

Vol. 27, No. 1

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# BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF  
NEWS AND VIEWS

- Mao Zedong's 90th Birthday Marked
- Premier Zhao to Visit US







An American professor lectures at the Chinese Training Centre of Science and Technology Management set up last year.

David Baltimore (left), a Nobel Prize winner in medicine, exchanges views with Chinese medical professor Li Yi in April 1980.



## SPOTLIGHT



Chinese and American marine scientists jointly survey the East China Sea in June 1980.

Wang Xiaodong, 11, plays a violin solo in 1981.



A woman embroiders entirely different designs on both sides of the same cloth at a Chinese exhibition in Chicago last May.

The US Friendship Delegation of Washington State watches a Sichuan girl paint when they visited that province in October 1982.



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## HIGHLIGHTS OF THE WEEK

### *Mao Zedong Remembered For Ever*

In an article to mark the 90th birthday of Mao Zedong, General Secretary of the Party Central Committee Hu Yaobang recalls his personal contacts with the late Chairman, and Mao's monumental contributions to the Chinese revolution, which, Hu said, will inspire us to advance courageously in accomplishing the tasks Mao left unfinished (p. 16). Commemorative activities were held in various parts of the country (p. 6).

### *Premier Zhao to Visit US*

Premier Zhao's upcoming visit to the United States, which comes at a crucial time in Sino-US relations, will try to improve them. In the past, the development of these relations could not progress smoothly mainly because of the attitude and approaches taken by the US Government towards the Taiwan issue (p. 4).

The American people expect US-Sino exchanges to be expanded and friendship between the two peoples strengthened. In interviews with the *Beijing Review's* special correspondent, four noted Americans expressed this expectation (p. 23).

### *Appraising Sun Yefang's Economic Theory*

The late economist Sun Yefang's ideas, such as stressing economic results, using profit-fund ratio to evaluate the success of an enterprise, speeding technical transformation of existing enterprises and affirming the important role of commodity circulation have generally been accepted by the nation. A symposium agreed with some of his concepts, and differed with others (p. 27).

### *"Galaxy" Super-Computer*

China's first super-computer, which can perform more than 100 million operations per second, has proved up to national standards in its trial run. It will narrow the technological gap between China and the advanced countries, and marks a new phase in Chinese computer sciences (p. 8).



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# Premier Zhao to Visit United States

by MU YOULIN  
International Editor

Premier Zhao Ziyang's official visit to the United States is scheduled for January 9, according to an agreement reached between the Chinese and American Governments last September during Defence Minister Caspar Weinberger's visit to China.

This major event in the history of Sino-US relations has attracted worldwide attention. This is not just because it will be the first time a Chinese premier will visit the United States, but also because Sino-US relations are now at a crucial point, and both sides must make efforts to improve them. The significance of improving relations between China and the United States will extend far beyond the boundaries of the two countries, influencing the whole world.

Having been isolated from and antagonistic towards each other for three decades, China and the United States finally normalized their relations in 1979. The facts have eloquently proved that the normalization of relations between China and the United States is not only in the fundamental interests of the people of both countries, but is also important to world peace and stability.

In the five years since China and the United States established diplomatic relations, the relationship between the two countries has developed fairly rapidly. But there also have been frustrations and setbacks. These disappointing circumstances did not arise be-

cause the two countries have differences over some international issues — such differences will always exist. They are chiefly due to the American course of action towards Taiwan, which has hindered the steady development of Sino-US relations.

As everybody knows, the United States clearly recognized in the Joint Communique on the Establishment of Sino-US Diplomatic Relations that there is only one China, that Taiwan is a part

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***Good relations can be established only on the basis of mutual respect. The American leaders should promote Sino-US relations by concrete actions, and never do anything to damage the hard-won normalization.***

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of China, and that the Government of the People's Republic of China is the sole legal government of China. However, barely 100 days after the establishment of Sino-US diplomatic relations, the US Congress passed a "Taiwan Relations Act," violating China's sovereignty and interfering in China's internal affairs. The Act regarded Taiwan as a state, claiming that the United States must guarantee Taiwan's security and will continue to provide Taiwan with "defence articles" and "defence services."

Over the years, the US Gov-

ernment has paid only lip service to the fundamental principles set forth in the joint communique guiding Sino-US relations. In practice, it has been guided by the "Taiwan Relations Act," and not the Joint Communique on the Establishment of Sino-US Diplomatic Relations, in handling Sino-US relations. It still refers to Taiwan as an "independent political entity" in an attempt to revive its official relations with Taiwan. Furthermore, it has insisted on continuing to sell arms to Taiwan far into the future.

A short time ago, the US Senate Foreign Relations Committee adopted a resolution on the "future of Taiwan," claiming that the return of Taiwan to China must be undertaken according to American legislative procedure. Furthermore, the appropriations bill passed by the US Senate and House of Representatives openly calls Taiwan "the Republic of China," which flagrantly pursues the "two Chinas" policy. It is precisely because of these US actions, which violate the agreement on the establishment of Sino-US relations, that relations have remained unstable and have even been in danger of retrogression. It is obvious that if the United States does not change its attitude towards Taiwan, Sino-US relations will never be able to develop steadily and permanently.

The Chinese Government and people attach importance to Sino-US relations. At the same time they also treasure their independence and dignity, upon which they allow no encroachment. Good



relations between any two sovereign states must be established on the basis of mutual respect for independence and sovereignty, and non-interference in each other's internal affairs. Sino-US relations are no exception. The American leaders have repeatedly expressed their hope that relations could develop permanently and steadily. If this is true, they should promote the development of Sino-US relations by concrete actions, and should never do anything to damage the hard-won normalization of Sino-US relations.

The Chinese Government and people ask the US Government to strictly abide by the principles affirmed in the successive Sino-US communiqués and its commitments to seriously implement these communiqués. As long as both sides can handle the problems they face in the spirit of respect for each other's interests while safeguarding its own, relations between the two countries will develop in a desirable direction, and there will be great potential for Sino-US relations.

During his visit to the United States, Premier Zhao Ziyang will exchange views with US leaders on bilateral relations and on major international issues. He will also meet with people from all walks of life in the United States. We expect the Chinese premier's forthcoming visit to the United States will contribute to promoting friendship between the people of China and the United States, improving Sino-US relations and maintaining world peace and stability. □

### Democratic Parties And Others

I am afraid I don't like the article "Development of China's Post and Telecommunications" in issue No. 44, 1983, in which you used too many foreign words that I found difficult to understand.

However, I do like the article "The Democratic Parties in Action" in issue No. 45. It helps me understand that democratic parties can play positive roles in a socialist country led by the Communist Party and, instead of being oppressed, they take an active part in the national construction. I am very interested in details of the history of China's various democratic parties, and what social groups they represent.

I also appreciated the article "Third World Debt" in issue No. 46, which dealt with an important problem. The article made a broad analysis of the causes of indebtedness. I think you should more directly expose the disastrous consequences brought upon the third world debtor nations by developing industry too quickly and neglecting agriculture, and by capitalist countries exploiting the developing nations, especially the people. In my opinion, you should also strongly attack various evils in capitalist countries, including those in the third world, such as reducing the people to poverty through crisis, cultural degeneration, social crimes and racism.

Everyone is indignant at the murder mentioned in your article "United States: Criminals Must Be Duly Punished" in issue No. 48. It is not unique, and this shows us that America is not the "beacon of light and freedom" Ronald Reagan described.

In addition, I very much like Wu Xiuquan's article on Sino-Soviet relations in the early 1950s (issue No. 47). In his article, Wu provided many interesting facts, and described objectively the positive and negative attitudes

towards the Chinese Communist Party and the People's Republic of China held by the Soviet leadership headed by Stalin. He also wrote of his own experience during the negotiation, which added greatly to the article. We could never expect to read such articles during the "cultural revolution."

Heinz-Günter Foerster  
Bielefeld, FRG

### 10th National Trade Union Congress

I was very happy to read Ni Zhifu's speech given at the 10th National Trade Union Congress (issue No. 44, 1983). It will help the Chinese people raise their political consciousness and understand their historical mission and responsibility in the new era.

I find the official documents very instructive and useful.

I hope your magazine will become more widespread because there are many here who are interested in China.

Ait Aissa Bouzis  
Bejaia, Algeria

### Chronological Table

It is already 34 years since the founding of New China. During those years, China has overcome many difficulties in politics, economics, culture, education and other fields, and has finally achieved today's level of development.

For this reason, I suggest you compile a chronological table of the People's Republic of China which will help readers clearly understand the historical changes in New China. Your readers will appreciate this. By reading the chronological table, they will get more information about events that have taken place in every historical period, and see the footprints of China marching forward.

Toshio Sato  
Yamagata, Japan





Chinese Party and state leaders stand in silence before the seated statue of Mao Zedong.

# 90th Birthday of Mao Zedong Commemorated

Chinese Party and state leaders including Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xian-nian and Peng Zhen were among more than 3,000 people paying their respects at the Chairman Mao Memorial Hall on December 26, to mark the 90th anniversary of the great leader's birthday.

They viewed historical documents and other exhibits related to Mao Zedong, China's late Premier Zhou Enlai, the late President Liu Shaoqi and the late Marshal Zhu De, in rooms attached to the Memorial Hall. Photos and other materials displayed there vividly reflect the glorious achievements of Mao Zedong and other leaders of the Party, who have guided the Chinese people to victory. They also watched a film on the activities of the four veteran proletarian revolutionaries.

The Memorial Hall in Beijing has been visited by 9.8 million Chinese and foreign people since

it opened on September 9, 1977.

Various commemorative activities were held across the nation.

The Memorial Hall of Comrade Mao Zedong in Shaoshan, Hunan Province, has been opened to visitors after repair. Deng Xiaoping wrote some calligraphy for the hall.

Newspapers and periodicals all over the country have been carrying reminiscences and commemorative articles on Mao Zedong, including the signed article "The Best Way to Remember Mao Zedong" (see full text on p. 16) by Hu Yaobang, General Secretary of the Central Committee of the Communist Party of China. An article called "Everlasting Reminiscences" was contributed by the late Chairman's son, Mao Anqing, and his daughter-in-law, Shao Hua.

The commemorative activities focused on upholding and developing Mao Zedong Thought during

this new historical period to guide the building of a uniquely Chinese socialist society and pushing forward the modernization drive. Editorials specially for the occasion were published in *Renmin Ribao* (People's Daily) and *Hongqi* (Red Flag).

Fifty treatises, reminiscences dealing with Mao Zedong, Mao Zedong Thought and his contributions have been recently published, such as *Studies on Mao Zedong's Philosophical Thought and Studies of Mao Zedong's Thinking on Military Dialectics*. Also published were works including the *Selected Letters of Mao Zedong*, *Mao Zedong's Selected Writings on Journalism*. All these reflected the progress made in studying Mao Zedong Thought.

Earlier, the national symposium on journalism and on Mao Zedong's military theories were held in the Guangxi Zhuang Autonomous Region and Hunan Province,

stressing the need to uphold and develop Mao Zedong's journalistic theories and military thinking during the new historical period.

A full-length documentary *Mao Zedong* and the film *Cross the Chishui River Four Times*, which shows him leading the Red Army, are being shown all over China.

## Training Classes For Cadres

Regular training designed to bring the vast contingent of cadres up to the requirements of China's modernization programme is proceeding on a large, well-planned scale. The trainees include Party and government officials, army officers, economic managers, scientists, technicians and cadres working at the grass-roots level. The training ranges from month-long courses to three-year full-time study programmes.

Twenty-one million cadres will receive training in Marxist theory, professional knowledge, science, culture and leadership and managerial expertise, according to a plan drafted in compliance with a directive of the Party Central Committee and State Council. Through the training, the cadres are expected to better serve the socialist modernization of industry, agriculture, national defence and science and technology, and meet the requirements for building up a contingent of cadres who are revolutionary, relatively young, well-educated and professionally competent. By 1990 half of all cadres will have a college education, and the others will attain the level of secondary technical school or senior middle school graduates.

A national forum was held in Beijing December 15-24, at which 300 representatives from all over the country summarized and swapped their experiences in

training cadres, and discussed how to further promote this work.

Training for cadres has yielded good results since the nation shifted its emphasis to the socialist modernization drive late in 1978. In all, 2,700 Party schools have been reopened or newly built, and they've trained 3.7 million cadres. Six thousand schools have been restored or established to provide the cadres with professional and cultural training.

