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TAP CHI CONG SAN

No 11, November 1988

Vietnamese-Soviet Relations—A New Situation, New Heights

42100004a Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 1-5

[Editorial commemorating the 71st anniversary of the October Revolution and the 10th anniversary of the signing of the Vietnam-Soviet Treaty of Friendship and Cooperation]

[Text] Ten years ago the Treaty of Friendship and Cooperation between Vietnam and the Soviet Union was formally signed in Moscow. The important goals of the treaty are: making every effort to strengthen the solidarity and friendship between Vietnam and the Soviet Union; continuously developing political relations and cooperative relations in every respect; and redoubling efforts to support each other on the basis of respecting each other's independence, national sovereignty, and equality and not intervening in each other's internal affairs, thereby making positive contributions to protecting the gains of socialism.

The signing of the treaty was an important milestone in the history of Vietnamese-Soviet relations. It marked the start of the stage of comprehensive development in our fraternal friendship and satisfied the aspirations and interests of the peoples of our two countries and the objective demands of our times. At the same time, it created new premises, new capabilities for raising Vietnamese-Soviet relations to a new level on the basis of Marxism-Leninism and proletarian internationalism, a level consistent with the important changes occurring in the world.

The past 10 years have not been favorable for socialist construction in the Soviet Union or the effort to heal the wounds of the war and restore the economy in Vietnam. However, having overcome each difficulty and problem, Vietnamese-Soviet relations have developed in a splendid, rich and dynamic manner, have been strengthened in both breadth and depth. The tremendous capabilities of the two countries have been mobilized, been effectively tapped in national construction and defense, in coordinating the struggle for peace, security, and cooperation in Asia-Pacific and throughout the world.

Political relations—the solid foundation for the development of relations in all other fields—have been strengthened and have steadily developed. The two parties and two states of Vietnam and the Soviet Union are always in high agreement, always wholeheartedly support and closely cooperate with each other with regard to matters of major importance with which the two countries are concerned. Our two parties are in regular contact with each other on every level. They sincerely exchange opinions and experiences in organizing and leading

socialist construction and in resolving specific problems encountered in socio-economic life and cultural life. Through meetings and contacts, we have come to understand that restructuring in the Soviet Union is a new revolutionary cause, one aimed at bringing new socio-economic progress to the land of the Soviets.

By carrying out restructuring—an extremely difficult and complex but very necessary undertaking—in a resolute and urgent manner, the communists and people of the Soviet Union have expressed their confidence in their revolutionary tradition, in their strength, will, and intelligence. At the same time, they are also expressing a responsible attitude toward history, toward the development of socialism. Restructuring is the hope not only of the Soviet people, but also of many other peoples in the world.

Also through our meetings and contacts, the Soviet Union has come to clearly understand Vietnam's situation. It supports the cause of renovation in Vietnam and stands ready to help Vietnam to overcome its difficulties and shortages in the current stage. M.S. Gorbachev, general secretary of the CPSU Central Committee and chairman of the Presidium of the Supreme Soviet, has said: "The Soviet people are always united with the fraternal people of Vietnam and offer them our wholehearted support and assistance. The communists and all working people of Vietnam can be firmly confident that socialist construction in Vietnam and the independence and freedom of Vietnam will always have a solid base in our solidarity."¹ As the pillar of socialism and possessing enormous economic and scientific-technological potentials, the Soviet Union has given Vietnam large and valuable assistance in building the material base of socialism. Soviet aid to Vietnam has constantly increased. Under the 1981-1985 Five Year Plan, aid doubled compared to the 1976-1980 Five Year Plan. Under the 1986-1990 plan, aid will again double compared to the 1981-1985 Five Year Plan.

In the land of Vietnam, virtually every place bears the imprint of Vietnamese-Soviet friendship. The Soviet Union has been and is helping Vietnam to build, restore, rebuild, and develop more than 250 economic projects stretching from the North to the South. Among these are many large-scale projects, such as the Hoa Binh Hydroelectric Power Plant, the Tri An Hydroelectric Power Plant, the Pha Lai Thermoelectric Power Plant, the Bim Son Cement Plant, the Vung Tau Petroleum and Natural Gas Project, the Go Dam Diesel Engine Works, the Lam Thao Superphosphate Plant, the Thang Long Bridge, the Workers' Cultural Palace in Hanoi, the two Hoa Sen Satellite Communications Ground Stations, etc.

At present, enterprises built with the assistance of the Soviet Union are producing about 60 percent of our total electric power, 87 percent of our anthracite coal, 60 percent of our tin output, 100 percent of our apatite output, 100 percent of our sulfuric acid output, 100 percent of our metal cutting machines, 40 percent of our

cement output, 57 percent of our tea output and so forth. The Soviet Union has not only assisted Vietnam materially and technically, but has also sent thousands of enthusiastic and highly experienced specialists to stand shoulder to shoulder and work with the Vietnamese.

Along with the Soviet Union's non-repayable aid and loans to Vietnam, commercial relations between the two countries have also developed and foreign trade between the two countries has steadily risen: 1981: nearly 1 billion rubles; 1985: 1.5 billion rubles; and 1986: 1.6 billion rubles. The Soviet products supplied to Vietnam have played an essential role in the production and everyday lives of our people, such as gasoline and oil, iron and steel, fertilizer, equipment, machinery, consumer goods, and grain. Vietnam exports to the Soviet Union products of its tropical agriculture, such as coffee, tea, rubber, fruit, vegetables, art products, and goods produced under contract. Within the field of commerce, the Soviet Union also gives very much priority and assistance to Vietnam because the volume of Soviet goods sent to Vietnam is usually three times greater than the volume of Vietnamese goods sent to the Soviet Union. The Soviet Union has extended loans to us to compensate for this trade deficit.

Recently, hostile powers have implemented a so called economic embargo against our country in a vain attempt to cause us to completely collapse. But we continue to firmly stand our ground, a fact which, it can be said, is largely due to the valiant and heartfelt assistance of the Soviet people.

One of the achievements of most important significance and which deeply reflects Vietnamese-Soviet friendship is the assistance that has been given to us by the Soviet Union in the training of scientific-technical cadres and skilled workers. Within our country's corps of intellectuals and technical workers, some 130,000 persons have been trained in the Soviet Union, who include more than 100 Ph.D.'s, nearly 4,000 holders of Master Degrees, 20,000 persons who have a college education and tens of thousands of highly skilled craftsmen. This is not to mention tens of thousands of other persons who have been trained by the Soviet Union at projects constructed by us with the assistance of the Soviet Union. These are valuable assets of our country. Many of these persons currently hold high positions within the state apparatus or important positions within the national economy. As a result of having this corps, we have been able to effectively cooperate with the Soviet Union in the fields of science-technology, the economy and culture. Today, not only are cadres and specialists of the Soviet Union coming to instruct and conduct research in Vietnam, but the Soviet Union has also invited Vietnamese cadres to instruct and conduct research in colleges and research institutes of the Soviet Union. A number of Vietnamese scientists have been given the title professor or academician by the Soviet Union. In particular, one Vietnamese was awarded the Lenin Prize for a scientific research project conducted jointly with Soviet colleagues. At

present, Soviet and Vietnamese scientists are researching many important topics, from space science to the selection of crop varieties and breeds of livestock. Within this field of selection, many important achievements which show large and practical prospects have been recorded.

Cultural cooperation and exchange have given the two nations a better understanding of each other and brought them closer together in soul and sentiment. The holding of "Soviet culture days in Vietnam" and "Vietnamese culture days in the Soviet Union" and the exchanging of performing art companies have created festivals of Soviet and Vietnamese art. This has served the lofty goals of asserting the aesthetic ideals and humanitarian principles of socialist culture and maintaining and developing the traditions of progressive national culture, thereby enriching the culture of each country.

The potentials for cultural and scientific-technical cooperation between Vietnam and the Soviet Union are very large. To insure that this cooperation develops in breadth and depth and produces practical results, the Vietnam-Soviet Joint Government Commission on Cultural Cooperation was established in 1987.

The solidarity, friendship, and cooperation between Vietnam and the Soviet Union are splendid traditions and have led to many achievements in the recent past, especially since the signing of the Treaty of Friendship and Cooperation. This has been confirmed by the two parties and the two states. However, in the face of the new situation and tasks and in the frank and practical spirit brought forth by the 27th Congress of the CPSU and the 6th Congress of the CPV, we have also conducted a serious review and courageously acknowledged our shortcomings in the process of cooperation between the two countries.

As for the Vietnamese side, there is still the attitude of relying upon the Soviet Union. More often than not, our emphasis is upon asking for assistance. Appropriate attention is not given to the principle of mutual benefit. Squarely facing the truth, frankly admitting our shortcomings and actively searching for ways to resolve problems are the new features of our activities. In this spirit, we also admit to making a mistake by requesting that our friends build many projects at a rapid rate, projects which far exceed the capabilities of our country's economy. When these projects are complete, we will not be able to utilize their full capacity. In trade, we have yet to establish a reasonable structure of imports from the Soviet Union and have not given appropriate attention to finished materials, raw materials and consumer goods. We are still utilizing the aid from our friends in a wasteful and ineffective manner. On the other hand, we have also not fulfilled our commitments to deliver to our friends goods on time, in the right quantity and of the right quality.

The 6th Congress of the CPV considered correcting these shortcomings to be a political task. On 7 May 1987, the Political Bureau of the CPV Central Committee issued decisions on revamping and increasing the effectiveness of Vietnamese-Soviet economic cooperation.

As for the Soviet side, after the April 1985 plenum and, in particular, the 27th Congress, the Soviet Union, under the light of the restructuring campaign, carefully examined, analyzed and evaluated its activities in its cooperation with and assistance to Vietnam. Following the two meetings among the departments, sectors and agencies with direct or indirect relations with Vietnam, the Soviet Union frankly admitted to shortcomings, such as the following: the assistance it has provided has not been coordinated from A to Z; the equipment and machinery sent to Vietnam has not always been modern and some pieces have not been compatible with Vietnam's conditions; it has not forthrightly offered its opinions to Vietnam concerning capital construction programs and large-scale projects; construction projects have usually been completed slowly, etc.

