese recorded as living in Xieng Khouang province in 1959. See Halpern, "The Role of the Chinese in Lao Society", op. cit., p. 45, footnote 26; the reference there is to the town alone.

52. Before World War II Vietnamese served as lower-level officials in the French colonial administration in Laos. Some stayed on after independence and became merchants.

53. The origins of the different Chinese dialect groups in Laos are diverse. Some did move into northern Laos from Yunnan during the post-World War II period as refugees and scattered army groups formerly associated with the Kuomintang.


55. Since the riel is the Cambodian unit currency this data may refer to southern Laos.

56. Earlier the figure of 700 million dong was given (footnote 49).

57. The ancient center of Hanoi consisted of 36 blocks in which could be found streets devoted to a single trade.

58. Following Japan's surrender, the Viet Minh-led popular uprisings throughout the country in August 1945 which culminated in a declaration of independence and establishment of the Democratic Republic of Vietnam (DRV) with its capital in Hanoi.

59. Possible reference to Chinese merchants.

60. In the 1974 census of the DRV, ethnic minorities were found to constitute 15 percent of the population in the North, numbering over 3,700,000. Vietnam Courrier, no. 29 (October 1974), p. 7. The largest groups in the North are also the ones which straddle the Chinese and Laotian borders: Tay, 742,000; Thai, 631,000; Nung, 472,000; Meo, 349,000; and Dao, 294,000. Hoc Tap (July 1976), p. 79.
61. Lao Cai city is located on the DRV's border with China. Lai Chau city, capital of Lai Chau province, is 100 kilometers west of Lao Cai, toward Laos. Lai Chau is situated on the Black River near its upper reaches. The territory around is populated by the Tay, Nung Meo, Man and various branches of the Thai minorities; the Black Thai and White Thai predominant in Lai Chau. Cho Bo is located on the Hao Giang River in Hoa Binh province and is a traditional transshipment point for goods moving between the lowlands and highlands. Suoi Rut is a short distance beyond Cho Bo on the road to Lai Chau (via Son La). Lai Chau's central position in this network was determined by its proximity to the northern Laotian province of Phong Saly.

62. Muong Xen, commonly spelled Muong Sen (on western maps) is located in North Vietnam near Barthélemy Pass into Xieng Khouang province, Laos.

63. In Laos on Route No. 7 near Barthélemy Pass.

64. Phong Savan (Bon Xa Van) on Route No. 7 in the Plain of Jars, Xieng Khouang.

65. There is a Muong Houn on the Beng River northwest of Luang Prabang.

66. Probably Phong Savan. See footnote 64.

67. On Route 7 in the Plain of Jars. See footnote 49.

68. Nong Pet on Route near Ban Ban in the Plain of Jars.

69. Ban Nam Khang is on Route 4 south of Xieng Khouang town.