

# PEKING REVIEW

30

July 28, 1978

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## Chairman Hua Kuo-feng's Speech

— At the National Conference on Finance and Trade

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## Time Will Tell the True From the False

— "Renmin Ribao" Commentator on China's aid to Viet Nam

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**O.A.U.: Just Call From the Summit**

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北京周報

BEIJING ZHOUBAO

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## National Finance and Trade Conference

The National Finance and Trade Conference on Learning From Taching and Tachai convened by the Party Central Committee was held in Peking from June 20 to July 9. (Taching and Tachai are the nation's pace-setters in industry and agriculture respectively.)

The conference was the largest ever on the finance and trade front (including commerce, service trades, foreign trade, and banking) since the founding of New China. Entrusted by 12 million workers in these fields, more than 5,000 leading cadres and representatives from advanced units and advanced workers of financial and trade departments all over the country attended the conference.

Chairman Hua made an important speech at the conference. Vice-Chairman Li Hsien-nien and Vice-Premier Yu Chiu-li also spoke. (For full text of Chairman Hua's speech and highlights of Vice-Chairman Li's speech see p.6 and p.15.)

The conference discussed a wide range of subjects, including:

— The important role of financial and trade work in China's socialist modernization;

— Doing a good job of finance and trade work in the spirit of the Taching Oilfield and the Tachai Production Brigade to help develop industrial and agricultural production at high speed;

— Wholeheartedly serving the people's daily needs. Doing a good job in supplying manufactured goods for the rural areas and non-staple foodstuffs for the cities. Expanding and improving the service trades and gradually socializing household work;

— Accumulating funds at a faster rate for national construction and rationally allocating and using the funds;

— Energetically expanding foreign trade.

Through discussion, the representatives reached unity of understanding with regard to foreign trade. The consensus was: We should develop economic and technical exchanges with other countries in accordance with our national needs and the principles of equality and mutual benefit and supplying each other's needs provided these activities do not infringe on China's sovereignty or hamper her economic independence and provided they conform to Chairman Mao's line in foreign affairs. We should also apply common trade practices and handle our foreign trade flexibly and successfully. It is necessary, they pointed out, to give full play to China's immense labour power and certain surplus equipment to expand the work of processing raw materials, copying prototypes and assembling machine parts. Where techniques and equipment are inadequate, the method of importing them and repaying with their own products can be used. It is necessary to import and introduce advanced tech-

nology and equipment in a planned way. Through foreign trade, we should import certain light industrial goods and other commodities the people need so as to add more variety to the domestic market and make it still more flourishing.

The conference was permeated with a lively and enthusiastic atmosphere. The representatives pledged to do their part in the new Long March to bring about the modernization of agriculture, industry, national defence, science and technology.

## More Summer Grain This Year

China overcame a serious drought to harvest 5 million tons more summer grain this year than last year. Output of rapeseed, a major oil-bearing crop, was an all-time high and spring silkworm cocoons and spring tea also showed an increase over 1977's.

The area affected by drought was as large as last year's, but the drought was more severe and of longer duration and damage to summer crops was greater. Worst hit were the main wheat-producing areas of the Yellow and Huai River valleys.

In late April, the State Council convened an urgent telephone conference on combating the drought. A total of 1.17 million leading cadres at various levels in Hopei, Honan, Shantung and seven other provinces went to the countryside to give leadership. The government allocated more funds and materials and

armymen in various localities joined the battle against drought.

Water conservancy projects played a big role in the fight to save the crops. The 4 million hectares brought under irrigation last winter and this spring did very well. Many more small projects were quickly built when the dry spell began.

In north China's Hopei Province, 80 per cent of the wheat fields were watered by pump wells installed in recent years and the province was able to reap a record summer grain harvest some 20 per cent larger than last year's. The worst hit in the province was Hsingtai Prefecture. Every means of transport was employed to carry water to the fields, in some county towns even bicycles were used.



Delivering summer grain to a state commercial department in Hopei Province.

Thanks to the efforts by all quarters, the total summer grain crop in China was better than last year's, despite reduced yields in some areas.

## Vice-Chairman Li Meets Argentine Comrades

Li Hsien-nien, Vice-Chairman of the Central Committee of the Communist Party of China, and Keng Piao, Member of the Political Bureau of the C.P.C. Central Committee, met in Peking recently with a delegation of the Argentine Revolutionary Communist Party headed by Aguirre, Member of the Political Committee of the Party's Central Committee.

After the meeting, Comrade Keng Piao gave a banquet in honour of the delegation.

Comrade Keng Piao said in a toast at the banquet: "Since its founding in 1968, the Argentine Revolutionary Communist Party has actively participated in the revolutionary mass movement at home, persevered in the struggle against imperialism and revisionism, strengthened Party building ideologically and organizationally, and marched forward along the orientation of integrating Marxism-Leninism with the revolutionary practice of Argentina."

Delegation leader Aguirre in his toast spoke of the delegation's 8,000-kilometre tour in China. He said: "We have seen

that the Chinese people are rallying round the Central Committee of the Communist Party of China and their leader Hua Kuo-feng." "We have also seen that the Chinese people have realized the goal of attaining the initial successes set by the Party's 11th National Congress."

"Our Party," he added, "fully agrees to the theory of the three worlds and warmly supports the various resolutions adopted by your Party's 11th Congress and the Fifth National People's Congress, and the strategic decision and general task set by the two congresses."

Referring to the present international situation, Comrade Aguirre pointed out that owing to the contention for world hegemony by the two superpowers, particularly Soviet social-imperialism which is the most aggressive and dangerous at present, a world war is inevitable. "So long as the people of all countries are aware of this danger, get prepared and actively wage struggle, in the long run, it is not the superpowers which will eliminate the people; it is the people who will eliminate the superpowers," Comrade Aguirre said.

## Vice-Chairman Chi Visits Syria

Vice-Chairman of the Standing Committee of the National People's Congress Chi Peng-fei made a friendly visit to Syria from July 5 to 10. Earlier, he had visited Venezuela, Mexico and Canada. (See issue No. 28.)

Speaking at the banquet he gave in honour of Vice-Chairman Chi, President of the Syrian People's Council Mahmoud Hadid expressed his appreciation of China's consistent support for the Syrian people's just struggle.

In his speech, Vice-Chairman Chi reiterated that China supports the Arab and Palestinian people in their just struggle for the recovery of their lost territories and the restoration of the Palestinian national rights, opposes the rivalry of foreign forces for hegemony in the Middle East, and opposes the policy of aggression pursued by Israeli Zionism. He sternly condemned the Israeli authorities for their provocative actions designed to perpetuate their occupation of Arab territories. China, he declared, has no dealings whatsoever with the Israeli Zionists.

In Damascus, Vice-Chairman Chi Peng-fei held talks with Abdul Halim Khaddam, Deputy Prime Minister and Minister for Foreign Affairs of Syria. During his visit Vice-Chairman Chi met with President Hafez Assad, Prime Minister Mohammed Ali Halabi and Chairman of the Executive Committee of the Palestine Liberation Organization Yasser Arafat on separate occasions.

#### IN THE NEWS

• Vice-Premier Teng Hsiao-ping met with Sir Anthony Jenkinson, Chairman of the Board of Directors of the weekly *Cayman Compass*, and Lady Jenkinson on July 17. In 1938 when he visited Yenan as a correspondent of *Daily Sketch*, Sir Anthony was



Mr. Hinton showing a model of his farmland to Vice-Premiers Li Hsien-nien (2nd from right) and Yu Chiu-li (2nd from left).

received by Chairman Mao. Sir Anthony Jenkinson presented Vice-Premier Teng with a number of photos he had taken in Yenan and the articles he had written at that time.

• Vice-Premier Teng Hsiao-ping on July 23 met with His Royal Highness Prince Gyanendra Bir Bikram Shah and his wife Her Royal Highness Princess Komal Rajya Laxmi Devi Shah, His Royal Highness Prince Dharendra Bir Bikram Shah and his wife Her Royal Highness Princess Prekshya Rajya Laxmi Devi Shah. The Nepalese guests made a stopover in Peking after visiting the Democratic People's Republic of Korea.

• Vice-Premiers Li Hsien-nien and Yu Chiu-li on July 21 met with American friend William H. Hinton. Mr. Hinton has come to China several times and is an old friend of the Chinese people. During the meeting, Mr. Hinton gave a detailed

account of his farming methods and experience in obtaining high yields on his 100-hectare plot on a mountain slope. He made useful suggestions on China's farmland capital construction.

• The China Islamic Association gave a banquet on July 16 in honour of the Venerable Moufti Ahmed Mohamed Zabarrah and his wife from the Yemen Arab Republic. Speaking at the banquet, Chang Chieh, a leading member of the China Islamic Association, said that the Chinese Moslems and the Chinese people resolutely support the Arab people and the Palestinian people in their just struggle. Mr. Moufti Zabarrah said: "Visiting China after the 'gang of four' was smashed, we are very pleased that the China Islamic Association has resumed its normal activities and that we are able to attend a service today."

# Chairman Hua Kuo-feng's Speech

—At the National Finance and Trade Conference  
On Learning From Taching and Tachai

(July 7, 1978)



Comrades,

The current National Finance and Trade Conference on Learning From Taching and Tachai is drawing to a successful close. The speech made by Comrade Hsien-nien and the report delivered by Comrade Chiu-li are very important and very good. You have studied and discussed them, exchanged experience of departments of finance and trade in learning from Taching and Tachai and increased your enthusiasm to learn from, catch up with and overtake the advanced. The atmosphere at the conference is lively, with everyone emancipating his mind, freely expressing opinions, working in a democratic way, pooling ideas and heightening understanding

and confidence. The conference is bound to help tremendously in stimulating the socialist enthusiasm of workers in finance and trade, raising the quality of work in this field, promoting high-speed development of the national economy and speeding up the building of a modern, powerful socialist China.

After our Party smashed the anti-Party clique — the “gang of four” of Wang Hung-wen, Chang Chun-chiao, Chiang Ching and Yao Wen-yuan — the Central Committee made the strategic decision to grasp the key link of class struggle and bring about great order across the land, convened the 11th National Congress of the Party and the Fifth National People's Congress, and laid down the line and the general task for the Party and the people of the whole country in the new period. We also called conferences on agriculture, industry and science and other important meetings. Now we are holding this finance and trade conference. In accordance with Marxism-Leninism-Mao Tsetung Thought and in the light of the new conditions, we have formulated fundamental principles for various fields of work and mapped out the Outline of the Ten-Year Plan for the Development of the National Economy, 1976-85, and the Outline of the National Plan for the Development of Science and Technology, for fulfilling the general task in the new period. Application of these principles and outlines is bound to bring about before long a new upsurge of socialist economic and cultural construction in our country.

Since the beginning of this year, we have been continuing our triumphant advance and scoring new successes in all areas on the basis of the initial achievements of the first year in grasping the key link of class struggle and bringing about great order across the land. For

the country as a whole, the work of screening the factional set-up of the "gang of four" has in the main come to a victorious close. There is a change for the better, too, in the few localities and units that are lagging behind in this respect. Criticism of the gang's counter-revolutionary revisionist line and reactionary ideological system is going deeper. Under the leadership of the Party Central Committee, political stability and unity have been consolidated and developed, and democracy has been restored and broadened both inside the Party and among the people in general. The cadres, workers, peasants and intellectuals are in high spirits as they take part in the three great revolutionary movements of class struggle, the struggle for production and scientific experiment. They are bold to speak out and to criticize. Their enthusiasm for socialism has been further aroused. Our industry, agriculture and finance and trade have been developing at fairly high speed. We have also made significant progress in science, education and culture. In short, the situation is very good.

Take the economic situation. Preliminary statistics for the first half of this year show a 24 per cent rise in industrial production over the corresponding 1977 period, which includes an increase in steel of 67 per cent, petroleum 11 per cent, coal 19 per cent, and electricity 17 per cent. Output of 16 major products of light industry, including cotton yarn, paper and sugar, increased by wide margins in the first six months of this year. Communications and transport did very well. Rail freight volume in the January-June period rose 22 per cent above the same 1977 period. In agriculture, quite a number of localities were hit by severe natural disasters last winter and this spring, but the summer-harvested crops yielded over 5 million tons more than last year because of the vigorous mass movement to learn from Tachai and the gradual carrying out of the Party's economic policies for the countryside. Purchases and sales in town and country are brisk, and stocks have increased. Total sales of consumer goods in the first three months of this year were bigger than the best quarter of any previous year. Sales in the second quarter of this year continued to rise. January-June state revenue topped the plan by a significant margin.

