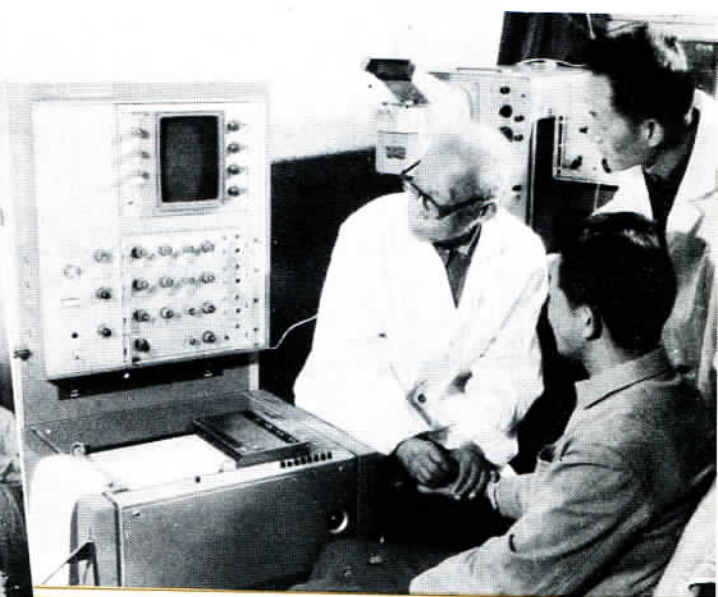
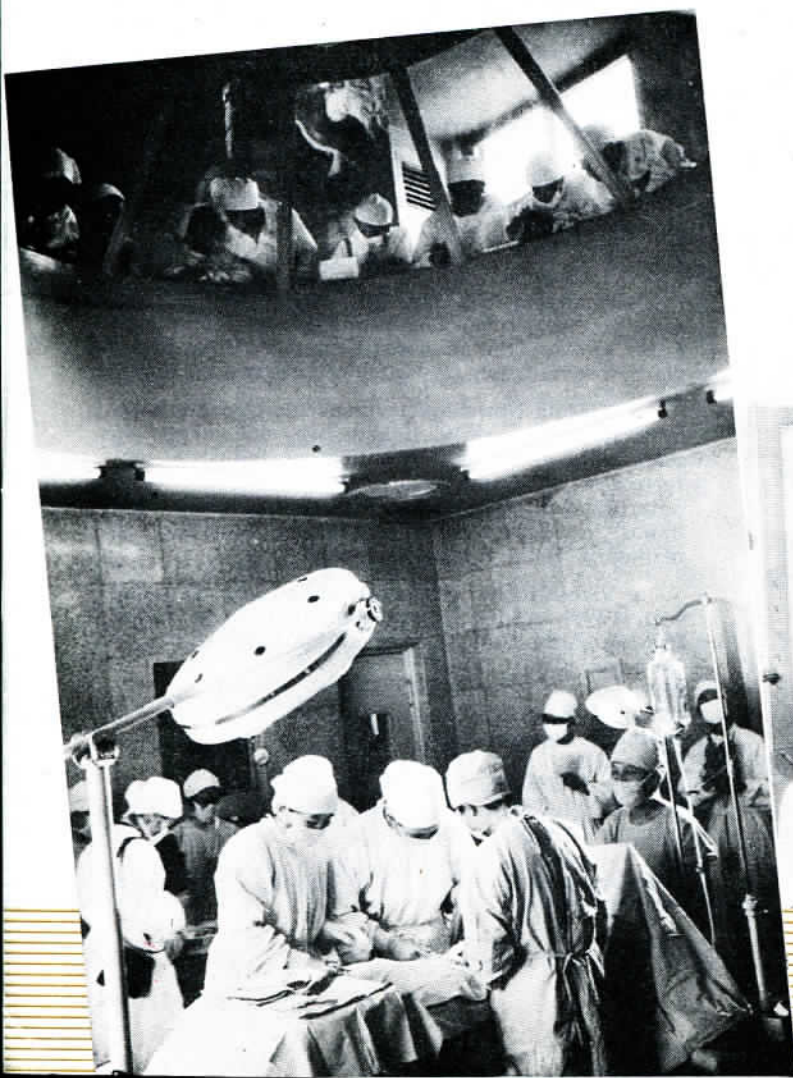


BEIJING REVIEW

- Socialist Economic Planning
And the Market
- Fruitful Symposium on
Acupuncture and
Acupuncture Anaesthesia



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COVER: (Left): Foreign medical specialists recently attended a Chinese national symposium on acupuncture, moxibustion and acupuncture anaesthesia. Picture shows them watching a Caesarian section using acupuncture at the Beijing Hospital of Gynaecology and Obstetrics. (Right): Professor Hou Zonglian of the Xian Medical College is carrying out an experiment. Making comprehensive analyses of the complicated phenomena of acupuncture anaesthesia, he constantly probes into its mysteries.

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CHRONICLE

July 23

• Vice-Premier Li Xiannian met with the Delegation of the Austria-China Friendship Association led by Gunther Haiden, Minister of Agriculture and Forestry of Austria. Vice-Premier Li praised the Association for its contributions to the promotion of friendship between the two peoples. He noted that the scope for economic co-operation between the two countries was considerable. China could learn from Austria's experience in developing industry, agriculture, forestry and animal husbandry, he added.

July 24

• Xinhua News Agency reported that on October 1 this year, when celebrating the 30th anniversary of the founding of the People's Republic of China, the government will commend a group of advanced enterprises and model workers. The State Council has already issued the concrete measures for choosing the units and people.

July 25

• Hua Guofeng, Chairman of the Central Committee of the Communist Party of China and Premier of the State Council, met with the Friendship Delegation from the Korean Workers' Party led by Kim Hwan, Member of the Political Committee and Secretary of the Central Committee of the Korean Workers' Party.

July 26

• Premier Hua Guofeng sent a message to the National Reconstruction Government of Nicaragua extending China's recognition of the government and warmly congratulating the Nicaraguan people on their victory.

July 28

• Chairman Hua met with Edward Hill, Chairman of the Central Committee of the Communist Party of Australia (Marxist-Leninist). They had a warm conversation on issues of common concern.

• Xinhua News Agency reported that the State Council has recently issued five documents on transforming the infrastructure of industrial enterprises in China to allow state-owned industrial enterprises to keep more initiative in their own hands in matters of management, especially in managing their financial affairs.

• Vice-Minister of Foreign Affairs He Ying met with Tayeb Abdul Rahim Mahmoud, Head of the Mission of the Palestine Liberation Organization in Beijing. The Vice-Minister condemned Israel's attacks on southern Lebanon and reiterated that the Chinese Government and people will resolutely support the just struggle of the Palestinian and other Arab people.



More Job Opportunities

The government, it is planned, will provide jobs for about 7.5 million people this year. Expressing satisfaction at this, the public have put forward their views on the employment issue.

Many people consider that, at present and for a long time to come, collectively owned enterprises should provide most of the jobs. The reason is that with little investment these enterprises can take in a large number of workers, and the advantage is that since they are responsible for their own profits and losses, the state's payroll will not be affected. Ho Binghao, a leading cadre of Changzhou city in east China, said that since last year 30,000 people there have found work mainly in the collectively owned enterprises. Today, all those waiting to be employed have been given jobs.

Some people emphasize the need to develop commerce and service trades. Kang Yonghe, director of the State Bureau of Labour, cited figures from Beijing, Guangzhou and eight other cities to show that the percentage of industrial workers and staff members in the total number of the employed had risen from 44 in 1957 to 56 in 1977. But in the same period, the percentage of workers and staff members in commerce and service trades had dropped from 14.5 to 9.5. This has brought inconvenience to the public. This being the case, he said, urban commercial departments and service trades should and could take in a large section of the work force.

The Shenyang railway station in northeast China is a case in point. Passengers arriving in or leaving Shenyang no longer have to worry about the luggage they take along with them. In January this year, more than 400 young school graduates were organized to work as porters, or to be in charge of packing and transportation of luggage or to sell hot tea and cold drinks. Without a single cent of investment by the state, this team which is responsible for its own profits and losses is welcomed by the passengers. In the first five months they accumulated over 50,000 yuan, and each member earned a monthly salary of 40 to 50 yuan, which was the equivalent of the wages of second-grade factory workers.

Some people consider that the employment question in different places cannot be solved in the same way, but should be handled in the light of actual local conditions. For instance, commercial departments and the service trades in medium-sized and big cities may absorb many people, but those in the small cities and towns cannot. So as to provide more job opportunities in these places, plans should be worked out to open up more farms, lumber yards, pasturelands, fishing grounds and bases for producing non-staple food, and to develop enterprises combining farming, industry and commerce.

This view is shared by many. They hold that since there are already 23 big cities in China, each with a population of more than one million, the growth of urban population should be kept under control.



Production of grapes made of glass, a famous Beijing handicraft, has been restored. Picture shows an old artisan passing on her skill to a young woman worker.

That China is now faced with the employment problem is mainly due to the ultra-Left line pushed by Lin Biao and the gang of four which brought the national economy to the brink of collapse. Another factor is the neglect of family planning prior to the 70s.

In the last two years, the state has done much to solve the employment problem. The number of persons given jobs this year is nearly double that in the first nine years after liberation. This is something unprecedented in the nation's history.

Economist Ma Yinchu Rehabilitated

Well-known economist Ma Yinchu, now 98, was rehabilitated in mid-July. Facts over

the past 20 years have proved that his views on the question of population are correct and that the criticisms directed against him are wrong. On learning that his reputation had



Ma Yinchu.

been restored, he said: "It seems an old man like me can still do something useful."

Before liberation in 1949 Ma Yinchu took part in the patriotic democratic movement against Chiang Kai-shek. After the founding of New China, he successively held the post of President of Zhejiang University and of Beijing University, and in the 1950s he was a Member of the Standing Committee of the National People's Congress.

In December 1956 and in May 1957, he published two articles in the newspapers, stating that "a large population is a vast resource, but it is also a heavy burden." He proposed that there should be a plan to keep population growth under control. At the Fourth Session of the First National People's Congress in 1957, he pointed out in a written speech that the population of China was increasing too rapidly and that if prompt measures were not taken it would inevitably "hold back the

development of technology and the progress of science" and "bring difficulties to the government." (According to the 1953 census, the first ever taken in China, and the increase of population in the following four years, he estimated that the average annual rate of increase at that time was 20 per thousand.) Consequently, he proposed that a propaganda and education campaign be carried out throughout the country to help the people understand the importance of family planning and controlling population growth.

Ma Yinchu's analysis of a new question arising in real life and making his views known should have received the attention of departments concerned and served as a basis for discussions. But unfortunately his views were attacked and his critics arbitrarily declared that under the socialist system in China, a large population was a good thing and not a problem. They went further and labelled Ma Yinchu as a "Malthusian," denouncing him for lack of feelings for the people because he had proposed taking administrative measures to carry out family planning.

In the face of these "criticisms" which were a far cry from seeking truth from facts, Ma Yinchu did not yield but published several articles in reply. He wrote: Although I am nearly 80 years old and fully aware that I am up against great odds, I will never surrender to those critics who, instead of using reason to convince others, use pressure to browbeat them." He added: "Academic questions should be discussed and debated, for truth

becomes clearer through debate; one must not retreat immediately upon meeting opposition." Although he lost his post as President of Beijing University, he never forsook his views.

During those years Premier Zhou Enlai constantly showed concern for Ma Yinchu. In 1972 when the Premier learnt that Ma Yinchu was suffering from cancer, he instructed that the doctors should do everything possible to give him prompt treatment.

More than 20 years have passed and facts have proved that Ma Yinchu's views are correct. Under the socialist system, China must not only develop its economy in a planned and proportionate way; its population increase must also be compatible with the development of production.

Research on "Marxism Today"

One hundred and ten representatives from 53 units in Beijing and other cities attended a national planning conference on Marxism-Leninism-Mao Zedong Thought research held in the city of Luda, Liaoning Province, from May 28 to June 6. The conference was presided over by Yu Guangyuan, Vice-President of the Chinese Academy of Social Sciences and director of the Marxism-Leninism-Mao Zedong Thought Research Institute.