In the spirit of renovation and after acknowledging our shortcomings, we expressed high determination and coordinated efforts to correct these shortcomings while also adopting new guidelines, measures, and forms of organization to increase the results from cooperation. In Vietnamese-Soviet economic relations, we have proceeded from Soviet aid to Vietnam to two-way trade and then to joint businesses based on mutual benefit. At present, all three of these forms exist but it is clear that joint businesses and integration show the greatest prospects. After developing Vung Tau's petroleum and natural gas, the Soviet Union embarked on joint ventures with us in the cultivation of rubber, tea, coffee, fruits and vegetables, and then within the fishing industry, the cultivation of marine products, the services, etc.

Generally speaking, at present and in the future, besides the Soviet Union helping Vietnam in the fields of energy, electrification, and communications-transportation and the supplying of finished and raw materials, Vietnamese-Soviet economic cooperation will mainly develop in the directions of establishing socialist economic integration, practicing specialization and cooperation in production, dismantling the mechanism based on bureaucratic centralism and state subsidies, shifting to socialist cost accounting and business principles and expanding the various forms of cooperation on the state, sector, local, and enterprise levels. Higher economic as well as social returns from labor cooperation might be possible through better, more efficient organization. In all these fields of cooperation, the responsibility and interests of both sides must be closely linked.

Vietnamese-Soviet friendship, the foundation of which was first laid by President Ho Chi Minh, has lasted for many decades and become increasingly strong and close. We work to cultivate and strengthen these relations for the sake of the ideals, the interests and sentiments of the

two nations, for the sake of the development of socialism, for the cause of peace, security, and cooperation in Asia-Pacific and throughout the world. During the years Vietnam has closely coordinated with the Soviet Union, we have persistently maintained an attitude of normalizing relations with China. We will continue to do this, not only with regard to China, but also with regard to the other countries in Asia-Pacific, because this approach is compatible with our peace-loving foreign policy and consistent with the trend toward dialogue and cooperation now developing in the world.

The party, government, and people of Vietnam always consider solidarity and comprehensive cooperation with the Soviet Union to be matters of principle, to be matters of revolutionary sentiment. Vietnam has made and is continuing to make every effort to spur the development of Vietnamese-Soviet relations in accordance with the line on combining the strength of the nation with the strength of the times, the line on independence, sovereignty and international solidarity.

We commemorate the 10th anniversary of the signing of the Treaty of Friendship and Cooperation between Vietnam and the Soviet Union as the Soviet people and all progressive mankind celebrate the 71st anniversary of the October Revolution. With sincere revolutionary feelings and deep trust, we extend to the communists and all the people of the Soviet Union our warmest greetings and wish them new achievements in the restructuring campaign; achievements which will bring greater prosperity and strength to the homeland of the October Revolution.

Footnote

1. M.S. Gorbachev: "Selected Articles and Speeches," (in Russian), Moscow, 1987, Volume 2, p 323.

The Relationship Between Literature-the Arts and Politics Is Not the Relationship Between Two 'Hegemonies' in Society

42100004 Hanoi TAP CHI CONG SAN in Vietnamese No 11, Nov 88 pp 6-11, 17

[Article by Le Xuan Vu]

[Text] Someone has said that in the process of renovating literature and the arts, a "new" theory has recently emerged, one which proves that literature-arts and politics are two "hegemonies" that are locked in perpetual contradiction and conflict. Someone else has said that this is nothing more than a matter of semantics. Thus, what is the truth? Let our basis be what has occurred in renovation.

In the beginning, there were complaints and criticisms about pressure, constraints and gross intervention, about unreasonable prohibitions and a lack of democracy in literature and the arts, which thwarted creativity and, as a result, diminished the richness and diversity of the new

literature and arts. Although at times excessive because of some long held feelings of anger and discontent, these complaints and criticisms were, generally speaking, correct. They were correct because they were necessary for renovation (renovation would not be possible without thoroughly criticizing the incorrect and outmoded old; moreover, we needed to conduct a systematic review in order to learn lessons in democratizing the leadership and management of literature and the arts). They were correct because they dared to squarely face the truth, to fairly and objectively evaluate the new literature and arts: the achievements are large but there have also been more than a few shortcomings and mistakes, particularly from the perspective of the demands of today's renovation campaign.

But, immediately thereafter, some biases emerged. Some persons, seeing only shortcomings and mistakes, only constraints and prohibitions, evaluated revolutionary literature and arts as not being anything significant. They said that only a few short novels have been written in the past several decades. They said let us loudly and openly state the truth: the quality of revolutionary literature over the past several decades has still been poor. They said that this is a propaganda literature, a propaganda and training literature. They said that it was a stage of illustrative literature whose eulogy should be read. It was not real literature. It was official literature, "palace literature," "literary society" literature paid for by the state and created in response to "state inspiration," etc., etc. The public was angered by these assessments, which increasingly tended to negate everything, particularly when it was learned that among these persons who did not know where to stop were some writers who, not very long ago, back on the 35th and 40th anniversaries of the birth of revolutionary literature, were very eloquently praising not only the ideological and political aspects of this literature, but even the "distinctive artistic characteristics," the irreplaceable works of "artistic value," the "different artistic personalities and styles," the "new art" of revolutionary literature.

It is easy to see that such a one-sided rejection of everything is consistent with certain reasons that have been advanced by a number of persons, namely that "the trend toward considering literature and the arts to be synonymous with politics has been the dominant, 'over-riding trend' for many years; that the need of politics for propaganda gave birth to illustrative literature and arts; that because theirs is the task of giving feeling to political substance, there have been no great literature and art."¹ Literature and the arts have been "very closely tied to a society ruled by politics."² Literature and the arts cannot "break away" from the control of politics because of "the leadership of literature and the arts," because of "the relationship between politics and literature-the arts."³ Following the same logic which considers the infirmities and cancers with which a person might be afflicted to be the person himself, there have been complaints that all one sees in literature and the arts are warnings, constraints, and prohibitions, that it has been nothing but

one long literary trial. Then, the fault for "today not being as good as yesterday," for the fear and cowardice of the writer is blamed on politics, on the persons in power! There are even some persons who unthinkingly say that "leaders have a profound contempt for writers and artists,"⁴ that "writers and artists are considered to be babies,"⁵ that "literature and the arts have never been scorned as much as they are today."⁶ With leadership by politics being cited as the cause, it logically followed that the issue of the relationship between literature-the arts and politics must be "re-examined" from a different perspective. Thus began the formation of the "two hegemonies" theory. It is the theory that literature-the arts and politics control and are dependent upon one another;⁷ that "politics is immediate gains while literature and the arts are unbiased;" that "politics has jurisdiction, is an official mechanism while art is non-official consciousness, is the consciousness of the people;" that "a conflict between artistic consciousness and official political consciousness still exists in literature and the arts even when the communist party is in power....,"⁸ etc.

The theory on the "two hegemonies," literature-the arts and politics, being in constant contradiction and conflict with one another and the proponents of this theory were rather clearly explained by La Nguyen in VAN NGHE Number 10, 1988 and particularly by Lai Nguyen An in SONG HUONG Review Number 31 (May and June 1988): "In essence, the relationship between literature-the arts and politics is the relationship between those who are in power, the leaders of the nation and country and writers and artists, the intellectuals who create art. This is also the relationship between 'two hegemonies' in society. The 'hegemony' that is politics can be as repressive as the House of Tan, as Hitler or caring and supportive, the highest expression of which is the birth of orthodox literature and art in the 'literary society' style of Le Thanh Thong. This orthodox literature and art, according to Lai Nguyen An is synonymous with the official art of a society, is literature and arts "which always serve, always support the foundation, the requirements involved in building and strengthening this system." But official literature and art are not genuine literature and art. It is difficult for them to be of high value because they are closely tied to "state inspiration" and "present the thinking of the state with the aim of protecting the interests of the state." Genuine literature and art must express the consciousness of the people, the consciousness of the times. Average writers and artists can live a tranquil life within official consciousness. Great writers and artists, however, must always "break away" from this consciousness. This is how it was in ancient times and things are not much different today, particularly since, in Vietnam, "writers and artists have become state cadres, have become civil servants who are paid to create literature and art—which is a situation resembling the 'literary society' of orthodox literature and art."⁹ The fact is that "the parties in power have also made more than a few

mistakes in their line" and "more than a few disagreements have arisen in the relationship between the party in power and writers, artists and intellectuals in Hungary, Poland, Czechoslovakia, the USSR."

The theory on the "two hegemonies" of literature-the arts and politics, essentially the contradictions and conflicts between those in power and writers and artists, has now drawn the attention of the weekly newspaper VAN NGHE in two double issues, numbers 29-30 and 30-31, which explain to the reader how to read and appreciate the short novel "Vang Lua," along with publishing the short novel "Pham Tiet." "In many aspects compressed within an interesting short novel, one can see a comparison between the politician and the artist in their views, thinking, goodness, political and artistic thinking, the role and impact of each type of character in social life and history and, on this basis, see the relationship between the politician and the artist." ("He either considered Nguyen Du to be nothing or viewed Nguyen Du as one fine horse within the entire herd of horses, hogs, cattle, and chickens he tended. Through Gia Long's view of Nguyen Du, we see something of the position occupied by the artist in the eyes of the politician in the past"). This relationship between the herdsman and the herd in the short novel is repeated in the short novel "Pham Tiet" ("The Chicken King, the Duck King") but, in "Pham Tiet," the relationship between the artist and the politician, between beauty and power is reversed: the politician, be he progressive or reactionary, be he Quang Trung or Gia Long, is shallow, ordinary, and mean and prefers grief over beauty but, instead of conquering beauty, is made dizzy and killed by beauty, even the smell of his sweat caused emperors to swoon, fall to the ground, and faint. Beyond tarnishing the good name of the national hero Quang Trung, is there not a "deeper meaning" to the short novel "Pham Tiet"? Clearly, there is a theory that literature-the arts and politics are "two hegemonies" but I think that the comrades who advanced this theory did so with the intent and desire to "democratize" our literature and arts. Here, we should not make subjective deductions and should stop anyone from steering this issue in another direction, as several Americans did when they asked the writer Le Luu: "If your literature and arts are openly speaking the truth today, what were they doing before, telling lies? Now you are saying that the need is for openness, who prevented you from doing this before?" No, we consider the open expression of our opinions and democratic debate to be an achievement of renovation. We believe that the authors of the "two hegemonies" theory, who only wanted to accelerate the pace of renovation, forthrightly expressed their opinions—and we respect their democratic right to do so—consequently, from the standpoint of scientific knowledge, they failed to give attention to shortcomings and mistakes and, from the standpoint of method, their approach was to "shout and exhort in order to build support." Subsequently, however, they began to veer from this approach, which, combined with some personal anger, led them to being radical in their evaluation as well as in their search for causes. For

example, in our literature and arts, there is illustration, even though illustration is of several different kinds, literature-the arts and politics are synonymous on a certain level and so forth, but they blow these facts out of proportion and represent them as official, "literary society" literature and arts while considering the fact that literature-the arts and politics are synonymous to be the overriding trend, considering our literature to be nothing more than a low-level propaganda literature, not artistic literature and so forth in order to make their point about the "internal contradictions" and "internal conflicts" in the relationship between literature-the art and politics, between the "hegemonist" literature-the arts and the "hegemonist" politics.

