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CITE [Redacted]

TO: DIRECTOR [Redacted]

[Redacted]

SUBJECT: COUNTRY COMMENTARY: [Redacted] REPORT ON SRV
DEVELOPMENTS

1. [Redacted]

2. [Redacted]

[Redacted]

[Redacted]

COUNTRY: VIETNAM

SUBJ: DEVELOPMENTS IN THE SOCIALIST REPUBLIC OF VIETNAM
FROM 1 MARCH THROUGH 15 APRIL 1988

DOI: MARCH - APRIL 1988

[Redacted]

APPROVED FOR RELEASE
DATE: NOV 2002

[REDACTED]

TEXT: 1. THE FOLLOWING IS A REPORT [REDACTED] COVERING ACTIVITIES IN THE SOCIALIST REPUBLIC OF VIETNAM (SRV) FROM 1 MARCH THROUGH 15 APRIL 1988.

~~2. "THE DEATH ON 10 MARCH 1988 OF PRIME MINISTER PHAM HUNG AT 73 OF A HEART ATTACK WAS FOLLOWED ON 11 MARCH BY THE APPOINTMENT OF VO VAN KIET AS ACTING PRIME MINISTER (SUBJECT TO CONFIRMATION AT THE NATIONAL ASSEMBLY SESSION IN JUNE).~~

3. "AS PARTY SECRETARY IN HO CHI MINH CITY AND SUBSEQUENTLY DEPUTY PRIME MINISTER AND CHAIRMAN OF THE STATE PLANNING COMMISSION, KIET HAS CONSOLIDATED HIS REPUTATION AS VIETNAM'S LEADING EXPONENT OF MOVES FROM ORTHODOX SOCIALIST ECONOMIC DOCTRINE TO MORE PRAGMATIC AND PRODUCTIVE GOVERNMENT POLICIES.

4. "IN A SUBSEQUENT MINISTERIAL RESHUFFLE ON 24 MARCH, KIET WAS SUCCEEDED AS CHAIRMAN OF THE STATE PLANNING COMMISSION BY DAU NGOC XUAN, THE PREVIOUS VICE CHAIRMAN. THE FORMER MINISTRY OF FOREIGN TRADE AND THE STATE COMMISSION FOR EXTERNAL ECONOMIC RELATIONS (CREATED IN THE 1987 REFORMS) WERE AMALGAMATED IN THE SAME RESHUFFLE. THE FORMER FOREIGN TRADE MINISTER DOAN DUY THANH BECAME MINISTER FOR EXTERNAL ECONOMIC RELATIONS. VO DONG GIANG, CHAIRMAN OF THE DISBANDED STATE COMMISSION FOR EXTERNAL ECONOMIC RELATIONS, IS AT PRESENT A MINISTER WITHOUT PORTFOLIO: [REDACTED] PREDICT THAT HE WILL BE GIVEN A POSITION RELATED TO ECONOMIC MANAGEMENT. THE FORMER MINISTRY OF CONSTRUCTION WAS COMBINED WITH THE STATE COMMISSION FOR CAPITAL CONSTRUCTION, WITH FORMER CONSTRUCTION MINISTER PHAN NGOC TUONG AS MINISTER. THE GENERAL DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY HAS BEEN MERGED WITH THE MINISTRY OF ENGINEERING AND METALS.

5. "VO VAN KIET'S SUCCESSION TO THE PRIME MINISTERSHIP SEEMS FURTHER ASSURED BY THE APPOINTMENT OF A NEW STATE PLANNING COMMISSION CHAIRMAN. THE OTHER CHANGES REFLECT CONTINUING ADMINISTRATIVE STREAMLINING. 'STATE COMMISSIONS' AND 'GENERAL DEPARTMENTS' ARE SIMILAR TO [REDACTED] STATUTORY AUTHORITIES, AND THE NEW ARRANGEMENTS REMOVE POSSIBLE DUPLICATION AND ESTABLISH CLEARER LINES OF RESPONSIBILITY.