It can be seen from these facts that, since the smashing of the "gang of four" more than a year ago, we rescued the national economy, which was on the brink of collapse, and have set it on a path of steady growth and healthy development. Such rehabilitation and development in the national economy have been achieved not in one area or department or a few areas or departments but in all areas and departments. The great political revolution to expose and criticize the "gang of four" advances the growth of production and a political situation of stability and unity leads to economic prosperity. This is quite in line with the objective laws of development. People throughout the country are overjoyed at the victories on the economic front and they are fully confident of new victories.

But there is not the least reason for complacency. The present progress, we should note, is in the nature of recovery. In the last few years, the "gang of four" wrought havoc with our socialist economy. The aftermath of this continued to show itself in some departments in the first quarter of last year. Compared with that period, the rates of increase listed above naturally seem high. We should note especially that our goal is to modernize our agriculture, industry, national defence and science and technology, catch up with advanced world levels and surpass them, both economically and technically. We must compare our achievements with advanced levels in other countries. By so doing, we shall see that our levels are still very low. For years the "gang of four," waving the banner of "revolution" and brandishing big sticks, forbade people to learn from the advanced experience of other countries, and many of our comrades are scarcely aware of what has been going on abroad. Some comrades tend to take a dangerous attitude of conceit and complacency, conservatism and parochial arrogance when they make even the slightest progress. If this attitude is not decisively changed, we shall lack the will and the vision to forge ahead vigorously and shall be incapable of careful study of advanced experience either at home or abroad, let alone of catching up with the advanced levels of other countries.

We are now lagging behind not only in technology but in managerial skills too. Since

the founding of New China, we have accumulated certain experience in economic management, but still have many weak points to eliminate. But disruption by the "gang of four" pushed us back far below our original level; many essential rules and regulations were abolished, socialist planned economy was undermined, and a state of what can be called semi-anarchy was created. Now the "gang of four" have been overthrown, but their pernicious influence has not yet been thoroughly eliminated, many cardinal issues of right and wrong in economic work have still not been straightened out among many cadres and other people, and problems in management caused by the gang have piled up. Take industry for example. A large part of the productive capacity of present enterprises has not yet been fully utilized, and the potential is great. Low productivity, poor quality of products, high production costs, low profits and slow turnover of funds — these can be found in most enterprises. A number of enterprises are still running at a loss. Many new enterprises fail for a long time to become a productive force, and the yields on the investment are very poor. There are also quite a number of problems in the handling of both domestic and foreign trade; roundabout transport, the tying up and spoilage of commodities and losses caused by management are very serious. Only when we are fully aware of the problems created by our low standards of management and inept managerial work can we sum up experience and lessons in earnest, study and master advanced science and technology and advanced, scientific methods of management. Otherwise, we will continue to waste time, manpower and funds, and cannot fulfil the grand task we have set out to accomplish within this century. The whole Party must recognize the gravity of this problem.

Openly pinpointing the problems and shortcomings in our work will not weaken our confidence and initiative. On the contrary, it shows that we are full of confidence and that we are determined to display our initiative more effectively on the basis of recognizing objective realities. Fundamentally, our socialist political system and economic system are far superior to the capitalist. This is beyond question. But many aspects of our superstructure and relations of production are still not perfect; there

remain weaknesses in many links of our political system and our economic system. These are incompatible with the goal of the four modernizations. They shackle the productive forces and hinder their development. Ineptitude in management is, in the final analysis, a matter of this nature. To persist in continuing the revolution under the dictatorship of the proletariat, we should have the courage to face up to and expose those things in our concrete policies, rules and regulations, working methods and ideological concepts that are not in harmony with the goal of the four modernizations, and have the gumption to transform, firmly and in an appropriate manner, those aspects of the superstructure and the relations of production that are not in harmony with the productive forces. In this way we shall be able to bring into full play the advantages of the socialist system, constantly sum up our experience, go on discovering, inventing, creating and advancing, draw on the advanced science and technology and scientific managerial methods of other countries and, through hard struggle in not too long a historical period, catch up with and surpass the economic and technical levels of the most advanced capitalist countries.

Comrades! In order that our financial and trade work might take a big step forward from the present level, we find it necessary to reiterate the principle "Develop the economy and ensure supplies." Chairman Mao raised this principle in 1942 when he pointed out: "The general policy guiding our economic and financial work is to develop the economy and ensure supplies"; "while a good or a bad financial policy affects the economy, it is the economy that determines finance. Without a well-based economy it is impossible to solve financial difficulties, and without a growing economy it is impossible to attain financial sufficiency." In 1947 he again pointed out: "All places must plan on a long-term basis, work hard at production, practise economy and correctly solve the financial problem on the basis of production and economy. The first principle here is to develop production and ensure supply." Practice for over 30 years has proved that this is an entirely correct principle that we must continue to carry out. The content of this principle has been steadily enriched and developed with changes in historical conditions. Developing the



economy at present requires a big growth of modern industry, agriculture, communications and transport, a commensurate expansion of domestic and foreign trade, banking and other services, and increases in state revenue on this basis. Ensuring supplies in the present period means providing the material supplies and funds required for modernized production and expanded reproduction. It also means providing for a step-by-step improvement in the people's material well-being and cultural life and guaranteeing the country's essential military and administrative expenditures. Here "to develop the economy and ensure supplies" has two meanings. First, the development of the economy is the prerequisite for ensuring supplies. Without economic growth, supplies cannot be ensured; the higher the level of economic development, the higher the level of supplies to the state and the people. Second, ensuring supplies is the purpose of developing the economy. Our fundamental purpose in developing the socialist economy and constantly expanding reproduction is to provide for the material well-being and cultural life of our people and make our due contribution to humanity.

Carrying out the principle of developing the economy and ensuring supplies is the correct orientation for fully effective financial and trade work. In a note written in 1959 on a report by Comrade Li Hsien-nien, Chairman Mao stated penetratingly: "The suggestion about promoting industry, agriculture and commerce simultaneously is very good. It must be done. If commerce is belittled and not made a commander, industry and agriculture won't be developed." The relation between developing the economy and ensuring supplies is in essence an interrelation among the four links in the general process of production — production, exchange, distribution and consumption. None of these links can be dispensed with. Production is the decisive factor in this general process, but exchange, distribution and consumption also have a great bearing on production. While a growth in commerce results from the growth of industrial and agricultural production, it is also a powerful stimulus for industrial and agricultural growth. Similarly, finance and banking, important instruments for the allocation of funds, are naturally based on economic work. But whether or not fund ac-

cumulations are ample, allocations and loans are rational, turnover is fast, and management and supervision of the use of funds are correct — these determine to a high degree whether the economy can be developed with greater, faster, better and more economical results. Comrade Hsien-nien, in his opening address at this conference, likened financial and trade work to the circulatory system of the human body. This is a very good explanation of its extremely important role and position in all economic work. Party committees at all levels must put financial and trade work as an important item on their agenda. Any slighting or neglect of financial and trade work is incorrect.

We must also note that, in the new period, the rapid growth of our socialist economic and cultural construction and the gradual realization of the four modernizations are bound to place new and higher demands on financial and trade work. With the rapid advances in industrial and agricultural production, the total amount of commodities in society will greatly increase; this plus the growth of the division of labour and co-ordination among various specialities will inevitably expand the scope of exchange and call for stricter and closer social economic accounting and supervision. We shall have more and more contacts with the world market and constantly widen technical and material interchanges at home and abroad. Raising the people's living standards and socializing housework will require a steady growth in the service trades. Commerce and services are important social professions, on a par with industry and agriculture. This will become ever more obvious. When one fully understands this trend in the social economy, one will not think that there is no future in a job in finance and trade or that the service trades are inferior to others. Financial and trade work, including the service trades, are part of the great cause of serving the people. They are indispensable, offer a great future and are glorious and praiseworthy.

Comrades! We must do financial and trade work well in the Taching and Tachai style. This means that in financial and trade work we must implement the principle of developing the economy and ensuring supplies in an all-round way and uphold the Marxist political viewpoint,

production viewpoint and mass viewpoint, under the guidance of the great theory of continuing the revolution under the dictatorship of the proletariat. These three viewpoints fully embody the fine traditions in financial and trade work set up by Chairman Mao for our Party, embody our Party's fundamental experience in leading this work during the half century since the revolutionary base areas were set up, and embody the essential need to do financial and trade work in the Taching and Tachai style.

Since the founding of New China, financial and trade workers, under the leadership of the Party, have adhered to these three viewpoints and have kept to the socialist orientation in their work. They have made tremendous contributions to socialist revolution and construction, receiving warm support from people throughout the country and praise from friends abroad. In recent years, however, Lin Piao and the "gang of four" smeared and viciously attacked these three viewpoints and seriously damaged the ranks of financial and trade workers ideologically, politically, organizationally and in work style. As a result, the three viewpoints became vague and blurred in the minds of many of our comrades and many young workers who have come into financial and trade departments recently were never educated in these viewpoints. In order to improve our socialist financial and trade work, strengthen the rectification and building of the force of financial and trade workers ideologically and politically, and carry out the general task for the new period, we maintain that through this conference these three viewpoints should be stressed and widely publicized among all comrades in financial and trade work so that everyone will bear them firmly in mind and restore and carry forward our fine traditions in this work.

By the political viewpoint, we mean that all financial and trade workers must be clear about the great political significance of their work. They must consciously keep to the socialist orientation in their work and firmly carry out the Party's line, principles and policies so that work in all departments of finance and trade serves the general task of the new period.

At present and for some time to come, the task of paramount importance in finance and trade is to carry through to the end the struggle against the "gang of four," thoroughly exposing and criticizing their criminal sabotage of the socialist economy and socialist finance and trade and eliminating their pernicious influence. It is imperative to deal resolute blows at criminal acts of embezzlement, theft and speculation and crush attacks by capitalist forces in town and country. Abuse of power and position, feathering one's nest at the expense of the public interest, and deception, "back-door" practices and other unhealthy tendencies must be opposed. Socialist public ownership and socialist public property must be protected and the socialist position in finance and trade consolidated.

Since our financial and trade work serves as a link between production and consumption and among all production departments, all specific tasks in this area are bound to have a close bearing on socialist construction and the vital interests of the people and on the correct handling of many social contradictions in our socialist society. The financial and trade departments, therefore, must persistently put proletarian politics in command of all work and overcome all deviations from proletarian politics. Ideological and political work must be done in the course of economic and professional work, so that it becomes the real guarantee for success in that work. Party committees at all levels must give strong and effective assistance to all financial and trade workers for a steady heightening of their socialist consciousness to prevent and resist the corrosion and influence of bourgeois ideas and practices and they must strive to build a mighty contingent of financial and trade workers who are both red and expert, serve the people wholeheartedly and keep improving their skills.

By the production viewpoint, we mean that work in finance and trade must be geared to production and serve the needs of production.

