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Tap Chi Cong San

No. 3, 1982



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Except where indicated otherwise in the table of contents the following is a complete translation of the monthly theoretical and political journal of the Vietnam Communist Party published in Hanoi.

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**THE VIETNAMESE PEOPLE ARE DETERMINED TO DEFEAT ANY AGGRESSIVE SCHEMES OF CHINESE EXPANSIONISM AND HEGEMONY**

Hanoi TAP CHI CONG SAN in Vietnamese No 3, Mar 82 pp 1-12

[Article by Truong Chinh]

[Text] The war of aggression made by the Chinese army against our country three years ago and its humiliating defeat will go down forever in history as an important victory of the Vietnamese people and the world's people as a whole for peace, national independence, democracy and social progress, and also as one of the dirtiest actions of the reactionary clique in the Beijing leadership.

On February 17, 1979, the leaders of the Government of the People's Republic of China openly launched a brutal aggression against Vietnam, a socialist, independent, sovereign country whose decades-long struggle for national liberation had always been closely related to the fight of the Chinese people and had actively contributed to the defence of the southern part of the Chinese mainland.

This out-and-out war of aggression, however, was conducted by Beijing under the signboard of an "offensive in self-defence" to "protect the border" against "Vietnamese provocations and aggression against China!" Who could be convinced that the Vietnamese people, who were fresh from a long and extremely difficult anti-aggression war for independence and freedom, who are still bearing many battle wounds, and who valued nothing more than peace to rebuild their country and build for themselves a happy life free from want and care, were sending their troops in an aggression against a neighbouring country many times bigger? Nobody could believe this, not even the people in power in Beijing, whatever they might be saying.

This way of aggression of the expansionists and hegemonists in Beijing was designed to be as a strategic deployment to catch Vietnam in a crossfire in order to surround and annex it from two directions -- from the southwest, with a "special war" undertaken by the puppet Pol Pot army, and from the north, with a direct war conducted by the Chinese army; yet Beijing was claiming that Vietnam, as a "minor hegemony," was "invading and bullying Kampuchea," and had to be "punished" and taught a "lesson" to "explode the myth of an ever-victorious Vietnam!" The outcome of the war, as we could see, was that it was Beijing, not Vietnam, that was taught a good lesson!

The fact was that the war of aggression made by Beijing in February 1979 had been planned for a long time, and the reason for its being launched has neither the victories of the Vietnam People's Army along Vietnam's southwestern border, nor its assistance to the Kampuchean people in liberating Phnom Penh in January 7th that year. Even so, that war revealed Beijing's passivity and confusion in deploying and carrying out its



two-pronged strategic plan. As revealed by an American source, Gang Biao, now minister of defence, said in January 1979 that under the devastating onslaught of the Vietnam People's Army in coordination with the attacks and uprisings of the People's Revolutionary Army of Kampuchea, the puppet clique of Pol Pot and Ieng Sary had lost Phnom Penh seven months earlier than expected.

This was a war of aggression of a fairly large scale ever conducted since the end of the Second World War. It has very sinister objectives, but was described as an "operation limited in time and space" with "limited objectives!" Beijing wanted to hoodwink public opinion and, by diversionary tactics and deception, to blunt the vigilance of our army and people with the "limits" of the war. This, it hoped, would give it the benefit of surprise and also a chance to save its face in case of a hurried retreat.

In practice Beijing fielded almost 600,000 regular troops, including 11 army corps and many unattached divisions, about 700 aircraft of various kinds, almost 600 tanks, armoured vehicles, and thousands of artillery pieces. At the same time all the great military regions were ordered to stand by. In strength the invasion army almost doubled the U.S. forces at the height of the Korean war (1950-1953) and by far exceeded the number of U.S. combat troops during the peak of the U.S. war of aggression in Vietnam (U.S. troop strength was 327,000 in the Korean war, and 549,500 in the Vietnam war. Israel, in its aggression against Egypt, Syria and Jordan in 1967, fielded 100,000 troops).

The Chinese aggressors launched attacks the length of Vietnam's northern border, from Quang Ninh Province to Lai Chau Province, with concentration on the provinces of Lang Son, Cao Bang and Hoang Lien Son. Big forces were used in "human wave tactics" and attacks followed attacks in an effort to smash our defences and occupy the towns of Cao Bang, Lang Son and Lao Cai within a few days and then deploy further on our territory. Units of the "Chinese People's Liberation Army" committed intolerable crimes everywhere, destroying towns, villages, factories, schools and hospitals, killing women and children in an utterly inhuman manner, looting and committing arson. Their crimes were reminiscent of the fascist "scorched earth policy".

One wonders what the 600,000 Chinese troops would have done if they had not been violently intercepted and severely punished by our army and people. Would they have stopped at our border towns and then would have withdrawn willingly? Or would they have moved further? War develops according to its own logic and with the subjective assistance of the belligerent parties. Have there been any generals, who, in leading their armies, failed to seize a good occasion to press attacks and follow up exploits in order to win resounding, unexpected victories? How could it be that the people in power in Beijing did not have such ambitions? So it was clear that our own efforts and great international support decided the outcome of the war in our favour. The fight put up by our army and people with great courage and sacrifices on the northern border received a devoted assistance from the whole country. It had the effect of stopping all enemy advances and forcing the aggressors to withdraw in shame. It put a stop to the war in a manner favourable to Vietnam, and dashed all arrogant ambitions of the reactionary rulers in China.

A few people, not knowledgeable, were astounded by the Chinese invasion in Vietnam. But the fact was that China had long harboured this dirty scheme, and Vietnam, with initiative, had prepared for the eventuality of a war provoked by China from the north.

Certain circles in the West are still speaking about this as a "fight between communist countries," saying that it showed that "differences on national interests have prevailed over ideological unity in the socialist countries!" No. This author, in an article called *Ve Van de Cam-pu-chia* (on Kampuchea) published in November 1979, gives the main outlines of the nature of the reactionary clique within the Beijing leadership, and speaks about their schemes and actions to annex Kampuchea and oppose Vietnam and Laos for hegemony over Indochina and expansion to Southeast Asia. The present article will deal with a number of historical facts of the Sino-Vietnamese relations and with Beijing's long-standing schemes and premeditated actions against Vietnam, thereby pointing to the reactionary nature of the present Beijing leaders who are following "post-Mao Maoism" or "Maoism without Mao."

As it had already been known, the Vietnamese people and the Chinese people, in long revolutionary struggles against imperialism, their common enemy, supported and assisted each other and joined efforts in building a friendship between two nations with "common mountains and common rivers." Together with the Soviet people and the peoples of other fraternal socialist countries the Chinese people gave Vietnam a great support and assistance which will be forever remembered by the Vietnamese people. A completely new chapter opened in the histories of the two nations with the advent of the new era in the human society. Old hatred engendered by aggressions committed by feudal China were gradually forgotten. Owing to historical and geographical conditions in Vietnam and China, especially to the international situation at the beginning of this century, very close relations were established between the Vietnamese revolution and the Chinese revolution: Vietnamese revolutionaries, especially Nguyen Ai Quoc (Ho Chi Minh), in their quest for a way to save their country, espoused Marxism-Leninism and took the Vietnamese revolution along the path charted by Lenin. In pursuing the cause of national liberation under the leadership of the Communist Party of Vietnam, Vietnamese revolutionaries primarily learned from the experiences of the Russian October Revolution and from the experiences of the Soviet people in many fields. At the same time they benefited from the experiences of the Chinese revolution, the French revolution, etc. The Communist Party of Vietnam applied with fluency the universal theories of Marxism-Leninism to the concrete situation in Vietnam, thereby charting a correct, creative course for the Vietnamese revolution and taking it from one victory to another. History over the past decades shows that certain number of leaders of the Chinese revolution headed by Mao Zedong, while continuing to assist the Vietnamese revolution -- a thing which they could hardly desist from while imperialism remained their enemy -- continued to harbour their expansionist and hegemonistic dream toward Vietnam just as the Chinese emperors did in the past. And they pursued this sinister design by capitalizing on the assistance full of proletarian internationalism of the Chinese people to the Vietnamese revolution. Furthermore, these schemes and acts were dissimulated under the cloak of "revolution" and "Marxism." Mao Zedong's thought, even when it still played a certain role in the democratic revolution in China -- a positive role in the struggle against imperialism and feudalism, which, however, was limited by the ideologies of the petty bourgeoisie and bourgeoisie -- already gradually revealed its non-proletarian nature. In particular, after the People's Republic of China was born and embarked on the period of socialist revolution, Mao Zedong's thought became reactionary. It has revealed itself more and more as a medley of the ideologies of many different non-proletarian classes and social strata, from the peasantry, petty bourgeoisie and bourgeoisie to the feudal landlords, which has nothing in common with Marxism-Leninism and scientific socialism. This hodge-podge, however, has been camouflaged under Marxist terminology. It is actually aimed at opposing Marxism-Leninism, socialism and the independence of nations, driven by the foolish ambition of ruling over the whole of our planet. Mao's global strategy may be summed up in the following major objectives:

1. To make Maoism replace Marxism-Leninism.
2. To make the Chinese Communist Party the leading party of the revolutionary movement of the working class and people throughout the world.
3. To make China the centre of the world ruling the whole planet.

To realize these ambitions, it is essential that China must be strong and stronger than the Soviet Union. Accordingly, China has entered into strategic alliance with imperialism headed by the United States, and has asked the United States and the other imperialist powers to help it in its "modernization" program including the modernization of the army.

What is the most prominent feature of Maoism? It is expansionism and the doctrine of Greater Han hegemonism. This is actually big-nation chauvinism, a type of bourgeois nationalism heavily seasoned with the feudalistic ideology born at a very early date from the historical and geographic conditions of ancient China. It lingered through medieval China, sustained humiliating defeats in the modern times when China was parcelled out by the colonialist and imperialist forces and reared its head again in modern China following the victory of the Chinese revolution of 1949, thanks to the impact of Marxism-Leninism and the inexorable trend of our era.

In the present era when the working class has become the central figure of society and socialism has become the inevitable development of human society, the Greater Han Ideology becomes Mao Zedong Thought decked out as Sino-rized Marxism-Leninism with the illusion of transforming China into the centre of world revolution and building a Chinese-type socialism as opposed to scientific socialism of Marxism-Leninism.

In fact, during the many decades of assisting the Vietnamese revolution, Mao Zedong and his followers in the leadership of the Chinese Communist Party deftly played the "Vietnam card" with a view to attaining the status of a big power on an equal footing with the other big powers in the world. They contained and used pressure on Vietnam when giving it aid, and sought every possible means to control Vietnam and drag it into China's orbit in order to have its hold on Vietnam and thereby to control Indochina and expand to the whole of Southeast Asia. During the war imposed by the French colonialists and later during the war launched by U.S. imperialism against Vietnam, they applied a policy of keeping Vietnam from either winning or losing, and permanently divided in order to serve as a buffer between China and imperialism. They wanted Vietnam never to grow strong, instead to remain always dependent on China.

During the Vietnamese people's war against French colonialism, when the possibility had been opened for the Vietnamese army and people, following the Dien Bien Phu victory, to push the offensive ahead and liberate the whole country, Beijing stepped out to act as the main negotiator with the French colonialists and compromised with them on a solution which benefited only China and France and was detrimental to Vietnam, Laos and Kampuchea. It pressured Vietnam into accepting a solution which did not fully reflect Vietnam's victory and the balance of force between Vietnam and the enemy on the battlefield at the time. Beijing intentionally limited Vietnam's victory, sacrificed the interests of the peoples of the three Indochinese countries so that China might have a peaceful environment to build itself into a super-power and also to carry out step by step its scheme of weakening and eventually controlling the Indochinese countries, as part of its strategy of pushing southward into Southeast Asia.

Through the above diplomatic move, China also aimed to win international recognition as a country on a par with the four big powers, standing members of the United Nations Security Council, and therefore acquired a major role in the settlement of international issues, first of all issues in Asia. In the Vietnamese people's fight against the U.S. imperialists, China at first attempted to prevent Vietnam from carrying out the struggle to achieve national reunification by pressuring it into accepting the theory of "prolonged ambush" in southern Vietnam. It did not approve of the Vietnamese people in the south undertaking an armed uprising and a revolutionary war to overthrow the neo-colonialist rule of the United States.

Even in the early sixties China still tried to draw Vietnam into opposing the Soviet Union in an attempt to "assume the leadership of the world revolution". But it did not succeed. While loudly denouncing U.S. imperialism, Beijing had in fact given the green light to the United States to launch a direct war of aggression in both parts of Vietnam with Mao Zedong making his notoriously reactionary statement: "If you do not harm us, we will not harm you."



Beijing exerted itself to undercut all unified actions of the world revolutionary and progressive forces in support of the Vietnamese people's resistance to American aggression, and continued to make Vietnam rely and depend on China. It opposed Vietnam's diplomatic struggle in Paris aimed at forcing the U.S. to de-escalate, and it did this under the signboard of "opposing the United States to the end," which was actually to "fight the United States to the last Vietnamese" and prolong the Vietnamese people's anti-U.S. resistance indefinitely thereby to weaken Vietnam for the benefit of its expansionist policy. From the late sixties Beijing reversed its alliance policy, gradually revealing its policy of regarding the Soviet Union as its main enemy while entering into trade relations with the United States in an attempt to take China to the position of the third super-power of the world. In the early seventies, capitalizing on Vietnam's victory Beijing conducted negotiations with the United States behind Vietnam's back in order to prevent Vietnam from completely liberating the south. It wanted the United States to withdraw its troops but to maintain the Nguyen Van Thieu puppet regime in order to keep Vietnam permanently divided and weaken it.

In that sense, the complete victory of the Vietnamese people in the resistance against U.S. aggression for national salvation was not only a disastrous defeat for the U.S. imperialists but also a stinging failure for the expansionists and hegemonists in Beijing. (On the historical questions mentioned above, see the Vietnamese Foreign Ministry's white book published in October 1979 and entitled "Truth About the Vietnamese-Chinese Relations During the Past Thirty Years").

Obviously, Vietnam has always been a factor of paramount importance in Beijing's global strategy in general and more particularly in its strategy of pushing southward over the past several decades. In the eyes of the reactionary rulers in Beijing, an independent, unified, socialist and growingly prosperous Vietnam would be a major obstacle to China's policy of expansion in Indochina and the rest of Southeast Asia. It is actually for this reason that since the complete liberation and reunification of Vietnam Beijing has been even more frenzied in opposing Vietnam and this it did by many brutal means and methods, of which the most brazen have been the "special war" they conducted in Kampuchea and their large-scale "two-pronged strategy," which have both failed miserably.

Thus, the war between Vietnam and China in February 1979 was not a "conflict between communists" but essentially a bitter struggle between national independence and socialism on the one hand and aggression, expansionism and hegemonism on the other, a bitter struggle between Marxism-Leninism and Maoism.

By openly invading Vietnam with intent to annex later the rest of Indochina and Southeast Asia, the reactionaries in the Beijing authorities have fully revealed their real nature. Under the cloak of Marxism-Leninism and borrowing the name of socialism, today they are unblushingly following the tracks of the "sons of heaven" in ancient China. They have proved themselves to be the direct and dangerous enemy of the Vietnamese people, the enemy of national independence and socialism in Indochina and of peace and stability in Southeast Asia, a very dangerous enemy of the world revolutionary movement, and the enemy of the Chinese people themselves.

Their war against Vietnam has been a profession of faith through which to clearly demonstrate their position of anti-communism and alliance with imperialism, to win the "confidence" of the U.S. and the other war-mongering imperialist forces, and plead with the U.S. and other imperialist powers for help in order to step up their "four modernizations" and translate their dream of quickly turning China into a super-power and the centre of the world -- which is actually a dream of global hegemony -- into reality. They have been willingly serving as a storm-trooper of the U.S. in Asia in the counterrevolutionary global strategy of U.S. imperialism and have actually become an "eastern NATO" as they often call themselves shamelessly.



If one is to accept the definition of "proxy wars" in the present world as often mentioned by Brzezinski and some other Western strategists, China's aggressive war against Vietnam is actually one such war of the U.S. conducted by the proxy of Beijing. Likewise, the Pol Pot clique's aggressive war on Vietnam's southwestern border is a proxy war of Beijing conducted by Pol Pot. It can also be seen as a proxy war of the U.S. conducted by Beijing and the Kampuchean reactionaries against Vietnam and the other Indochinese countries. The U.S. has been playing the "China card" in the Kampuchea issue, and Beijing has offered to serve as a valet of the U.S. taking upon itself the task of punishing Vietnam to avenge the U.S. and, coincidentally, to materialize its expansionism and hegemonism in Indochina and Southeast Asia. The reactionary Beijing authorities have really betrayed the Chinese people's long-standing revolutionary tradition.

Nevertheless, as did the Chinese emperors in the past, the Beijing expansionists and hegemonists have suffered a humiliating failure in all fields, military, political and diplomatic, on the battlefield, at home and in the world, just as the defeat of the U.S. and its henchmen in southern Vietnam in 1975 was also the failure of China's scheme of dividing Vietnam permanently and turning it into a buffer and dependency of China. Beijing's defeats in its aggressive wars on Vietnam's southwestern and northern border respectively in 1975 and 1979 were also defeats of the U.S. plan to stage a comeback on Indochina and Southeast Asia in the "post-Vietnam" period.

Beijing's defeats have proved that under the rule of the Maoist clique without Mao, China is big but not strong. In its war of aggression against Vietnam, Beijing showed many weak points in the military, political and economic fields, although it has a number of advantages such as a large land area, a big population and a common border with our country by land, sea and air. These defeats have also proved that U.S. imperialism and the Sino-American collusion in the past and in the "post-Vietnam" period may cause to us certain difficulties and complexities but cannot tip the balance of force which is favourable for the revolution in Indochina and Southeast Asia, nor check the impetuous offensive of the three revolutionary currents in the world and reverse the inexorable trend of development of our time.

The Vietnamese people's victories in their fight against the aggressive wars waged by the reactionaries in the Beijing authorities demonstrate the great might in national defence of the Vietnamese people which, following their victory over the U.S. aggressors, quickly reunified their country and took it onto the path of socialism. The Vietnamese armed forces and people have inherited rich experiences accumulated for many decades in their past struggle against imperialism for national liberation and have further enriched them in the concrete conditions of their present war for national defence against the Chinese expansionists and hegemonists and their henchmen. We have drawn many valuable lessons in the process in order to constantly improve our defence capabilities along the line of closely combining economy with national defence, building an all-people, all-sided and modern socialist national defence, and building strong people's armed forces, in order to cope with all contingencies. We have stood our ground victoriously and will stand steadily forever in this storm-beaten land on the shore of the Pacific soaked with the blood of our most beloved sons.

Every Vietnamese has the right to be proud of the glorious Communist Party of Vietnam, the great President Ho Chi Minh and the heroic Vietnamese nation and Vietnam People's Army.

Under the leadership of the Communist Party of Vietnam, the Vietnamese nation has fulfilled its great historic mission of defeating the U.S. imperialist, smashing the U.S. scheme of aggression in Indochina, and preventing the U.S. from using Vietnam and Indochina as a whole as a springboard to expand to east Asia and Southeast Asia, thus inflicting a heavy blow on U.S. neo-colonialism and contributing to the stormy development of the three revolutionary currents in the world.

Under the leadership of the Communist Party of Vietnam, the Vietnamese nation has won in its first confrontations with Chinese expansionism and hegemonism, thus blocking the expansion southwards of the new emperors in "New China," defending the Vietnamese people's independence, freedom and socialism, fulfilling its internationalist duty towards the fraternal Lao and Kampuchean peoples and positively protecting the revolution and peace in Indochina and Southeast Asia.

In ancient, medieval and contemporary times, whenever the northern expansionists wanted to use Vietnam as a foothold to advance southwards, they were stopped by the Vietnamese nation. At present, by bringing that glorious national tradition to new heights in the new historical conditions, the Vietnamese armed forces and people have recorded very brilliant victories, further illuminating the traditions of self-reliance, heroism and unsubmitiveness of their nation.

We have fought and have won not only for the sake of our country and the other countries on the Indochinese Peninsula, but also for the sake of all nations in Southeast Asia and the Chinese people themselves. The genuine Chinese revolutionaries loyal to Marxism-Leninism clearly understand this. An increasing number of people in ASEAN countries have become conscious of this. As time has proved and will prove, Vietnam has never invaded and will never invade any one of the ASEAN countries.

The Vietnamese people's victories in the two past wars for national liberation as well as in the two recent wars for national defense allow us to affirm that in their new historic confrontation with Chinese expansionism and hegemonism in collusion with the U.S. imperialists, the Vietnamese people have won and will certainly win complete victory. Relying on the superiority of the socialist system which is being built and consolidated step by step in the whole of our beloved country, strengthening our close solidarity and militant alliance with the fraternal Lao and Kampuchean peoples, enjoying the assistance and allround cooperation of the Soviet Union and the other fraternal socialist countries, we have enough spiritual and material force to firmly defend our socialist homeland against all aggressive wars launched on any scale by any enemy, however big and fierce it may be.

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Though heavily defeated in their war of aggression against Vietnam, the reactionary clique in the Beijing leadership have not given up their scheme of weakening and annexing our country and their strategic scheme of southward advance.

They are now engaged in a type of sabotage war against Vietnam in many fields in the hope of causing our collapse without having to resort to a major war, according to the ancient Chinese military theory of "victory without battle." At the same time they go on with preparations for a large-scale war.

This type of Beijing sabotage war is not like the war of destruction conducted by the U.S. Air Force. It is waged on all the military, economic, political and cultural fronts and involves many different forces and many extremely vicious methods.

