

No. 5 February 4, 1980

# BEIJING REVIEW

北京周报

A CHINESE WEEKLY  
OF  
NEWS AND VIEWS

On Reforming the  
Economic  
Management System



Lessons From  
Afghanistan



**Only one child for me!**



## HIGHLIGHTS OF THE WEEK

### For Better Economic Management

A noted economist discusses the whys and the wherefores of China's current economic experiments. The first instalment deals with the defects of the existing management system and lays down two principles for the proposed reform. (Page 16)

### Four Lessons of Afghanistan

Renmin Ribao draws important lessons from the Soviet invasion of Afghanistan, showing it is high time to cast away illusions and pick up Moscow's gauntlet. (Page 9)

### Only One Child for Me!

This slogan splashed across our cover photo is very popular with young Chinese couples. It has a vital bearing on their welfare and China's economic advancement, as our Shanghai story (Page 8) and book review (Page 31) show.

### Dr. Bethune Never Died

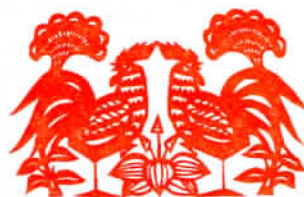
Moving vignettes of the famous Canadian internationalist who shared the struggles and aspirations of the Chinese people in the late 30s, written by a fellow surgeon and veteran Chinese revolutionary. (Page 23)

### Foreign Relations

Message to President Tito, wishing him quick recovery (Page 3); Chinese Foreign Minister in Pakistan (Page 3); desire to promote understanding with India (Page 4).

### The International Scene

Possibility of a drastic reversal in Zimbabwe (Page 13); trouble spots in Central America and the Caribbean (Page 14); and Soviet espionage in Japan (Page 15).



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Vol. 23, No. 5 February 4, 1980

Published in English, French, Spanish, Japanese, German and Arabic editions

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**COVER:** "Only one child for me!" This is the slogan current among young Chinese couples. To check the rapid population growth, vigorous efforts are being made to push the family planning programme. Parents are encouraged to have only one child. Shanghai is leading the country in this respect (see page 8).

Published every Monday by  
BEIJING REVIEW, Beijing (37), China  
Post Office Registration No. 2-922  
Printed in the People's Republic of China



FOREIGN  
RELATIONS**Chairman Hua's Message to  
President Tito**

The Chinese people were happy to hear the news that President Tito was steadily recovering after his left leg was amputated and that he had started to perform some of his regular duties. They looked with great interest at the picture of President Tito talking with his two sons in his ward published in the Chinese newspapers.

On January 27, Chairman Hua Guofeng sent a message to President Tito. It reads: "We are overjoyed and relieved to hear the good news of your rapid recovery from surgery. The Chinese people as well as the people of Yugoslavia and all peace-loving peoples of the world wish you good health and longevity. We sincerely wish you an early recuperation."

**Huang Hua's Visit to  
Pakistan**

Foreign Minister Huang Hua paid a visit to Pakistan from January 18 to 23 at the invitation of Agha Shahi, the Pakistan President's adviser on foreign affairs. Satisfactory results were achieved.

The situation in Pakistan has become increasingly tense since the Soviet invasion of Afghanistan and deployment of troops near the Pakistan border. Foreign Minister Huang Hua's visit to Pakistan at this juncture, therefore, took on added sig-

Deng Xiaoping:

**The 80s Will Be a Decade of Troubles**

Referring to the current international situation during his meeting with the Chinese and U.S. delegations attending the first meeting of the Sino-U.S. Joint Commission on Co-operation in Science and Technology, Vice-Premier Deng Xiaoping said: "The 1980s will be a decade of troubles. A clear proof is the Soviet Union's outrageous armed occupation of Afghanistan. In such circumstances, China needs to strengthen itself and so do the United States and other countries in the world. But this is not enough. We also have the need to unite and

deal seriously with Soviet hegemonism."

The Vice-Premier noted that such unity should be concrete in content and that solid work has to be done.

"China has repeatedly made clear that it does not want war," he said. "What China wants is real peace. It is impossible for China to carry out its modernization programme without a peaceful international environment. I believe the people of the United States also want peace and the people of other countries want peace, too."



Huang Hua visits an Afghan refugee camp in Pakistan.



nificance, President Mohammad Zia-ul-Haq has said that "Pakistan deserves attention as it is now facing a superpower at its doorsteps" and that what has happened in Afghanistan has completely changed the situation in this region.

During his visit, Foreign Minister Huang Hua exchanged views with President Zia-ul-Haq and his adviser Agha Shahi on the international situation and issues of common concern, particularly the current situation in Asia. Their talks showed that their viewpoints were unanimous or very similar. Both sides decided to maintain contacts and continue consultations on matters of common concern and to further strengthen their friendly relations and co-operation.

While in Pakistan, the Foreign Minister visited one of the Afghan refugee camps near Peshawar in the company of Fazle Haq, Governor of Pakistan's northwest frontier province. There were 6,000 refugees there. Afghan refugee commissioner Shamsher Ahmed told Huang Hua that there were 378,860 registered refugees in the province alone, and that 15 to 20 per cent of the refugees who had trekked to Pakistan had not yet registered.

Foreign Minister Huang Hua assured the Afghan refugees that the Chinese Government and people support the Afghan people's struggle against the Soviet invaders and will do what they can to relieve their suffering.

He also said that the Soviet aggression against Afghanistan "poses a serious threat to the peace and security of the region." He warned that the Soviet Union has "plans for

further incursions into adjacent areas."

## **China and India to Improve Relations**

At a dinner given by Ranjit Sethi, Charge d'Affaires ad interim of the Indian Embassy in Beijing, in celebration of the 30th anniversary of the Republic of India, Foreign Minister Huang Hua and Mr. Sethi joined in expressing the desire to further improve the relations between China and India.

Huang Hua stressed, "The present turbulent and tense international situation places a greater obligation on both China and India to promote mutual understanding and co-operation."

"Bilateral exchanges between our two sides," he added, "have increased to some extent in recent years, thanks to the efforts of both parties. We believe that our Indian friends share with us the conviction that to promote mutual understanding and co-operation between the two great neighbouring countries of China and India is not only the common desire of our two peoples, but beneficial to peace and stability in Asia."

He expressed his belief that Sino-Indian relations and the friendship between the two peoples would be continuously consolidated and enhanced.

Ranjit Sethi said: "We are committed to improving relations with our neighbours. China is one of our great neighbours."

He pointed out that relations between India and China were

improving and their exchanges in different fields continuing and expanding. He said that the Indian Government was committed to the process of improving and developing relations with China on the basis of the Five Principles of Peaceful Coexistence and for the benefit of both India and China.

"We are also committed to seeking solutions to all our outstanding problems," he added.

## **C.O.C. to Take Stand of Majority of Olympic Committees**

"The Chinese Olympic Committee is watching the developments concerning the boycott of the Summer Olympic Games and will take the stand of the majority of the Olympic committees of other countries," said Li Menghua, Vice-Chairman of the C.O.C., at a press conference in Tokyo on January 24.

Li Menghua, who is the head of the Chinese sports delegation to the 13th Winter Olympic Games, said: "The Soviet invasion of Afghanistan has been condemned throughout the world. The Chinese people strongly oppose this act of Soviet hegemonism. The spirit of the Olympics is one of peace and friendship." Therefore, he added, "the proposal to boycott the Summer Olympic Games in Moscow or change the venue is reasonable."

He added: "We will make our own decision in accordance with the Olympic spirit and the principled stand to safeguard world peace."

## LIST OF NEW LEADING COMRADES

## POLITICAL

## Provincial and Municipal People's Congresses

People's congresses and political consultative conferences had been held one after another in 24 provinces, municipalities or autonomous regions by January 21. Reports on the work done were delivered, new leading comrades elected, future tasks discussed and suggestions put forward for doing a still better job in all fields of work.

The convocation of these conferences was to implement the decision of the 11th Plenary Session of the Standing Committee of the National People's Congress, which stipulated that, wherever conditions are ripe, the standing committees of local people's congresses can be set up and that the revolutionary committees be changed into people's governments.

## Notary Public System

Notary public system, which was practically abolished during the Cultural Revolution, has been restored. In the last three years, Beijing's notarial office handled more than 4,700 contracts and other documents concerning foreign trade and other affairs having connections with foreign countries.

In China, the notarial organizations are under the administration of judicial departments. The main items notarized are births, deaths, records of

Name of Province, Municipality, or Autonomous Region*	Chairman of People's Congress	Governor, Mayor or Chairman of People's Government	Chairman of C.P.P.C.C.
Tibet Autonomous Region	Ngapo Ngawang-Jigme (Tibetan)	Tian Bao (Tibetan)	Ren Rong
Qinghai	Tan Qilong	Zhang Guosheng	Zhaxi Wangxu (Tibetan)
Xinjiang Uygur Autonomous Region	Tiemur Dawamat (Uygur)	Ismayil Ayamat (Uygur)	Zhang Shigong
Henan	Hu Lijiao	Liu Jie	Zhao Wenfu
Gansu	Wang Shitai	Feng Jixin	Yang Zhilin
Beijing	Jia Tingsan	Lin Hujia	Zhao Pengfei
Zhejiang	Tie Ying	Li Fengping	Mao Qihua
Shandong	Zhao Lin	Su Yiran	Gao Keting
Fujian	Liao Zhigao	Ma Xingyuan	Wu Hongxiang
Shanxi	Ruan Bosheng	Luo Guibo	Zheng Lin
Heilongjiang	Zhao Dezun	Chen Lei	Wang Yilun
Sichuan	Du Xinyuan	Lu Dadong	Ren Baige
Guangdong	Li Jianzhen (f.)	Xi Zhongxun	Yi Linping
Guangxi Zhuang Autonomous Region	Huang Rong (Zhuang)	Tan Yingji (Zhuang)	Qiao Xiaoguang
Inner Mongolian Autonomous Region	Ting Mao (Mongolian)	Kong Fei (Mongolian)	Kui Bi (Mongolian)
Jiangxi	Yang Shangkui	Bai Dongcai	Fang Zhichun
Shaanxi	Ma Wenrui	Yu Mingtao	Lu Jianren
Shanghai	Yan Youmin	Peng Chong	Wang Yiping
Jiangsu	Xu Jiataun	Hui Yuyu	Bao Houchang
Hunan	Wan Da	Sun Guozhi	
Anhui	Gu Zhuoxin	Zhang Jingfu	Zhang Kaifan
Yunnan	An Pingsheng	Liu Minghui	Li Qiming
Ningxia Hui Autonomous Region	Ma Qingnian (Hui)	Ma Xin (Hui)	Wang Jinzhang
Hubei	Chen Pixian	Han Ningfu	Xu Daoqi

\* In the order of convocation of the congresses and conferences.

schooling, residence, citizenship status, marriage and agreements of trust. Current notarial work mainly serves the needs of over-

seas Chinese, compatriots from Xianggang (Hongkong) and Aomen (Macao), Chinese going abroad and foreigners residing



in China. Notarization protects the legitimate rights and property of these people and Chinese organizations and citizens.

A recent *Renmin Ribao* article urged that notarial work be further improved in view of the fact that international exchanges are expanding. The professional skill of notaries should be raised accordingly, it said, and China's civil code now being drafted should include articles on the notary public.

## ECONOMIC

### Electricity — Over 270,000 Million KWH

A total of 278,900 million kwh of electricity was generated in China last year, a 9.6 per cent increase over that of 1978.