Financial and trade workers must not approach their job in isolation, limiting themselves to the narrow confines of purchase and sale, receipt and payment, deposit and loan. They must direct their attention to production, inquire into production, become acquainted with

its processes, solve problems arising in it and promote its growth. Financial and trade departments must share good and bad with industrial and agricultural production departments, think in terms of production and do what it urgently requires. Only by really supporting, organizing and expanding production can financial and trade work acquire greater vitality, an increasingly strong material basis and a growing sphere of operations. Financial and trade departments know most clearly and reflect most sensitively whether the varieties, specifications, quantity and quality of products meet the needs of production and daily life, whether prices are reasonable and whether buying and selling are taking place at the right time. Commercial departments should promptly relay such information, as well as the new needs of production and daily life, to the departments in charge and production units concerned and help them organize production in the light of actual needs. They should show a sense of responsibility in making suggestions to production units and enthusiastically help them improve commodities that are not up to state standards and the needs of the people. If these production units fail to make any improvement within a set time, state financial and economic discipline should be strictly enforced to make them responsible for all losses arising so as to end the irrational situation of a short supply of goods society needs and mass producing and overstocking unwanted goods. Financial and banking departments should also adopt effective measures to help

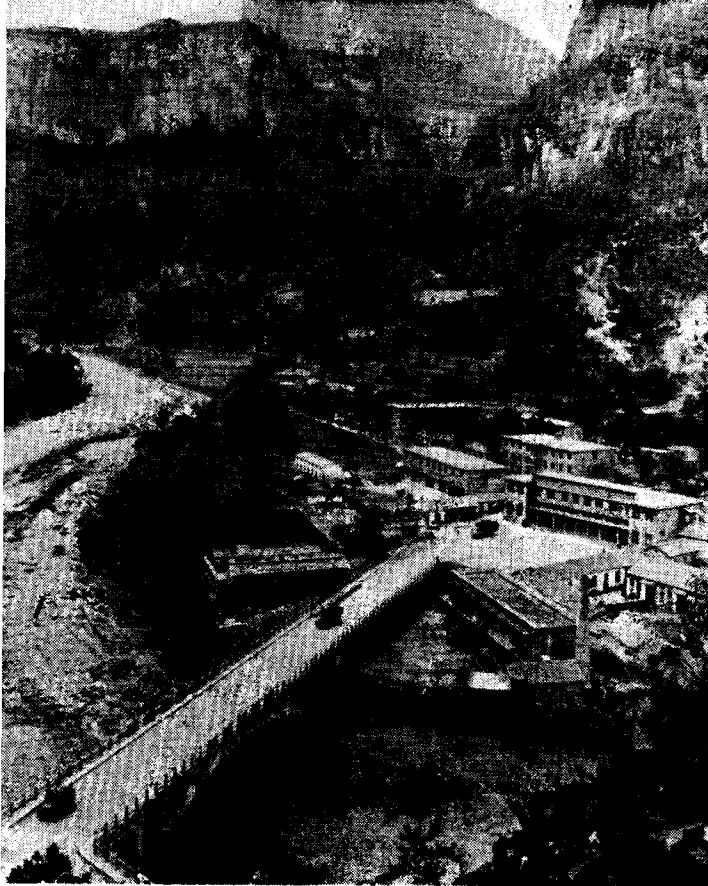
production units handle and use their funds well, improve management and achieve good economic results. All acts that violate financial and economic discipline and cause a waste of state funds must be resolutely stopped whatever the pretext and, if necessary, there should be economic sanctions or even legal steps. Financial and trade departments should carefully study all rules and regulations relating to prices, taxes, credits and management that are detrimental to the growth of production and should reform them.

On the law of value, Chairman Mao said: "This law is a great school. Only by applying it can we educate our tens of millions of cadres and hundreds of millions of people and build our socialism and communism. Otherwise it would all be impossible." In a planned socialist economy, the correct use of the law of value is of great importance for promoting socialist production. In this respect, our financial and trade work can play a major role through buying and selling commodities, through the allocation of funds and through such economic levers as pricing, taxing and providing loans. If we do not turn the law of value to good account, or if we violate it, our economic work will not be able to proceed correctly and effectively or achieve full results with minimum expenditure, and we will be punished by this objective law in terms of the inevitable serious waste and losses and disruption of socialist production. Our use of the law of value to promote production on the basis of a planned socialist economy was attacked as capitalist by the "gang of four."

They also attacked running socialist enterprises at a profit as "putting profits in command," creating the reactionary view that it was glorious to run an enterprise at a loss but shameful to show a profit. Consequently, many of our enterprises and cadres for a long time did not dare talk about making a profit; the system of enterprise management and financial regulations were thrown to the winds; economic accounting was abandoned and economic results were considered of no importance, while some enterprises even ran at a loss for long periods. All this seriously hampered the application of

Personnel of a people's bank in Lanchow, north-west China, study how to help boost economic development by better management of funds.





**A supply and marketing co-op in Linhsien County, Honan Province. Its work of organizing exchange of industrial and farm products has helped accelerate the development of this once poor mountainous area.**

the principle of developing the economy and ensuring supplies. In the struggle to eliminate the pernicious influence of Lin Piao and the "gang of four," we must carry out widespread education throughout the Party and among all economic, financial and trade workers on the need to strengthen economic accounting, pay attention to economic results, increase profits and exercise strict financial supervision, so as to stimulate production greatly and accumulate more funds for socialist construction.

One point in particular to be made here is that some provinces and autonomous regions are at present not self-sufficient in grain and non-staple foodstuffs and are short of vegetables, edible oil, meat and eggs. They are not self-sufficient in some of the prime manufactured daily necessities and even bring in from elsewhere such commodities as pots, pans, bricks, tiles, ink and paste. This is a big problem, and it is high time for a radical improvement. The

Party Central Committee requires that all provinces and autonomous regions that are not self-sufficient in grain and foodstuffs and all prefectures, cities and counties which have the conditions for self-sufficiency but have still not reached that goal map out realistic plans and achieve complete self-sufficiency within a few years. At the same time, they should work energetically for higher labour productivity in agriculture and a bigger commodity section of the total farm produce. All provinces and autonomous regions which have the necessary conditions for self-sufficiency in the most essential manufactured daily necessities but have not yet achieved it must strive with all their might for this goal or at least raise their level of self-sufficiency. In this respect, there is plenty of room for our financial and trade departments to give active support to production departments and to bring their own role and capacity into full play. Let us recognize, comrades, that our provinces are generally equal in size and population to a European country. Some European countries which used to depend on imports of farm produce and animal products have achieved self-sufficiency and even become exporting countries since World War II. Why can't some of our provinces do what capitalist countries can do? Chairman Mao put it well when he said: "A country with the dictatorship of the proletariat can certainly ensure that the people have vegetables, cooking oil, pork, fish, beef, mutton, chickens, ducks, geese, rabbits and eggs to eat. We should have the pluck and the determination to accomplish this socialist task of great political and economic significance. We should also have the confidence that we can do it." If a province or a prefecture is for a long time unable to achieve what its resources and conditions allow and is unable to become self-sufficient, the leading comrades there and the responsible comrades in the industrial, agricultural, financial and trade departments should feel ashamed and be ill at ease when they eat and sleep. Furthermore, all provinces and prefectures should, apart from meeting local needs, strive to satisfy the needs of the country's home market and exports. They should, according to their own conditions, produce whatever they can on a large scale and make bigger contributions to the state.

By the mass viewpoint, we mean truly serving the interests of the people, following the mass line in our work and willingly accepting supervision by the masses.

The labourer is the most fundamental, most revolutionary factor in the productive forces. The financial and trade departments through their work take care of the needs of the people in productive labour and daily life, of the supply and maintenance of the means of production and daily necessities, and of food, clothing, shelter, consumption, and means of travel for the people. These are important conditions for high-speed development of industrial and agricultural production as well as a vivid manifestation of the superiority of the socialist system. Our financial and trade work used to have fine traditions in this respect. Way back in the agrarian revolutionary war, Chairman Mao patiently instructed us to "pay close attention to the well-being of the masses" and to be concerned about their problems in regard to fuel, rice, cooking oil, salt, shelter and clothing. But the "gang of four" spread such nonsense as "good service will give rise to revisionism," which had a very bad influence on some financial and trade departments and service workers. These departments and people, with the poor attitude, inferior service and bad style of "bureaucratic traders," harmed the interests of the masses and undermined the close ties between the Party and the people. In some places, commercial departments even asked factories to halt production for some days and send their workers to the countryside to cut and transport cabbage! Should this bad style be tolerated which turned our commercial departments into bureaucratic offices? Isn't this the exact opposite of the revolutionary attitude of wholehearted devotion to the interests of the masses, shown by the advanced financial and trade workers commended at this conference?

The mass line is the Party's basic line, and participation by the masses in management is a basic setup under socialism. Financial and trade work is in wide and direct contact with the masses. It is all the more necessary for the financial and trade departments and units to carry out the mass

line and democratic management. They should activate and rely on not only their own people but also those whom they serve, so that they do their work well with the help and supervision of the masses. The grass-roots units of the financial and trade departments should regularly call meetings of the workers or their representatives. Rural supply and marketing and credit co-operatives should hold regular meetings of representatives of the poor and lower-middle peasants, at least once a year. Urban shops and service trades should also call meetings of neighbourhood representatives from time to time. At these meetings, leaders of these grass-roots units should report on their work, listen to the opinions of the masses, conscientiously study their suggestions and criticism and improve their own work accordingly. Leaders and personnel of financial and trade units, who have a poor attitude in serving, refuse to listen to the opinions of the masses from inside and outside their units, or even engage in embezzlement and malpractice and violate law and discipline, should be educated by serious criticism and, in grave cases, should be dealt with according to law. As for those who work well and are appreciated by the masses, they should be commended and rewarded.

The Central Committee is deeply convinced that with Party education, workers of the financial and trade departments throughout the country can certainly foster in their work the correct political viewpoint, production viewpoint and mass viewpoint, wholeheartedly serve the people, restore and carry forward our fine tra-

Shop assistants of a Shanghai vegetable market meet to exchange experiences in serving the people.





A Tientsin restaurant serves meals to school children to help reduce housework for the parents.

ditions, be good fighters in the rear service of the new Long March, and fulfil the glorious task of promoting high-speed development of the national economy.

Comrades! Building our country into a great, modern and powerful socialist state is a very arduous task. We must apply ourselves in study. We should study works by Marx, Engels, Lenin and Stalin and by Chairman Mao, learn from the people, learn from the practical experience our country has accumulated in socialist revolution and socialist construction over the past 28 years, and learn everything that is advanced from other countries. Theory, politics, economics, management, science and technology all need to be studied and the general educational level raised. A sustained study campaign should be launched for the whole Party and all the people.

Long ago, on the eve of the founding of the People's Republic of China, Chairman Mao taught us: "The serious task of economic construction lies before us. We shall soon put aside some of the things we know well and be compelled to do things we don't know well"; "we must learn what we do not know. We must learn to do economic work from all who know how, no matter who they are. We must esteem them as teachers, learning from them respectfully and conscientiously. We must not pretend to know when we do not know. We must not put on bureaucratic airs. If we dig into a subject for several months, for a year

or two, for three or five years, we shall eventually master it."

Chairman Mao in 1958 proposed that comrades on the Central Committee and on Party committees of the provinces, municipalities, autonomous regions, prefectures and counties read Stalin's *Economic Problems of Socialism in the U.S.S.R.* and other works. He urged them to read these books in relation to China's socialist economic revolution and economic construction so as to keep a sober head, which would help them guide our great economic work.

In his talk at the 1962 enlarged working conference convened by the Party Central Committee, Chairman Mao said: "Getting to know the laws governing the building of socialism necessarily involves a process"; "for us the socialist economy is in many respects a still unknown realm of necessity"; "in the forthcoming period we should accumulate experience and study hard, and in the course of practice gradually deepen our understanding and become clearer on the laws of socialist construction."

We are now faced with the great and arduous task of achieving socialist modernization, and we must restudy some things we learnt in the past and start from the beginning to learn many new things we have not touched on. Our cadres at all levels must, with an urgent sense of revolutionary responsibility and with high enthusiasm and firm resolve, conscientiously study the theory of socialist economic construction advanced by Marx, Engels, Lenin and Stalin and by Chairman Mao and delve diligently into various branches of new knowledge on the road of economic construction. Through study and practice, we will understand the economic laws of socialism better, more consciously apply objective economic laws, improve our management of economic work, and raise our level in modern science and technology.

Some comrades still do not recognize well enough the importance of studying, mastering and applying the economic laws of socialism. They have gone so far as to imagine that it is possible to put politics in command while neglecting objective economic laws and that acknowledgement of economic laws means

negating politics in command; this view is entirely wrong. We must put proletarian politics in command of our economic work and must do things according to objective economic laws, these two aspects being a unity. Leading cadres at all levels in the Party should strive to bring politics and economics together and raise the quality of their economic management. This is of key significance for the rapid development of the national economy and calls for particularly close attention.

Comrades! We have been victorious in achieving in one year initial success in grasping the key link of class struggle and bringing about great order across the land. The present task is to be victorious in achieving marked success within three years and to lay a solid foundation for fulfilling the ten-year plan. Time is limited,

the problems are many and the tasks are urgent. However, with the guidance of Marxism-Leninism-Mao Tsetung Thought, the leadership of the Party Central Committee, the close unity of the whole Party, the whole army and the people of all nationalities throughout the country, favourable conditions at home and abroad, and cadres and masses on all fronts working hard and studying diligently, we can certainly overcome every difficulty and reach our goals step by step. All comrades in finance and trade and in all other economic work, let us hold high the great banner of Chairman Mao, march on valiantly, carry out the general principle of developing the economy and ensuring supplies and strive to fulfil the general task for the new period and make China a modern, powerful socialist country.

## Vice-Chairman Li Hsien-nien on Finance and Trade

On June 20, Li Hsien-nien, Vice-Chairman of the Central Committee of the Communist Party of China and Vice-Premier of the State Council, made a speech at the opening ceremony of the National Finance and Trade Conference on Learning From Taching and Tachai. Following are the main points of his speech. — Ed.

