

CHINA POLICY STUDY GROUP  
**BROADSHEET**

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### NOT BY BEGGING

IN April 1980 the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance will lapse. It was signed 30 years ago, after negotiations between Mao and Zhou on one side and Stalin and Molotov on the other. China has announced that it will not be extended, though in reality it has been a dead letter ever since 1960, when the Soviet leaders repudiated all their agreements and withdrew support from China.

For 20 years the Soviet Union has behaved like an enemy of the Chinese people and their government, seeking to undermine their independence and sap their capacity for self-reliance, even encouraging and participating in aggression against them and coordinating a massive campaign of anti-China propaganda. China prefers, as the record shows, to coexist peacefully with all states on the basis of the Five Principles adopted at Bandung in 1955. Through all these years the Chinese have maintained state and trade relations with the Soviet Union while refusing to appease social-imperialism and those who aid its aggression, as in Eritrea and Kampuchea. No one wants peace more than they do, but they believe, in Premier Hua's words, that peace is not won by begging.

Only hypocrites could claim that in recent years the Soviet Union has observed the principle of mutual respect for territorial integrity and sovereignty, still less that of non-interference in the internal affairs of other countries. A superpower seeking world domination cannot 'submit' to the Five Principles. The USSR is today the main threat to world peace, so how could China proclaim a treaty of 'Friendship, Alliance and Mutual Assistance' with its present leaders?

Nevertheless, ideological differences should not stand in the way of normal state-to-state relations which help to reduce conflicts. That is why China has taken the initiative in offering the Soviet Union discussions on issues outstanding between them. China has basic differences with the governments of, for instance, the US, Japan and Britain, but when attempts at interference and dictation have been abandoned friendly and peaceful relations have quickly followed. This is something which the Soviet government should ponder if it is sincere about normalising state-to-state relations.

Only those are worthy of the name of Communists who understand that it is impossible to create or introduce socialism without learning from the organisers of the trusts. For socialism is not a figment of the imagination, but the assimilation and application by the proletarian vanguard, which has seized power, of what has been created by the trusts. We, the party of the proletariat, have no other way of acquiring the ability to organise large-scale production on trust lines, as trusts are organised, except by acquiring it from first-class capitalist experts.

Lenin: 'Left-Wing' Childishness and Petty-Bourgeois Mentality, quoted by Hu Qiaomu (*Peking Review*, 10 Nov. 78).

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## ECONOMIC PROBLEMS OF SOCIALISM IN CHINA

IN terms of technology, productivity and growth—still the yardstick employed in the West—China moved into the twentieth century during the fifties and sixties. A generation later she has to prepare to move into the twenty-first century.

Economic growth is only one of the goals nations may set themselves and for China it was never the first. The transformation of social attitudes and the transition to a more equitable social system were the hallmarks of China's emergence as a world force. But socialist China is not immune from shortages, and is suffering from them today. She is not immune from unemployment. If consumption outstrips production—to take the most obvious case, if population growth outstrips new investment—there will be concealed unemployment in the countryside and unconcealed unemployment in the cities. This is the situation at present. China must increase productivity.

The issue was brought to the forefront by the State Planning Commission in its statement of the 'Great Guiding Principle for Socialist Construction' in September 1977, and has not receded. Now it shows every sign of attracting even greater emphasis.

Great efforts must be made to adopt advanced techniques, make technical innovations and the technical revolution and raise labour productivity. Constantly raising labour productivity while keeping to the socialist orientation is a fundamental task in socialist construction.

Lenin said: 'In the last analysis, productivity of labour is the most important, the principal thing for the victory of the new social system. Capitalism created a productivity of labour unknown under serfdom. Capitalism can be utterly vanquished, and will be utterly vanquished by socialism creating a new and much higher productivity of labour'. Chairman Mao proposed to achieve greater, faster, better and more economical results in building socialism. In the final analysis, this means the need to raise China's labour productivity greatly and to modernize China's industrial and agricultural production in the quickest possible way. If we expand production not by raising labour productivity but by increasing the work force alone, this will limit the rate of development of production and state accumulation.