Chinese armed forces, permanently massed close to our northern border, are harassing us with the permanent threat of aggressive attacks. The enemy provokes localized armed clashes, nibbles at our territory, sabotages military, economic and cultural installations on the first line, organizes bases for counterrevolutionary, rebellious and subversive activities from within, while feverishly preparing for war of aggression of different magnitudes.

Along with military activities the enemy is trying to sap our economic strength in the hope of weakening up both economically and militarily, locally and on the national plane. Taking advantage of our difficulties in economy and everyday life, the enemy sabotages machines, equipment, means of transport and communications, etc., hindering our efforts in socialist transformations and socialist construction in various localities.

The enemy is also feverishly engaged in psychological warfare and espionage by covertly organizing anti-government activities and disrupting public order and security, thereby sapping our political, ideological and organizational strength.

In its schemes of opposing, weakening and annexing Vietnam, Beijing has always resorted to the guise of revolution, Marxism-Leninism and socialism. It viciously attacks our party and its correct revolutionary line with the pretext of "defending the revolutionary line of President Ho Chi Minh" and helping a handful of reactionaries under Hoang Van Huan to "remake revolution" and "restore the Sino-Vietnamese friendship."

These dirty schemes and actions of the reactionary clique in the Beijing leadership must be completely exposed to the Vietnamese people, the peoples of the other Indochinese countries, the Chinese people, and the world's people as a whole.

While scheming and maneuvering against Vietnam, Beijing also teams up reactionary forces on the payrolls of China and the United States in opposition to the Kampuchean revolution and the Lao revolution.

In Kampuchea the enemy steps up a "special war" based on the territory of Thailand and conducted mainly by remnants of the army of the defunct "Democratic Kampuchea" after (in accordance with) Mao Zedong's "protracted guerrilla warfare." Meanwhile Beijing continues to draw the Asian countries and many other countries in a noisy chorus at the United Nations on the so-called "Kampuchean problem," blatantly interfering in Kampuchea's internal affairs.

Concerning Laos many different methods are combined: Sabotage from within, rallying Lao reactionary forces, organizing bases of counter-revolution and making guerrilla warfare locally to control vital points, while preparing for rebellions and subversive war. At the same time Beijing maintains a permanent tension along the Lao-Thai border and repeatedly threatens to throw Chinese forces in a war of aggression along the Chinese-Lao border.

On the strength of these facts should one not now say about a new strategy deployed by Beijing in Indochina following the emergency of the "Kampuchean problem?" This strategy is designed to oppose national independence and socialism in Vietnam and the other Indochinese countries now that the peoples of the three countries, having won together, are advancing together toward socialism and in this way, bringing about a new situation and creating a new, unprecedentedly firm, strategic posture in this part of the world. In this strategy Beijing benefits from a growing collusion with the United States, which, taking advantage of China's betrayal, is seeking to "return" to Indochina to counter the revolution on this peninsula.

It is clear that U.S. imperialism continues playing the "China card" in both its global strategy of counter-revolution and its Southeast Asia strategy. Beijing, for its part, is playing the "American card" to carry out both its global strategy against the Soviet Union, the socialist community and the world revolutionary movement, and its southward advance strategy against Vietnam and the other Indochinese countries to conquer the whole of Southeast Asia.

That China is a great threat to peace and independence in Southeast Asia has been made clear again by its refusal to our proposals for a ceasefire along the Sino-Vietnamese border and for resumption of the Sino-Vietnamese talks, its continued abetment of pro-Chinese reactionaries in Southeast Asia, its harbouring the Pol Pot clique for use against Kampuchea, and its opposition to the trend towards dialogue in Southeast Asia. This reveals China's scheme of causing tension in Southeast Asia in an attempt to pit the ASEAN countries against the Indochinese countries in service of its divide-and-rule policy regarding this region.



The present rulers in Beijing are criticizing Mao Zedong in what [is] described by the West as "de-Maoization," thus causing some people to believe that they are "returning to Marxism-Leninism." Yet, what they are doing is calculated to defend Mao's thinking which they term as "the common property of the Chinese people" and a "collective product of Chinese revolutionary leaders led by Mao Zedong," thereby to apply Maoism more effectively. Post-Mao Maoism, as such, is all the more dangerous.

Although there are some dissimilarities between post-Mao Maoism as practised by the present ruling clique in Beijing and Maoism in practice during Mao's lifetime, the two are in no way different in nature. It remains Great-Han expansionism and hegemony applied to new historical circumstances and carried out under the guise of Marxism-Leninism and socialism. The "four modernizations" programme advocated by Deng Xiaoping and his followers within the framework of the Chinese global strategy of counter-revolution is always aimed at making China a super-power by the end of this century to achieve global hegemony. Beijing, for this purpose, is openly siding with imperialism and all other reactionary forces in opposition to the Soviet Union, Vietnam, the socialist community, and all the three currents of the world revolution.

Beijing's policy is to rely on the United States and the West in general to carry out its "modernization" program. It has always stressed that China's modernization must be "socialist modernization." But the fact is that it is causing a gradual degeneration of the socialist factors in Chinese society, from the superstructure to the infrastructure. Meanwhile, the capitalist factors are being restored step by step, and are taking shape and developing in a variety of forms. This has consequently exacerbated the internal contradictions of the Chinese society as can be seen in the serious differences that have surfaced leading to infighting and purges among the authorities at different levels.

Thus, the road of "four modernizations" taken by Beijing in its drive for global hegemony is actually the road of capitalism of China and making China dependent on imperialism. By the whim of history, nobody can dismiss the possibility of the new China becoming a new-type colony of the imperialist countries as the China of contemporary times which became a new-type colony dismembered by different imperialist forces.

It is certain that the genuine revolutionaries in China and the great Chinese people shall not let this misfortune occur. There is only one way out: to repudiate Maoism and Mao's global strategy and return to genuine Marxism-Leninism.

We Vietnamese are determined to defend our beloved socialist motherland while fulfilling our international obligation toward the fraternal Lao and Kampuchean people in defeating all aggressive schemes and acts of Beijing. We should make no mistake that the dangerous and immediate enemy of our people at present is the reactionary Maoist group in the ruling circles of China, and that the fundamental and long-term enemy of the revolution of our country and the world revolution is imperialism headed by U.S. imperialism.

Thus, for our people, to oppose Maoism is actually to oppose Beijing's expansionism and hegemonism, the worst expression of Maoism at present. At the same time, we must defeat China's current type of war of sabotage and stand prepared to smash any aggressive war on any scale in the discharge of our national and international obligation. We must expose the psychological warfare and pseudo-revolutionary rhetorics, criticize the pseudo-Marxist theories and eliminate the noxious effects of Maoism in order to defend the correct revolutionary line of our party, defend the ideological front of our people and army, and defend the purity of Marxism-Leninism. We must use both the "weapon of criticism" and the "criticism by weapons" when necessary to defeat the new aggressor both on the military and political fronts, both on the theoretical and ideological fronts. We must be armed with a correct outlook of history when examining issues in our country and in the world.



By our own fight against the southward push strategy of Beijing in collusion with the U.S. imperialists, our people have made a positive contribution to defending national independence, peace and stability in Southeast Asia, to the revolutionary cause and safeguarding of peace of the world's people including the Chinese people.

Under the clear-sighted leadership of the party, let our entire people and army step up the emulation movement to fulfill the two strategic tasks of our country's revolution in the new stage: to successfully build socialism and to firmly defend the socialist Vietnamese motherland.

In all circumstances we must strengthen our country in all fields. In this way, we shall foil the enemy's plan of weakening us and bringing about our collapse, and also will create conditions for addressing the urgent demands of the economy and the people's life, generating a positive force to defeat all aggressive wars of the enemy if ever it is reckless to launch one. As we grow stronger the enemy would have to think twice before undertaking any military adventure, and in this sense we will be in a position to push back the danger of war and preserve a lasting peace.

We regard the building of socialism as our primordial task but at the same time will not for a moment relax in our task of preparing to fight and fighting victoriously in defence of our motherland. We must closely combine economy with defense and security, care for the material and cultural life of the people, ensure social security and order and oppose all negative manifestations in society. That also means to care for building and consolidating the rear, a paramount permanent factor determining the victory of war.

We must build a strong all-people national defence, improve the quality of our people's armed forces and constantly improve our defence posture so as to ensure that the whole country as well as each locality, while engaging in productive labour for economic construction and cultural development, always remain in high preparedness to cope victoriously with all contingencies.

CSO: 4209/307

## ON THE SUBJECT OF THE THREE ECONOMIC INTERESTS

Hanoi TAP CHI CONG SAN in Vietnamese Mar 82, pp 13-22

[Article by Dao Duy Tung; passages within single and double slantlines denote respectively italics and boldface as published]

[Text] In evaluating our past economic achievements and difficulties we have learned several lessons, namely, the lesson of /correctly realizing the structure of interests in socialism, the priority of economic interests and the use of these interests as a motivating force in socialist construction/.

In performing economic activities, we usually think that by nature our regime can create many possibilities for developing the economy quickly and effectively and, in fact, these possibilities have become realities in several cases. Yet, why do our economic activities still lack dynamism in some respects, and why have many of our potentials not been satisfactorily exploited? To answer these questions, it is impossible not to mention our knowledge about the role of economic interests in socialist construction.

We all know that "the economic relations of a given society are manifested primarily under the form of /interests/." (Footnote: Karl Marx-F. Engels: Selected Works, Su That Publishing House, Hanoi 1970, Vol I, page 749) /All revolutions are staged after all primarily out of economic interests./ (Footnote: Karl Marx-F. Engels: Selected Works, Su That Publishing House, Hanoi 1971, Vol II, page 481) In his report on the draft constitution in 1959, President Ho spoke of the three interests: /"In our regime, the interests of the state, collectives and individuals are basically unanimous."/ (Footnote: Ho Chi Minh: On Socialist Revolution and Socialist Construction, Su That Publishing House, Hanoi, 1976, page 69) In many documents, our party and state have often emphasized the question of combining the use of material incentives with moral education to promote the development of production. Nevertheless, we should realize that it is a real /process/ to understand profoundly and apply effectively the controversial points on economic interests.

Following liberation, the northern part of our country advanced toward socialism. We rapidly restored the economy, developed agriculture and established a network of consumer goods industries. We began to build some heavy industry installations and stepped up the educational and cultural tasks. The face of our country and people changed quickly. The people's material and spiritual lives were definitely improved during the 1955-65 period. When we tried to expand our socialist industrialization, however, many difficulties started to appear along our path of socialist construction. Sluggishness appeared in economic management. Although the campaigns to "improve the management of cooperatives" and "to build three and oppose three" contributed to improving the situation, there still were many outstanding problems. While our party and state were drawing upon experiences to overcome the above deficiencies, the anti-U.S. struggle took place throughout the country.

Entering the anti-U.S. struggle for national salvation, our state had to adopt many new measures to mobilize "everyone to work twice as much." Millions of youths were inducted into the army. The regime of administrative subsidization and egalitarian distribution became all the more widespread. Many of the war-support efforts had to be made at all costs. In such a situation, it was not easy to realize and apply well the economic interests as important motivating forces to develop production.

Following the liberation of the south, our party has indicated that the bureaucratic system of subsidization in economic management must be eliminated. "Plans must be used as a main tool, independence in production and business must be further extended to primary installations and profit-and-loss accounting must be carried out adequately. Political and ideological education must go along with material incentives while the sense of discipline and responsibility must be enhanced." (Footnote: Le Duan: Political Report at the Fourth VCP Congress, Su That Publishing House, Hanoi, 1977, page 139) These viewpoints, however, have not been thoroughly understood. Sluggishness in economic activities has not declined. It is in this very situation that such advanced models as the Con Dao fishing company, the Pho Yen ball bearing factory and so on have appeared. By analyzing the creative activities of these installations, we realize clearly, profoundly and specifically that the correct settlement of relations among the economic interests plays a very important role in overcoming sluggishness in the economy. It was under such circumstances that the party Central Committee's sixth plenum upheld the role of harmoniously combining the "three interests", considering it an important principle that should be thoroughly understood in managing the economy and amending economic policies.

Since the party Central Committee's sixth plenum, there have been improvements in economic management. In our economic activities, we have begun emphasizing the economic interests of all organizations and workers with the results of production and business. Sluggishness in economic activities has begun to be overcome. Economic activities tend to be mainly positive. Nevertheless, while implementing the new policies related to the problem of the "three interests", we cannot avoid mistakes and shortcomings which stem from our incorrect and inadequate knowledge of the source of economic interests and the principle of combining the three economic interests harmoniously, and from our failure to pay proper attention to the interests of society in the process of implementing the "three economic interests" by applying these "three economic interests" inconsistently, and so forth. It is therefore necessary and urgent to grasp Marxist-Leninist viewpoints firmly, learn from the experiences of fraternal countries and analyze the real situation in our country in order to understand thoroughly our party's viewpoints on the problem of "three interests."

### **//The Three Economic Interests and Collective Mastery//**

Economic interests are an expression of economic relations and of the relations between man and man in production. The person who controls the means of production, who manages the production process and who decides the distribution of products is precisely the one who plays the decisive role in the system of various interests. Under the socialist regime, the ones who control the means of production, who play the role of production managers and who decide the distribution of products are the collective of laborers. They are collective masters in the economic field. They use the means of production to carry out production and to increase the volume of products so as to satisfy their own needs or, in other words, to cater to their interests.

As V.I. Lenin put it: "Once the proletariat has seized state power, its most basic and vital interests require that it increases the quantity of products and develops the productive forces of society on a large scale." (Footnote: V.I. Lenin: COMPLETE WORKS, Progress Publishing House, Moscow, 1978, Vol 44, p 422) Under the socialist system, economic interests are manifested in the forms of the interests of society, the interests are manifested in the forms of the interests of society, the interests of the collective and the interests of the individual laborer. Only by catering to these interests, so as to satisfy the needs of laborers gradually, can the latter's collective mastery become a reality. For this reason, under the socialist system, the "three interests" — which combine to form the interests of laborers — are an objective of collective mastery. The party Central Committee's draft political report to the fifth party congress submitted to the party congresses at various echelons for suggestions said: "...An important objective of collective mastery is to bring into play the strength of the community exercising mastery in conjunction with developing the strength of individual masters, and to use the unity among the three interests — those of the state, the collective and the individual laborer — to ensure the interests of the state and of the collective while paying due attention to those of the individual laborer." This concept of collective mastery put forth by the party is the result of an application of the principles of Marxism-Leninism and an analysis of the evolutionary process of the history of human society, the shaping of the world socialist system and the realities of our country's revolution. This concept is guiding our people's socialist construction and is, in turn, being improved and further solidified by the creative activities of the masses. The movement for product contracts with laborers in agriculture is concrete proof of this process. This new form of contract is a satisfactory combination of the "three interests"; as such, it helps raise the collective mastery of the collectivized peasants to a new level.

Under the socialist system, the interests of laborers are not an abstract notion; they are manifested in diversified forms as the common interests of society, those of the collective, and those of the individual laborer. Viewed from a different angle, these interests also include those of each installation, of the localities and of the country as a whole, to say nothing of the interests of various classes and strata of society, and so forth. The objective existence of these interests is decided by the level of development of the productive forces and production relations, by the different conditions of each locality, by the role and effect of each economic establishment, by the standards and capabilities of each laborer, and so forth....

/Economic interests of society/ are the interests enjoyed by the laboring people nationwide and by all the collectives that are members of the socialist society. The economic interests of society are based on the laboring people's collective mastery of production materials, labor, land and natural resources. They require that material and technical factors be utilized effectively in accordance with a centralized plan to produce a great deal of material wealth for meeting the ever-increasing demands of the laboring people and the whole society, and to ensure the comprehensive development of each member of the society. The economic interests of society are ensured through the centralized and unified management and administration of the administrative apparatus from the central to local and grassroots levels. Thus, the administration is the sole genuine representative for the interests of all the laboring people. We should not mistake the economic interests of society (also known as the interests of the state) for the interests of the administrative apparatus; and must understand that they are the common interests of all the laboring people for whom the administration acts simply as a representative to look after the common interests of the entire country.



/Economic interests of the collective/ are the interests enjoyed by people working together in a specific economic organization such as an enterprise, a cooperative and so forth. The economic interests of the collective are the right to collective mastery exercised by the production unit in using production materials, labor and natural resources at its disposal to produce as much material wealth as possible for the common benefit of the society and at the same time, for its own benefit. A state-run enterprise is an economic unit under the ownership of the entire people; and the products it turns out belong to the whole society. If this enterprise successfully develops its creativity and initiative in production and business on the principle of financial independence, it can recover production costs and on top of it, earn some profit. Proceeding from this, not only can it turn over more and more products to the state but it can also increase its own funds, enhance collective welfare and improve the living standard of its own workers. Meanwhile, the collective interests of the cooperatives fall under another category. Agricultural cooperatives are production units of the working class and the collectivized peasantry. The products turned out by the cooperatives are also aimed at satisfying the demands of the entire society but each cooperative has its own right to collective mastery. If a cooperative makes good use of its labor and land, expands its branches and trades and creates abundant material wealth, it can, after discharging its obligation to the state, use the remainder directly for expanding production, distributing it among its members and improving collective welfare. The interests of the collective must be respected and they should not be mistaken for the interests of mass societies or organizations.

/Economic interests of individual laborers/ involve the right of a person to use his talent, intelligence and labor in creative labor for producing wealth to meet the needs of himself and his family and, at the same time, to fulfill his obligation to the entire society. The interests of individual laborers come first of all in the form of wages and bonuses paid in state-run enterprises, the income of cooperative members in collective economic units, and social welfare allowances such as benefits for education, health protection, vacations and so forth. It is necessary to distinguish between the interests of individual laborers under the system of socialist collective economy and private interests. While people engage in individual businesses, their interests are linked with the system of collective ownership. Therefore, we should not set the interests of society and the collective against the interests of individual laborers.

Each of these types of interests has its own characteristics but there exists among them a fundamental uniformity based on the system of public ownership over production materials. These interests are organically interrelated and deeply influence one another. The fundamental interests of the collective and individual laborers can only be guaranteed on the basis of ensuring the interests of society. On the other hand, the interests of society are realized through the effective activities of collectives of laborers and individual laborers. Of these three types of interests, /the interests of society play a leading role./ Negating or neglecting the interests of society will naturally give rise to thoughts and actions that are corrosive to the economic foundation of socialism. Nevertheless, to say the interests of society play a leading role does not mean to consider lightly the interests of the collectives and individual laborers. Neglecting any one of the three

interests will only result in damage to the other two; and basically speaking, even the interest that we "respect" will also be subjected to harm. The problem is to combine harmoniously the three interests.

**//Harmoniously Combining the Three Economic Interests is a Driving Force for Socioeconomic Development//**

The process of harmoniously combining the three economic interests is, in reality, a process of solving contradictions. The emergence of contradictions calls for a settlement and once they have been resolved, an agreement is reached. New contradictions will arise, however, calling again for a settlement. Thus, the emergence of contradictions is an objective matter whereas early detection and prompt settlement of contradictions to create a state of harmony among the three economic interests involve man's own efforts in economic leadership.

Far from being afraid of contradictions, we must study, discover and respect the objective character of the emergence of contradictions; and we must devise measures to deal with them promptly and curb the negative aspects. In harmoniously combining the three economic interests, it is a difficult art to discover contradictions promptly, to take the initiative in forging an agreement right in the planning stage and to devise correct measures for achieving economic targets in both the short and long terms.

On the dialectical relations characteristic of the harmonious combination of the three economic interests, Comrade Le Duan pointed out: "Socialism [as published] is a society of free laboring people, in which individual interests and social interests are in agreement and so are the interests of each worker and his family and the interests of the production collective and the state. Only with a rich society will each person enjoy a plentiful life. That which is beneficial to the society is also beneficial to oneself... As the society cares for the life of each person, every individual must work his best for the society. To work for the society is to work for oneself." (Footnote: Le Duan: /Socialist Revolution in Vietnam/, Su That publishing house, Hanoi, 1976, Vol 2, pp 529-530)

The three economic interests are the integral parts of a unity, but each is relatively independent from the others. Because of this, each of the interests also carries in itself a characteristic moving force. These characteristic forces, however, are always integrated in a harmonious combination of the three economic interests to form an aggregate moving force which stimulates production.

Speaking of the common interests of society is speaking of the people's collective mastery throughout the country. This mastery can generate an enormous moving force. If, in war, patriotism was a moving force which prompted the people to make sacrifices and fight, then currently the desire to see the country becoming prosperous and strong is a moving force which stimulates everyone to engage enthusiastically in creative labor. During the wars of resistance, reports on the annihilation of an enemy post or the downing of an enemy plane always filled the people throughout the country with enthusiasm, pride and a new will to fight. This was patriotism. The people

then realized that their interests and those of their families were closely linked with those of the fatherland. In the current building of socialism, the interests of society will become a very important moving force when each laborer and each collective clearly understand that both their immediate and long-term interests depend on those of all society. As a matter of fact, in our economic building, the pieces of good news about the progress in the construction of the Da River hydroelectric power plant, about the high productivity of a coal mine in Quang Ninh, about the development of collecting activities and the preparations for oil and gas exploitation in the south, about a bumper crop in the Mekong Delta, and so forth, have filled everyone with as much enthusiasm and pride as the military exploits did during the wars of resistance. The more conscious a community exercising collective mastery is of the interests of society, the stronger the moving force which stimulates its working spirit will become.