### Self-Reliance

Vice-Chairman Li said: In adhering to the policy of maintaining independence, keeping the initiative in our own hands and relying on our own efforts, China aims at mobilizing her 800 million people to vigorously develop production, science and culture. Undoubtedly, he said, we

must strive to develop foreign trade so as to assimilate as far as possible everything good from other countries in the world. The aim of doing this is to enable our people to adopt as quickly as possible the most advanced techniques and methods to develop production and strengthen our hand in self-reliance.

He continued: From the Marxist point of view, the future of the people in all countries is invariably determined by the peoples themselves. Chairman Mao taught us long ago: "On what basis should our policy rest? It should rest on our own strength, and that means regeneration through one's own efforts." Victories in China's democratic revolution and socialist

revolution were won under the guidance of this policy. We must unswervingly carry on this policy throughout our future struggles to build a modern, powerful socialist country.

The Vice-Chairman stressed that in solving the problems of feeding and clothing 800 million people and realizing the modernization of agriculture, industry, national defence, science and technology, China must rely on herself to develop production, to create more social wealth, to accumulate more funds and master more up-to-date techniques. How can anyone imagine that some saviours from heaven will solve these problems for us?

He said that the policy of maintaining independence, keeping the initiative in our own hands and relying on our own efforts was the fundamental policy for building socialism and also for China's financial and trade work.

#### **Financial and Trade Work and the Four Modernizations**

Vice-Chairman Li said: "Just as a person cannot survive without the circulation of blood, so our socialist economy cannot for a moment operate without financial and trade work, the exchange of commodities or the allocation of funds." He added: When exchange and allocation are organized well, production can be carried on according to state plan and with greater, faster, better and more economical results; only then can the four modernizations possibly be achieved by the end of the century.

He recalled: Before the socialist transformation of agriculture in China, the overwhelming majority of the peasants were involved in small production that was semi-self-contained or for the most part self-contained, and commodity economy was underdeveloped. Therefore, some of our comrades have to this date failed to free themselves completely from the habits of a small producer. They still view and organize large-scale socialist production with the mentality, habits and methods of a small producer. Consciously or inadvertently, they are still going

in for some kind of self-contained or semi-self-contained economy.

In our drive for the four modernizations, we are going to use up-to-date science and technology to transform step by step all the sectors of the national economy, including agriculture, and replace most manual or semi-manual operations by highly mechanized automatic operations. Since this is a big leap in production, it will invariably require a corresponding widening of the area of exchange. The expansion of production requires specialization, division of labour and co-operation and expanded exchange. These in turn help improve the quality of all kinds of products, increase their variety and specifications, lower costs, strengthen planned production and raise efficiency and productivity, in a word, achieve a rapid growth of production, he pointed out. At the same time, we should also expand foreign trade, exporting more for more imports of advanced technology and equipment to speed up socialist construction.

Those comrades viewing large-scale socialist production with the outlook of a small producer, the Vice-Chairman said, do not know how to make full and correct use of the law of socialist commodity production and the law of value to serve large-scale socialist planned production. They often underrate or neglect the importance of commercial, service, financial and bank work and do not understand that modern large-scale production cannot go ahead without a strong commercial and service network, or without strong financial and bank work.

#### **Class Struggle on Financial and Trade Front**

As it is on other fronts, exposing and criticizing the "gang of four" is at present the main form of class struggle on the financial and trade front, the Vice-Chairman noted.

The "gang of four" had usurped leadership in finance and trade in some places, spread anarchy, opposed Party and government leadership in these fields and cast to the winds the rules, methods and discipline of financial and



trade management which had proved effective over many years. The gang's sabotage played such havoc as the state revenue plan was unfulfilled for several years running; large amounts of material were piled up and there was serious waste of funds; foreign trade made slow headway; the supply for the home market was inadequate; the channelling of goods was disrupted; service was poor and the malpractice of going in for "back door" deals became common, arousing widespread dissatisfaction among the people.

He said, in the struggle to expose and criticize the "gang of four," investigation work has won decisive victory on the financial and trade front. However, it was imperative to continue the in-depth criticism and thorough elimination of the gang's pernicious ideological and political influence. At present, we must grasp the key link of exposing and criticizing the "gang of four" and make this the impetus and guarantee for fulfilling our current tasks.

Supported and protected by the gang, the class enemies have for years exploited the imperfections in certain links in the socialist system, in our poor organization of commodity exchange and in our lack of a tight financial and bank management system, to speculate, embezzle and steal. Capitalism developed unchecked in some places. He expressed his approval of the struggle launched in many places against speculation, embezzlement and theft side by side with the movement to expose, criticize and investigate the "gang of four." He declared: At an appropriate time, the Party Central Committee will unfold this struggle throughout the country.

He warned that those who were guilty of the crimes of speculation, embezzlement and theft in varying degrees must own up to their crimes and make restitution so that they will be treated leniently. Those who refuse to come to their senses and continue their criminal activities will never be able to escape punishment by the people.

## Better Management in Finance and Trade

Vice-Chairman Li proposed that the national finance and trade conference take up better management in financial and trade work as a major problem for discussion. He said: Our present management is far from meeting the requirements of the Party and state. We must boldly expose our shortcomings and problems so as to push our work forward.

He urged the conference conscientiously to study and popularize the good experience of advanced units and individuals on the financial and trade front. Leaders of financial and commercial departments and units must gradually become specialists in their work and that responsible members of commercial departments should be aware of the gap between the level in their own enterprises and the advanced level at home and abroad as well as the measures for reaching the advanced levels so that they can get maximum results at minimum cost in running their enterprises and meet the needs of consumers while ensuring reasonable profit. In the past ten years, sabotage by Lin Piao and the "gang of four" had caused deterioration on the management level and brought about great losses and waste.

He noted that the speedy development of the four modernizations requires us to vigorously open up new commerce and service trades, accumulate more funds, and greatly expand imports and exports; moreover, we must achieve modernization in these very fields — commerce, the service trades, financial and bank work, and finance and trade management.

Raising the level of management is a problem not only on the financial and trade front but also in agriculture, industry, capital construction, transport, communications and other fields. This is an urgent problem whose solution is essential to economic work as a whole and to the entire cause of socialist construction and so it merits the close attention of the whole Party, he stressed.

# A Meaningful Discussion

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A MAJOR reform in the college enrolment system was introduced in China last year with the adoption of unified examinations, all-round appraisal of students morally, intellectually and physically, and matriculation of the best students. This reform won the support and acclaim of the people throughout the country, but nevertheless, there were a few people who held different views. A lively discussion on the matter was opened up at a national conference on enrolment held in May this year.

### "Offending" or "Inspiring" the Tens of Millions?

Some people claimed that in last year's enrolment, the students of worker and peasant origin were proportionately fewer than before as a result of the entrance examinations, and that although hundreds of thousands were accepted, tens of millions (of workers and peasants) were offended. They feared that continuation of this practice would lead to deviation from the Party's class line.

Representatives to the conference had a discussion on this view and pointed out that it was incorrect for it did not accord with the realities. Many representatives, in giving their opinions, described the situation in their localities or colleges. For example, representatives from the Chinese University of Science and Technology said: Of the 738 students admitted last year, over 99 per cent were from families of working people. Similarly, representatives from Shanghai's Chiao Tung University pointed out: Of the 1,058 university students enrolled, only 0.6 per cent was from families of exploiting classes. A comrade from the Ministry of Education pointed out: According to the enrolment statistics of the provinces and municipalities making up the 24 administrative units, 97.4 per cent of the new students were

children of workers, poor and lower-middle peasants and other labouring people (revolutionary army men, cadres and intellectuals). Clearly, the new enrolment system has ensured that the children of working people constitute the great majority of students in the universities.

A further break-down of the 97.4 per cent revealed that the number of students from families of intellectuals (in China, intellectuals include professors, scientists, artists, and primary and middle school teachers) was greater in proportion to the total population than in previous years. The reason for this, it was pointed out, lay in the gang's sabotage of educational undertakings. For instance, they made a hero of Chang Tieh-sheng for turning in a "blank examination paper" and gave him wide publicity. Influenced by this, many youngsters neglected their studies, and the result was a general lowering of the quality of education in the schools. As the role of school education was drastically weakened, family education and self-study by young people began to assume a role of increased prominence. There is a greater number of college students from intellectual families than those from worker and peasant families because the former have better conditions and environment for learning.

If the principle of enrolling the best examinees is followed and admitting children of intellectuals into the colleges, will this lead to deviation from the Party's class line?

Representatives pointed out that intellectuals serving socialism are part of the working people, not "the stinking ninth category" (as branded by the gang as class enemies coming after the eight categories of the landlords, rich peasants, counter-revolutionaries, bad elements, etc. — *Tr.*). Their children should be treated on an equal footing with those of workers and peasants. Enrolling their children is for the

rapid training of personnel for socialist modernization and in the fundamental interests of the workers and peasants. It involves not departure from, but implementation of, the Party's class line. In future, as educational practice becomes more regularized, the quality of primary and middle school education will be universally raised, and this will enable a larger proportion of students of worker and peasant origin to advance their education.

When the "gang of four" were on the rampage, the method of "recommendation" was adopted at universities for recruiting students. Young people wanting to attend colleges had only to hand in their applications to the leadership in their places of work (factories, production teams, offices, army units) and were not called upon to sit for an examination. After a discussion and suggestion made by the masses, they would be recommended to the higher organizations for approval, and be admitted by the respective colleges. In practice, as many representatives pointed out, appraisal by the masses often turned out to be a mere formality and played into the hands of those who abused their power by going in for "back-door deals." Thus with no "door" at all, or a closed door, for the children of ordinary people wishing to attend colleges, this situation became a source of general dissatisfaction. The new enrolment system provides children of workers and peasants with wide opportunity to take part in examinations for entering college, so they support this way of doing things.

Many representatives denounced the "gang of four" for spreading the fallacy that "studying is no use"; this fallacy created confusion in the minds of students, who fell into the bad habit of neglecting their studies. Now with the reform of the enrolment system, youngsters are studying hard and striving to make progress, which goes to prove that taking in hundreds of thousands of new college students last year under this new system has inspired, and not offended, tens of millions of workers and peasants.

### **Enlarging the "Three Major Differences"?**

Some people claimed that matriculating the best examinees was "putting marks in com-

mand," "making everybody equal before marks" and widening the differences between town and country, worker and peasant, and between mental and manual labour.

The great majority of the representatives were against these views.

They held that taking in the best examinees means selecting those who not only get good marks in the entrance examination but also prove themselves qualified through political and physical examinations. This is an all-round examination of the students — morally, intellectually and physically. How can this be described as "putting marks in command"? The Ministry of Education stated that of the students enrolled last year, Party and Youth League members made up 71.9 per cent and the rest had acquitted themselves well politically. This is convincing evidence.

As for the three major differences, the representatives maintained that during the period of socialism, these differences cannot be entirely eliminated. But in enrolling students last year, due consideration was given to admitting children of workers and peasants. In selecting new students from among applicants whose moral, intellectual and physical qualifications are basically the same, priority was given to those who are workers, poor and lower-middle peasants themselves and those from these families. Institutions of higher learning in various provinces also made allowance for examinees from frontier areas and regions inhabited by minority nationalities.

Some representatives further pointed out: The three major differences, which are a historical phenomenon, can be gradually narrowed only as the productive forces are expanded under the socialist system. When industry and agriculture are highly developed, the cities and the countryside will gradually reach the same standard of living. With the growth of production, the two kinds of ownership of the means of production in existence at the present stage (ownership by the whole people and collective ownership by the working people) will gradually change over to a single form of ownership by the whole people and will thus create conditions for the elimination of the differences

*(Continued on p. 22.)*

## CHINESE PRESS SURVEY

### Lighten the Peasants' Burden

**W**HY did agricultural development in Hsianghsiang, a county in central China's Hunan Province, stagnate for four consecutive years? After a careful investigation the county leading organ attributed this chiefly to many unreasonable economic burdens on the peasants which seriously dampened their zest for production. The county Party committee has adopted measures to solve the problem. The Party Central Committee headed by Chairman Hua issued a circular to the whole Party concerning the report from Hsianghsiang County.

Chinese newspapers not long ago frontpaged a report about this important decision by the Party Central Committee and the experience of the Hsianghsiang Party committee. A *Renmin Ribao* editorial published at the same time pointed out: The heavy unreasonable burdens on the peasants are, at present, a key problem that should be solved to ensure our high-speed development of agriculture.