Cadres' training classes have also been opened in nearly 300 colleges and universities, and of the 46,000 trainees enrolled, 8,000 have already graduated. Meantime, many spare-time schools have been set up by Party and government organizations, democratic parties, people's organizations, academic units, enterprises, army units, regular colleges and schools and retired intellectuals. Radio, TV and correspondence universities are becoming increasingly popular with cadres, as are university exams offered for self-taught students. One million people have been enrolled in TV universities, 150,000 of whom have received their diplomas. Twenty provinces, municipalities and autonomous regions have given exams to those who have attained a college-level education through self-study. In Beijing, Tianjin, Shanghai, Liaoning and Jiangsu alone, 240,000 people — 70 per cent of them cadres — sat for these exams in 1983.

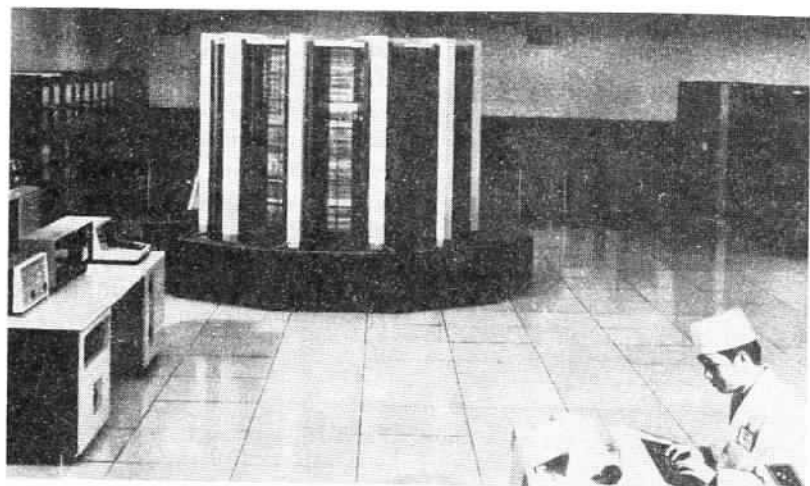
In the northeastern province of Heilongjiang, 730,000 cadres, or 81.1 per cent, have already been trained. The Ministry of the Coal Industry has trained 140,000 staff members, some of whom came from factories and mines under its leadership. Entrusted by the Ministry of Agriculture, Animal Husbandry and Fishery, 60 agricultural universities and colleges are training officials in charge of farm production at or above the county level. More than 10,000

such officials, who come from 90 per cent of the counties, have received the first stage of training. Two hundred thousand additional cadres at various levels who are responsible for agriculture have also been trained. About 103,000 scientists and technicians have been graduated from 72 training colleges run by the Chinese Scientific and Technical Association.

Trained cadres generally are far more competent, and many of them have made new innovations. According to He Kang, Minister of Agriculture, Animal Husbandry and Fishery, many leading cadres in agricultural work are more effective in improving management and economic results, thanks to the scientific and technical knowledge and economic theories they learnt in training classes.

Using radiation genetic breeding technology they had learnt from the training classes run by the Chinese Society of Nuclear-Agricultural Sciences, some scientists developed "Lumian No. 1" — an improved strain of cotton. In 1982, "Lumian No. 1" was grown on 2 million hectares of land, yielding 25 per cent more than the previous crop. Many new strains of paddy rice, corn, soybean, rape, fruit trees and vegetables bred with the same technique have also become popular. Consequently, China has joined the world's front ranks in the development of radiation genetic breeding.

Fifty-eight mayors and deputy mayors found their days spent in a mayors' study class which ended in November a rewarding experience. They learnt how modern science and technology develop and about the relationships between the development of science and technology and the development of society. They all returned to their posts determined to become farsighted administrators capable of co-ordinating, managing and modernizing their cities.



The main machine of the "Galaxy" super-computer at work.

## 'Galaxy' Super-Computer

China has successfully produced its first super-computer, capable of performing more than 100 million operations per second. Its smooth operation has already been certified by the state.

The "Galaxy" super-computer was developed by the research staff of the University of Defence Science and Technology after six years of continuous effort. Some 20 other research institutes and production departments across the country also contributed to the effort.

Beginning in May 1983, the State Council organized 95 computer experts and technicians from 29 departments throughout the country to begin examination of the finished computer. The super-computer had an uninterrupted trial run of more than 15,000 hours. The results proved the computer system to be reliable, correct, advanced and up to the national standard.

There are now only a few countries in the world able to produce super-computers. The success of China's "Galaxy" super-computer will narrow the technological gap between China and the advanced countries, and marks a new phase in Chinese computer sciences.

China began to produce its own computers in the early 1960s. Rapid progress has been made

over the past two decades, as shown by the successful launch of a series of man-made earth satellites and space rockets. However, this is the first breakthrough in super-computer technology.

## New Results Of 3rd Census

Preliminary results of China's third national census, taken on July 1, 1982 show the stability of the Chinese family, and a trend towards a static population.

The first batch of computer tabulations of a 10 per cent sample of the country's (not including Taiwan) rural villages and urban neighbourhoods (about 200 people), covering 100.58 million people, has just been released by the

## Biography of Zhao Ziyang

Zhao Ziyang is the third premier of the People's Republic of China, and a Member of the Standing Committee of the Political Bureau of the CPC Central Committee.

He was born in November 1919 in Huaxian County, Henan Province. He joined the Chinese Communist Youth League in 1932, and the Communist Party of China in 1938. During the War of Resistance Against Japan (1937-45), he served successively as secretary of the county Party committee and the prefectural Party committee of the Hebei-Shandong-Henan Area, participating in the work of establishing revolutionary base areas there.

After the founding of the People's Republic of China in 1949, he served as head of the

rural work department and then as deputy secretary of the South China Sub-Bureau of the CPC Central Committee. During that time, he made important contributions to promoting agricultural development and rural reform in Guangdong and other Provinces. After 1960, he served as member of the secretariat in charge of day-to-day work, as second secretary of the Guangdong provincial Party committee, and as member of the secretariat of the Central-South China Bureau of the CPC Central Committee. During that period, he did an excellent job in leading the socialist construction in Guangdong Province and central China.

During the "cultural revolution," he was persecuted by the



census office under the State Council.

The reliability of this population count meets world standards for actual error. It will therefore be of great value in understanding the social and economic situation, working out policies and plans and conducting academic research.

In this census count, the population is divided into increasing, static and decreasing types, according to the percentage in three given age groups, as shown by the following chart:

	0-14	15-49	50 or older
	(%)	(%)	(%)
Increasing	40	50	10
Static	26.5	50.5	23
Decreasing	20	50	30

Of China's population in 1982, 33.6 per cent were 14 years old or younger, 51.3 per cent were be-

tween 15 and 49, and 15.1 per cent were aged 50 or older. Compared with the census taken in 1964, the percentage of children fell sharply, while the percentage of older people moderately increased. This indicates that China's population is now in a transition from the increasing to the static type.

The sample also showed that of people aged 15 and older, 28.56 per cent were single, 63.67 per cent had spouses and 7.18 per cent were widowers or widows who remained single. Only 0.59 per cent of divorcees remained single. The percentage of divorce was small.

The sample showed that employed workers accounted for 51.94 per cent of China's total population and 90.92 per cent of

the working-age people, the majority are employed in agriculture and industry. Only 3.39 per cent were engaged in scientific research, technical services, education, culture, art, public health, physical culture and social welfare. Commerce, catering and service trades took up 2.3, 0.38 and 0.3 per cent of the labour force, respectively, which shows how urgently China needs to expand its commercial and service enterprises.

The computer tabulation of the 10 per cent sample just released was the first step in a more complete analysis of the figures. The second step will yield a comprehensive collection of data, to be published by the end of 1984. (More articles on this subject will appear in this magazine.)

Lin Biao and Jiang Qing counter-revolutionary cliques. Supported by Zhou Enlai and others, he went to lead the Party and government work in Inner Mongolia and Guangdong after 1971.

In 1975, at the suggestion of Deng Xiaoping, he was transferred to the post of first secretary of the Sichuan provincial Party committee, to take charge of the overall work in this most populous province which suffered the most during the "cultural revolution."

After the downfall of the Jiang Qing counter-revolutionary clique in October 1976, he broke out of the confines of the old economic systems and introduced a series of reforms in the province. He stressed developing agriculture according to local conditions, and extended the decision-making

powers of industrial enterprises on a trial basis. These reforms provided valuable experiences for the later economic reforms implemented throughout the country.

He was appointed Vice-Premier of the State Council in April 1980, and Premier of the State Council in September the same year.

In the government work reports he has made to past sessions of the National People's Congress, he put forward several principles for guiding China's economic construction. He stressed that we must proceed from the current reality in China, and blaze a new trail characterized by steady development and better economic results, yielding more substantial benefits to the people. To balance the proportions of the different branches of the na-

tional economy, he led the overall readjustment and gradual reform of the national economy. He particularly highlighted the importance of improving economic results and carrying out technological transformation. He also led the restructuring of the State Council and promoted a large number of outstanding young cadres with both political integrity and ability.

In foreign activities, he has firmly carried out China's independent foreign policy and devoted himself to strengthening unity and co-operation with other third world countries, opposing hegemonism, safeguarding world peace and establishing and developing friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence.

## China Suspends Cotton Rationing

The unrestricted supply of cotton fabrics began on December 1 and rationing of cotton batting and cloth has been suspended in 1984, according to an announcement from the Ministry of Commerce.

The end of cotton rationing shows that China's 1,000 million people are now better clothed.

Cotton cloth rationing was introduced in China in 1954. Then, supplies of cotton fabrics could not meet demand, although available cotton batting had increased from 0.5 kilogramme per capita in 1949 to 1.8 kilogrammes in 1954, and cotton fabrics from 4 metres to 7.1 metres.

Cotton cloth rationing has proved to be a useful instrument for stabilizing the market and ensuring supplies to all the people.

Production of cotton and cotton fabrics expanded constantly in the 25 years between 1954 and 1978. During the same period, the synthetic fibre industry was built from scratch.

Although China's population nearly doubled over that period, cotton and synthetic fabric production increased by nearly one metre per person. Output has increased at an even faster rate since 1979.

In 1982, production of ginned cotton rose 66 per cent over 1978, to reach 3,598 million tons. Each person consumed 10 metres of cloth on an average that year. Another good cotton harvest for 1983 was estimated to be about 5 per cent more than 1982.

Now 20 per cent of the country's textiles are made from synthetic fibres, second only to cotton, and synthetic cloth accounts for one-third of the nation's consumption. In 1982, 517,000 tons of chemical fibre were produced, 81.7 per cent

more than that in 1978. In the first 10 months of 1983, China's synthetic fibre output rose 6 per cent over the same 1982 period.

The retail price of cotton cloth remains unchanged, according to the announcement. But that of cotton batting has been readjusted according to its quality, to keep abreast with the purchasing price,

which has gone up several times in the last few years.

However, the State Statistical Bureau pointed out that clothing standards for the Chinese people are still low. Efforts must be made to increase production of cotton and synthetic fibres, and to turn out more and better fabrics of all kinds.



Deng Xiaoping meets with Norodom Sihanouk, Madame Sihanouk, Son Sann and Khieu Samphan of Kampuchea.

## Sihanouk Group Meets With Deng

China and Democratic Kampuchea are waging a common struggle against hegemonism and for world peace with Democratic Kampuchea at the forefront, Deng Xiaoping has told a delegation of visiting Kampuchean leaders headed by President Samdech Norodom Sihanouk.

Meeting with Sihanouk, Prime Minister Son Sann and Vice-President Khieu Samphan on Dec. 24, Deng, Chairman of the Central Advisory Commission of the Chinese Communist Party, said their delegation embodies the unity and alliance of the three Democratic Kampuchean parties.

"This unity and alliance," he

said, "is the guarantee for victory in your struggle for national independence and liberation, as well as for the establishment of an independent, peaceful, democratic, neutral and non-aligned Kampuchea once independence is won."

The unity of all the forces resisting Vietnamese aggression is the most reliable guarantee of victory in Kampuchea's struggle for national independence and liberation, he added.

"China sets great store by your unity," he said. "We will continue to support your just struggle as always."

After ending its sightseeing and visits in Fuzhou, Xiamen and Quanzhou, Fujian Province, the delegation returned to Beijing on Dec. 23.

During the sincere and friendly conversation, Sihanouk told the Chinese leader that never has the Coalition Government of Democratic Kampuchea been so united as it is today; nor have the patriots in Kampuchea and abroad been so united.