6. "SIGNIFICANT NEW REFORM MEASURES DURING RECENT WEEKS HAVE INCLUDED NEW INSTRUCTIONS ON INDUSTRIAL AND AGRICULTURAL PRODUCTION. THE EMPHASIS IS ON THE AUTONOMOUS MANAGEMENT OF CAPITAL PRODUCTION DECISIONS AND PROFITABILITY. A THREE-WAY DISTINCTION IS MADE BETWEEN FULLY SOCIALIST, PARTIALLY SOCIALIST AND SMALL-SCALE/COOPERATIVE ENTERPRISES. WITH EXEMPTIONS COVERING ENTERPRISES "AFFECTING NATIONAL SECURITY AND SOCIAL ORDER", THE REGULATIONS CONSTITUTE A BASIS FOR THE EXTENSION OF THE MORE AUTONOMOUS FORMS OF COLLECTIVES AND COOPERATIVES. IN PARTICULAR, INVESTMENT, BORROWING AND EXPORT DECISION-MAKING ARE MADE RELATIVELY FREE FROM RESTRICTIONS. GOVERNMENT COMMENT ON THE NEW REGULATIONS NOTES THE DEMONSTRATED SIGNIFICANCE IN TOTAL INDUSTRIAL OUTPUT OF THE COLLECTIVE SECTOR, ACCOUNTING FOR MORE THAN 70 PERCENT OF TOTAL OUTPUT AND MORE THAN 20 PERCENT OF TOTAL EXPORTS.

7. "ON 12 APRIL THE PARTY CENTRAL COMMITTEE ISSUED A RESOLUTION ON THE 'RENOVATION' OF ECONOMIC MANAGEMENT IN

AGRICULTURE. THIS NOTES THE "ENHANCED SENSE OF MASTERY AND ENTHUSIASM DEMONSTRATED BY AGRICULTURE PRODUCERS FOLLOWING THE INTRODUCTION IN 1980 OF THE PRODUCT-BASED CONTRACT SYSTEM. IT ACKNOWLEDGES 'SERIOUS MISTAKES' IN THE PAST IN AGRICULTURAL POLICY, CAUSED BY UNDER-ESTIMATING THE IMPORTANCE OF REGIONAL INEQUALITIES AND OF 'VOLUNTARISM, MUTUAL BENEFITTING AND DEMOCRATIC MANAGEMENT'. IN THE INTERESTS OF TECHNICAL ADVANCES AND GREATER PRODUCTION, THE RESOLUTION PROPOSES DIVERSIFICATION FROM RICE PRODUCTION TO GIVE GREATER EMPHASIS TO OTHER FOOD CROPS, CATTLE RAISING, FORESTRY AND FISHERIES. TO THIS END,

COOPERATIVES ARE TO BE CONSOLIDATED WITHIN COMMUNES, WHILE LARGE COOPERATIVES IN THE NORTHERN AND CENTRAL REGIONS 'WHICH SHOW SIGNS OF STAGNATION' ARE TO BE BROKEN UP. IN THE HIGHLAND 'ONLY THOSE COOPERATIVES WHICH ARE OPERATING FRUITFULLY SHOULD BE RETAINED: THE REST SHOULD BE CONVERTED INTO MUTUAL AID OR WORK EXCHANGE TEAMS OR PRIVATE HOLDINGS' THE IMPORTANCE OF A GOOD NETWORK OF TRANSPORT AND TRAINING IS EMPHASIZED. THE RESOLUTION DECLARES THAT 'COLLECTIVE FARMING IN APPROPRIATE FORMS SHOULD BE PRACTICED ONLY WHERE CONDITIONS PERMIT: IN SOUTHERN VIETNAM, IN THE IMMEDIATE FUTURE, THE MAIN FORM OF COOPERATIVE FARMING SHOULD BE THE PRODUCTION GROUPS' THE OVERALL EMPHASIS IN THIS RESOLUTION IS ON DECENTRALIZED DECISION-MAKING BY PRODUCTION GROUPS AND LOCAL-LEVEL COOPERATIVES. STATE INVOLVEMENT IS SPECIFIED IN SUCH AREAS AS CAPITAL AND MAN-POWER ALLOCATION AND ASSISTANCE WITH TECHNICAL INPUTS VIETNAMESE ABROAD AND OTHER FOREIGN SOURCES ARE ENCOURAGED TO INVEST FUNDS OR EQUIPMENT IN AGRICULTURE, FORESTRY AND FISHERIES UNDER THE FOREIGN INVESTMENT LAW.