Causes of the undue burdens were many-sided, the editorial noted, but the root cause lay in the fact that the "gang of four" had con-



Hsianghsiang County Party committee secretary Chang Hai-ken (right) chatting with commune members.

founded the Party's current policies concerning the rural areas and messed up the management systems of the people's communes.

Chinese countryside at the present stage takes the form of three-level collective ownership by the commune, the production brigade and the production team, with the production team as the basic accounting unit. The peasants generally engage in collective labour in production teams. The earnings of a team, after deductions for production expenses, taxes in kind, accumulation and public welfare funds, are distributed among its members in compliance with the principle "to each according to his work."

Excess economic burdens on the peasants, as the Hsianghsiang investigation reveals, manifest themselves in eight ways. To mention only four: Some units commandeered production teams' labour force, funds and materials without compensation; in some communes and brigades the number of people divorced from production was greatly increased while manpower and expenditures used for purposes other than production were also on the increase; there were extravagance and waste in some units and communes, brigades or teams, where a number of cadres engaged in graft and embezzlement, appropriating the peasants' fruits of labour; and quite a few departments asked production teams to pay for development of culture, education, public health and transport and communications in the local areas. The result was the peasants' private income dwindled.

The editorial urged that Party policies concerning the rural areas be earnestly implemented in the in-depth struggle to expose and criticize the "gang of four," so as to lighten the economic burdens of the peasants and ensure that their incomes increase as production grows and that they get more pay for more work done. The editorial called on Party committees at all levels to adopt measures for solving the problem. Highlights of these measures:

- Deal resolute blows at class enemies and law-breakers guilty of graft, embezzling and speculation who, with the gang's backing, had



A production team making public an account for public inspection.

tried to scuttle the collective economy of the people's communes.

- Incomes of the communes and their brigades and teams are prohibited from use for feasting, buying gifts and other forms of extravagance and waste.

- Forbid departments and units concerned to commandeer manpower, funds and materials of a commune, brigade or team for construction projects which have nothing to do with production. Nor are they allowed to detain or appropriate for other uses state funds allocated for various undertakings in the countryside or in aid of the communes.

- Maintain the system of cadre participation in collective productive labour and resolutely cut down on the number of personnel not engaged in production as well as on labour force and funds for uses other than production.

- Develop collective production energetically while making every effort to lessen the undue burdens on the peasants. Run communes with diligence and thrift and in a democratic way, improve management and raise the peasants' private income on the basis of increased production. Adhere to the principle "from each according to his ability, to each according to his work" and oppose equalitarianism. See to it that he who does more work gets more pay.

- Do everything possible in the industrial departments to raise the quality and lower the

cost of products, especially those in aid of agriculture, and gradually reduce prices of farm machinery, chemical fertilizers, insecticides and other products in a planned way.

The editorial concluded by pointing out that recently the principal responsible comrades of Szechuan, Anhwei and Kirin Provinces and of the Sinkiang Uighur Autonomous Region have gone to the grass-roots units to investigate and earnestly implement the Party's policies in the countryside. This way of doing things welcomed by the masses should be encouraged and emulated.

## More Scientists and Technicians Join The Party

**T**HE July 3 commentary of *Renmin Ribao* called for admitting scientific and technical personnel qualified to be Communist Party members into the Party and described the work in this regard as an important measure to strengthen Party leadership in the fields of science and technology.

The commentary pointed out that in the past 28 years since liberation, great changes have taken place in the composition and ideological outlook of our intelligentsia and a contingent of working-class scientists and technicians who are both red and expert has already been built up.

The "gang of four," the commentary said, had designated scientists and technicians as "targets of the dictatorship" of the proletariat and had put experts who were Communist Party members on a par with members of the Brezhnev renegade clique. At one stage, this had caused extreme confusion in the people's minds and many intellectuals fully qualified to be Party members were excluded from the Party. In actual fact, over the past two decades or so, quite a number of scientists and technicians

have worked diligently and devotedly, and in successive political movements, have proved active and progressive. When the "gang of four" were on the rampage, they resisted the gang's interference and sabotage, continued with their work and made contributions to the state despite the extremely difficult conditions at that time. Some comrades had fought valiantly against the gang, and had been through protracted and severe tests politically.

In modernizing our science and technology, the commentary went on, we must pay attention to admitting into the Party scientific and technical personnel who have done well politically, worked diligently and persevered in overcoming difficulties and scaling new heights of science, so as to give fuller play to their

vanguard role. This is in accord with the general task of building China into a modern, powerful socialist country and is therefore in the greatest interest of the proletariat.

A report carried by *Renmin Ribao* on the same day said that the Chinese Academy of Sciences recently admitted a number of scientists into the Party. They included Chang Wen-yú, a noted physicist and director of the High Energy Physics Institute of the academy, and Chang Kuang-hou, a young mathematician and associate research fellow of the Mathematics Institute of the academy. The Semi-Conductor Institute of the academy, on the eve of July 1, the 57th anniversary of the founding of the Party, admitted into the Party seven new members, five of whom are scientists.

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(Continued from p. 19.)

between worker and peasant. With the progress of culture and education, ordinary workers will achieve a level comparable to that of engineering and technical personnel, while peasants will advance to the level of agro-technicians. Only when communism is realized can the three major differences be eliminated once and for all.

The principle of matriculating the best examinees is aimed at turning out competent personnel in the shortest possible time. It promotes the modernization of agriculture, industry, national defence, science and technology and helps areas in which the level of education is relatively backward to catch up. It is therefore a positive measure for facilitating the gradual narrowing of the three major differences.

Representatives from Liaoning Province in northeast China criticized the "gang of four" for shouting "Left" slogans, hypocritically flaunting the banner of "eliminating the three major differences," and advocating such fallacies as "universities are for everyone" and "the more colleges, the farther down to the grass roots they should go." Influenced by their

demagogic slogans, 192 people's communes in the Chaoyang Prefecture of the province set up 150 "universities," some of which even opened up a "department for wiping out illiteracy." These "universities" occupied most of the buildings of local middle schools, appropriated their educational funds and used their teaching staff, with the result that middle school education came close to disintegrating. According to statistics released in 1976 before the "gang of four" were smashed, the 62 middle schools run by people's communes found it impossible to enrol students because of the existence of these "universities." Representatives said: The gang's "Left" slogans sounded so "revolutionary" but actually they disrupted the educational system, undermined education and held up progress towards the four modernizations. Their nonsense could only drag society backward and narrowing of the three major differences would be out of the question.

Through full discussion, presenting facts and reasoning things out, representatives clarified doubts concerning what was right and what was wrong. Thus they achieved unity of thinking and concluded that the orientation of the 1977 reform in the enrolment system was correct and its achievements were primary.

# Farmland Capital Construction In Taoyuan County

by Our Correspondent Chin Chi-chu

THANKS to the immense efforts it had put into farmland capital construction, Taoyuan County in Hunan Province nearly doubled its grain output in 1976 as compared with that of 1965 and considerably improved its natural environment. (See the article under the same title in our last issue.)

Over the past 28 years, altogether 41,000 projects of farmland capital construction have been completed in the county. Some of them were fairly large ones, such as the 600-million-cubic-metre reservoir, but most were small endeavours, such as planting narrow strips of land with trees, digging channels, building roads and small reservoirs. But as "big houses are built with bricks" so these many small projects will add up to immense benefits.

How were these multifarious projects organized and carried out? With this question in mind I called on the 44-year-old county Party committee secretary Liu Hsing-ti who commune members say has a fine style of work and takes the lead in doing arduous jobs.

Replying to my question, secretary Liu said, "The whole thing is that the peasants are now organized as a result of socialist collectivization of agriculture. Without this, if each peasant household functioned as a separate production unit, any large-scale activity to transform nature is absolutely out of the question." He said the county began doing some capital construction not very long after liberation, but went at it in an all-out way only since 1970.

That year Taoyuan County was hit by a drought. Tuping People's Commune was the worst hit. There had no rain in 107 straight days. Tienerhya Production Team gathered practically nothing from its early rice. Only the fields by a pond where there was still some water left gave a yield of 90 kilogrammes. That year, the commune had tided over its dif-

ficulties almost entirely by government support.

The drought was a big shock and it prompted the county Party committee to mobilize the people to discuss how to deal with it. During the discussions, some wrong ideas and views, such as fear of hardships, conservatism and sitting back and waiting for state support were aired by some cadres and peasants. But the overwhelming majority said that they must stir themselves and do something about it. They said they were not going to leave everything to the caprices of nature. They must "reshape the mountains and rivers" to try and make sure of getting good harvests. When everyone saw that this was a good and sensible idea the whole county swung into action.

## Mapping Out Plans

The county Party committee also got the masses to discuss what sort of plan they should draw up. "Doctoring aches and pains won't do. There must be an overall plan for a fundamental transformation," the commune members agreed.

As the first step, the county Party committee called together the cadres and technicians of water conservancy, forestry, transport and communications, commerce and other departments to work out an outline plan and then sent it to the districts, communes, brigades and teams to be extensively discussed by the cadres and masses. At the same time, leading comrades of the county Party committee led 60 investigation groups comprising 7,000 people to survey the county.

For example, they surveyed the county's main river, the Paiyang River, and its 10 branches and the 300 or so hills along the courses, and then worked out an overall plan for fixing them section by section. The water

would be used for generating electricity, irrigation and raising fish.

A technician who had taken part in drawing up the plans for transforming the hills told me that every commune had a group to survey its hills. Each group then put forward a specific plan along with maps for its commune, showing where trees were to be planted, where the roads, channels and ponds were going to be and so on. These drawings were of course rough sketches, but with the rich practical experience of the peasant surveyors (whom the technician had helped train) and with the help of the technicians, the shortcomings were quickly put right. On the whole, the plans made in this way proved quite practical.

### Manpower

When the plans were ready, the problem of manpower arose. Where was the labour to be found?

The peasants had their field to tend. How were they to find the time? This was where the enthusiasm of the masses came into the picture. The commune members were wholeheartedly for farmland capital construction, and they said: "How can we hope to build a socialist new countryside if we're not going to put in some extra hard work?"

Taoyuan County concentrated on construction work during the relatively slack winter-spring farming period. If a project was too big to be tackled by a brigade, it was taken up by the commune. If a commune could not handle it, the whole county was called in. In this way projects were completed more quickly and the rewards came earlier.

Under the county's unified command and organization, Taoyuan took up several key projects each year. Every commune, brigade and team was assigned specific tasks. Commune members went to work on the construction sites, bringing with them their tools and food and were paid in workpoints by their own production teams.



County Party committee secretary Liu Hsing-ti (centre) and other leading cadres studying a construction plan.

In the past seven years, 240,000 peasants, on the average, engaged in farmland capital construction in each winter-spring period. Altogether 280 million workdays were devoted to this work.

This is not unpaid labour. Take afforestation for example. Income from the timber will be distributed among the production teams in proportion to the amount of labour they had put into planting and looking after trees. When a project was jointly undertaken, the amount of labour each commune or team provided was put down to its account for future settlement. Take Pamaochou Commune by way of example. For several years it sent 500 people to work on a large reservoir undertaken by the county. Then, in 1974, when the commune began building a reservoir of its own, the county asked other communes to send people, 3,000 in all, to help. This enabled the Pamaochou Commune to complete its reservoir within three months.

### Funds and Materials

Where do the funds and materials come from? I visited the people who were in charge of the county's first dam in Chungyang Commune.

The commune is up on the highlands and the reservoir built by the county could not irrigate its fields, so its grain yields were very low. The commune members asked for a dam to be built further upriver so as to lead water to their fields. A rough calculation revealed



that the project would cost about one million yuan and require more material than the commune had.

The commune decided to overcome the shortage of fund and material self-reliantly. With the agreement of its members, the commune made a decision that the peasants would receive exactly what they had got the previous year at the year-end distribution and that each production team would invest its surplus income in the project. No less than 620,000 yuan of the total investment of 980,000 yuan was thus found. Three years after the completion of the dam, the sum was paid back to the production teams and distributed among the peasants. This money came from the income earned by the small plants set up after the dam was used to generate electricity.

The dam needed 3,000 cubic metres of hewn rock which had to come from a quarry some distance away. As there were altogether only 12 stone-masons in the commune, many commune members volunteered to learn stone-cutting. They thus ensured an adequate supply of stones. The peasants also introduced bamboo strips in lieu of steel wire for reinforced concrete and other methods to overcome shortages of various materials. Part of the necessary timber and steel was provided by the state.