"We, the three of us, will devote ourselves to the unity of the three patriotic forces," he said. "We will remain united as one, fear no sacrifice, and persist in struggle until the Vietnamese aggressors are driven off our soil."

The three Democratic Kampuchean leaders answered questions asked by the reporters at a news conference on Dec. 24.

## Hu Congratulates Spanish CP Leaders

Hu Yaobang, General Secretary of the Central Committee of the Communist Party of China (CPC), has congratulated Dolores Ibarruri and Gerardo Iglesias on their reelection as Chairman and General Secretary of the Central Committee of the Communist Party of Spain.

"We wish the Communist Party of Spain new successes in the struggle for strengthening unity, for democracy and socialism, and for safeguarding world peace," said the message sent on Dec. 19. "May the traditional friendship between the Chinese and Spanish Communist Parties be strengthened and developed further."

Earlier, the CPC Central Committee had congratulated the 11th National Congress of the Com-

munist Party of Spain on its convocation, at which China was represented by Hao Jianxiu, Alternate Member of the CPC Central Committee Secretariat.

## GDR Delegation In Beijing

A minister of the German Democratic Republic, the first to visit China in the past 20 years, and his delegation have been warmly welcomed by Vice-Premier Wan Li.

Meeting with Chemical Industry Minister Gunther Wyschofsky on Dec. 19, Wan said "both China and the GDR are socialist countries" and that "there exist broad prospects for expanding co-operation in the economic, trade, scientific, technical and cultural fields" between them.

Wyschofsky said that the delegation's visits to Beijing, Shanghai, Nanjing and Xian helped deepen its understanding of China. "The two sides," he said, "held good talks on strengthening co-operation in the chemical industry and other fields."

Qin Zhongda, China's Minister of Chemical Industry, and Wyschofsky signed a protocol on Dec. 22 on talks about future economic co-operation.

## China Admitted To GATT Group

The textile committee of the General Agreement on Tariff and Trade (GATT) has unanimously approved China's participation in the Arrangement Regarding International Trade in Textiles (Multifibre Agreement) and its 1981 protocol of extension.

The approval was given on Dec. 15.

The Chinese Government, in its application for admission last October, reaffirmed that China's participation in the arrangement does not prejudice its position regarding its legal status vis-a-vis GATT.

China expects to be entitled to treatment in the arrangement equivalent to that accorded to other participating developing countries with a similar level of economic development.

The Multifibre Agreement is a multinational arrangement reached by textile exporting and importing countries and regions under the auspices of GATT. In 1981, the agreement was extended until 1986. To date 39 countries and regions have signed it.

## Bombing in Angola Condemned

China has strongly condemned the South African authorities for bombing southern Angola and demanded that they immediately stop their aggression against Angola.

Speaking at his weekly news briefing on Dec. 21, Wang Zhenyu, Deputy Director of the Foreign Ministry's Information Department, said that war planes sent by the South African authorities bombed areas of southern Angola on Dec. 17 and 18, destroying a hospital, a school and some houses and killing dozens of Angolan civilians.

"This is another violation of Angola's sovereignty and territory and a new crime committed by the South African authorities against the Angolan people. "The Chinese Government resolutely demands that the South African authorities immediately stop their aggression against Angola and withdraw their troops from Angolan territory."





One of the five ships evacuating Arafat and PLO fighters from Tripoli.

### After Tripoli

## Evacuation Marks Need for Unity

by XIN ZONG

THE tragic, internecine feuding among the Arabs and Palestinians in the northern Lebanese city of Tripoli has finally ended with the evacuation of Yasser Arafat, Chairman of the Palestine Liberation Organization (PLO) Executive Committee, and more than 4,000 loyalist troops on Dec. 20 aboard five Greek ships. The Palestinian struggle will now enter a new stage, says Arafat.

The two-month attack on the port city by some Arab forces and opposition PLO factions, like the three-month siege of Beirut in 1982 by Israeli troops, has failed to either shake the Palestinian cause or eliminate the PLO, with its deep-rooted support amongst the Palestinian people. As Arafat said before the attack began: "The Palestinian cause is the cause of 5 million Palestinians and 150 mil-

lion Arabs, and it cannot be destroyed by any military coup."

But the events in Tripoli prove once again that unity is a fundamental necessity for any national-liberation movement if it is to succeed. The latest attack and evacuation of PLO forces—unlike that in Beirut in 1982, which was caused by external forces, namely Israel's invasion of Lebanon—was the result of internal strife within the PLO. This strife has dispersed and even weakened the PLO forces—a development that benefits only Israel. This is not the way for those with national self-respect and a responsibility for national salvation to act. The various PLO factions must remember that their internal differences are minor when compared with the threat posed by Israel. They must remember that Israel will not treat those who oppose Arafat any differently than they

currently treat the PLO leader and that it would still strive as hard to destroy his successors. The Palestinians' single most important task is to recover their homeland. The various factions must settle their differences peacefully and unite to fight their common enemy.

The PLO leadership under Arafat plans to call a series of meetings, including a Fatah congress and a Palestine National Council (PNC) conference, to decide the PLO's political strategy, settle the crisis within the movement, and attempt to rebuild the organization.

Three bodies—the Popular Front, the Democratic Front and the Palestine Liberation Front—all agreed to attend a meeting of the PNC. But PLO dissidents, who believe that a Fatah congress and PNC conference would not be to their advantage at this time, called on Dec. 18 for Arafat's resignation. The first three groups, in view of the dissidents' opposition, now suggest that an enlarged session attended by leaders of the rival Fatah factions be held first, so as to reach an agreement. A sharp struggle is expected over the problems of holding the Fatah congress and PNC conference, with two possible outcomes. One is the continuation of PLO solidarity and unity—the other is division and disarray.

Arafat and other PLO leaders have said they will never give up armed struggle. But with the main body of the PLO armed forces far removed from the front, modifications in strategy are likely. In addition to putting a new emphasis on diplomacy, the PLO will probably continue to wage guerrilla warfare in southern Lebanon and the

occupied territories, and the Palestinian people will continue their resistance to the Israeli presence in these areas.

The Chinese people will, as

always, support the just cause of the Palestinian people. We believe that the PLO headed by Arafat will keep fighting despite all setbacks.

The voter turnout was the lowest in the postwar period, totaling only 67.9 per cent, 6.6 percentage points below that in the 1980 general elections. The poor turnout is taken as an indication that much of the public did not believe the LDP could seriously reform its ways.

Within the LDP, infighting between the mainstream and minor factions has been getting fiercer over responsibility for the party's poor showing in the election. The minor faction has indicated that it would be prudent when nominating Yasuhiro Nakasone for another term as Prime Minister.

However, at a meeting of the LDP's supreme advisory body on Dec. 23, Nakasone, as president of the party, admitted responsibility for the party's defeat in the election, and accepted the minor faction's criticism. This has somewhat mollified the minor faction, which has eased off in its attacks. But it is believed that the rivalry between the LDP and opposition parties will remain complicated.

(Dec. 24)

## Japan

# LDP Suffers Setback in Election

by XIN PING

A SPECIAL session of the Diet was held on Dec. 26, Yasuhiro Nakasone, the President of the Liberal Democratic Party (LDP) was reelected as the Prime Minister and a new cabinet was formed.

The final count after the Dec. 19 voting gave the LDP 250 of the 511 seats, 36 fewer than it had held before the election. The opposition parties took a total of 245 seats, while the remaining 16 went to independents.

The LDP was weakened by widespread and severe criticism of its "money politics" following the conviction on Oct. 12 of former Prime Minister Kakuei Tanaka on charges of bribe-taking. Despite its measures to appease the voters, including tax cuts and administrative and educational reforms, the LDP failed to defuse the political ethics issue, which remained prominent throughout the election.

It was also weakened by internal wrangling over candidate nominations, coupled with the average voter's general aversion to Prime Minister Yasuhiro Nakasone's hawkish line on diplomacy, defence and education. Among those losing their seats were 13 long-time parliamentarians, including Education Minister Mitsuo Setoyama, Labour Minister Akira Ono, former Foreign Minister Zentaro Kosaka and Kazuo Tanikawa, Director-General of the Defence Agency.

The opposition parties' gains are attributed to their strategy of focusing on the Tanaka issue in the election and to their unprecedented degree of co-operation. They co-operated in 58 of the 130 electoral districts across the country, compared with 42 in the last election.

Among the opposition parties, the Socialist Party won 112 seats, up 11 seats; the Komei Party won 58, up 24; the Democratic Socialist Party won 38, up seven; and the Communist Party won 26, down three.

The LDP has enlisted the support of nine independents, giving it a slight working majority of 259 seats.

## Poland

# Mixed Feelings of Hopes, Worries

by JING WUWU

REVIEWING Poland in 1983, we find that on the one hand the current crisis is beginning to ease, while on the other the country is still faced with many difficulties.

Signs indicate an upturn in the economy. In August 1982, Poland's industry touched bottom and began to climb again after 20 straight months of decline. This trend continued through 1983.

According to the Polish Statis-

tics Bureau, sales of industrial products in the first 10 months of 1983 were 8.1 per cent higher than in the same period in 1982. Coal production is expected to reach 190 million tons, and manufacturing also increased over 1982. The planned 4 per cent annual increase in industrial product sales will be exceeded, making 1983 the first year since 1979 to enjoy industrial growth.

In agriculture, 900,000 tons more grain were grown in 1983 than in the previous year, representing a richer harvest than Po-

land has seen for many years. Large crops of potatoes and sugar beets were also reaped.

Foreign trade also improved. In the first 10 months of 1983, exports increased 13.7 per cent while imports rose 12.5 per cent, compared with the same period in 1982. Poland had a favourable balance of 1.3 billion US dollars in its trade with capitalist countries in 1983. This trend in foreign trade has been important in helping Poland's economy, and particularly its industry, to recover.

The crisis of scarcity was somewhat relaxed in 1983. Supplies of a variety of consumer goods increased and food rations were guaranteed. Leather shoes, soap and some other daily necessities are no longer rationed, although meat and butter still are. As a result the Polish people, who suffered a lot from the shortages, can now have a breathing spell. This is why more and more Polish journals and observers are becoming cautiously optimistic about the country's economy.

In politics, the Polish authorities have continued to make reforms and conduct consultations and "social dialogue." This has helped stabilize the country, and reduced social unrest and the people's discontent. Now people can see some hope in the improving economy, and welcome the signs of social stability. It was under this economic and political situation that Poland lifted its state of siege last July.

However, the country is still deep in difficulties. Industrial production, though it did increase, equalled only a little more than 80 per cent of that in 1979, the year before the crisis. Food production was still not enough to meet the needs of the country. Animal husbandry continued to decline, owing to the shortage of

feed. The state purchase of animals for slaughter dropped by a wide margin compared with 1982, and meat supplies can hardly be guaranteed this year.

Inflation stood at 25 per cent in 1983. Official statistics show that the people's cash income in the first 10 months of 1983 was 27 per cent higher than in the corresponding period of 1982, while the retail value of state commerce (calculated on fixed prices) increased only 7 per cent. Demand is still much greater than supply.

Poland's social and political problems are even more difficult to solve. The authorities still have not fully regained the confidence of the people.

## Central America

# Instability Increases Through 1983

by WANG CHAIJI and  
LIU XIAOLU

NINETEEN eighty-three was a year of sharp instability in Central America. The struggle between internal political forces and external intervention intensified, making the region a hot spot in the turbulent international situation. National democratic movements throughout the area developed and internal contradictions steadily worsened.

In El Salvador the forces of democracy and social reform grew. The civil war between guerrillas and government forces escalated. In Guatemala, opposition to the dictatorship built up. The ruling group was divided and one coup d'etat followed another. In Nicaragua, counter-attacks by anti-government groups in the north and the south led to border skir-

Given domestic and international factors, many of the contradictions which led to the August 1980 unrest remain unresolved. The underground organizations of the Solidarity trade union and other political opposition forces are still very active, although they have been weakened. For this reason, the government recently dispatched military action groups all over the country. As one government official said, "A sharp political struggle is going on."

All these signs show how difficult it will be for Poland to return to normal in the near future. It is with a mixture of hopes and worries that Poland has entered 1984.

mishes with Honduras and Costa Rica.