Regardless, the "two hegemonies" theory has emerged, and we do not accept it. It is correct to criticize and try to correct the synonymous relationship between literature-the arts and politics. However, in a society with classes, it is impossible to separate literature-the arts from politics or to consider literature-the arts as unbiased, as independent of politics, as standing above or outside politics.

Politics is the relations among classes, peoples, and nations. When we talk about politics, we are talking about political ideologies, about state systems, about the activities of classes, political parties, social groups, etc. Politics directly reflects and is closely linked to the economic base and the fundamental interests of the classes. Consequently, it has the power to control every aspect of the spiritual life of society. Literature-the arts, as well as every other form of social consciousness that combine to create the spiritual life of society, develop under the leadership and direction of politics. Of course, literature-the arts have exerted a "reciprocal impact upon the economy and politics" frequently with unusual power,¹⁰ but they do not stand outside politics. They are, instead, "part of the economy and politics"¹¹ and always express a particular political consciousness.

In a society with classes, the ruling class organizes the apparatus of state power to implement its political thinking, that is, to manage the country in accordance with its line, policies and political program. As a result, the literature and arts within this society are the literature and arts of the ruling class, are "part of the politics" of the ruling class. They are the official literature and arts of society and are, naturally synonymous with the politics of the ruling class. Even if the official literature and arts are separated from lawful literature and arts, the latter are still "part of the politics" of the ruling class, are still consistent with the politics of the ruling class. Therefore, although the official literature and arts of a society are of many different shades, colors, and degrees, they always support the efforts to build, defend and strengthen this society. Only the non-official literature and arts of the ruled classes, of those who do not support and actually oppose this social system—who include some persons of the ruling class, persons from the fragmented official literature and arts that exist as this

social system degenerates and declines—are in constant, permanent contradiction and conflict with the politics of the ruling class in power. This is not contradiction and conflict between the “two hegemonies” of literature-the arts and politics but contradiction and conflict between different politics reflecting different interests. Lai Nguyen An himself clearly stated in SONG HUONG Review Number 31: “Although there have been cases in history of artists declaring that they reject politics, it was not that they were turning their backs on politics, in general, but only rejecting the politics of certain persons in power.”

Obviously, there is no antagonism between the “hegemonist” literature and art in general, and the “hegemonist” politics, in general. There is only antagonism between a specific literature and art reflecting a specific politics and another specific politics. Not every politician possesses artistic consciousness. However, consciously or not, every artist is controlled by a particular political consciousness.

Fabricating an antagonism between literature-the arts and politics, the “two hegemonies” theory suggests that politics is “an official mechanism” while “art is non-official consciousness,” is “the self-consciousness of the people.” Does not this also mean: 1) If it is tied to politics, it is not art; or 2) the official literature and arts which support the work of building and strengthening the social system are official literature and arts, not genuine literature and arts, as a result of which it “is difficult for them to be of high value.” If this is the case, what remains of the history of literature and the art or, more narrowly stated, the history of state literature, Eastern or Western, ancient or modern? Must we throw everything away, throw away Cao, Hich, the prose and poetry of Ly Tran, Nguyen Trai, Nguyen Du, Nguyen Dinh Chieu, Ba Huynh Thanh Quan, and so forth? The orthodox literature and arts of an ascending feudal dynasty, the bourgeois literature and arts of the 18th and 19th centuries and so forth, were these not genuine literature and arts? And are those we should praise only the members of “literary society” and “average artists” who are locked in official consciousness and unable to “express the consciousness of the people, of the times?” And is the fate of all writers and artists in official literature and arts that of “palace actors”?

But the purpose of the “two hegemonies” theory is not to explain history. Rather, it is aimed at today, of course. After presenting historical experience, namely, that to not be an average artist, one must “break away” from official consciousness and official literature and arts and reject the politics of the particular persons in power in order to “express the consciousness of the people, of the times” and “explain the highest needs in the development of man and society in the age and within the nation,” it asserts that “the relationship in which there is the potential for contradictions and conflict between the persons in power and the circles of artistic and scientific intellectuals and which holds the danger of leading to the formation of a type of official literature and art does not completely disappear at

those places where the communist party is in power and has turned its hands to transforming society and building socialist society”(SONG HUONG Review, Number 31, p 54). At the same time, it observes that the current state of our country’s revolutionary literature and art resembles the “literary society” of official literature and art, that “leaders feel profound contempt for writers and artists” and “consider writers and artists to be babies.” True, we are struggling to dismantle the mechanism based on bureaucratic centralism and state subsidies in our country. It is also true that our literature and arts suffer from the maladies of infantilism, working by formula, brevity, illustration and so forth, which must be corrected. But are our state and our people, our literature and arts and our people still in an “ambiguous” situation of the kind represented by the “two hegemonies,” literature-the arts and politics, constantly contradicting and conflicting with one another? Is our state not a state of the people and our literature-arts only a “literary society” of official literature and arts that do not “express the consciousness of the people, the self-consciousness of history?” Did our people, our artists and writers spend the past several decades sacrificing their flesh and blood and contributing their intelligence, talent and devotion for nothing? In the new age, is there still opposition between the state and the people, between the existing revolutionary literature and art and some “genuine literature and arts” or should we reject our existing revolutionary literature and arts in order to search for some “genuine literature and arts”?

The “two hegemonies” theory concerning literature-the arts and politics raises the questions: “If an artist (an important artist or one not yet considered important) does not agree with the party in power, what must be done to guarantee creative freedom and the freedom to publish a work? How do we insure that we virtually never make the mistake of banning someone only to have to restore him later? At first, this theory answered its own question as though there were nothing to it at all: “the answer obviously lies in ‘democratization’ but....”¹² Later, in SONG HUONG Review Number 31, several specific solutions were advanced, such as self-management by literary and art associations and a policy toward talented writers and artists. These are proposals that move in the right direction, are proposals worthy of applause. However, such would mean that “democratization” must be “democratization” within our politics, within our official literature and arts of today. But if it is still thought that there are “two hegemonies” in society and that literature and the arts are demanding to be independent of politics, to “break away” from the official consciousness of our state, from our revolutionary literature and arts, which are considered to resemble “literary society,” how indeed can any “democratization” take place! Is this not why some persons vaguely argue: “Leadership within literary and art circles is not leadership of the thinking embodied in a creative work.... Creativity is the work of an individual and demands very

much freedom. Consequently, leaders, even the highest leaders of the Association, cannot "manage" it." Writers and artists cannot be ordered or pressured into writing this or that, into writing this way or that way but is democracy devoid of all leadership?

The theory that the "two hegemonies" of literature-the arts and politics are always in contradiction and conflicting with one another is actually not worthy of being considered a theory at all because it contradicts itself. But in order to prevent it from sowing confusion in the renewal of literature and the arts now under way within our country's renovation campaign, some well known facts must be repeated: no ideological form can take the place of literature and the arts but literature and the arts are not a hegemony, "writers and artists are not a social force independent of politics. There are only different politics vying for power borrowing the strength of literature and the arts. Writers and artists cannot declare themselves to be independent of politics or to have political goals of their own.

It is true that we have yet to fully realize or be fully concerned with the reciprocal impact of literature and the arts upon politics. In the process of the development of literature and the arts "within politics" in our country, there have been and still might be places where there are disagreements or a failure to understand each other. However, the cause is not that the "hegemony" that is literature and the arts is opposed to the "hegemony" that is politics, that literature and the arts are broad while politics is narrow. The most common causes in our country are differences in how the political-social situation is understood and different approaches to the jobs involved in managing the country due to some politicians not realizing that literature and the arts have their own unique objects and forms of reflection, due to bureaucracy, the trend toward "state-izing," etc. While politics reflects the relations among classes, nations, and states by means of political ideologies, literature, and the arts reflect the whole of life and man in this life by means of art forms. They have their own social function and unique laws of development. It is over this point that the most disagreements and contradictions arise. To resolve or avoid the disagreements and contradictions between writers and artists and the cadres who lead literature and the arts, it is necessary to increase the knowledge which writers and artists possess concerning the different jobs involved in managing the country. On the other hand, the leadership of literature and the arts by the party and the management of literature and the arts by the state must be democratized, revamped and raised to a new

level. The issue is not one of "breaking away" from or treating this leadership and management as ordinary leadership and management.

Therefore, what we must do now is set aside this "two hegemonies" theory so that we can, on the basis of correctly evaluating revolutionary literature and arts, correctly determine the causes of their weaknesses and mistakes, gain a new and correct appreciation of the social role and function of literature and the arts in the present age and work together in practical ways to accelerating the democratization of literature and the art, especially the leadership and management of literature and the arts, in keeping with the spirit of the resolution of the 6th Congress and Political Bureau Resolution 05 on Culture, Literature and the Arts. This is the most important aspect of the renewal of literature and the arts, one which requires the creative contributions of each of us, excluding no one.