**Raising productivity is not a problem that solves itself under socialism any more than under capitalism.**

Will China really set about raising productivity and go through with it, or will other priorities come along and deflect her before the disciplines of modernisation

have taken hold? Chinese pronouncements allow no ambiguity on this subject. Even making all allowances for political hazards it seems that the point has now sunk in that to shrug off the increasingly insistent demands of modernisation, would be to lapse once again into small-producer mentality and condemn the Chinese to a static or declining standard of living.

Recognition of what industrialisation would entail, in the shape of borrowing experience from those who had already industrialised on a different basis, was never lacking. As early as June 1949 policy statements were emphasising the need "to resume and expand international trade in order to develop production and promote economic prosperity". By 1956 this had become more explicit. In *The Ten Major Relationships*, one of the basic documents of the Chinese revolution, Mao Tse-tung wrote:

In technology I think at first we have to follow others in most cases, and it is better for us to do so, since at present we are lacking in technology and know little about it. However, in those cases where we already have clear knowledge, we must not follow others in every detail.

... In the industrially developed countries they run their enterprises with fewer people and greater efficiency and they know how to do business. All this should be learned well in accordance with our own principles so that our work can be improved. ... We must not only learn from other countries during the period of our first five-year plan, but must go on doing so after the completion of scores of five-year plans.

The shortfall was in carrying Mao's precepts into practice. China's present leadership is making no bones about this, across the whole range of economic policy. They do not always quote his words but they base themselves on his thesis in the first of the *Ten Major Relationships*: 'To develop heavy industries requires an accumulation of capital. Where does capital come from? Heavy industries can accumulate capital; so can light industries and agriculture. However, light industries and agriculture can accumulate more capital and faster. ... If you really want heavy industries badly, you should invest more in light industries.' In April an economic article in the *People's Daily* contained warning to the planners that investment in some branches of heavy industry, such as iron and steel, must be cut in order to guarantee a bigger share for light industry.

For a long time, it pointed out, only about 10 per cent of national expenditure was allotted to agriculture. Although the proportion has been increased this year it is still insufficient, and instead of tailing off in the years to come it will need to go on rising steadily. Two decades of lip service to the primacy of agriculture—the foundation of the economy—have not ensured the necessary attention to its development. The fruits of this neglect are now being reaped in recurrent shortages of food supplies for the urban population and an insufficient flow of raw materials from the farms to the light industries which depend on them. 'Modernisation will quite simply be out of the question if this state of affairs continues', the article concluded.

The searchlight was then switched to light industry, where again investment was shown to have been grossly inadequate. For thirty years the state had earmarked, on average, only 2.04 per cent of its total capital construction budget for light industry, the figure dropping steadily during the period of political instability and being restored to no more than 2 per cent in 1977-78.

Finally, there was imbalance within heavy industry. It originated with the acute shortage of fuel, power and raw materials—aggravated, though this was not stressed to the same extent, by failure to keep the transport industry abreast of the demands made on it.

Translating a plan into organisation of production at enterprise level is not achieved by 'putting politics in command' in the abstract. It demands management expertise, no less than technical expertise.

During the first Five Year Plan, the Chairman of the

State Economic Commission remarked on one occasion, China had no experience in large scale industry and could only copy the Soviet Union. When she became dissatisfied with this and had to put into practice some ideas of her own, there were big achievements but also many errors. Production management was at that time being learnt from the Soviet Union, not perhaps the most advanced of possible teachers but the one that was prepared to trade its know-how. In point of fact the standard of production management demanded by China's problem in the fifties bears no comparison to her requirements today. That was a generation ago; China had less industry then than the Soviet Union inherited in 1917, and for all but a handful of her engineers the technology of the thirties was modern beyond their wildest dreams. Mechanisation of production, even when not carried out in the most judicious way, meant a huge leap in industrial output, which gave the first decisive impetus to economic growth.

For very many friends of China, however, several other questions are raised by the overriding priority now being given to the drive to "Observe Economic Laws and Speed up the Four Modernisations"—the title of a five-part article by the President of the Chinese Academy of Social Services (*Peking Review*, No. 10, 17 and 24, 1978). The article deals extensively with the reward for labour, the organisation of production, and management.