Statistics showed that in the past seven years the total sum invested in the county's various projects ran to 65 million yuan, of which 18.5 per cent came from the state (used mainly in the large and medium-sized projects), 8.6 per cent was provided by the county, 51.8 per cent was contributed by the communes, brigades or teams and the remainder came from

the income of water conservancy works. (Some of the works began yielding results even while they were still under construction. For example, the reservoirs were used for raising fish.)

I saw how the whole county threw its weight behind the effort at farmland capital construction. The county revolutionary committee (the county people's government) diverted its steel and cement earmarked for erecting office buildings and theatres to farmland capital construction. The county's waterborne transport company each year assigned 50 to 60 motorized junks to ship in building materials for the projects when the work was in full swing. The county's commercial departments saw to it that the materials required for the projects were forthcoming. Once comrades of these departments learnt that large quantities of candles were needed when tunnelling work began. As such an enormous amount was not available at the time, they immediately got some of the housewives in the county seat to form a group to produce the candles.

This was the way Taoyuan County carried out its construction through self-reliance. Remarkable achievements have been made, but there still remains much to be done and the completed projects have to be made use of more effectively. The county today is drawing up construction plans involving larger projects for the periods up to 1980 and 1985.

Taoyuan County, the paradise the poet Tao Yuan-ming once sang of in his "Peach-Blossom Spring" and which in the old society had been getting poorer and more decrepit, will one day certainly become a better and more beautiful place than the poet had imagined.

Reservoir under construction.



# Time Will Tell the True From the False

— "Renmin Ribao" Commentator on China's aid to Viet Nam

BY their anti-China and anti-Chinese campaign the Vietnamese authorities are going further down the road of antagonizing China. The media, press and radio, have rolled out the big guns to smear, slander and attack China, and even tried to make something out of China's aid to Viet Nam. They are playing a double-faced game. While throwing in a glib phrase here and there about China's "enormous" and "valuable" aid to Viet Nam and their unforgettable "gratitude to others," they in the same breath viciously minimized this aid. The purpose is to distort and write off a great chapter in history — China coming to the aid of the Vietnamese people in their resistance to aggression and the ties of solidarity forged in the struggle of the people of the two countries.

We are not in the habit of publicizing our aid to Viet Nam. But since the Vietnamese authorities have taken to unbridled vilifications, we feel obliged to put the facts on record and clear the air.

## Faithful Discharge of Proletarian Internationalist Duty

For nearly 30 years, the Chinese Government and people, following Chairman Mao's revolutionary line on foreign affairs and implementing Premier Chou En-lai's instructions, have given the Vietnamese people sincere assistance to fight against imperialist aggression and for national liberation. This assistance has played an effective part in winning for the Vietnamese people victories in their wars

against French and U.S. aggression and in healing the wounds of war, in rehabilitating and developing the national economy and raising the living standard of the people. This is a historical fact which no one can deny. The assistance was evaluated on many occasions by Vietnamese leaders. In 1974, Premier Pham Van Dong said: "The Chinese Party and Government have, in all circumstances, given disinterested support and help to the Vietnamese people in their revolutionary struggle and reconstruction of the homeland." In 1975, Le Duan, First Secretary of the Viet Nam Workers' Party, also spoke of China's "enormous and valuable support and assistance" to Viet Nam. He said that "obviously, without China which has succeeded in her revolution, there could not have been the Viet Nam of today. Such is the logic of history." Now, however, the Vietnamese authorities, contradicting themselves, allege that China's assistance was "conditional" and was given with the aim of "making a 10,000-fold profit." They vilified China as using assistance as "counters in bargaining" and "tools for exerting pressure." These are amazing allegations.

In the war years, and in the intervening period of peaceful reconstruction as well, the Chinese Party, Government and people shared with the Vietnamese people what was uppermost in their hearts and minds and did all they could to help. They discharged their proletarian internationalist duty without reserve. They made self-sacrifices and went short them-

selves in order to provide aid to Viet Nam, which totalled well over 10 billion U.S. dollars, the bulk of which was gratis grants, and the rest interest-free loans. China supplied Viet Nam with millions of rifles, tens of thousands of artillery pieces, over a billion rounds of bullets, tens of millions of rounds of shells, in addition to other military ware and equipment. China also sent to Viet Nam millions of tons of gear for complete plants and supplies worth some 10 billion yuan, including several million tons of grain, several hundred million metres of cloth, a hundred locomotives, thousands of railway wagons, over 700 ships and tens of thousands of motor vehicles. Certain commodities or materials of which China was short itself were given priority to be supplied to Viet Nam first. As to certain equipment which was then not available in China we used our foreign exchange to buy the most up-to-date models and sent them to Viet Nam. Certain factories had to suspend their normal production in order to turn out some special products for Viet Nam. Certain weapons which had not been manufactured in sufficient quantities were diverted from Chinese units to meet Viet Nam's urgent need. Many Chinese foreign-aid personnel shed their blood and some laid down their lives in the course of their work in Viet Nam. In the absence of brotherly love towards the Vietnamese people and the spirit of proletarian internationalism such sacrifices would have been impossible. Yet, the Vietnamese authorities call all these "philistine bargaining" in quest of "10,000-fold profit." What cheek to say so!

At the time when U.S. imperialism was escalating its aggression and the Vietnamese nation found itself in a most critical state, the great leader of the Chinese people Chairman Mao solemnly declared: "The 700 million Chinese people provide a powerful backing for the Vietnamese people; the vast expanse of China's territory is their reliable rear area." Premier Chou En-lai, whom we revered and loved, explicitly proclaimed: "The Chinese people will take all necessary measures, not flinching even from the greatest national sacrifices, to give all-out support and assistance to the Vietnamese people's war against U.S. aggression and for

national salvation and give all-out support and assistance to the three peoples of Indochina in their war against U.S. aggression and for national salvation until the thorough defeat of the U.S. aggressors." The Chinese people would not have grudged anything, even their lives, to help the Vietnamese people to win victory in their war against U.S. aggression and for national salvation. Such matchless lofty proletarian internationalist sentiments can never be denigrated by those with ulterior motives.

### **China Has Never Let Viet Nam Down**

The Chinese people have always held that assistance is a two-way matter. They did their utmost to fulfil their internationalist duty to aid Viet Nam without expecting "gratitude" in return. They have always highly appraised the heroism and self-sacrifice displayed by the Vietnamese people in their war for national liberation, and the support rendered by their anti-imperialist struggle to the revolutionary cause of the people throughout the world. This is our position; it has always been so, and will remain so in the years to come. But this appraisal does not mean that the Vietnamese authorities are justified in using this as capital in their unbridled anti-China and anti-Chinese activities and the Chinese people should meekly submit to their railing. For over 20 years, the Chinese Government and people have never let Viet Nam down, and they cannot avoid some feeling of revulsion that the genuine and enormous assistance which cost China big national self-sacrifice should be rewarded in this way by the Vietnamese authorities.

True, China reduced the size of its aid to Viet Nam, which nevertheless remained considerable, after victory in the war of resistance to U.S. imperialism and for national salvation. This was because the war had ended, and besides China had informed Viet Nam about this beforehand. More than once, the Chinese leaders had explained to the Vietnamese leadership that, with victory achieved and the war now at an end, they should allow China to go easy

a bit and catch its breath back. This was made especially necessary in 1975 and 1976 when China was suffering from the sabotage of the "gang of four," man-made in this case, and from the natural calamity of successive earthquakes. The Vietnamese leadership indicated their understanding at the time, and this is on record.

### **Aid Is Never Used as a Lever to Exert Influence**

The Vietnamese authorities now attack China for trying to use aid to "force" Viet Nam to change its so-called "line of independence, sovereignty and international solidarity." This attack is utterly groundless, a distortion and slander of China's foreign aid policy.

Everybody knows that the so-called "line of independence, sovereignty and international solidarity" pursued by the Vietnamese authorities does not start from today. Just as the Vietnamese authorities disapprove of China's line, we have our reservations about theirs, too. We need not look the other way. "Independence and sovereignty" is all right, but this cannot be used as a cover to encroach on the "independence and sovereignty" of other countries, go in for regional hegemonism and intensify anti-China activities. There is nothing wrong with "international solidarity." The question is solidarity with whom? Nor can they expect others to go along with them and dance to the baton of a superpower.

Although we disagree with the line pursued by the Vietnamese authorities, we have invariably followed the principle of non-interference in the affairs of other countries and have never thought of using aid as a lever to exert influence on others. The Vietnamese authorities are well aware of this.

Towards the end of the 1960s and the beginning of the 70s, the Vietnamese authorities, while receiving massive Chinese aid, saw fit to publish a host of newspaper and magazine articles about ancient events to insinuate aggression and threat to Viet Nam coming from the

north, from China. We didn't mind and went ahead with aid and support for Viet Nam in the latter's war of national salvation against U.S. aggression. Before the end of the war and afterwards, the Vietnamese authorities sent troops to occupy a number of China's Nansha Islands and the Wei Island of Kampuchea and provoked border clashes with Kampuchea. In spite of all this, China's aid to Viet Nam continued. In recent years, when the Vietnamese authorities deliberately tried to undermine Sino-Vietnamese relations by stirring up all kinds of incidents and disputes, what China did was merely to dissuade the Vietnamese side from such a course. In June 1977, the leaders of the two countries met in Peking and the Chinese leaders availed themselves of the opportunity to enumerate to the Vietnamese leaders, in a most candid manner, the words and deeds on the part of the Vietnamese side which were against China, incident-provoking and detrimental to the friendly relations between the two countries. They expressed the sincere hope that the Vietnamese authorities would put an end to all this in the interest of maintaining friendly relations between the two countries. Although things had gone that far, China continued its aid to Viet Nam. Isn't this a fact beyond dispute? How can the Vietnamese authorities say that China has used aid to apply pressure on them?

Viet Nam is not the only country receiving Chinese aid. The Chinese Government and people have, to the best of their ability, provided aid to dozens of developing countries in strict adherence to the eight principles on providing aid to foreign countries announced by China in 1964. We never regard such aid as a kind of one-sided gift. In providing aid to other countries, China strictly respects the sovereignty of the recipient country, refrains from intervention in its internal affairs, never attaches any strings or asks for any privileges, let alone using aid as a means to exert pressure on it. This is universally acknowledged. The Vietnamese authorities slanderously accused China of using aid to "compel" them to change their "line."

Could anyone with an iota of political honesty make such charges?

### **Compelled to Revoke Aid to Viet Nam**

The Chinese Government has recently revoked partially, and then wholly, its aid to Viet Nam. It had no alternative and was compelled to do so.

First of all, the number of victimized Chinese expelled to China by the Vietnamese authorities has now approached 160,000. This has created a host of economic difficulties for China and forced it to divert part of the financial and material resources previously earmarked for aid to Viet Nam to meet the expenditure for resettling the returnees and providing them with employment.

Secondly, over a long period of time, the Vietnamese authorities have been inciting national hatred for China and engineered many serious incidents to insult and harm Chinese experts in Viet Nam. Stones and bricks were thrown and abuses were hurled at them, some of their quarters were raided, and they were subjected to all manner of molestation and provocation. Thus, they were denied an atmosphere to carry on their work normally.

Thirdly, while it is true that no strings, political or economic, should be attached to aid from one country to another, there must be an elementary basis for this aid. Instead of a policy of hostility, there must be the most ordinary kind of friendly relations. Today, the Vietnamese authorities frenziedly pursue an anti-China and anti-Chinese course and openly revile China as behaving like the "reactionary imperialists" and "monarchs of the past." They have actually branded socialist China as their "enemy." In these circumstances, what alternative is there for China but to stop its aid?

It is most amusing to find the Soviet propaganda machine rushing in, after China had been compelled to stop its aid to Viet Nam, to malign China as having "resorted to crude pressure, blackmail and provocative actions" and following a "hegemonist line." This mudslinging cannot help change the social-imperial-

ist image of the Kremlin or place the Vietnamese authorities in a better light.

It is known to all that Soviet aid to other countries serves as a lever for gaining political, economic and military control over its recipients. It is used as a vehicle for meddling in their domestic affairs, plundering their natural resources, acquiring various prerogatives and military bases and even carrying on subversive activities and sabotage there. If a recipient country refuses to submit to Soviet control and interference and decides to uphold its independence and sovereignty, Moscow would dun for repayment of its loans, blackmail it and even go the length of subverting its legal government. This is crude pressure and downright hegemonism, pure and simple.