Discussions centred round the topic "Marxism today." Participants held that the task of researchers in Marxism-Leninism-Mao Zedong Thought is to study its theory and current and historical development, and,

more important, proceed from reality to find scientific answers to a series of new issues confronting our country and the world as a whole. In the past 20 years or so, there have been rapid changes in the balance of world forces and speedy development in science and technology, bringing with them new phenomena and new problems that need to be analysed and solved in a scientific way. Marxism today, therefore, faces new challenges and tests.

Important questions for study were put forward at the conference. These include: the question of present-day imperialism and the question of underdeveloped countries as well as their fundamental social and economic conditions, contradictions in society and their trend of development, and the objective laws governing the victory of socialist revolution in these countries; the objective laws governing the development of social economy in countries where the proletarian revolution has triumphed and proletarian political power and socialist public ownership of the means of production have been established; the theory regarding the period of transition from capitalism to socialism; socialist economic system and economic laws; the objective laws governing the changes taking place in classes and class struggle under the dictatorship of the proletariat; the Marxist theory of state, bourgeois democracy and proletarian democracy, and the legal system.

After discussion, the participants agreed that "there are no forbidden zones in science." Scientific answers to the questions under discussion can be

obtained only by earnestly implementing the policy of "letting a hundred schools of thought contend" and encouraging free discussion in a down-to-earth spirit. Everyone agreed that emancipation of the mind and giving full scope to democracy will guarantee the development of Marxism, while dogmatism and rigid and stereotyped ideas will smother the vitality of Marxism. One should dare to discover truths not known before and provide new facts, data and arguments to enrich and develop Marxism.

The conference decided:

— to revise the draft plan for research on Marxism-Leninism-Mao Zedong Thought;

— to set up a society for doing research on the works of Marx, Engels, Lenin and Stalin and publish a journal. A provisional council was elected;

— to establish a society for research on the works of Mao Zedong;

— to collect books, periodicals and newspapers carrying articles on Marxism-Leninism-Mao Zedong Thought published at home and abroad, compile a bibliography and write down summaries;

— to hold academic discussion meetings. The first will be held towards the end of this year or at the beginning of 1980.

Accent on Competence

The method of choosing leading cadres at the grass-roots level in factories, mines, department stores and other enterprises through democratic election is being adopted, in China step by step. This prac-

tice will be extended in the future in the light of the actual needs and conditions.

Since the Ninth National Congress of Chinese Trade Unions made public last October the decision of the Party Central Committee to choose leading cadres at the grass-roots level by democratic election, an increasing number of factories, mines and department stores have done so with good effects. Recently, the newspapers carried reports on the democratic election to choose heads of workshops, sections and shifts in the Xinhua Printing House in Lanzhou in northwest China's Gansu Province.

During the election, the workers were advised not to choose those "good old chaps" who never "offended" others, were not competent in management and could not lead the masses in promoting production. The Party committee explained the importance of choosing competent people to the leading posts so as to develop production. This, it stressed, was in the interests of the state, the collective and the individuals. In accordance with the principle "to each according to his work," the factory decided that the workshops, sections, and shifts should practise economic accounting and there should be specific ways of giving awards, and workers in the workshop, section or shift that did better in production and created more wealth for the state than the others would be entitled to more bonuses.

The Party's policy was upheld during the election. Those who came from exploiting families and those who had

committed mistakes in the past were eligible so long as they gave a good account of themselves politically and in production and were trusted by the workers. This was different from the past when the customary practice was to appoint workshop heads from among Party members. Now anyone with the required qualifications could be elected, whether he or she was a Party member or not. The Party is the force at the core leading our state forward, but the Party's leadership can be realized only through the masses' support for its line and policies and the exemplary role of its members, rather than appointing Party members to all the leading posts.

After full consultation and democratic discussion, the workers elected nine workshop heads and 77 section and shift leaders. Most of the newly elected excel in technical skill and in management and have a high level of socialist consciousness.

Inspired by the good example of the new leading body, the labour productivity soared and the total value of output in the Lanzhou Xinhua Printing House in the first four months of this year went up by a big margin over that of the same period of last year. For the first time in many years it made a profit and contributed to the accumulation of funds for the state.

Similar elections have been held in other factories and enterprises. Abundant facts show that democratic election is a guarantee that the workers can exercise their right as masters of the country and an important means for improving

and strengthening enterprise management.

Former Inner Mongolian Administrative Units Restored

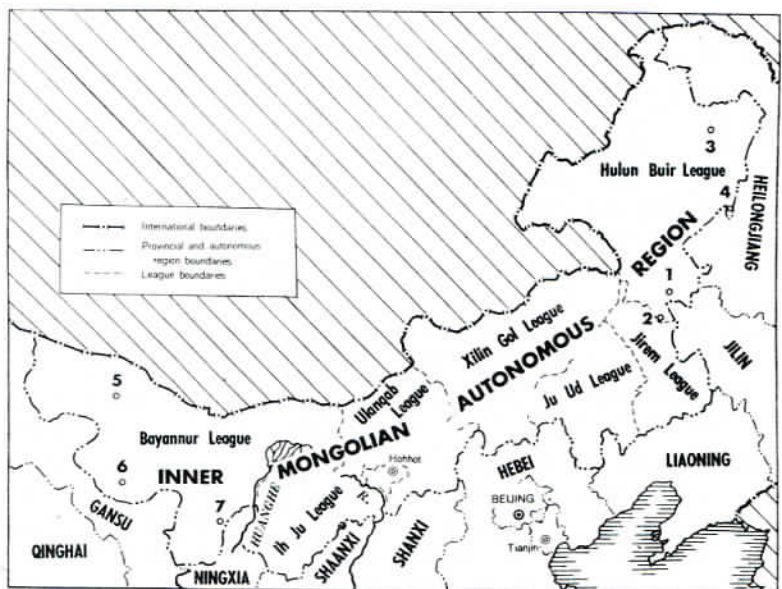
Three leagues (prefectures in national minority areas), six banners (counties in national minority areas) and one county which were incorporated into neighbouring provinces in July 1969 have returned to the Inner Mongolian Autonomous Region as from July 1 this year. The areas returned are the Ju Ud League in Liaoning Province; the Jirem League, the Horqin Right Wing Fore Banner (1) and Tuquan County (2) in Jilin Province; the Hulun Buir League, the Autonomous Banner of Oroqen Nationality (3) and the Morin Dawa Autonomous Banner of Daur Nationality (4) in Heilongjiang Province; the Ejin Banner (5) and the Alxa Right Banner (6) in Gansu Province; and the Alxa Left Banner (7) in the Ningxia Hui Autonomous Region.

A directive issued by the Central Committee of the Communist Party of China and the State Council pointed out that the aim of this measure was to further implement the Party's policy on regional autonomy for minority nationalities, strengthen national unity, promote economic construction, culture and education in areas inhabited by the minority peoples and consolidate national defence.

Located in the northern part of China, Inner Mongolia was the first autonomous region in the country. Besides the Mongolians, the Han, Hui, Manchu, and Korean people live there.

China Opens Air Transit Route

China has decided to open an air transit route for foreign airliners flying from Xianggang (Hongkong) to the Sino-Burmese border, passing over Guangzhou, Kunming and Lincang. At the same time, the Baiyun Airport in Guangzhou will be open to foreign airliners flying



to Xianggang as an alternate airport in case of emergency. This was made known to a Xinhua correspondent by She Yan, manager of the CAAC Xianggang office.

She Yan added: The China Airlines in Taiwan will be permitted to use the air transit route and the Baiyun Airport if applications are made. Taiwan is a province of China and the people there are our own flesh and blood. When foreign airlines are allowed to use them, so will those of our compatriots.

While developing air transport at home, he went on to say, the CAAC is making preparations to develop international air communications. China will therefore open more air transit routes and alternate airports.

Clash Between Chinese and Foreign Students in Shanghai Settled

Things have returned to normal at the Shanghai Textile Engineering Institute where clashes between a number of Chinese and foreign students occurred in early July. A meeting of friendship and solidarity was held by some foreign and Chinese students at the institute on the evening of July 17.

Altogether 19 foreign and 24 Chinese students, staff members and police were injured during the incident. They were given medical care and were discharged from hospital with the exception of one foreign student who was being treated for an eye injury.

The incident started around 11 p.m. on July 3 when the

students were preparing for their examinations. Some Chinese students asked some foreign students who lived in the nearby dormitory to tune down the music they were playing. Instead, one of the foreign students turned up the volume and this led to a row and a clash. During the quarrel a Chinese student was stabbed twice in the back. This infuriated the Chinese students.

The following morning, hundreds of Chinese students in the institute demonstrated on the campus and put up posters demanding that the foreign students who had knifed the Chinese student be punished. A few foreign students tore down the posters and this led to further clashes.

Upon learning the incident, the public security authorities in Shanghai promptly sent policemen to the institute to protect the foreign students. To prevent the situation from getting out of hand, the Shanghai bureau for higher education set out to evacuate the foreign students on July 5. But this was obstructed by the Chinese students. Some foreign students and the faculty members and police who tried to dissuade them from doing so were injured by them.

Embassies of many Asian and African countries have given friendly co-operation in settling the dispute. Members of 13 embassies went to Shanghai to investigate the matter and spoke to the students from their own countries.

A spokesman of the Shanghai bureau for higher education described the incident as "unpleasant and regrettable." The incident, he said, should have

been promptly and properly settled. However, lack of more resolute and effective measures by the departments concerned to disengage the two sides and the refusal of some Chinese students to listen to dissuasions made matters worse. He added: "It is the consistent policy of the Chinese Government to enhance friendship and unity with the third world countries and with the people of all nations. We cherish our friendship with the third world countries and attach much importance to training students of friendly nations."

To prevent similar incidents in the future, the spokesman said that Chinese students at the Shanghai Textile Engineering Institute and in other schools would be given education in internationalism and discipline and that quarrelling, scuffles and anarchism would be resolutely opposed.

"We have the responsibility to safeguard the personal security of foreign students in China and protect their legitimate rights and interests," he said. "The majority of foreign students in Shanghai obey the law. But some of them often provoke incidents after getting drunk, in violation of school discipline and Chinese law. So we also have to educate the foreign students in school discipline and Chinese law."



Theoretical Discussion

Socialist Economic Planning and the Market

by Liu Guoguang and Zhao Renwei

The existing structure of economic management in China has many shortcomings. To expedite modernization, it is necessary to gradually reform our management structure on the premise of adhering to the socialist road. Theoretical workers and management staff are now discussing the matter. Following is an article on this question. — Ed.

TO bring about socialist modernization, we have to reform the existing structure of economic management and the methods of management. To this end, many important theoretical and practical questions urgently need to be studied and solved, including the way to properly handle the relationship between planning and the market.

Consequences of Negating the Role Of the Market

There is a longstanding view in socialist political economy which holds that, since a socialist economy is a planned economy and a capitalist economy is a market economy, the socialist economy is incompatible with the market, interpreting a socialist planned economy as a simple and absolute negation of the market. Though the existence of commodity production and the law of value* in a socialist economy is now recognized, the role of commodity production, the law of value and the market mechanism is still regarded as absolutely incompatible with the role of planning, as if the market would be inoperative wherever planning functioned, and vice versa. According to this view, the advantages of socialism cannot be

manifested when a market is in use, but only when the market is restricted and excluded; the more the role of planning is enlarged and the role of the market diminished, the better socialism can demonstrate its superiority. This view has had a negative effect on our economic life. Here are some examples:

Production Divorced From Needs. Owing to a one-sided stress on planning to the neglect of the market, what to produce and how much to produce in the enterprises is mainly decided according to planned targets handed down from higher authorities and cannot be properly arranged according to the actual needs of society. Normally, planned production and production based on needs should be identical.