8. "DEPUTY PRIME MINISTER AND FOREIGN MINISTER THACH COMMENTED [REDACTED] THAT THE INTENTION IS TO INCREASE FURTHER THE PROPORTION OF AGRICULTURAL AND INDUSTRIAL PRODUCT AVAILABLE FOR PRIVATE PURPOSES, INCLUDING SALE AND EXPORT. HE PUT THIS IN THE CONTEXT OF VIETNAMESE 'INCENTIVIZATION REFORMS'. [REDACTED]

[REDACTED] DURING THE FIRST THREE MONTHS OF 1988, NEARLY 43,000 PEOPLE HAD BEEN MOVED FROM DENSELY POPULATED AREAS TO NEW ECONOMIC ZONES. REPORTS HAVE STRESSED MOVES FROM NORTHERN PROVINCES TO THE CENTRAL HIGHLANDS AND SPARSELY POPULATED AREAS IN THE SOUTH. [REDACTED] TRANSFERS OF POPULATION FROM BOTH HANOI AND HO CHI MINH CITY TO NEW ECONOMIC ZONES (INCLUDING AREAS NEAR H.C.M.C. DEFOLIATED DURING THE WAR YEARS) AND TO THE ARID WESTERN PART OF SOUTHERN VIETNAM. [REDACTED] SUCH MOVES ARE NOT POPULAR DUE TO THE HARD LIFE AND SHORTAGES OF FOOD AND WATER. OFFICIALS REFER TO THE 'MOBILIZATION' OF URBAN POPULATIONS TO THE NEW ECONOMIC CONSOLIDATION OF KAMPUCHEAN REFUGEE CAMPS IN SOUTHERN VIETNAM.

9. "ON 22 MARCH THE COUNCIL OF MINISTERS ISSUED NEW REGULATIONS FOR STATE OWNED INDUSTRIAL ENTERPRISES. THESE EMPHASIZE THE 'ONE-MAN LEADERSHIP SYSTEM' OPERATING THROUGH A 'CONGRESS' OF WORKERS. THIS IS LINKED TO THE NEED TO ENHANCE PRODUCTION AND MARKETING. DIRECTORS ARE GIVEN INCREASED RIGHTS IN RECRUITMENT AND DISMISSAL. ENTERPRISES ARE GIVEN GREATER FREEDOM ON COOPERATION WITH OTHER ENTERPRISES, 'WITHOUT LIMITATIONS AS TO THE TERRITORIAL OR ECONOMIC SECTOR' GOVERNMENT COMMENTARY NOTES THAT NEARLY 3,300 SUCH ENTERPRISES NOW OPERATE IN VIETNAM, ACCOUNTING FOR 60 PERCENT OF TOTAL INDUSTRIAL OUTPUT. IT CLAIMS THAT ONLY AROUND 50 PERCENT OF THEIR CAPACITY HAS BEEN UTILIZED AND EMPHASIZES THE GREATER FREEDOM OF THESE ENTERPRISES (FOR EXAMPLE ON DISPOSAL AND ACQUISITION OF ASSETS) UNDER THE NEW REGULATIONS.

10. "THE COUNCIL OF STATE PUBLICIZED A DRAFT CODE ON PENAL PROCEDURES IN EARLY APRIL FOR PUBLIC DISCUSSION. THIS HAD BEEN FORESHADOWED AT THE NATIONAL ASSEMBLY SESSION OF DECEMBER 1987. IT PROVIDES CLEARER GUIDANCE ON THE RESPONSIBILITIES OF POLICE AND THE LEGAL PROFESSION 'EQUALITY BEFORE THE LAW', 'DEMOCRATIZATION' AND 'SOCIAL EQUITY' ARE EMPHASIZED