China is not to blame for Sino-Vietnamese relations having come to such a pass. A socialist country led by the Party with Marxism-Leninism-Mao Tsetung Thought as its sole guide, China supports and aids the oppressed nations and people by real and practical actions called for by its dedication to proletarian internationalism, not by such sweet words as "deep sentiments" and "conscience." In providing aid to the Vietnamese people, the Chinese people are sincere and free from any compunction. Even today, when we are compelled to stop our aid to Viet Nam, our hearts go out to the heroic Vietnamese people who fought shoulder to shoulder with us. We will always remember the sweat and blood shed for the common cause and the heavy sacrifices we made together. A long journey proves the stamina of a horse and the passage of time tells the true from the false. We believe that by resorting to lies, deceit and pressure the Vietnamese authorities may succeed for a time in weakening the bond of friendship between the Chinese and Vietnamese peoples forged in life-and-death struggle, but they will fail in the end. Neither the Chinese people nor the Vietnamese people will allow anyone to try to break this bond of friendship cemented in blood. It remains our hope that the Vietnamese authorities will halt before the abyss and give the matter some second thoughts.

*(July 22, subheads are ours.)*

# Sincere Hope

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**C**HINA proposes in earnest that the Chinese and Vietnamese Governments hold talks at the level of vice-foreign minister on the question of Chinese nationals residing in Viet Nam. This is couched in the note delivered by the Chinese Ministry of Foreign Affairs to the Vietnamese Ministry of Foreign Affairs on July 19. This proposal, which once again demonstrates the sincere hope of the Chinese Government and people for an overall settlement of the question through negotiation, represents an important step in preserving the friendship that has existed all along between the two peoples.

## China's Consistent Stand

The Chinese Government is always ready to establish and develop friendly relations with other countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. In the relations between countries differences or disputes of one kind or another sometimes crop up. The Chinese Government has all along held that they should be settled through negotiation in the spirit of friendly consultation, mutual understanding and mutual accommodation. From 1961 to 1963, China settled through consultations boundary questions with Burma, Nepal, Mongolia, Pakistan and Afghanistan and concluded boundary treaties or agreements with them. In 1955, China concluded with Indonesia through friendly consultations a treaty concerning the question of dual nationality of Chinese nationals residing in that country and arrangements for its implementation were made in 1960. In accordance with its basic policy on the question of Chinese nationals

residing in foreign lands, China has in recent years reached understanding or agreement on this question through consultation on an equal footing with Malaysia, the Philippines and Thailand in the course of the negotiations for establishing diplomatic relations, and with other countries in bilateral contacts.

China and Viet Nam and the people of the two countries have shared joys and hardships, supported each other and established a traditional and close friendship in their protracted revolutionary struggle. It is regrettable that a change has come over in the relations between the two countries and some disputes have emerged in recent years, particularly about the time of the victory of the Vietnamese war against U.S. aggression and for national salvation. For this China cannot be held accountable. But this state of affairs has caused uneasiness and worry to the Chinese Government and people.

## Proposals for Negotiation

In order to safeguard the friendship between China and Viet Nam and the two peoples, the Chinese leaders have taken the initiative and made proposals on many occasions since 1975 for the settlement of differences through negotiation with the Vietnamese side. During the visit to China by the Vietnamese Party and government delegation in November 1977, they again proposed to the Vietnamese leaders that joint efforts be made to seek a solution to the disputes between the two countries through consultation so as to safeguard Sino-Vietnamese friendship. However, China's good intention and efforts have not been reciprocated by the Vietnamese authorities who sometimes purposely evaded them and at other times simply turned a deaf ear.

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## *For Overall Settlement of Question of Chinese Residents*

### **China Proposes Negotiations With Viet Nam**

**T**HE Ministry of Foreign Affairs of the People's Republic of China on July 19 sent a note to the Ministry of Foreign Affairs of the Socialist Republic of Viet Nam proposing negotiations between the Chinese and Vietnamese Governments at vice-foreign-minister level on the question of Chinese residents in Viet Nam.

The note says in part:

"Since June 1977 the Chinese side has made repeated representations with the Vietnamese side through various channels, earnestly calling upon it to value the traditional friendship between the Chinese and Vietnamese peoples and stop all acts of discrimination against and ostracism, persecution and expulsion of Chinese nationals residing in Viet Nam. But the Vietnamese side has all along been unresponsive so that the situation has become increasingly grave. In these circumstances, the Chinese Ministry of Foreign Affairs delivered a note to the Vietnamese Embassy in China on May 26, 1978, proposing that the Chinese Government dispatch ships to Viet Nam to bring home victimized Chinese nationals. The Chinese Embassy in Viet Nam has held 17 meetings with the department concerned of the Vietnamese Foreign Ministry on the question of shipping victimized Chinese nationals, yet owing to the obstacles deliberately placed in the way by the Vietnamese side no progress has been made so far. The two ships China has sent to Haiphong Port and Ho Chi Minh Port for shipping the victimized Chinese nationals have been compelled to stay on the sea outside the Vietnamese ports, and it has

been impossible for the work of shipping Chinese nationals to start. Meanwhile, the Vietnamese side has continued its persecution and massive expulsion of Chinese nationals so that the number of victimized Chinese nationals driven back to China has approached 160,000. In the few days since July 12 alone, more than 2,000 victimized Chinese nationals have been driven by the Vietnamese side to the Yuyi Pass and Tungshing Pass in Kwangsi, China.

"Out of its sincere desire to uphold the traditional friendship between the Chinese and Vietnamese peoples and to seek an overall settlement of the question of Chinese residents in Viet Nam, the Chinese Government hereby solemnly proposes that the Chinese Government and the Vietnamese Government hold negotiations on the question of the Chinese nationals residing in Viet Nam, that the negotiating representatives be vice-foreign ministers, and that the negotiations start in early August 1978 either in Hanoi or Peking. Once the negotiations at vice-foreign-minister level between the two countries start, the talks between the Chinese Embassy and the Vietnamese department concerned on the question of shipping victimized Chinese nationals can adjourn for the time being.

"The Chinese side reiterates that the Chinese Government has always stood for a negotiated settlement of all the disputes between the two countries. The Chinese Government sincerely hopes that the Vietnamese Government will give a favourable response to its proposal."

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In recent years, the Vietnamese Government has gone back on the agreement on Chinese nationals in Viet Nam reached since 1955 through consultations between the Chinese and Vietnamese Parties. It has compelled

Chinese nationals to take Vietnamese citizenship, discriminated against, ostracized and persecuted them and expelled them on a massive scale. This represents one of the outstanding problems in Sino-Vietnamese disputes in the

recent period. The Chinese side, in line with its consistent stand, has from the outset stood for a timely settlement of this question through bilateral consultations and has done much to this end.

In June 1977, this question was discussed in talks between the Chinese leaders and the Vietnamese Government leaders in Peking. Last October, the Liaison Department of the Revolutionary Committee of China's Kwangsi Chuang Autonomous Region notified the Vietnamese Consulate-General in Nanning of the expulsion to China by the Vietnamese authorities of residents in border areas of Cao Lang Province from January to September 1977, and expressed the hope that measures be taken promptly to stop the recurrence of such incidents.

In February and March 1978, representations were made by the Chinese Foreign Ministry to the Vietnamese Embassy in China and by the Liaison Department of the Yunnan Provincial Revolutionary Committee to the Vietnamese Consulate-General in Kunming concerning the Vietnamese authorities' large-scale expulsion of Chinese nationals in Viet Nam and the residents in the Vietnamese border areas where they had settled down long ago. Earnest requests were made to the Vietnamese side that they cherish Sino-Vietnamese friendship and desist from such unfriendly acts. Last April, in view of the intensified expulsion of Chinese nationals and the residents in the Vietnamese border areas, the Chinese Foreign Ministry once again took up the matter with the Vietnamese Embassy in China and sincerely advised the Vietnamese Government against pursuing such a course.

### **Viet Nam Fails to Respond**

To the great disappointment of the Chinese side, the Vietnamese authorities procrastinated in regard to China's representations and proposals whenever they could, and when procrastination was no longer possible, they resorted to sophistry in self-justification. Not only did the Vietnamese authorities fail to respond to the sincere efforts of the Chinese side as they should, they escalated the anti-China and anti-Chinese campaign and intensified their moves to discriminate against, ostracize,

persecute and expel Chinese nationals in the country. As a result, tens of thousands of victimized Chinese nationals were driven back to China!

In the circumstances, the Chinese Government was compelled to notify the Vietnamese side of its decision to send ships to evacuate those Chinese nationals who were persecuted and had lost their means of livelihood, and to demand repeatedly that the Vietnamese authorities immediately stop discriminating against, persecuting and expelling Chinese nationals. While putting up one obstacle after another to prevent the Chinese ships from bringing back the victims, the Vietnamese authorities continued to persecute Chinese nationals and drive large numbers overland to China. Recently, in violation of the Sino-Vietnamese border control accord, they dragooned large numbers of Chinese nationals and border residents into taking various passes over the border. Up to the present, nearly 160,000 Chinese nationals have been driven back to China. This has created great difficulties for China and seriously aggravated relations between the two countries.

### **To Safeguard Traditional Friendship Between the Two Peoples**

In order to safeguard the traditional friendship between the Chinese and Vietnamese peoples and seek an overall settlement of the question of Chinese nationals, the Chinese Government has now proposed negotiations at the vice-minister level. This once again indicates China's sincerity to seek through friendly consultations a settlement of the dispute with Viet Nam over the question of Chinese nationals.

China's policy on overseas Chinese has been clear and consistent: it supports and encourages the overseas Chinese voluntarily to take the citizenship of the countries in which they have made a new home, but it opposes any attempt to compel them to change their citizenship. All overseas Chinese who have voluntarily taken their new citizenship or who are already citizens of their countries of domicile automatically forfeit their Chinese citizenship. As for those who decide to keep their Chinese citizenship, the Chinese Government expects



them to abide by the laws of the country in which they reside, respect the social customs and habits of the people there and live amicably with them. While it is the duty of the Chinese Government to protect their legitimate rights and interests, it is hoped that safeguards to this effect will be provided by the countries concerned. It is precisely in accordance with this stand that the Chinese side has reached agreement with the Vietnamese side on the question of Chinese nationals in Viet Nam through consultations on many occasions since 1955. It is our belief that the dispute of the two countries over the Chinese nationals can find a comprehensive and reasonable settlement provided that the two parties truly abide by the fundamental principles of the agreement and that they cherish and give effect to the earnest desire to preserve the friendly relations between the two peoples.

Unity and friendship between China and Viet Nam serve the best interests of the two peoples, while split and antagonism harm their

interests. The traditional friendship between the two peoples has stood the test in the crucible of anti-imperialist and anti-colonialist wars. It is the consistent wish of the Chinese people that this traditional friendship will be upheld with steadfast efforts as before at the behest of the late Chairman Mao Tsetung and President Ho Chi Minh, and not be disturbed and disrupted in whatever way.

At present, some forces with evil intent are doing their utmost to disrupt the relations between China and Viet Nam. But the Chinese Government and people firmly believe that even if the schemings of such forces succeed for a time, it remains that the seed of profound friendship for each other has taken root in the hearts of the Chinese and Vietnamese peoples. No manoeuvres to disrupt this friendship will be countenanced by the two peoples or by the people of the rest of the world.

*(A commentary by Hsinhua News Agency, July 19, subheads are ours.)*

O.A.U.

## Just Call From the Summit

THE Organization of African Unity (O.A.U.), which has made great contributions to African unity and the cause of national liberation, held its 15th summit in Khartoum, capital of the Sudan, from July 18 to 22. In face of the contention between the two superpowers, especially the frenzied Soviet expansionist activities in Africa, voices were heard at the session which called on the African people to fight against any foreign interference, oppose the presence of foreign troops and military bases in the continent, and take their destiny in their own hands.

The conference was held at a time when Africa had become a hot spot in contention between the two superpowers. The Soviet Union has in recent years embarked on a programme of unbridled aggression and expansion in Africa. While the war it stirred up in the Horn of Africa was in progress, the Soviet Union instigated another mercenary intervention of Shaba Province, Zaire. Today, thousands of Soviet military personnel and over 50,000 Cuban mercenaries in the pay of Soviet social-imperialism are stationed on the African continent. On African coasts facing the Mediter-

anean, the Indian Ocean and the Atlantic are as many as 20 Soviet-controlled military installations such as ports, airports, missile caches and communication stations. Soviet intervention and aggression have seriously threatened and encroached on the independence, sovereignty and security of African countries. Some African heads of state said: "Africa has become a victim of the superpowers." "The big powers made our continent a battleground and our people the cannon-fodder of their wars."