But under the conditions of socialism, a unified planning centre, when departing from the market, will not be able to accurately mirror the ever-changing needs for millions of kinds of products. In this way, things produced according to the planned targets are usually not what are needed, causing an overstocking of products; on the other hand, what is actually needed in society may be in short supply. Furthermore, most of the products turned out by the enterprises are purchased and marketed exclusively by the state, and most of the means of production needed by the enterprises are allocated under a unified state plan. As there are no direct ties between producers and consumers, the former are unaware of the latter's needs and the latter cannot exert an influence on the former. This inconsistency between planned targets and needs cannot be flexibly reflected through market mechanism, nor can it be readily corrected. As a result, the divorce of production from supply and marketing has long remained unresolved.

Planned Prices Divorced From Reality. Because the objective requirements of the law of value

*This is the economic law governing the production and exchange of commodities. In other words, the value of a commodity is determined by the amount of social necessary labour spent in its production; commodities are exchanged at equal values.

were overlooked when the prices were being set, the planned prices for many products have long been far removed from their value. With such prices, output value, profits and other targets of an enterprise cannot reflect the actual state of its management. Nor can the losses or profits brought about by the unreasonable prices be taken as a basis for judging the outcome of enterprise management. The planned prices, which have very little correlation with changes in supply and demand, have long remained unaltered.

When the supply of certain commodities falls short of demand, the usual method adopted is not to increase their supply and restrict their demand by readjusting prices. Instead, a ration system is introduced for these commodities. The ration coupon serves as a supplement to money and thus diversifies the measurement of value. But this method of supplying goods at fixed quotas and regulated prices cannot economically boost the production of those commodities which are in short supply and therefore cannot fundamentally solve the contradiction between supply and demand.

Supply System in the Distribution of Funds.

In the raising and distribution of funds, we have also overlooked the role of the market. An outstanding example was the financial arrangement of having the state take over the income of an enterprise and provide it with various funds. In the past the incomes of enterprises, including their net incomes and basic depreciation funds, were mostly or wholly turned over to the state, while the expenditures for developing production and improving workers' welfare were all provided by the state. The state supplied the fixed assets and most of their circulating funds without asking any returns and the enterprises were not economically responsible for the use of the funds. The amount of wage funds was never reduced regardless of how an enterprise managed its production and whether it had profits or not. It was free from any economic measures urging it to improve its production and management, and the wages and welfare of its workers and staff were guaranteed under all conditions. Because material interests had no connection with how an enterprise was managed, cost accounting became a formality and could not be used to raise production through affecting the collective material interests of the workers and staff.

Under these circumstances, despite many orders and calls from higher authorities, the enterprises and the workers and staff still lack-

ed a sustained motivation to lower production costs, improve the quality of products and increase the variety so as to meet the consumers' needs. Waste in various fields remained a long-standing problem.

Autarchic Tendencies. The socialist economy is based on socialized mass production. There are specialization and division of labour as well as extensive co-operation between enterprises, regions and departments. As science and technology develop, specialization and co-operation in production make further headway. But since the market has been overlooked and large-scale, socialist production has been managed in the same way as small production, many of our enterprises are developing not in the direction of specialization and co-operation, but in the direction of autarchy. That is why the situation of "small but complete" or "large and complete" exists universally in our industrial enterprises; many enterprises have been set up not only as self-sufficient plants but as societies.

Of course, this situation is not entirely due to the enterprises' internal causes. The imbalance between supply, production and marketing as well as the failure to observe contracts on the part of certain outside plants usually compel enterprises to develop in the direction of self-sufficiency. But viewed from society as a whole, these tendencies are related to overlooking the role of the market.

Such developments show that overlooking the role of commodity production, the law of value and the market mechanism is in fact unfavourable to the development of the socialist planned economy. One major characteristic of this economy is the correct arrangement and maintenance of a proper balance between different sectors of the national economy which ensures a balance between production and needs. However, if the market mechanism is excluded in a socialist economy, this balance cannot be easily maintained. If the planned prices for different products are not rationally set, then their manufacture will be unable to develop in a proportionate way as required by objective needs.

Another major feature of a socialist planned economy is saving both living and materialized labour. But under the conditions of socialism, denying the relations between commodities and money, rejecting the use of the law of value and ignoring cost accounting will inevitably lead to higher consumption of raw materials, fuel and other things, poorer quality

and lower efficiency, and fail to meet an essential requirement of a socialist planned economy, i.e., to achieve maximum effects with minimum labour consumption.

Historical Experience

Practice shows that whether the existence of the market is recognized and whether the market is fully utilized to serve the planned economy has a great bearing on the development of the socialist economy. In the course of China's socialist construction over the last 30 years, there have been two periods of fairly rapid development: The First Five-Year Plan Period (1953-57) and the readjustment period (1962-65). During these periods, attention was paid to strengthening planned management and to using the law of value and the market. Consequently there was fairly good co-operation between town and country, fairly well-coordinated relations between agriculture, light industry and heavy industry and an importance attached to cost accounting and economic results by all the departments concerned.

However, in the course of its development, our national economy suffered two rather serious setbacks: One was in the Second Five-Year Plan Period (1958-62) and the other was from the mid-1960s to the mid-1970s. These two setbacks, especially the second, were politically inseparable from sabotage by Lin Biao, Chen Boda and the gang of four and theoretically connected with their negation of the role of the market and the confusion they created in such areas as commodities, money and the law of value.

It should be pointed out that the views

which negated the active role of commodity-money relations in a socialist society and regarded planning as incompatible with the market have not only done much harm in practice but are unsound in theory.

The reason why people overemphasized planning and overlooked the market is mainly because they were affected by two traditional concepts: first, equating the market with a spontaneous tendency towards capitalism, especially equating it with the anarchy of the capitalist market economy; secondly, confusing a planned economy with a natural economy. The first concept often becomes a tool in the hands of some people who oppose making use of the market; anyone who talks about using the market will be branded as going in for capitalism. The second concept is often used by some people as a theoretical basis for passing off a natural economy as a socialist planned economy.

Under the aegis of the two interrelated traditional concepts and the slogan of upholding socialist planned economy and opposing capitalist market economy, many things detrimental to the development of socialist economy cropped up: managing the economy purely by administrative orders instead of by economic methods; doing things according to the "will of the authorities" instead of to objective economic laws; exercising patriarchal rule instead of letting the people be masters of their enterprises; and replacing scientific management suited to socialized mass production with feudal government methods of management suited to a natural economy, and so on and so forth.

In a country like ours where the commodity economy was undeveloped and where 80 per



Stressing market demands: (Left) A new-type vacuum flask produced in a Hubei plant. (Right) A Shanghai plant turning out the popular Haiyan radio.

cent of the population are still semi-self - supporting peasants, the above - mentioned traditional concepts and practices have a deep-rooted social foundation.

The Market in Socialist Economy

In order to eradicate these traditional concepts and correctly handle the relationship between planning and the market, it is still necessary to probe into the relationship between commodities and money and the causes of the existence of the market under the conditions of socialism. Quite a number of economists have so far considered this question as stemming from the simultaneous existence of two forms of socialist ownership, that is, collective ownership and ownership by the whole people. We maintain that at the present stage, the commodity-money relationship between the two forms of socialist ownership is essential to the development of the socialist economy. The Chinese population is predominantly agricultural and collective ownership occupies an important place in agricultural production; under such conditions, it is all the more necessary to attach importance to commodity relations between the two kinds of public ownership, and to respect the right of decision of the units under the collective ownership that are producers of commodities.

However, if one explains the reason for the need of a commodity-money relationship and the market under the socialist system merely by citing the simultaneous existence of the two kinds of public ownership, one has not grasped the essence of things, because this view, in effect, still regards the connection between commodities and the market as something incompatible with the nature of the most important part of the socialist public ownership, i.e., ownership by the whole people. It can only explain the inevitable existence of commodities



A rural fair in Hebei Province: A supplement to state commerce, fairs help stimulate the rural economy.

and the market from the influence outside of ownership by the whole people and not from the ownership itself. Examples of points of view prevalent in economic circles which are essentially derived from this "theory of external causes" are: the means of production allocated within the framework of ownership by the whole people are essentially no longer commodities but only keep the outer covering of commodities ("theory of outer covering"); the law of value ceases to regulate production and has been replaced by the law governing the planned and proportionate development of the national economy ("theory of replacement"); and the law of value and things within the framework of value such as prices, profits, production costs and interest are not regarded as an objective economic mechanism but merely as accounting tools whose use is optional ("theory of tools").

It should be noted that none of these viewpoints, which are described as a summary of the experience gained in various socialist countries, conform to the actual experience of all socialist countries. The harm wrought by the continued prevalence of these viewpoints on practice has become increasingly clear.

We maintain that the existence of the relations between commodities and the market under the socialist ownership by the whole people is determined by the unique relationship of material interests in the socialist period. Under

the conditions of public ownership of the means of production, the relationship between the exploiter and the exploited and the antagonism in material interests arising therefrom have been eliminated, but in the socialist period, labour has not yet become life's prime want as it is in the communist period, and is only a means of making a living. Since people's working ability and the magnitude of their contributions vary, differences in their material interests still exist and find expression not only in the relationship between man and man but also between different enterprises within the category of ownership by the whole people.

Differences in production that are caused by the management of an enterprise and not by objective factors should bring different material benefits to enterprises and to their workers and staff; otherwise, it would be unfavourable to the development of production. For this reason, it is necessary for the enterprises (the relatively independent cost accounting units) within the category of ownership by the whole people to handle their economic relationships by following the principle of exchanging equal values. Failing to abide by this principle will negate the differences in people's material interests and thereby upset the relationship between people in their material interests.

Under socialism this unique relationship constitutes the immediate reason for the existence of commodity-market relations (of course, the division of labour and socialized production are the material prerequisites). Therefore, these relations are deeply rooted in people's differing material interests. The relevant economic means reflecting these relations are not tools which can either be used or not used, nor are they only a formal outer covering, but an objective economic mechanism with substantial contents.

It can thus be seen that planning and the market in the socialist economy are neither mutually exclusive nor are they a formal combination born out of external causes, but a kind of internal, organic link determined by the nature of the socialist economy. If it can be said that the fundamental identity of people's material interests brought about by the socialist public ownership of the means of production is an objective basis for the socialist economy to operate in a planned way, then, the above-mentioned differences in people's material interests are the immediate causes of the existence of the market in the socialist economy.

Under general circumstances, in deciding its plans, the state usually gives particular consideration to overall, general interests; while in making their choices, the commodity producers and the consumers in the market often give particular consideration to local and individual interests. A socialist country must follow the principle of overall consideration and proper arrangement in handling the interests of the state, the collective and the individual, and must not give consideration only to one to the neglect of the two others. Therefore, the handling of the relationship of interests among the three calls for both regulation by the market mechanism and guidance by a unified plan.

Practice proves that if one puts one-sided stress on regulation by planning and neglects that by the market, one will likely see only the identity of people's fundamental interests and overlook the differences in their interests, and this is unfavourable to arousing the enthusiasm of the enterprises and the workers and staff; conversely, if one overemphasizes regulation by the market and overlooks that by planning, one will make the grass-roots units and the masses blindly display their enthusiasm, and bring about an anarchic, chaotic situation. Therefore, in order to correctly handle the relationship of material interests in different sectors of the socialist economy and mobilize all positive factors to speed up socialist construction, it is necessary to give full play to the role of the market mechanism in the socialist economy and at the same time energetically strengthen planning for economic development. To this end, we must carry out thorough investigations and study and solve in theory and practice the problem of combining regulation by both planning and the market in our socialist economy.



A Fruitful Symposium on Acupuncture

A NATIONAL symposium on acupuncture, moxibustion and acupuncture anaesthesia, the biggest of its kind, opened in Beijing last June. More than 300 Chinese scholars and specialists and over 150 foreign scholars from more than 30 countries attended.