In addition, the two superpowers increased their rivalry in the region. The Soviet Union supplied weapons and personnel and expanded its influence, attempting to extend its global reach. The United States tried through military, political and economic means to prevent this Soviet expansion. To safeguard its traditional interests, it took measures to thwart the Central American people's desire for democracy and social change. This superpower rivalry aggravated a deteriorating situation.

The most notable development in the region in the past year was the stepped-up US interference. It increased its military activity, sending in warships and troops for extensive military exercises intended to intimidate the local forces of democracy and as a warning to the Soviet Union. It outrageously invaded the tiny is-



land of Grenada in the wake of a military coup which it considered unfavourable to US interests, following which President Ronald Reagan said the United States would resort to any measures to counteract perceived threats to its security. The invasion of Grenada was an indirect threat to Nicaragua.

Furthermore, the United States has greatly increased its military aid to El Salvador and Honduras and its financial aid to the armed anti-government forces in Nicaragua. In Honduras, it has set up a training centre and expanded a number of military bases so as to maintain its permanent military presence there.

The US policy of military intervention, however, met with opposition at home as well as abroad. To ease this pressure, President Reagan announced on July 18 the creation of a bipartisan national commission on Central America, to be headed by former Secretary of State Henry Kissinger and sent special envoy Richard Stone there for diplomatic meetings. The commission would consider long-term US policy for the troubled region. But these diplomatic means, backed by military strength, cannot solve the complicated problems in Central America. They are simply a cover for military interference.

The Reagan administration's tough policy is a continuation and development of the policies which the US Government has long pursued in Central America. Successive US administrations have considered this strategically important region as its "backyard" and a traditional sphere of influence. The growing national and democratic movements in Central America, according to the US ruling clique, pose a "threat" to its "security and prosperity." The Soviet Union has exploited local turmoil to infiltrate the region, which the United States no longer tolerates. The situation had be-

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## The 10 Major World Events of 1983

- 1) The 7th Non-Aligned Summit convenes in New Delhi. (March)
  - 2) Civil war breaks out again in Chad, complicated by foreign intervention. (June)
  - 3) The former Philippine opposition leader Benigno Aquino, returning home after three years of exile in the United States, is assassinated as he lands in Manila. (August)
  - 4) Israeli Prime Minister Menachem Begin resigns amid controversy. (August)
  - 5) A south Korean airliner is shot down by a Soviet fighter. The crew and passengers are all killed. (September)
  - 6) The US-Soviet arms talks in Geneva are suspended, accelerating the deployment of medium-range missiles by both sides. Several million people across Western Europe march in protest against the nuclear arms race. (November)
  - 7) Premier Zhao Ziyang visits 11 African nations. (January) General Secretary Hu Yaobang visits Japan. (November)
  - 8) The situation in Lebanon deteriorates, with foreign intervention in the country's internal affairs. Explosions destroy barracks housing US and French troops in the multinational peace-keeping force. (October)
  - 9) The United States invades Grenada. (October)
  - 10) Fighting breaks out between two Palestinian factions. Yasser Arafat, Chairman of the Palestine Liberation Organization, and his troops are evacuated from Tripoli. (December)
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come so unfavourable to the United States that the Reagan administration would not hesitate to interfere directly by military means to quell the "bush fire" in its "backyard."

Looking at the complex situation, the other Latin American countries and people have demanded that the Central American people be allowed to settle their conflicts without foreign interference and have opposed putting this regional problem into the superpowers' orbit. This just demand has found expression in the emergence of the Contadora Group (Colombia, Mexico, Panama and Venezuela) and its year-long efforts towards peace.

The Contadora Group stressed at the beginning of 1983 that the Latin American countries should get rid of outside interference. The heads of the four countries went a step further in their Cancun Declaration of Peace in Central America and enunciated these basic principles: the right to self-determination, the right to oppose

foreign aggression and interference, and the right to equitable and peaceful settlement of conflicts between sovereign countries. Through their efforts, the four countries, together with five Central American countries, reached an agreement on basic measures to stabilize the situation in the region. The Contadora Group's initiative and peaceful efforts have won the praise of the world's peace-loving people.

Under the pressure of world opinion, the two superpowers pay the Contadora Group lip service, but in fact they still do what they want. This has placed obstacles in the way of the Contadora Group as it seeks a peaceful settlement to the Central American problem.

The turbulent situation in Central America seriously threatens peace in the region and in the world. Whether the tense situation will be defused in the new year depends on whether Central Americans will rid themselves of outside interference and solve their problems themselves.



Hu Yaobang, Deng Xiaoping and others visit the room commemorating Mao Zedong's revolutionary deeds.

## The Best Way to Remember Mao Zedong

by HU YAOBANG

DECEMBER 26 is an unforgettable day for the Chinese people of all nationalities. Ninety years ago today, our Comrade Mao Zedong was born.

For China, the century and more before and after Comrade Mao Zedong's birth has been a tumultuous and eventful one, during which the Chinese people have repeatedly tested their courage in their difficult struggle against powerful enemies—imperialism from abroad and feudalism at home. A great militant epoch inevitably brings forth its outstanding people, who, in turn, help drive history forward. Comrade Mao Zedong was clearly the greatest and most outstanding figure China has had in the past century and more.

The great struggle of the Chinese people has long commanded the interest of progressives the world over. In 1857, on learning of the rising of the revolution of the Taiping Heavenly Kingdom and the Chinese people's tenacious struggle against foreign invaders, Marx and Engels excitedly predicted that even greater struggles would take place in China in a few years, which would show people the dawn of a new era for all of Asia. In 1913, when Lenin witnessed the new storm of the Chinese revolution led by Dr. Sun Yat-sen, he said with equal enthusiasm that a new source of great world storms has opened up in Asia. As he saw it, the revolution in Asia would eventually influence Europe.

The pioneers of the democratic revolution failed to change the destiny of China, but the predictions of the international Marxist teachers did not come to nothing. In 1921, the Chinese Communist Party was born. Led by Comrade Mao Zedong and many other Marxist revolutionaries, the Chinese Communist Party fulfilled, with brand-new ideas, the wishes of the high-minded patriots of modern Chinese history, after 28 years of heroic, unremitting struggle fought on a scale unmatched by any waged by our forefathers. The triumph of the Chinese revolution represented yet another leap forward in mankind's revolutionary history, following the Russian October Revolution [1917]. As it took place in a nation which accounts for one-quarter of the world's population, the victory of the Chinese revolution was bound

to have a great impact on the course of the world history. It not only put an end to feudal rule, which had lasted two millenia, and the century-and-more-long imperialist oppression of China, but also opened up a new road which will lead the Chinese people to the magnificent communist society. The great victory of the Chinese revolution boosted the morale of people of all nationalities in China, and struck a deep chord in the hearts of the oppressed people and progressives the world over.

Comrade Mao Zedong's position and role in the Chinese Communist Party and the Chinese revolution were unparalleled. He was one of the founders of our Party, and the chief founder of the Chinese People's Liberation Army. He was the first to discover the correct road for the Chinese revolution during its most difficult years. By constantly pooling the wisdom of everyone in the Party, he combined the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution, formulated a correct general strategy and set forth, step by step, a whole series of correct theories and policies which form what we now call Mao Zedong Thought. Mao Zedong Thought was the ideological weapon with which the Chinese revolution emerged victorious from many setbacks, and advanced from victory to victory. Its stand, views and methods for understanding and remoulding the world serve as a guide for us to continue to win victories in socialist revolution and construction. Comrade Mao Zedong's contributions are immortal, and Mao Zedong Thought will shine for ever.

That Comrade Mao Zedong could score such great achievements was not accidental. When he was a teenager he had already made up his mind to do what he could to save the nation from peril. After he became a Marxist

in his youth, he devoted himself heart and soul to the emancipation of the Chinese people. Fighting one battle after another in the long years of revolution, he never slackened his efforts to investigate, read and think. Whenever and wherever he could, he sought knowledge from the people, society and his forefathers. While learn-

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ing, he also taught others; he was indeed both a student and a teacher. He never forgot to foster a fine style of work and study in the Party. His erudition impressed and inspired respect in whoever met him. His energy, surpassing that of many others, was attributed to his lofty revolutionary aspirations. With his revolutionary spirit, he is for ever the fine example for us to follow.

Comrade Mao Zedong's scientific ideas and revolutionary spirit have nurtured generations of Chinese Marxists. It can be said that every one of us who form the core of the Party leadership today has been influenced, nurtured and tempered by his scientific ideas and revolutionary spirit. I, for one, grew up under his direct teaching.

I first met him in 1933 and first listened to his earnest teachings in 1936. In 1937, when I was studying at the Chinese People's Anti-Japanese Military and Political College in Yanan, he lectured about his two articles "On Practice" and "On Contradiction" in my class as part of our philosophy course. In autumn that year, it was he who suggested that I become secretary of the college's general Party branch. He told me that to do the work of the Party general branch well, the first thing was to run a good college journal. On reading the first issue of this journal, he criticized us for not having written anything by ourselves, and volunteered to contribute his celebrated militant article "Combat Liberalism." This was only one of my many contacts with him before I reached the age of 21. In fact, he instructed me many times in those years. My experience is only one of the examples which show how he loved and helped young Party cadres. Ours is a party which controls its own future. To ensure continuity of the Party's cause, our veteran comrades should act as Comrade Mao Zedong did, considering it their important historical mission to love the young cadres and care for their progress.

Like many other great figures in history, Comrade Mao Zedong also made mistakes. The serious mistakes he made in his later years put our Party in a very difficult situation for a time. We wondered how to appraise the mistakes made by such a prestigious and great leader just after he passed away. Some people in the Party, particularly those holding certain leading positions at that time, did not restore and carry forward the extremely precious heritage left over by Comrade Mao Zedong. Instead, they attempted to follow the wrong policies he adopted in his later years. Some comrades with good intentions argued that they had followed Chairman Mao



for several decades, and they could not overcome their emotional barriers enough to criticize him. Some worried that open exposure of his mistakes would throw the Party into confusion and cause a crisis of confidence.

There were also some who went to the other extreme, wanting to throw out all the great contributions made by Comrade Mao Zedong along with his errors in his later years. This would have led the Party astray.

Our Party did not succumb to such interference. We understood clearly that emotion could never replace revolutionary reason, and metaphysical methods were not the strict dialectical and historical materialism we upheld. Inspired and repeatedly persuaded by the revolutionaries of the older generation, our Party has made a comprehensive appraisal of Comrade Mao Zedong, after penetratingly analysing the reasons for his successes and failures and the lessons to be drawn. Through our efforts in recent years to set things to rights, we have restored the original features of Mao Zedong Thought and developed it in certain ways under new conditions. The whole Party, the army and all the Chinese people, as well as all upright people the world over have come to see that our state can stand any test, and that there is no crisis in our Party, which is, instead, full of vigour.

It is true that we still face many problems. The ferocious destruction caused by the Lin Biao and Jiang Qing counter-revolutionary cliques in making use of Comrade Mao Zedong's mistakes inflicted serious wounds on the body of our Party, and contaminated it with filth and dust. As soon as the task of setting things to rights had been basically accomplished, we timely proposed to start a Party consolidation, with the sole purpose of carrying forward the fine traditions of our Party, improving

the Party's political life, healing the wounds which we have not yet had time to heal, and eliminating the filth and dust there has not yet been time to clean away. All comrades engaged in theoretical, literary and artistic work should treasure their glorious responsibility as "engineers of the soul," work hard to develop socialist culture and ethics and

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eliminate and prevent ideological contamination.

Ours is a big party with 40 million members and occupies the leading position in the political life of the state. People throughout the country are extremely concerned about a fundamental turn for the better of the style of the Party. Now, the detailed plans we have made for the Party consolidation have won support from the broad masses both in and outside the Party. We are convinced that our Party will be able, after three years of Party consolidation, to grow stronger and more vital, and lead the 1,000 million people of China towards the splendid goal set by the Party's 12th National Congress.

The most arduous task now facing us is to build China into a strong and modernized socialist country, in line with China's conditions. This is what Comrade Deng Xiaoping has called social-

ism with Chinese characteristics. Some comrades ask: Can you give a ready definition for "socialism with Chinese characteristics"? We say that there is no pre-prepared, ready definition. It is impossible to have one. We can only enrich our knowledge constantly through practice, under the guidance of correct theory. Just as Lenin pointed out, theory must achieve vitality from practice, and be revised and tested by it.

Some other people say that since there are no ready answers, a certain existing model should be followed. We say this will not do either. The conditions in different countries vary, and the socialist construction in each country must inevitably have its own features. A big country like ours, where the economic and cultural development is backward, is bound to meet specific problems in its socialist construction, and it must adopt specific measures to deal with them.