The development of the power industry ensured more electricity for farming and the light and textile industries. Electricity consumed in the first three quarters of last year upped 10.6 per cent over that of the corresponding period in 1978 for agriculture, 15 per cent for the textile, paper-making and food-processing industries, and 14.3 per cent for the building materials industry.

Forty-four large and medium-sized thermal power stations and hydroelectric stations were built last year, and generators with a capacity of over 4 million kilowatts were added, with half of the equipment installed in Xuzhou of Jiangsu Province, Jiaozuo of Henan Province and Shiliquan of Shandong Province—all close to coal mines. With coal easily available, the cost of electricity generated is reduced. The new hydroelectric

stations and hydropower generating sets are in Guizhou and Fujian Provinces and the Guangxi Zhuang Autonomous Region and on Hainan Island, where electricity supply is insufficient.

### Hydropower Stations and Water Conservancy Projects

- A 500-metre-long water release gate with 27 openings has been basically completed in central China's Hubei Province. This is part of the Gezhouba water conservancy project. At present, 12-metre-wide sluice-gates are being installed in some of the openings. The water release gate, with a drainage capacity of 71,000 cubic metres of water per second, is one of the five big units of the Gezhouba project.

The building of Gezhouba, the biggest water conservancy project now under construction in the country, is an important link in the huge engineering project to be undertaken at the three famous gorges to harness

the Changjiang (Yangtze), China's longest river.

- The damming project of the Longyang Gorge Hydropower Station under construction was completed on December 29, 1979. The rolling waters of the Huanghe flow onward through a tunnel on the right bank, thus making room for the building of the regulating dam and the power station.

Located on the upper reaches of the Huanghe River in Qinghai Province, this hydropower station has a designed installed capacity of 1.6 million kw. and is the biggest on the Huanghe.

- The Panjiakou Reservoir on the upper reaches of the Luanhe River in north China's Hebei Province began to store water with its waterlock at the end of last year, a year ahead of schedule.

This is a large project. Besides the reservoir, a hydropower station will be built here. The reservoir has a storage capacity of over 2,900 million cubic metres of water. It is scheduled to send water to the Tangshan area this spring



Construction of the Longyang Gorge Hydropower Station is under way. Damming of the river has been completed.



and when the whole project is completed, water will flow onward to Tianjin.

## For More and Better Farm Machines

Despite the fact that the total output value of China's agricultural machinery industry has increased at an average annual rate of 23.6 per cent in the past 30 years, the quantity and quality of farm machines produced still fall short of the country's demand. The peasants need more and better farm machines to replace manual labour and draught animals.

China has about 1,900 farm machinery plants, most of which are small ones. In addition, there are 2,400 factories for repairing and making farm machines at the county level. However, some problems have arisen during their development.

The major problems are: undue emphasis has been placed on producing machinery for cultivation, with the result that the output and variety of machines for use in animal husbandry, forestry, fishery and in processing farm and side-line produce fall short of the needs;

too much attention has been paid to the production of tractors but not enough to farm machines pulled by them; and output of machines for sowing, harvesting, drying and transportation is insufficient. There has also been irrational distribution of such enterprises, and too many factories produce the same type of machines, while quality is low and cost high.

In view of this, a recent national meeting on the agricultural machinery industry decided to make the following changes:

— Increase the output of badly needed machines; the number of factories making machinery for use in livestock breeding is to be increased from 12 to 27, and the number of factories making harvesting machinery from 15 to 17.

— Cut down the number of factories whose products are of low quality. For example, the number of tractor plants will be cut from 65 to 35.

— Merge scattered enterprises into specialized companies so that they will co-ordinate in producing certain kinds of products or parts.

— Improve the quality of existing products, increase their variety and lower their costs.

## Farm Machines Produced in 1979

Large and medium-sized tractors	124,000
Walking tractors	308,000
Diesel engines	27 million hp.
Tractor-drawn ploughs, rakes and sowing machines	129,000
Tractor-drawn trailers	112,000

## Commune-Run Enterprises

Enterprises run by the rural people's communes or production brigades have been developing rapidly. By the end of last year, there were over 1.5 million, averaging 30-odd for each commune. Their total annual output value was nearly one-third of the communes' income. Staffed by 28 million people, these enterprises are turning out more than 7,000 varieties of products, some of which have been commended for their fine quality and are selling well on markets at home or abroad.

These enterprises are engaged in a wide range of businesses. Some go in for coal and iron-ore mining on a small scale, some produce chemical fertilizer, bricks and tiles and hardware, some make farm tools and some process farm products. Construction or transport teams have also been set up; the latter will facilitate the interflow of goods between the cities and countryside. To diversify the economy, some communes grow tea and mulberry trees, breed fish or raise poultry.

All these enterprises are collectively owned, with funds provided mainly by the communes or production brigades themselves. The state extends low-interest loans through the agricultural bank wherever needed. An advantage enjoyed by these enterprises is that the state levies little or no tax on them.

As regards the labour force, with the exception of a small number of technicians, most of the workers are from their respective communes or brigades. They work in the enterprises during the slack season





A modernized chicken farm on the outskirts of Shanghai.

and on the fields during the busy farming season.

Rapid development has given rise to a few problems. Generally speaking, they are handicapped by a weak technical foundation and low managerial skill, their cadres being mostly from the local rural areas. Compared with those in the cities, their efficiency is low. And since the cost is high, there is very little profit and the turnover of capital is slow. From a long-term point of view, however, these enterprises hold great promise. The state is now doing its best to help them.

## SOCIAL

### Wiping Out Illiteracy in Rural Areas

Wipe out illiteracy at a quicker pace and promote spare-time education — this was the call made at the recent national rural educational work conference held in Tianjin.

In the past 30 years, a total of 126.8 million illiterates among the grown-up peasants have learnt to read and write,

and hundreds of thousands of peasants have attended spare-time primary or secondary schools. This has helped to bring up a large number of rural cadres and rid the countryside of its backwardness.

During the Cultural Revolution, however, rural education retrogressed and the number of illiterates increased. At present, 30 per cent of the adults are still illiterate and another 40 per cent have had only a primary schooling. Technical and managing skill is poor and technical personnel are in great demand in the countryside.

To modernize China's agriculture, great efforts must be made to develop education by wiping out illiteracy, improving spare-time education and popularizing agro-scientific and technical education.



## Two Interesting Figures From Shanghai

Two significant figures were recently disclosed by the Shanghai municipality. One is that the birth rate in that city was around five per thousand in eight of the ten years during the 70s. The other is that the average life span of Shanghai residents is more than 70 years.

As China's largest metropolis, Shanghai has a population of more than 10 million. During the 70s, the rate of population growth was reduced as a result of effective measures taken for each family to have two children at most. Owing to the rising birth rate in the 50s, however, the city will see around 200,000 young people reaching the marriageable age every year during the period 1980-85. If we calculate on the basis that every couple will have two children, the natural rate of increase in the city will be 12.4 per thousand by 1987. To keep the growth rate down to around five per thousand, starting from 1980, the goal for family planning work in Shanghai is to try to have more families with one child only; to strictly control a second birth and to try to ensure that no third child will be born to a family.

Following the rise of living standard and the development of the medical science, the health of Shanghai residents has improved markedly. The death rate has been steadily falling in the last three decades. Statistics show that the average life span of the Shanghai people (including those living on the outskirts) has increased by 28 years compared with 1951. The average life span of the male now is 70.80 years and of the female, 75.48 years.



## Lessons To Be Drawn From Afghanistan

**T**HE invasion of Afghanistan continues to arouse strong reaction all over the world. Condemnation of Soviet hegemonism has become increasingly sharp.

An extraordinary session of Islamic foreign ministers conference opened on January 27 in Islamabad, capital of Pakistan. Two days later, the session passed a resolution strongly condemning the Soviet armed invasion of Afghanistan and calling for an immediate and unconditional withdrawal of all Soviet troops from that country.

President Carter announced on January 23: "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States. It will be repelled by use of any means necessary, including military force."

After Saudi Arabia's announcement on January 6 of its decision not to take part in the Olympic Games at Moscow, a

dozen other countries, including the United States, Britain, Canada, Japan and Australia, have declared that they were considering not sending teams to Moscow in July unless Soviet troops were pulled out of Afghanistan.

Many countries have issued statements condemning the Soviet armed invasion or have imposed sanctions against the Soviet Union. However, Moscow continues to send troops into Afghanistan and mass troops along Afghanistan's borders with Pakistan and Iran and along the Soviet border with Iran. Soviet troops and weapons are also massed in the Gulf area, on the Arabian Peninsula and in the Red Sea region. More than 4,000 Soviet civilian officials, including large numbers of KGB agents, have also been sent into Afghanistan to tighten control over the Afghan regime. At the same time, it is reported that some 300 Afghan military officers and govern-

ment officials have been executed.

But Soviet armed force cannot subdue the Afghan people. Resistance is building up. On January 27, six Afghan Moslem organizations merged into an Islamic alliance for the liberation of Afghanistan. The alliance declared that its primary task is to drive the Soviet invaders out of Afghanistan and establish a sovereign Islamic state. It has appealed to the world for political, economic and military aid.

The Chinese people are closely watching developments in Afghanistan. The Chinese media have reported extensively on the Afghan events and *Renmin Ribao* ran four articles by a Commentator from January 21 to 25, analysing the lessons to be drawn from the Soviet invasion. Following are the main points of the articles:

### Soviet Hegemonism Threatens The Whole World

The Soviet occupation of Afghanistan is an evil omen for the 80s and it is also an anti-soporific to the world.

This long-meditated aggression of Moscow compels people



Afghan guerrillas in Paktia Province. . .



and in Konar Province.



to cast away illusions and the world to have a clearer understanding of Soviet global strategy.

In the past, some people thought that the Soviet strategy was defence-orientated. That is, it was intended as a means to preserve rather than expand Soviet spheres of influence. In other words, the aims were limited. Now facts have proved that this view is wrong.

Some people used to think that, in view of the present balance of military power between the East and the West, the Kremlin would not dare do anything rash which might trigger off an all-round conflict. This has been proved incorrect.

Some people used to think that the Soviet Union, flaunting the banner of "socialism" and trying hard to present itself as the "natural ally" of the third world, would take heed of world opinion and not dare pit itself against the great majority of the countries in the world. This, too, has been proved incorrect.

All in all, the Afghan events show that Moscow is determined to carry out an even more offensive strategy in the early 80s, to seize places and passages and resources of strategic importance, and to step up its global strategic deployment for dominating the world.

As Moscow's records show, the end of one act of expansion and aggression signals the start of another. A pause, if any, would mean that the Kremlin needs time for regrouping and consolidation and more preparations. Meanwhile, the Soviet Union has also greatly increased its military buildup and deployment in the Middle East and

the Indian Ocean areas. People are concerned about who will become "the next victim" of Moscow.

The grave threat posed by the Soviet hegemonists to the whole world should not be taken lightly, and no illusions should be entertained. This is a major lesson which must be drawn from the Afghan events.

### Detente — A Fraud

Another lesson to be drawn from the Soviet invasion of Afghanistan is that one must not be lulled by the Soviets singing "detente," but must wage a tit-for-tat struggle against Soviet hegemonism.

For years, Moscow has invariably alternated lip service to "detente" with aggression. Prior to its invasion of Czechoslovakia, it proposed the convening of a European security conference and pledged to respect the existing boundaries in Europe. After the Helsinki accords, it used proxy forces to indulge in expansion in Angola, Zaire, the Horn of Africa and the Red Sea area.

When most of these ventures succeeded, it concluded the SALT II treaty with the United States. But before long, it markedly escalated its aggression and expansion by invading Afghanistan.