Correctly understanding the interests of the collective and considering this as an important moving force stimulating enterprises and cooperatives to produce as best they can is a matter of very important significance. In the agricultural field, for a long period of time, there have been few front-rank cooperatives, while average and weak cooperatives have comprised the majority. We have launched several campaigns to improve the management of cooperatives. Although these efforts have yielded some results, they have not yet changed the situation radically. One of the important reasons for this state of affairs is that, aside from failing to pay attention to the interests of the individual peasant who is a cooperative member, we have not yet attached importance to the interests of the collective. Moreover, the cooperative has not yet really become empowered to exercise its mastery in planning. For a long period of time, many outmoded pricing and collection-purchase policies have not been revised. Recently, along with applying product contracts with laborers, our state has implemented several new policies, and this has encouraged many cooperatives to work more satisfactorily. In the state enterprises, it is obvious that wherever the independence of enterprises has been respected, wherever the "three interests" have been correctly associated and wherever the interests of the enterprises themselves have been given due attention, the enterprises concerned have been encouraged to carry out their production and business activities more satisfactorily.

In studying the individual motivating force of laborers, we must pay attention first of all to the relationship between the interests of the individual and those of the collective. The creation of common interests for society by collectivized labor is the nature and superiority of socialism. The strength of collectivized labor, however, is derived from the personal efforts of each laborer in the collective. Looking back on the development of mankind's society, we see that under the system of slavery, man was considered merely as an animal and his talents were not developed at all. Then came the feudal system wherein private ownership was introduced and the laborers could bring into play some of their talents to work on lands owned by themselves; but in the main, they were still hampered by feudal bondage. It was not until capitalism came into being that laborers were freed from feudal control and labor was liberated in the sense that the laborers could freely sell their own labor to the capitalists. Due to the inherent contradictions of capitalism, however, the talents of the laborers could only flourish to a limited extent. It is only when the socialist system was introduced that the laborers were truly liberated and the talents of every individual had the conditions for development. Nevertheless, to turn this possibility into reality we must devise suitable measures for developing to a high degree the strength of the collective as well as the strength of each individual laborer.



In reality, for some time in the past we failed to realize fully the role played by the interests of individual laborers. The contracting out of product quotas to laborers has produced good effects because it promotes the interests of the individual laborers, prompting them to pay attention to the results of labor and the end-products for their own benefit, and consequently, to identify themselves with the collective. To pay appropriate attention to the interests of the individual laborers is meant neither to encourage individualism nor to give rise to thinking of private ownership, but actually to link the interests of the individual laborers with those of the collective and to give the laborers material incentives to work with enthusiasm.

V.I. Lenin taught: "In a country with a small-scale agriculture, comrades, you must first of all lay small but firm bridges across state capitalism to reach socialism not by relying directly on fervor but with the zeal triggered by the great revolution by stimulating personal enthusiasm and the essential interests of each individual and by applying the principles of profit-and-loss accounting." (Footnote: V.I. Lenin: "In Commemoration of the Fourth Anniversary of the October Revolution," COMPLETE WORKS, Su That publishing house, Hanoi, 1970, Vol. 33, pp 73-74)

The application of the principle of harmoniously combining the "three interests" in the past has actually contributed to promoting production, thus enabling many economic establishments to operate more vigorously and effectively and helping break the state of economic stagnation. This is the dominant aspect. Beside this, there have been some deviations arising from the tendency to pay attention only to the interests of the collective and the individual laborers while neglecting the interests of society and the state. It is necessary to rectify and prevent such deviations promptly and to check their development which may erode the socialist economy. We must, however, analyse these deviations realistically, devise correct measures to solve the problems and carry them out within the prescribed limits. Since the measures for combining the "three interests," for enhancing the right of enterprises to independence, and for stressing the personal interests of laborers have only been carried out in some fields, unless we realistically analyse the situation from a correct viewpoint, we might overact in suppressing these deviations and negate the interests of the collective and the individual laborers; and this would mean a reversion to the outmoded methods for doing business.

To consider economic interests as a very important motivating force to encourage the laborers to work hard is not meant to treat economic interests as the one and only motivating force. Beside them, other factors such as psychology, customs, tradition, the sense of responsibility, the sense of organization and discipline, and so forth also have no small an impact on the work attitude. Therefore, in economic leadership, we must pay great attention to economic measures and combine them with administrative and ideological education measures.

#### //Harmoniously Combine "The Three Interests" in the First Stage of the Transition Period, and Establish a Suitable System//

Economic interests possess not only a class character but also a historical character. While studying and resolving the question of "the three interests" under the socialist system, we must place it in a specific time frame of the transition period from capitalism to socialism. The settlement of the problem involving the relationship among "the three interests" in the transition period to socialism is definitely not similar to that in the period of developed socialism. And even in the transition period to socialism, there are different stages. This is not to mention the fact that the specific historical conditions of a country also influence in no small measure specific solutions to the question of "the three interests."

At present our country is in the first stage of the transition period. The economy still comprises many sectors. Alongside the state-run and collectivized economic sectors, there also exist the state capitalist economic sector, the individual economic sector of individual peasants, handicraftsmen and small merchants, and the private capitalist economic sector. This is a general description but the situation varies in each region and it becomes even more complicated in each sector. In the rural areas of the north, peasants have embarked on the path of collective work while in the Mekong Delta, only a small percentage of the peasants' households there have joined production collectives and cooperatives.



There are different strata of individual peasants. In the cities, there exist alongside private industrialists, handicraftsmen and artisans a fairly large number of people engaged in trade and services. Many of them are earning an income that far surpasses that of workers and civil servants.

This economic situation adds more complexities to our efforts to resolve the problems involving interests. Here the problem is not only to resolve the relationship among "the three interests" within the socialist economic sector but also to deal with other matters as well — such as the relationship between "the three interests" in the socialist economic sector and the interests of the nonsocialist sectors, the relationship between the interests of society and the interests of individual laborers, and the relationship among the interests of the state, the workers and the capitalists in joint public-private enterprises. In the present situation, to ensure the interests of society, the collective and the individual laborers, we must, along with resolving the internal relationship among these "three interests," also resolve the relationship between these "three interests" and the interests of the other economic sectors; and we must regulate the excessive income of those people engaging in trade operations, effectively curb speculative and smuggling activities, resolutely punish embezzlers of socialist property, and so forth.

At present our people are building socialism while having to stand ready for combat to defend the fatherland. Our party has set forth strategic targets for the 1980's: gradually stabilize and improve the people's life and advance toward mainly meeting the people's material and cultural demands; continue to build the material-technical bases of socialism; complete the socialist transformation of the south and perfect the production relations in the provinces of the north; and meet the demands for defending the country, consolidating national defense and maintaining security.

The harmonious combination of the "three interests" cannot be separated from these strategic objectives. These objectives are closely interrelated and in both the short and long terms, it is not allowed to concentrate on a certain objective while slighting the others. At a time when our country still remains economically poor, the difficult problem is to achieve all of these objectives at the same time while ensuring harmony among the three economic interests.

Because of the need to achieve these strategic objectives, we are faced with many complicated problems in resolving the question of economic interests in our country: the relationship between the economy and national defense; the relationship between immediate and long-term interests; and so forth. To stress the complexity of the problem is not meant to back down but to find the most satisfactory solutions to the correct combination of the "three interests." The more satisfactory this combination, the easier it will be for us to achieve these objectives.

While resolving the question of harmoniously combining the "three interests," we must also pay attention to the fact that /for a long period of time in the past, we enforced a bureaucratic management system based on subsidization./ This system has become deeply rooted in the entire economic life and is greatly impeding our efforts to develop the national economy. Unless we eliminate the bureaucratic management system based on subsidization, we will in no way be able to ensure the "three interests" harmoniously. Therefore, the harmonious combination of the "three interests" cannot be separated from /a radical change of the bureaucratic system of subsidization through the application of socialist management and business methods which use planning as the central focus and link planning with profit-and-loss accounting./

Plans reflect in an all-round manner the various interests, targets and orientations for the development of the national economy. Therefore, the three economic interests are manifested first of all in the contents of the plans and in the authority for formulating plans. The economic interests of the society as a whole, of the collectives, of the localities and of individual laborers are spelled out primarily in economic development plans for the entire country and for each locality, enterprise and cooperative, and in the plan of each family. In formulating the state plan and plans for localities, enterprises and cooperatives, whether the level of socialist collective mastery is high or low depends on the degree of harmony achieved in combining the three economic interests. Only when they see that their own benefits are reflected in the state plan as well as in the plans of localities, enterprises and cooperatives will the laborers strive to carry out these plans satisfactorily.

Our shortcomings in planning work consist of the failure to carry out planning activities at all levels, to formulate plans based on the conditions at the grassroots level, to link planning with profit-and-loss accounting, to encourage and force every establishment, locality and sector to do business in a profitable manner for the purpose of expanded reproduction, and to use material interests as an incentive to make the individual laborers engage in production enthusiastically. In other words, we have failed to combine the "three interests" harmoniously, thus being unable to create a strong motivating force to encourage the establishments, localities and individual laborers to develop their initiative and creativity in implementing plans and producing ample wealth for society. For this very reason, the 11th Plenum of the party Central Committee not only emphasized the need to renew planning work actively but also set a number of specific guidelines for the formulation of plans.

A very important factor related to the harmonious combination of the "three interests" consists of the policies designed for the circulation and distribution front such as the policies on prices, wages, collection and purchase, taxation and income, and the policies on distribution and compensation in cooperatives and so forth. Every individual and collective as well as the entire society is very sensitive toward these policies. A change in prices, wages or in the methods for compensation and distribution in cooperatives would quickly draw reactions from millions of people and immediately influence the productivity, life and labor attitude of everyone. In past years, many of our policies did not take into proper account the economic interests of the localities, establishments and individual laborers; and their negative impact on production could be clearly felt.

In 1981 we scored comprehensive successes on the agricultural front. These successes stemmed from many causes with the chief one being that our party and state had promulgated various new policies on stabilizing grain obligation, on giving out contracts based on end-products to laborers, and on regulating prices for the purchase of agricultural products. On the basis of combining the various interests, these correct policies had the effect of encouraging the localities and establishments to carry out their business with better planning and enhancing the work enthusiasm of peasants and workers. This is a very vivid and practical lesson in the combination of the "three interests."

The mechanism for ensuring the "three interests" encompasses many aspects but most important to us is the mechanism that regulates the economy and at the same time, supervises the harmonious combination of the "three interests." The problem is how this mechanism can effectively supervise the combination of the "three interests."

Under the capitalist system, when it is found that the price of a certain item of merchandise is no longer appropriate or a certain banking procedure is inconvenient, the capitalists will try by every means to change it immediately. Our system is a socialist system; its superiority creates all the conditions for bringing into play the strength of the whole community as well as that of each individual and for developing the dynamic character of the managerial apparatus. Why have we been slow, however, in detecting policies that are no longer appropriate? Also, why have we failed to revise them once they are known to be inappropriate, even for years on end in some cases? These very problems require that we devise measures to enable the managerial organs to operate dynamically. For a certain managerial organ, what will it earn as a reward when it develops new innovations in economic management or suggests measures for rectifying policies on prices and wages that are found to be inappropriate? Also, what form of penalty will it be subjected to if it fails to do so? Unless specific responsibilities are defined spiritually and materially, it will be very difficult to make the apparatus operate dynamically. In view of this, the problem is to improve the performance of the mechanism that supervises efforts to ensure the "three interests." This very problem requires that we carefully study the party's methods for leadership, the operation of state organs and the role of mass organizations to participate in economic management.

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## ECONOMIC INTERESTS IN THE PERIOD OF TRANSITION TO SOCIALISM IN OUR COUNTRY

Hanoi TAP CHI CONG SAN in Vietnamese No 3, Mar 82 pp 23-29

[Article by Vu Huu Ngoan]

[Text] Economic interests are one of the most universal phenomena in social life. We have already discussed this matter to some extent in light of our circumstances.

At present, the situation is intense throughout our country. As F. Engels advised: it is economic interests that change the broad masses. In this enormous change, positive and negative factors are interwoven in a very complex manner. If we eliminate the subjective shortcomings and difficulties caused by the organization of management, every complicated problem we face is, in the final analysis, a reflection of the effort to establish special, unique economic forms that are best suited to the present stage in the period of transition to socialism in our country.

The economic interests referred to here are not merely the abstraction of a scientific category, rather, they primarily exist as rungs in the ladder of motives for economic actions. In other words, economic interests are expressed in a subjective form.

In the final analysis, economic motives are of decisive significance as regards the substance and strength of other motives. According to F. Engels, in the final analysis, every revolution is carried out primarily for the sake of economic interests and these interests are the principle that basically control each and every principle with which we must comply. And, V.I. Lenin also pointed out: politics is the condensed form of economics.

The origin of economic motives is: the life of man always involves needs and demands to satisfy needs. Needs of a realistic nature are dependent upon the level of development of the mode of production. When these needs can be met, they become the vital interests of persons and motivate them to take action to meet these needs. Seen in this light, it is needs that become the motives for actions and interests that determine the development from subjective to objective.

It is necessary to emphasize the fact that needs, of themselves, are not economic interests, rather, only those needs that have been established from the point of view of society become economic interests. In socialist society, the level of income of the manual worker, the farmer and the intellectual and the way in which this income is earned are closely inter-related. Economic interests only arise within the framework of this relationship. In other words, economic interests are an objective economic category. are primarily a manifestation of production relations, not dependent upon the will and desires of man. According to F. Engels: "The economic relations of a given society are primarily expressed in the form of interests."(1)

Economic interests play the role as the mechanism through which all economic laws have an effect. Here, the objective nature of economic laws is expressed through interests so that man's actions comply with these laws and, as a result, maintain the existence of objective production relations. There are no economic motives outside production relations. Correct motives are motives that reflect progressive production relations, reflect the production relations that are in existence. Incorrect motives are motives that reflect the remnants of the old, outmoded production relations.

No pure, objective economic interests exist outside man. Here, that which is objective is recognized and applied by man. On the one hand, through economic interests, man pursues his life; on the other hand, through economic interests, the objective trend of development of social production is carried out. As a result, economic interests become one of the basic, universal motives behind the continuous development of social production and life.

Due to their important and objective impact, correctly understanding and resolving the problem of economic interests is a matter of strategic importance. Economic interests occupy an important position in the economic line; they must be one of the factors to which importance is attached in policies of an economic nature and must be thoroughly understood in the work of organizing and managing the national economy, especially in the period of transition to socialism under the conditions and circumstances of our country.

In the period of transition, especially during the initial stage, many different economic segments exist. Some economic segments are socialist in nature while others are non-socialist in nature. They all exist in an objective manner, in a manner not dependent upon our will. The various segments of the economy have an impact upon one another. This is evident in the fact that the different types of economic laws are interwoven and this also means that the different types of economic interests are also interwoven. Although it plays the dominant role and reflects the trend of development of the economy, the socialist segment of the economy does not have the form it did when socialism won basic victory. The non-socialist segment also does not have the form it did when the system of private ownership was dominant.

The objective existence and the above mentioned basic characteristics of our economy which consists of many different segments must be reflected in the economic positions, policies and measures during the period of transition to socialism. Each segment of the economy has its own structure of economic interests

and each of these structures of economic interests has its own internal relationships and a relationship with the other structures of economic interests. Therefore, the most essential aspect of the positions, policies and measures designed to utilize the various segments of the economy must be the coordination of the various economic interests. Some economic interests are inherently antagonistic, consequently, we must establish this coordination in conjunction with struggling to reduce antagonizing contradictions. As regards antagonistic economic interests, our effort to coordinate them must bring them closer together, not worsen the antagonism between them. As regards economic interests that are basically the same, this coordination must be designed to insure that this basic, objective unity of these interests exists in reality. As regards the private, capitalist segment of the economy, we must take into full consideration the interests of capitalists, of manual workers and of the socialist state. If, within a private, capitalist enterprise, the interests of the socialist state are being harmed and workers are suffering as much as they did in the past, the existence of this enterprise is only harmful. Conversely, if the interests of capitalists are not being satisfied, they might engage in negative activities and even oppose the interests of the socialist state. As regards the joint public-private segment of the economy, we must coordinate the interests of the capitalist, the interests of the socialist state, the interests of the collective of workers and the interests of each individual worker. The capitalists in joint public-private enterprises are especially concerned with their profits, shares and salaries. As regards the private farmer segment of the economy, we must coordinate the interests of the state with the interests of each farmer. This is one of the broad, pressing economic issues of utmost importance in the initial stage of the period of transition to socialism in an agricultural country. And, as regards the state-operated segment of the economy and the collective segment of the economy, we must coordinate three interests: the interests of the state, the interests of the collective and the interests of the individual laborer.

The socialist state embodies the class nature of the working class. The class interests of the working class represent all of society. The laboring people of the entire country exercise their ownership primarily by means of the state, through the state. Therefore, the interests of the state, which, in essence, are the interests of all of society, are present in all of the different segments of the economy; at the same time, the state determines how to organize the coordination of the various economic interests during the period of transition as well as in the other stages of socialism. A policy to employ a certain economic segment that does not organize the coordination of economic interests will not achieve any positive results. According to Marx, wherever there is not a unity of interests, there cannot be a unity of purpose, not to mention unity of actions. The state bears the main responsibility for organizing the coordination of economic interests and it is the state that suffers the worst consequences when these economic interests are not coordinated. In fact, if economic interests are violated, social production and life are undermined or developed slowly, thereby prolonging the period of transition, and, in the end, it is the state, that is, all of society, that suffers the heaviest losses.

The coordination of economic interests must occur in all elements of the social reproduction process because production relations and the economic laws have an



impact in all elements from direct production, distribution and trade to consumption. Economic interests involve many levels of expression. If the positions, policies and measures designed to coordinate economic interests are not sufficiently concrete for all of these elements, production might still develop slowly and difficulties might still be encountered in everyday life.

However, the coordination of economic interests occurs in a direct and central fashion in the field of distribution-circulation because, in this field, interests are most clearly evident and, through this field, strongly influence production.

There are various tools, measures and primary forms of organization used to establish coordination among the various economic interests during the period of transition to socialism.

First, there is the establishment of a division of labor among the various segments of the economy by means of establishing lists of business products. Some products are only handled by the state, some products are for cooperatives, some products are for the development of the subsidiary household economy of cooperative members and some products are for private businessmen for a certain period of time. It is here that the relationship between the state plan and the market emerges.

Secondly, there are the various forms of taxes on the various segments of the economy.

Thirdly, there is the profit distribution within the enterprises of the different economic segments.

Fourthly, there are the wages paid to cadres, manual workers and civil servants.

Fifthly, there is the income in cash and in products earned by means of the number of mandays worked by cooperative members.

Sixthly, there are prices. This is an important aspect of economic interests, one related to each and every person, every stratum and every economic segment within society.

Seventhly, there is cost accounting in the socialist economic installations.

Under the conditions of an economy that consists of many different segments, the tools and measures mentioned above must be designed to stimulate those interests that reflect the objective trend of development and curb those interests that go against this trend. The reciprocal impact of the various structures of economic interests between the socialist economic segments and the non-socialist economic segments in the period of transition compels us to adopt suitable transitional economic forms, that is, forms that utilize the different factors of the different production relations in keeping with the trend of advancing to socialism. The important issue to a small farmer economy is to select intermediary stages and erect many small bridges in order to gradually but steadily advance farmers to

socialism. As Lenin pointed out: "There is no decree that can be issued to shift from small-scale production to large-scale production, and, in this area, we must employ gradual persuasion depending upon the progress of changes in order to show people that socialism is inevitable."(2)

If we introduce suitable transitional economic forms at the right time and, in this manner, closely coordinate the various economic interests and highly stimulate the interest of the individual and, as a result, achieve high returns for society, we will create an intense revolutionary movement in socialist construction, cause this revolutionary movement to be organized in actuality and become a festival of the masses.

If, compared to the other transitional economic forms, the forms employed to unify the three areas of interest of the state-operated economic segment and the collective economic segment are much higher, they are completely socialist in nature.

In fact, however, the socialist system of public ownership with its two different forms of ownership and the direct social nature of labor have emerged but have not fully or completely matured, as seen in the existence of commodity-money relations and the impact of the law of distribution in accordance with labor; this has caused the development of the three areas of interest within the socialist economic segment. They are: the interest of all of society, represented by the state, the collective interests of the workers within each economic installation of socialism and the individual interests of the workers within these economic installations. We abbreviate this system of economic interests that encompasses three different areas as the three interests. Economic interests are always a manifestation of specific production relations. The three interests are the special system of economic interests of socialism; they did not exist in any previous social system and will no longer exist in the stage of civilized communism.

It can be said that wherever cost accounting must be practiced, there is the relationship of the three interests. The three interests can only emerge at state-operated factories, state farms, agricultural production cooperatives, small industry and artisan cooperatives, the production installations of a number of state agencies, state-operated stores and marketing cooperatives. At a state-operated or collective transport installation, a state-operated or collective building unit or a collective dining hall that practice cost accounting, the three interests exist. Conversely, there cannot be and, as a result, should not be "hospitals of the three interests" or "classrooms of the three interests," even though the persons working at these places also have economic interests. There are a number of persons and places that have broadened the three interests incorrectly to the point that they have abused the three interests relationship and attributed to it characteristics that it does not have. It is as though they think that any economic activity engaged in "at one's free will" is called an activity involving the three interests. There are some persons who mistakenly think that the 8 hours they work at a state agency are for the state and that all time outside these 8 hours is for themselves. This gives rise to a metaphysical concept of the three

interests similar to Sonio's mistaken concept concerning the "final hour," which Marx criticized.(3)

In fact, the three interests are virtually identical. President Ho said: "Within our system, the interests of the state, of the collective and the interests of the individual are virtually the same." (4) This objective oneness originates in the fact that the system of collective ownership is the Red thread running throughout all of the economic interests of socialism. It causes each interest to embody all three interests. And, the economic laws have an impact within the state-operated and collective economic segments through the unity of the three interests. Therefore, the unity of the three interests has become one of the basic moving forces stimulating the development of the socialist national economy. There is no economic law of socialism that has an effect only through the interests of the state, only through collective interests or only through the individual interests of the laborer. In economic policies, measures and activities, exaggerating or strengthening one interest while reducing another, thereby separating them, will cause the moving economic forces of socialism to lose their effect. The three interests are closely linked to one another; if any one of these interests is violated, all three interests will ultimately be harmed.