Those comrades who hold that it is enough to follow the beaten path to socialism forget the famous remark by Lenin, "The more variety there will be, the better and richer will be our general experience, the more certain and rapid will be the success of socialism, and the easier will it be for practice to devise — for only practice can devise — the best methods and means of struggle." Practice is a great school. Let us carry forward the revolutionary style of bold exploration in our work, to scale new heights of Marxism-Leninism and Mao Zedong Thought.

Comrade Mao Zedong's monumental contributions in cutting a path through difficulties over past several decades will always be a source of admiration and encouragement for us, and inspire us to advance courageously in accomplishing the tasks he left unfinished. We must exert ourselves. □



Chairman Mao chatting with former industrialist Rong Yiren (left) and scientist Huang Jiasi at a banquet in 1951.

## Mao Zedong's Unique Contribution

*The author is now Vice-Chairman of the Central Advisory Commission of the Communist Party of China. He was once Head of the United Front Work Department of the CPC Central Committee. To mark the 90th birthday of Mao Zedong, he recently had his long article entitled "China's United Front Work Under the Guidance of Mao Zedong Thought" published in "Hongqi." The article is divided into eight parts. The following is a translation of the fourth part. — Ed.*

by LI WEIHAN

CHINA'S national bourgeoisie came into being under semi-colonial and semi-feudal social conditions. Its social and economic positions determined the dual nature of its basic political attitude. On the one hand, it felt the need to oppose imperialism and feudalism, and on the other, it was weak and prone to vacillation.

This is an important distinction separating China's national bourgeoisie from the bourgeoisie in imperialist countries and the big comprador capitalists in China. An important part of the Party's political line is to correctly understand and deal with the national bourgeoisie's dual character. So long as this problem is solved

satisfactorily, the revolutionary cause forges ahead. Otherwise, there will be setbacks and even failures. In its early stages, our Party travelled a winding path in understanding the problem of the national bourgeoisie.

The Party's line in the early and middle periods of the First Revolutionary Civil War (1924-27) was correct. Pushed and supported by our Party and the Communist International, in January 1924 Dr. Sun Yat-sen called the First National Congress of the Kuomintang, put forward the Three Cardinal Policies of alliance with Russia, co-operation with the Communist Party and assistance to the workers and peasants, reorganized the Kuomintang, and thus brought about the first instance of co-operation between the Kuomintang and the Communist Party.

The Kuomintang's programme at that time represented the national bourgeoisie. There were, however, different political factions within the Kuomintang. Sun Yat-sen, Liao Zhongkai and other Kuomintang Leftists represented the revolutionaries of the national bourgeoisie; Wang Jingwei and Chiang Kai-shek for a time also represented the national bourgeoisie; Hu Hanmin, Dai Jitao and some others belonged, from the very beginning, to the Right wing of the bourgeoisie. Most leaders of the various army factions represented the despotic gentry class. As our Party and the Left wing of the Kuomintang continued their co-operation, victory was won smoothly in the Northern Expedition. Together they founded the Huangpu (Whampoa) Military Academy, launched an upsurge in the national-democratic revolution, centred around the peasant movement in a few south China provinces, and carried out effective political work in the army to raise its combat effectiveness and improve the relations between the army and the people. However, with the rapid development of the revolutionary movement, a radical political split appeared within the Kuomintang. In November 1925, Zou Lu, Xie Chi and some others formed the Western Hills Clique<sup>(1)</sup>, vociferously denouncing the Communist Party. In 1926, Chiang Kai-shek conspired in the "March 20 Cruiser *Zhongshan* (Chungshan) Incident"<sup>(2)</sup> and gradually usurped the Party, government and army, leadership of the Kuomintang Executive Central Committee. At that time, the rule of the imperialists, and the despotic gentry and comprador classes they fed, was very strong. They did all they could to draw the national bourgeoisie in their opposition to the Communist Party. At the same time, Chen Duxiu's Right opportunist line, which dominated the

Communist Party during the later stage of the Northern Expedition, did not insist upon the necessary struggle against the national bourgeoisie's compromise tendency but allowed unprincipled accommodation. By nature, the national bourgeoisie were afraid of revolutionary movements of the masses. This

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***Correctly solving the problem of the national bourgeoisie is Mao Zedong Thought's unique contribution to the implementation of the theory and policies of united front work.***

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fear, combined with ingratiation by the despotic gentry and comprador classes and the accommodation allowed by Chen Duxiu's Right opportunist line, pushed many of the national bourgeoisie to join with Chiang Kai-shek after the counter-revolutionary coup d'état on April 12<sup>(3)</sup> in 1927.

Under such a rapidly changing and complicated situation, our Party again committed "Left" deviationist mistakes. The most important of these was to confuse the national bourgeoisie with the big bourgeoisie. The declaration of the Fifth National Congress of the Chinese Communist Party in May 1927 said that the April 12 Incident was in no way the action of any single person, but represented a class—the national bourgeoisie. The resolution of the Sixth National Congress of the Party in July 1928 further stressed that the Chinese revolu-

tion could only be carried through to the end by opposing China's national bourgeoisie, because they were one of the most dangerous enemies blocking the victory of the revolution. This "Left" line was continued from the Fifth National Party Congress through to the August 7 Meeting<sup>(4)</sup> and the Sixth National Party Congress. Thus, the national bourgeoisie were excluded from the united front.

Chen Duxiu's Right opportunism held that the national bourgeoisie had only the revolutionary character, it therefore suggested that the bourgeois democratic revolution should be led by the bourgeoisie, and that proletariat could only wait until the bourgeois republic was founded and the capitalist economy had considerably developed before overthrowing the rule of the bourgeoisie and establishing the dictatorship of the proletariat. This was an out-and-out imitation of the model of the old-democratic revolution of the bourgeoisie in the West.

Those who committed the three "Left" mistakes<sup>(5)</sup> held that the national bourgeoisie had only the reactionary character and that they should be excluded and attacked. This mechanically copied the experience of the Russian October Revolution.

Both the Right and "Left" mistakes denied the dual character of China's national bourgeoisie. They were incompatible with the conditions in China and resulted in great losses to the Chinese revolution.

Comrade Mao Zedong long ago scientifically deduced that the national bourgeoisie had a dual character, and opposed these two types of mistakes. In 1926 he pointed out in his "Analysis of the Classes in Chinese Society" that



China's bourgeoisie was composed of two parts, that is, the comprador class and the middle bourgeoisie (national bourgeoisie). In the article, he made an initial analysis of the dual character of the middle bourgeoisie. In "Why Is It That Red Political Power Can Exist in China?", which he later wrote when he was in the Jinggang Mountains, he continued to uphold this scientific thesis. He pointed out. "The bourgeois-democratic revolution which started in Guangdong Province had gone only halfway when the comprador and landlord classes usurped the leadership and immediately shifted it on to the road of counter-revolution; throughout the country the workers, the peasants, the other sections of the common people, and even the bourgeoisie, have remained under counter-revolutionary rule and obtained not the slightest particle of political or economic emancipation." (*Selected Works of Mao Zedong*, Vol. I, p. 63). In December 1955, he further made profound and scientific analyses of the differences between the big comprador class and the national bourgeoisie, as well as the dual character of the national bourgeoisie in "On Tactics Against Japanese Imperialism." He pointed out, "The national bourgeoisie is not the same as either the landlord or the comprador class; there is a difference between them. On the one hand they dislike imperialism, and on the other they fear thorough revolution, and they vacillate between the two. . . ." "But at a certain stage of the struggle, one section (the Left-wing) may join in, while another section may vacillate towards neutrality." (*Selected Works of Mao Zedong*, Vol. I, pp. 155-156).

Comrade Mao Zedong criticized some people in the Party who negated the dual character of the national bourgeoisie and who



Workers and staff celebrating the Shengxifu Cap Factory's change into a joint state-private enterprise in 1956.

held that the national bourgeoisie could not become an ally of the workers and peasants in resistance against Japan. He proposed uniting with the national bourgeoisie to move a mighty revolutionary army and establish a national united front in resistance against Japan. Comrade Mao Zedong also pointed out that even with the many among the national bourgeoisie who were roped in by the reactionary rule of Chiang Kai-shek between 1927 and 1931, we should still try to win them over politically and protect them economically, thus concentrating our forces on fighting the major enemy. In this way, a solid theoretical and tactical foundation was laid for tackling the complicated problem of the united front.

After the founding of the People's Republic, the national bourgeoisie still retained its dual character. "Exploitation of the working class for profit constitutes

one side of the character of the national bourgeoisie, while its support of the Constitution and its willingness to accept socialist transformation constitute the other." (*Selected Works of Mao Zedong*: "On the Correct Handling of Contradictions Among the People," Vol. V, p. 386). The capitalist economy presented by the national bourgeoisie occupied an important place in China's national economy. While it was beneficial to the national economy and the people's livelihood in some respects, it was detrimental to the state or the people in other respects. Therefore, while keeping a political alliance with the national bourgeoisie, our Party also established an economic alliance with them, adopted the policies of state capitalism and redemption<sup>(6)</sup>, and through repeated education and consultation, successfully completed the transformation of capitalist ownership and wiped out the national bour-

geois class while in alliance with it. Now, the national bourgeoisie no longer exists as a class and the overwhelming majority of them have become labourers, earning their own living and working hard to serve socialism. This original creation of the Chinese Communist Party represents a great success of China's united front work, and the new theoretical wealth added to Marxism. As Comrade Deng Xiaoping has said, the successful accomplishment of the socialist transformation of the capitalist industry and commerce is one of the most brilliant achievements in the history of socialism, in China and the world. The victory was achieved because the Chinese Communist Party led the working class in implementing the Marxist policies Comrade Mao Zedong formulated in line with China's conditions. At the same time, the progressive elements and most people in the capitalist class were helpful in co-operating and accepting the transformation. (*Selected Works of Deng Xiaoping*, Chinese edition, p. 172).

## NOTES

(1) The Western Hills Clique: In November 1925 during the first instance of co-operation between the Kuomintang and the Communist Party, Zou Lu, Xie Chi and dozen other Kuomintang Rightists held a meeting in the Biyun Temple in the Western Hills of Beijing, which passed a reactionary bill against the Soviet Union, the Communist Party and the co-operation between the Kuomintang and the Communist Party. Later, they set up a second Kuomintang in Shanghai and established organizations in Beijing and other places to carry on anti-Communist activities. After Chiang Kai-shek betrayed the revolution in 1927, they collaborated with him.

(2) Cruiser *Zhongshan* (Chungshan) Incident: After the Kuomintang and the Communist Party

began co-operating in 1924, Chiang Kai-shek was appointed Commandant of the Huangpu Military Academy and Commander of the First Army of the National Revolutionary Army. In order to exclude the Communists and further usurp the power of the First Army, he and his followers conspired on March 18, 1926, to send an order in the name of the Guangdong Office of the Huangpu Military Academy to Li Zhilong, a Communist who was then Acting Director of the Naval Bureau and captain of the cruiser *Zhongshan*, instructing him to dispatch the cruiser to Port Huangpu for some assignment. As soon as the cruiser reached the port, the conspirators spread rumours that the Communists were going to start a riot to overthrow the government. Using this as a pretext, on the morning of March 20 they sent armed forces to surround the Guangdong-Xianggang Strike Committee and arrested Li Zhilong. Then, they forced all Communists working in the First Army of the National Revolutionary Army, headed by Zhou Enlai, to withdraw from the army.

(3) The counter-revolutionary coup d'etat on April 12: This occurred during the first co-operation between the Kuomintang and the Communist Party (1924-27).

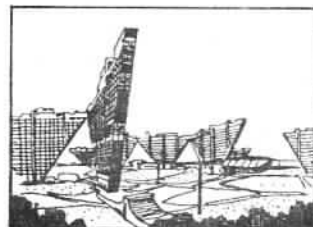
On April 12, 1927, Chiang Kai-shek ordered some gangsters in Shanghai to disguise themselves as workers to make a surprise attack on the headquarters of the workers' pickets and kill the chairman of the Shanghai General Trade Union. Using the pretext of "internal dissension among the workers," Chiang's troops disarmed the workers' pickets. Altogether, several dozen members of the workers' pickets were killed and more than 200 wounded. Workers in Shanghai called a strike, and the students and other citizens held meetings to voice their protest. They were once again massacred by the Kuomintang troops. Then, Chiang Kai-shek ordered the dissolution of the Shanghai General Trade Union and other revolutionary organizations, and the mass arrest and murder of Communists and the revolutionary people. On April

18, Chiang Kai-shek proclaimed the founding of the "national government" in Nanjing, which represented the interests of the imperialists and the landlord and comprador classes.