To ease world tension is a universal desire. But the Soviet Union, taking advantage of this worthy desire, uses the "detente" fraud as a smoke-screen for the pursuit of its policy of aggression and expansion. It indeed succeeded in fooling some people. But this delusion has been swept away now by what has happened in Afghanistan. It is now clear

that the "detente" preached by Moscow is merely a means of pushing its global strategy for world domination.

The Afghan events prove that "detente" with the Soviet Union can in no way restrain this social-imperialist power in its aggression and expansion. Restraint by the West is not reciprocated by the Kremlin, but only encourages it to reach out for a yard after taking an inch.

The events also show that "detente" with the Soviet Union can never bring long-term stability to any particular region or country.

The reason why Moscow talks glibly about "detente" in Europe is that the military confrontation there forces it to adopt an outflanking strategy.



Cartoon by Hua Junwu

The Afghan invasion makes it clear that "detente" with the Soviet Union means only binding oneself hand and foot in the face of Soviet aggression and expansion. When the U.S. Government condemned the Soviet invasion of Afghanistan, Brezhnev accused the United States of "trying to speak with the U.S.S.R. in the language of the cold war" and "expressing its displeasure at... the



strengthening of the forces coming out for detente and peace."

The social-imperialist concept of "detente" is that the Soviet Union can seize whatever it wants, while others must not intervene.

### "Natural Ally" Unmasked

The third lesson to be drawn from the Afghan events is to understand fully the deceptive nature of Soviet hegemonism and not to be taken in by its hypocrisy.

The Soviet Union has talked much and often about its "support" for the national-liberation movement and the anti-imperialist struggle of the third world countries. What happened to Afghanistan has exploded this lie. Lording it over that country, Moscow has engineered military coups one after another and manipulated the Afghan political situation as it pleased. It has denied the Afghan Government the right to follow an independent foreign policy and the course of peace, neutrality and non-alignment. It has brutally cracked down on the Afghan people's struggle to preserve their national sovereignty and independence. What it has done in Afghanistan is a clear example of an imperialist act. It has proved that it is the mortal enemy of the national-liberation movement.

The Soviet Union declares that it provides third world countries with "disinterested assistance" to help them preserve their national independence and develop their national economies. This lie is

also demolished by what has occurred in Afghanistan. Through granting "aid" to Afghanistan, the Soviet Union managed to gain control of its economy as well as its armed forces. Thus, it was in a position to interfere in the internal affairs of Afghanistan and infringe upon its sovereignty. It can be seen that Soviet "assistance" to the third world countries is nothing but a lever to plunder and control them.

The Soviet Union says that it wholeheartedly wishes to "co-



Afghan people's answer.

Cartoon by Wang Luotian

operate" with the third world countries and that this "co-operation" contributes to the development of these countries and helps them to safeguard their independence and security. This lie is also punctured by what has taken place in Afghanistan. Through forcing the signing of numerous agreements Moscow increased its political, military and economic "co-operation" with Afghanistan with the result that the latter became more and more dependent on the former and more and more alienated from the Islamic world, the non-aligned movement and the third world

in general. The Soviet-Afghan "treaty of friendship, good-neighbourliness and co-operation" was simply a yoke imposed on Afghanistan and secured for the Soviet Union the right to intervene by force in that country whenever it deems it necessary. Moscow has actually used it as the pretext for its military occupation of Afghanistan. "Wholehearted co-operation" from the lips of the Soviet Union merely means real enslavement.

Soviet hegemonist intervention, subversion, aggression and expansion in the third world had been exposed long ago. The measures taken by Egypt, the Sudan and Somalia against Soviet control have been instructive and revealing to others of the third world. The Afghan tragedy today makes it clearer that Soviet social-imperialism is not a "natural ally" of the third world, but the most ferocious and deadly enemy.

### Anti-Hegemonism Vital for Peace

The Afghan tragedy has forced people to draw lessons from Soviet acts since the invasion of Czechoslovakia in 1968. The conclusion is that Soviet aggression and expansion must not be taken lightly or passively but must be checked in good time.

Many people have incisively pointed out that the Soviet Union took the unparalleled action of invading and occupying Afghanistan because its previous acts of aggression and expansion in Czechoslovakia, Angola, Zaire, the Horn of



Africa and the Red Sea area had not been duly condemned and punished. So it became bolder and bolder.

Many people did not take Soviet acts of aggression and expansion seriously because they failed to consider these Soviet moves from the point of the overall situation. They saw the Soviet actions in a given country or region as isolated incidents, and not as part of its global strategy.

The Afghan tragedy has revealed things as they are. An increasing number of people have come to understand today that acts of Soviet expansionism must be assessed from a strategic point of view. To stop its aggressive move in a given country or region is to upset its global strategic dispositions. Only in this way can world peace be saved.

For this purpose, the peace-loving countries of the world must unite and take effective measures to deal seriously with such moves.

If the international community maintains, strengthens and upgrades its effective measures of sanction and punishment, it would yield certain results.

Of course, pressure from world opinion and sanctions by the international community can only have a limited effect on the superpower which is throwing its weight around. In the final analysis, only the struggle of the Afghan people can put an end to the Soviet intervention and aggression in that country.

The Afghans, with their glorious tradition of resistance to all aggressors, had begun a struggle against Soviet interven-

tion and for national independence long before the present invasion. Now, their struggle has become an important part of the anti-hegemonist cause of the people of the world. It is the unshirkable duty of every peace-loving country to render its utmost support to this struggle against foreign occupation.

The Soviet invasion of Afghanistan has greatly exacerbated world tension and increased the danger of war. However, it is still possible to put off the outbreak of another

world war if the peoples of the world have a clearer understanding of Soviet hegemonism, wage a tit-for-tat struggle against Soviet aggression and expansion, upset the Kremlin's global strategic dispositions and accelerate their material and organizational preparations against a war of aggression.

When all this is done, the Soviet invasion of Afghanistan may turn from a bad thing into a good thing and may help carry forward the universal cause of world peace.

## Moscow Attempts to Divert World Attention

**I**N an attempt to overcome its unprecedented isolation brought about by the invasion of Afghanistan, Moscow is going all out to slander China as "interfering" in the affairs of Afghanistan.

The Soviet media have spread rumours that bases were set up in China's Xinjiang Uygur Autonomous Region for "training Afghan insurgents," the Afghan popular resistance against Soviet occupation was "conducted with the direct participation of Chinese advisers," China has sent "volunteers" who are in armed confrontation with Afghan government troops and so on and so forth.

The fabrications of Moscow's mouthpieces, however, cannot fool anyone mindful of the facts. One AFP report from Islamabad on January 19 said that observers there "also cast doubt" on reports that "China was giving direct aid to Afghan rebels."

Australian Foreign Minister Andrew Peacock said on January 22 that there was no evidence that Chinese troops had crossed into Afghanistan.

A spokesman of the Indian External Affairs Ministry said on January 19 that India had no information about the presence of Chinese troops in Afghanistan.

On the same day, a spokesman for the Moslem movements in Afghanistan sharply pointed out that these Soviet "accusations are aimed at misleading world opinion."

It is obvious that the Kremlin's purpose is to divert world attention, find a way out of its predicament and manufacture new excuses for perpetuating its occupation of Afghanistan and for expanding into the neighbouring regions.

This has been proved by Moscow's words and actions in the past few days.



For instance, Vadim Zagladin, deputy chief of the international department of the Soviet Communist Party Central Committee, declared on January 21 that "our (Soviet) troops will stay there as long as there is foreign intervention in Afghanistan."

People are not unfamiliar with the tricks Moscow has employed to whitewash its expansionist actions. Last year, while stepping up its intervention in Afghanistan, Moscow spread a smokescreen, attacking "external forces" from China and other countries for supporting Moslim forces and "trying by every means to topple the

revolutionary regime in the Democratic Republic of Afghanistan." Exposing Moscow's real intention, this correspondent noted at that time that the hue and cry from the Kremlin about "external intervention" was aimed at moulding public opinion for its direct armed intervention. As was expected, Moscow, resorting to force, has now overthrown the Amin regime it had installed. People cannot but heighten their vigilance against the ulterior motives of the Soviet Union which is once again up to its old tricks.

— *Xinhua Correspondent*

Moreover, the security forces have killed seven guerrillas of the Patriotic Front. An incomplete count shows that since the ceasefire on December 28, about 70 people have been killed in a series of confrontations.

British partiality has aroused the dissatisfaction and concern of the Patriotic Front of Zimbabwe, the frontline countries and other members of the British Commonwealth. It has been announced that a general election is to be held from February 27 to 29. With the election approaching and Africa and the rest of the world watching London's attitude, Britain should satisfy the African countries' just demands and impartially implement the peace agreement on Rhodesia to ensure a complete ceasefire and a free and fair election.

## Fair Implementation of Agreement On Rhodesia Needed

**P**ROGRESS has been made since the signing of the peace agreement on Rhodesia, thanks to the efforts of the various parties concerned. But there have been some rough patches, and some problems need watching.

### Results of Joint Efforts.

The Patriotic Front has conscientiously carried out the ceasefire agreement and by January 7, some 20,000 guerrilla fighters had regrouped at designated places. Commonwealth officials responsible for maintaining peace and the British Governor Lord Soames have all expressed their satisfaction with it.

The U.N. Security Council lifted the sanction against Rhodesia. Southern African frontline countries have moved positively to resume contact with Rhodesia; for this purpose,

Zambia reopened its border and Mozambique restored communications.

**British Bias.** The London agreement clearly stipulated that South African troops must pull out of Rhodesia and that the troops of Muzorewa and the Patriotic Front should be treated on an equal footing. But it has been reported that Lord Soames has not been impartial in implementing the agreement. For example, he has permitted South African troops to stay and guard the Beit Bridge inside Rhodesia. He has also allowed Rhodesian security forces to unilaterally leave their barracks for operations and their officers to decide as they like. The result is that the security forces, particularly the auxiliary forces of the former regime, once moved into areas originally controlled by the guerrillas.

**Beware of Hegemonist Meddling.** A peaceful solution to the Rhodesian issue has a bearing on the peace and stability of southern Africa. With the backing of the African members of the British Commonwealth, Britain has done much towards this end. The London conference on the agreement owes much of its success to British efforts. But if Britain does not strictly and impartially implement the agreement, then there will be unrest and instability in Zimbabwe and other parts of southern Africa. There could be a drastic reversal. If this happens, then what has already been achieved at the London conference will be destroyed in a day and hegemonist meddling will follow. That would not do any good to the three signatories to the London agreement.

— *Ren Xin*



## Central America and Caribbean — A Trouble Spot

**T**HOUGH relatively calm and tranquil not too long ago, Central America and the Caribbean region became one of the trouble spots in the world last year. In late August, a conflict between the two superpowers flared up around the presence of a Soviet combat brigade in Cuba. Although the United States sent reinforcements to the Guantanamo naval base and established a task force in Key West, Florida, the Soviet combat brigade refused to budge from Cuba. This indicates a great change which has taken place in the balance of military forces between the two countries since the "missile crisis" in Cuba in October 1962 and the Cienfuegos event in September 1970. In both instances the Soviet Union withdrew as soon as the United States demonstrated its military strength. But now a Soviet military presence in the Western Hemisphere is a fait accompli. As Moscow is determined to maintain and beef up its strategic military expansion, there exists the danger of a fiercer contention between the two superpowers in the Caribbean.

**A Series of Commotions.** Last year also witnessed a series of commotions in the Caribbean islands near Cuba.

- A coup d'état took place in Grenada last March, the first one in the history of an English-speaking country in the Caribbean. Foreign news reports disclosed that leaders of the

Cuban information department had been involved. Afterwards, Cuba sent arms, military teams and technicians to the new Grenadan regime.