The inevitable question, whether China will become so preoccupied with expanding the *forces* of production that her progress in transforming the *relations* of production will be slowed down or halted altogether should be scrutinised in the light of her actual experience since liberation. The laying of the first industrial base in the fifties, the Great Leap Forward, and Dazhai/Daqing campaigns of the seventies, were all periods of concentrated effort to extend the productive forces. They were also the periods of most intensive education in transforming the relations of production. It is not the nature of the task being tackled, but the political leadership under which the nation tackles it, that matters here.

A more pertinent question is whether the material inducements that have to be offered, and the greater discretion and authority conferred on those with higher training ('the professionals'), will sap the social motivation of the Chinese revolution instead of heightening it. This is always a danger, averted only by subtlety in applying the policy of incentives, by mass vigilance and by the ceaseless re-education of the professionals.

China is now being reminded that the principle of unequal rewards for unequal work contributions is no organisational detail but a matter of politics during the period of socialism. 'To each according to his work' has been the pervading text of the post-Gang-of-Four phase. Making use of the law of value to strengthen socialist development entails economical employment of time and materials, strict business accounting and reduction of unit costs of production. The yardstick by which efficient use of time and resources is measured must be the rate of profit on funds invested. The alternative is to risk wasting time and squandering resources. Despite the oft-quoted warnings of mentors from Marx to Mao, Chinese experience in the seventies abounds with examples of this. Several thousand workers on a construction site could be working only a five-and-a-half hour day through gross over-manning and yet be receiving full pay because there was no proper cost-accounting. In a society in transition this is as detrimental to the workers' attitude to labour, and to the revolutionary potential of the working class, as it is to production itself. Hence it is vital to link the material interests of workers and staff directly with success or failure in the management of the enterprise. Failing that there will be retrogression, because ideology will not have been geared to daily practice.

One other problem is obvious even from a cursory glance at the 1978 article and a succession of other articles since. New emphasis is being put on the advantages of having production, as well as trade, regulated by contract. Specific contracts between enterprises, and between enterprises and the state, reduce the burden on the administrative organs at various levels. That means less bureaucracy and probably less steamrolling by Cadres. Does it also mean *less* shop-floor initiative, *less* incentive to show where easy options could be tightened up and productivity improved, *less* flexibility and innovation, in a word *less* social incentive and *less* politics?

It may be that the contract system is the only way of resolving management problems at different levels during the readjustment period, and can be modified or superseded when this has been done. Trade must obviously be regulated by contract, but the control of production by contracts between organisations may be a temporary expedient. There could be a similar debate about another of the proposals for expanding the role of purely economic controls, namely the setting up of more specialised companies concerning themselves with only a part of a manufacturing process, or with a very narrow range of operations or merchandise.

Hitherto China has been closest to the socialist visionaries (e.g. William Morris) in this respect. Now the view expressed is that 'the integrated, self-contained enterprises, whether big or small, are a backward form of organisation in production'.

Some methods which are beginning to be brought into use for the first time in China have very well-known antecedents. Mao followed Stalin in pointing one contrast between the capitalist and socialist systems

that could in certain circumstances impose a heavier burden on those responsible for the management of a socialist economy. In a capitalist, market economy whenever unbalanced development appeared it was adjusted by a crisis—commercial, financial or economic, sometimes minor but often cataclysmic. A socialist, planned economy on the other hand was not self-adjusting and every hitch or miscalculation might hit the whole economy. Why then should a developing socialist country expect to learn much about management techniques from capitalism? Because even though capitalist production is not planned as a whole, it certainly is planned within enterprises, some of them quite large. This echoes Lenin's conclusion in 1920 that the proletariat could not maintain its rule by dictatorship alone but must adopt the whole technical experience of capitalism so long as it was playing a progressive role. Basing themselves on this the Chinese leaders have spotlighted the deficiencies of past and present economic management as candidly as Mao but in more detail. They have also quoted Lenin's dictum about the need to 'enlist the services' of capitalist production managers.

There is no doubt that the Four Modernisations are being taken seriously and that management is accepting the discipline entailed. It is also clear that the consequentials are being looked at with unblinkered eyes. If they were not, there would have been no chance of relegating steel to the second rank of priorities and raising consumer goods and energy to the first, as the NPC has now done in one of the most emphatic returns to Mao's teachings for many years. Yet it would be foolish to pretend that principles of socialist policy are unaffected, or that no critical problems are raised about the nature of socialist transformation.