11. ~~"VIETNAMESE FOREIGN RELATIONS HAVE BEEN DOMINATED IN RECENT WEEKS BY THE SPRATLEYS ISSUE. FOLLOWING THE 14 MARCH ARMED CLASH IN THE AREA, IN WHICH SOME VIETNAMESE WERE KILLED AND 74 REMAIN UNACCOUNTED FOR (OF WHOM NINE ARE REPORTEDLY HELD BY CHINA), VIETNAM HAS BEEN PRESSING CHINA FOR TALKS ON THE ISSUE. IT ALSO CLAIMS THAT CHINA HAS REFUSED TO FACILITATE HUMANITARIAN ACTIVITY SUCH AS RESCUE, SALVAGE AND RESUPPLY ACTIVITIES IN THE AREA. VIETNAM HAD MADE NUMEROUS RESTATEMENTS OF ITS CLAIMED LEGAL BASIS TO THE SPRATLEYS, AT THE SAME TIME CONTRASTING ITS PAST DISCUSSIONS OF THE ISSUE WITH THE~~ [REDACTED] ~~TO CHINA'S REJECTION OF TALKS. VIETNAM HAS SOUGHT UN AND INTERNATIONAL RED CROSS SUPPORT FOR ELEMENTS OF ITS POSITION. IT EMPHASIZES ITS CLAIMS THAT CHINA IS DELIBERATELY EXPANDING ITS NAVAL ACTIVITY AND TERRITORIAL HOLDINGS IN THE AREA. IT OBJECTS TO NEW CHINESE LEGISLATIVE MEASURES CLAIMING TO INCLUDE THE SPRATLEYS IN CHINESE TERRITORY.~~

12. "ON KAMPUCHEA, VIETNAM'S ONLY SIGNIFICANT INVOLVEMENT IN RECENT WEEKS HAS BEEN ITS PARTICIPATION IN THE MEETING OF THE DEPUTY FOREIGN MINISTERS OF THE INDO-CHINESE COUNTRIES, PLUS THE SOVIET UNION, HELD IN PHNOM PENH ON 16 AND 17 MARCH. THIS REAFFIRMED SUPPORT FOR THE DIALOGUE BETWEEN PRK PRIME MINISTER HUN SEN AND CGDK PRESIDENT PRINCE SIHANOUK AT THE SAME TIME, IT REAFFIRMED ALL FOUR COUNTRIES' SUPPORT FOR THE PRK GOVERNMENT. VIETNAM'S POSITION IN DISCUSSIONS [REDACTED] HAS REMAINED THAT THE PROCESS OF INTERNAL KAMPUCHEAN RECONCILIATION SHOULD PROCEED FURTHER, BEFORE VIETNAM WOULD AGREE TO ANY DIRECT CONTACT WITH SIHANOUK.

13. "SOVIET DEPUTY FOREIGN MINISTER ROGACHEV VISITED VIETNAM FOLLOWING THE PHNOM PENH MEETING. [REDACTED] [REDACTED] NO NEW GROUND WAS BROKEN EITHER ON KAMPUCHEA OR ON BILATERAL ISSUES INCLUDING SOVIET AID AND TRADE.

14. "ON 6 APRIL, A FURTHER 30 SETS OF U.S. MIA REMAINS WERE HANDED TO VISITING U.S. OFFICIALS IN HANOI, WITH INFORMATION ON OTHER MIA CASES. VIETNAM CLAIMS TO HAVE HANDED OVER A TOTAL OF 216 SETS OF REMAINS SINCE THE AUGUST 1987 VESSEY MISSION, WITH INFORMATION ON A FURTHER 42 CASES WHOSE REMAINS 'HAVE BEEN DETERMINED TO BE NO LONGER IN EXISTENCE' THE ASSOCIATED PROGRAM FOR HUMANITARIAN ASSISTANCE WITH DISABLED VIETNAMESE VETERANS WAS DISCUSSED AT MEETINGS IN HANOI FROM 12-15 MARCH AND 13-15 APRIL WITH VISITING U.S. SPECIALIST TEAMS. ~~THESE MEETINGS ALSO DISCUSSED PROBLEMS WITH ACCOUNTING FOR SERVICEMEN MISSING AT INACCESSIBLE SITES: THIS INCLUDED A VISIT TO AN AIRCRAFT CRASH SITE NEAR HAIPHONG ON 8 APRIL, THE VIETNAMESE FOREIGN MINISTRY ISSUED A STATEMENT REJECTING A U.S. STATE DEPARTMENT CLAIM THAT VIETNAM WAS DEMANDING AID IN EXCHANGE FOR THE SEARCH FOR MIA'S. THE VIETNAMESE STATEMENT STRESSED VIETNAM'S COOPERATIVE EFFORTS ON THE MIA ISSUE FROM 1973 ONWARD. 'IN ACCORDANCE WITH VIETNAM'S HUMANITARIAN POLICY, IT NOTED THE AGREEMENT FOLLOWING THE AUGUST 1987 VESSEY VISIT THAT 'BOTH SIDES MUST SOLVE EACH OTHERS HUMANITARIAN ISSUES', BUT CONTINUED THAT THE U.S. SIDE HAD 'SOUGHT NOT TO MATERIALIZE' THIS AGREEMENT. IT CLAIMED THAT SOME U.S. CONGRESSMEN HAD EXPLORED POSSIBLE AMERICAN FOOD AID, AND VIETNAM HAD WELCOMED THIS IDEA: HOWEVER, THIS HAD NOT BEEN~~

