

Socialism is still the 'real thing'

A big hoopla is being made in the press over the incredible drive China is taking towards modernization. Especially in light of U.S.-China normalization of relations, increased trade is being established between China and U.S. companies.

The recent deal between China and Coca-Cola has led some misguided writers to proclaim that China is now being "exploited" by foreign capital and that "capitalism is being restored."

A simple look at the facts shows that nothing could be further from the truth.

Coke's deal, for example, gives them the rights to sell their soft drink in China. There is nothing "unsocialist" about purchasing commodities from foreign countries, whether they be soft drinks, automobiles or any other goods.

China has long been importing goods from various capitalist countries, including the U.S., while also increasing its exports. Normalization of relations will now make conditions for such exchange even more favorable. Unlike the U.S., however, China has a planned economy,

with no chronic trade deficit or monetary crisis like the U.S. Foreign trade can only help China, if handled in accordance with socialist planning.

Furthermore, the deal with Coke should be seen as part of China's efforts to do away with its backwardness. It is doing so along the lines laid out by Mao Tsetung who called on China to learn from that which is advanced in all countries. China's soft drink industry is very underdeveloped, as any visitor to China who suffered under a steady diet of their orange pop will testify. Coke, on the other hand, has the most advanced process in the world.

But, some may ask, won't Coke be exploiting Chinese labor? Of course not. No Chinese workers will be working for Coke. The exact agreements still have to be worked out. But here is the gist of the deal.

It allows Coke to ship its product into China for one year. After that, the corporation will construct a production plant. Who will own the plant? The People's Republic of China will be the full owner, paying its workers out of state funds just as it does all its industrial workers. Many plants in China have been built by foreign companies, while completely controlled by China.

Unlike the Coca-Cola workers here in the U.S., Chinese workers will own the factory, determine its level of production, manage the plant and set safety standards, childcare programs and everything else connected with the job.

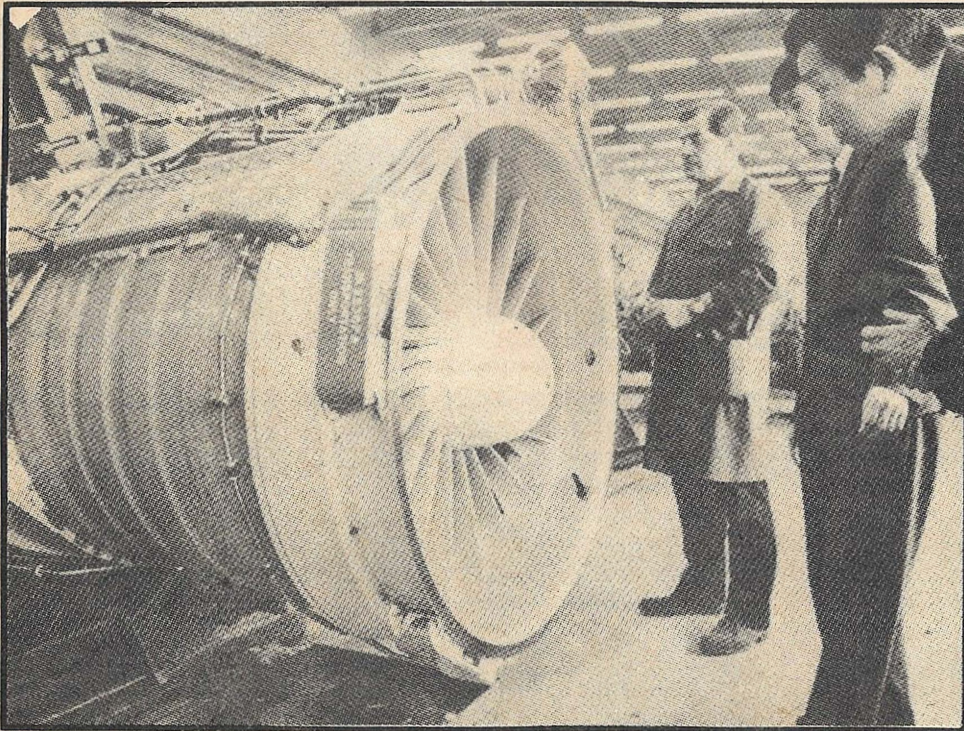
Then what will Coke get out of it? The giant U.S. monopoly, which sells more of its product in foreign countries than it

does in the U.S., will sell Coke syrup to China and make lots of money. Of course, Coke also has its ambitions in China and would love to spread its influence there as it has here in this country where it helped send President Carter and many others before him to the White House. But its ambitions and reality are two different things. Coke is also pleased that it nosed out its chief rival Pepsi-Cola in getting the agreement.

Coke's actual investment in the Chinese deal is relatively small. Coke will be a "luxury item" in China for quite awhile, being sold mostly in the large cities where foreign tourists travel in large numbers, such as Shanghai, Peking, Kwangchow and Hangchow. The output of the Shanghai plant, once it is built, will be about 2 million cases a year, or approximately the yearly output of a Coke plant in a city the size of Akron, Ohio.

Of course, U.S. corporations such as Coca-Cola are years late in doing business with the Chinese. This is the result of the U.S. government's long-time policy of non-recognition which ended only last month. Japanese, Italian and French businessmen have been dealing with socialist China for years.

No, Coca-Cola won't turn back the Chinese revolution. Instead, China will continue to mobilize all the positive factors, domestic and foreign, to carry out its modernization campaign. This will succeed in raising the standard of living of the Chinese people while at the same time continuing the revolutionary political line established by Mao Tsetung under the present leadership.



CHINESE INSPECT Rolls-Royce engines in Britain as part of increased trade.