(4) August 7 Meeting: This refers to the emergency meeting called by the Central Committee of the Chinese Communist Party on August 7, 1927 in Hankou.

(5) Three "Left" mistakes: This refers to the three "Left" mistakes which once dominated the Chinese Communist Party after the failure of the revolution in 1927. The first one was committed in November 1927 and lasted less than half a year. The second one was committed from June to September 1930. The third one lasted four years, from January 1931 to January 1935.

(6) State capitalism existed as an transition economic form while China gradually transformed its national capitalist economy into a socialist state-owned economy. Initially, the state-owned economic sector entrusted processing tasks to privately owned factories, placing orders with them and monopolizing the purchasing and marketing of their products, and sold on commission in privately owned commerce. It was later transformed into joint state-private ownership. China adopted the policy of redemption after the proletariat won state power to gradually take over the means of production of the national bourgeoisie with compensation. The buying-out first took the form of sharing out profits, and then the form of fixed interests.



# Americans Talk About Sino-US Relations

Prior to Premier Zhao Ziyang's official visit to the United States this month, "Beijing Review's" special correspondent Wang Youfen interviewed noted Americans in various fields on the present and future course of Sino-US relations. We present excerpts from these interviews. — Ed.



Deng Xiaoping met with Frank Press in January 1980.

## Science Builds a Bridge

THE Chinese people have a tremendous potential for scientific advancement. Many Western scientists believe that by the next century China will be on a technically advanced level in so many fields that it is important to build bridges now so as to enjoy friendly co-operation in the future, according to Dr. Frank Press, President of the US National Academy of Sciences.

US-China scientific co-operation, though only a few years old, has already borne fruit, Dr. Press noted in an interview in his Washington, DC office. Joint efforts in seismology, geophysics and geology have produced results which have been published in scientific journals.

Dr. Press said he believes that in science and technology, the United States has "the largest programmes (with China) we have

with any country." This is true of their budgets, the number of government agencies and universities involved, and the scope of the academic programmes. According to Chinese sources, scientists of both countries take part in about 300 projects, under 20 government protocols.

Although the flow of information has been, and will be for a few more years, mainly from the US to China, it seems the United States is taking a long-term view in weighing its own national interests. American scientists find it important to establish relations with Chinese scientists, and to train some of the younger ones to take part in co-operative research. These are considered "an investment in the future," he emphatically pointed out.

Dr. Press said there is also an enormous potential for trade with

China, despite some present obstacles. By building relationships between the American and Chinese scientific communities, professional contacts can be established which will naturally enhance commercial relationships, he said.

Dr. Press's confidence in the future of Chinese science comes from the top priority he thinks the Chinese Government has given to scientific development, and from "the dedication of Chinese students and scientists." This dedication "makes it very attractive for an American to co-operate with a Chinese," he said. "It is an enormous resource."

Even at present, many fields which the Chinese have emphasized are now up to world standards, Dr. Press said. In agriculture, the Chinese excel in pest control and developing new genetic crop strains. Other areas of strength include the epidemiological study of cancer, earthquake prediction, microsurgery, mathematics and archaeology.

Furthermore, China's large and varied land mass represents a great opportunity for American scientists interested in such fields as geology, geophysics, oceanography and atmospheric science, Dr. Press said. As a geophysicist, he considers China one of the most interesting countries in the world. In fact, his first visit to China in 1973 was a scientific one, and he has returned four times since then.

Over those 10 years, Dr. Press said Chinese science has made enormous progress. But he also said China still has a long way to go. For example, when Chinese students return home after training in the US, they sometimes find the equipment is not on the same level as what they were trained on.



Asked about the main difficulties in co-operation, he said besides the language barrier, in field sciences there are some restrictions to access in China, which "occasionally present us with problems." Chinese scholars in the US have also experienced some restrictions in visiting laboratories, symposia and conferences.

Dr. Press was Science Advisor to President Carter and the co-chairman of the US-PRC Joint Commission on Scientific and Technological Co-operation, of which he is still a member. He and Dr. R. White, President of

the National Academy of Engineering, recently worked out a proposal for a new programme in applied science and technology which they've submitted to the Chinese State Science and Technology Commission. If approved, it will enable scientists and engineers from American industry to work with their counterparts in the Chinese ministries at the pre-commercial level.

Dr. Press said he is looking forward to discussions on the proposal with a high-ranking official who will join the Chinese Premier on his visit to the US.

was one. Today it has about 400 members.

Over the years, trade has expanded more rapidly than either country expected, Mr. Surrey said, especially since diplomatic relations were established in January 1979. However, he noted that trade dropped off a bit in 1983, which he attributed partially to the delay in reaching a textile agreement.

Mr. Surrey said because of increasing protectionism in the US, it is possible there will be even greater restrictions on textiles from China. "In my opinion this is to be avoided at all costs," he said, "because just as China is dependent on the United States for a market, the United States is becoming more and more dependent on the rest of the world for a market for its goods.

"There will always be certain elements of protectionism, but the world is too interdependent, and if we all build walls around ourselves we are just going to commit suicide," he concluded.

Mr. Surrey said mutual trust is as important in economic matters as it is in political and other bilateral relations. He thought China's recent decision to stand by its grain purchase agreement, despite the uncertainties over future Chinese textile exports to the US, is a positive step towards enhancing mutual trust.

Mr. Surrey said he expects US-China trade to increase this year. This is partly because there has been a very important change in the American limitations on technology transfer to China. He agreed that so far the US has been more restrictive towards China than towards other non-aligned friendly countries, and said he believes in time China will enjoy the same trade status as countries such as Yugoslavia.

In recent years, joint projects have become a more and more



Zhao Ziyang met with Walter S. Surrey in October 1983.

## More Business With China

**A**MERICAN businessman Walter S. Surrey said he looks forward to "a very constructive and fruitful visit" by Chinese Premier Zhao Ziyang later this month.

Mr. Surrey, Chairman of the National Council for US-China Trade, told the Premier in Beijing last October that one of the most useful things he could accomplish on his trip was to meet the business people, to get to know them a bit,

and to reassure them. Many have never done business with China before, and don't understand its open door policy as it applies to trade and investment, he explained.

The United States and China began trading with each other following the Shanghai Communiqué in 1972. To promote this trade, the National Council for US-China Trade was set up in 1973 by 22 businessmen, of which Mr. Surrey

outstanding feature of US-China economic relations. According to Mr. Surrey, there have been 19 joint ventures, representing investments of US\$102.6 million. There are also seven or eight agreements for joint offshore oil exploration.

Some problems do exist in these ventures, he said, and one of them has been the inability to convert the local currency into foreign currency for goods which have been sold on the local market. The new joint venture regulations published in China last September have offered some help, but have not totally solved the problem.

Asked what he thought of the Chinese Government's efforts to improve its foreign economic legislation, he said, "Not only are they making an effort, but they are achieving great success in the process. And when we review what China has done in the last few years in this respect, I think it is an absolutely amazing record."

However, work still needs to be done on interpretation of the tax laws and the publication of rele-

vant regulations. There are still areas where American businessmen would feel more comfortable if certain laws were enacted, Mr. Surrey added. One example is a patent law, which would protect the transfer of patented American technology under the Chinese legal system, he said.

Mr. Surrey said the US and China are in the process of negotiating a bilateral investment agreement, a joint tax treaty, and a treaty on the peaceful use of nuclear energy which, when signed, will enable the US to sell nuclear energy plants and technology to China.

Mr. Surrey is optimistic about the future for US-China economic co-operation. "Over the past 10 years we have gotten to know each other," he said, "and I think as a people we have found we like each other. We trust each other, and although our systems are different, we are beginning to understand each other's system and to be able to adjust ourselves to the other's system."

learnt much from them." On the other side, he added, partnerships with Berkeley faculty are clearly helping the young men and women from China.

Although Berkeley's Director of the Institute of East Asian Studies, R.A. Scalapino, said he has no statistics on how many American scholars and students from Berkeley have gone to China for study and research, he said all 20 faculty members in the field of Chinese studies have gone at one time or another.

He himself greatly appreciated the opportunity to interact with Chinese scholars when he was lecturing at Beijing University on international relations and Asian politics in 1981. "It was like carrying coals to Newcastle, lecturing Asians on Asia," he laughed. "When I am in America, I am billed as an expert. But when I go to Asia, I am still a student."

Scalapino was the founder and first chairman of the National Committee on US-China Relations, which sponsored the first US pingpong players' visit to China — an event which ultimately led to normalization of Sino-US relations.

Chang-lin Tien, Berkeley's Vice-Chancellor in charge of research, said mutual exchange results in mutual stimulation. Although the US is currently taking the lead in science and technology, in fields such as public health and certain aspects of medicine, Americans can certainly learn from China. This is even more true in social sciences, he said.

Speaking from his own experiences John Jamieson, a professor of oriental languages, said that while Chinese scholars benefit from the Americans in scientific fields, the Americans benefit from having access to library materials "that are so rich in China," and even

## Academic Exchanges Bring Benefits

**I.M.** HEYMAN, Chancellor of the University of California, Berkeley, is exceedingly proud of his institution's many academic "firsts." And, in a recent interview, he added that UC Berkeley might also rank first in its connections with China.

In 1979 it became the first American university to sign an exchange agreement with a university in the People's Republic of China. More than 300 Chinese scholars and 150 students have since worked and studied at Berkeley. Heyman also expects it will be the first US university to receive a Chinese Premier, when Zhao Ziyang visits the United States this month.



**I.M. Heyman, Chancellor of the University of California, Berkeley.**

The Chancellor said the exchange programmes Berkeley has with Beijing University and two others are "beneficial in many ways." "We have had, from time to time, very esteemed Chinese scholars and officials, and we have

more from interacting with their Chinese colleagues.

When asked how political relations between countries affect academic exchanges, Chancellor Heyman said regretfully that the latter is held hostage to the former. "Very often they seem to be interfered with by our country or another country as a symbolic gesture in an ongoing diplomacy," he explained. However, he finds it interesting that in the last two years, although political difficulties between the US and China have been greater than in previous years, the academic exchanges have continued. "I think that is very important," he said.

The Chancellor predicted there will not be great growth in the exchange programmes with China,

but they will be sustained. "As long as the political relations between our two countries are decent, the programmes probably will go on for a long time," he said.

Today, there are about 10,000 visiting Chinese scholars and students in the United States, and some 250 American scholars and students on Chinese campuses, not counting the 1,700 who have left after taking short-term courses in China in the past eleven months.

Vice-Chancellor Tien, an American of Chinese origin, said philosophically, "Right now you cannot tell what will come out of it. But in 10 years, you will be able to see the results. The impact will be very great indeed."

## A Hopeful Sign

**T**HE exchange of visits by top Chinese and American leaders seems to be "a hopeful sign that our relationship will continue to improve," Jean Troy, President of the US-China People's Friendship Association (USCPFA), said in a telephone interview from her home in Tennessee. Although the visits may not settle everything, "it is a step in the right direction," she added.

Ms. Troy said she hoped that during his visit, Premier Zhao Ziyang will speak not only with government officials, but also with Chinese-Americans, Americans who are interested in China, including people "who have differing viewpoints."

The USCPFA is a non-profit, educational organization which aims to develop and strengthen the friendship and understanding between the American and Chinese people. Leonard Woodcock, the first American ambassador to China, described it as an organization "that believes in the essen-

tial soundness of good relations between our two countries for stability in the Pacific and for peace in the world."

Founded in 1974, the USCPFA now has 67 active chapters, with between six and seven thousand members. However, according to Ms. Troy, there are many, many more non-members who take part in their activities.

In the last few years, Ms. Troy said, one of their major roles has been to provide accurate information on what is happening in China and the developments in Sino-US relations.

A recent example was when the US Senate Foreign Relations Committee adopted a resolution on "Taiwan's future" last November. The USCPFA national office immediately sent out an information packet with details of the committee's actions. Their position is that the issue of Taiwan is an internal affair, and "a matter for China, and not the US, to resolve."

Ms. Troy also mentioned the resolution adopted at their last national convention three months ago. It reaffirms the USCPFA's support of the Shanghai Communiqué, and calls for the repeal of the "Taiwan Relations Act," which continues to be the major obstacle in Sino-US relations.