Grenada's coup caused a chain reaction in the neighbouring island countries.

- In May and October, the Antigua Government announced that it had uncovered two coup conspiracies in which Cuba had a hand.

- In October, large quantities of weapons were found in St. Kitts-Nevis-Anguilla, intended for a fight against the government.

- In December, St. Vincent and Grenadines announced that an armed rebellion had been put down.

- Since May, disturbances have taken place in Guyana with the People's Progressive Party headed by the pro-Soviet Jagan attempting to force the government to resign.

- Jamaica experienced great political turmoil last year. Officials revealed that a pro-

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### Aligned Chairman of Non-Alignment

**W**HEN 104 nations at the special emergency session of U.N. General Assembly on January 14 adopted the resolution calling for an immediate Soviet troop withdrawal from Afghanistan, Cuba came out against it and supported the Soviet invasion. Chairman of the non-aligned movement Cuba has again proved how non-aligned it is.

Until that moment, Cuba had said nothing at all about the Soviet aggression against Afghanistan. Cuba was really hard put to it, having supplied many thousands of its troops to fight for the Soviet interests on the African continent and loudly supported Viet Nam's invasion of Kampuchea. It found that silence was its best bet in view of its internal and external needs, for it would have been most unbecoming for the chairman of the non-aligned movement to hasten to endorse the blatant Soviet occupation of a non-aligned country.

But international developments have forced Cuba to show where it stands. At the U.N. special session the Cuban representative did his best to justify the Soviet invasion and claimed that he had seen "suspicious signs of deliberate provocation" in the session. He then described the Soviet invasion as providing military assistance at the "request" of Afghanistan. When it came to the vote, Cuba sided with the aggressor.

Many nations which have long been skeptical about Cuba's claim to non-alignment are asking how Cuba can qualify as a member of the non-aligned movement.

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Soviet opposition party "is trying to take over the rule of the country."

**Aggressive Posture of the Soviet Union and Cuba.** It is noteworthy that Cuba has had a hand in almost all of these disturbances. Fidel Castro declared that this region "has become a revolutionary stage." According to a Venezuelan paper, Castro even told the visiting Venezuelan Secretary-General of the Presidential House that "the Caribbean is the Cuban sphere of influence."

The Soviet reaction has also been quite revealing. A signed article in *Pravda* on November 3 hailed the disturbances in the Caribbean as "having really great significance."

In the face of the aggressive Soviet posture, U.S. Secretary of State Vance cannot but admit that "the Caribbean has become the fourth trouble spot in the world." He said that it is necessary to regard the Caribbean region as an important area for the U.S. foreign policy.

In Central America, national and democratic movements have developed encouragingly over the past few years. But the situation has been complicated by Soviet and Cuban involvement. The overthrow of Somoza was a great victory for the Nicaraguan people. However, Cuban influence there makes the future of Nicaragua uncertain; Nicaraguans may have "fended off one danger only to fall a prey to another." The people of El Salvador, Guatemala and Honduras

launched large-scale struggles for political and economic rights and against dictatorial rule. But Cuba's role can also be discovered in these events.

Turmoil in Central America and the Caribbean region is indicative of the two major developments in the world situation last year: The Soviet Union expanded in large areas in the world and Cuba, after its armed intervention in Africa on orders from the Kremlin, directed the spearhead of its attack against Latin America.

— *Xinhua Correspondent*

## Tokyo

# Soviet Spies Arrested

ON January 18, a Soviet espionage case was uncovered in Tokyo, leading to the arrest of three Soviet spies who had infiltrated the Japanese Self-Defence Forces. They are the former Major General of the Ground Self-Defence Forces, Yukihiisa Miyanaaga, First Lieutenant Eiichi Kashii and Warrant Officer Tsunetoshi Oshima.

The Japanese Metropolitan Police Department interrogated Miyanaaga the next morning and learnt that Colonel Yuri Kozlov, deputy military attache at the Soviet Embassy in Tokyo, was Miyanaaga's contact person. When the Japanese Government summoned Kozlov, the Soviet Embassy stalled for time and arranged his departure by plane from the country at 1 p.m. that day.

The Japanese public was shocked by the case, for Miyanaaga had been a Soviet spy for over a dozen years while working in the Japanese Intelligence Department. The two others were intelligence officers on active duty. All of them were paid by the Soviet Union to provide a great deal of confidential information about Japanese military affairs as well as U.S. troops stationed in Japan.

The Japanese press pointed out that Kozlov belongs to the Soviet General Staff Office's Intelligence Department which, along with the KGB, holds positions in the Soviet Embassy in Tokyo and other Soviet organizations in Japan.

For a long time, the Soviet Union has steadily strengthened its military forces around Japan and reinforced its troops occupying the four northern islands. The organization of an espionage network in the Japanese Self-Defence Forces is further proof of Moscow's aggressive ambitions against Japan. While paying lip service to "good neighbourliness" and "friendship," Moscow is actually trying its utmost to achieve what it dreams of—to dominate the Asian-Pacific region by placing Japan under its control.

**CORRECTION:** In issue No. 4, page 11, left column, the first six lines of the last paragraph should read: "When asked about the reference to the Macedonian problem in the Bulgarian weekly journal *Economic Life* commenting on the memoirs of Tzola Dragoicheva,"



# On Reforming the Economic Management System (I)

by Xue Muqiao

*One major problem confronting China is how to improve the existing economic management system in accordance with objective economic laws. For a year or so, there have been discussions on this matter in the academic world and in economic circles. Under the principle of readjusting, restructuring, consolidating and improving the national economy which was implemented beginning from the latter half of 1979, the primary task is readjustment, supplemented by restructuring. Some 2,600 sizable enterprises have undergone reforms on an experimental basis.*

*What is the orientation of these reforms, what do they consist of, and what methods are followed? What effects will they produce on the Chinese economy? These are issues discussed by the noted economist Xue Muqiao in Chapter VIII of his latest book "A Study on the Problems of China's Socialist Economy." The argument presented is quite representative. Beginning with this issue we are publishing an abridged translation of this chapter in three instalments. Subheads are ours. — Ed.*

## Why Reforms Are Necessary

A SOCIALIST state, after the establishment of socialist public ownership of the means of production, should set up an economic management system suited to that form of ownership. Early in 1960 Comrade Mao Zedong, in his comments on a Soviet textbook of political economy, spoke of the need to solve the question of management after socialist transformation of the ownership of the means of production has been completed. One must not think that the superiority of the socialist system will come into

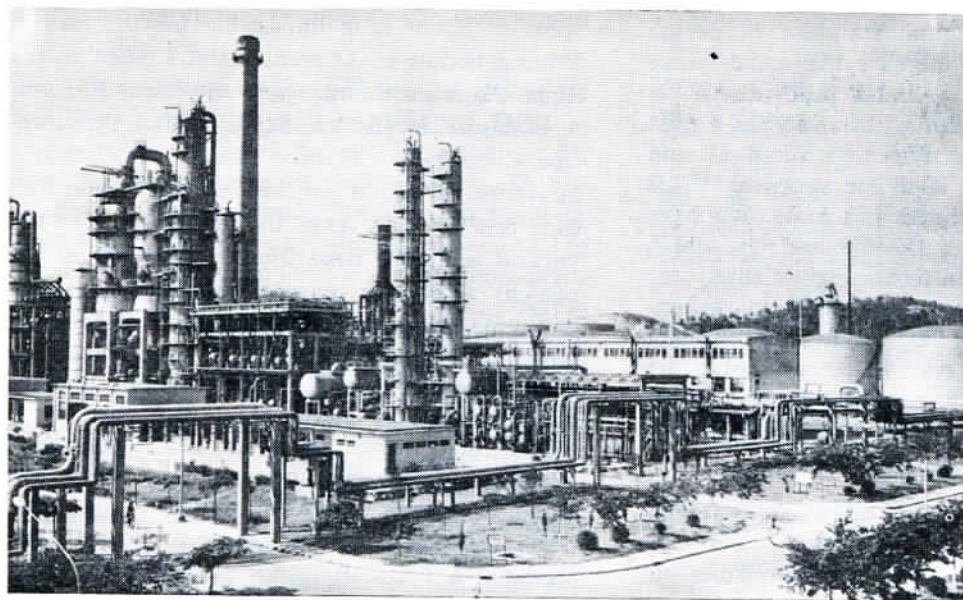
play by itself once socialist transformation of the means of production is completed. Correct methods of management will stimulate development of the productive forces while wrong ones will impede it.

The superiority of the socialist system lies mainly in the following two aspects: One is that the state, thanks to public ownership of the means of production, is in a position to utilize the nation's manpower, material and financial resources in a planned way; it is able to regulate the country's various economic activities in an overall way and avoid the anarchism of capitalist economy together with the resulting tremendous waste of manpower, material and money. The other aspect is that,



A section of an integrated circuit production line in Shanghai.





One of China's key projects, the Guangzhou Petrochemical Plant handles 2.5 million tons of crude oil and 1.2 million tons of wax oil annually.

with the system of exploitation of man by man abolished and the working people as a whole having become masters in production, the state can arouse the initiative and creativeness of the central and local authorities and of the enterprises and individual workers to speed up the development of the national economy, and avoid the phenomena of each trying to cheat the other and to benefit himself at the expense of others under capitalism.

These two aspects of the superiority of socialism coexist in a single entity and at the same time contradict each other. If the state's unified leadership over the national economy is taken to mean centralized, unified management, which saps the power of the local authorities and the enterprises to run their own affairs, our economic life will become inactive, and the local authorities, enterprises and individual workers will find it difficult to bring their initiative and creativeness into play. This kind of management will hold back the development of the productive forces. If, on the other hand, one-sided emphasis is laid on democratic management, thus weakening the unified leadership, it is also possible that our economic life will sink into anarchism, caught once again in the pitfall of capitalism.

### Defects of the Existing System

Our present economic management system is based mainly on the Soviet pattern which prevailed in the days of Stalin. Its methods are characterized by one-sided emphasis on central-

ization and unification. The central authorities work out planned targets which they pass down to the lower levels as directives and all local authorities and enterprises are required to follow whether they suit their specific conditions or not.

Financially, all revenues and expenditures are handled by the state in a unified way; all financial revenues, except for the part set aside by the central authorities for the local authorities, are to be handed over to the state. Investments for expanded reproduction and funds for the operation of the various undertakings are under the unified control of the central authorities which entrust the money to the departments under it. These departments specify the items for expenditure and turn the funds over to the various localities, enterprises and undertakings to finance them. The local authorities, enterprises and undertakings can use the specified amounts of money only for specified purposes, no readjustment of the appropriations is allowed. The central authorities leave aside only a very small amount of local tax revenue to be used at the discretion of the localities. Not only all the profits but also most of the depreciation funds for fixed assets are handed over by the enterprises to their higher organs to be allocated in a unified way at the top.