Acupuncture and moxibustion are methods of therapy used in traditional Chinese medicine. *Huang Di Nei Jing* (The Yellow Emperor's Manual of Internal Medicine) compiled in the Warring States Period (475-221 B.C.) provides systematic records of treating diseases by puncturing with needles and stone probes, and cauterizing with moxa.

Many noted practitioners in ancient Chinese history used acupuncture and moxibustion as a treatment and left behind a large number of case histories.

Since the founding of New China in 1949, the People's Government has spared no efforts to encourage the development of acupuncture and moxibustion.

Acupuncture anaesthesia is a method of anaesthesia which was created on the basis of treating diseases and relieving pain by acupuncture. It is now being used in more than 100 kinds of operations, both big and small. Good results are quite certain in upwards of 20 of them. Till now, over 2 million patients have had operations under acupuncture anaesthesia.

The last few years have witnessed new breakthroughs and further development in the study of the basic theories of acupuncture, moxibustion and acupuncture anaesthesia by Chinese medical workers.

The symposium was held for the purpose of summing up results and swapping experiences in the clinical use and theoretical studies of acupuncture, moxibustion and acupuncture anaesthesia in China in the past 30 years. It also aimed at advancing international academic exchanges.

More than 1,000 papers were submitted by Chinese scientists and more than 50 papers by foreign scientists. They reported on rich clinical experience in acupuncture and its use in anaesthesia and on theoretical research into how acupuncture works from the viewpoints of the nervous system, the classical doctrine of the meridians, and so on.

New Results in Clinical Application

New results have been achieved in clinical application as seen from the papers read at the symposium.

In Treating Coronary Heart Disease. A group in Beijing reported on the acupuncture treatment of more than 600 patients suffering from coronary heart disease over the last three years. Their results showed that acupuncture improves circulation of coronary arteries, the function of the left ventricle of the heart and cerebral circulation, which helps relieve the symptoms of the patient. Some of the patients, after several consecutive courses of treatment, improved enough to be able to go back to work.

Chinese medical circles are now probing into the reasons why the treatment is effective. Doctor Liu Fuzai of the group said: "Traditional Chinese medicine holds that the inherent balance and co-ordination between the organs of the body is the principal basis for maintaining normal life activities. Acupuncture helps stimulate the circulatory systems of a patient with coronary heart disease and restore the balanced functioning of the internal organs."

In Treating Bacillary Dysentery. Doctors in Nanjing, Jiangsu Province, have proved through 15 years of sustained efforts that acupuncture can replace medication in treating bacillary dysentery. It is not that the needle killed the germs. The resistance of the body is strengthened continuously by acupuncture, which helps weaken or destroy the ability of the bacillus to survive. But exactly what process is involved in strengthening the function of resistance requires further study.

In Treating Gallstones. A hospital in Yantai Prefecture, Shandong Province, has since 1975 treated cholelithiasis (gallstones) successfully by combining acupuncture with administration of magnesium sulfate. Of the 522 patients treated, 409 expelled gallstones, a 78 per cent rate of effective response. The corresponding rate for patients in the control group receiving magnesium sulfate alone was 27 per cent. Treatment by acupuncture is best suited to patients suffering from acute cholelithiasis and has brought an 89 per cent rate of success in this group. Cases in which patients have failed to respond include those with severe bile duct infections as well as some other special conditions.

In Correcting Abnormal Foetal Positions. The correction of abnormal foetal positions by the use of moxibustion has had a 70-90 per cent rate of success. This result was shown by experiments carried out through the concerted efforts of hospitals in Shanghai, Shenyang and Nanchang. Studies of the pulse, respiration and blood pressure of the mothers under treatment lead doctors to believe that the corrective action of moxibustion in cases of abnormal foetal position may lie in bringing about strengthened uterine activity. The foetal movement may have been reinforced. These dynamic factors favour the correction of the foetal position. But moxibustion treatment is contraindicated in cases of toxæmia in pregnancy or habitual miscarriage.

Progress in Acupuncture Anaesthesia

Hospitals and research groups engaged in the study of acupuncture anaesthesia reported their clinical experiences and the results of their study to the symposium.

Brain Surgery. China first succeeded in doing brain surgery under acupuncture anaesthesia in 1965. A national research group of doctors in this field, formed in March 1975, has since performed 4,466 brain operations. The rate of excellent or good results is 76 per cent.

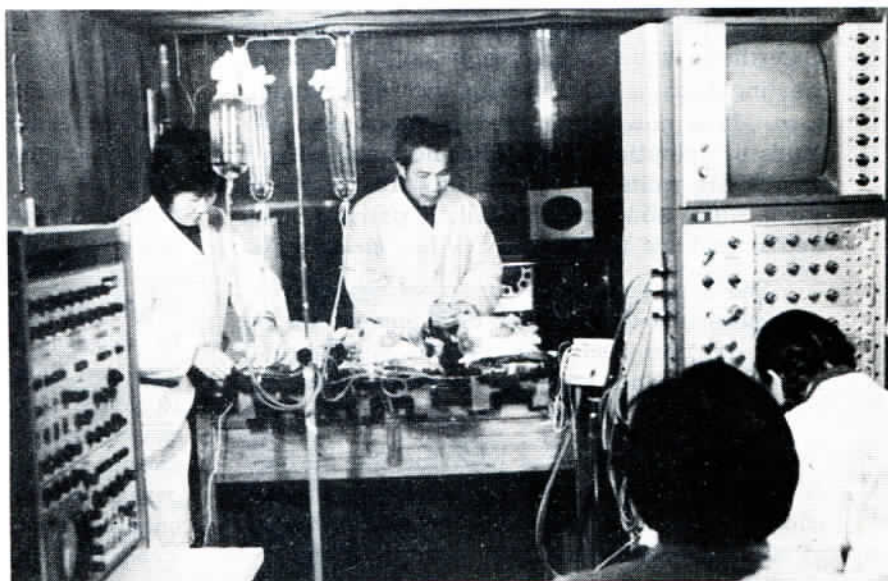
Caesarian Section. During the 1966-1978 period, the

Beijing Hospital of Gynecology and Obstetrics used acupuncture anaesthesia during 1,000 Caesarian sections, including cases with complications such as toxæmia and anemia. The success rate was 98 per cent. Compared with other forms of anaesthesia, acupuncture anaesthesia results in a lower incidence of maternal physiological disturbances, and does not interfere with the supply of blood and oxygen for the fetus.

Open-Heart Surgery. A hospital in Shanghai first succeeded in employing acupuncture anaesthesia for intracardiac surgery under extracorporeal circulation in 1972. Up to August 1978, the hospital had used acupuncture anaesthesia in 230 open-heart operations and the rate of excellent and good results was around 70 per cent.

Pneumonectomy. Pneumonectomy under acupuncture anaesthesia is an operation which was performed quite early in China. A report on 1,000 such operations under acupuncture anaesthesia made by the Beijing Tuberculosis Research Institute states that the rate of excellent and good results is 97 per cent. Its superiority is especially apparent in patients suffering from severe pulmonary tuberculosis with very poor function of the lung who are unable to stand general anaesthesia.

Thyroid Operation. An analysis of 9,375 cases of thyroid operations with acupuncture anaesthesia shows an 80 per cent rate of excellent and good results.



Research workers of the Anhui College of Traditional Chinese Medicine investigating the relationship between acupuncture anaesthesia and the classical doctrine of the meridians.

Studies are being made on how to further reduce undesirable effects during operations under acupuncture anaesthesia — pain and muscle tension and discomfort when internal organs are disturbed.

During the symposium, foreign scholars went to hospitals and research institutes to watch operations performed with acupuncture anaesthesia:

— Woman doctors of the Beijing Hospital of Gynecology and Obstetrics delivered a baby girl by Caesarian section in 13 minutes using six needles during the acupuncture anaesthesia.

— Neurosurgeons and acupuncture anaesthetists in Beijing's Xuanwu Hospital performed a brain operation by using four needles to induce anaesthesia. They removed a cyst. The patient remained conscious throughout the two-hour operation.

— A single needle for acupuncture anaesthesia was used by surgeons of the Beijing Tuberculosis Research Institute in a pneumonectomy operation. The institute began doing pneumonectomies under acupuncture anaesthesia in 1965. At that time as many as 40 needles were applied to the patient's limbs, and it took four acupuncturists to twirl them. Research later on enabled them to use a single needle.

Seeing this, foreign specialists lavished great praise on acupuncture anaesthesia. "If I were not an eye witness today, it would be hard to believe such a wonder," said Doctor Siew Kuang Choong from Malaysia.

Probing Into the Principle

The papers presented on various subjects at the Beijing symposium show a diversity of approaches to the question of how acupuncture produces its effect.

The main lines of research fall into three broad categories:

1. The function of the nervous system. Research in this aspect is represented by the paper of Professor Zhang Xiangtong from the Shanghai Institute of Physiology. It deals with interaction in the thalamus of impulses from acupuncture points and the sites of pain.

2. The aspect of bio-chemistry. A thesis by Han Jisheng of the Beijing Medical College deals with the relationship between acupuncture



Professor Zhang Xiangtong, a neurophysiologist who has made new contributions to the study of the principle of acupuncture analgesia.

and anti-opiate substances in the body. Zhang Anzhong of the No. 1 Medical College in Shanghai takes up the interrelationship between acupuncture analgesia and endorphin, a chemical with a morphine-like effect, released by the brain.

3. Research proceeding from the theory of traditional Chinese medicine. Papers of this kind record the results in treating 6,000 patients by acupuncture at the Academy of Traditional Chinese Medicine, a P.L.A. hospital and a hospital in Shanxi Province. The results show that sensation induced by acupuncture can be traced along the channels and collaterals recorded in ancient classics of traditional Chinese medicine.

These papers of high scientific value aroused great interest among the Chinese and foreign scholars who attended the symposium.

At the closing ceremony a speech by Qian Xinzhong, Minister of Public Health, told of the common feeling of the Chinese and foreign scholars who attended the symposium. He said: The period of time set for the symposium is limited, yet friendship among us is everlasting. It is hoped that those working in the field will strengthen their ties and co-operation in the research of acupuncture, moxibustion and acupuncture anaesthesia, learn from one another and raise the level of the work with concerted efforts. "Let the flowers of acupuncture watered by friendship bloom more radiantly!"

Victory for Seeking Common Ground

by Our Correspondent Wang Wei

THE Summit Conference of the Organization of African Unity, which closed on the morning of July 21 in Monrovia after four days of intense discussions, was an important meeting held in a new international situation. Despite some controversies and differences over certain issues, the process and results of the meeting reflect the common aspirations of the African countries and the victory of their spirit of seeking common ground while reserving differences.

Continued Struggle

Monrovia, a beautiful coastal city on the Atlantic Ocean, is the capital of Liberia, one of the first African states to become independent. On the eve of the conference, our Liberian friends frequently mentioned to us the meeting held in 1959 in the city of Sanniquellie in northern Liberia, where Sekou Toure from Guinea, Kwame Nkrumah from Ghana and Liberia's William Tubman, heads of state of the first three African countries to win independence, discussed how to further unity on the continent. They signed a joint declaration to encourage and speed up the total liberation of the African territories which were struggling for national independence and self-determination, racial equality and human dignity. The Liberian people are proud that this meeting occurred in their country.

The O.A.U. was established in 1963. Now, 16 years later, there are 49 member states; and yet the great cause of African unity and liberation is far from its goal. The first problem to tackle is that Zimbabwe, Namibia and Azania in the southern part of the continent are still under colonial rule. The liberation struggle in southern Africa, therefore, was the primary concern of the recent summit. Since the last O.A.U. summit, some new factors have appeared in the struggle in this region and the situation has become more complicated. The reactionary authorities in Zimbabwe concocted a bogus election which led to the emergence of the Smith-Muzorewa regime. On the eve of this summit there was talk around that certain Western countries were considering recognizing the regime and lifting their sanctions against

Rhodesia. As was expected, this question which concerns the destiny of the Zimbabwean people was the central topic at the summit. Although the African countries have different views over whether an all-party conference should be held to solve the Zimbabwean issue, they unanimously refused to recognize the Smith-Muzorewa regime. They also have decided to bolster their support for the Patriotic Front of Zimbabwe and for the frontline countries — helping the Patriotic Front to further its united struggle. The Patriotic Front recently established the Council of Co-ordination, the Council of Defence and the Command of Joint Operation.