Ms. Troy, a lecturer specializing in contemporary China, was born into an American missionary family in China and lived there until she was 18. She said she was really pleased when some enthusiastic USCPFA members proposed projects to help with China's modernization. These include building a large science park for children in Beijing and a reforestation programme in N. China.

She said there are two motives behind these proposals. The general one is to find a way to build friendship from one country to another. For those who are more interested in China, they wish to help her achieve her goals, Ms. Troy explained. She underscored this point, saying, "any time we can have a country that is strong and self-reliant, we have a world where peace and stability are more possible."

Discussing the current US administration's policies, Ms. Troy said she had read President Ronald Reagan's statement that the Senate Foreign Relations Committee's resolution did not reflect his position. "Yet we know he moves in different directions," she said. "So we will all try to keep him moving in the right direction." □



Jean Troy, President of the US-China Peoples Friendship Association.





# Sun Yefang's Economic Theory Evaluated

*Since we published "A Brief Introduction to Sun Yefang's Economic Theory" in issue No. 24, 1983, many readers have written to us expressing their interest in this article and asking us to give the subject more coverage. Following is an article summarizing the discussions of Sun's economic theory in China's economics circles. — Ed.*

by MAO TIANQI

Assistant research fellow, Academy of Social Sciences

THE Institute of Economy (under the Chinese Academy of Social Sciences) and the editorial department of *Jingji Yanjiu* (Economic Study) sponsored a symposium on the economic theory of Sun Yefang (1908-83), a noted Marxist economist. It had been Sun's wishes before he died that such a symposium be arranged.

Held in Wuxi, Sun's hometown, from September 16 to 23, 1983, the symposium drew more than 200 economists from across China, and 83 papers were read. Working on the principle of "letting a hundred schools of thought contend," the participants elaborated Sun's economic theory (see *Beijing Review*, issue No. 24, 1983), affirmed his contributions to the science, and discussed problems with his theory on which there are different views.

lem was the prevailing socialist economic theory, which negated abstract labour and social necessary labour. To show no regard for costs, gains and losses was considered "right and proper," the theory of the time went, and gave expression to "the boldness of vision China should have in socialist construction." Sun Yefang held that economic work under socialism should produce in a planned way the maximum amount of goods needed by society with the minimum consumption of social labour. (He often called it the principle of "minimum and maximum" for short.)

## Points of Agreement

The participants concluded that at a time when the Chinese people are working hard to realize the strategic goal for economic development by the end of the century put forward by the Party, it is necessary to publicize Sun Yefang's correct economic views which have been verified, and to apply them to socialist modernization.

The major economic views of Sun Yefang are as follows.

(1) The principle of "minimum and maximum." The highest

principle of socialist economic construction is to use the minimum amount of social labour to produce, in a planned way, the maximum amount of goods needed by society.

More than 20 years ago, Sun Yefang sharply criticized the serious waste and low efficiency in China's economic construction. The problem, he said, was that attention was either paid only to costs at the expense of results, or paid only to results at the expense of costs. The source of the prob-

Experience has proved this principle correct. It has been made the fundamental guiding principle for China's socialist economic construction. In his political report to the 12th National Congress of the Chinese Communist Party in September 1982, General Secretary Hu Yaobang pointed out that China must "focus all economic work on the attainment of better economic results." Premier Zhao Ziyang also pointed out that to improve economic results, we must

first understand clearly the crucial principle of producing more goods needed by society with the minimum consumption of living labour and materials.

To grasp this principle, it is necessary to discard completely the influences of the theories of natural economy and of the unique importance of will on socialist economic theory. Sun Yefang said that it was necessary in all economic work to compare labour costs with useful results, and to calculate the labour productivity, the social necessary labour and the results of investment. This is the basis of the law of value in a socialist planned economy. Therefore, it is necessary to restructure the current planning system and pay close attention to the law of value while formulating economic plans. More than 20 years ago, he pointed out: "The current planning system was first adopted in the Soviet Union and it was founded under the guidance of the theory of natural economy." It ignored the law of value and was incompatible with the need to raise economic results.

Sun also pointed out that it was necessary to strengthen statistics work and thus provide a solid basis for planning. He held that it was necessary to reform the statistics system, improve the laws and regulations governing statistics work and establish a centralized statistics system. The statistics work, while remaining independent, should play an examining and supervisory role on behalf of the state.

To achieve a maximum of useful results with minimum labour is an old and simple economic principle. It was affirmed by Marx. However, Sun Yefang added a new meaning to it under the historical conditions of socialism; that is, the superiority of the socialist public economy must manifest itself in improving economic results and the final aim of

the restructuring of the socialist economic system is also to improve economic results.

There is a fundamental difference between Sun Yefang's principle of "minimum and maximum" and that of the bourgeois economists. Sun's principle is based on the laws of planned distribution of social labour according to social needs and of economical use of time, both of which were discussed by Marx; it is aimed at making the most efficient use of living labour and materialized labour in socialist production. The bourgeois principle is based on the law of surplus value, under which capitalists reap the maximum amount of surplus value with the minimum amount of prepaid capital.

**(2) Relationship between the state and enterprises.** The key to the restructuring of the economic system is the correct handling of the relationship between centralized leadership of the state and independent management of enterprises.

Writing in the early 1960s, Sun Yefang pointed out: "The central problem in our financial and economic management system is deciding the power and responsibilities of the enterprises, which are independent accounting units, as well as their relations with the state." At the same time, he drew a clear line in terms of the amount of funds for correctly handling the relations between the state and the enterprises according to the Marxist theory of reproduction. According to him, things which are done within the limits of the original funds of the enterprises belong to simple reproduction and they should be managed by the enterprises. Increasing the enterprises' investments belongs to the category of expanded reproduction and should be put under the control of the state. If the state did not exercise control or did not exercise strict control in

this matter, there would be confusion in the national economy as a whole. On the other hand, if the state interferes too much in the affairs of the enterprises, control of the national economy would be too rigid. Sun Yefang's theory of separating the power and responsibilities of the state and the enterprises has, for the first time, presented the relationship between the state and the enterprises within the socialist ownership by the whole people as the central problem in restructuring the economic system, and drew a numerical line between their power and responsibilities. In theory, it represents a creation. In practice, it has grasped the key to restructuring the economic system.

The theory of division of power and responsibilities opposes over-centralized bureaucracy on the one hand, and over-decentralized anarchism on the other. Sun Yefang held that to increase investment to expand reproduction should be arranged through an overall state plan. Only in this way can the construction of key projects be guaranteed and the scale of capital construction be controlled within the limits of the state resources. He also pointed out that in capital construction a balance of financial and material resources must be maintained. To do this, the units that own the projects to be constructed must sign contracts not only with the building units but also with the equipment supply units, the power and raw material supply units, and the marketing units. Although this planning system for capital construction, which is based on a contract system, still needs to be tested in practice, nevertheless it might be a more effective economic method than those administrative ones.

With regard to the enterprises' independence in simple reproduction, one of Sun Yefang's most significant views is that the technical transformation of exist-

ing enterprises should be strengthened and the fixed-asset management system, which "duplicates antiques" and "freezes technical progress," should be changed. The old fixed-asset management system advocated gratuitous use of fixed assets and encouraged the enterprises to vie for more investments. It denied invisible wear and tear and greatly prolonged the depreciation period. Because the state exercised centralized management of the depreciation fund, the enterprises' enthusiasm for production was hampered and they were compelled to "duplicate antiques." Sun pointed out that production can be developed faster so long as the outdated system was changed and the technical transformation of the existing 400,000 enterprises was done well. His views have been approved by the leaders of the State Council. The state has systematically made the technical transformation of the existing enterprises an important policy for future economic construction.

(3) "Pulling the ox by the nose." Profit-fund ratio is the comprehensive standard by which we judge how well an enterprise is operating.

Sun Yefang said that under socialism, profit is the part of wealth created by the workers in material production departments to expand social production and satisfy the public needs of society. When prices are not changed, the reduction of production costs is completely synonymous with an increase in profit. To grasp the profit standard was like "pulling the ox by the nose," and many problems would be readily solved. So long as prices are reasonable, enterprises can reap greater profit through innovations in technology, improvements in management and reduction of costs. The more profit they make, the more material wealth they provide society.

Sun Yefang's view of using the



Sun Yefang's widow Hong Keping (third from left in the front row) at the symposium to evaluate Sun Yefang's economic theory.

profit-fund ratio as a comprehensive standard for analysing economic performance throughout the country is significant. He held that a socialist economy also has a process by which to achieve an average rate of profit between the various departments, but it is based on conscientious planning, not on free competition. He said: "The law of value, which is based on the average amount of social necessary labour, together with its variations (average profit-fund ratio and the production prices), are inseparable standards by which the social economic activities are compared." Therefore, the profit-fund ratio is a yardstick by which to measure the results of fund utilization. If an enterprise uses more funds from the state, it must shoulder the responsibility to return to the state more profit.

Sun Yefang's views are powerful weapons for breaking the system of allocating funds. They are playing a positive role in the present restructuring of the economic system. For instance, unpaid utilization of funds has been changed into paid utilization; and when the prices are fixed for various products, consideration is given to how much funds they have tied up.

(4) **Emphasis laid on commerce.** Circulation is the key in

organizing a socialist planned economy.

For several decades, the notion of non-circulation prevailed in economic theory and practice under socialism. It advocated separation of production from demands and hampered the development of the socialized production. As early as the late 1950s, Sun Yefang was proceeding from the internal demands of the socialized mass production and using the two-fold character of products (value and use value) and of labour (abstract and concrete) to criticize the non-circulation theory. He pointed out that the non-circulation theory regarded the socialist economy owned by the whole people as a big factory. It confused the social division of labour with the technical division of labour, replaced the exchange of equal values with material rationing and used the methods appropriate to a self-sufficient natural economy for managing socialized mass production under socialism. This undermined the economic relations arising from the division of labour and cooperation in society. He also pointed out a few years ago that it was necessary to criticize the idea of looking down upon commerce. "It is necessary to orga-



nize production from the commercial perspective," he said.

Sun Yefang held that organizing planned circulation is the foundation for establishing a socialist planned management system. This is correct. The socialist economy is called a planned economy not only because planned production is carried out within the enterprises but mainly because the supply-production-marketing relationships between the enterprises are also incorporated into plans. Sun proposed to divide the planned management powers between the state and the enterprises according to contracts. All such broad concerns as changes to the traditional contract relationship or to the orientation of production of the enterprises, or the establishment of supply-marketing relationships between the newly set-up enterprises, should come under the centralized management of the state. On the other hand, local concerns, such as the signing of contracts for the supply of materials and the marketing of products within the limits permitted by the original orientation of production and the original supply-marketing relationships, should be managed independently by the enterprises.

Sun Yefang's socialist economic theory is diametrically opposed to the theory of natural economy. One fundamental characteristic of socialized mass production is the expansion of exchanges. Sun's circulation theory provides a theoretical weapon for developing socialized mass production under socialism. China was under feudal rule for much of its history. Small production was widespread. This created conditions in which the theory of natural economy could take root. The theory of natural economy is a major obstacle in the socialist modernization drive. Therefore, it is the duty of economists to follow Sun Yefang's example and resolutely criticize the theory of natural economy.

## Controversial Issues

Participants at the symposium also discussed some topics of controversy in Sun Yefang's economic theory.

**The theory of value.** Sun Yefang's entire socialist economic theory is founded on his view of value. The discussion focused mainly on the following questions:

(1) Is value confined solely to commodity production? Sun Yefang thought not. The participants had two diametrically opposed opinions.

One was that Sun Yefang's view was wrong. Value could be confined only to commodity production, and the only value in economics was the value of commodities.

The other agreed with Sun Yefang, who divided the concept of value into the value of commodities and the value of products (or value in the narrow sense and value in the broad sense). The value of commodities, that is, the exchange value, which is based on private ownership, is confined solely to commodity production, whereas the value of products, which is based on ownership by the whole people, is closely linked with socialized mass production. It urges the society to distribute social labour rationally and in a planned way through the comparison of individual labour with social labour, so as to achieve the aim of saving time. In a communist society, Sun said, the concept of value will be "more and more used to solve problems in production and this is the real scope of its role."

(2) Is the relationship between the cost of labour and results the key to the concept of value?

Some participants answered no. They thought that Sun Yefang, by

advocating Engels' definition of value in his early years, actually viewed use value as a decisive factor of value, which does not conform with Marx's labour theory of value.