The three interests cannot be divided, they permeate one another. However, each interest has its own form. The three interests also involve certain contradictions. These contradictions have objective origins and subjective activities can exacerbate these contradictions. However, the system of collective ownership insures that the contradictions among the three interests are not antagonizing contradictions.

The basic oneness of the three interests exists side by side with their contradictions; therefore, we must know how to coordinate the three interests and are, at the same time, fully capable of achieving this coordination.

Through a system of reasonable policies and measures, we are fully capable of smoothly coordinating the three interests, both qualitatively and quantitatively, in the different periods.

In the initial stage of the period of transition in a country that is advancing from small-scale production, a country in which manual labor still predominates, the material-technical bases of socialism are being built in a selective manner and the material base of the system of collective ownership has not yet formed, understanding and having a correct impact upon economic interests and stimulating, to the necessary degree, individual interests in the coordination of the three interests in order to stimulate the development of production become even more important and pressing. If, at a time when the level of production is still very low and product output is meager, we have a correct impact upon economic interests, the masses will be able to immediately exercise their mastery--their mastery of labor, their mastery in labor, their mastery by means of labor, their mastery in their existing trade in order to improve the lives of themselves, their families and all of society. This will help to overcome one of the most serious forms of waste now being encountered, the waste of labor. And, it will also make the policy of using our labor, raw materials, supplies and existing trade sectors



to produce wealth a reality, thereby helping us to overcome our present difficulties and shortages.

While coordinating the three interests, we must firmly maintain the dominant role played by the interests of the state; the matter of emphasizing one aspect or another of interests is a matter of providing guidance that is suited to each time and place.

The interests of the state play the dominant role because they insure that the contradictions among the three interests do not become antagonistic. And, the entity to whom these interests belong, that is, the state, is the most decisive entity in the coordination of the three interests. The interests of the state play the dominant role because they are, in essence, the interests of all the people, whom the state represents, and because the people exercise collective ownership primarily by means of the state and through the state.

Are there signs that show that the three interests have been smoothly coordinated? This is truly a difficult question. Economic interests are social relations that cannot be measured by some simple method and surely cannot be measured by means of arithmetic! Here, we must use social methods, must have signs of a social nature.

First, the worker must work and produce with enthusiasm. This is an essential prerequisite but not the only prerequisite. In fact, once policies and measures have been adopted to smoothly coordinate the three interests, it is inevitable that the worker will display enthusiasm in work and production. On the other hand, enthusiasm in production is not necessarily the result of coordinating the three interests well; therefore, there must be other signs.

Secondly, production must develop in both quantitative and qualitative terms with an efficient division of labor. The common denominator of all three interests is an increase in the gross social product, in which the rate of increase of national income is faster than the rate of increase of the gross social product, thereby proving that the three interests are coordinated well.

Thirdly, the standard of living of each worker and collective must be higher than before and contributions to the state must be the same or higher.

Fourthly, from the point of view of all of society, the practice of economization must be improved. If there is an increase in discarded materials and defective products in order to increase the output of subsidiary products, the interests of the state are harmed and the three interests are not coordinated well.

The national economy is a sophisticated, complex system. Using economic interests, in general, and coordinating the three interests within the socialist economic segment, in particular, are only one of the basic moving forces. To fully and strongly develop the economy, it is necessary to use many types of moving forces. In the period of transition, especially during the initial stage, it is even more possible and necessary to coordinate measures designed to stimulate economic

interests with measures designed to provide motivation while using administrative methods to organize and manage the national economy, as this is the only way measures designed to stimulate economic interests can be highly effective. Understanding and establishing smooth coordination among the three interests have also become a socialist ethical standard. Therefore, we have established economic interests as a basic objective and, at the same time, used them as a moving force to carry out socialist transformation and socialist construction.

#### FOOTNOTES

1. K. Marx and F. Engels: "Selected Works," Su That Publishing House, Hanoi, 1971, Volume I, p 749.
2. V.I. Lenin: "Complete Works," Su That Publishing House, Hanoi, 1971, Volume 28, p 267.
3. Sonio maintained that some work hours compensate for production costs while others create the essential product and the final hour creates the surplus product (VHN).
4. Ho Chi Minh: "Ve cach mang xa hoi chu nghia va xay dung chu nghia xa hoi" [The Socialist Revolution and Socialist Construction], Su That Publishing House, Hanoi, 1976, p 6.

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## "THE ROLE AND RELATIONSHIP OF THE THREE ECONOMIC INTERESTS IN SOCIALISM"

Hanoi TAP CHI CONG SAN in Vietnamese Mar 82 pp 30-35

[Article by Xuan Kieu; passages in single slantlines denote italics as published]

[Text] In studying the three economic interests, we see that they pose numerous problems, of which the one concerning the role and relationship of these interests assumes a very great theoretical and practical significance. An incorrect understanding of the role and the dialectical relationship of the three economic interests would result in deviation in their promotion, and in one of the interests being neglected or one-sidedly emphasized. Therefore, speaking of the role of each of the economic interests is to speak of the smooth and principled general relationship in the harmonious combination of all the three economic interests.

The three economic interests are an objective economic category of socialism and one of the most concrete and practical forms in which the working people's collective mastery is manifested.

The system of public ownership of the means of production constitutes an objective basis for fostering the three economic interests in socialism.

The relationship based on the all-people ownership of the principal means of production gives rise to the economic interests of all society. These interests in turn require that the means of production owned by the entire people be effectively used ceaselessly to develop and improve social production in order to satisfy the increasing needs of all members of society. As long as attention is not given to developing social production and importance is not attached to social labor productivity, the economic interests of society cannot be said to have been served. Lenin said: "Once the proletariat has seized state power, its most basic and vital interests require that it increases the quantity of products and develops the productive forces of society on a large scale." [Footnote--V.I. Lenin: Complete Works, Progress Publishing House, Moscow, 1978, Vol 44, p 422] In the initial stage of the period of transition to socialism, ensuring the increase of society's economic interests is a strategic problem to which the party and the state of proletarian dictatorship must pay utmost attention. Lenin clearly pointed out:



"At present, our main policy is to build the country economically so as to accumulate more wheat, to produce more coal, and to use this wheat and coal more rationally to ensure that no one will have to go hungry. This is what our policy must be." [Footnote--V.I. Lenin: Complete Works, Su That Publishing House, Hanoi, 1969, Vol 31, p 457]

Socialist production can be carried out only by state-run and collective socialist production units reorganized as required by the division of social labor and by cooperation in labor. The existence of these production units is an objective condition for the emergence of the collective economic interests of laborers of the same unit. It is precisely these collective economic interests which objectively require that production units (such as enterprises, cooperatives...) satisfactorily use the means of production allocated to or appropriated by them, increase their overall labor productivity and improve the quality of their products. Thus, the appearance of the collective economic interests is an objective necessity.

The promotion of these interests, however, depends mainly on how rationally and how effectively the means of production placed under the management of or appropriated by are used, that is, on the organizational and managerial capabilities of each enterprise, each cooperative... the collective economic interests can be fostered only when production units are capable of covering their production expenditures (including live labor and materialized labor) and creating a quantity of surplus products, thereby satisfying the need to expand the production of units and rapidly increasing the collective welfare, while contributing to the common process of reproduction of all society by fulfilling and overfulfilling the plan to turn over their products to the state.

In the conditions of socialism, laborers are the masters of their country and their production units. They have both the obligation and the right to work and are entitled to the fruits of their labor, depending on the extent of their contributions to the collective and society. Under the socialist system, therefore, aside from the economic interests of society and of the collective, there also are the interests of the individual laborer the objective basis of which is the material and spiritual needs of the laborer and his family which are essential for the reproduction of their labor strength. Under the socialist system, the labor strength of each individual is an integral part of the collective labor strength, and the fruits of labor which each person enjoys are also a common achievement of collective labor.

These three economic interests are bound together by a close relationship; we cannot cater to one without simultaneously promoting the other two. These interests, however, cannot blend with one another because each has its own role to play and is relatively independent from the other.

As stated earlier, defining the role of and relationship among the three economic interests is a problem of a profound theoretical and practical significance. As a matter of principle, we must affirm that /the economic interests of all society always play the leading role/; they decide the direction, the scale, the structure and the rate of development of the national

economy. Lenin clearly pointed out: "The interests of the largest popular masses--in fact, that means the interests of society as a whole--directly guide the worker-peasant administration." [Footnote--V.I. Lenin: Complete Works, Progress Publishing House, Moscow, 1978, Vol 44, p 232] Under the socialist regime, the working people are the masters of the country and their collective mastery is exercised mainly through the state. The state of proletarian dictatorship is the representative of the most basic interests of the working people. "In exercising their mastery through the state, the working class as well as the laboring people in general holds in its hands all the social work forces, all the resources of the country, all the work tools, supplies, capital..." [Footnote--Le Duan: /The Socialist Revolution in Vietnam/, Su That Publishing House, Hanoi, 1980, Vol 3, p 623] Seizing control of material and technical means as well as organizing their management and deploying them nationwide to create a high social labor productivity and large quantities of product is the highest expression of the working people's collective mastery throughout the country. For this reason, affirming the leading role of society's economic interests is a matter pertaining to the nature of socialism, of the system of socialist collective mastery, and of the state of proletarian dictatorship. President Ho taught us: "Under the socialist and communist regime, in which the working people are masters, each person is a member of the collective, plays a definite role in and contributes his labor to society. Therefore, the interests of each individual are included in and part and parcel of those of the collective. Only when the collective's common interests are catered to can conditions be created for promoting the private interests of the individual." [Footnote--Ho Chi Minh: /Selected Works/, Su That Publishing House, Hanoi, 1980, Vol 2, p 105]

The system of public ownership of the means of production constitutes an objective basis ensuring the right of all laborers to participate in the management and use of society's principal means of production as well as in the distribution of their products. This system is also an objective basis prompting each laborer to pay attention not only to the fruits of his own labor but also to the results of all social production activities. This is an obvious superior aspect of socialism over capitalism. Capitalism, because of its exploitative nature, cannot arouse the worker's zeal for labor; nor can it excite the concern of all laborers for the results of society's common production efforts. Under the capitalist system, each capitalist only concerns himself with catering to his personal and selfish interests, and constantly striving for surplus value and his own profits. He pays attention neither to the interests of laborers nor to those of other capitalist. The bitter competition among capitalists causes production in the capitalist society to develop chaotically. It is the contradiction between the organizational character of each separate enterprises and the state of anarchic production in all society which has plunged the capitalist economy into an unending crisis. The opposition between the interests of the bourgeoisie and those of the working class and laboring people is the root cause of the bitter class struggle in that society of exploitation of man by man.

On the contrary, socialism is primarily concerned with all the laboring people's interests and places the economic interests of the entire society above everything else, considering them simultaneously as an objective and

a decisive factor in the development of the national economy. Without this development, it is impossible to talk about any interests, regardless of whether they are the interests of the entire society, production collectives or individual workers. It is obvious that under the socialist regime /and in any situation, the interests of collectives and individual workers are always subject to the common interests of the entire society./ This is an obvious truth, since this is in fact subjecting the immediate and partial interests to the fundamental and lasting interests of workers, the interests of small collectives to the interests of large ones (the entire society) and the personal interests of each worker to the interests of all the laboring people. Evidently, socialism is concerned not only with the interests of the entire society but also with the interests of small collectives and individual workers. Lenin indicated clearly: "Only socialism can create possibilities for expanding social production and the distribution of products, and subject them to scientific bases in order to make the laboring people's life the most comfortable and enable them to enjoy happiness." (Footnote--V.I. Lenin: Complete Works, Progress Publishing House, Moscow 1977, book 36, p 471)

Lenin further said: "The promotion of individual interests plays the role of increasing production." (Footnote--V.I. Lenin: Complete Works, Su That Publishing House, Hanoi, 1970, book 33, p 74). Imbued with Lenin's teaching, we must simultaneously ensure the three economic interests in the most harmonious manner suitable to each step in the construction of a new society. In the initial stage of the present period of transition to socialism in our country, all the requirements of accumulating capital, stabilizing and improving the people's livelihood, and defending the country are raised imperatively. How are the relations among the three economic interests going to be settled? To resolve this problem correctly is actually not simple. Under the premise of respecting the leading position of social interests and of placing these interests above all else, we must pay the most attention to the economic interests of collectives and individual workers. The concern with the economic interests of collectives and individual workers is concentrated on the following points: First, by correctly applying the economic laws, the state of proletarian dictatorship must establish a system of policies capable of encouraging the collectives and individual workers to participate enthusiastically in productive labor.

Second, all measures must be taken to secure jobs for people fit for labor so that they can have the conditions to contribute their efforts and skills to society. When the social interests and the contributions of each worker to the common labor results increase, the benefits of all workers will also increase. Third, the implementation of economic interests of the collectives and individual workers must be oriented correctly toward the socialist orbit, considering the economic interests of the collectives and individual workers must be oriented correctly toward the socialist orbit, considering the economic interests of the society as an axis around which the economic interests of collectives and individual workers revolve. This means that the settlement of collective and individual interests must proceed from the economic interests of society. It is absolutely forbidden to infringe upon the interests of the entire society or to place the collective and individual interests above the social interests, and the sectarian and local interests above the national interests. This is a relatively complicated matter that



calls for good leadership and managerial and organizational ability to detect and resolve promptly the new contradictions arising from the relations among economic interests.

As stated earlier, the three economic interests are closely related and part and parcel of a unity. Unity is a matter pertaining to the essence of things; the unity of the three economic interests is determined by the system of all-people ownership of the means of production. The laboring people are the collective masters of society's principal means of production. For this reason, every product turned out by the labor of the centrally run or the local economy, the state-managed or the collective economy...is, in the final analysis, a result of the efforts of both individuals and collectives (the big collective is society and the smaller ones are production units), and intended partly for society, partly for the collective, and partly for the individual laborer. All products, whether they are distributed directly or indirectly, are used to satisfy the immediate and long-term needs of laborers. Marx said: "...what the producer is deprived of individually, he will get back directly, or indirectly, as a member of society." (Footnote--K. Marx and F. Engels: /Criticism of the Gotha and Erfurt Programs/, Su That Publishing House, Hanoi, 1957, p 23)

The unity of the three economic interests is also reflected in the fact that the laborer is a representative of all these interests. Whether the needs of each individual are satisfied or not depends on the extent of his contributions and on the results of the common labor of each production collective and of society as a whole. This helps stimulate the concern and the sense of responsibility of each individual for the results of the business activities of factories, cooperatives and society.

The unity of the three economic interests is affirmed in the following statement by President Ho: "In our system, the interests of the state, the collective and the individual, are virtually identical." (Footnote--Ho Chi Minh: /On Socialist Revolution and the Building of Socialism/, Su That Publishing House, Hanoi, 1976, p 69)

This affirmation of the unity of the three economic interests is by no means a denial of the contradictions among them. Affirming the objective existence of these contradictions is a methodological problem of enormous significance. Quickly detecting and promptly dealing with these contradictions is the basic condition for achieving a harmonious combination of the three economic interests.

The contradictions among the three economic interests in socialism have their objective basis in the division of social labor, the existence of different production units, the different needs and different economic and cultural interests of each locality, each enterprise, each cooperative...because of the difference in their specific interests, each production unit and locality usually pay more attention to their own interests than to those of other units and localities, and more broadly, of society as a whole. Similarly, each individual normally thinks more of his specific personal interests than of those of the entire collective of laborers and all society. This is the objective cause which often provokes contradictions among the three economic

interests. Under the conditions of socialism, however, /these contradictions are not antagonistic/, because on the basis of the system of public ownership of the principal means of production, the interests of the individual, the collective and all society are virtually identical.

These contradictions can be prevented and overcome by conscious efforts of people who respect and correctly apply the objective economic laws, by defining a system of rational economic policies and by appropriately settling the relationship among the three economic interests in conformity with the specific economic situation in each state of the period of socialist construction.

We must, however, realize that in reality, it is very difficult to prevent contradictions among the economic interests. This is because man's understanding and application of the objective economic laws can be improved only gradually; in other words, the economic laws cannot really be profoundly understood and correctly applied by man instantly. The problem is that man must quickly detect and promptly resolve these contradictions; only in this way can he achieve a harmonious combination of the three economic interests and create /a strong moving force/ for developing incessantly the socialist economy.

/The harmonious combination of the three economic interests is a problem of special importance/ in economic leadership and management. Whether the general production machinery of society, as well as each production unit such as an enterprise, a cooperative...operates satisfactorily or not depends to a very large extent on whether the relationship among the three economic interests is settled correctly or not. Reality shows that enterprises, cooperatives...often work well because they have a correct viewpoint in settling the relationship among the three economic interests. In such production units, the economic interests of society are placed above the rest while those of the collective and the individual laborer receive utmost attention. These units also study and adopt appropriate measures to settle promptly any contradiction which crops up, to achieve a harmonious combination of the three interests, to ensure the overfulfillment of the plan for delivery of good quality products to the state, to increase the accumulation of capital of enterprises and cooperatives and to augment the income of individual laborers.

The harmonious combination of the three economic interests must be achieved in a flexible manner and according to the actual situation of the development of the production forces and the improvement of socialist production relations. Determining the portions of social products to be allocated to each group of interests as well as defining the relationship of proportion in the distribution of the national income among the three groups of interests is something that can be done. Reality has clearly shown that the division of the gross social product and the distribution of national income depend on the requirements of the task of building the economy and improving the people's living conditions in each stage. (This is to say nothing of the present very exacting requirements of the tasks of consolidating national defense and protecting the fatherland).

For example, in the present stage, the state may deem it necessary to allocate an adequate portion of the social product to the consumption fund for use in stabilizing and improving the people's living conditions so as to stimulate all people strongly to engage in productive labor zealously, thereby creating a large source of accumulation. In another stage, the state may consider it imperative to establish a higher ratio of accumulation in order to expand production and to create conditions for basically and steadily improving the people's standard of living. The important thing is that in each specific stage of development, the state of proletarian dictatorship must perceive the need to transfer a portion of the social product from one group of interests to another. The art of management organization and the adroitness in directing the national economy lie in the ability to determine reasonable limits for these adjustments, which must be carried out in such a way as to prevent a reduction or increase in the social product of one group of interests from adversely affecting the efforts to cater to the other groups, and to ensure that, basically, such adjustments are still consistent with the harmonious combination of the different economic interests.

In short, the harmonious combination of the three economic interests must be achieved in such a way as to ensure the leading role of the economic interests of all society, to place these interests above those of individual collectives and laborers, to see to it that what is beneficial to society is also beneficial to the collective and the individual, and vice versa. The interests of the collective and the individual laborer can be steadily ensured only if the common interests of society are respected. Increasing the economic interests of society is to provide a basis for ensuring the fullest satisfaction of the needs of all production collectives and all members of society.

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## PRODUCT CONTRACTS FOR COLLECTIVES BASED ON THE FINAL RESULTS OF PRODUCTION

Hanoi TAP CHI CONG SAN in Vietnamese No 3, Mar 82 pp 36-43

[Article by Trinh Binh]

[Text] The payment of piecework wages to collectives of workers based on the final results of production, which was first successfully implemented at the Pho Yen Ball Bearing Factory and Internal Combustion Engine Spare Part Factory Number 2 in Bien Hoa, has now been applied in 19 enterprises and plants, such as Implements Factory Number 1, Internal Combustion Engine Spare Part Factory Number 3, the Mechanical Engineering Measuring Implements Factory, the hoe shop of the Agricultural Mechanical Engineering Factory, the casting plant of the Tran Hung Dao Machine Works, the Phan Me Coal Mine, the Son Duong Tin Mine and so forth, and is continuing to be gradually expanded to a number of other installations. Generally speaking, at those places paying piecework wages to collectives based on the final results of production, labor productivity has increased, more products are being produced, product quality has improved in many respects and the income of manual workers has been increased.

Once a factory that operated inefficiently, the Pho Yen Ball Bearing Factory implemented product contracts for collectives based on the final results of production in early 1980 and underwent good changes in many areas in the 2 years 1980 and 1981: output increased 62 percent, labor productivity increased 19 percent, the percentage of defective products declined 2.07 percent, wages per unit of product declined 68 percent and the average income of the worker increased 58 percent.

Implements Factory Number 1, which implemented product contracts in early 1981, has achieved the following results: the output of drill bits has increased 25.75 percent, labor productivity has increased 10 percent, the percentage of defective products has declined 0.07 percent, wages per unit of product have declined 6.17 percent and the average income of the worker has increased 46.61 percent compared to when product contracts were not in effect.

The Tran Hung Dao Machine Works implemented contracts in April, 1981, in its casting plant with the following results: compared to the time when product

contracts were not in effect, output has increased 28 percent, labor productivity has increased 48 percent, the percentage of defective products has declined 14 percent, wages per unit of product have declined 12 percent and the average income of the worker has increased 46.61 percent.

Many other factories or plants have also undergone significant changes for the better. On the basis of the initial results presented above, a number of conclusions concerning the payment of wages to collectives on the basis of the final results of production can be drawn.