To promote the liberation struggle in southern Africa, particularly to resist the Rhodesian authorities' aggression against the frontline countries, the heads of state decided to review the overall strategy of liberation, enlarge the membership of the Liberation Council from 10 to 14, forge closer co-operation with the frontline countries and increase many-sided support to the liberation struggle.

Africa's Anxiety

The liberation struggle is not confined to southern Africa but rather is overshadowed by imperialist-hegemonist rivalry. O.A.U. Secretary-General Edem Kodjo pointed out in his work report to the summit: "Africa is in danger, that is why Africa should be vigilant." He added that this is "because the competition for hegemony has been transferred to Africa." His remarks revealed the stark African reality. The Cameroon President pointed out: Unfortunately there are new territorial and ideological conflicts here that conceal the struggles, rivalries and hegemonies which are creating zones of influence, and are targeting the young African countries as easy victims. The President of Seychelles also spoke about the rapid escalation of superpower rivalry in the Indian Ocean and called for all African countries to exert as much pressure as possible on the superpowers to withdraw their forces from the area.

After the two invasions of Zaire's Shahba Province, the African countries realized that the danger of foreign aggression and intervention

Hailing O.A.U. Summit

HUA GUOFENG, Premier of the State Council of the People's Republic of China, sent a message on July 14 to the 16th Conference of the Heads of State or Government of the Organization of African Unity (O.A.U.) extending warm congratulations to the conference on behalf of the Chinese Government and people.

The message said: "In the past year, the great African countries and peoples have made steady progress in their struggle against imperialism, colonialism, racism and hegemonism as well as Israeli aggression and expansion. They have successfully safeguarded their national independence and state sovereignty and registered new achievements in their national economic development and construction. The struggle waged by the peoples of Zimbabwe, Namibia and Azania for national liberation, which is developing in depth, has dealt ever heavier blows to the racist rule in southern Africa. The just stand of the numerous African countries to uphold unity, oppose all foreign interference and have African affairs settled by Africans themselves has won ever more extensive sympathy and support internationally. The Chinese Government and people heartily rejoice at the victories and successes won by our great African brothers, and will continue, as always, to support the great African people in their just struggle."

On July 25, *Renmin Ribao* carried an editorial entitled "Upholding Unity and Waging a Joint Struggle" to greet the successful conclusion of the O.A.U. summit. The editorial said: "The positive results

achieved by the summit show that the leaders of the African states are able to uphold unity, wage a joint struggle and smooth away conflicts by seeking common ground on major issues and reserving minor differences for the sake of larger interests. This is a major victory for the conference."

The summit was held against a background of sharper contention between the Soviet Union and the United States for world domination, and particularly the Soviet expansion on the continent of Africa, the editorial noted. "In recent years, while making trouble around the Mediterranean, the Red Sea and the Indian Ocean, the Kremlin has stepped up its efforts to stretch its sinister hand into all corners of Africa. It is inciting civil strife, stirring up turmoil, setting African states against one another and even openly engineering armed aggression and military intervention by its Cuban proxy forces, thereby plunging the continent into unrest and upheaval. This is the root cause of the grave differences and disputes now plaguing many African countries." "The 16th O.A.U. summit showed that many African countries have a clear understanding of this situation," the editorial pointed out.

Highly appraising the adoption of a special resolution on the next summit of the non-aligned countries by the O.A.U. summit, the editorial said: "The resolution reflects the strong will of the African people to adhere to the goals and principles of the non-aligned movement, to safeguard the O.A.U. Charter and to oppose the Soviet Union's interference in Africa. It is also an energetic counterblow to the Soviet attempt to split and undermine the non-aligned movement."

still existed. The O.A.U. Defence Commission, therefore, discussed the question of a defence system at a conference held in Addis Ababa last April. The commission submitted a report to this summit which outlined concrete measures for building a pan-African defence force. Although there are still many problems which need to be studied in the guidelines for establishing this force, the meeting endorsed the

basic idea in the commission's report. The primary tasks of the African defence force, as defined by the Defence Commission, were: To help southern Africa's liberation struggle; to support the frontline countries' struggle against aggression by the South African racist regime; to defend the independence, sovereignty and territorial integrity of the O.A.U. member states; and to oppose outside interference in

Africa. This reflected the common desire of the African countries to resist foreign aggression. Different views and positions were expressed on the question of the role of this pan-African defence force in the event of a conflict between African countries. The conference enjoined the Defence Commission to make a further study and submit a progress report to the next summit conference.

Differences Ironed Out

In view of the common aspirations that concern the vital interests of the African countries, African leaders called upon some countries on this continent to iron out their differences, find common ground and reserve minor differences. Created by colonialists in the past or left over from history and arising from the complicated contradictions and controversies with regard to tribes, races, religions and territories, the disputes between African countries were more apparent than ever at the conference. However, as the Liberian President and current O.A.U. chairman Tolbert said: These are only fraternal hostilities. But certain foreign journalists played them up, fabricating many sensational news stories. These differences, however, did not lead to a breakdown in the conference as was hoped for in certain quarters. Instead, it ended with the adoption of dozens of resolutions designed to safeguard the cause of African progress and unity. President Tolbert pointed out at the closing meeting: We cannot permit our quest for freedom to be impeded by fraternal hostilities. The internal African conflicts should not be allowed "to divert our actions from the noble cause of total emancipation." African state leaders called for a solution of the differences between African countries in the spirit of understanding and consultation.

In this spirit, the conference properly handled the differences between some African countries. For instance, after a consultation between Sudanese President Nimeri and Nigerian President Obasanjo, the conference agreed that a meeting of all parties in Chad should be held in Lagos in the near future to solve the Chad problem. A debate was held on the question of Tanzania sending troops to Uganda but soon afterwards, the Ugandan President issued a statement at a secret meeting and the conference decided to stop the discussion because it had not been included on the agenda of the summit. Though there were some debates over the Middle East issue, they did not aggravate differences. Egyptian President Sadat reaffirmed the basic principles for settling the Middle

East issue. Contrary to rumours circulating outside the conference, it was clear at the summit that certain African countries would not discuss re-establishing diplomatic relations with Israel. Support for the Palestinian cause was reiterated and Egypt was praised for recovering its lost territory.

Common Aspirations

The African countries also share a desire to strengthen their economic co-operation and speed up the continent's economic development.

Though rich in natural resources, Africa is the poorest continent in the world. Its gross national product is only 2.7 per cent of the world's total and its per capita income averages about 300 U.S. dollars. Ten of the most underdeveloped countries in the world are on this continent. Due to the economic crisis in the capitalist world in recent years, the prices for primary products dropped, Africa's national economies worsened and debts sharply increased. Dissatisfaction was expressed in the relevant resolutions adopted by the summit over the failure of the U.N. Conference on Trade and Development and the North-South dialogues to achieve any positive results. In the face of this reality, the African countries have strengthened their regional co-operation in the past year, as has been exemplified in the stepped-up activities of the West African Economic Community, the Customs and Economic Union of Central African States and other regional organizations as well as those of trades and professions.

With a view to furthering economic co-operation between African states, the conference adopted the Monrovia Strategy on the Guidelines and Measures for National and Collective Self-Reliance in Social and Economic Development for the Establishment of a New International Economic Order. The document points out that the regional and zonal economic co-operation between African countries and collective self-reliance will pave the way for the eventual establishment of an African common market leading to an African economic community. This is the first time that the African countries put forward the idea of an African community. The conference also decided that a special meeting of the heads of African states will be held in Lagos later this year to discuss economic problems, an indication that the O.A.U. is feeling increasing concern for Africa's economic co-operation and development. Some African state leaders rightfully pointed out that without economic independence, political independence will be very fragile.

Viet Nam Stands Accused

AT the international conference on Indo-Chinese refugees held in Geneva on July 20 and 21 and attended by over 60 countries, the Vietnamese delegation and its sole supporter, the Soviet delegation, were very much isolated. The Vietnamese delegation headed by Vietnamese Vice-Foreign Minister Phan Hien put on a show of helplessness at the meeting and although they tried by every stratagem to escape being tried by the international community, they still ended up as the accused before the world.

Unenviable Situation

First of all, the Vietnamese authorities were not able to obstruct the convocation of such a conference. They knew perfectly well that for them the convocation of such a conference itself was an international political pressure. Vietnamese embassies in some countries including Indonesia had issued statements declaring that Viet Nam would refuse to participate in any international conference to discuss the refugee problem. Pressure from international opinion, however, forced the Vietnamese delegation to go

to Geneva, escorted by the Soviet delegation, who decided to participate at the last moment.

Secondly, the Vietnamese authorities were not able to prevent other delegations from referring to the political aspect of the refugee problem. As soon as Phan Hien arrived in Geneva, he told newsmen that his country was against any political debate at the meeting. He declared that whoever discussed the political aspect of the problem would be sabotaging the conference. Despite his protestations, most participants unanimously denounced the genocidal and bestial Vietnamese policy of forcing out refugees. They noted that receiving, transitting and resettling refugees did not solve the problem at its source.

The nature of the refugee problem cannot be glossed over. Reality shows that as long as the root cause of the problem, namely, the present domestic and foreign policy of Viet Nam, is not removed, the exodus of refugees cannot be staunched.

Thirdly, the Vietnamese authorities were not able to evade their responsibility for the refugee problem. According to what Phan Hien said at the conference, the Vietnamese



Vietnamese refugee Lai Tam Huoi, whose sons were also driven out of Viet Nam, was rescued off the coast of China's Guangxi Zhuang Autonomous Region when her boat sank in a storm on its way to Xianggang (Hongkong).



Vietnamese refugees who crossed into China by land.

authorities were not in the least responsible for the huge exodus of refugees they had produced. Resettling the refugees also had nothing whatsoever to do with Viet Nam. It was the responsibility of other countries. He asked the other countries to set up more refugee reception centres and guarantee more funds for setting up more reception centres. He demanded that the developed countries provide more funds and food and take in more refugees. He even declared: "Other countries and international organizations should make positive contributions to solving the refugee problem." What effrontery! The creators of this international calamity, this human tragedy, have the impudence to demand that others do this and do that, while they wash their hands completely of this calamity. After Phan Hien's speech at the conference, a foreign reporter remarked: "The Vietnamese Vice-Foreign Minister is apparently claiming that his country is the most humanitarian country in the world."

The Vietnamese authorities tried to shirk all responsibility for the refugee problem they had created, but many representatives at the conference sternly pointed out that the Vietnamese Government bears unshirkable responsibility for the problem and that it must change its policies, including its policy towards its neighbouring countries.

It must be noted that at the conference, the Vietnamese representative, instead of behaving arrogantly as he usually did, spoke of Viet Nam's "goodwill, co-operation and constructive approach" and he refrained from attacking China by name or repeating the charge that China was

the "arch criminal" responsible for the refugee problem. Hanoi's gesture does not mean that it will stop forcing out refugees. Under heavy pressure from the international community, it was trying to deceive people with soft-spoken words as it continued its trade in human lives.

Disregarding established facts, the Soviet representative attacked China by innuendo, alleging at the conference that the outflow of refugees was caused by the "threat from the north." Moscow's hurried dispatch of a representative to Geneva was to extend a "fraternal" hand to its ally bombarded by indignant protests from all parts of the world. Despite

his eloquent words about humanitarianism, the Soviet representative made no commitment whatsoever towards saving one of the lives of the hundreds of thousands of Vietnamese refugees. He spoke much about "aid" to Viet Nam provided by the Soviet Union in pursuance of its Asian strategy. He talked glibly about the amount of Soviet grain and consumer goods to Viet Nam, but said not a word about the quantity of munitions the Soviet Union had sent. The evasive performance of the Soviet representative showed clearly that Moscow is an accomplice in the Vietnamese acts of driving people out of the country.