Footnotes

1. Nguyen Dang Manh: "Literature Criticism in the New Situation," VAN NGHE, 29 August 1987 and VAN NGHE, September 1988: "'Round Table' Discussion."
2. Ngo Thao: VAN NGHE, No 10-1988: "'Round Table' Discussion."
3. Le Ngoc Tra: VAN NGHE, No 20-1988.
4. Nguyen Dang Manh: VAN NGHE, No 42-1987, and VAN NGHE, 29 August 1987.
5. Ibid.
6. Ho Ngoc: VAN NGHE, No 47, 48-1987.
7. Nguyen Van Hanh: VAN NGHE, No 19-1988.
8. La Nguyen: VAN NGHE, No 10-1988: "'Round Table' Discussion."
9. VAN NGHE, No 9-1988.
10. Truong Chinh: "On Culture and Art," Van Hoc Publishing House, Hanoi, 1985, Volume I, p 59.
11. Ho Chi Minh: "On Cultural, Literary and Art Work," Su That Publishing House, Hanoi, 1971, p 20.
12. Lai Nguyen An: VAN NGHE, No 9-1988.

Research

On the Standard Price of Rice

42100004b Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 12-17

[Article by Tran Phung, economic specialist]

[Text] For many years, prices, in general, and rice prices, in particular, have been rising nationwide, steadily rising! In particular, since late September 1985, the rise in prices has been even sharper. In one 30 month period (from October 1985 to May 1988), the price of rice, which is directed and managed by the state, increased 80 times (from 5 to 400 dong per kilogram).

The rising price of rice has caused the prices of all other goods to rise accordingly. Because, rice is the number one essential need. The price of rice is the primary base underlying the expenditure of the social labor needed to create the value of goods.

The rapidly rising prices of goods, particularly the price of rice, can be attributed to many different causes, one being the increasingly serious imbalance between the supply of and demand for rice. The underlying cause of this imbalance was that the state made mistakes in principle and violated economic laws when setting state procurement prices for rice some years ago. It based these prices on the average producer prices in the majority of the Red River Delta provinces (which supplied the vast majority of the commodity grain required to meet the needs of the entire North back then). Because average producer prices were used, some farmers earned large profits, some earned few profits, some earned no profit at all and some even incurred losses and had to shift from growing rice to growing industrial crops, vegetables, subsidiary food crops, and so forth (producing only the rice they needed to eat). As a result, the gap between grain supplies and the demand for grain steadily widened, thus pushing up the prices of rice on the free market and causing farmers in areas of good and average soil to feel that they were losing money when selling grain at the directed prices mentioned above (even though, compared to actual production costs, they were earning a profit, sometimes even a large profit). As for itself, in order to procure and control grain, mainly rice, the state had to employ "continual political mobilization" while making every effort to prevent the circulation of rice on the free market among the different areas and regions of the country. In the end, the state adopted the "two way trade" policy with farmers utilizing the very limited sources of industrial goods and agricultural materials available to the state. This defensive measure led to other defensive measures, with the result that supply and demand again became unbalanced and the market became increasingly disorganized. Where goods were in short supply, the shortage became worse. Where there was a surplus of goods, the surplus

grew. A number of persons emerged, farmers and specialized cadres included among them, who began reselling goods to profit by the price differential. However, this situation was not studied by responsible agencies with the aim of correcting the mistakes made in the establishment of the system of directed prices.

Recently, the system of directed rice procurement prices was adjusted by means of regional pricing. Under this method, the country is divided into four regions with four different price levels: the provinces of former Nam Bo (the lowest price level); the Red River Delta provinces (the second price level); the coastal provinces of central Vietnam (the third price level); and the provinces of the Central Highlands and the northern mountains (the highest price level).

Facts show that the setting of regional procurement prices does not correct the contradictions and inequities inherent to the "average producer prices" policy. Instead, it actually makes the situation worse.

1. Establishing regions in order to set an average rice price for the entire region does not reduce the unreasonable difference between the individual producer prices on fields of good and average quality and the producer prices determined by the costs incurred in producing on fields of the poorest quality where farming conditions are the worst. Instead, this approach gives rise to many new inequities resulting from the new differences in rice procurement prices from one region to the next.

For example, regardless of the price paid by the state to procure paddy from farmers in the provinces of former Nam Bo (be it a single nationwide price or a regional price), the average income per unit of land (in cash and product) of the farmers in the Vung Tau-Con Dao Special Zone equals only 48.8 percent of the average income of the entire region. In Song Be Province, this percentage is about 69 percent. In Tay Ninh Province, it is 72 percent. In Minh Hai Province, it is only about 85 percent. If compared to Tien Giang, which is the province that has the highest average rice yield in the region, these percentages are even lower. (The Vung Tau-Con Dao Special Zone: only 36 percent; Song Be: only 51 percent; Tay Ninh: 53 percent; and Minh Hai: 63 percent). These unreasonable differences are not due to prices, but to differences in the natural fertility of fields from one province to another within the region and even within each province, district, village or cooperative! Thus, they are due to the fact that Vietnam's fields are not uniformly structured, are not uniformly flat and lie at different altitudes. Some places can only raise wet rice while other places only specialize in subsidiary food crops or dry land crops. The natural fertility of fields also varies. On the other hand, the natural fertility of fields is an objective factor under capitalism as well as socialism. Therefore, adjusting prices by region is unreasonable. Socialist production relations, although they are superior and mobilize the forces of all the people to improve the soil, can only maintain or slightly change the difference

in the natural fertility of fields, not eliminate it altogether. In Nam Bo there are many favorable conditions and commodity production within agriculture developed earlier and stronger than in many other places but this is no reason to think that differences in the natural fertility of fields have been eliminated there! According to 1985 figures of the Ministry of Finance, the average natural yields of the provinces of former Nam Bo still vary very widely: the Vung Tau-Con Dao Special Zone has the lowest yield: 1,360 kilograms per hectare. Song Be Province averages 1,928 kilograms per hectare, Tay Ninh averages 2,021 kilograms per hectare and Minh Hai (with more than 230,000 hectares under cultivation each year producing nearly 800,000 tons of paddy for society) averages 2,368 kilograms per hectare. The provinces with high yields are Cuu Long and An Giang, averaging more than 3,000 kilograms per hectare, and Hau Giang and Ben Tre, averaging more than 3,100 kilograms per hectare. In particular, Tien Giang averages the highest yield, 3,759 kilograms per hectare. The average yield for the entire region is 2,787 kilograms per hectare.

These are only the differences that exist within one area. Now, due to regional pricing, the unreasonable differences in average income among regions are even wider and the principle of social fairness is being even more seriously violated. For example, if based only on the natural fertility of cropland, the average yield per hectare of the Vung Tau-Con Dao Special Zone equals only 46.8 percent of that in the coastal region of central Vietnam. But the price in Nam Bo equals only 39 percent of the price in the coastal region of central Vietnam. By this same method of comparison, Song Be Province drops from 66.4 percent to only 55.3 percent, Tay Ninh Province from 69.6 percent to 58 percent and Minh Hai Province from 84.5 percent to roughly 68 percent. It is truly difficult to understand and difficult to explain: why, when the average natural yield of the coastal region of central Vietnam (from Quang Nam-Da Nang to Thuan Hai) is 2,902 kilograms per hectare, which is higher than the natural average yield of the provinces of former Nam Bo (only 2,787 kilograms per hectare), is rice procured by the state at a higher price?

2. The establishment of regions in order to set an average rice price for the entire region is nothing more than the repetition of the "average producer prices" view within the boundaries of one region and has unintentionally shattered the unity of the economy that was only restored after 1975.

Now, dividing the country into four regions with four different rice prices has caused four price systems, four different market systems to emerge. These four systems compete against one another. Their activities intertwine and have a reciprocal impact upon one another. They operate freely and are also bound by the economic, political, social and national defense relations of a unified economy, of a unified people and nation. This situation is marked by contradictions and is the cause of all disorder, confusion and instability in production and

the circulation of goods, in the application of economic laws and the use of economic levers and in the travel and other daily activities of the population. It can be said that, over the past 40 years, the economy of the country has never been as disorderly and chaotic as it has in recent years. The new stratum of merchants who profit by the price differential has grown. The practice of closing rivers to traffic and prohibiting markets from being held has spread. A dense system of inter-provincial, inter-area, intra-provincial and intra-district guard stations has emerged and the corps of tax affairs cadres, market management cadres, economic public security police and traffic police has been strengthened. Negative social phenomena, bribe taking, conspiracy and the theft of public property in every form, including degeneration and deviancy among some cadres and party members (particularly within the corps of market management cadres, tax affairs cadres, public security police, drivers and so forth) have reached serious proportions. Does not this situation have its underlying, basic cause in pricing mistakes, primarily and most importantly the unsuitable prices of rice set by the state as analyzed above?

Prices are a social relationship. Whether a system of directed prices of the state is correct or incorrect and whether it is fully or less than fully based in science have a direct impact upon the entire process of social reproduction, upon all sectors and levels, upon all society as well as each person.

A price system must have a base and absolutely must have a single, uniform standard price for the entire country. Otherwise, the economy will become disorganized and lack order.

The resolution of the 8th Plenum of the 5th Party Central Committee established the need to use the price of rice as the price standard, as the base for the entire system of state directed prices. This is correct and firmly based in science. Because, to the Vietnamese, rice is always the number one need. As a commodity, rice always accounts for a large percentage of the total supply of goods on the market both in terms of value and product. Consequently, increases or decreases in either the quantity or price of rice on the market are the starting point of each change within the economy, in the day to day life of all society as well as each family. However, the resolution did not state what this standard price is, whether it is "average producer prices" as applied previously or "the production price on the cropland of poorest quality without payment of land rent" as Marx pointed out. The resolutions of the recent 2nd and 3rd Plenums of the 6th Party Central Committee also failed to precisely and specifically define the standard price of rice, remaining vague instead and stating that it must provide farmers with a profit of 30 to 40 percent, with a 40 percent profit for producers of paddy. But on what is this 30 to 40 percent profit based? On which production costs is it based? Because, there are very many different production costs in agricultural production. Due to differences in soil fertility, the same

amount of land and the same production expenditures can lead to different yields and to very different per unit production costs, sometimes costs which are four to five times different.