For necessary reconstruction or expansion, enterprises must apply to the state for investment funds. When an enterprise needs a major overhauling or renewal of its equipment, it



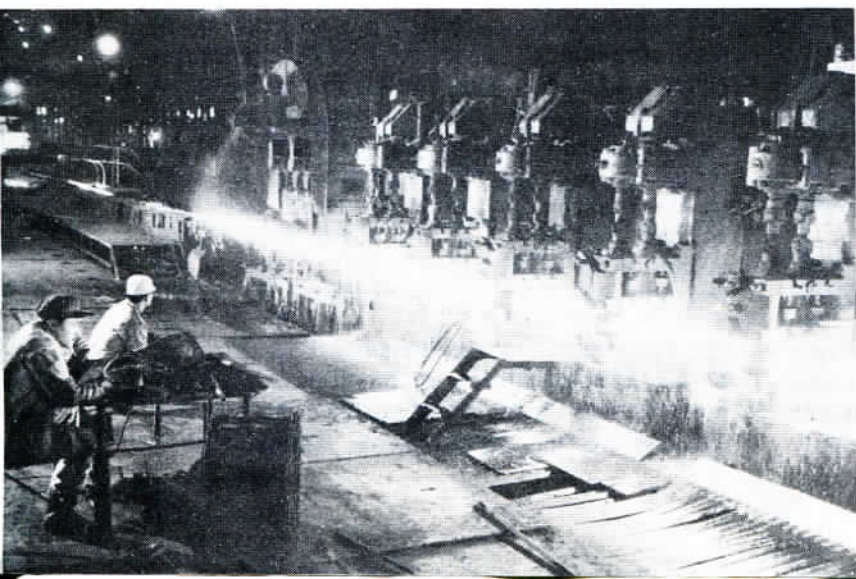
must keep to the original standard of design and is not allowed to increase the value, make changes or carry out technical innovations. If there are to be any technical innovations, a plan for capital construction must be worked out and sent up to the higher level for approval. This binds the enterprises hand and foot. We have many factories built in the 50s and 60s which were fairly advanced in technology at that time, but because no changes were made in the ensuing years they now lag far behind those of the same type in the capitalist countries. One main reason why this is so is that the enterprises do not have the right to make technical innovations themselves.

In the distribution of products, capital goods are allocated according to plan and daily consumer goods are purchased and marketed by the state in a unified way.

This system has the advantage of making it possible to concentrate the funds and goods of the state on key items connected with the state's economic lifelines. It has the disadvantage of ignoring the particular needs of the localities and enterprises so that it is impossible for them to make the best use of their own manpower, material and financial means according to their own specific conditions, — the disadvantage of excessive rigid control, which makes it difficult for people to achieve maximum economic results with minimum expenditure of time, effort and resources.

The so-called concentration and unification in the hands of the central authorities actually means control exercised by each separate central economic department over its own

Automation has been introduced in the 30-year-old welded tube plant of the Anshan Iron & Steel Company.



sphere. Since it is impossible for the central leading bodies of economic affairs (such as the State Planning Commission, the State Economic Commission and the State Capital Construction Commission) to take care of the economic activities of every profession and trade, all they can do is to leave the actual work to the various economic departments under them. At present there are more than a dozen central economic departments in charge of production which still do not take care of everything. So each department again has several bureaus under it, each in charge of its own part of the work. In addition, there are also departments of finance, materials and labour to handle the whole country's financial, material and manpower resources. Thus, scores of departments all have a hand in things at the lower level and this makes it impossible for a locality to achieve an overall balance within its area.

In handling a construction project, the departments and bureaus concerned are inclined to think of their own convenience and will not make use of the existing capabilities of the localities, nor those of other departments and bureaus. Accordingly, the economic ties between different professions and trades are cut off, which violates the principle of specialization and co-ordination, a principle big, modern industry must comply with. Many of our factories today are comprehensive or universal factories, either big or small — this has a lot to do with the management system. Unless the local leading bodies of economic affairs are allowed to make some adjustments in the projects under construction in their localities and organize a division of labour and co-ordination among the various trades and enterprises, this state of affairs cannot be expected to change.

### A Tortuous Course

Ours is a big country with a population of 970 million, a territory of 9.6 million sq. kilometres, and provinces each almost as large as a country in Europe. Things definitely cannot be done well if there is only unified leadership without separate management at various levels. Comrade Mao Zedong in 1956 in his *On the Ten Major Relationships* criticized this overconcentration as a shortcoming and spoke of the need



to arouse the initiative of both the central and local authorities.

In 1958 when we expanded the power of the local authorities, giving them the right to make their own investments in construction, local industry developed rapidly. But, as our leading economic organs were inexperienced, they failed to achieve an overall balance of the whole country's manpower, materials and financial resources and mistakenly set unreasonably high targets, talked big and gave directions in a blind way. The construction plan mapped out by the central authorities was already beyond objective possibility and yet the local government at each level in turn expanded it, with the result that the national economy suffered imbalance and many new construction projects were forced to a halt.

In 1961 the central authorities brought forward the principle of "readjustment, consolidation, filling out and raising standards,"\* firmly reducing the scale of capital construction, and readjusting the proportionate relations between agriculture, light industry and heavy industry. This was undoubtedly correct and the national economy quickly took a turn for the better. But we failed to sum up experience in an all-round way, little aware that all had happened not because the localities had too much power but mainly because the targets set were over-ambitious, overall balance was missing and we did not incorporate the items of construction undertaken by the central and local authorities in a unified state plan according to objective possibilities. So we again went back to the old economic management system we had had before 1958.

In 1966 at the start of the Cultural Revolution, there were conditions for a reform in the management system, but Lin Biao and the gang of four completely undermined stability at that time so that planning as a lever had in actual fact ceased to function and the national economy was thrown into a state of semi-anarchism. After the downfall of the gang of four in October 1976, we took various measures and made great

\* This means cutting down over-ambitious targets in the plan and the magnitude of capital construction, simplifying the state organs, mobilizing a part of the city population to support agriculture in the countryside; consolidating the economic and technical foundations already in existence; strengthening the weak links in the national economy and enhancing the capacity for producing complete sets of equipment; increasing new varieties, raising the quality of products and striving for better economic results.

efforts to restore economic order and the management system which had proved to be effective in the past. Preliminary results were achieved.

From now on, besides continuing to work hard to do away with chaos in management, we must make radical reforms in our system of economic management to answer the needs of socialist modernization. On the one hand, we must strengthen planned management of the national economy, especially strengthen the overall balance of the entire national economy, readjust the relations between agriculture, light industry and heavy industry as well as the relations between accumulation and consumption, and ensure a planned, proportionate development of the national economy. On the other, we must be determined to expand the power of the localities, especially to expand the power of enterprises, and institute a democratic system of management. Economic affairs should be conducted more by economic measures, less by administrative methods, and above all according to objective economic laws.

## Two Principles

In reforming the economic management system, it is necessary to take two principles into consideration.



High-quality silk being printed at a Shanghai mill.





**Washing machines produced in Beijing.**

One, keep to the socialist road. The state must incorporate the various activities of the national economy into a unified national economic plan and, directly or indirectly, see to it that the various departments, localities, enterprises and collective economic units carry out their economic activities and make common progress in co-ordination with one another under the guidance of the state plan. At the same time, it is also necessary to understand that the socialist relations of production in our country are still not perfect, that planned management should be relatively unified and at the same time it should have a certain degree of flexibility.

There should be different methods of management for the two different kinds of ownership, with the collectively owned economy enjoying more rights of self-management than the economy owned by the whole people. There are also differences within the economic sector owned by the whole people and it cannot possibly be made entirely uniform. The initiative of the localities and enterprises should be aroused; they should be allowed to do as many things as possible on their own. For the purpose of fully enlisting their active participation, we should transfer certain limited powers to the localities and enterprises, and we should integrate the interests of the central authorities, the local authorities and the enterprises with the personal interests of the labourers.

Two, see to it that our economic management gradually advances towards co-ordination along specialized lines geared to the needs of highly socialized mass production. In this respect, the developed capitalist countries have many useful experiences for our reference. Our agricultural economy is to this day still a semi-self-sufficient

one and this is a thing we must take into account. But in future agriculture also will have to progress in the direction of co-ordinated specialization. This is particularly so in the case of agricultural mechanization.

The level of socialization in our industrial production now still hovers at the world level in the years before World War II and our present organizational and managerial system will not help us catch up with and surpass the advanced world level. The method of management by separate administrative setups, whether by separate trades or by separate regions, is not in conformity with the principle of co-ordination along specialized lines as it cuts the ties between different trades and between different regions.

Therefore, it is necessary gradually to set up trans-trade, trans-regional economic organizations to take the place of management by separate administrative setups. We may also establish organizations combining production with marketing or even break through the boundary line between the two different kinds of ownership by establishing organizations of co-ordination along specialized lines between the state-owned and the collectively owned economy.

Two problems, based on the two principles mentioned above, urgently call for solution in the reform of our economic management. One is reforming enterprise management (including that of collective economic units) so as to enable enterprises to function as genuine operating and managerial units at the grass roots. The other is reforming the system of management of the national economy and adapting it still better to socialized mass production and removing the obstacles in the way of socialist modernization.

We have the experiences of both the fraternal socialist countries and capitalist countries for reference in carrying out reform in economic management; nevertheless we must proceed from the specific conditions in our own country, and certainly not copy the experience of other countries mechanically. At the same time, we must also note that our present methods of management have been in practice for many years, that many people have become accustomed to them, and especially that changing them will touch on the interests of many sides. It is very likely that we may be fettered by traditional thinking and meet with resistance of one kind or another. We must emancipate our minds, dare to pioneer, and



boldly bring out all sorts of ideas. But in the course of actual work, we must maintain a down-to-earth attitude, proceed from the existing conditions in our country and advance steadily.

*(To be continued.)*

## For Your Reference

### Changes in China's Economic Management

CHINA'S present system of economic management, which is characterized by a high degree of concentration and unification, was copied from the Soviet Union in the early 50s. We carried out fairly big reforms in 1958 and some more reforms in 1964 and 1970. These, however, mainly involved readjusting the limits of managerial power between the central and local authorities, but little consideration was given to the economic relations between the state and enterprises. This explains why our economic management has to this day failed to break through the confines of the 50s.

#### The Early System

During the First Five-Year Plan (1953-57), we started managing the national economy in a highly centralized way.

Prior to 1953, the administrative divisions in our country consisted of six big regions, namely, north China, the northeast, the northwest, east China, the central-south and the southwest. Each had a number of provinces, municipalities or autonomous regions under its administration. All industrial enterprises at that time were run by these big regions with the exception of those in the north China region which were under the direct management of the central authorities. In 1954 the administrative level of big regions was abolished and the major industrial enterprises were placed under the direct leadership of the various industrial ministries under the Central People's Government.

The State Planning Commission every year worked out plans for agriculture, industry, transport and postal and telecommunications service. The plans were passed down to the various enterprises by the ministries. Containing a complete set of targets, the plans projected output for the main industrial and agricultural products, the amount of investment in

capital construction and its magnitude, the distribution of important materials, the state budget, the number of new workers and staff members to be taken on and the total amount of wages, the purchase and marketing of main commodities, foreign trade, issuance of banknotes, prices for the main industrial and agricultural products, etc. The production and distribution of practically all the main products affecting the national economy and the people's livelihood came within the scope of planning. These included grain, cotton cloth, steel products, rubber, motor vehicles and electric generators.

Most of the items in capital construction were under the direct control of the various industrial ministries. A few local industrial construction projects and city construction items were also handled directly by the ministry of local industry (then known as the Third Ministry of Industry) or the Ministry of Urban Construction. The whole country's major means of production were distributed under a unified system by the central authorities. The more important materials (known as materials for unified distribution) were handled and distributed by the State Planning Commission; the less important materials (known as materials controlled by ministries) by the various industrial ministries.