#### **Wages Are Closely Linked to the Final Product, to the Final Results of Production**

Many resolutions and directives of our party and state have emphasized the need to pay piecework wages with a view toward raising productivity, improving product quality and implementing the principle of distribution in accordance with labor. In reality, however, our payment of wages does not correspond to the results of production; the wages of a production worker in any stage of production are computed on the basis of the results of the products produced in that stage of production and, if the productivity of the individual increases, his wage also increases. Individual productivity is ordinarily from 100 to 150 percent above the quota and, in some cases, even in excess of 150 percent, consequently, the worker earns a rather high wage but, in the end, the production plan of the plant or factory is not met, products are of poor quality or the percentage of defective products is quite high, production costs are not reduced and, in some cases, the state must incur losses. It is the state and the enterprise collective that must bear all of these adverse consequences. Clearly, this type of remuneration is not closely linked to the final results of production, rather, it is still based on the stage of production or job and stops at individual product parts, at intermediary norms and intermediary results.

The experiences of the Pho Yen Ball Bearing Factory and a number of other factories and plants show that it is necessary to link the payment of wages to the final results of production. It is first of all necessary to correctly define what the final product is. The final product is not the individual parts that each worker makes in each stage of production or the finished products of each job on the same production line. The final product must be the result of the production of the entire industrial process consisting of all of the various stages of work added together (such as the payment of wages for a hoe at the Agricultural Machine Works, a drill bit at Implements Factory Number 1 or a cubic meter of overburden or 1 ton of mined coal at the Phan Me Coal Mine) is only the results of one stage of an industrial process but is in the nature of a finished product or a semi-finished product that can be weighed, measured, counted and tested in terms of quantity and quality for the purpose of computing piecework wages in accordance with the established method (the payment of piecework wages for bearings, bearing rings and bushings in the ball bearing parts produced by the Pho Yen Ball Bearing Factory and the payment of wages for engine blocks, fly wheels and "cu lat" at the Tran Hung Dao Machine Works).

It is necessary to set goals, to define the final product results that must be achieved and only when these goals and results have been achieved is it possible to pay wages on the basis of unit prices and the wage fund that has been computed; conversely, if these goals and results are not achieved, workers must pay penalties in accordance with prescribed regulations.

The ultimate goals that must be achieved are higher labor productivity and higher output, with consideration given to the plan assigned by the upper level for the entire year and on the basis of the equipment capacity and labor of the plant or enterprise with attention given to providing material incentives to create the conditions for raising productivity and output. Generally speaking, goals should not be set so high that they cannot be met and, as a result, cause a negative attitude within the plant or enterprise; goals also should not be set too low, even lower than the state plan, as this would make it unnecessary to even raise the matter of product contracts for collectives based on the final results of production.

As regards quality, it is necessary to insure that stipulated product specifications are met as well as insure that the permissible percentage of defective products is met; if they are met, wages may be paid on the basis of unit prices and the established wage fund but, if they are not met, a penalty must be paid and the unit price wage is reduced. In addition, it is possible to establish additional regulations concerning bonuses and penalties for product quality, especially at places where the percentage of defective products is still high, such as places that cast iron, cast steel, mine coal, etc.

As regards the use of supplies, it is necessary to insure that established supply consumption ceilings are met and an effort must be made to economize on and reduce the consumption of supplies and raw materials; if economization is achieved, in addition to paying piecework wages, a bonus of 1 percent of the value of the supplies saved can be paid; conversely, if the consumption of supplies exceeds ceilings, the wage unit price must be reduced and a certain percentage of the supplies used over and above the consumption ceiling must be paid in damages.

As regards equipment, vehicles and machinery, it is necessary to operate machinery at capacity as well as keep vehicles in operating condition and promptly repair them when they break down; if machine capacity is exceeded, in addition to paying piecework wages, a bonus may be paid; conversely, if vehicles and machines break down frequently and the plan is not met, the piecework wage must be reduced and damages must be paid.

The ultimate goals mentioned above clearly are not intermediary norms or intermediary results; these final results, which express the three interests (the interests of the state, the collective and the individual worker), must be computed in the form of specific data with a comparison and analysis of economic returns in the following areas: how much the average income of the worker will increase on the basis of the results achieved regarding output and quality at the piecework wage; how much wage costs per unit of product will increase or decrease; how much labor



productivity will increase compared to the increase in wages; and, finally, consideration must be given to the three interests, primarily to how the interests of the worker are being satisfied.

The computation of norms on final results should be done monthly, not for a long period of time; through monthly norms, workers can compute their monthly income and, on this basis, they can calculate what they must do in light of the plan to earn a higher wage. Paying wages on the basis of the final results of production and, conversely, achieving the final results of production before being paid fulfill the distribution and incentive functions of wages and heighten the impact of wages upon production; they are also a way to encourage the worker to closely link himself to the final objectives of production and to closely link the material interests of the individual to the interests of the collective and the state.

#### The Payment of Wages to the Collective and the Organization of Production and Organization of Labor

Paying wages to the collective is a form of contract wages which, for a long time, as a result of not being able to pay wages directly to individuals, a number of units have been using so that the collective can distribute wages to individuals. However, the new aspects here are that the makeup and organization of production collectives and labor collectives are different.

In the past, the collectives to which wages were paid were the sections and units specialized by job, such as the lathe section, the milling section, the plane section and so forth in the mechanical machining area of the Pho Yen Ball Bearing Factory; the sand preparation section, the mold section, the iron refining section and the steel refining section in the casting operations of the Tran Hung Dao Machine Works; the truck section, the power shovel section and the drilling machine section in the mining operations of the Phan Me Coal Mine and so forth. The products of these sections were only the sum total of parts of many types of products produced by industrial processes, consequently, the payment of wages, although based on the section, was still payment based on the stage of production; the workers in each stage knew the work of their stage of production and it was possible for workers in stages that produce many parts to earn a high wage while those working in later stages that produced few parts to earn a small wage; in the end, due to the lack of coordination, either finished products were not produced or the products that were produced did not meet established quantitative and qualitative requirements. Now, paying wages to the collective closely links the collective to the final product, to the final results of production; this collective must be the master of and be responsible for its product and endeavor to produce, not individual parts, but complete final products, from bearings, bearing rings, bearing bushings, piston rings, hoes, drill bits, socket wrenches and thread dies to engine blocks, fly wheels, "cu lat," tons of coal, cubic meters of overburden and so forth in accordance with the stipulated final product goal.

This give rise to the question of how to organize production and organize labor in a manner consistent with the new specifics and requirements of the payment of wages to the collective. The common experience gained from the units that have implemented the payment of wages to the collective is that the collective of one section, unit, sector or plant is responsible for producing each final product unit from the first to the last steps involved in its production in a closed, complete cycle so that when one looks at the organization of production and organization of labor, the fact that a final product is being produced is immediately evident. As regards specifics, there are three methods of operation with three different forms of organization of production and labor:

--A total reorganization into mixed collectives specialized by product, not by industrial process as previously; for example, at the Pho Yen Ball Bearing Factory, the two production plants were merged into one plant divided into four production sectors by product: bearing, bearing rings, bearing bushings and the forging sector (for bearing rings), with each sector being reorganized and retooled. The sector chief has the right to select the section members of the sector and the section members elect section chiefs, determine the staff of the section and expel unqualified persons from the production line. The Phan Me Coal Mine merged its mining and transport plants and put all power shovels, drilling machines and trucks into mixed sections specialized by product. Each section must produce the required number of cubic meters of overburden and number of tons of coal; each section determines its own staff and the section chief is elected by its members and selects the members of the section; each mixed section works separately within each area of the mine. This is also something which the workers at the mine never dared think of before.

--Partial reorganization involving specialization by industrial process and specialization by product and designed to achieve a final goal: for example, at the casting plant of the Tran Hung Dao Machine Works, operations were once organized into the mold production section, the mold drying section, the iron refining section, the sand mixing section, the cleaning section, the transport section and so forth; but now, wages are only paid to sections producing three important parts: the engine block section, the fly wheel section and the "cu lat" section. Each section has workers who make molds, workers who dry mold, workers who dismantle molds, clean products and transport products, with the mold production workers being the center of operations. The sand mixing section, because it must support the entire plant, is still specialized by industrial process but is closely linked to the final results of production through the "sale of sand" to the mixed sections, the price of which is included in the overall wage unit price of the product. In addition, the iron pouring section, which should separate its workers into individual product sections, is still part of the iron refining section due to the lack of adequate workers and is included in the overall wage unit price; if the output of products increases by a large amount, iron pouring workers receive a much larger wage, but if the product increases by a small amount, they receive a small wage.

--Not reorganizing production or labor and maintaining the sections specialized by industrial process but efficiently rearranging their organization, streamlining

their staff and assigning a wage fund to the entire plant or factory based on the volume of products. On the basis of combined labor quotas and a combined wage unit price per unit of product, a number of norms on final production results are established that must be met in order to pay wages in accordance with the established plan, as has been done at Implements Factory Number 1, which pays wages to the drill bit plant, the thread dye plant, etc.

The methods of operation and forms of organization mentioned above are not models that can be applied everywhere, but must be applied on the basis of the specific situation at each place, on the basis of whether the nature of production is very complex or only slightly complex, whether the production cycle is long or short, whether technical conditions are complete or incomplete and on the basis of the specific capabilities of cadres and their ability to provide guidance. However, regardless of the situation, paying piecework wages to a collective based on the final results of production but without reorganizing production or reorganizing labor, that is, maintaining the same organization and number of workers but only changing the method by which wages are computed or only increasing the wage unit price per unit of product, is not paying wages based on the final results of production and can only achieve a few immediate results, results that will be neither permanent nor stable. Of course, reorganizing production and reorganizing labor are difficult and complex problems, especially at places that produce many products, each of which consists of hundreds of parts and involve production cycles lasting months or more. As regards these places, organizing the payment of wages to each stage of work, each section or the entire production line is a matter that must be researched and carefully considered and cannot be done in the same way for each entity. However, the problem that is faced continues to be the need to closely link the payment of wages to the organization of production and the organization of labor and primarily to reorganize operations into small collectives, into sections and units that have clearly defined production tasks, short production cycles, simple final products, the proper number of workers, internal stability and competent cadres in charge. Organizing such collectives will closely link workers to one another and closely link their responsibility to the collective; on this basis, it will create strength for achieving the final objective. This also involves a struggle between the progressive and the backward, between the positive and the negative, a struggle to show persons who are lazy or who have many bad habits their shortcomings and cause them to voluntarily leave the production line and engage in subsidiary production or other work, thereby reducing the staff of the factory or plant.

#### Paying Wages on the Basis of Reasonable Quotas, Unit Prices, Bonuses and Penalties

The basis for paying piecework wages to collectives in accordance with the final results of production is, above everything else, the establishment of reasonable combined labor quotas and combined wage unit prices.

At present, enterprises, generally speaking, have labor quotas but they are primarily quotas on the stages of work performed by main production workers; there are many jobs performed by subsidiary and support workers as well as virtually all of the work performed by cadres and indirect management personnel that are not



governed by quotas. As a result, in order to pay piecework wages, it is necessary to readjust the quotas governing stages of production and to formulate and perfect quotas for subsidiary and support workers and management personnel in order to, on this basis, establish combined labor quotas per product unit (which encompass industrial labor, subsidiary labor, support labor and management labor). On the basis of combined quotas, it is necessary to establish wage unit prices per unit of product and compute the wage fund for the collective in accordance with the final product so that the collective can accurately divide wages among its members. As a result, there is no scientific basis for talking about paying wages in accordance with the final product without establishing combined labor quotas per unit of product. The industrial labor quotas of main production workers are, at present, primarily established on the basis of statistics and experience; the number of quotas requiring technical foundations is very small (in 1980, only 9.5 percent of the quotas of the entire Ministry of Engineering and Metals were technically based; during the first 6 months of 1981, this figure was 9.6 percent). Because quotas are still not accurate, the labor productivity of the individual far exceeds them (by an average of 138 percent in the Ministry of Engineering and Metals during the first 6 months of 1981) but overall productivity has not risen. Of course, consideration must be given to actual production conditions, which involve difficulties resulting from a shortage of electric power, the shortage of supplies and the shortage of raw materials; however, because the stage of production is the basis for computing the combined wage unit price, for paying the worker and for establishing the output of final product that must be achieved, the quotas on the work performed in the stages of production must be accurate and reasonable.

As regards the wage unit price, it is necessary, on the basis of the combined amount of work time, to compute the combined wage unit price per unit of product and the combined wage fund for the entire collective in accordance with the final results of production. In view of the present difficult situation concerning living conditions, the wage unit price must be reasonable, must insure an increase in income in order to provide incentive for higher labor productivity and must insure that the combined wage fund does not increase at a rate faster than the rate of increase of labor productivity, which is a rather complex problem. It is unreasonable to provide incentive for higher income by reducing quotas, by raising the wage unit price, by introducing many new types of subsidies conceived of by the unit or by raising the existing subsidies above stipulated levels, thereby creating a very high wage coefficient, one that is many times higher than the basic wage, and, on this basis, raising the wage fund too high compared to productivity and output.

Of course, raising the income of the worker is something that must be fully encouraged and how high the income of the worker is is not something to be concerned about; however, if income is raised at any price without conditions and requirements regarding the final results of production that must be achieved for society and the collective at a time when the commodity fund for society is not increased, labor productivity declines, product quality is poor and active, skilled workers receive the same wage as negative, poorly skilled workers, correct incentive is not provided.

At those places that have been paying correct piecework wages to collectives in accordance with the final results of production, the combined wage unit price per unit of product includes:

--The direct unit price for main production workers, which includes the base unit price computed on the basis of the work grade salary and the industrial labor quota.

--The variable wage unit price, which includes a number of subsidies in accordance with regulations: the regional subsidy, the harmful environment subsidy, the trade subsidy and the piecework wage incentive rate together with the wage subsidy under decision 219/CP.

--The indirect unit price for subsidiary workers, support workers and assistants (electrical-mechanical, implements, transportation and so forth) and for direct management personnel supporting the production of the final product computed on the basis of the ratio between subsidiary, support and management personnel and the prescribed product output.

In addition to the general unit prices mentioned above, it is also possible to compute progressive unit prices in order to pay progressive piecework wages; however, this should only be done when deemed necessary and must be carefully considered. Here, there is the problem of paying reasonable wages to indirect management personnel and closely linking their responsibility to the final results of production. There are two cases that must be considered and two ways to resolve this problem.

In the case of the payment of collective piecework wages based on the final results of production to the sections and units within the scope of a plant of an enterprise, the wages of the subsidiary workers, support workers and indirect personnel of the plant are included in the indirect unit price included within the combined unit price of the product. As regards subsidiary workers, support workers and assistants who belong to the subsidiary and support plants of an enterprise (such as the electro-mechanical plant, the implements plant, the transport plant and so forth), any unit that is assigned to work with a plant in which piecework wages based on the final product are being paid, the wages of its workers are included in the combined wage unit price of the plant. In addition, other subsidiary and support workers as well as indirect personnel, from the director to the management agency, will have their bonuses computed on the basis of the final results of production.

In the case in which collective piecework wages based on the final results of production are being paid to all plants and the final product of the enterprise is only a type of product consisting of few parts with a short production cycle and the subsidiary, support and indirect forces of the enterprises have been efficiently established, it is possible to include the wages of all of these forces in the combined wage unit price, that is, possible to pay collective piecework wages based on the final results of production to the entire enterprise. This has been the base at the Pho Yen Ball Bearing Factory and Parts Factory Number 3. The Pho Yen Ball Bearing Factory began paying the new wages to the entire

enterprise in March, 1981. After initiating the payment of piecework wages based on the final results of production to the main production sectors as well as the subsidiary and support production sectors of the enterprise, the factory reduced the staff of the management agency from 20 percent to 12 percent. On this basis, the enterprise established a combined wage unit price for a standard bearing and then multiplied it by the total number of bearings assigned under the plan to establish the factory's total wage paid on the basis of final products. And, everyone from the director on down is paid in accordance with this wage fund; if the final product is large, the director receives a high wage but if the final product is small, the director receives a small wage. Of course, this is not called piecework wages for the director but it does show that the income of everyone from the director on down is closely linked to the final product and this is the only way to closely link the rights and responsibility of each person within the enterprise to the final results of production.

Together with paying wages in accordance with quotas and unit prices, bonuses and penalties are something which enterprises use, but not on a regular basis. In conjunction with paying piecework wages to collectives in accordance with the final results of production, bonuses and penalties must also be closely linked to the final results of production in accordance with the established plan. Accompanying bonuses must be corresponding penalties, considering these to be controls that insure that the proposed final results of production are achieved. We should not only give attention to bonuses and not penalties nor should bonuses be high but penalties low; and, it is necessary to use bonuses and penalties in key areas where problems must be resolved, such as the casting operations of the Tran Hung Dao Machine Works, where the most important requirement was reducing the percentage of defective products by 50 percent; therefore, the machine works implemented rather strong bonuses and penalties in this operation. If the percentage of defective products is reduced, a bonus of 50 percent of production costs is paid for each product; if the percentage of defective products exceeds the ceiling, a penalty of 50 percent of production costs must be paid. At the Mai Hac De Casting Plant of the Tran Hung Dao Machine Works, the situation over the past 3 months has shown that the payment of piecework wages to collectives on the basis of the final results of production in conjunction with the bonuses and penalties mentioned above have had the effect of motivating workers to reduce the percentage of defects in the production of three parts by 4 percent compared to the ceiling and reduce the percentage of defective products by nearly two-thirds compared to the same period of time in 1980.

The payment of piecework wages to collectives of workers based on the final results of production is a progressive form of wage payment that has been proven by reality to be correct. However, it is also only one of several economic levers that help to stimulate production and is a stage of transition from administrative management based on subsidies to socialist business management. Therefore, the payment of wages cannot be considered a miraculous measure that can resolve each and every problem, rather, in conjunction with it, it is necessary to properly prepare the conditions for production, such as raw materials, supplies, technology and so forth, while intensifying political and ideological education and mobilizing the masses to exercise their right of collective ownership in production management within their enterprise.



## COMPLAINTS AND DENUNCIATIONS, AN IMPORTANT RIGHT TO COLLECTIVE MASTERY OF OUR PEOPLE

Hanoi TAP CHI CHONG SAN in Vietnamese No 3, Mar 82 pp 44-49

[Article by Prof Nguyen Ngoc Minh; passages within single and double slant-lines denote respectively italics and boldface as published]

[Text] The promulgation of the regulation on considering and settling complaints and denunciations filed by citizens has answered our people's long felt aspiration. It speaks for the superiority of the socialist regime and our party and state's concern over the exercise of the people's right to collective mastery, and helps strengthen relations between the party, state and people.

One of the most important problems in a socialist society is the satisfactory settlement of /the relations between the people and state, and between the state and people./

Unlike the state of the exploiting classes--their tool to oppress and exploit the working people--the socialist state is "the proletariat which organizes itself into a ruling class" to rule the minority group of oppressors and reactionary elements and to achieve democracy vis-a-vis the working people. Lenin said: "The proletarian democratic system is a million times more democratic than any bourgeois democratic system" (TAP CHI CHONG SAN footnote: V.I. Lenin: "Discussion of Socialist Law"; Su That Publishing House, Hanoi 1970 p 44). The fundamental difference between the socialist state and the state of the oppressive classes lies in the fact that the socialist state is of the people, by the people and for the people. It has no other objective than to serve the people. Therefore, during the early days of the establishment of the people's administration, President Ho Chi Minh defined the relations between the people and the state and vice versa as follows: "Government organs from the central level to the villages are the servants of the people. They are supposed to carry out administration work for the people, and not to oppress the people as in the era under the French and Japanese domination." (TAP CHI CONG SAN footnote: "Ho Chi Minh: Selected Works," Su That Publishing House, Hanoi 1980 Vol 1 p 370)

In a situation where the party leads the administration, it is necessary to define the /relations between the party, the people and the state./

President Ho Chi Minh summed up the definition of this relationship in his testament as follows: "We must maintain the purity of our party, be worthy as leaders and faithful servants of the people."

The thoughts of President Ho Chi Minh and our party have been profoundly understood and are reflected in the party's resolutions and state laws.

The new Constitution of our country specifies: In the SRV, the collective masters are the working people, comprising workers, peasants, socialist intellectuals and other working people, with the worker-peasant alliance, led by the working class, as the core." (Article 3) Our party's viewpoint on collective masters is that they are also the masters of the political, economic, cultural and social domains; masters of the whole country, of each locality and grassroot unit, of society, of nature and of themselves.

As masters, the people must have a voice in the various aspects of social life in order to directly or indirectly participate in state and social management while controlling the activities of state organs, cadres and officials. They must strive to eliminate deviations, violations of state policy and the law and protect the party, state and their own legitimate interests.

One of the people's rights to collective mastery is the right to complain and denounce. As a result, our Constitution has specified: "Citizens have the right to lodge with any state authority a complaint or denunciation regarding transgressions of the law by any state body, social organization, people's armed forces unit or individual employed by those state bodies, organizations or units." (Article 73)

This is a matter of great significance to a party which is vested with the task of leading the administration. Comrade Le Duan said: "It is necessary for a ruling party to take precautions against two dangers--errors involving its lines and policies, and abuse of power by its authorized cadres and their arrogant attitude toward the people." (Footnote: "Le Duan: On Party Building," Su That Publishing House, Hanoi 1978 p 64) In exercising their right to make complaints and denunciations with a sense of socialist collective mastery, our people can help prevent these dangers while supervising all the activities of state organs and state cadres and personnel, thus making our party firm and strong and our state truly a state of the people, by the people and for the people, and enabling them to have more confidence in their party and state. Meanwhile, our state is fully aware of the need and has the necessary measures to ensure that every citizen is entitled to exercise this right toward any organ of the state as well as to any member of that organ. In view of this, the right to make complaints and denunciations characterizes both our system of socialist collective mastery and our society.