The country's socio-economic situation has been and continues to face our party and state with a pressing and very tough choice:

—We can continue to allow prices on the market to change spontaneously and adversely affect every aspect of social life. If we do, we will always have to deal with prices rising at an increasingly fast rate.

—Or, we must become the masters of rice prices and the rice market and, on this basis, become the masters of all prices and the social market. This is the prerequisite to restoring order in circulation and distribution, stimulating the development of production in accordance with planning and plans, gradually stabilizing the mood of society and stabilizing and selectively improving the standard of living.

Only by taking the second approach can we emerge from the general crisis of today. As part of this approach, it is first of all necessary for us to adjust our view concerning the establishment of a standard price of rice so that this price benefits both the producer and the consumer, allows for the formation of capital from within the economy and creates the conditions for restoring order and discipline in distribution and circulation.

To meet the above requirements, we suggest that five major measures be taken:

1. We must take the initiative in establishing a reasonable difference between the procurement price of paddy and the selling price of rice. We must procure at a high price and sell at a low price so that the law of value exerts its impact within the sphere of socialism and does not spontaneously regulate the production and circulation of goods as it has for many years.

2. We should set a very high procurement price for paddy and set only one price for the entire country. Producers should be able to earn a maximum profit not of 40 percent, but of 50 percent or higher on the basis of production costs on the fields of poorest quality where farming conditions are the most unfavorable. Karl Marx pointed out: "The producer price on land of the poorest quality where no land rent is paid is always the price which regulates the market."¹ Thus, on the 6 millions hectares of land used to produce grain in our country, there will be full-scale, continuous intensive cultivation on an increasingly high level. The initiative and efforts of farmers in production will be increased when they clearly see that specific, practical and satisfactory gains await them. Then, there will be an increasingly large supply of commodity rice, in general, and rice in the hands of the state, in particular. With much paddy and much money

at its disposal, the state will be able to do everything, to resolve every difficulty. It will be the master of the commodity market as well as the social labor market.

3. The selling price of rice should be low. At first, rice should be sold very cheaply, and there should only be a single price for the entire country. On the basis of initial calculations, we suggest that one kilogram of rice be sold at the same price as 1 kilogram of paddy is procured in order to rapidly abolish the free market in grain without the need for public security forces, tax affairs cadres, market management cadres or any form of closing rivers to traffic and prohibiting markets from being held. Because, the forces of private merchants and rice dealers, which number in the hundreds of thousands of persons, have been constantly competing in the procurement and sale of rice with the state and routinely causing unnecessary rice panics. These forces consist of persons who are both laborers and exploiters, consequently, outside the impact of the law of value, there is no administrative measure capable of stopping these forces and driving them from the market.

4. The selling price of rice should be used as the standard in the establishment of a system of reasonable price relationships, one which is firmly based in science, for each industrial product, each forest product and all other agricultural products.

Doing this well will exert a positive impact in many areas. It will change the unreasonable economic relationship between the state and farmers; create the conditions for making good use of the law of value, implementing cost accounting and socialist business practices well and so forth.

5. The agricultural revenue policy should be revamped by repealing the current agricultural tax policy, which is both unreasonable and unfair, and replacing it with the following two specific policies:

a) A commercial cropland tax policy:

Cropland is the primary means of production. It is irreplaceable and cannot be moved from one place to another within agriculture. Therefore, every individual or social organization that uses cropland in commercial production must pay a commercial cropland tax to the state. Preliminary projections show that the annual tax on each type of cropland should be 200 kilograms of paddy per hectare. The commercial cropland tax must still be paid on cropland which has been accepted but not put into use (is fallow).

b) A policy to reclaim land rent differential 1:

Because Vietnam's fields are not uniform, because fields of good quality are intermixed with fields of poor quality and because mainly rice is grown, we cannot automatically apply the regional pricing method that has been applied in a number of other countries, but only employ

a policy to reclaim the vast majority of land rent differential 1 and put it into the hands of the state to serve the common interests of all society. The amount of land rent differential 1 is based on the differences in the average natural yields of good and average cropland compared to cropland of the poorest quality where farming conditions are the most unfavorable. As a result, only individuals and production units that work on cropland of good and average quality will be required to pay land rent differential 1. It is suggested that the state collect 80 percent of the total land rent differential 1 realized by each household and unit on the cropland assigned to them to use and stabilize the amount collected for a period of 5 years.

Collecting land rent differential 1 is not a matter of appropriating the crops of farmers as some persons think it is. Rather, it is a method of calculation, a way to distribute value and use value between farmers (the producers of rice) and the non-agricultural population (the consumers) as represented by the state with the aim of achieving a single procurement price for the commodity rice put on the market for sale in every region of good and poor quality soil so that everyone benefits and legitimate interests are guaranteed on the basis of the labor and costs invested by everyone in their fields. We must be determined to not allow any person or unit to use favorable natural conditions to become wealthy on the backs of others as has happened in the past.

Collecting land rent differential 1 in conjunction with raising the procurement price of paddy to or above the individual producer prices incurred on the fields of poorest quality where farming conditions are most unfavorable means that if the farmer (the producer) realizes a reduction in use value (the quantity of rice), he will also realize an increase in value (an increase in money). Deserving of special attention is not how much rice the farmer sells to the state after paying the land rent differential 1 but how much money the farmer earns with the remaining rice (after selling rice to the state). On this basis, the farmer can buy other necessary means of consumption (in addition to rice) equal in value to the value of the rice he produced. Deserving of special attention is not how much rice the farmer sells to the state after paying the land rent differential 1, but how much money the farmer earns from the remaining rice (after selling rice to the state) and whether he can buy more industrial goods than he could before. Clearly, under this method, the farmer only stands to gain. The more actively the farmer practices intensive cultivation and raises his yield in order to realize a larger land rent differential 2, the more he gains. Because, the state does not touch this differential. If there is a need to sell rice, the state will buy it at the same high price mentioned above. When represented by the state, the consumer also benefits much more.

Under the measure of recovering land rent differential 1, each person and each production unit that does business in rice will operate under the same conditions and circumstances in order to emulate one another in raising yields

through intensive cultivation and will receive appropriate remuneration commensurate with the effort invested by them. And, this will put an end to the special rights and privileges which some persons and area enjoy as a result of fertile fields and favorable farming conditions.

Footnote

1. K. Marx: "Das Kapital," Su That Publishing House, Hanoi, 1963, Book 3, Volume 3, p 66.

Tax Policies Must Be Aimed at Encouraging the Development of Commodity Production
42100004c Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 18-20

[Article by Hoang Cong Thi, M.S. in Economics]

[Text] One of the important measures in managing the economy today is for the state to make effective use of financial levers, especially taxes.

Our country's current tax system consists of 19 different types, 2 of which apply to the state-operated segment of the economy:

—State-operated revenues, which are essentially a business receipts tax (the Soviet Union and a number of other socialist countries call this the cyclical tax).

—The profit submitted for inclusion in the budget, from 40 to 60 percent. This is essentially an income tax (or a tax on the income of the enterprise, with income being profits, that is, M, not v+m).

The taxes outside the state-operated segment of the economy are:

—The business tax;

—The earnings tax;

—The commodity tax;

—The commercial license tax;

—The commercial transport tax;

—The slaughtering tax;

—The salt tax;

—The land tax;

—The profits taken from marketing cooperatives (30 percent)(actually, an income tax);

—The tax on the harvesting of aquatic and marine products;

- Ferry fees;
- The document registration fee;
- Forestry revenues (actually, a tax on the harvesting and use of natural resources);
- Water conservancy fees;
- The commercial export-import tax;
- The non-commercial export-import tax;
- The agricultural tax.

Compared to the socialist countries, 19 different types of taxes is a large number. However, compared to the countries outside the socialist system, particularly the capitalist countries, it is a very small number. But the number of different taxes does not reflect whether the nature of tax policy is good or poor. Because, the tax system of each country comes into being as a result of very many different factors, such as the level of development, management skills, socio-economic characteristics, history, customs, habits, etc. Generally speaking, the countries of the world have different tax systems and economic and financial specialists have never classified the tax policies of countries as good or bad. In other words, there is no one model tax policy or model tax system for each country.

Let us examine the actual role of taxes in our country's state budget.

Within the state-operated segment, there was a time when taxes accounted for 20 percent of state budget revenues (1971-1975). This figure subsequently rose to 39 percent (1976-1980) and has now soared to slightly less than 50 percent. This is the result of accounting based on state subsidies. If we were to remove all state subsidies from the state budget to the state-operated segment (primarily the very low prices of machinery, equipment, raw materials, building materials, energy, and so forth compared to actual prices), we would find that the state-operated economy has yet to accumulate any capital, that it has only enough capital to operate and is even eating into its capital in many different ways, such as through low depreciation rates, low prices for raw materials, building materials, energy and so forth. Of course, the country's capital formation and some of its consumption today are based on foreign capital (loans, aid, labor cooperation, foreign investment, etc.). It can be said that the taxes within the state-operated segment of our country's economy are not high compared to the other socialist countries and are even still low. Tax policy within the state-operated segment is still heavily characterized by egalitarianism and must quickly be studied and revised.

Within the segments outside the state-operated economy, taxes only account for about 20 percent of state budget revenues. Among these taxes, the agricultural tax only

accounts for roughly 4 to 5 percent of state budget revenues or, in terms of product, from 1.1 to 1.2 million tons of grain, in paddy equivalent. Attention must be given to the following: the reason why the percentage of state budget revenues from agricultural taxes is very low is partially due to the fact that the price calculated for paddy paid in taxes has been very low (previously 25 dong per kilogram, now 150 dong per kilogram). Nevertheless, the volume of financial support mobilized from agriculture (through agricultural taxes) is still low: only about 7 percent of grain output (the required level is 10 percent). The question we face is: why do farmers continue to have many complaints about agricultural taxes even though these taxes have always been low? Through an investigation, we have learned:

- To begin with, compared to the orchard tax and the tax on industrial and exported crops, such as coffee, pepper, tobacco, and so forth, the tax rate on rice is higher and rice growers bear a heavier burden.
- For families eligible under its policies and for needy families, the state has yet to adopt appropriate social policies (which include the waiver or reduction of taxes).
- In addition to taxes, there are also obligations. Farmers must make many different contributions, such as contributions to the cost of tractors, to water conservancy fees, to the support of persons going to new economic zones, to the crop protection fund, to the national defense fund, to the public health, education, and dozens of other funds.