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## Nationalism & Revisionism in 'Socialist' Vietnam

WHILE there can be two opinions about the wisdom of the Chinese defensive counter-attack in Vietnam, there can be no two opinions about the recent reprehensible conduct of the Vietnamese authorities towards their Chinese residents and their Kampuchean neighbours, as well as their attacks across the Chinese border into provinces which were for so long life-lines of the Vietnamese revolution. The root of the present turmoil in and around Indochina is Hanoi's conduct, and it simply wont wash to 'equate' Vietnam and Kampuchea, i.e. aggressor and victim, or China and Vietnam (for, of course, China's counter-attack was a limited and short-lived affair, while Vietnam's invasion of Kampuchea was an all-out attack to take permanent control of the country). Both by their occupation of Kampuchea and their persecution and massive export of the 'Hoa' people in Vietnam, the Vietnamese authorities are proving their chauvinism, which they try to justify in the name of internationalism and socialism. In condemning Chinese residents *en masse* as 'subversives, degenerates and criminals', and now as a 'fifth column'—regardless of their formal legal status or social class position—the Vietnamese authorities are practising a calculated xenophobic chauvinism of the most blatant kind. Their contentment that the present outflow of refugees from Vietnam is being instigated and masterminded from Peking in order to sabotage the building of socialism in Vietnam is even more outlandish than their claim that Heng Samrin's National United Front for the Salvation of Kampuchea is a genuine, home-grown representative of the Kampuchean people!

The question is, how can a self-professed socialist country and upholder of proletarian internationalism,

be doing these things? As the article on Vietnam in the June-July 1979 issue of BROADSHEET hinted, there must be a long background of revisionist degeneration to account for the present behaviour of its rulers. There are today many serious gaps in our understanding of the experience, both positive and negative, of post-revolutionary socialist construction, and in particular of the way in which the 'muck of ages' handed down from the pre-revolutionary past continues to impede the building of a new society.

### Nationalism and the 'Indochina Complex'

In my opinion nationalism is the principal source of the revisionism of the Vietnamese Communist Party. It may seem odd to speak thus, for to judge for instance from their official documents the Vietnamese Communists would appear to assume an orthodox position of support for proletarian internationalism. Yet this internationalism is certainly not applied to neighbouring people or national minorities (Chinese and other), which are instead made the victims of Vietnamese national-chauvinism, i.e. domination and oppression either by the 'majority' over minority nationalities or by the stronger over weaker countries.

The source of this chauvinism is nationalism, or rather the darker, negative side of it. The Vietnamese Communists have long shown a marked nationalist bias, that is to say, a preoccupation not only with Vietnam's national identity and independence (which was under attack by imperialism), but also an obsession with Vietnam's national power and greatness (which was, and is, directed necessarily against neighbouring countries and minority nationalities). In this negative aspect, this nationalist bias has hardened into what can only be de-

scribed as an 'Indochina complex'. It is, in its formation, a product of Vietnam's pre-revolutionary past, feudal, colonial and bourgeois, and it is manifested not only in a chauvinistic attitude towards national minorities and neighbours but also in a singularly uncritical, 'proprietary' attitude towards the country's history. For example, Vietnamese historical writing never allows one to forget about feudal Chinese invasions of Vietnam in the distant past, though no word is breathed about the much more recent Vietnamese invasions of Cambodia and Thailand.

Indochina was, of course, a creation of French colonialism, built upon the cultural, historical and geographical realities of the region at that time. Having first used the Lao and Khmer rulers to 'neutralise' and subdue the Vietnamese, the French then used the latter to 'pacify' and administer Cambodia and Laos within the framework of Indochina. As the largest component of Indochina, Vietnam felt itself to be entitled to exercise 'leadership' over its smaller neighbours, particularly Cambodia and Laos (and Thailand). Thus, so far as the neighbouring people were concerned, Vietnamese feudal rulers were succeeded by Vietnamese colonial administrators, who were in turn followed by Vietnamese bourgeois nationalists and, finally, by Vietnamese Communists. This 'Indochina' was adopted by the Vietnamese Communists without question or qualification.