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LINKED BY VIETNAM TO THE MIA ISSUE THIS MATTER, WHILE MINOR IN ITSELF, REFLECTS INTERNAL U.S. SENSITIVITIES ON THE MIA ISSUE AND ON HUMANITARIAN AID TO VIETNAM. U.S. CONGRESSIONAL AND OTHER VISITORS ARE PRONE TO ADVANCE THE SUGGESTION THAT GREATER U.S. AID WOULD CREATE A BETTER ATMOSPHERE FOR PROGRESS ON THE MIA ISSUE. THE U.S. AND VIETNAMESE GOVERNMENTS SHARE COMMON GROUND ON THE RATHER FINE POINT THAT THE ISSUES OF AID AND MIA'S REMAIN DISTINCT. VIETNAMESE OFFICIALS OFTEN SHOW SENSITIVITY TO ANY SUGGESTION THAT AID SHOULD BE CONDITIONAL ON POLITICAL ISSUES SUCH AS KAMPUCHEA OR REFUGEES.

15. "THE U.S. REFUGEE COORDINATOR IN BANGKOK VISITED HANOI ON 13-16 APRIL FOR DISCUSSIONS ON IMPROVED MOVEMENT OF AMERASIANS TO THE U.S.

16. "A DELEGATION FROM THE DEFENCE AND SECURITY COMMITTEE OF THE [REDACTED] GOVERNMENT VISITED VIETNAM IN EARLY APRIL. A JOINT STATEMENT AT THE END OF THE VISIT SPOKE IN GENERAL TERMS OF INCREASED ECONOMIC AND CULTURAL COOPERATION. IT ALSO CALLED FOR NEGOTIATION AS THE BASIS FOR RESOLVING DISPUTED TERRITORIAL CLAIMS IN THE SPRATLEYS.

17. "THE 9TH SESSION OF THE VIETNAMESE-KAMPUCHEAN COMMISSION FOR ECONOMIC, CULTURAL, SCIENTIFIC AND TECHNICAL COOPERATION WAS HELD IN PHNOM PENH ON 8-9 APRIL.

18. "THE 9TH SESSION OF THE VIETNAM-ROMANIA INTER-GOVERNMENTAL COMMISSION FOR ECONOMIC COOPERATION OPENED IN HANOI ON APRIL 9. THE ROMANIAN DELEGATION WAS RECEIVED ON 12 APRIL BY VO VAN KIET.

19. "A PROTOCOL ON GOODS EXCHANGE AND PAYMENTS FOR 1989 BETWEEN VIETNAM AND MONGOLIA WAS SIGNED IN HANOI ON 8 APRIL.

20. "A VIETNAMESE DELEGATION LED BY VICE-FOREIGN MINISTER TRAN QUANG CO ATTENDED THE 44TH ESCAP CONFERENCE IN JAKARTA IN EARLY APRIL. CO VISITED A MILITARY TRAINING INSTITUTE AND THE CENTRE FOR STRATEGIC AND INTERNATIONAL STUDIES.

21. "VIETNAMESE LEADERS ON 11 APRIL EXTENDED CONGRATULATIONS TO THE NEW CHINESE LEADERSHIP."

3. [REDACTED]

END OF MESSAGE

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