Some of these contributions are necessary and reasonable but others are very capricious and unreasonable, the motive behind them being to "squeeze money" from farmers. These phenomena must be denounced and punished.

In the fields of collective and private small industry and the handicraft trades, commerce, building and communications, there are industrial and commercial taxes. For many years, the tax revenues from this segment have only amounted to anywhere from 9 to 14 percent of state budget revenues. This is very low. The shortfall, both in the number of households from which taxes are being collected and the amount of industrial-commercial tax revenues being collected, is as high as 30 to 40 percent.

As analyzed above, tax policy is the concretization of many different policies, conditions, customs and habits. Consequently, it is very difficult to make evaluations as well as revisions. However, in order to provide a concrete basis for the examination of policy-makers, allow us to boldly present a number of observations and initial proposals:

With regard to our assessment of our tax policy, we maintain that it is still marked by the following weaknesses:

1. It is incomplete. Very many sources of revenue and profit are being used but not taxed. This does not stimulate the development of production nor does it guide consumption or curb the wasteful and inefficient use of the country's resources. These untaxed sources of revenue and profit consist of:

- The use of capital of the state;
- The use of labor sources of the state;
- The use and harvesting of the country's natural resources;
- The high incomes of persons working in different trades arising from unreasonable price policies; etc.

2. Complications are still being posed by taxes that work at cross purposes or duplicate one another. For example, the business receipts tax exists in many different forms, such as state-operated revenues, the commodity tax, the business tax, the salt tax, the commercial license tax, etc. An income tax (not yet promulgated by the state) exists under five or six different names: cooperative profits submitted for inclusion in the budget, the earnings tax, the non-commercial import tax, contributions to the building of the fatherland (by persons working overseas), etc.

3. Some revenue items lack a scientific or practical basis or are unreasonable, such as the supplementary tax schedule on profits (at a time when it is impossible to manage input, output and production costs), etc.

4. Some tax policies have not been promptly promulgated, such as a tax on foreign investors, a tax on enterprise (corporation) shares, a tax on the income of the population, etc.

5. All existing tax policies are below the level of a law. This poses a real difficulty when expanding foreign investment, expanding joint businesses and integration and developing the segments of the economy outside the state-operate segment.

Recently, the Council of Ministers acknowledged the need for revisions in our tax policies. In our opinion, the revision of tax policies must focus on the following several points:

1. Actively but gradually raising the different types of taxes now in effect, such as the agricultural tax, the industrial-commercial tax and so forth, to the level of a law. In the future, new taxes should be promulgated in the form of laws, such as a population income tax law, a production capital tax law, a tax law on the harvesting and use of natural resources, etc.

2. Improving the tax code to consist of:

- An agricultural tax law;
- An industrial-commercial tax law;
- An export-import tax law;
- A foreign investment tax law;
- A population income tax law;
- A production-business within the state-operated economy tax law;
- A tax law on the harvesting and use of natural resources.

3. In the immediate future, it is necessary to correct the unreasonable aspects of tax policy which pose difficulties to the production and circulation of goods by taking steps such as the following:

- Studying the possibility of reducing the business receipts tax rates of the commerce sector (which currently stand at 4 percent, 6 percent, and 8 percent).
- Reducing the list of products subject to the commodity tax: at present, 31 groups of products are subject to the commodity tax. This is too many. This tax should be applied to only about 10 products (the production and consumption of which should not be encouraged, such as tobacco, wine, beer, and so forth).
- The basis for calculating the commercial license tax should be business receipts, not the level of income as is the case currently (because this causes it to become confused with an income tax). At present, our commercial license tax consists of five rates. But within each rate, the difference between the highest and lowest business receipts taxed might vary very widely among businesses (as a result of where they sell their goods and other reasons). This is unfair.
- We should waive or further reduce the taxes on import goods which support production and essential consumer needs (MSG, for example) through non-commercial channels.
- We should repeal the tax on land used in the household economy.
- More use should be made of taxes which are directly collected and less use of taxes which are indirectly collected with the aim of preventing price increases and an increase in inflation.

We must gradually improve current tax policy along the lines of more strongly developing the functions of taxes of mobilizing and regulating, that is, of stimulating the strong development of commodity production.

The Dialectic of Social Development in Our Times
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 21

[Nguyen Dang Quang; article not translated]

Exchange of Opinions

Inflation in Our Country and Ways To Fight It
42100004d Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 24-29

[Article by Huy Minh, high-ranking economic specialist]

[Text] For many years, the state of our country's economy has been one of revenues not meeting expenditures, exports not providing for sufficient imports, a shortage of food and an inability to repay foreign debts on time. Our state has been forced to issue paper money to meet the expenditure needs of the country. However, the excessive issuance of paper money has violated the laws on the circulation of money and caused extremely serious consequences.

If we consider the volume of money in circulation in 1976 to be 1, the volume of money in circulation increased 2.2 times in 1980, 29.9 times in 1985, 136.1 times in 1986 and 548.6 times in 1987 (all these figures are calculated in the money unit currently in circulation). However, if we only take into consideration an increase in the rate and volume of money in circulation, we cannot conclude that there is inflation within the economy. These increases must be viewed from the perspective of their relationship to production, to the movement of goods and from the perspective of changes in prices during the same period in order to clearly see the state and rate of inflation.

Economic Norm	1976	1980	1985	1986	1987
1. Gross Social Product (1982 Comparative Prices)	100	105	155	157	162
2. Total Retail Sales on the Social Market (1982 comparison)	100	79	152	123	
3. The Average Amount of Money in Circulation	100	223	2995	13610	54864
4. The Retail Price Index on the Social Market	100	189	2890	16150	62305
5. The Purchasing Power of the Dong	100	52.9	3.8	0.80	0.16

Norms 1 and 2, which are based on 1982 comparative prices, indicate that while the volume of material goods has not increased significantly during the past 12 years, the volume of money being put into circulation has been very large and has pushed the prices of goods upward. This does not mean that the issuance of money is the sole cause of inflation. Because, serious mistakes have also been made with prices. This was particularly true during the years that the state adjusted prices. Prices rose many times while the turnover rate of the dong did not change, thus demanding that more money be put into circulation and pushing prices upward. By this process, the volume of money in circulation has steadily grown.

It is a very unusual situation for money issued from a single center, the bank, after fulfilling its function, to not return to the bank in a larger volume in accordance with the formula T-H...SX...H'-T' in order to carry out the next cycle. However, due to bureaucracy and state subsidies, due to weak management discipline, little of the money issued has been returning to the bank. This is no different than blood not returning to the heart. How can the body be robust and healthy!

If the manifestations of inflation are constantly rising prices and a steady decline in the purchasing power of the dong and the standard of living of wage earners, the above comparative norms confirm that our country's economy is in a state of inflation and that this inflation is serious. Yet, one researcher maintains that there is a serious shortage of money in circulation (in an article in TAP CHI CONG SAN Number 2-1988). His argument is that dividing national income by the turnover rate of money shows how much money must be in circulation. But there is no practical basis for reaching the conclusion that there is a shortage of money in circulation on the basis of comparing the volume of money that need be in circulation and the volume of money currently in circulation. Because:

—National income does not include all products and goods. For example, the grain and food products which farmers keep for themselves or use to pay agricultural taxes are not commodities and do not require a certain amount of cash to circulate.

—The circulation of goods is supported not only by the use of cash, but also by the use of non-cash means of payment.

—As regards the turnover rate of money, we need to use more than the turnover rate of cash through bank funds but the turnover rate of money within the economy is something which not even the developed socialist countries are measuring.

Another person observes on the basis of the amount of money in circulation per capita that the amount of money currently in circulation in our country has yet to reach the level of inflation. According to this person's reasoning, following the money exchange in February 1959, which the author maintains was the period during which prices were the most stable, the average person had enough money to buy 15 kilograms of rice. Today, on a per capita basis, the volume of money in circulation is only enough to buy the same amount of rice. From this, the author concludes: "The phenomenon of there being surplus money in circulation and the state lacking

money is not at all a phenomenon of inflation" (an article in TAP CHI CONG SAN Number 3-1988). This argument is also not convincing because of the following reasons:

- At many places, the price of rice on the market was lower than the state store price of rice. Today, the price of rice on the free market is more than 10 times higher than the supply price of rice.
- In the 1959 money exchange, the monetary unit was devalued 1,000 times (what was 1,000 dong in old money became 1 dong in new money). Back then, however, as a result of receiving enormous amounts of aid and taking effective economic and administrative measures, the state was able to keep prices and wages stable. Compared to 1958, the price index on the social market in 1959 was 108.8 percent. From 1960 to 1964, the price index rose at no more than 10 percent each year. In the money exchange in September 1985, although the monetary unit was devalued by 10 percent, the price index rose 5.8 times in 1986 compared to 1985 and 4 times in 1987 compared to 1986. Thus, the floating prices and speculative prices of recent years cannot be cited to say that there is currently a shortage of money in circulation or that there is no inflation.

In my opinion, until we develop scientific methods for calculating how much money should be in circulation, it is acceptable for us to examine the inflation situation and the rate of inflation by comparing increases in the commodity price index or decreases in the purchasing power of the dong to a base year. The actual causes of inflation, however, require more careful analysis.

Concerning the causes of inflation, many researchers maintain that it is due to the consequences of the war, to the prolonged imbalance in many areas of the economy. Many other persons cite specific causes, such as the budget deficit, the credit deficit, the low returns from the use of credit, mistakes in the price policy, lax management of the market, imbalance between supply and demand, etc.

All these causes exist. Of importance, however, is the need to find the root causes of inflation. In my opinion, there are the several following causes:

I. Backward Economic Thinking Has Posed Many Obstacles to Production, Caused Assets of Society To Be Lost and Created the Premise of Inflation

As a result of not correctly understanding the law that production relations must be compatible with the nature and level of development of production forces, many places expanded their agricultural cooperatives too much and carried out the transformation of industry and commerce too quickly. But the results were not what the voluntarists desired.