Before 1956, because the five economic sectors (namely, the socialist economy, the capitalist economy, the state-capitalist economy, the co-operative economy and the individual economy) still existed side by side, the national economic plan was carried out at the lower levels in two ways: 1. Directly by the state-owned enterprises and advanced joint state-private enterprises (where the capitalists were paid only a fixed interest on their former assets and had no say in management) which received target directives from the state and were provided with the main means of production by the industrial ministries concerned according to plan. 2. Indirectly by the agricultural, handicraft and private enterprises and elementary state-private enterprises (jointly run by state representatives and capitalists) whose productive activities were incorporated into the state plan by means of various economic policies and measures, while the needed means of production were obtained from the market. By 1957, with the basic completion of socialist transformation, enterprises directly carrying out the plan rapidly increased in number.



This system of centralization set up during that period had the advantage of making the best use of limited funds, materials and technical force available in the early period of the People's Republic to ensure the progress of the key projects. Moreover, the proportions between the main departments in the national economy were relatively well arranged and the role of the market, of competition and of the law of value were made use of in indirect planning. And so the pace of economic development was fairly fast. However, it had the disadvantage of too much control by the central authorities in excessively minute detail and in too rigid a manner; this hampered the initiative of the localities, especially of the enterprises.

### The Three Reforms

The year 1958 saw the first reform during which the power of the local authorities was enlarged under the principle of unified planning and management at separate levels. Eighty-seven per cent of the enterprises formerly under the central authorities were placed under the management of provinces, municipalities or autonomous regions; the materials subject to unified distribution by the central authorities were reduced by 75 per cent.

At the same time the localities acquired greater power in their own districts with respect to readjusting targets for agricultural and industrial production, making overall arrangements for construction projects, investments and distribution of materials, and disposing the part of any important products and revenue in excess of the planned targets. They were given these rights on condition that they fulfilled the tasks assigned to them by the state in regard to production, construction, delivery of materials and financial payments. This resulted in a tremendous development of local industry.

But because of the mistakes of setting over-ambitious targets and giving directions in a blind way and over-emphasis on the iron and steel industry, a serious imbalance of the national economy resulted.

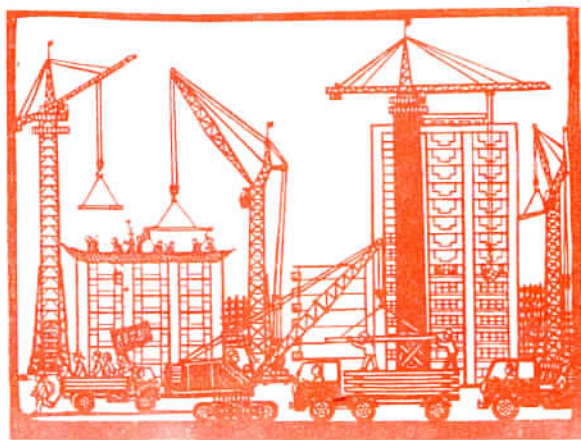
After June 1959, the more important enterprises, which had been handed down to the care of local authorities, and the power to manage them were returned to the various ministries. By 1961, things had by and large gone back to the way they were in the days before 1957.

The second reform took place in 1964 to enlarge the right of localities to handle materials, finances and investment. The reform included measures to leave the disposition of investments in capital construction in 19 non-industrial branches (such as communications, water conservancy, commerce and banking) to local authorities, to allow them to handle distribution of products from small enterprises, to give local authorities some power to handle the allocation of funds and materials. But, generally speaking, the changes were not very significant.

The third reform took place in 1970. Some 2,000 civilian industrial enterprises, undertakings and construction units directly under the central authorities were transferred to the provincial level for management. The powers of the local authorities over materials, capital construction and finances were further enlarged. In capital construction, for instance, the power was divided between the central and local authorities: 40 per cent of the investment were to be handled directly by the ministries concerned, 30 per cent to be handled after consultations between these ministries and the local authorities, and another 30 per cent by the local governments. A certain proportion of local financial revenues was to be handled by the local governments themselves.

In all three reforms, adjustments were made in the division of power between the central and local authorities; nevertheless the enterprises were all along run by administrative means. Enterprises never had the power to act on their own but could only handle their affairs according to the state plan and the directives and rules received from the administrative organs above.

— Ren Luosun





# Dr. Bethune's Spirit Will Live For Ever

by Jiang Yizhen



This is an abridged translation of a first-hand account from the late 1930s when the Chinese people were waging a war against Japanese imperialist aggression. The author, then working with Dr. Bethune in the field hospitals of the 8th Route Army in the enemy's rear areas, vividly describes Dr. Bethune's great spirit of internationalism.

The author, Minister of Health in the late 70s and now Second Secretary of the Hebei Provincial Party Committee, wrote this article to commemorate the 40th anniversary of Dr. Bethune's death.

## (I)

I HAD just returned to Yanan in the spring of 1938 from leading a cavalry company across the Huanghe River—still full of ice floes—into Shanxi Province to bring wounded soldiers back to the rear for medical treatment when I was suddenly told to go and receive Dr. Norman Bethune of the Canadian-U.S. Medical Team. I had heard that Dr. Bethune was a surgeon of remarkable skill who had performed several major operations with Dr. Ma Haide\* after arriving in Yanan. A lot of wounded had just arrived from the battle of Pingxingguan and I wanted to consult someone about some of the difficult cases. So the opportunity was really a golden one.

Dr. Bethune was quartered in a compound at the foot of Phoenix Hill. His room was chock-a-block full of several big cases of medical equipment and medicine, including an X-ray set, which he always carried with him. A striking man with grey hair and blue eyes, he looked

\*Ma Haide (George Hatem) is an American doctor who came with Edgar Snow to Baoan in northern Shaanxi in 1936. He remained and joined the Chinese Red Army.

very kind. But his prominent brow and wide chin indicated a sense of purpose and determination. He wore a short coat and high leather boots which gave him a refined and militant appearance suited to that of a soldier or a poet. When we met, he handed me his name card. I hastily apologized for I had none to give him. However, as soon as he heard about the new casualties coming in from the front, he threw aside all ceremony, hastily picked up his medical kit and hurried me off.

A great number of wounded required urgent medical attention. They were scattered in dozens of caves along the valley. Only the seriously injured could be given tattered cotton quilts, others had to make do with a rough mesh of cotton. We badly needed medical equipment and even such ordinary medical supplies as methylated spirit, anaesthetics and adhesive tape could not be found. As for soap and towels, they were luxuries which we never even dreamt of having. Dr. Bethune followed me from one gulch to another. When I commented: "Conditions here are pretty bad," Dr. Bethune replied: "That's true. It's because conditions are bad that we have to work. As soon as I came to





Yanan, someone told me that one mustn't judge medical work in the Eighth Route Army according to Western standards or make comparisons with big hospitals outside, and that it's impossible to transplant regular hospital procedures here. That, I have come to see and believe. But how can we make some progress?" He then pointed to a man hobbling along on crutches and asked: "Don't you feel there are too many cripples?"

I had already noticed that most of the cripples had had their legs amputated because their wounds had been improperly treated. I, therefore, frankly admitted that this situation was due to our poor knowledge and skill. I explained that very few of our doctors had attended a regular medical college or school or had worked in a modern hospital. He then asked how I became a doctor. I told him that I had been an apprentice at the Red Army Hospital ten years earlier and later I had attended the Red Health School in Jiangxi Province. During the Long March there were thousands of wounded and no medicine or doctors to treat them. I felt so sad about it that I took a pair of tailor's scissors and operated on my class brothers. Later we captured a set of scalpels and surgical scissors from the enemy so I learnt as I practised. I could be considered fortunate for I had more training than many of our medical personnel who hadn't been given any instruction on sterilizing wounds to prevent serious infection or on using splints. So many patients with broken limbs were not getting proper treatment. Dr. Bethune listened carefully and then suddenly seized my hand and firmly shook it, saying: "I'm deeply moved by the way you have stuck to your work in such primitive conditions. We should set up a school to train medical personnel. I'm sure most of the wounded here didn't have to become cripples. If we could have operated on them within 24 hours after they were wounded and put splints around their broken bones, their legs would not have had to be amputated!" He then added: "I've already spoken to Comrade Mao Zedong about organizing mobile operating units for the front. I am positive that 75 per cent of the badly wounded can recover if operated on immediately. What do you think?"

It was a bold idea for the world had not yet seen such a high recovery rate. Obviously, Bethune had formulated a new concept for medical treatment. He said that after seeing the existing conditions, he felt more strongly than ever that he should be at the front as soon as possible. It was ridiculous, he said, to let a pa-

tient's condition deteriorate to an extent beyond remedy before any treatment is given to him. These soldiers fervently want to recover and return to the front. How can doctors let them hobble off on crutches?

For several days running, Dr. Bethune performed major operations and worked with us to reorganize the hospital. Two big rooms were vacated and swept clean to serve as operating rooms. We made some mattresses by stuffing cloth with straw. The odds and ends of the cloth were made into towels, gauze dressings and surgical masks which were sterilized by steaming. We also divided several dozen patients into different categories according to the nature of their wounds so that treatment could be given in an orderly fashion. I felt that Dr. Bethune worked with a purpose in mind and was not out for superficial appearances. He knew how to organize work along scientific principles and was good at getting others to join him in the work.

It was a pity that not all of us understood his bold, creative ideas. We discussed his proposal to organize mobile operating units for the front several times but made no headway. Some people said that he was needed in Yanan, some said that conditions were too difficult behind enemy lines; and others said, a man nearing 50 couldn't take the physical strain and should be taken care of. The more we talked, the more complicated the problem appeared. When the gist of our conversation was translated for Dr. Bethune and he heard that he should be given special care and attention, he leapt out of his chair, picked it up and hurled it out the window. The chair crashed through the lattice window and landed in the courtyard. He shouted angrily: "I didn't come here to enjoy a good life! Rare roast beef, ice cream and soft beds are stuff I had long ago! I gave them up to realize my ideals! It's the wounded that need care and attention, not me!" All of us were shocked. However, the difficult problem suddenly became very simple. Everyone said in one voice: "All right! To the front then!"

Later, Dr. Ma Haide quietly reminded Dr. Bethune that he had behaved discourteously. Dr. Bethune, however, chuckled and said: "I'm willing to apologize to everyone, but you people have to apologize to the amputees with crutches!"

So the problem was solved in the "Bethune style." The supply department loaded all the necessary medicine and medical equipment on to 13 mules. Still, he felt they were not enough.





Dr. Bethune performing an operation on a wounded soldier at the front.

He only agreed to leave the X-ray unit behind when he heard we had to slip through the enemy blockade lines and we already had an unwieldy load. On May 2, like a victorious general, Dr. Bethune set out in high spirits with his cavalcade for the Shanxi-Chahar-Hebei base area. It was decided that Dr. Ma Haide was to act as Bethune's liaison with the outside world. He was beside himself with joy and looked very satisfied. When I went to bid him farewell, he grasped my hand and said: "Gone are the days when doctors stayed at the rear to wait for the wounded to come to them. The doctor's place is at the front!"

## (II)

In August, I led a medical unit to the Shanxi-Chahar-Hebei base area. Before we set out, Dr. Ma Haide gave us some Canadian cigarettes, chocolate bars, a tin of cocoa and a tube of shaving soap for Dr. Bethune. Bethune's X-ray unit was also loaded on to a pack animal and, braving the midsummer heat and sun, we started on our journey. When we arrived at the Shanxi-Suiyuan area, however, we had to stop to deal with the huge number of wounded who had gathered at an operating room set up by Dr. Bethune when he passed through three months earlier. There were 300 wounded in Xinxian County and 600 in Lanxian County and

there were only two surgeons in the area. After the Kuomintang troops fled, the Eighth Route Army became the main force fighting the Japanese behind enemy lines and the number of casualties had mounted steeply. Some of the soldiers were only lads of 17 or 18. They had been wounded before there was time to issue them uniforms. As Dr. Bethune had said, they were brimming with enthusiasm, knew no fear and had never experienced the taste of "disillusionment" in life. A doctor must not let a patient become disillusioned. So we had to break our journey and do our best for them.