Vietnamese Admissions

During the conference, the Vietnamese authorities pledged "to do everything to check" the exodus for a certain period. As a matter of fact, in the first half of July prior to the Geneva conference, the number of refugees reaching Southeast Asia had reportedly fallen to 11,919. During the conference, the outflow of refugees to Xianggang (Hongkong) and Malaysia almost stopped. Measured against the June figure of 56,941 refugees registered by the Office of the U.N. High Commissioner for Refugees, this fact shows that the Vietnamese authorities did temporarily stop the outflow.

The Vietnamese authorities have always denied creating the refugee problem

CORRECTION: In our issue No. 27 this year, the sixth line of the left-hand column on page 27 should read "if certain leading cadres are exempted."

and exporting refugees. They have always charged that the Vietnamese refugee problem was the outcome of China's "incitation, instigation and compulsion." They have also claimed that Viet Nam was unable to control its 3,200-kilometre-long coastline and so on and so forth. At the Geneva conference, Vietnamese Vice-Foreign Minister Phan Hien declared that this outflow of large numbers of refugees was "not at all surprising."

The Vietnamese coast has not been shortened, but the number of people leaving Viet Nam has markedly dropped. According to Western reports, the Vietnamese Vice-Foreign Minister had privately told many delegates and newsmen that this drop in numbers was a manifestation of Hanoi's "sincerity." This demonstrates that the reduction of Vietnamese refugees and the Vietnamese authorities' pledge "to do everything to check" such an exodus for a certain period, is a deception to mitigate world indignation for fear of being condemned by the participating countries.

In doing so, however, the Vietnamese authorities have given the lie to their repeated claims that the exodus of refugees is uncontrollable, and to their allegation that China is "inciting, instigating and compelling" the exodus of Vietnamese refugees. Facts have proved that the refugee tragedy is the exclusive handiwork of the Hanoi authorities who

can turn the tap on or off in this matter. As the Foreign Minister of Singapore S. Rajaratnam pointed out, the reduction of the number of refugees only proves that Hanoi's claim that it cannot control the exodus of refugees is groundless.

This stratagem of Hanoi's makes clear two points:

First, creating and exporting refugees is an established policy of the Vietnamese authorities. The reduction in outflow of refugees and Hanoi's pledge "to do everything to check" it are temporary phenomena, merely a tactic to create and export more refugees later. Greater effort must be made by the international community to stop the exodus of Vietnamese refugees.

Secondly, since the Vietnamese authorities have reduced its export of refugees under pressure from the world, the international community should also be able to force the Vietnamese authorities to stop completely their bestial export of human beings. The Foreign Minister of Singapore put it well when he said that since the Vietnamese authorities can stop the outflow of people for a few days, they also can do it for ever.

The Vietnamese authorities stand accused. The world should press ahead and compel them to stop once and for all their crime.

Who Is Responsible for the "Oil Crisis"?

THE capitalist world is today labouring under the shadow of a so-called "second oil crisis." Many developed countries are rushing to purchase oil in the international markets regardless of the needs or interests of other countries. In the developed countries, cars queue up for a dozen kilometres or so while crowds of people anxiously wait to buy gasoline. In some countries, compulsory as well as voluntary measures have been adopted, such as rationing fuel oil and oil for industrial use. As these measures have had a great impact on life and

production, a tense atmosphere prevails. The primary task which faced the Tokyo summit of seven industrial countries held at the end of last June was to work out "a common strategy to cope with the second oil crisis." Several agreements were reached but there still remains the question of how much the oil crisis can be overcome.

How has the oil crisis started? Some people in the West blamed it on the 13-member Organization of Petroleum Exporting Countries (OPEC). This is not fair. As was shown in a

recent U.S. opinion poll reported in the Japanese newspaper *Mainichi Shimbun*, 62 per cent of the Americans questioned hold that the so-called "oil crisis is created artificially," and "the creators of the crisis" are the policy-makers headed by the U.S. Government and the American and European international oil capital. This shows the source of the problem.

Oil Rush

The reduction of oil production and the one-time suspension of oil exports in Iran (a member state of OPEC), brought about by turmoil at home, did create a certain gap between supply and demand on the international market. However, the gap was still far from creating an overall supply-demand crisis. Moreover, during the 68 days when Iran suspended its export, Saudi Arabia and other countries increased their daily production and thus made up for part of the shortage. An article in the *Economic Reporter* of Xianggang (Hongkong) considered that the so-called "supply-demand crisis" was an exaggeration. It quoted data from an international energy organization composed of 20 Western industrial nations which showed, "For Western countries, the gap between supply and demand is only 1.5 million barrels per day, or 2.9 per cent of the total demand." "There should not have been any great difficulty in filling the gap," it added. Furthermore, Western countries and their big oil companies have stored sufficient oil to meet demand for over half a year. In the short run, no oil crisis should have appeared. On March 5, this year, Iran recommenced its export of oil. Even the then U.S. Secretary of Energy James Schlesinger held that "there is a tenuous balance between supply and demand." However, some Western oil companies took advantage of the fall in Iran's oil supply to stir up trouble. For example, the American oil companies cut down oil supplies by 10 to 15 per cent, thereby causing tensions on the market. Even worse, a wave of oil purchasing was whipped up among the Western industrial nations. In late May the U.S. Government declared a five-dollar-per-barrel subsidy for imported fuel, taking the lead in encouraging and stimulating the stampede for oil; this was a bid to replenish a shortage in its overall strategic oil storage. Other Western oil companies followed suit. All this exacerbated the "tenuous balance" between supply and demand on the international oil market. The OPEC Chairman Al Otaiba said, "Industrialized nations are siphoning 1.5 million barrels a day from world markets to build strategic stock-

piles." "It is this amount taken from the market that is creating the shortage," he added.

Soaring Prices

How has the oil "price crisis" taken place, a crisis which has something to do with the problem of oil shortage? The fact is that oil monopoly corporations in Western countries were the first to jack up oil prices with a view to reaping fabulous profits. The French weekly *New Observer* puts it well when it says, "These corporations deliberately created an oil shortage and then forced up the prices unreasonably."

The oil ministers of the United Arab Emirates, Kuwait and Saudi Arabia met last February to find ways of preventing Western companies from raising prices at random and of maintaining the price set by OPEC. The oil price on the market was then well over 20 U.S. dollars a barrel, 70 per cent more than the price fixed by the organization. A speculative rush for oil later occurred on the spot markets of Rotterdam in the Netherlands and oil prices rose to 25 to 30 U.S. dollars per barrel. In some cases the price rose as high as 40 U.S. dollars a barrel, more than twice the price fixed by OPEC.

The Western oil monopoly groups have reaped staggering profits by raising oil prices during the first half of this year. The profit milked by the U.S. Exxon Corporation, the largest in the world, reached 960 million U.S. dollars in the first quarter of this year, showing a 37.4 per cent increase compared with the corresponding 1978 period and hitting an all-time high compared to any quarter since the founding of the corporation. The president of the corporation Clifton Garvin stated, "All the oil companies have benefited from the international oil price increase."

OPEC froze its oil prices in 1977 and 1978. The organization does not wish to see the fragile economies of the West influenced more seriously by oil price increases and, as a consequence, causing setbacks for economic growth and construction in the oil producing countries. OPEC has readjusted its oil prices only when the prices in the Western markets have gone beyond bounds. During recent years, oil producers of the third world countries have suffered heavy losses as a result of inflation, devaluation of the U.S. dollar and the sharp rise in prices of industrial products in the West. According to Western statistics, over the five-year period from 1974

to 1978 OPEC raised the basic price of oil by only 16 per cent while the cost of goods imported by its member states soared by at least 50 per cent. Even under these circumstances, some major oil producing countries still curbed oil prices in the world market by pumping more petroleum to ease oil shortages. They did the same when Iran stopped supplying oil. Not long ago, when the oil price continued to increase sharply, Saudi Arabia announced once more that it would increase oil production by one million barrels a day for three to six months. King Khaled Ibn Abdul Aziz of Saudi Arabia said, "We are producing more oil than we need. We merely aim at contributing towards world economic stability."

Behind the "Oil Crisis"

The so-called "second oil crisis" in the Western capitalist world showed that although some countries have developed rapidly during the postwar period, this development is still very fragile. A very important resource plundered by imperialists for almost one hundred years and one of the major factors promoting the rapid economic development of the capitalist world, oil in Asia, Africa and Latin

America has helped Western civilization and prosperity; at the same time, the Western countries have become greatly dependent on oil for production and maintaining living standards. Now the oil producers in the third world countries have become masters of their own destiny. As soon as oil production and supply run into difficulties, the governments of the West feel anxious and social unrest ensues. Cashing in on this situation, oil monopolists and all kinds of profiteers rush to purchase oil and hoard it for speculation, thereby inflating oil prices. Their sole aim is to obtain more windfall profits.

The current "oil crisis" is also connected with the Soviet oil strategy. The Soviet Union has stepped up implementation of its policy for southward drive, thereby menacing the West's traditional oil suppliers in the Persian Gulf and the oil supply routes which are the Western countries' "lifeline." This harsh reality increased tension in the United States and its allies, impelling them to speed up their strategic stockpiling of oil. The rivalry for hegemony between the Soviet Union and the United States is behind the "oil crisis."

— Xinhua Correspondent Zhong Dong

Soviet Union Steps Up Southward Drive

THE Soviet Union is stepping up its southward drive towards the oil-rich crescent Gulf region.

"A steadily declining economic growth rate coupled with mounting defence costs and a growing oil shortage is predicted for the Soviet Union in the early 1980s," said Keith Bush, a Western specialist on the Soviet economy. If the Soviet Union becomes an oil importer, it will redouble its efforts to scramble for the oil-rich Middle East and the Persian Gulf region. The Kremlin's drive will certainly aggravate its contention with the United States for these regions, the main oil source for the West.

It is reported that the Soviet naval and air forces stationed in the vicinity of this sensitive

area are now carrying out landing exercises; the nuclear missiles deployed there are trained on a number of important oilfields; Soviet reconnaissance planes frequently streak across the sky of the Gulf; and Soviet submarines often pass through the Strait of Hormuz known as "the throat of the Gulf."

Pressure From the North

In the first half of this year, Afghanistan, Iran and Turkey, which share common borders with the Soviet Union, have felt increasing pressure from the north.

Last year, the Soviet Union had its way in Afghanistan. However, the growth of the anti-

government Moslem armed forces there may turn the Soviet success into a failure.

Since March of this year, the Soviet Union has increased its direct participation in the suppression of the Moslem forces. The number of Soviet military and other advisers has reportedly reached 3,500, including several high-ranking Kremlin generals.

During the Iranian people's revolutionary movement to overthrow the monarchy and found a republic, the Soviet Union tried, through pro-Soviet forces in the country, to make the internal situation develop in a direction favourable to it. But Iranian developments have not been to its liking. Therefore, since last February, the Soviet Union has been shifting to sowing discord between Iran's minority nationalities and the central government. It has instigated unrest among the Kurds, Turkomans and Baluchis from the north to the south in an attempt to dismember Iran.

In Turkey, the Soviet Union has caused turmoil by taking advantage of the Kurdish problem in the areas adjacent to its borders and smuggling large quantities of weapons there. Kurdish Turkish Senator Kamuran Inan has charged that the Soviet Union is trying to "build a pro-Moscow state" there. It has been reported that the "independent state" would include the Kurdish areas in Iran, Iraq and Syria and would be linked with the Kurdish area within the Soviet Union. The attempt is obviously an important step in the Soviet drive southward to the Persian Gulf.

The Soviet deployment in South Yemen also has something to do with its southward drive strategy. It is a measure taken to close in on the Gulf from behind. Soviet naval, air, missile and logistics bases and satellite tracking stations have been built in South Yemen, and installations for accommodating ten submarines at a time are under construction.