The others agreed with Sun Yefang. They said that to view the relationship between labour costs and results as the key to the concept of value showed that value itself did not come into being or exist independently. It reflected the most fundamental economic relationship between human beings, that is, the relationship between the amount of labour spent and the useful results produced. This relationship is manifested through comparisons and tests of the qualitative and quantitative outlay of the people's labour and the useful results they produced. In a commodity economy under the system of private ownership, such comparisons and tests are carried out through spontaneous and blind competition on the market. Under a system of public ownership, they are carried out in a planned way through the conscientious activities of human beings.

These participants also argued that to make the relationship between the costs of labour and useful results the key to the concept of value stresses an important principle in the Marxist labour theory of value, that is, the usefulness of satisfying one of society's wants or another is the prerequisite for the formation of the value of products. Labour spent on any product that is not useful to society is waste of labour time and labour thus spent cannot be converted into value.

(3) Many people pointed out that there were still some shortcomings in Sun Yefang's concept

of value, the major one being that he did not see the difference between ownership by the whole people in an imperfect form and that in a perfect form. Under the latter conditions, inequality of people in the possession of the means of production has been wiped out completely; there are no differences in people's economic interests, they can all conscientiously make contributions to the society, and independent accounting is required simply to calculate the consumption of labour so that the society can distribute the time of social labour among the different departments of production in a planned way and according to social needs. It is only under these economic conditions that the concept of value can truly return to "its real range of activity."

However, ownership by the whole people at the present stage is far from being perfect. There still are differences in people's economic interests. In fact, individual labour cannot directly reflect social labour. It is impossible to directly calculate the consumption of social necessary labour. Also, the law of value of commodities still plays a role. Therefore, it is inevitable and necessary to adjust the differences of people's economic interests through the relationship between commodity and money. It is unfortunate that Sun Yefang did not distinguish between the two different types of ownership by the whole people and ignored the necessity for the existence of the relationship between commodity and money in imperfect ownership by the people.

Some other people pointed out that Sun Yefang, while analysing the internal relations of ownership by the whole people, stressed the identity of interests between state and enterprise, between enterprises or between working people. But he did not pay enough attention to their differences in interests. Therefore, he overemphasized the

value of products and its law while ignoring to a certain extent the role of the value of commodities and its law. Sun's shortcomings in method reflected the influence of the times.

**On the management of fixed assets.** Sun Yefang's theory on the management of fixed assets is an important part of his economic theory. The participants' differences were mainly over the nature of depreciation fund and the problem of drawing a line between simple reproduction and expanded reproduction.

Some people did not agree with Sun Yefang's view of regarding depreciation fund as compensatory fund only. They argued that depreciation fund could be considered "new investment" and had the nature of accumulation fund. In the value of social products, part of both  $c$  (constant capital) and  $v$  (variable capital) could be converted into accumulation fund.

Those who agreed with Sun Yefang held that the nature of depreciation fund should be clearly understood as compensatory fund because its major task was to ensure simple reproduction of fixed assets. Depreciation fund could also be used to expand the reproduction of fixed assets, but there were necessary conditions and a strict numerical limit. Its nature was different from that of accumulation fund. To argue that depreciation fund had the nature of accumulation fund obscured the nature of depreciation fund.

Sun Yefang once said: "The only thing distinguishing simple reproduction from expanded reproduction is an enterprise's amount of funds, not the amount of its material objects." Some people did not agree with this view. They held that the two kinds of reproduction were distinguished by the enterprise's output of products. Those who agreed with Sun Yefang argued that his

view was based on his theory of political economy and it could not be separated from his view of stressing value.

**On prices.** Sun Yefang's price theory includes these main ideas: price under socialism must be based on the production price, price must be coincided with value, and the key to the price problem lies in establishing a reasonable price ratio between industrial and agricultural products. His theory has practical significance for setting prices. There were, however, different views.

Some people pointed out that what Sun Yefang stressed was what he called the "law of value of products." At present, China still practises a commodity economy. Therefore, some of his specific methods might not be able to be implemented. For instance, according to Sun Yefang, if price coincided with value, a good job could be done in planning, thus raising economic results. This is difficult to accomplish at present. Some other people said that in all the forms of price, Sun mainly studied the form of planned price and did not touch other forms and he ignored the leverage role of price.

**On economic results.** Sun Yefang's theory of economic results has provided the shift of China's strategy for economic development with a theoretical foundation. The standards system he stressed, with which to judge the economic results under socialism, included the standards system of value centring on the profit, the standards system of use value centring on the quality and the standards system of material consumption centring on the energy-consumption. Some people pointed out that Sun attached importance to studying and expounding the theory of economic results but did not devote sufficient attention to studying effective ways and methods to raise economic results. □



## National Philatelic Exhibition

The largest exhibition of individual stamp collections since New China was founded in 1949 was held in Beijing last November 28 to December 8. During the 10 days, 120,000 people came to see 150,000 Chinese and foreign stamps exhibited by 422 collectors.

Among the most valuable stamps on display was a block of four small one dollar red revenue stamps issued in 1897, the early days of the Qing government post office. Philatelists call them "the treasure of the East." Only 30 such stamps were ever issued, and the block on exhibition is the only one remaining. It was shown by Mr. Lan Man Yin, a noted stamp collector from Xianggang (Hongkong).

Also from the Qing government were several blocks of eight stamps issued just after Sun Yat-sen's victory in the Revolution of 1911 and the founding of the new republic. Because the postal bureau did not want to show allegiance to the new government, they printed the stamps with the four characters *lin shi zhong li* (provisional neutral). Stamps with

Sun's portrait printed upside down were also shown. All these stamps were rare, even at that time.

A rare stamp featuring the portrait of a Red Army soldier issued in 1935 in the northwest revolutionary base area was exhibited publicly for the first time. It was preserved by Wu Yuanliang, a veteran cadre of the Ministry of Post and Telecommunications.

All the stamps issued after liberation were provided by the Distribution Bureau of Stamps under the Ministry of Post and Telecommunications which, along with the All-China Philatelic Federation and three other organizations, also sponsored the exhibition.

Individual collections generally focused on a theme, such as the stamps featuring Beijing Opera master Mei Lanfang which attracted many visitors. This collection includes perforated and unperforated stamps, miniature blocks of four, first day covers and posted envelopes. Such a complete collection is very valuable, because many did not survive the "cultural revolution."

Many foreign stamps were also on exhibit. A member of the exhibition evaluation committee, Chang Zengshu, showed his collection on Rowland Hill, the origina-



The earliest Chinese stamps issued in the Qing Dynasty.

tor of the penny postage system. It includes the Black Penny, the very first stamp, the Blue Penny, the Red Penny, and related envelopes and postmarks, as well as stamps issued by various countries to commemorate the Black Penny.

Apart from the collections of famous philatelists, the evaluation committee gave awards to the outstanding exhibits from among 398 collectors.

There are now about 3 million stamp collectors in China. The exhibition was sponsored to encourage their philatelic activities, and enable them to exchange their knowledge. Stamp collecting is an excellent means by which education on patriotism and the revolutionary tradition can be spread.

China joined the International Philatelic Federation and the Inter-Asia Philatelic Federation in 1983, and has participated in many international exhibitions. The Chinese Philatelic Publishing House publishes *Jiyou* (Philately), a monthly with the largest circulation of its kind, a bimonthly called *Jiyou Yanjiu* (Philatelic Research) and another monthly *Shaonian Jiyou* (Children's Philately), all in Chinese. It also publishes the English language bimonthly *China Philately*.



Jiang Zilong (left) chats with workers.

## Jiang Zilong: A Worker's Writer

As a writer who worked long years in a factory, Jiang Zilong has created a new style of writing about themes touching on modern industry. Writing in a bold, rich style, many of his works praise the heroes who have emerged during the socialist economic construction, while exposing and criticizing the harmful tendencies of some workers and leaders.

Jiang's popularity has grown in recent years. Every year since 1979, he has received an award from the Chinese Writers' Association for his short novels or stories.

His short story, *Director Qiao Assumes Office*, his masterpiece published in 1979, describes veteran cadre Qiao Guangpu, who volunteers to work at an electrical machinery plant which was greatly influenced by the 10 chaotic years of the "cultural revolution." Being a bold and vigorous man, director Qiao persists in implementing the Party's policies and tries to bring a new atmosphere to the plant.

In addition to criticizing the er-

rors in the factory's work, the author also uses director Qiao to show the justice and high sense of responsibility present in many people. Some of Jiang's readers even wrote letters to the newspaper asking when director Qiao could come to their factories.

Jiang himself once worked as a leader in a factory. Born into a peasant family, he was a factory apprentice before he joined the army. After his return, he served as a factory group leader, a workshop head, the Party branch secretary and a secretary in the director's office. His experiences have given him a unique ability to create the characters of many different workers.

In his short story *Happy New Year*, a 1982 prize-winner, Jiang got rid of the old style of simple description of workers and production procedures. He illustrated the complexity and humour of the labouring life by describing a special social event.

Since his first short story was published in 1965, Jiang has writ-

ten about workers, technicians, factory directors and industrial leaders at all levels. He depicts his heroes in a unique style, which is bold, distinctive and unrestrained.

*All the Colours of the Rainbow*, a short novel which has now been filmed and televised, describes several young people at a factory. The hero, a truck driver, is a capable man. But he becomes cynical and sarcastic, growing up during the "cultural revolution." The heroine, a newly appointed drivers' team leader, is seen by her colleagues as very serious. The two have different views about how to change the unreasonable rules in their factory. Finally, they come to understand each other, and join their efforts to do a better job.

This story has sparked widespread discussion among the young people who grew up during those 10 years of turmoil. They disagree over what attitude to take towards life, and argue whether the hero is a good example to follow. Their arguments continue, but they all agree that this uncomplicated story superbly describes how complicated real life is, full of people with different characters and personalities. The author has shown much of the beauty in the hearts of the young people.

Now 42, Jiang is vice-chairman of the Tianjin Federation of Literary and Art Circles and a council member of the Chinese Writers' Association. But not satisfied with his posts and prizes, Jiang said recently, "I am trying to create a new way in my writing." To write stories is to demonstrate real life in modern times and to expose the inner feelings of the people, he added. The rapid progress of society and the development of science and technology greatly change and enrich people's lives. They need writers to make their experience coherent.





Ji Xiaoqin as Cio-Cio San in "Madame Butterfly."

## 'Madame Butterfly' On Stage

Three casts of young opera singers supported China's veterans of foreign operas to bring Puccini's *Madame Butterfly* to the Beijing stage this month.

Ji Xiaoqin, 32, who has played leading roles in several Chinese and foreign operas, opened the show as Cio-Cio San, a young Japanese girl who is deceived by an American naval officer. Her performance was subtle and moving, particularly in the duet at her wedding in the first act, when she sings of her love for her husband. In the famous second-act aria, where she imagines her husband is sailing back to her on a beautiful morning, Ji sang with great depth of feeling.

China's first Cio-Cio San 25 years ago, Li Jinwei, served as vocal director for this Central Opera Theatre production.

Han Bing, a member of the Presidium of the Chinese Opera Research Society, was one of two directors. Her experience in West-

ern Opera includes productions of *La Boheme* and *The Marriage of Figaro*, presented earlier this year by students at the Central Conservatory of Music. Han Bing said *Madame Butterfly*, which premiered in 1904, still has lessons to teach today. She said Puccini had great sympathy for the people, especially those in the lower social classes. In directing the opera, she tried to emphasize the inner thoughts and feelings of the characters.

China's first female opera and symphony conductor, 54-year-old

Zheng Xiaoying, lead the orchestra. Her great skill and enthusiasm won her warm praise from the audience.

The Central Opera Theatre was founded in 1956. They have staged many foreign operas along with traditional Chinese ones. Recent offerings include Bizet's *Carmen*, Verdi's *La Traviata*, *Red Riding Hood* from America, and *Yuzuru* from Japan. Artists associated with the Theatre believe that introducing outstanding foreign operas will help the Chinese improve their own works.

## International Studies

(Formerly known as *Journal of International Studies*)

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## Zhou Sicong's Traditional Chinese Paintings



*Between the people and the premier.*



*An old miner and his daughter forced to leave their home in the old society.*

*Zhou Sicong was born in Ninghe County, Hebei Province, in 1939. She now works in the Beijing Art Studio.*



*May in southern Fujian.*



*Children of the miners.*



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