Due to mistaken thinking concerning socialist commodity production, we impeded and unfairly dealt with the non-state-operated segments of the economy. At some times and places, there has even been a desire to wipe out the household economy and the individual and private economies simply because of the fear that they would spontaneously develop into capitalism. We rejected the law of value and gave little regard to the laws on the circulation of money. In trade, there has been a tendency to substitute the relationship between one material resource and another for the relationships between goods and money. We have overemphasized the role of planning characterized by very many legally binding norms and given light attention to the categories of prices, wages, interest rates and profits, which are the important levers of a commodity economy.

Backward, dogmatic economic thinking permeated our positions and policies, thus posing obstacles to production, causing assets of society to be lost and weakening the national financial system, which laid the premise that has led to serious inflation.

II. The Structure of the Economy and the Structure of Investments Are Inefficient, Thus Causing Production To Develop Slowly at a Time When the Population is Rising Rapidly, Thereby Causing Imbalances in Many Areas

Whether the gross social product and national income rise rapidly or slowly (excluding the factors of natural disasters and enemy attacks) is determined by how the structure of investments (of capital and technology) in the different segments and sectors of the economy is arranged.

Over the past 10 years, the state-operated segment of the economy has only accounted for 35 to 37 percent of the gross social product each year and only 24-26 percent of national income.

Examined from the perspective of the sectors, the highest percentage of national income generated by industry in any one year during this period has only been 27-28 percent. The percentage of national income generated by agriculture, the foremost front of the economy, declined from 57 percent in 1976 to 51 percent in 1980 and 49 percent in 1986. In circulation, the free market accounts for roughly 50 percent of total retail sales on the social market.

In view of this structure, the state-operated economy is not playing the dominant role and agriculture has yet to become the foremost front of the economy. As a result, production has been developing slowly at a time when the population has been growing rapidly (an average of 2.2 percent per year), which has led to many imbalances, most importantly the imbalance between supply and demand.

Because production has been developing slowly, national income produced domestically only provides for 80-90 percent of social consumption. In this situation, finance and credit, no matter how skillfully they might be employed, cannot distribute and redistribute more than what we produce domestically plus what we receive in loans and very limited aid from foreign countries. Distribution and redistribution through finance and credit, although marked by certain weaknesses, are not the direct causes of inflation but the result of the inefficient structure of investments and of the economy and the maintenance of a very cumbersome administrative apparatus and sweeping subsidies.

III. The Management Mechanism Based on Bureaucratic Centralism and State Subsidies and Economic Policies That Have Changed Too Much and Are Not Coordinated or Consistent Are the Factors That Have Impeded Production, Disrupted Circulation, and Accelerated the Process of Inflation

The finance and credit policy: finance is the mirror of socio-economic activities. At the same time, it is the tool used to control and regulate these activities. A strong state cannot be based on a weak national financial system. Nor can there be democratic centralism in the true sense of the word when the central budget is a deficit budget but many local budgets provide for "lavish" expenditures but still have surplus funds. It is regrettable that our state does not formulate a national financial balance sheet along with the different material balance sheets. Central finance does not manage or regulate local finance. The state also does not use finance or money as effective tools in controlling the level of production and consumption throughout society. Therefore, budget revenue sources, which are already small, are also decentralized and under-collected. The finance mobilization policy toward the different segments of the economy is unfair. The collective and private economies produce 70 percent of national income but only contribute about 20 percent to total budget revenues. There is a large shortfall in the collection of industrial and commercial taxes. Much money is owed in agricultural taxes. Overseas sources of revenue have been steadily declining. Localities have little concern for national revenue sources. At a time when practically all revenue sources are fixed in nature, expenditures have taken a long slide as prices have changed. The central state budget is always "biting off more than it can chew" and having to compensate by issuing more money. But there is no corresponding quantity of material resources serving as collateral behind the additional money being put into circulation. This is the primary cause of inflation.

In recent years, credit has also been used to provide heavy subsidization: 80 to 90 percent of the operating capital of enterprises is in the form of capital borrowed from the bank. But the interest rate on bank deposits is very low compared to the loss of value of the dong and does not draw idle capital into the bank. The interest rate on loans is also very low and does not encourage frugality in the use of borrowed capital.

During the past several years, due to the failure to clearly differentiate between the function of management and the function of business, control by means of money through credit relations has been lax. The bank has supported speculation, competition in procurement and sales, holding goods off the market while waiting for the right price and stockpiling many more materials than necessary. In the field of production, supplies and raw materials have been procured that are not needed in production and products have been produced that need not be marketed immediately and are not sold until the price is high. However, in the field of credit, due to the rise in prices, the principal and interest reclaimed in the first cycle are not enough for the second cycle of loans even though the scale of production and business remains the same. The bank must then put additional money into circulation in order to make loans. Thus, behind the budget deficit, the credit deficit and the inefficient use of credit are the second valve to be opened, thus allowing paper money to flood the circulation canals.

The price policy: a mechanism that kept prices low existed for several decades. Since 1981, the state has made three major adjustments to prices. Prices were adjusted by very large amounts but not in a well coordinated manner. If, through the adjustments of prices, the state has succeeded in establishing reasonable price levels and price ratios based on calculating the necessary expenditure of social labor and then maintained strict price discipline, economic disruptions would not have occurred even if more money had been put into circulation during the first cycle. The failure of the central state to successfully manage the price mechanism on the macro scale has forced us to accept a variable price mechanism in the procurement of agricultural and food products and to incorporate price subsidies in wages. Many sectors and localities have automatically adjusted prices in order to profit by the price differential. This situation has obstructed production, disrupted the market and caused the budget deficit and cash deficit to grow at a faster rate. With each adjustment to prices, the private economy has quickly grown richer and acquired additional means with which to overpower the organized market. Because, prior to adjusting prices, the state did not tax the inventory of those in the private economy in order to redistribute their income.

The export-import policy: the lax management of foreign trade and foreign exchange has also caused serious harm to the budget and the circulation of money. In export activities, competition in procurements has emerged. One locality sets a high price in order to draw goods from another locality. Pushing up the prices of exports has had a major effect upon the prices of domestic goods. Competition in procurements has inevitably led to competition in sales. On the international market, due to this competition in sales, many of our export goods have been arbitrarily graded and priced, thus causing significant harm to national interests.

The total value of our exports each year only amounts to 30 percent of the total value of our imports. Each year, the state must subsidize exports and imports in the amount of tens of billions of dong and the bank must spend hundreds of billions of dong to procure products for exportation. However, the cash receipts from the sale of imports are not large.

IV. The Failure To Strictly Enforce the Law and Regulations and Lax Inventory and Control by the State Provide Favorable Conditions for Inflation

During this transition period in which the old mechanism has yet to be dismantled and the new mechanism has yet to be fully established, many negative phenomena are occurring on all levels and within all sectors and economic units as a result of weak discipline and lax inventory and control on the part of the state.

The sectors and localities are not fully accountable to the national financial system and do not maintain strict price discipline. Production units do not deliver all the products they are required to deliver to state-operated commerce. Conversely, state-operated commerce practices arbitrary grading and pricing with production units and contractors. State-operated units and collectives demand payment from each other in cash and send hundreds of millions of dong in cash to other localities to buy goods. Units and localities compete in procurements and sales, hide foreign currency and set up illicit funds. All these phenomena, be they narrow in scope or widespread and whether they are done consciously or unconsciously, cause socialist assets to be lost, cause losses to the state budget, and accelerate the devaluation of the dong.

Inflation has reached serious proportions. But stabilizing the circulation of money is not the only reason to fight inflation at this point in time. One thousand times more important is to fight inflation to keep the economy from slipping further into recession and giving the people a sense of assurance. On this basis, we can gradually implement socio-economic relations based on the renovation program.

The first step that must be taken is for the party to heighten the political and economic consciousness of cadres and party members in line with the new approach being taken. If they are not equipped with new thinking, with new knowledge, cadres cannot meet the requirements of renovation in each field.

At the same time, the state must employ the strength of the proletarian dictatorship to restore social order and discipline and strictly enforce the law. A determined effort must be made to implement the principle of democratic centralism within the party system and state agencies. We must wage a relentless struggle to abolish special rights and privileges and the localism which are paralyzing the positions and policies of the party and state.

To accomplish this, the state must promulgate general economic laws and specific laws on prices, labor, finance, banking, exports-imports, and so forth to lay the basis for unified enforcement nationwide. At the same time, the inventory and control function of the state in economic activities and social activities must be fulfilled.

The second step is to tap all production capacity. At this point in time, every segment of the economy and individual must be encouraged and respected, even if they can only produce needles and thread, potatoes and paddy. Talented persons at home and Vietnamese scientists living abroad must be treated with affection. We must appeal to their patriotism and talents so that they bring science and technology into the economic development of the country.

Human, financial, and material resources must be brought together to develop the commodity economy in keeping with the guidelines of the three major economic programs, most importantly the program in grain and food products. By resolving the grain and food problem, we will virtually stabilize living conditions, prices, and the market and create the conditions for resolving other large problems.

The third step is to expand our overseas economic relations in order to support and develop the domestic economy. The exclusive management of foreign trade and foreign currency by the state must be strictly maintained. The central government must hold all export-import authority and the authority to centralize foreign currency. At the same time, it must guarantee the sectors, localities and basic units the legitimate right to use foreign currency.

In our economic cooperation with foreign countries, besides the principle of mutual benefit, the word "trust" must be paramount. Trust in trade relations, loan relations, joint businesses, and contract relations is the decisive factor in winning customers and steadily expanding our cooperative relations.

In our work of mobilizing overseas compatriots to help to build the country, our attitude must be an open attitude free of narrowminded prejudices. The cumbersome procedures facing them and their relatives at home must be dismantled.

One pressing matter is the need to train a corps of cadres to perform overseas economic work who possess the knowledge demanded by their task and the requirements of the renovation campaign.