#### Indochina and Vietnamese Communism

In this connection, a brief glance at the history of the Vietnamese Communist movement is instructive. First founded in 1930 as the Indochinese Communist Party, it was 'dissolved' in 1945, and then resurrected as the Vietnam Workers' Party in 1951, when its second congress was held. Its third congress was held in 1960, and the fourth (and to date last) in 1976, when the party was rechristened the Communist Party of Vietnam and the 'Sovietisation' of Vietnam virtually accomplished.

In the late 1920s, when the few Vietnamese Marxists asked to be allowed to set up a Vietnamese Communist party, they were told instead by the Comintern—presumably acting on the advice of the French Communist Party, which would have had 'responsibility' for 'its' colonies—to establish an Indochinese Communist party. Naturally enough the more numerous and experienced body of Vietnamese Communists exercised the main influence and control over the activities of the ICP. In 1945 however, the decision was taken to dissolve the IPC, since that best suited the strategy and needs of the Vietnamese revolution then. From all accounts, both Vietnamese and foreign, it was essentially a unilateral decision of the Vietnamese Communists, as was to be the decision six years later to re-activate the ICP under the new name of the VWP, alongside the setting up of ostensibly 'independent' Communist-led parties for Cambodia and Laos.

The concept of 'Indochina' had become a kind of straitjacket for the party. It was explained that the changeover from 'Communist' to 'Workers' was to reassure those who didn't like the former term. More to the point, it was explained that the change from 'Indochinese' to 'Vietnam' was a purely tactical and temporary one, partly in response to the changed international circumstances and partly as a concession to Lao and Cambodian Communists, which would be put right (i.e. restored) as soon as conditions permitted. There is no doubt that by then the Cambodian and Lao Communists having outgrown the need for Vietnamese 'super-vision', resented this tacit assumption of tutelage over them. The setting up of three truncated parties in place of a single ICP was a concession to that mood of rebellion. The Vietnamese Communists had no intention of allowing this insubordination to go unpunished.

Thus, the programme of the VWP spoke of the willingness of the people of Vietnam to enter 'into long-term co-operation with the peoples of Laos and Cam-

bodia, with a view to bringing about an independent, free, strong and prosperous federation of the states of Vietnam, Laos and Cambodia, if the three peoples so desire'. At about the same time, Ho Chi Minh stated that they were soon going to realise 'the great union of Vietnam, Laos, Cambodia'. Much more revealingly, a few months later a top-secret party directive stated that 'later on, when conditions permit this to be carried out, the three revolutionary parties of Vietnam, Cambodia and Laos will be reunited to form a single party'. In the short run the Vietnamese Communists were forced to reckon with the aspirations to independence and self-reliance of their 'junior' comrades in Laos and Cambodia; in the long run they appeared to have no intention of giving up the vision of a 'united Indochina', over which they would necessarily exercise permanent 'leadership'. Certainly after 1951 the VWP leadership sought by every possible means, chiefly by the offer of material aid as bait, to secure control over Lao and Cambodian revolutionaries and to get them to follow its line, with a view to using (and abusing) the Cambodian and Lao revolutions to suit Vietnamese requirements, revolutionary or otherwise.

It should be emphasised that in 1951 the VWP was still essentially a Marxist-Leninist party, though already heavily tinged with nationalism. We now see that its founding congress pointed the way towards Marxism-Leninism, that its second congress in 1951 was a congress of nationalism, that its third congress in 1960 was a congress of revisionism, and that its fourth congress in 1976 was a congress of expansionism, at each stage foreshadowing the road it was to take.

Perhaps as an Indian I am unduly conscious of the strong, and in the circumstances sordid, parallels between Vietnam and India, because of their broadly similar positions in Indochina and the Indian subcontinent respectively. The great-power chauvinism of the VWP towards Lao and Cambodian Communists is reminiscent of the chauvinism of the Indian CP towards smaller CPs in South Asia. The brutal mistreatment of Muslims, Harijans and other minorities in India is not very different from the treatment of the 'Hoa' people in Vietnam. Then, of course, there is the parallel between India's 'liberation' of Bangladesh in 1971 and Vietnam's 'liberation' of Kampuchea in 1979 (second time round since Hanoi also claims credit for Kampuchea's liberation in 1975). The tragedy of the 1979 'liberation' is all the greater in that it was carried out in the name of 'socialism' and 'internationalism'.

JITENDRA MOHAN

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