The right to make complaints and denunciations also reflects the singlemindedness of and the close relationship between the people and the state in our society. Under a capitalist regime, complaints and denunciations are designed to cover that regime with a cloak of "democracy" which is, in fact, aimed at harassing or harming honest people and protecting the personal interests of the exploiting class or smearing the reputation of others actuated by base

motives. Under our regime, however, complaints and charges are made for the sake of the legitimate interests of the state, the collective, and each citizen aimed at firmly maintaining state law, consolidating the socialist legal system, and establishing a correct relationship among the party, the state and the people.

Many basic problems have been solved through enforcement of the regulation governing the right to make complaints and charges. It is, therefore, necessary to point out a number of the most vital questions.

#### //1. Who Has the Right To Make Complaints and Charges? And About What?//

The spirit of Article 73 of the Constitution and of Article 1 of this regulation is very broad. /All citizens/ have the right to file complaints and denunciations with any organ of the state against actions by state organs, economic, cultural and social organizations, units of the people's armed forces or by any individual of these organs and organizations that infringe on the interests of the state and the collective and the legitimate interests of citizens.

Citizens may file complaints and charges with the state organs concerned through letters or personal contacts. These organs have the responsibility to receive letters and concerned persons. The dates, times and places of contact must be posted publicly. This is a very important and essential regulation, which reflects not only the objectives and scope of the right to make complaints but also the conditions and methods of exercising it. Our state not only stipulates this right but also creates favorable conditions for all citizens to exercise it easily. To all Soviet organs in Russia in the past, Lenin gave this instruction: "To enable everybody to visit any Soviet organ without the need of any pass, it is necessary to post the regulations governing the dates and times set for receiving the masses not only inside but also outside that organ. It is absolutely necessary to make arrangements in such a way so that visits to various organs can be made freely and without any type of pass" (Footnote: "Lenin: Discussions on Socialist Legal System," Su That Publishing House, Hanoi 1970 p 336). In our country, complaints and charges can be made under any form that is convenient to all citizens: Through letters, personal contacts, verbal statements as well as through radio and television stations and the press. These complaints and charges must be processed and settled by the organs concerned (articles 8 and 10 of the regulation).

To protect the complainants and plaintiffs, the regulation stipulates that it is prohibited to reveal or forward /letters of accusation/ and their copies and statements of accusation to the organs, organizations or persons under accusation. It is also not permitted to forward /complaints/ to organs, organizations or persons under complaint if such action is found to be detrimental to the complainants.

#### //2. Authority for Investigation and Settlement//

In fact, too many letters of accusation reportedly have been forwarded to various organs at the central level as well as to the party's and state's



highest organs of leadership in the recent past. There are two main reasons for this. First, complainants and plaintiffs often have confidence in these organs and feel that they are the most authoritative organs which can settle their complaints and charges fairly and quickly. Second, in some cases competent organs at the lower level fail to pay adequate attention to and process complaints in accordance with their responsibility or settle them promptly and properly, thus compelling the persons concerned to continue to file their complaints with the higher levels. This does not include cases in which protection of and partiality to persons under accusation, and injustice to the complainants are prevalent.

Another reason is that a letter of accusation is usually sent to several organs at the same time, as its sender believes that it will be settled by one organ or another.

To limit the situation in which letters of accusation are forwarded to the higher levels while enabling the organs concerned to settle complaints and charges properly, this regulation stipulates clearly the authority of various organs responsible for the settlement of complaints and charges. They are not allowed to shift their responsibility onto other organs.

The regulation defines the distinction between complaints and charges.

**/Complaints/** against personnel of organs and organizations shall be processed and settled by the leaders or leading bodies of those organs and organizations. Complaints against leaders or leading bodies of organs and organizations shall be processed and settled by leaders or leading bodies of the immediate higher echelon.

**/Charges/** against personnel of organs and organizations shall be processed and settled by leaders or leading bodies at the immediate higher echelon. Charges against leaders or leading bodies of organs and organizations shall be processed and settled by leaders or leading bodies at the immediate higher echelon or at the next higher echelon.

It is necessary for competent state organs to coordinate with other concerned organs (attention must also be paid to coordinating with such mass organizations as trade unions, youth unions, women's unions, and so forth) in processing and settling complaints and charges. This is aimed at ensuring democratic centralism and broadly developing the right to collective mastery of the people through the process of state organs and mass organizations so that the practice of processing and settling complaints and charges in an arbitrary manner and at will can be avoided.

One important point which requires our attention is that this regulation is aimed mainly at settling offenses of an administrative nature. Therefore, the authority for processing and settling these offenses should rest with organs that belong to the executive system while the authority for processing and settling criminal and civil offenses still rests with the people's organs of control and the people's courts as stipulated in the current law.

### **/3. Time Limits for the Settlement of Complaints and Charges/**

To avoid delay and extension in the processing and settlement of complaints and charges that could adversely affect the interests of the state, the collective and the citizens, the Constitution has pointed to the principle that all complaints and charges /must be processed and settled quickly/ (Article 73). This is because the weightiest responsibility of state organs is to serve and protect the interests of the people. We must not ignore the people's grievances and losses, and must not allow offenses to drag on. If we fail to settle offenses promptly, it will be difficult for us to compensate for their consequences. To help concretize the Constitution, this regulation has clearly stipulated the time limits for each level in processing and settling complaints and charges. Complaints that /fall under the jurisdiction of the village and city ward levels (or equivalent units) must be processed and settled no later than /1 month/ following the date of receipt of such complaints; for other levels, this time limit is /3 months/. The time limits provided for charges are much longer. Charges that fall under the jurisdiction of the village and city ward levels (or equivalent units) must be processed and settled no later than /2 months/ following the date of receipt of such charges; for other levels, this time limit is /6 months/. Concerning complicated matters that require time-consuming investigation, time limits can be extended but must not be more than double the time limits stipulated above.

### **//4. Rights To Retrieve One's Honor and Receive Indemnification//**

The right to complain and denounce are worthless if the plaintiffs cannot be indemnified spiritually and materially. Consequently, the right to restore one's honor and receive indemnification constitutes a fundamental principle for ensuring citizens' rights and benefits, and a practical demand of the plaintiffs and denouncers. If honor is actually assailed, the victim is entitled to restitution of his honor. Our people treasure honor and human dignity, and would rather lose some of their material assets than their honor. The law stipulates that guilty agencies, organizations or personnel are dutybound to make indemnification (article 4) in order to avoid the use of the state or unit funds to indemnify losses caused by an individual, especially when this individual is a commander or leader.

### **//5. Role of National Assembly Deputies and the People's Councillors//**

It is the National Assembly deputies and the people's councillors who maintain regular contact with the people. They often receive the people's complaints and letters of denunciation. In the spirit of promoting the role of popularly elected agencies, deputies and councillors--representing the people's aspirations and rights--the law prescribes that these deputies and councillors must study and forward the people's complaints and letters of denunciation to the competent agencies, and must follow up their processing and keep the plaintiffs and accusers informed of the results.

The competent agencies involved must keep the deputies and councillors informed of their action. This is also a measure to urge responsible agencies scrupulously to handle cases of complaints and denunciations within the prescribed time.

## //6. How To Deal With// Violations of the Right To Complain and Denounce

To enforce strictly compliance with the law, the state stipulates two types of penalty. Those who are responsible for receiving, forwarding, considering and settling the complaints and letters of denunciation by citizens, and fail to comply with the stipulations of this law, will be dealt with according to /administrative discipline./

Those who commit the following offenses, will be punished according to the criminal code./

Those who abuse their authority and position to interfere with cases of complaint and denunciation or to deal with complainants and accusers, will receive a jail term from 3 months to 3 years. The same punishment will be applied to those who intentionally fail to carry out decisions concerning cases of complaints and denunciation, causing losses to complainants and accusers. Those who seek revenge against complainants and accusers will receive a heavier jail term of from 6 months to 6 years. Conversely, those who abuse the right to complain and denounce, and purposely distort the truth to slander others or an agency or organization will also be punished with a jail term of from 3 months to 3 years.

Consequently, this law determines ways to deal with various cases and is aimed at ensuring that a citizen's right to complain and denounce can be implemented scrupulously and that no one can abuse this right.

We should maintain a sense of socialist collective mastery before being able to use the right to complain and denounce correctly and effectively. The sense of mastery over society and oneself means awareness of the common interests of the society and collectives and our legitimate rights and correctly motivated benefits. At the same time, we should have a high and constructive sense of responsibility; refrain from distorting the truth and insinuating to confuse agencies; and lodge our complaints with the competent agencies as prescribed by law. We should have an accurate knowledge of citizens' rights and duties, and should enhance everyone's sense of mastery in order to use correctly and effectively the right to complain and denounce.

Those agencies responsible for considering and settling complaints and denunciations should uphold their spirit of serving the people and oppose irresponsibility and indifference or "even hardheartedness in the face of the people's difficulties and sufferings" (Footnote: "Political Report of the Party Central Committee to the Fourth Congress," Su That Publishing House, Hanoi 1977 p 147). At the same time, they should implement our duties scrupulously, promptly, justly and fairly in accordance with policies and laws. If citizens use correctly their right to complain and denounce while the state agencies consider and correctly settle complaints and denunciations, they will contribute to creating the superiority of our socialist regime. Comparing the socialist regime to the capitalist regime, Lenin observed: "No matter how democratic they are, the most advanced capitalist republics still use thousands of legal procedures to prevent workers from participating in the state management." (Footnote: V.I. Lenin: "On the Role of Mastery by Agricultural and Industrial Workers Over Economic and State Management";



Su That Publishing House, Hanoi 1967 p 37) As for us, "we try every way to get rid of these obstacles" to reach the point where "the laboring people can participate in state management." (Footnote: V.I. Lenin: Ibid, p 38)

We should immediately ensure that the right to complain and denounce is observed and properly used and that the responsible agencies or personnel settle cases of complaint and denunciation in a fair, just and timely manner, avoiding delay and backlog, and reducing losses for the state and the people. Nevertheless, the most important point is the necessity of finding out the causes of complaints and denunciation in order to eliminate them radically. This issue, although fundamental, is not easily solved. In the present situation, the struggle against phenomena which violate citizens' right to mastery, erode the interests of the state and the collective, and misinterpret the party policies and state law, and against other negative manifestations, must be conducted uniformly and be targeted properly by motivating the masses to participate in the struggle and by applying administrative, economic and educational measures to emphasize the severity and justice of the law. The more effectively this struggle is conducted, the fewer will be the numbers of complaints and denunciations. The time will come when our state machinery becomes really strong and firm, our people's mastery is enhanced definitively, and all cadres and personnel of the state respect citizens' rights and realize the necessity of protecting the interests of society and collectives. Then, complaints and denunciations will certainly be a rarity, and there will be instead /petitions/ to beautify society and make the people's life more happy.

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## THE POSITION OF THE COUNTRY

Hanoi TAP CHI CONG SAN in Vietnamese No 3, Mar 82 pp 50-55

[Article by Nhuan Vu]

[Text] In their wars to defend the fatherland or liberate the nation, our forefathers attached particular importance to making full use of the "position of the country," considering it to be a basic factor in victory, to be the secret and source of "Vietnam's strength."

When the country was flourishing, even though it had to contend with enemies many times larger and encountered numerous difficulties at first, the generals of our nation always had firm confidence in ultimate victory.

In the third war of resistance against the Nguyen aggressor army (1287-1288), when he learned that the enemy had crossed our country's border, Tran Hung Dao said: "This year, when the enemy comes, it will be easy to fight them." This was because he fully understood the prosperous situation of the nation of Dai Viet.

Another characteristic of our nation's life is that the nation of Vietnam was formed at a very early date and has had a very strong sense of nationhood: the Hung Kings built the country of Van Lang in the Bronze Age in the territory stretching from the foot of Ba Vi Mountain to Tam Dao Stream and bordering the Red River.

During the long periods of "northern domination," the enemy was unable to assimilate our nation. In the year 40, the uprising of the Trung Sisters threw off the yoke of domination of the Dong Han and "brought back the era of the Hung Family." In 544, having swept away the ruling clique of the House of Luong, Ly Bi declared the country to be founded and gave it the name Van Xuan...Son Ha, which had clearly defined borders. With the emergence of the country of Dai Viet, our country assumed a clear identity as an entity in which the two factors of land and people coalesced with each other for the purpose of achieving basic national goals.

Nature placed our country at the "threshold" blocking the path of aggression and expansion of the Chinese feudalists into Southeast Asia. Lying on the Indochina peninsula and having a long coastline facing the South China Sea, our country is in a position in which it has had to contend with the leading colonialist and imperialist powers of contemporary and modern times. For this reason, throughout their 4,000 year history, we Vietnamese have had to always closely link the building of the country to defending the country; we have always had to be ready to build the country and take urgent action to save it. Our nation's aspiration is only to live in "sovereignty and security" leading to "lasting peace." Therefore, in this land, the just cause has always been on our side, is the origin and vitality of the country. However, the just cause is only effective if the position of the country is correctly applied, if the land and people play their role.

To begin with, let us examine the characteristics of our country's position in the wars against the Chinese feudalist aggressor dynasties.

For a long period in our history, the threat to our nation's independence has primarily come from the north. On land, the expeditionary armies of the Chinese feudal dynasties that invaded our country, regardless of how large they were, could only advance their troops over two main routes: from Lao Cai and from Lang Son. These routes, which were the only routes, went through many passes. Because of this, in 981, Le Hoan annihilated the Tong Army at Chi Lang; in 1427, also in the same area, the Lam Son Partisan Army killed Lieu Thang.

By sea, the navies of the northern pirates had to cross the Bay of Ha Long and sail into the Bach Dang River. Thousands of warships of the Nam Han, the Tong and the Nguyen are permanently buried on the bottom of this glorious river. Once, the Nguyen Army, using sea and land forces, attacked us from the south through the Cham Pa route. However, the land of Hoan and Ai was not an "easy route" for the aggressor army either.

The concept "land" has, since antiquity, encompassed all natural conditions, including the terrain, climate and weather. Together with space, there is also time. Our country's very warm and humid climate is comfortable to our people but was burning hot and harsh to the northern aggressor armies. The natural resources of our country are truly abundant. We had enough copper and iron to forge weapons to fight the enemy. Even in the times of An Duong Vuong, our army and people cast hundreds of thousands of copper spearheads. The rather abundant rice of the fertile Red River Delta provided enough for our army and people to fight the enemy. There are also the rains, the sunlight, the typhoons, the heat and the cold in our country that became arrows, bullets, swords and spears for fighting the enemy. By being the masters of space, our forefathers had conditions in their favor for taking the initiative in using the factor of time. The enemy general Quach Quy was unable to remain on the bank of the Nhu Nguyet River for a long time. The army of Lieu Thang had no choice but to move from Chi Lang to the deadly ground of Xuong Giang. In an instant, Lieu Thang was beheaded at the foot of Yen Ngua Mountain. In an instant, O Ma Nhi's fleet of warships were pulled by the tide (into the rows of stakes in the Bach Dang River) and was destroyed by us. The



long days and months terrified the aggressor armies of the forth as soon as they stepped foot in our country.

In wars of national liberation as well as wars to protect the fatherland our forefathers, using the treacherous terrain of the fatherland, "could attack when on the offensive and maintain their positions when withdrawing." To the enemy armies, our country was a "hell" in which they found it "difficult to advance or retreat" as soon as they entered our country.

The terrain of our fatherland is extremely important. However, it is still only an objective factor, one that can become "worthless" or even "counter productive" without the proper impact of the subjective factor, that is, man.

Analyzing the reasons for the three victories over the Nguyen pirate aggressors, Tran Quoc Tuan said: "During the period of Dinh Le, making use of good and honest persons, the South became strong but the North was exhausted and weak; there was unity from top to bottom, the people were unanimous in their feelings and formed a military corps that destroyed the Tong Army." "O Ma Nhi was surrounded on all four sides as soon as he left Toa Do, king and subjects were united as one, brothers were in harmony, everyone in the country joined forces and the enemy was captured..."(1) Analyzing the position of the country in the war of resistance against the Minh, Nguyen Trai wrote: "Today, we have raised a partisan army, there is unity from top to bottom, extreme heroism has been shown, our officers are becoming increasingly skilled, our weapons are becoming increasingly sophisticated and we till our fields while fighting the enemy."(2) The facts presented above prove that when brandishing the banner of the great cause, when charging forth to attack the remnants of aggressor armies or when arising to throw off the yoke of domination of the enemy, the Vietnamese have, in the various periods of their history, always been stimulated by ardent patriotism, which is the firm foundation of our national solidarity. The community of nationalities living within the territory of the nation of Vietnam, from the mountainous jungles to the lowlands and the seacoast, have always unanimously agreed to establish a "people's front" on the basis of "one person fighting one battle, 10,000 persons fighting one battle."

From the Dinh, Ly, Tran and Le Dynasties to the Tay Son cloth shirted hero Nguyen Hue, our forefathers placed the "existence of the fatherland" above everything else because to "lose the country" would mean "the destruction of families." For this reason, the "Dien Hong Conference" became a truly rare event in history; for this reason, the primary mode of warfare of our forefathers, be it in a war to defend the fatherland or a war of national liberation, was "to send the entire nation into battle against the enemy," which was a type of "people's war" that emerged at a very early date in our country and which, with time and on the basis of experience, was gradually developed and perfected. All of the expeditionary armies of the North that invaded our country were blocked and resolutely attacked as soon as they entered the border areas by militia forces of our ethnic minorities and were attacked by the forces of the provinces and districts coordinating with a contingent of our main force army all along the route of their march until they were dealt decisive, annihilating blows by our great army.

Our human factor is truly multifaceted. Since antiquity, the Vietnamese could not and were not permitted to become backward in the techniques of casting weapons, of creating the necessary means of war. The crossbows, the Co Lao Citadel in the period of An Duong Vuong, the light warships in the Tran period, the cannons and ramparts of the Ho Quy Ly period, the battle elephants of the Lam Son Partisan Army, the warships and fire-guns of the Tay Son Army and so forth, these realities prove the development of production forces in our country in the different periods of history.

With weapons and means of war suited to the terrain, the Vietnamese, over a period of many centuries, developed the art of uprisings and warfare and developed the unique Vietnamese methods of fighting. Nineteen hundred and forty-two years ago, the Trung Sisters organized and successfully carried out a widespread uprising in which, according to Hau Han Thu, the people in the four provinces of Giao Chi, Cuu Chan, Nhat Nam and Hop Pho "arose as one." Fourteen centuries later, when Le Loi and Nguyen Trai raised the banner of rebellion, our people everywhere continuously staged uprisings, thus forcing the enemy to draw back to a number of deserted cities, where they were "chopped to pieces." When waging war, our forefathers employed skillful, resourceful and flexible methods of fighting suited to the specific conditions existing during each period of time. However, in order to win victory over an enemy that was generally larger and stronger than us, the methods of fighting of Vietnam have usually been characterized by "using weakness to attack strength, using few forces to fight many enemy forces."

The strength of the people is the combined material and spiritual strength of each person within the bloc of national solidarity. The human factor that was developed over many generations became an objective factor, became an extremely valuable tradition of our nation. Among the various factors that form the human factor, the most significant is the factor of leadership, the factor of the center determining the overall effectiveness of the country's position.

In order to resist enemy aggressors, our nation has, in the various periods of its history, always maintained a favorable position for the country as though it were a treasure handed down from one generation to the next. Generally speaking, the nation of Vietnam has had many great national heroes possessing outstanding talents that have led the people in winning victory over the enemy and in liberating or defending the fatherland. However, there was also the case in which Hau Quy Ly, although he was determined to wage a war of resistance, did not adopt the correct line for it, did not unite the people, used the terrain of the country incorrectly and, as a result, could not avoid defeat; and, there was also the case in which the Nguyen Dynasty, which represented the decadent, corrupt and heinous ruling feudal class, caused the country to decline. These were only individual cases. Vietnam's favorable position for our forefathers' just cause of saving and defending the country was a factor that was respected, maintained and enhanced in the course of history. It is the tremendous source of our nation's potential strength.

In the past, although the position of our country was based on the foundation of the just cause of liberating the nation and maintaining its independence, inevitable

limitations were still encountered, limitations that originated in the social system. As the primary force that made the greatest sacrifices in the cause of saving and defending the country, the "serfs" were still not the masters of the country. After each victory over foreign aggressors, the laboring people continued to be suppressed and exploited by the ruling feudal class.

The August Revolution (1945) brought the position of Vietnam to a new historic turning point.

Under the leadership of the Vietnam Communist Party and the great President Ho Chi Minh, our nation, seizing the favorable opportunity resulting from the victory by the Soviet Red Army over Japanese fascism, arose and liberated itself from imperialism. The country secured its independence, the people secured their freedom and the country and the people achieved harmony within a single entity. Our party built a new, perfect position for the country, one in which the various factors coalesce with one another in a harmonious manner and create an invincible strength. Here, man is the master and the two factors of the people and the territory have assumed a new nature. The people here consist of the strata of workers, who are closely united with one another, together with the other progressive and patriotic strata of society, which create a broad bloc of national solidarity struggling to liberate the nation and bring the "rights of life, happiness and liberty" to the people. This is what our forefathers called the "oneness of the people."