Winter was coming when Dr. Bethune again cabled, urging us to hurry on. We set out for the Wutai Mountains in wind and snow and arrived at the site of the No.2 clinic of the rear base hospital of the Shanxi-Chahar-Hebei military region. Four days later, enemy planes circled over and strafed the village. Fighting had also started in the ambush along the highway between Guangling and Lingqiu. We decided to hurry to the battlefield where we could hear the sound of shooting. The field hospital was situated six kilometres away from the battlefield. Though the site had been chosen by General Wang Zhen, the commander of the 359th Brigade, he was now worried about its safety as the enemy was using planes, tanks and poison gas, so he personally came to direct the medical work on the battlefield. The operating room had been set up in a ruined temple and stretchers holding the wounded blocked the entrance. There was only Dr. Bethune to perform operations. When we arrived, we discovered that he had been operating for 40 straight hours. The anaesthetist who doubled as interpreter had swooned from overwork and Dr. Bethune had ordered him to rest. There was no gas lamp in the temple, only two dim hurricane lamps. Long-sighted, Dr. Bethune was having trouble performing operations for such a long stretch of time in this poor light. He had to stoop down and examine the wounds with a flashlight. Despite the bitter cold, his brow glistened with beads of sweat and his chapped lips bled. We didn't bother to unload our pack animals and set up an operating table. In fact, we didn't even waste time talking. I rushed up to him and took the scalpel from his hands. He picked up the fur hat from the floor that General Wang Zhen had sent him and tottered out of the operating room. Completely exhausted, he could hardly stand up straight.

The fighting was heavy. Our men wiped out 700 to 800 enemy troops and sustained some



600 to 700 casualties. It took us another whole day and night to finish treating the wounded. On December 7, we returned to Yangjiazhuang Village and met Dr. Bethune who had just returned from an inspection tour of the rear area hospital. As soon as he saw me, he threw an arm round my shoulders in a semi-hug and joyfully exclaimed: "Magnificent! I've just examined all those we operated on at the front and only one out of the 71 died! None of them got infections! This is unprecedented! It's a big step forward!"

When Bethune had personally told Comrade Mao Zedong back in Yanan that an operating unit set up near the front could save 75 per cent of the seriously wounded, someone had scoffed behind his back that it was "an idle boast!" However, in a little more than half a year, Dr. Bethune had accomplished the task which was a breakthrough in the annals of medicine. He had, furthermore, surpassed his 75 per cent expectation, so it was no wonder he was so elated! Later, he wrote a report to the region's commander General Nie Rongzhen, describing the details of the achievement and pledging, "We can do even better!" Bethune's motto was: Do better, and better and still better! If today isn't better than yesterday, then life is meaningless!

After several months at the front, Dr. Bethune had grown thinner, become wan and sallow and looked a bit uncouth. He wore a grey cotton army uniform with long puttees wrapped around his shanks. He had grown a thick, gray beard which was flecked with white and which made him appear much older. But he looked happier and more lively. After he had calmed down from his excitement, I handed over the things we had brought him from Yanan. It was then that I discovered that an important part of the X-ray set was missing. I couldn't understand what had happened. Did we forget to bring it with us in the rush of packing, or had it been lost en route? Because of this, a valuable piece of equipment had turned into a pile of junk. Dr. Bethune did not scold us. Instead, he said: "Well, as there's no dynamo to be found here, the X-ray unit can't be of any use." He then picked up the tube of shaving soap and burst out laughing: "I've no use for shaving soap now that I'm sporting a beard!"

He was very disappointed that we had not brought him books, newspapers or journals as he missed reading materials. He said: "I'd swap all this for a newspaper!" After a while,

he began gaily chattering away with the few newly learnt words of Chinese: "I'm very fortunate, very happy, very satisfied. I have everything: potatoes, a stove, coal, firewood, a horse, a saddle and a fur hat. I'm living like a king!"

### ( III )

When we left Yanan, Dr. Ma Haide said jokingly that Bethune was a "dangerous man." I noticed he loved to kick up a fuss and get into trouble. He was not quiet and wouldn't let others enjoy being quiet. Even his colleagues complained: "A friend like him is really exhausting." Wherever he went he smashed everything that was set hard and fast. After I got to know a little about Bethune's life, I, too, felt that he was a rebel against the old world, old concepts and old customs. He was always full of creative energy.

Dr. Bethune grew up in a comfortably-off family. His grandfather was a doctor, his father a clergyman, and his mother a missionary. Even before he started going to school he had commenced dissecting insects and animals and investigating anatomy. During his days as a medical intern in London, he earned money by collecting works of art. He was well on the way to making a fortune when he tired of such dealings and went to Detroit, U.S.A., to set up his own medical practice to serve the poor. Some "famous doctors" referred patients to him that they could not heal or those they had mishealed. Dr. Bethune's fame grew and he prospered financially. He then noticed that those "famous doctors," who charged Bethune a commission for having referred their patients to him, had wrongly set their patients' broken limbs on purpose to rake in more money. He declared war on such criminal deeds and proposed socialized medicine of "taking medicine right down to the people." Later, he cast aside the chance of becoming rich and threw himself into the cause of the Spanish people's struggle against fascism. He devoted his life to working for a better society. His life was like that of a raging fire.

He came to China in 1938 to fight alongside us. He did not regard himself as a foreigner and loved being called an "Eighth Route Army man." He was fond of calling soldiers "my son," and regarded the special concern shown him as a sign of disrespect. When he found that he was receiving more pocket money than others, he sternly protested. After being in the Shanxi-Chahar-Hebei area



for half a year or so, he brought order to the medical and health work, set up a model medical unit, and established various rules and regulations. He worked 18 hours and performed eight operations a day on an average. He took part in all kinds of work, no matter how big or trivial. He designed teaching materials, drew up programmes, wrote poetry, painted and even began to write a novel. He never cared about the hardships of life. He had no radio, no sofa, no bathtub, no amusements, no newspapers, and because of the language barrier, there was no one with whom he could have heart-to-heart talks. Instead, he climbed hills, forded rivers and dodged shells and bullets. Such an existence he regarded not as a hardship but as happiness, for he had found the most precious "comrades who were disciples of communism." He felt that to live and work together with such people was the greatest happiness in his life.

He was not always easy to get along with, but was kind to his patients, bringing them bottles and pans. He would fly into a rage whenever he encountered procrastination, indecision or sloppy work, and would not forgive any manifestation of irresponsibility towards the patients. Once, when he saw a doctor using a scalpel to peel a pear, he angrily pushed the doctor out of the room and banned him from performing surgery. He slapped a doctor for not putting splints on a fractured limb. Many people complained that he was bad tempered. He, however, often said that "a doctor must have the heart of a lion and the hand of a lady." He was like a mother to the wounded and like a raging lion to those who were rough with patients.

Of course, these conflicts and squabbles also bothered Dr. Bethune. Many medical workers in our army were illiterates who put their faith in good intentions and not science. The best way to deal with the problem was not to fly into a temper but to raise their medical knowledge and skill. In Yanan, Dr. Bethune had suggested to Comrade Mao Zedong the training of medical personnel and had even expressed the hope of sending them to be trained in big cities. After crossing the Huanghe River, he realized how impractical his idea was. As soon as he arrived at the Shanxi-Chahar-Hebei area, he wrote a letter to the Party Central Committee and the military area command proposing that a "well-equipped medical school" be established to train medical personnel. How easy it was to talk about being "well-



Bethune's statue at Bethune Square in Montreal, Canada. (Presented by the Chinese People's Association for Friendship With Foreign Countries.)

equipped" for, in fact, we had to be content with the simplest and most primitive instruments. -

On January 3, 1939, weekly surgical courses formally began and the trainees for each course numbered 50. Dr. Bethune wanted me to teach as he had language difficulties. More important, he wanted to go to the front to propagate his experience in organizing mobile operating units to work near the battlefield. I knew that he had sent a cable to hasten me there to set up a school, so I had to reply, "I'll give it a try." Seeing that I agreed, he joyfully exclaimed: "Now, I have another 'other self'!" I replied with a laugh: "I'm not your 'other self'. I'm your scapegoat!" When the interpreter translated this for him he roared with laughter.

After a meal of meat dumplings on the evening of the Spring Festival, Dr. Bethune took a mobile operating unit eastward to the central Hebei plain area where the fighting was heaviest. It was snowing and the weather was freezing. He had on his beloved fur hat with the earflaps down and had muffled up his face. His energetic figure was soon swallowed up in the blinding snowstorm.



## ● **New Buying Patterns In Beijing**

The demand for TV sets, tape recorders, electric fans and washing machines marks a new buying pattern in China's capital city.

TV sets are the most popular item, according to a recent survey. From January to November 1979, more than 210,000 TV sets were sold in Beijing, compared with 70,000 in the whole year of 1978 and 40,000 in 1977. In 1965 the figure was around 1,000.

It is estimated that about 35 per cent of the families in the city now have TV sets. In addition, at least one set can be found in practically every factory, school or government organization. In spite of this, production is not able to satisfy the demand today.

TV sets will soon be a common household commodity just as what happened with bicycles, sewing machines, wrist-watches and transistor radios in the 1960s.

At present, black and white TV sets are more popular than colour sets because of the lower price.

Tape recorders are mostly purchased by intellectuals, students and cultural workers. More than 40,000 recorders were sold in Beijing from January to November 1979. The figure for all of 1978 was 5,000.

Electric fans formerly were limited to public places; now they are becoming a popular item bought for personal use. Washing machines are still relatively uncommon because they are still rather expensive.

There are a variety of factors explaining the new buying trends. The income of families has increased in recent years as more of the members are holding jobs. Family planning has been effectively instituted. A wage earner who had to support 2.36 people in 1965 now has to support 0.8 people. Sixty per cent of the workers and staff members have had pay increases since 1977.

## ● **A Teahouse**

The refurbished Yile Teahouse has become a favourite place for peasants to relax and enjoy themselves. It is located near Shanghai in the town of Zhuhang, the political, economic and cultural centre for Zhuhang Commune with a population of 26,000. Peasants who come to Zhuhang Town on business or on market days like to drop in at the teahouse.

A year ago, this small teahouse was dirty and dingy and had only a few battered tables. In summer, market-goers had no choice but to sit outside along the road and sip their tea.

Complaints about the teahouse motivated the commune Party committee to tackle the

problem. Sanitation was improved, the premises enlarged, tables added and staff increased. Now the teahouse is spacious, clean and larger.

Folk singers, story-tellers and amateur propaganda teams have been invited in to give performances. The teahouse lends its customers short stories, picture-story books, newspapers and chess sets. News and music are broadcast over loudspeakers that were recently installed.

Now the 300-seat teahouse is always full. It is estimated that 600-800 people come to the teahouse every day. During the agricultural slack season and festivals, the number goes up to 1,000. In 1978 the teahouse ran a deficit of 900 yuan, but last year it began making money due to this great improvement in its services.

Teahouses can be found in many Chinese cities as well as in the countryside, especially in south China's market towns.

## ● **Cultural Palace of Nationalities Opens To Tourists**

Situated in the central part of Beijing, the Cultural Palace



A refreshment counter in the Cultural Palace of Nationalities.