With differences arising among the Arab countries as a result of the Egyptian-Israeli treaty, the Soviet Union has stepped up its offensive against Saudi Arabia. Not long ago, a batch of submachine guns and other weapons smuggled by the Soviet Union were found in a Saudi port. And Soviet spies have also been sent into the country. At the same time, the Kremlin has assumed a look of innocence and congeniality, talking about "friendship" and "the establishment of diplomatic relations" with Saudi Arabia. Brezhnev has even sent a message to the Saudi King, trying to set

his heart at rest about the Soviet intention.

Two Confrontations

The United States responded quickly to Moscow's strategic southward drive. Hodding Carter, U.S. State Department spokesman, said recently that stability and security in the Persian Gulf region was a "matter of vital U.S. interest." "This has been conveyed to the Soviets," he added. In fact, since the beginning of this year, the two superpowers have been engaged in fierce confrontation on land and at sea on two occasions in this region.

The first confrontation took place in March when the Soviet Union interfered in the armed conflict between South and North Yemen by sending big shipments of arms and Cuban troops to South Yemen. The United States lost no time in rushing large numbers of the latest planes and armoured weapons to North Yemen. It was only thanks to the timely mediation by the Arab League that the two-week-long war finally came to a halt.

The other confrontation happened when the United States sent a task fleet with the aircraft carrier *Midway Island* as its mainstay into the Arabian Sea as an emergency measure against Soviet interference in the armed conflict between South and North Yemen. The Soviet Union responded by sending to the scene a fleet with the aircraft carrier *Minsk* as its main force. On May 15, two Soviet reconnaissance bombers buzzed the U.S. aircraft carrier as its planes were landing and taking off; harassed, the planes were forced to make way. Washington lodged a protest with the Soviet Union, and then withdrew the carrier.

On the Alert

Moscow's southward drive and the rivalry between the Soviet Union and the United States in the Gulf region have aroused general concern and vigilance among the leaders of the countries there. In a speech last April, the Chairman of the Iraqi Revolutionary Command Council, Saddam Hussein, pointed out: "We stand for the maintenance of friendly relations with Moscow, but we reject Soviet expansionism in the Arab world." He emphasized: "The Soviet Union cannot be allowed to occupy Saudi territory." Not long ago, Iranian religious leader Ruhollah Khomeini told the Soviet ambassador to Iran: "There should be no interference in our internal affairs." He demanded that "you must guarantee that Soviet arms won't come into Iran

(Continued on p. 26.)

INDIA

Political Unrest

Indian Prime Minister Morarji Desai stepped down on July 15, precipitating acute political turbulence.

The current political crisis in India stems mainly from the sharpening contradictions and subsequent open split within the ruling People's Party. On July 9, when the rainy season session of the current Indian parliament opened, there were mass defections from the ruling party's parliamentary ranks which rose to about 100 people by July 15. This swiftly reduced Desai's government party, which originally held 302 seats in the 538-seat Lower House, to a minority. At the same time, 14 out of 48 ministers resigned from his cabinet. On July 10, the Congress Party accused the Desai government of being inept in handling domestic problems and called for a vote of no-confidence on July 16. Attacked both from inside and outside, Desai was forced to resign in order to avoid defeat on the no-confidence motion.

The social turmoil in India to a certain degree added fuel to the factional struggle within the People's Party. There were continual strikes this year. Desai's power was particularly eroded when he ordered army troops to put down a police strike which involved reserves of the central police, formerly a pillar of the Indian Government, and the central industrial security troops.

After his resignation, former Prime Minister Desai threw himself into an unsuccessful bid to regain the Prime Minis-

tership, winning only 236 supporters. Charan Singh was entrusted to form the cabinet and won 262 supporters in the 538-seat Lower House, who belonged to the Janata (Secular), the official Congress Party, Mrs. Gandhi's faction of the Congress Party, the Socialist Party and other small parties. The newly appointed Prime Minister, Singh, was officially sworn in on July 28. But Indian President S. Reddy asked Singh to hold a vote of confidence on the new government in the third week of August after his formation of the cabinet because his backers held less than half the seats in the Lower House.

JAPAN

Oil Diplomacy

After the 7-nation Tokyo summit, energy has become a major problem in Japan. Recently, the Ministry of International Trade and Industry announced a new energy basic policy which calls for an average of 6.3 million barrels of oil per day to be imported by 1980. Worried about whether it can buy as much oil as is planned, the Japanese Government has been stressing the need for "dialogue" between the oil-producers and oil-consumers. As a major part of Japan's oil diplomacy, the Japanese Minister of International Trade and Industry, Masumi Esaki, was sent to tour four Middle East states — Iraq, Kuwait, Saudi Arabia and the United Arab Emirates — from July 7 to 21.

By respecting the demands of oil producing countries, Japan's new approach achieved a certain amount of progress in ensuring her oil imports.

The Saudi Arabian Minister of Planning, Sheikh Hisham Nazer, after holding talks with Masumi Esaki, told a Japanese newsmen: "The Government of Saudi Arabia has been increasing its oil output. Japan is welcome to buy oil at any time." In order to ensure its oil supplies, Japan has decided to provide technical assistance and economic co-operation with Iraq, an expression of wanting to maintain good relations, in return for increased oil from that country. It was negotiated that Iraq would export 7.32 million tons of oil to Japan, 40 per cent above last year's figure. Talks with leaders of Kuwait and the United Arab Emirates also yielded positive results.

Fifty-three per cent of Japan's oil is imported from these four Middle East countries: Saudi Arabia supplies 30 per cent; the United Arab Emirates, 11 per cent; Kuwait, 8 per cent; and Iraq, 4 per cent. Thus improving relations with these countries is very important to Japan's oil supply.

In August, the Japanese Government will send a delegation to Mexico to negotiate oil imports.

U.S.A.

Cabinet Reshuffle

People are watching intently the political situation in the United States. Following the collective offer to resign by all cabinet members on July 17, Carter reshuffled his cabinet and replaced five secretaries: the treasury, energy, transport and other departments. All cabinet members simultaneously offering to resign in the middle of a president's term has never

happened before in U.S. history.

The recent cabinet reshuffle demonstrates, to some degree, the difficult situation the Carter administration finds itself. Externally, the Soviet offensive has been sapping the strategic position of the United States. At the Vienna summit between the two countries, only the SALT II agreement was signed, nothing was done about a whole string of international problems having a vital bearing on the two countries. The SALT II agreement is being heatedly debated in the U.S. Senate. Its approval is highly debatable. In their contention for world domination the United States is still seen as being in an unfavourable position. This, of course, does not help to improve Carter's image in the United States.

Problems are piling up at home, too: inflation is getting worse, a continuing GNP drop over the first half of the year, and what is more, energy has become a big problem. The domestic situation is becoming unstable, the public is becoming dissatisfied and the administration's creditability is being undermined.

The Carter administration is feeling the strain, particularly with the 1980 presidential election looming up. Whether Carter can solve these problems

will determine whether or not he will be re-elected.

The response inside and outside the United States varies with regard to Carter's cabinet reshuffle. But one thing is sure, the difficulties confronting Carter are closely connected with the political, economic and strategic situation the world over, and whether his administration can really weather this test remains to be seen.

VENEZUELA

Indians' Living Conditions Improved

In recent years, the Venezuelan Government has been working to improve the living conditions for its Indian population. Dugout canoes which the Indians have been using for centuries have now been motorized, a radio station broadcasting in six Indian languages has been built, and most of the Indians have already moved from their thatch huts into government-financed housing.

The Governor of Amazonas Federal District pointed out recently that the government's policy towards the Indians is to not only preserve their culture and customs, but also to allow them to take part in national development. For this reason, the local government issued an order at the end of April establishing a committee

in the Indian areas, which will be composed of representatives to be elected on October 12 by the Indians themselves. The committee's main task is to submit to the local government all the social and economic problems which need to be solved in the Indian communities.

In order to train specialists in agriculture and stock raising, the government of Amazonas Federal District set up a school in June for Indian students. The short-term programme will train them to be plasterers, carpenters, veterinarians and machinists. The government also adopted some measures to improve the Indians' electricity and drinking water supplies so that they will be able to gradually shake off poverty and backwardness.

Speaking of the changes in the Indians' living conditions, the President of the Indians' Federation said that handouts were not wanted because they would not bring about a substantial alteration of the Indians' economic position. What was needed was technical help, so that Indians could exert themselves to develop production and raise their cultural level.

There are 250,000 Indians in Venezuela scattered in six states, of which 30,000 live in Amazonas Federal District.

(Continued from p. 24.)

from the Soviet Union." Omani Head of State Sultan Qabus Bin pointed out in an interview with foreign reporters recently that Moscow leaders "are planning to extend their influence in the Gulf. What they are doing is no secret." He continued that the situation in the area "has reached alarming proportions."

In late June, Saudi Arabia conducted a military exercise, the biggest of its kind in re-

cent years, in its southern area. King Khaled Ibn Abdul Aziz invited leaders from the United Arab Emirates, Qatar, Bahrain, North Yemen and Kuwait to watch the exercise and later held a miniature summit. The Saudi Arabian paper *Al Ukadh* said: "The meeting is of great importance to the Gulf region. Its significance lies in the formulation of an all-round strategy in order to cope with all challenges."

— Xin Ping

● **Beidaihe — Seaside Resort**

With summer here, more and more Chinese and foreign tourists are going to Beidaihe — the seaside summer resort with an attractive 10-kilometre beach east of Beijing on Bohai Bay. Nearby are many scenic spots and historical sites. Shanhai-guan, the starting point of the Great Wall is only 37 kilometres away.

The place became a tourist resort about 80 years ago. Since the founding of New China in 1949, the Chinese Government has built a working people's cultural palace, parks, safe swimming areas, sanatoria, rest houses and an international club. Party, state and army leaders and model workers often came for rest or convalescence.

In order to develop the country's tourist business, the Central Committee of the Communist Party of China, the State Council and army units this spring handed over all their rest houses and cottages in

Beidaihe to the tourist department.

This summer the tourist department has 350 cottages for tourists. These cottages vary in size, from accommodating family groups, tourist parties to international meetings.

Communications are convenient. It is half an hour by plane from Beijing.

● **Aerial Sowing of Rice**

Some 6,500 hectares of rice on 26 state farms in China were sown by aircraft this year. The aerial-sown rice crop is doing well.

The method of sowing rice and then transplanting seedlings is still used in China's densely populated areas. But state farms are mostly in areas with a sparse population and they have a relatively high level of mechanization which permits aerial sowing.

The experimental aerial sowing of rice was first made in 1971 in Chengxihu Farm, in

east China. Last year, 1,000 hectares of aerielly sown early rice on the farm gave five tons per hectare despite abnormally high temperatures and a dry spell.

● **New Coal Base in Liaoning**

China is building a coal base with an annual productive capacity of 13 million tons in the Tiefsa mining area in northeast China's Liaoning Province.

Two large pits with designed annual capacities of 900,000 and 1.2 million tons are being built. The four existing pits with a total annual capacity of 2 million tons are being reconstructed and expanded to double their output.

Construction of another pit with a designed annual capacity of 3 million tons is to start this year, and several more large pits are planned.

The Tiefsa mining area is one of the eight areas being turned into major coal bases. Its known coal deposits amount to over 2,100 million tons. The area has a simple geological structure. The coal seams slope gently and most of them are medium and thick ones. This favours large-scale mechanized production.

Coal is the major fuel in China. Although the coal industry has developed at a much more rapid tempo in the last two years (total output was above 600 million tons last year), the fuel supply is still a weak link in the national economy. That is why China is devoting great efforts to the building of pits so as to enormously raise coal output within a few years.



A historical site at Beidaihe.

● **From Loss to Gain**

In the first quarter of this year, the price of a monthly bus ticket nearly doubled in Beijing. Citizens telephoned and wrote complaints to the Beijing Public Transport Bureau, demanding an explanation. In the beginning of April, the former price was reinstated.

People want to know what actually happened. A correspondent of *Gongren Ribao* gives this answer.