Under the wise leadership of the party, we have selected and made use of "good and honest persons." The historical lessons in the traditions of our nation show the profound dialectical unity between the "oneness of the people" and "selecting good and honest persons." The greater the "oneness" of the people is, the larger is the number of "good and honest persons" who are rallied; conversely, as more and more "good and honest persons" are selected, the "oneness" of the people becomes stronger, thereby creating an invincible strength.

In the dangerous situation immediately following the August Revolution, when the "fate of the country was hanging by a thread," President Ho Chi Minh and our Party Central Committee, understanding and developing upon the basic factors of victory, made every effort to build and develop the position of the country and thwart every insidious scheme of enemies, both foreign and domestic. With the strong position of the country that had been created in our just undertaking, in the perfect human factor, our nation enthusiastically responded to the appeal by President Ho to join forces in struggling against the enemies of starvation, ignorance and foreign aggression! With pride rooted in the nation's 4,000 year old civilization, Uncle Ho said: "Unity, unity, broad unity; success, success, sweeping success!"(3)

The broad bloc of national unity based upon the alliance of workers and farmers that was built by our party and President Ho marks a qualitative change and, at the same time, is the pinnacle of the human factor in the history of Vietnam.



In the age of Ho Chi Minh, the position of our country also assumed a new quality, a new essence. It is the position of a country in which:

"The borders and mountains for 1,000 miles are in one house,  
The proletariat in all four directions are brothers!"(4)

Under the leadership of the party and President Ho, the revolutionary undertaking of our people during the period of history extending from the founding of the party to the present day has been carried out with the mutual support of the three revolutionary currents of our times, most noteworthy being the support of the fraternal socialist countries, especially the tremendous, wholehearted support of the Soviet Union. In the past, the wars of resistance waged by our nation against the Chinese aggressor feudal dynasties also occurred against the background of the Chinese emperors having to simultaneously send forces to spy on or deal with other neighboring countries. However, this was only a natural battle position, it did not occur within consciously coordinated actions. It was only indirect support, indirect influence and effect. In the present age, we have received spiritual inspiration and direct material assistance from our friends throughout the world. In particular, from the land of the great Lenin thousands of miles from Vietnam, the Soviet Union has given our people valuable support and created the conditions for us to build socialism in the North, the great rear area of the South, and win victory over the U.S. imperialists in both zones of the country.

The Socialist Republic of Vietnam is a part of the forces of peace, democracy and socialism in the world, is the bastion of socialism in Southeast Asia. In this land, the people of Vietnam won victory over the French colonialists and U.S. imperialists, completed the liberation of the nation, reunified the country and made their contribution to the maintenance of peace in Southeast Asia and the world.

Also in this land, our people stood shoulder to shoulder with the peoples of Laos and Kampuchea in the fight against common enemies, the French colonialists, the U.S. imperialists and now the Beijing expansionists and hegemonists, thereby creating a "three legged" battle position for the three nations on the Indochina peninsula; with the peoples of these two fraternal countries, we have built the permanent and warm Vietnam-Laos-Kampuchea militant friendship.

Of course, in order to win victory over the enemy, we must, above everything else, rely upon and properly employ the human factor and the terrain of the fatherland.

Throughout the two wars of resistance against the French colonialists and the U.S. imperialists, on the basis of the terrain of Vietnam and the people of Vietnam closely linked to each other within the broad bloc of national solidarity, we created a remarkable people's war front, a front of "all the people fighting the enemy," a front in the three strategic areas, the mountainous jungles, the rural lowlands and the cities, turning them into the areas of operation, the areas of warfare of the three military elements: the main force troops, the local troops and the guerrilla militia. Relying firmly upon this battle position, our army and

people attacked the enemy by means of the three spearheads: military activities, political activities and military proselyting. The people and terrain of Vietnam coordinated with the offensive position of the three revolutionary currents of the times gave rise to an offensive strategy: general offensives and mass uprisings, to a unique Vietnamese method of fighting.

After more than 50 years of decisive and steadfast struggle, our people, under the leadership of the party, completed the liberation of the nation and the reunification of the country, recording countless brilliant feats of arms in the process: the victory of Dien Bien Phu in 1954, the 1968 spring victory, the 1972 victory of "Dien Bien Phu in the skies," the great victory of the spring of 1975 and the brilliant victory of the spring of 1979. To write these imposing pages of history, millions of Vietnamese in the mountainous jungles, the rural areas in the lowlands and the cities stood shoulder to shoulder within the great bloc of national solidarity and accepted every sacrifice in order to defeat the enemy, thereby setting an immortal example of the character of Vietnam, the position of the country of Vietnam.

During the years and months that our country has been encountering numerous difficulties and hardships, our enemies shallowly think that we are weakening. They do not see that, under the leadership of the party, our people have gained a clear understanding of the strength of the position of Vietnam and, as a result, are confident in ultimate victory.

The position of the country of Vietnam has undergone a new, qualitative change. Under the light of Marxism-Leninism, our party has raised the position of the country to a new pinnacle; the position of the country is built on the foundation of the thinking "there is nothing more precious than independence and freedom," on the foundation of the right of collective ownership of the working people and on the foundation of socialism. The position of the country of Vietnam is also built on the foundation of the comprehensive alliance among Vietnam, the Soviet Union, Laos, Kampuchea and the other fraternal socialist countries and the strong offensive position of the three revolutionary currents of our times. The strength of the position of the country of Vietnam in the age of Ho Chi Minh, therefore, has multiplied many times.

The position of the country of Vietnam has never been as stable or strong as it is today. By nurturing and making full use of the invincible position of the country, we will surely overcome every adversity and challenge, thwart every scheme and maneuver of the enemy and successfully build and firmly defend the beloved socialist Vietnamese fatherland.

#### FOOTNOTES

1. "Dai Viet su ky toan thu," Social Sciences Publishing House, Hanoi, 1967, Volume II, p 80.
2. Nguyen Trai: "Complete Works," Social Sciences Publishing House, Hanoi, 1969, p 119.

3. Ho Chi Minh: "Selected Works," Su That Publishing House, Hanoi, 1980, Volume II, p 280.
4. Ibid., p 181.

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## THE SOVIET UNION, THE PILLAR OF PEACE AND THE RELIABLE BASE OF THE WORLD REVOLUTION

Hanoi TAP CHI CONG SAN in Vietnamese No 3, Mar 82 pp 56-60

[Unattributed article]

[Text] Throughout the world, an extremely sharp class struggle is occurring over the issues of revolution and counter-revolution, peace and war between the three revolutionary currents, the nucleus of which is the Soviet Union, and the community of socialist countries, on the one side, and, on the other side, imperialism, led by the U.S. imperialists collaborating with the Beijing expansionists and hegemonists together with all other types of reactionaries. In this struggle, the attitude displayed toward the Soviet Union is the test of revolutionary viewpoint, of proletarian internationalism.

Class enemies are looking for every way to slander and attack the Soviet Union and fabricating all sorts of stories to distort the brilliant achievements of realistic socialism in the Soviet Union and discredit the position, role and foreign policy of the Soviet Union in the world. Arguments about "violations of human rights" and "no democracy" in the Soviet Union, about "Soviet hegemony" and "the hand of Moscow," about "the military threat" of the Soviet Union are daily headlines of the psychological war agencies of the imperialists and reactionaries. In particular, they are using the Polish situation and making a great fuss about "the struggle for freedom in Poland," about the "intervention" of the Soviet Union! They are insanely angry over the bitter defeat suffered in their scheme to topple the socialist government in Poland, separate Poland from the socialist community and, on this basis, break up the socialist community from within and establish a springboard for aggression against the Soviet Union, thereby undermining peace in Europe and the world.

It is regrettable that within the international communist and worker movement there are some persons who, despite the obvious truth, have expressed viewpoints contrary to the interests of the Polish people and harmful to the cause of revolution and peace in Europe and the world. In western Europe, a number of persons, in the name of communist party members, have loudly criticized the Polish United Workers Party and state for taking determined measures to protect the fruits of the revolution, protect the socialist system and combat the subversive activities of the reactionary lackeys of imperialism. They have also loudly attacked the Soviet Union for its

so called "intervention in the internal affairs" of Poland. On the basis of the Polish issue, they have reached very incorrect conclusions concerning real socialism and the prospects for scientific socialism. They have attacked the domestic and foreign policies of the Soviet Union. They have proclaimed that "the stage of development of socialism that began with the October Revolution has lost its stimulus," that the socialist community is in "crisis," that socialism is entering "the third stage," etc. At a time when the people of Poland need the international support and solidarity of revolutionary and progressive persons in order to overcome the difficulties caused by domestic reactionaries who are lackeys of imperialism, at a time when the imperialists and international reactionaries are insanely directing the thrust of their efforts against Poland and the Soviet Union, the above mentioned mistaken actions by persons proclaiming themselves to be communists in western Europe are clearly very harmful to the cause of revolution and peace. Their stand and viewpoint prove that they have become divorced from reality, from Marxism-Leninism. There is no longer any doubt that their policy of widely spreading these incorrect arguments is benefiting imperialism and the international reactionaries in their struggle against the socialist community, against the three revolutionary currents in the world.

The position and role of the Soviet Union in the world have been confirmed by progressive mankind; they originate in the great October Socialist Revolution, the light of which has spread to all continents and awakened hundreds of millions of persons who arise and win the right to be the masters of their own destinies. This position and role have been closely linked to the process of development of the Soviet Union over the past 60 years and more. In more than ten 5-year plans, the Soviet Union gradually built socialism under difficult conditions and today has completed building a developed socialist society and is opening the way to communism. As it enters the 1980's, the Soviet Union is more powerful than ever before, possessing unparalleled economic and military might. As a result, the political and diplomatic positions of the Soviet Union in the world are even stronger. This is a firm foundation for maintaining peace and supporting the revolution. This makes enemies angry but makes the revolutionary and progressive people of the world happy and excited.

More than anywhere else in the world, real socialism has recorded the most brilliant achievements in the land of the soviets. There, the superior nature of socialism is clearly evident in production relations, the political system, social relations and the rate of development of production forces. The socialist system has created the conditions for achieving the dreams held for centuries by the laboring people, for bringing to them democratic rights that are thousands of times more "democratic" than those of the capitalist system, thereby insuring that they truly participate in the management of the work of society and the state and insuring that the talents of each individual develop without limitation. Of course, in the socialist countries, there is no room for persons who undermine the socialist system, for persons who propagandize war and racial discrimination, who praise the system of oppression and exploitation and the decadent lifestyle of the bourgeoisie. The use of the power of the dictatorship of the socialist system against them is by no means a matter of "violating human rights," rather, it is the only step that can be taken to guarantee democratic principles and genuine human rights.

Taking the lead in building the new society, the Soviet Union has set a bright example of implementing the thinking of Marxism-Leninism and applying the fundamental laws of the socialist revolution and socialist construction, thereby contributing invaluable experiences to the storehouse of Marxist-Leninist theory and world revolutionary practice. These experiences are of extremely important significance to the countries following the path of the October Revolution but this does not mean that the Soviet Union even imposes its "model" upon other countries. Of course, in the work of building the new society, it is impossible to avoid difficulties, even certain mistakes and shortcomings. Because, this is a new undertaking requiring study and creativity. Because, the remnants and influences of bourgeois thinking cannot be washed away all at once. Because, enemies are always looking for ways to commit sabotage. However, most important is the fact that these things are not part of the nature of the socialist system and socialism has the dynamism needed to overcome them.

The Soviet Union has not only taken the lead in building the new society, but has also taken the lead in supporting the world revolution, setting a bright example of proletarian internationalism. As a result of the Soviet Union's decisive contribution to the defeat of fascism in World War II, the world socialist system was born and has constantly been strengthened. Today, comprehensive cooperation exists among the countries of the socialist community in all fields of economics, politics and military affairs and there is very close political coordination in the international arena. The economic alliance of the CEMA member countries has yielded tremendous results and entered a new qualitative stage, the stage of coordinating long-range economic plans and carrying out large integrated projects. As a result, these countries have been able to develop in a stable manner without crises or unemployment, have evaded the embargo of imperialism and limited the negative impacts of the economic crises of capitalism. Generally speaking, over the past 30 years, the national economies of these CEMA member countries have developed twice as fast as those of the industrial capitalist countries. Over the past 10 years, the industrial potential of the CEMA member countries has doubled. During the period from 1976 to 1980, the gross national income of these countries increased, generally speaking, by 22 percent, total industrial output increased 26 percent in 1980 compared to 1975 and annual agricultural output increased by 8 percent compared to the previous 5-year plan. These tremendous achievements cannot be separated from the cooperation and assistance of the Soviet Union, especially economic and technical, in the spirit of proletarian international solidarity, equality and mutual benefit. Under the 1981-1985 five year plan, the Soviet Union will continue to be a source of raw materials, fuels and supplies and will provide scientific and technical assistance to the CEMA member countries.

As regards we Vietnamese, the support and assistance that the Soviet Union has given us over a long period of time have been extremely large, effective, heartfelt and selfless. Our party and state have frequently confirmed that this support and assistance have been one of the factors determining the victory of the Vietnamese revolution. In the recent past, the cooperative relations between Vietnam and the Soviet Union developed into comprehensive relations. The Soviet Union has been helping us a great deal to develop fuel and energy facilities, such as the Vung Tau



petroleum and natural gas project, the water conservancy and hydroelectric power project on the Da River, the Pha Lai Thermoelectric Power Plant, the Pha Lai-Vinh powerline, the Mong Duong and Vang Danh Coal Mines, the Cao Son Strip Mine and so forth. The Soviet Union has also supplied equipment for the Tinh Tuc Tin Min, the Lao Cay Apatite Mine, the Lam Thao Superphosphate Plant, factories to repair construction machinery and transport vehicles, the Bin Son Cement Plant, rice mills, tea processing plants, many cultural and educational projects and so forth. The Soviet Union has equipped units to build water conservancy projects, clear land and expand state farms raising lemons and various types of tropical plants.

As regards the other countries in the world, the Soviet Union has also provided assistance in many areas. The Soviet Union always sympathizes with and supports the just cause of nations and has established relations of economic cooperation and assistance with many countries, such as the People's Democratic Republic of Korea, Yugoslavia, Angola, Afghanistan, Algeria, India, Iraq, Iran, the People's Democratic Republic of Yemen, Kampuchea, Laos, Syria, Ethiopia, Guinea, Guinea-Bissau, Benin, Madagascar, etc. The basic guidelines adopted by the 26th Congress of the CPSU are to continue to develop, on a long-term basis and on the basis of equality, mutually beneficial trade, comprehensive economic relations, scientific-technical relations and other relations with the developing countries and continue to provide economic and technical assistance to these countries in the construction of industrial enterprises, energy projects, agricultural projects and other projects, thereby helping to strengthen the economic and political independence of these countries.

Deserving of attention is the pure nature of the relations between the Soviet Union and other countries. They are relations of cooperation, equality, mutual benefit, assistance and selfless support in the proletarian international spirit. The Soviet people only use the fruits of their manual and mental labors to trade with other countries, to assist fraternal and friendly countries. For this reason, the prestige and influence of the Soviet Union in the world have constantly increased and today extend into practically every region of the world. This is an objective fact, is something in the nature of a law; this prestige and influence are in no way the results of an "ambition to compete for influence," the result of "expansionism," the result of "exporting revolution" and so forth as proclaimed by the propaganda agencies of the imperialists and reactionaries. According to the logic of the reactionaries, they have the right to exploit the peoples of other countries at will, suppress revolutions and intervene anywhere on the pretext of their "vital interests" and "strategic interests" while the Soviet Union and the other socialist countries have no right to sympathize with and support the peoples of other countries but must, instead, sit silently and let them act at will! This is the logic of thieves.

As regards the issue of war and peace, the Soviet Union has always brandished the banner of peace, determined to struggle against every scheme to start a war.

Reagan has assumed power at a time when the United States is mired in a comprehensive crisis and has suffered continuous defeats in the face of the offensive strength of

the three revolutionary currents in the world. His ambition is to reverse the situation and restore the internal strength and external influence of the United States by means of extremely reactionary domestic and foreign policies. Reagan cancelled the agreements on the limitation of strategic weapons signed by the United States with the Soviet Union, ordered the production of the nitron bomb and announced the largest arms race program in the past 35 years, one that will cost a total of 1,600 billion dollars in military expenditures over the next 5 years. In fiscal year 1983, according to budget projections recently presented by Reagan, military expenditures will rise to 263 billion dollars! By means of pursuing the arms race, creating a tense situation, giving military aid to lackey countries, pressuring allies to sever relations with the Soviet Union and the other socialist countries, selling weapons to China and launching a campaign against the Soviet Union, Vietnam and Cuba, Reagan hopes to achieve military superiority and a position of strength in relations with the Soviet Union and regain the leadership of U.S. allies.

Clearly, the source of the tense world situation, of the threat of war, is imperialism, primarily the United States. The source of this situation does not at all lie in the existence of the two military blocs: NATO and The Warsaw Pact. NATO was born in April, 1949. It is an aggressor bloc. The Warsaw Pact was not born until 6 years later, in 1955, and is in the nature of defense against NATO. The strength of this pact is the dependable shield against every scheme to start a war and commit aggression, is the most important fortress protecting the security of the Soviet Union and the socialist community. In this work, the Soviet Union bears the primary burden and is the main base of support. If NATO and the Warsaw Pact were put on an equal footing, if the United States and the Soviet Union were put on an equal footing and if these two countries were given similar policies, it would not be possible to differentiate the content and nature of the foreign policies of countries. The attitude of remaining outside blocs is the attitude of evading the struggle against imperialism and, in actuality, only benefit one bloc, the imperialist bloc. This attitude leads to actions against the forces that are struggling for peace and socialism, not against the forces that are actually threatening peace and the progress of the people of the world.

In fact, the Soviet Union and the socialist community are always pursuing a peace-loving foreign policy. War is totally contrary to the nature of the socialist countries. The Soviet Union is always proposing peace initiatives. The peace platform set forth at the 26th Congress of the CPSU clearly reflects the Soviet Union's desire for peace and satisfies the aspirations for peace of the peoples of all countries. This platform has won the support of public opinion in other countries, especially western Europe, where there is an intense struggle for peace and against the United States. Recently, on 3 February 1982, during a reception for the representative of the Council of Advisors of the Socialist International on Military Disarmament, L.I. Brezhnev once again stated the readiness of the Soviet Union to reduce the arms race and limit medium-range nuclear weapons.

The people of Vietnam totally support the peace-loving foreign policy of the Soviet Union. We are grateful to the Soviet Union for the wholehearted support and assistance it has given to the revolutionary cause of our people. This assistance

expresses the genuine proletarian international spirit and the beautiful friendship of the Soviet people for the people of Vietnam. We consider solidarity with the Soviet Union, cooperating in a comprehensive manner with the Soviet Union and the socialist community to be a long-range strategy, to be the foundation of our state's foreign policy. We maintain that, at a time when the imperialists and reactionaries are insanely using the Polish situation to oppose the Soviet Union and the other socialist countries, every scheme to lessen the role of the Soviet Union and the other socialist countries supports the enemy and causes harm to the cause of world revolution and peace.

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## THE CHARACTERISTICS AND TREND OF THE PRESENT WORLD ECONOMY

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[Article by Professor Dao Van Tap]

[Text] Several Major Characteristics

Excluding the first 5 years after World War II, which were a period of widespread restoration and readjustment of the economies of countries, during the next two decades (the 1950's and the 1960's), the growth of the economy of countries was primarily based on exploiting the factors of development in breadth and applying the achievements of the new, widespread scientific-technological revolution. As regards the socialist countries, the two factors mentioned above were coordinated with the superiority of the newly established socialist system (except for the Soviet Union, which established it earlier); therefore, the rate of growth surpassed that of the capitalist countries, even though the capitalist countries, due to certain historic conditions, temporarily had material bases that surpassed those of the socialist countries.

The relatively high rate of growth and the phenomenon of few deep and prolonged economic crises of the capitalist economy during these two decades laid the groundwork for all sorts of "theories" supporting capitalism: "People's capitalism," "regulated capitalism" (without crises), the "convergence" of capitalism and socialism, etc. A few stars of growth caused people to quite easily forget or not see the dark clouds gathering in the skies of the capitalist world. And, even more importantly, while the powerful European and American capitalists were shouting with joy over this growth, the millions of persons living in the underdeveloped countries together with representatives of a national spirit were becoming increasingly upset over the sophisticated and clever, crude and barbarous acts of exploitation and plundering by the new "mother countries" against them. And they were forced to think about the actions that had to be taken to end or at least improve their plight of being objects sacrificed for the "development" of their exploiters.

The rate of growth that was more rapid than that of the opposition also gave rise within a number of persons in the socialist countries to a simple concept and an impetuous attitude concerning the victory of socialism in the competition with

capitalism in the field of material production. They did not fully recognize the inevitable nature of and a suitable mechanism for coordinating the superior nature of socialism with the achievements of the scientific and technological revolution. In the proceedings of the congresses of the fraternal parties, we readily find remarks, criticism and guidelines for correcting this shortcoming. This valuable lesson became a policy guideline of the communist and worker parties of the socialist countries.

In the 1970's, the world economy reached an important turning point as a result of an unprecedented event, the capitalist economic system suffering three crises, 1970-1971, 1973-1975 and 1979-1980, with the 1973-1975 crisis being the most comprehensive, the deepest and the longest of these crises.(1)

This was not an ordinary crisis. It was a special crisis, a crisis that originated not in internal economic causes within each capitalist country, but one which was closely linked to the profound general crisis of capitalism under the impact of the three revolutionary currents, closely linked to the post-Vietnam war world situation, with the most direct cause being the struggle for control over natural resources waged by the countries newly liberated from the yoke of colonialism. This struggle, which primarily involved the struggle waged by the petroleum exporting countries, helped bring to an end the period in which developed capitalism could exploit and squander the sources of raw materials plundered in the "third world." This new aspect caused the 1973-1975 economic crisis (and even future crises) to bear the imprint of the age of decisive struggle between the three revolutionary currents, the center of which are the Soviet Union and the socialist community, and imperialism and the other international reactionary powers.