## People in the News



Contributions to education by **Wu Ruolan** were recently hailed at a banquet celebrating her 90th birthday in Shanghai. Friends and students presented poems and painted pictures at the party praising her accomplishments.

At the age of 21 Wu started her teaching career with the aim of saving China through education. During her 38 years in the Nanyang Girls Middle School, its enrolment grew from 36 to 1,400. Thanks to principal Wu's progressive stand, the school became one of the "democratic strongholds" in Shanghai. Her brave struggles against the reactionaries are still remembered by her students.

Now, after having dedicated 70 years of her life to educational work, she has former students in all parts of the country. In some instances, she had students from three generations of a family.

Although Wu has retired, she still takes part in school activities, often making suggestions or conducting investigations. Now Wu Ruolan is a deputy to the National People's Congress.

Recently when she was speaking at a forum, she noted that she was an eyewitness to the transformation of old Shanghai into the new as she had lived in the city for all of her 90 years. She is confident she will live to celebrate the 40th anniversary of the People's Republic with her friends and students in 1989.

and facilitating cultural exchanges.

## ● Old Red Army Man's Contribution

Yu Jie, Member of the Standing Committee of the Fifth National Committee of the Chinese People's Political Consultative Conference and a veteran Red Army man, donated 6,600 yuan to help his native village build a small hydroelectric power station.

Yu Jie was born in a village that is now the Lijiang Production Brigade of the Jiayi People's Commune in Pingjiang County, Hunan Province. This former Vice-Minister of Grain retired to live in the Lijiang Brigade in 1970 because of poor health and age.

Lijiang is in the mountainous area where the three provinces of Hunan, Hubei and Jiangxi meet. The abundant water resources there were unexploited because of lack of funds. But with Yu Jie's donation, a small power station was completed on December 18, 1979. The station's two generators provide lighting for every household in the village and power for the food and fodder processing machines. This will help the brigade improve production and, eventually, the livelihood of its members.



of Nationalities is now open to tourists and foreign residents, providing a wide range of services.

Achievements of the nationalities are on display in the exhibition hall. Banquets and cocktail parties can be held in the dance-dinner hall. Balls will be organized for tourists and the dining hall serves national minority cuisine.

Recreational activities include bowling, billiards, archery, shooting and chess. The auditorium has a seating capacity

of 1,000 and a simultaneous translation service into seven languages is provided during meetings. Stage performances are often held there for tourists. There are also guest rooms for tourists, and a shop which sells national minority clothing, hair ornaments and handicrafts.

Built in 1959, the Cultural Palace of Nationalities with a total floor space of 30,000 square metres was originally used to hold exhibitions introducing the national minorities, publicizing their achievements



## RESEARCH

### New Progress in Laser Fusion Research

Satisfactory results have been achieved recently in China in laser plasma experiments using a multiple beam laser fusion system.

The Shanghai Institute of Optics and Fine Mechanics under the Chinese Academy of Sciences, where the research has been centred, reported that they had obtained the preliminary 'compression effect' of plasma with a neon-filled glass micro-balloon heated by multiple laser beams. This success marked a stage in China's research on the theory that less energy is needed to initiate a fusion reaction when multiple laser beams are centripetally focused on a pellet of fuel than when a single beam is used.

The goal of initiating and controlling energy-releasing fusion reactions by focusing a

powerful laser pulse on a pellet of fuel may have many areas of applications, notably, in finding new energy sources and in promoting the development of new frontier basic sciences.

The laser fusion system, detectors and measuring instruments, components and the other equipment were all made in China. Experiments show that the systems were all up to designed requirements.

China started research work in this area in 1965. The Shanghai Institute of Optics and Fine Mechanics has now set up a six-beam laser fusion system, each beam with an output of 100 million kw. It has also developed various types of detectors and pellets. Progress has been made at the same time in the theoretical study and experiments of laser plasma heating.

Back in 1973, the institute obtained for the first time neutrons by heating deuterium containing targets with a single laser beam. The number of neutrons was as high as 1,000. More than 20,000 neutrons were

obtained the following year. The laboratory then began to use a multiple beam fusion system to heat a target in 1976 and, after repeated experiments, observed the plasma compression effect in April 1977. They have also established a one-dimensional hydrodynamic code, which basically corroborated their calculations.

Foreign laser and plasma physicists have spoken highly of the institute's achievements during visits there.

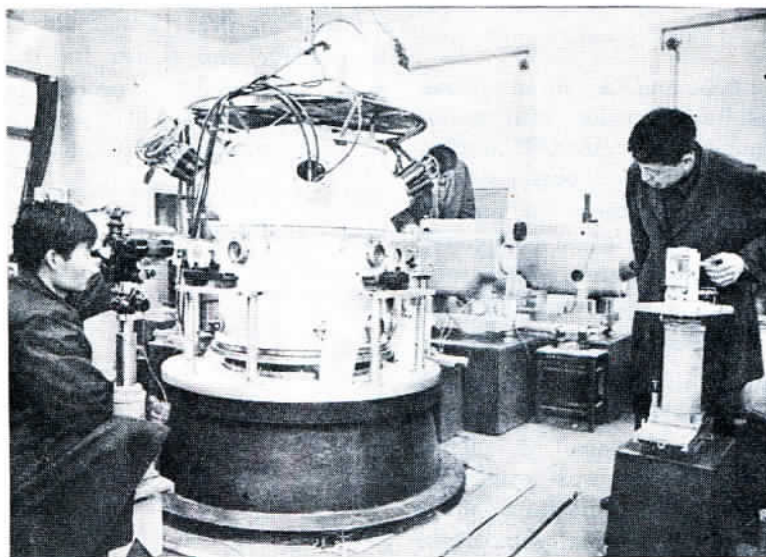
## PUBLISHING

### Newspapers and Periodicals Flourishing

Chinese publications are growing. There are now 1,200 newspapers and periodicals, an increase of 450 over 1976, and circulation is up 44.8 per cent from that year. Since such a proliferation is seen as beneficial to raising the scientific and cultural level of the nation, it has been greatly encouraged by the government.

At present, *Renmin Ribao* (People's Daily) and the Chinese edition of *Cankao Xiaoxi* (Foreign News Bulletin) have the largest circulations, with a daily press run of 6 million and 9 million respectively. One copy of some publications reaches every two city residents and over 90 per cent of the production brigades are subscribers. In the countryside, the news is broadcast over loudspeakers in practically every village.

Post and telecommunications bureaux in 26 provinces and cities are working co-operatively to distribute, transport and deliver publications, so that the readers may get them as early as possible.



Aligning the laser-fusion chamber.



## Ma Yinchu's Population Theory

### New Population Theory

By Ma Yinchu, Honorary President of Beijing University;

Beijing Publishing House;

Renminbi 0.27 yuan.



Ma Yinchu circa 1960.

*New Population Theory* is a collection of six articles and talks by Ma Yinchu, eminent scholar and professor, in the 1950s. They were compiled by Tian Xueyuan of the Institute of Economics under the Chinese Academy of Social Sciences and republished last November.

When Ma first expounded his population theories in the 50s, a heated debate ensued. His ideas were repudiated and he was subjected to tremendous criticism. Ma never bowed to the onslaught, however, and dauntlessly stuck to his original views. Now history has proven Ma Yinchu right. His call to popularize birth control and planned parenthood is seen as essential to a speedy realization of the four modernizations.

In these articles which include "New Population Theory," "Relation Between Population Problems and the Development

of Productivity," and "Why We Stress the Quality of Population," Professor Ma delved into the contradictions between a rapid population growth and the development of the national economy and the improvement of the people's livelihood. He proposed that the quality of population be raised and that the population growth rate be controlled. The final two articles in the book, "Supplementary Statement" and "Reiterating My Request," contain a reaffirmation of his views, written after his theories came under heavy criticism. The text represents a breakthrough from the metaphysical viewpoint that "the bigger the population, the better it is."

Ma Yinchu came from Shaoxing in Zhejiang Province. In the early part of this cen-

tury, he completed two doctoral programmes in economics at Yale and Columbia Universities. Upon his return to China in 1916, he became an economics professor at Beijing University and later assumed the post of dean.

### A Collection of Historical Documents About the Republic of China (Vol. I)

Edited by the Second National Archives Office in Nanjing;

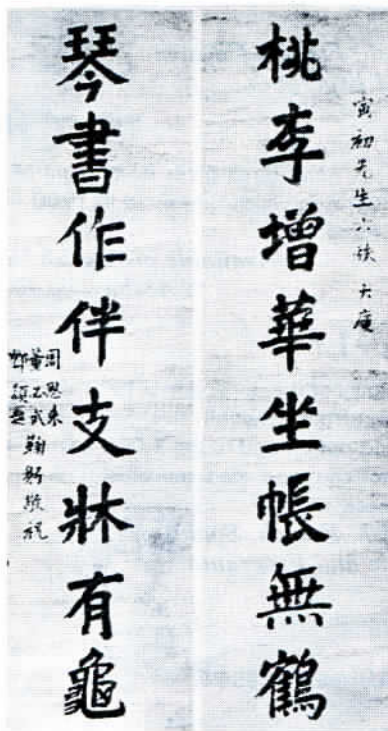
By the Jiangsu People's Publishing House;

Available both in China and abroad;

Renminbi 1.00 yuan.

A Collection of Historical Documents About the Republic of China (1911-49) is a four-volume compilation of historical documents on the republican era. The first volume covers the 1911 Revolution and was published at the end of last year. Remaining volumes are on the provisional national government in Nanjing, the government of the Northern Warlords, and the Kuomintang government.

The first volume contains 192 documents on four major topics: local popular opposition and armed uprisings; the Qing court's preparations to draft a constitution; the Sichuan railroad movement; and the Wuchang Uprising and its repercussions throughout the provinces. They give a picture of the popular struggle waged against feudalism and imperialism and the suppression of it by the Qing rulers and imperialists during the 1911 Revolution. Most of the documents have never been published previously.



This pair of couplets were sent to Ma in 1941 for his 60th birthday, which he spent in a KMT jail, by Zhou Enlai, Dong Biwu and Deng Yingchao. The photograph above is one of the eight which are included in *New Population Theory*.



# BOOKS ON MODERN CHINESE HISTORY

## The Opium War

The Opium War (1840-42) was the first of a series of wars of aggression launched by the capitalist powers against China. After this war, China gradually became a semi-colonial and semi-feudal country. This book gives a concise account of the war.

*Available in English, French, German,  
Arabic and Esperanto.*



## The Taiping Revolution

The Taiping Revolution was a peasant uprising in the mid-19th century. This book tells how the uprising took place and developed.

*Available in English, French, Spanish,  
German, Arabic and Esperanto.*



## The Reform Movement of 1898

The Reform Movement of 1898 was carried out by China's bourgeois reformists in the latter part of the 19th century. This book gives an account of its historical background, development and ultimate failure.

*Available in English, French, German,  
Arabic and Esperanto.*



## The Yi Ho Tuan Movement

This book gives an account of the anti-imperialist patriotic uprising which broke out in 1900 with the peasants as the main force.

*Available in English, Spanish, German,  
Arabic and Esperanto.*



## The Revolution of 1911

This book gives a brief account of the revolution in 1911 and the lessons to be learnt therefrom. Though this revolution overthrew the Qing Dynasty and put an end to the 2,000-year-old feudal monarchy, it had not changed the semi-colonial and semi-feudal nature of the Chinese society.

*Available in English, French, Spanish,  
German, Arabic and Esperanto.*



Published by **FOREIGN LANGUAGES PRESS**  
Beijing, China

Distributed by **GUOZI SHUDIAN**  
(China Publications Centre)  
Beijing, China

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write direct to

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