At first, the bureau believed that the municipal bus and trolley bus companies were in the red for two successive years because the price of the monthly ticket did not cover costs and such ticket holders kept increasing. To reduce the losses, it decided to hike up the price of a monthly ticket, figuring that it would not adversely affect the living standards of the workers and staff members in enterprises and the cadres as the state subsidizes their transport costs.

But when people lodged such strong complaints, the bureau took them seriously. There were a large number of Beijing residents whose bus fare was not covered by the state subsidies. Could better ways be worked out to cover the losses?

The transport workers were mobilized to discuss ways to improve the companies' management. They adopted three measures: (1) More bus lines should be added. (2) Drivers should economize on gasoline and electricity. (3) The method of selling ticket has to be improved so as to prevent some passengers from not buying tickets.

These measures promoted the opening of some new special tourist lines in April to increase the number of passengers and

income. In addition, 190,000 litres of gasoline were saved in the same month. So even though the price of a monthly ticket dropped, the total receipts in April increased 530,000 yuan over the corresponding period of last year. Now the two companies have reversed their losses, earning a total profit of 87,000 yuan in April and 387,000 yuan in May.

The *Gongren Ribao* correspondent pointed out: This shows that improvements in management can turn around a losing operation. Such actions are welcomed by the state and the people.

● **Famous Varieties of Tea**

China produced more of its special teas this year and their quality has improved.

China has been growing tea for a long, long time and tea is still the best-loved beverage in China and in many parts of the world. There are over 200 kinds of tea from China, classified into three main categories — green, black and wulong (oolong). Some 50 of these are very highly rated.

The light green and fragrant "Longjing" tea from coastal Zhejiang Province continues to

enjoy a high reputation at home and on the world market. This important tea-producing province grows some 20 different fine varieties of tea, and an extra 40 hectares have been opened up for tea cultivation.

"Xinyang Maojian," a green tea produced in Xinyang Prefecture of Henan Province, is rated as one of China's ten best teas. According to historical records, as early as in the Tang Dynasty (618-907) the tea was sent as tribute to the imperial court. The prefecture now cultivates 14,400 hectares of this kind of tea, 31 times as large as those in the immediate post-liberation period.

"Huoqing," is an aromatic tea grown only in the cloudy, foggy mountainous areas of Jingxian County in Anhui Province. Very strict standards are set for picking and processing. Picking starts only when the leaves reach 2.7 centimetres in length.

"Shanqing," much favoured variety of the minority nationalities in the northwest, comes from south Shaanxi Province. In the last five years, 25,300 hectares of land in this area were switched to growing tea and thus quadrupled the acreage.



A new tea garden in Zhejiang Province.



DRAMA

Tian Han Commemorated

Two plays and two Beijing operas by Tian Han (1898-1968) have been revived in the capital. Written in this great playwright's early life, the two dramas are *On the Night When the Tiger Was Captured* which depicts the tragic love between a hunter's daughter and a young peasant, and *The Death of a Famous Actor* which describes the calamitous fate of a Beijing opera singer in pre-liberation days. Tian Han's two Beijing operas were produced after New China was founded. *Xie Yaohuan* is about a woman magistrate who dares to oppose some influential and cruel officials 1,200 years ago while *The Tale of the White Snake* is based on an old folk tale.

More than ten years have elapsed since Tian Han's plays and operas were banned. He was persecuted by the gang of four and died in prison during the early years of the Cultural Revolution. At the time of his death, he was Vice-Chairman of the China Federation of Literary and Art Circles and Chairman of the Chinese Dramatists' Association.

A memorial meeting was held in Beijing last April to rehabilitate Tian Han and reaffirm his role as a founder of China's revolutionary drama and forerunner of the movement to reform dramas. Newspapers have carried many articles commemorating him. Cao Yu, the most influential contemporary playwright, hailed him as "our mentor," and held that "his works led us on to the revolutionary road."

Tian Han decided to become a playwright when he was a teenager studying in Japan. There he and Guo Moruo engaged in literary creation and translation. After 1920 he produced a number of works on life in old China; the miseries suffered by the labouring people, the crimes committed by the reactionary ruling classes, warlords and imperialists, and the spiritual depression of the intellectuals were all dealt with in his writings. Tian Han was the first to sing the praises of workers resisting the capitalists. Later he portrayed the struggle waged by the armymen, students, peasants, workers and overseas Chinese in resisting

Japanese aggression. He lashed out at the fascist forces by producing a play extolling the Abyssinian people's fight against their Italian invaders.

Tian Han actively advocated the adoption of Western modern drama forms which had first come to China via Japan in 1907 and he worked to combine them with the unique style of China's ancient national performing arts. During the 20s he edited and published a fortnightly and established a film studio and an art college, where many useful people were trained. In 1930 he wrote the famous work *Our Own Self-Criticism* designed to overcome petty-bourgeois tendencies. In the same year he became a member of the China League of Left-Wing Writers organized by Lu Xun and others. In 1932 he joined the Chinese Communist Party and became a leading member of the League of Left-Wing Dramatists. Under extremely difficult conditions, he pushed forward the people's struggle against reactionary rulers. During the War of Resistance Against Japan (1937-45), under the leadership of Comrade Zhou Enlai, he led the



"Xie Yaohuan," a Beijing opera.

patriotic youth to form a number of performing teams which travelled all over the country advocating resistance and revolution.

After liberation Tian Han was given a leading post and assumed heavy responsibilities, but he still kept writing. Among his works of that period, two plays enjoyed widespread popularity. One was about the great 13th century dramatist Guan Hanqing, who devoted his life to writing operas exposing the cruel rule of the Yuan Dynasty and eulogizing the popular resistance. His plain realism exerted tremendous influence on posterity. The other was a historical play about Princess Wen Cheng of the Tang Dynasty who married a Tibetan king 1,300 years ago, thereby fostering a close relationship between the Han and Tibetan peoples. These two works embodied Tian Han's experiences and feelings during his lifetime.

As an enthusiastic drama reformist, Tian Han attached great importance to making traditional art forms serve a new content, discarding the dross of historical works, assimilating their essence and bestowing new meanings upon them. He also used modern lighting, scenery and other stage craft techniques for presenting traditional operas in order to make them more appealing. At the same time, Tian Han experimented with traditional forms of artistic expression in his modern dramas so as to tinge them with some national colour. He always maintained close ties with actors and actresses, showed concern for their well-being and helped them reform various local operas.

Tian Han was also a poet and an outstanding leader in the

revolutionary music and film circles. His poem *March of the Volunteers* contains his most famous lines:

Arise, all ye who refuse to be slaves!

With our flesh and blood

Let us build our new Great Wall . . .

Arise! Millions with but one heart,

Braving the enemy's fire, march on!

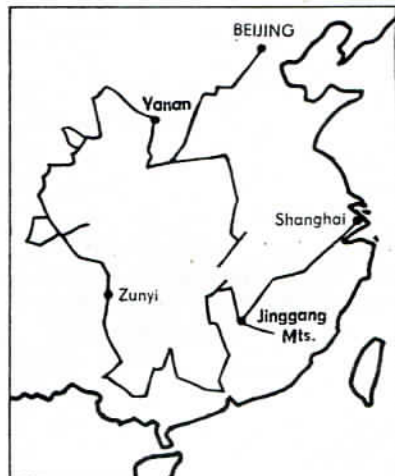
Today many people are just becoming familiar with the conditions under which the poem was written. In 1935 Tian Han was arrested by the Kuomintang for agitating against Japanese aggression. He composed *March of the Volunteers* in prison on the back of a cigarette pack. It was smuggled out of jail, passing through many hands before it was set to music by the famous young composer Nie Er. Expressing the determination of the Chinese people, this song, as the interlude of the film *Young People in War Years*, became popular all over the country. It inspired thousands upon thousands of people to join the struggle and march to victory. When the People's Republic was founded in 1949, the song was proclaimed the provisional national anthem.

Now that people are working to turn China into a modern, powerful socialist country, they cherish the memory of this proletarian fighter in literature and art. Both his life and his high aspiration for liberation and progress expressed in his works will continue to have a profound influence on the country's artists and people.

SPORTS

An Unusual Torch Relay

The 77-day torch relay which began on July 1 and was scheduled to end on September 15, combines sports and an education in revolutionary tradition. Setting out from Shanghai, the athletes will cover a distance of 12,000 kilometres through places of special significance in the Chinese revolution, including the Jinggang Mountains, Zunyi, and Yanan, and finally bring the torch to Beijing where the Fourth National Games will be held.



Sketch map by Shi Yitu

Named the "New Long March," the torch relay has profound political significance. When the Chinese revolution was at its most critical juncture in the 1930s, Comrades Mao Zedong, Zhou Enlai and Zhu De led the Red Army in the 25,000-li Long March from the south to the northwest, which preserved and developed the revolutionary forces. This world-famous Long March showed that the revolutionary torch lit by the first generation of Chinese Communists could not be extinguished. Their staunch revolutionary spirit

and optimism has always inspired the Chinese people to march forward. This torch relay now under way expresses the Chinese people's determination to carry forward their revolutionary tradition on their new Long March to modernize the country.

On July 1, Wang Zhen, a veteran Red Army fighter who participated in the Long March, and who is now a Member of the Political Bureau of the Party Central Committee and Vice-Premier of the State Council, lit the first torch in front of an ordinary Shanghai building where, 58 years ago, Comrade Mao Zedong and his comrades held the First Congress of the Chinese Communist Party. Wang Zhen took the lead in starting the race, followed by labour heroes, workers, students, teachers, P.L.A.

fighters and scientists, most of whom were young.

Having been relayed to Zhejiang, the torch then passed through the provinces of Jiangxi, Hunan and Guangdong and is now advancing in Guangxi. Many leading members of the Party and government, the Youth League, the Physical Culture and Sports Commission and veteran Red Army fighters in these places who are to be present at the hand-over ceremony will encourage the younger generation to retain the enthusiasm and fervor that existed in the revolutionary war years.

It is estimated that 100,000 people will take part in the event, and that over 2 million teenagers will participate in the activities organized by the Chinese Communist Youth League and Young Pioneers.

Named "Hold High the Revolutionary Torch, Carry Out a New Long March," these activities include visits to revolutionary museums, listening to reports on the revolutionary tradition and other cultural and recreational activities.



Vice-Premier Wang Zhen, who took part in the 25,000-li Long March, lights the torch.

ON THE STAGE AND SCREEN

Modern Drama

• *Song of the Storm*, a historical play written recently by veteran playwright Chen Baichen and staged by the Central Experimental Theatre. From a historical

materialist viewpoint and with a fast moving plot and clever dialogue, the play presents a true picture of the ambitious Lu Hou, the wife of Emperor Liu Bang of the Western Han Dynasty 2,000 years ago. Jiang Qing had made much of this character as a "great Legalist."

• *Oh! Forests!* by the teachers' class of the Beijing Cinema College. Ten years of trials and tribulations teach a group of young people to think and fight.

New Quju Opera

• *Cherry Blossoms and Blood-Stained Tears* by Beijing Ballad-Singing and Quju Opera Theatre. The friendship between the Chinese and Japanese people is implicitly described through the separation and reunion of a Japanese woman and her Chinese husband.

Colour Documentary Film

Films shown to mark the 52nd anniversary of the People's

Liberation Army (August 1) include:

• *Glory to the Heroes in the War to Defend the Motherland*. The frontline heroes' activities in Beijing after the counterattack against the Vietnamese invaders. It shows the fish-and-water relations between the soldiers and the people.

• *Everyone a Soldier*. The growth of the militia of all nationalities.

Mexican Film Week

• *Yesenia*. A girl who grew up with gypsies falls in love with a white officer. She marries him in the end after overcoming many obstacles.

• *Corazon Salvaje*. Two sisters' different approach to love. Selfish, callous Jaime meets an unhappy ending, while kind and gentle Monica does not.

• *Maria*. An orphan girl falls in love with her cousin but they cannot marry due to opposition from his family. She dies broken-hearted.





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