Ironically, the center of economic crisis has been America, the richest and strongest country in the capitalist world. During the past 10 years, true prosperity has not been evident in this country. The rate of growth has fluctuated (the average rate was 3.4 percent during this decade compared to 4.9 percent during the previous decade). Production capacity has always been used at a low level while unemployment has reached a new post-war record (standing now at 9 million, according to official figures). Inflation has become so serious that when he assumed the office of president, Reagan had to admit that the United States was experiencing difficulties because of the "worst" period of inflation and that "inflation threatens to shake at the very foundation the lives of millions of Americans." The United States was known for many decades as the huge warehouse of the world, as a country that always had a trade surplus and abundant gold reserves. Today, however, the situation is completely different. The United States leads the world in budget deficits (a deficit of 60 billion dollars in 1980) and in foreign trade deficits(1980: 36.3 billion dollars). When 1981 concluded, it was reported that the U.S. economy had declined for 4 consecutive months.

The economic crisis in the United States and the other capitalist countries is, at the same time, a crisis of the economic regulatory mechanism of state monopolistic capitalism on a national scale as well as a multi-national scale. However, this regulatory mechanism embodies a contradiction: the measures employed to combat inflation usually cause production and business to decline and unemployment to

increase; conversely, when they try to stimulate production and business, inflation is exacerbated. However, an even greater difficulty as regards regulatory policy lies in the fact that the capitalist economic situation today does not involve only stagnation or only inflation, rather, both of these dangerous maladies exist side by side. Moreover, recession and inflation are occurring at the same time as the monetary crisis and the energy crisis. As a result, the ability of the bourgeois governments to take action is even more severely limited.

The capitalist countries account for more than one-half the gross product of the world and control many leading production and technological sectors; they also control the majority of international financial and commercial activities, control and exploit, to differing degrees, the economies of the countries of the "third world" and, during the 1970's, increased their trade with the socialist countries. For these reasons, the crisis and inflation in the developed capitalist countries have exerted a worldwide effect.

As regards the capitalist countries themselves, the crisis has exacerbated the economic and social contradictions within each capitalist country and increased the competition among the three centers of the capitalist world. With rightists within the bourgeoisie having come to power, the crisis has stimulated the arms race policy and created a tense situation in the world. This has been most evident in the United States since Reagan assumed the presidency.

As regards the developing countries, this is an opportunity for the multi-national corporations to place the burden of the crisis on their shoulders. Through international financial and commercial mechanisms, the developed capitalist countries have found ways to regain that which they were forced to give up when purchasing oil and other raw materials at prices adjusted upward. In order to protect their legitimate interests, the developing countries have united within the non-aligned movement, within regional cooperation organizations, within exporting associations and so forth to struggle against the acts of retaliation by the developed capitalist countries. Their struggle centers around objectives that have been systematized in the form of a general platform: the new international economic order. It would be unrealistic to think that this platform can be easily implemented merely by means of "north-south" negotiations. The "third world" countries must pay the price by waging collective struggles as well as national struggles. As had been predicted, now that the profits of the capitalists have been threatened, they have resorted to every decadent trick imaginable. The "carrot and stick" continues to be the traditional policy of the imperialists, only the means by which this policy is implemented have changed. The Reagan administration leans more toward the stick than the carrot. However, times have changed. The "third world" countries, with the support of the world socialist community and on the basis of the strength of their national and international solidarity, will surely not be suppressed by the new persons in power in America.

As regards the socialist countries, the crisis in conjunction with inflation in the capitalist world are a factor that is not favorable for development, neither in terms of the product sold nor the products imported, which include necessary raw materials, equipment and machinery. The great increases in the prices of imports



have also raised new problems for the production and circulation of socialist countries. On the other hand, the economic crisis proves the need for and the superiority of the socialist economic alliance, the pillar of which is the Soviet Union. In fact, were it not for this alliance, the economies of many socialist countries might be experiencing many more severe consequences of the capitalist economic crisis. On the basis of this new reality, it is totally necessary for the countries within CEMA to review the process of cooperation and division of labor in the recent past and adopt measures for promoting the process of alliance.

However, the negative influence of the economic crisis was not the main aspect of the economy of the socialist countries in the 1970's. The main aspect was that, during this decade, the economic strength of the Soviet Union and the other socialist countries increased significantly. Despite objective and subjective factors that caused the rate of industrial development to fall below that of the preceding two decades (an average of 10 percent per year from 1950 to 1975), the rate of development of the socialist countries within CEMA was still twice as high as that of the developed capitalist countries (7.8 percent from 1971 to 1978 compared to 3.4 percent).

The gap between the scale of production of the socialist countries and the developed capitalist countries is gradually being eliminated; the gap in the level of development (as seen primarily in the level of technology and labor productivity) is being significantly narrowed. In the late 1960's and early 1970's, western Europe lost its position as the most developed economic region in Europe to the socialist countries within CEMA. CEMA has far surpassed western Europe in primary products(2) and surpassed the United States in the majority of primary products, being second to the United States only in the fields of electric power, chemicals and automobile production.

The increase in overall strength, including economic strength, of the socialist countries, has permitted them to: 1) maintain and develop production and stabilize the standard of living of their people; 2) help the revolutionary movements on the three continents develop strongly following the victory of Vietnam and the two countries of Laos and Kampuchea; 3) firmly protect the socialist community and struggle to maintain peace; 4) repel the threat of war caused by the U.S. warmongers and their reactionary allies, including the Chinese reactionaries. As the economic strength of the socialist countries, which is closely linked to their correct foreign and domestic lines, has constantly increased, it has had a positive effect upon the socialist and communist cause, upon the cause of national liberation and the maintenance of peace in the world.

In the 1970's and at present, in order to further increase their economic strength, the socialist countries tried and are trying to resolve the problems arising in the course of development with a view toward achieving a higher level of development. Generally speaking, these problems are productivity, quality and efficiency.

The problems being faced are different than before, different than the period in which quantity and rate of development were the most pressing problems. This was the period in which the socialist national economic system was taking shape, the

period in which war or internal revolutionary wars had just ended, a period in which development in breadth still played the decisive role in increases in the output of products for society, etc. As the goals of each period differ, so do the policies and measures employed to achieve them.

The Chinese economy was taken to the brink of bankruptcy by Maoism. Deng Xiaoping and clique, pursuing their own political intentions, have schemed to rescue the Chinese economy from this tragedy by means of an ambitious program, the "four modernizations," together with a number of reforms of a pragmatic nature. However, in nearly 5 years, the economic situation still has not changed as they have desired. Development plans that were more illusory than realistic were replaced with economic "adjustment" plans. The "adjustment" was first projected to last for 3 years but was later increased to 5 years and it has now been heard that it might last all the way until the end of the 1980's. All of the impulsive norms on grain output, steel output, petroleum output and so forth had to be reduced, and not just once. The dependable sources of foreign capital are not as large as they first thought. In the end, the vision of a "powerful China" catching up to and surpassing the economically developed countries by the end of this century was talked about less and less in the Chinese press and is hardly ever mentioned today. Rather, it is the China with 1 billion citizens that do not have adequate food, do not have adequate clothing and lack work that is being intensely debated. Because China's top officials are pursuing a policy of collaborating with imperialism and opening the door to the West, the question of where China is going is also being raised. While economic and social problems remain a mess, the political fight has never abated since the "great helmsman" passed away. China is also very far from the "great stability" that the Deng Xiaoping faction wants to create. This is a situation that must be taken into consideration when evaluating the ability of Beijing ruling circles to act.

#### The Main Economic Problems

On the basis of the world economic situation during the period following World War II, especially during the recent decade, it is possible to make several observations.

The unified nature of the world economy has been strengthened. It must be emphasized that the term "unified" as used here must be understood as the increasing development, in both breadth and depth, of the economic ties among nations and regions. Breadth is the ordinary trade and credit relations; depth involves the forms of specialized cooperation and division of labor, coordination of plans and coordination of economic policies in joint forms based on the nature of the social system of the concerned countries.

Following the October Socialist Revolution and the birth of the Soviet Union, there was a time when it was thought that the unified international economy had been destroyed and would only be restored when communism won victory throughout the world. Here, unity was synonymous with purity of socio-economic systems. When the world socialist system was born, the matter of the unified nature of the world economy was raised once again. America's policy of blockade and embargo against the socialist countries temporarily served as somewhat of a basis for skepticism

concerning the unified nature of the world economy. This skepticism disappeared when East-West economic relations were expanded and began to develop in the early 1970's.

The unified nature of the world economy has its own objective bases. First, there are the rising trade needs of each country and each region. Secondly, there is the global nature of many economic issues, such as food, energy, raw materials, the environment, the law of the sea, the use of space, trade and development, etc.

In the present situation, what purposes does it serve to again raise the matter of the unified nature of the world economy?

To begin with, it requires that we fully study the influence of the economic changes that have occurred in the world upon each country, especially those with which we have relations, and, on this basis, adopt suitable policies and measures designed to develop upon advantages and prevent and overcome the harmful influences of these changes. This requirement is becoming a pressing requirement as recession, stagnation and inflation continue to dominate in the capitalist world. This requirement is of even greater significance to those countries that once lived at near subsistence level and have now begun to participate in world economic activities.

Secondly, it provides us with a basis for struggling for the establishment of equal economic relations among countries and struggling against the economic blockades and embargoes still frequently employed by the imperialists, headed by the United States, to support their sinister intentions. These actions, as we have seen, cannot last forever partially because they go against the trend of development of the world and partially because the advocates of blocades and embargoes must suffer the consequences of their actions. It is easy to see the ignorance recently displayed recently by the Reagan administration by severing trade relations with the Soviet Union and Poland at a time when America is suffering a serious trade deficit. History has proven, is proving and will continue to prove the famous argument set forth by V.I. Lenin when the imperialists were still besieging the young Soviet country: "There is a force greater than the aspirations, will and determination of any government or hostile class, the force of the economic relations of the entire world, which will force them to establish contact with us."(3)

The contradiction and struggle within the world economy have reached a new stage of development. The basic and overriding contradiction within the world economy is, of course, the contradiction between the two opposing world economic systems. Due to the nature of the different social systems, the struggle between the two systems has, from the very outset, embodied characteristics different from those of the competition that still routinely occurs among capitalist countries or groups of capitalist countries.

The essence of this struggle is the matter of strengthening economic potential because, only with this potential, is it possible for each side to achieve its objectives. To capitalism, these objectives are high monopolistic profits and regions of influence that produce profits. To socialism, these objectives are



the socio-economic development plans. Concerning this matter, socialism has recorded brilliant achievements over the past three decades and more. In the 1970's alone, despite a number of unfavorable objective and subjective factors, the socialist economy continued to develop in a stable manner and socio-economic programs continued to be carried out. On the basis of applying the achievements of modern science and technology, labor productivity in the Soviet Union increased 1.5 times and many of the most modern industrial sectors were developed or constructed; the atomic powered machine manufacturing sector, space technology, the electronics and micro-electronics industry, the micro-biology industry, laser technology, man-made diamond production and the production of other synthetic materials. The increase in its economic potential has permitted the Soviet Union to carry out large programs to improve social welfare, raise wages and raise retirement pensions and other types of subsidies, improve living conditions and increase the supply of consumer goods. In 10 years, the social consumption fund grew by 82 percent and the total volume of retail sales increased 70 percent and at stable prices.

Of course, during this period, the economic potential of capitalism did not stand still, but its contradictions and shortcomings became clearly evident. In the past, we only saw the contradiction between production and consumption during crisis; in the 1970's, a new contradiction emerged; the contradiction between production capacity and the supply of energy and raw materials. In the past, the raw material and fuel reserves of the "third world" were considered part of the economic potential of the capitalist countries; during the 1970's, this concept could no longer be maintained. More and more nationalist countries have been assuming complete and permanent sovereignty over these sources of strategic natural resources. Thus, the economic potential of the capitalist countries is becoming a problem. The tremendous scientific and technological potential they possess can only limit the degree of severity of this problem, not eliminate it. This is something which the agencies that set forth the strategy of the developed capitalist countries absolutely must take into consideration when determining the guidelines for actions at home and abroad. Now, be it western Europe, Japan or America, the energy and raw material issue always occupies the foremost position in their foreign strategy. For example, as regards the United States at this time, one of every two barrels of oil consumed is imported. Whether or not the U.S. imperialists can cause major trouble in the world depends, to an important degree, upon the supply of petroleum and the various raw materials and other fuels. As regards Japan and Western Europe, whose dependency is very much greater than that of the United States, the problem is becoming increasingly serious. As a result, the struggle to increase economic potential has, to a large degree, become a struggle concerning the issue of energy and raw materials, an issue to which there are many different aspects:

First, it is a struggle between the developing countries, primarily the raw material exporting countries, such as the petroleum exporting countries within OPEC, and the developed capitalist countries.

Secondly, it is a struggle among the developing capitalist countries to control areas that mine and supply raw materials within the "third world."

Thirdly, it is a struggle between Japan and Western Europe, on the one side, who want to cooperate with the Soviet Union in the development and supply of raw materials, and America, on the other side, which wants to control its "allies," Japan and Western Europe, within the International Energy Association, (abbreviated IEA).

In the struggle to resolve these problems, the developing countries occupy a very important position. At present, there is a common struggle concerning the matter of the policy to be adopted toward these countries between, on the one side, the socialist countries aligned with the national liberation movement and, on the other side, the imperialists countries, headed by the United States. This struggle is also an arduous, decisive and long struggle because the enemy of socialism and the national liberation movement still controls significant economic, technical and financial forces. However, the position of strength is not theirs. The strengthening of the alliance of socialism and the national liberation movement has permitted the gradual winning of victories and will permit even larger victories to be won.

In the present world economy, there are also contradictions and competition among the industrial capitalist countries. In the 1950's, the absolute and comprehensive superiority of U.S. capitalism gave the capitalist countries of western Europe and Japan no other choice but to yield to this "powerful ally." In the 1960's, western Europe and Japan together nearly equalled the United States in strength and competed vigorously with it, but the superiority of the United States did not significantly decline. In the 1970's, especially during the second half of the decade, the situation changed in a way few people suspected: Japan arose as a formidable competitor of both the United States and western Europe, which were shaken by the influx of Japanese goods on the capitalist market, even within their own territories. The Japanese-American and Japanese-western Europe balance of trade tilted toward Japan, thereby causing tremendous trade deficits that frightened European and American ruling and business circles. Japan's gross national output is still below that of the United States but it leads the capitalist world in the production of electronics, automobiles, shipbuilding and so forth. However, what scares European and American capitalists the most is that Japan leads in industrial labor productivity, having pushed the United States into second place.

Panic-stricken over the "miraculous" development of Japan, American and western Europe have joined together to pressure Japan into reducing its exports to their markets but they have not been successful in this effort. So, western Europe and the United States have rushed to "learn the secret of competition of Japanese capitalists." For a long time, U.S. capitalists proclaimed themselves to be the teachers of industrial organization and management; now, they cannot conceal their confusion over the unique aspects of Japan's industrial management. Once the teachers, they have now become the students! This situation faces the U.S. imperialists with a difficult choice: to accelerate the arms race and suffer the economic consequences or intensify investments in the economy and the reorganization of industry in order to correct their defeated competitive position. This allows the following conclusion to be drawn: while they must always be vigilant in the

face of the sinister schemes and reckless actions of the U.S. imperialists, the people of the world must also clearly realize what the limit of their power is.

In addition to the common economic problems of the world, there are also specific problems of individual regions. A list of economic problems of a global nature was compiled by researchers many years ago, with the most significant of these problems being: food, energy, raw materials, population, jobs, underdevelopment, the protection of nature and the environment, etc.

Scores of international and regional conferences have been held to discuss and find solutions to these problems. One can endorse the viewpoint of many organizations and scholars that with the huge production apparatus and the level of scientific and technological development that are now in the possession of mankind, it is possible to resolve the problems that are being faced on a global scale. However, imperialism, led by the United States, controls powerful means and pursues the objectives of aggression and exploitation, thereby impeding the process of independent development and progress of nations, impeding every effective form of international cooperation to resolve the pressing problems facing mankind. Therefore, the premise to resolving these problems is the struggle being waged by the progressive people of the world to defeat every scheme and act of aggression of imperialism and the reactionary powers collaborating with it.

The key force in this struggle is the world socialist system, the pillar of which is the Soviet Union.

The main direction of development of the Soviet Union and the other socialist countries at this time is toward the objectives of productivity, quality and efficiency. To achieve these objectives, it is necessary to further improve the economic structure, make every effort to exploit the factors of development in depth, widely apply scientific and technological achievements, continue to improve the system of management and planning and economic incentives and participate more deeply in the process of the socialist international economic alliance primarily by means of coordinating national economic policies and plans.

As regards the underdeveloped socialist countries, such as Cuba, Mongolia, Laos, Vietnam and Kampuchea, it is necessary to accelerate the performance of the basic economic tasks of the period of transition to socialism and coordinate the efforts of these countries with socialist international assistance through the special programs and measures of CEMA and through cooperative and mutual assistance agreements with each socialist country.

Due to the influence of the economic crisis of the capitalist world, a new problem faces all socialist countries, namely, the need to quickly adjust to the situation on the international market, the most important aspect of which is the need to improve the quality of export goods, increase the variety of products and improve our ability to compete. The production system and the technical equipment of each country must be designed to meet these requirements.



In the face of the aggressive actions of the U.S. imperialists, the socialist countries must still be ready to deal with a new style blockade or "embargo" by America and its followers. Strengthening the socialist economic alliance while developing economic trade relations with other countries are positive and effective ways to deal with the hostile policy of the U.S. imperialists.

As regards the developed capitalist countries, the situation in the early 1980's still has not improved. Serious inflation in conjunction with continually rising unemployment are the salient characteristic of the situation. Confusion over how to cure the sick economy has given rise to two different positions in the search for a solution.

One position has as its principle increasing the state's intervention in the economy and regulation of the economy. The second position is the opposite, the "laissez faire" attitude toward production and business activities. As we know, the second position is unacceptable under conditions in which state monopolistic capitalism is monopolizing the economies of the primary capitalist countries. However, the first position has had little effect in recent years. In the face of this dilemma, U.S. ruling circles can only set forth a piecemeal policy, as seen in the economic program recently announced by Reagan. This program embodies very large contradictions: the budget deficit is large (45 billion dollars in 1979-1980) but the program advocates a reduction in taxes, primarily in the business taxes of capitalist corporations. On the pretext that the budget deficit must be reduced, the Reagan administration has severely cut civilian and social expenditures, thereby causing indignation among the American public. The expenditures that should be reduced the most, national defense expenditures, which are actually expenditures in preparation for war, rose to 160 billion dollars in 1981. The logic of the imperialists is clear: it is a vain attempt to free themselves from or reduce the severity of the economic crisis by means of the arms race, by means of preparing for war and creating a tense situation in the world following a brief period of relaxation of tensions.

In the present situation in the United States and the world, increasing military expenditures and intensifying the arms race are no different than pouring additional oil on the fires of inflation, exacerbating the energy crisis and creating a more serious trade deficit. And, as the United States becomes more deeply involved in the new arms race, its position within the world economy will continuously decline at a time when Japan, West Germany and the other allies of the United States have an opportunity to become stronger. Generally speaking, capitalism surely cannot recreate the favorable conditions that existed for economic development in the 1950's and 1960's, especially in view of the supply of energy and raw materials. As a result, it can be predicted that it will be difficult to improve the capitalist economic situation in the 1980's compared to the 1970's.

In a vain attempt to free themselves from the frustrating difficulties of the crisis, the U.S. imperialists and the allies of the United States have increased their infiltration in and control of the developing countries, thereby making the struggle of these countries to strengthen their political independence and win

economic independence more complex. However, as the situation becomes more complex, the more rapidly will divisions occur among the developing countries. After overthrowing the colonialists and feudal landlords, a host of countries have chosen the progressive course of development toward socialism.

In the remaining developing countries, there are various forms of struggle against the attempt by the multi-national corporations to place the consequences of recession and inflation upon the heads of the peoples of these countries. The economies of many developing countries are in a process of evolving from colonial economies into national economies; in a number of countries, there is a process of evolution from an economy with backward, outmoded social relations to a progressive economy. These two processes cannot be reversed. Thus, the 1980's will also be a decade of new advances by the third world.

In our country, the economic development guidelines and tasks for the years from 1981 to 1985 and all of the 1980's will be set forth by the 5th National Congress of Delegates of the Vietnam Communist Party. By thoroughly understanding and fully carrying out these guidelines and tasks, correctly coordinating our own efforts with international aid and cooperation and quickly adapting ourselves to the world economic situation, the people of Vietnam will occupy a worthy position within the world economy and climb with the socialist countries and other progressive countries to new rungs on the ladder of development and prosperity.

#### FOOTNOTES

1. TAP CHI CONG SAN has published articles that reflect and analyze this crisis.
2. In 1979, GEMA produced 1,620 billion kwh of electric power, 210 million tons of steel and 590 million tons of petroleum; meanwhile, the European Common Market produced 1,180 billion kwh of electric power, 130 million tons of steel and 65 million tons of petroleum.
3. V.I. Lenin: "Complete Works," Progress Publishing House, Moscow, 1978, Volume 44, p 374.

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