The Argument of Marx and Engels on Money and Vietnamese Currency Today
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 30

[Nguyen Hoa; article not translated]

Party Members Participating in Economic Activities

On Party Members Performing Economic Work
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 32

[Ha Nghiep; article not translated]

The Terms 'Exploiter' and 'Exploited' Should Not Be Used in the New Economy
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 32

[Dao Xuan Sam; article not translated]

It Is Necessary to 'Open the Window and Let in Some Fresh Air'
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 32

[Thiet Ngoc Phuong; article not translated]

Scientific-Practical Conference on 'Party Members Performing Economic Work'
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 32

[Unattributed; article not translated]

The New Thinking and Practical Problems
42100004e Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 52-55

[Article by Nguyen The Uan, M.S. in Economics]

[Text] Since the 6th Party Congress, the term "new thinking" has been the subject of very lengthy and quite heated debate. To date, however, the "new thinking" remains the object of much confusion and many different lines of thinking. Due to this lack of clarity, the term "new thinking" is being widely and sometimes very flagrantly abused.

More than a few persons hide behind the term "new thinking" to present incorrect observations concerning practical matters, present metaphysical, voluntarist measures which not only fail to solve practical problems, but also make things more complicated. Opportunists spout their specious reasoning to gain the favor of leaders. In more than a few cases, the term "new thinking" is used to attack someone else or conceal one's own shallow opinions.

The truth is that we have had to pay a very high price for the phenomena mentioned above.

In my opinion, it has come time to stop the abuse of the term "new thinking." Otherwise, we will fall into the morass of ordinary revisionism.

First, the "new thinking" is nothing more than correctly evaluating that which exists and the trend of its development in order to take measures to transform it in line with established goals and guidelines. If it is not based on correctly evaluating that which exists and the trend of development, if it is not based on established goals, no new thinking can emerge. If not based on the above, it is specious reasoning.

Secondly, the new thinking cannot be divorced from the Marxist theory of knowledge. Therefore, to adopt the new thinking, we must have a firm grasp of the Marxist theory of knowledge and, at the same time, possess deep knowledge of the field in which we are working. Included here is the need for direct observation. However, direct observation does not solve problems. Rather, only theoretical thinking can make deductions that are tantamount to laws, only theoretical thinking can transform practice.

Thirdly, the new thinking must stem from practice and be tested in practice. In the final analysis, each activity of man has a goal and a motivation behind it. The goal of socialism is to continuously improve the life of society on the basis of stepping up production and raising social labor productivity. The new thinking does not respond to shallow, immediate demands but must adhere to common goals in order to be creative.

Fourthly, the new thinking does not emerge easily but comes about through a continuous and unrelenting struggle to distinguish between right and wrong, between loyalty and opportunism, between renovation in a positive direction and renovation that is merely a matter of convenience and so forth, not only within the party, from the central to the local levels, but even among the masses. As the Political Report of the Party Central Committee at the 6th Congress stated, we must squarely face the truth, correctly evaluate the truth and speak the truth.

But by forthrightly speaking the truth, one can lose one's position, one's authority, one's benefits, etc. Therefore, a person must be brave to speak the truth and adopt the new thinking.

In the final analysis, the new thinking must be expressed first in correctly evaluating practice and developing effective ways to transform practice, to put all social activities of the country on an orderly, balanced, and efficient basis.

Our current socio-economic situation confronts us with large difficulties. These difficulties have been with us for many years and are becoming increasingly serious. Many policies of the state have had to be revised as soon as they were promulgated. Thus, in actuality, we have yet to adopt the new thinking. Allow me to present below some of our country's salient socio-economic problems, problems which we should thoroughly examine and deeply analyze in order to draw necessary conclusions regarding practice.

1. For a long time, especially since the liberation of the South and the reunification of the fatherland, there has not been one year during which we have not had to wrestle with the grain problem. At times, finding rice has been a matter of survival. But why have we never correctly assessed the grain problem and solved it thoroughly? Is not our hunger the consequence of some "half-way" thinking characterized by a refusal to squarely face the truth, correctly assess the truth and clearly speak the truth in order to effectively solve this problem?

2. At a time when the economy is beset by difficulties and stagnation, when the financial-monetary crisis is becoming deeper with each passing day and the state is facing countless difficulties, the domestic free market is expanding very rapidly. With all its ills, such as speculation, black marketing, competition in procurements and sales, tax evasion, and so forth, the free market is having an increasingly adverse impact upon production and life.

Is the evasion of taxes by nearly 6,000 merchants in Thanh Hoa (NHAN DAN Newspaper, 16 May 1988) an isolated case? No, this is a widespread phenomenon because, under current circumstances, going into trade is a prosperous thing to do and with the management

mechanism of the state as lax as it is today, not only are merchants who have not registered their businesses evading taxes, but those merchants who have registered also have countless cunning ways to evade taxes.

All society has rushed into trade. State-operated units, private units, state agencies, mass organizations, and even schools, public security units, and army units, everyone is going into trade, some to meet a number of needs for cash or increase the income or salaries of cadres, manual workers, and civil servants, and some to simply get rich...

3. Foreign trade has become decentralized to the point of having virtually no organization at all. All sectors and localities demand the right to directly export goods under the "self-balancing, self-supply, and self-financing" mode. In actuality, however, instead of being self-sufficient, everyone is falling deeper into debt. Over the past 10 years, we have borrowed tens of billions of rubles and dollars from foreign countries. Generally speaking, however, this capital has not been used effectively.

Is it correct to conduct foreign trade the way we are doing now? In my opinion, it is a mistake to decentralize foreign trade because, when little is being exported, when much is being imported, and when debts are large, each additional degree of decentralization eats into the foreign currency that we are able to obtain and prevents us from making centralized use of this foreign currency in key areas of the national economy.

On the other hand, through export-import activities conducted under the mechanism of self-balancing by sectors and localities, the dollar has an opportunity to launch a frontal assault on the Vietnamese dong, so quickly that we are unable to retaliate. The practice of importing goods in order to profit by the difference in domestic prices is undermining the structure of domestic production and consumption, causing prices to rise artificially and causing serious inflation.

4. As regards production, the situation is much more tragic. All the consequences of the mistakes in the policies regarding prices, wages and money as well as in foreign trade have fallen upon production. For many years, basic production units have not had enough liquid capital (in cash or foreign currency) to pay the costs of supplies, raw materials, and wages for their workers in the face of the price spiral on the social market. Production is truly encountering more and more difficulties.

The press has reported on more than a few difficulties and frustrations of producers, not only in agriculture, but in industry as well. For example, an investigative report entitled "Why Have So Many Workers Quit Their Jobs in the Mines" carried in NHAN DAN Newspaper on 16 May 1988 described the tragic situation in the mining region: is this not a cry for help for production? Yet, why hasn't the state taken steps to correct this tragic situation

that has existed for many years and become so bad that many workers have quit their jobs? Is this a matter of negligence or incompetence?

We have long been ignoring the production front. We have left it up to producers to cope with the problems arising in production. As a result, how can we accelerate production in order to look after the living conditions of workers, which are already difficult?

5. Unemployment is becoming increasingly serious and there is no solution in sight. Things look difficult for the immediate future as well as over the long range. This is a difficulty that is not only economic, but also social in nature.

6. In management, the state apparatus is unable to regulate all the socio-economic activities of the country. The weaknesses of the state are that it does not control materials, cannot balance the budget, has not retained exclusive rights in foreign trade and foreign currency, and so forth. Therefore, the state has no material base upon which to implement its socio-economic plans nationwide.

The new thinking is sensitivity to practice, is correctly evaluating practice and transforming it in accordance with an established guideline for socio-economic development. If, in trying to solve problems, we are too lazy to think and go no further than direct observation, we, like the chess player who is concerned only with his next move, will pursue the immediate and surely become passive and bogged down.

The new thinking approaches, analyzes and resolves problems from the perspective of the national economy. It is necessary to examine how the public and the private, the primary and the secondary, the immediate and the long range, the economy and society and the nation and the locality are combined.

The new thinking must first be oriented toward constantly re-examining the positions and policies as well as the general line of the party. Lines and policies are nothing more than the application of objective economic and social laws for the purpose of transforming nature and society with the aim of serving the interests of man. It is the interests of man which determine lines and policies.

Rigid thinking in the research of policies is very dangerous because socio-economic activities do not yield results when conducted under incorrect lines and policies.

The new thinking attaches importance to science and considers science to truly be the leading edge of development in the economy and society.

The new thinking demands a corps of scientific-technical cadres and socio-economic management cadres who are persons of conscience and are well qualified.

Therefore, in addition to adopting new thinking in the research of lines and policies, it is necessary to practice correct thinking in the work of assigning, organizing, and deploying cadres. To do this work well, it is necessary to know job objectives and the capabilities of personnel. Training and utilization, objectives and organization must be combined.

As the Political Report of the Central Committee at the 6th Party Congress stated, "the mistakes and shortcomings in socio-economic leadership stem from shortcomings in the ideological activities, organizational work, and cadre work of the party. This is the cause of all causes."¹ Therefore, changing our thinking in the fields of ideological activities, organizational work and cadre work is a matter of special importance.

Footnote

1. Political Report of the Central Committee at the 6th Party Congress, TAP CHI CONG SAN, Number 1, 1987, p 28.

Protecting the Environment

42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 56

[Vo Quy; article not translated]

Necessary Steps in Agricultural Economic Management in Tra Cu

42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 60

[Trieu Van Be; article not translated]

Cultural Exchange in the Present Age

42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 65

[Le Anh Tra; article not translated]

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Country Today**

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[Dan Tam; article not translated]

**A Minor Opinion on the Situation Concerning
culture, Literature and the Arts**

*42100004 Hanoi TAP CHI CONG SAN in Vietnamese
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[Tran Khoa; article not translated]

Hungary, Reforms and Prospects
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[Vo Thu Phuong; article not translated]

Asia-Pacific at the Threshold of the 21st Century
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[Nguyen Ho; article not translated]

The Restructuring Campaign in Czechoslovakia
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[Unattributed; article not translated]

**Cooperation Between TAP CHI CONG SAN and
the Theoretical Reviews of the Central
Committees of the Fraternal Parties**
42100004 Hanoi TAP CHI CONG SAN in Vietnamese
No 11, Nov 88 pp 89

[Unattributed; article not translated]