Therefore, opposition to foreign intervention became an important topic at this O.A.U. summit. Ample discussions and heated debates centred on it at the Ministerial Council meeting which opened on July 7 and at the summit. The essence of the controversy is whether the self-styled "natural ally" of Africa, the Soviet Union, is a friend or enemy of Africa? The posing of the question and the controversial discussions demonstrate a new awakening of the African people.

Though there were differences and disputes at the conference, agreement was reached, through serious and frank discussions, on a series of important problems such as opposition to any foreign interference and the liberation of Africa. Two hundred and fifty resolutions were adopted. This is an important victory for the African states and people in their united struggle against imperialism, colonialism and hegemonism.

One resolution "strongly condemns any foreign interference in the internal affairs of the African continent," and expresses "total rejection of all attempts aimed at spreading in Africa the policy of international blocs." Another "rejects and condemns the existence of all foreign military bases in Africa and pacts with extra-African powers." Some heads of state pointed out in their speeches that Africa belongs to Africans and "no country outside Africa should establish military bases or station armed forces on the soil of an African country." These resolutions and remarks reflect the 400 million

African people's opposition to foreign interference and their common desire for keeping their destiny in their own hands. They also constitute a new fighting call in the development of the cause of African national liberation. The African people will eventually realize their just demand with the strong support of the third world people and those of the rest of the world.

The fine tradition of African unity in struggle was given full play at the conference. Resolutions adopted reaffirmed "the peaceful settlement of disputes between states so as not to pave the way for foreign intervention in Africa." The conference adopted a resolution supporting the just struggle against racism waged by the people of southern Africa. This gave expression to independent Africa's militant solidarity with the people in southern Africa.

The conference also decided to enhance Afro-Arab unity and reaffirmed "full support to Egypt, the Arab frontline states and the Palestinian people in their legitimate struggle for the restoration of their usurped rights and the recovery of their occupied territories by all ways and means." A resolution on strengthening the non-aligned movement was also adopted at the conference. All these important resolutions fully demonstrate the fighting spirit and mutual support of the Afro-Arab people and the third world people.

The positive results at the 15th O.A.U. Summit will have a profound impact on the struggle of the African countries and people against imperialism, colonialism, neocolonialism, hegemonism, racism and Zionism. The summit has also shown the great vitality of the organization. An African head of state has put it well, "The Organization of African Unity was born amidst the scepticism of Africa's enemies; it lives on despite all the obstacles and it will live on to encourage the Africans to grasp fully their destiny."

*(Commentary by Hsinhua Correspondent,  
July 24)*

# Appeasement — Its Manifestations And Adverse Effects

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**Question:** How does the idea of appeasement in the West manifest itself at the present moment? What are its adverse effects?

**Answer** by Lin Shen, a researcher of international affairs: Right now the two superpowers, the Soviet Union and the United States, are locked in a fierce struggle on a global scale. Soviet social-imperialism, a Johnny-come-lately, on the strength of its military muscle built up in recent years, is engaging in arms expansion and war preparations in all-out efforts to secure a military edge over its rival. In its drive for expansion overseas and its parallel scramble for spheres of influence everywhere, it has become the most dangerous force of aggression and war in the present-day world. The danger of a new world war is being aggravated by the Soviet Union, now actively on the offensive. This situation has given rise to a tug-of-war inside the Western world between two opposing forces — one for appeasement and the other against it. Between the two, of course, there are middle-of-the-road forces. It cannot be denied that, with upgrading of the Soviet aggression and expansion, with appeasement as a trend of thought suffering setbacks, the forces opposing appeasement have in recent years grown considerably in the West. Nevertheless, the idea of appeasement remains to this day a thing to be reckoned with because, emanating mainly from among some people in the United States, this trend of thought has spread to a number of West European countries as well; besides, it is also being energetically fostered by Soviet social-imperialism to further its aggressive and expansionist designs. For this reason, to unmask and oppose appeasement is still of great significance if we are to unmask and oppose the war schemes of Soviet social-imperialism.

The main manifestations of appeasement in the present-day world are:

1. Obsessed with an illusory "detente," some people hope to restrain the Soviet Union with "talks," "agreements" and "security and co-operation conferences." This is building a peace on false pretences and seeking a temporary settlement. As is well known, Soviet arms, both nuclear and conventional, are being expanded on a tremendous scale to catch up with and surpass the United States; Moscow has steadily augmented its armed forces in Europe to encircle and threaten Western Europe with a stronger mailed fist; it has time and again dispatched mercenaries to Africa to stir up local war and carry out expansion on that continent. Notwithstanding all these facts, there are still people in the West who cling to "European security conferences," "disarmament talks" and East-West "reconciliation" and describe "detente" as "the only way out." In the face of continued Soviet expansion, they shilly-shally, sit idly by, make concessions and even try to explain this away by openly admitting that there is nothing they can do about it. The result is that the Soviet Union, when given an inch, is encouraged to take a mile. There are also people who, shutting their eyes to what is going on and chanting the hymn of "detente," are lulling the public by claiming that the danger of U.S.-Soviet confrontation in Europe has been considerably lessened. More recently, when some Western political figures resented the second invasion of Zaire by Soviet mercenaries, some people were ill at ease lest criticism of the Soviet Union might wreck "detente."

2. They try to slow down the pace of Soviet arms expansion and war preparations by means of disarmament which they imagine will help maintain their own military "supremacy," or, at least, keep things at an "equilibrium." Actually these people are well aware that disarmament agreements are nothing but a

fraud and that disarmament talks will invariably end up with more armaments on both sides. The Soviet Union, especially, is using the gimmick of "disarmament" to carry out its scheme of detente in words but expansion in deeds. Even so, there are still people in the West who pin their hopes for peace and security on the signing of a sham "disarmament" agreement or on keeping up a so-called balance of terror. Even when the Soviet Union unscrupulously invaded Africa, caring not a fig for the "strategic arms limitation talks," these people continued to behave scrupulously for fear of offending the Soviet Union and spoiling the atmosphere of the "talks."

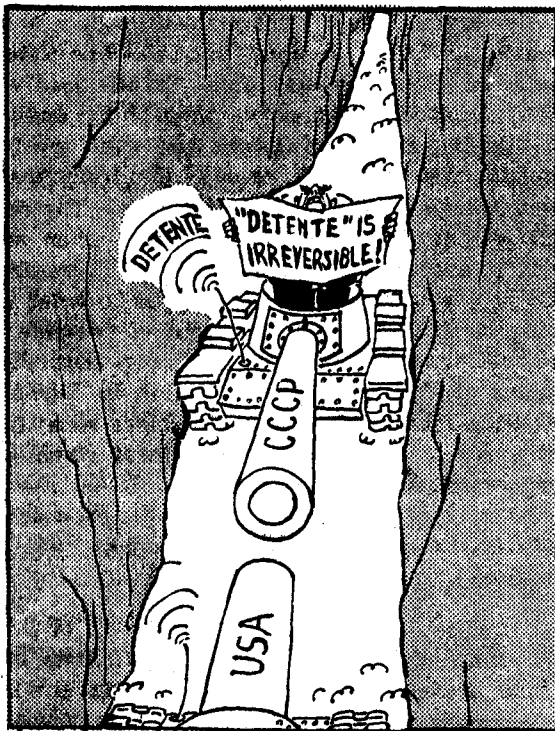
3. The vain hope of colluding with the Soviet Union in carving out spheres of influence in Europe is a factor. By acknowledging Soviet hegemony in some areas, or by offering the Soviet Union territory in certain European countries, or by trying to divert the peril eastward, the appeasers aim to pacify the aggressor and have it "all quiet on the Western front." This can be seen in the so-called "Sonnenfeldt Doc-

trine" and the U.S. "Presidential Review Memorandum 10" (P.R.M. 10). Helmut Sonnenfeldt, author of the doctrine and counsellor to the State Department in the Ford administration, publicly classified Eastern Europe as within the Soviet sphere of influence. He claimed that the significance of "detente" lay in its effect on "the way in which Soviet power is . . . used." In P.R.M. 10, it was proposed that the United States abandon one-third of West German territory to the enemy in the event of a Soviet attack.

4. The Soviet Union is being given enormous economic transfusions in the form of extensive economic aid, advanced equipment and technology. (This subject will be dealt with separately.)

The emergence of this idea of appeasement in the West is primarily caused by the fact that some people fear war and the Soviet military threat, or indulge in a false sense of security and refuse to see the seriousness of the threat of war. In some respects, they have some things in common with the appeasers of the 1930s, who always tried to win peace "in their own time" and keep their own interests out of harm's way through concessions, appeasement, or even pacifying the aggressor at other people's expense. However, the lessons of the past have again and again shown that appeasement of imperialist aggressors can never avert war, but, on the contrary, serves to hasten the outbreak of a new world war.

Today, as proved by harsh reality, appeasement will bring neither peace nor security; on the contrary it will only serve as a cover to help social-imperialism go ahead with its war preparations, fan the flames of its aggression and increase the danger of the outbreak of a new world war. In these years of so-called "strategic arms limitation talks," the Soviet Union has increased its strategic guided missiles more than 13-fold, nearly doubled the total tonnage of its combat ships, enlarged its armed forces by over a million and added some 10,000 tanks to its mechanism of war. Amid the siren song of "detente," the Soviet Union in recent years has expanded its conventional forces in Central and Northern Europe to such an extent that they are now much greater than what is needed for de-



Encounter on narrow path.

by Wei Chi-mei

fence, much stronger than those of the Western countries. It is now in a position to launch a surprise attack at any time. In naval strength, the Soviet Union has developed its former flotilla for coastal defence into big, ocean-going fleets plying the seven seas and capable of pushing its gunboat policy abroad wherever they go. In less than four years since the "European security conference," the Soviet Union, instead of restraining its expansionist activities, has again and again let loose the dogs of war. In Angola, in Zaire and the Horn of Africa, African people have been massacred in cold blood and new schemes are being hatched at the Red Sea coast to gain control of the Arabian Peninsula. If we take a good look at the world as it is, we will find dry tinder-boxes of latent warfare here, there and everywhere: two military blocs confronting each other in Europe; now peace, now war, no peace, no war, in the Middle East; a gathering storm over the Mediterranean; the smoke of gunfire drifting over Africa — and the only thing missing is that angel of mercy named Detente.

Facts have proved that if we are against imperialist wars, if we mean to delay the outbreak of a new world war, we must oppose appeasement. This means that:

To begin with, the people must not be lulled into a false sense of security or pine for a peace that does not exist. The world must be told where the source of war is and warned against the danger of war, so that they can get ready, materially and organizationally, to fight a war against aggression. Things cannot go wrong when they are ready. It is our duty to expose the schemes to go in for armaments drive and war preparations and unleash war, hatched by the two hegemonic powers, the Soviet Union and the United States, especially Soviet social-imperialism. We must educate and mobilize the people to sharpen their vigilance and fight against these plots. Once the people are fully prepared, the warmongers will have second thoughts; even if they decide to impose war on the people, the latter, not caught unprepared, can organize counterattacks without delay.

Next, we must not beat one retreat after another in the face of the imperialist aggressor. A Chinese saying puts it well — if you rear a

tiger, sooner or later you'll get into trouble. Imperialist war schemes must be frustrated by all means. To launch a world war, imperialism is bound to reach out for the resources of other countries and encroach on foreign territories to set up military footholds as part and parcel of its global strategic dispositions. If the people of all lands fight imperialism in all fields, forbid it to take away their resources or set up military bases on their soil, they will upset the imperialist programme of war all right. Imperialism always bullies the weak and gives in to the tough; the more you dare to fight against it, the more it will reveal its true feature as a paper tiger. The Soviet Union today has wild ambitions of expansion but is not yet powerful enough to attain its ends; as it overreaches itself everywhere, its military power is dissipated accordingly. Its offensive which looks terribly aggressive contains the seed of its own inevitable demise. The most recent proof of this is the failure of its second invasion of Zaire.

Thirdly, the idea of appeasement must be exposed and repudiated. The people of all lands will become alert when it is fully exposed and vigilance is maintained against it. Only then can they strengthen their unity and wage a still more resolute all-round struggle against Soviet social-imperialist aggression and expansion. United, they are strong; divided, they are weak. The historical lessons of the 1930s show that one important reason why the Munich plot succeeded was that the countries then threatened by forces of aggression in Hitlerite Germany failed to unite for collective defence; instead, these countries were suspicious of one another, each seeking to save its hide; this is what enabled the enemy to defeat them separately. The West European countries now under Soviet threat, however, are constantly strengthening their union and their struggle against the enemy is developing with each passing day. The third world countries and their people, too, are engaged in a mammoth struggle against imperialism, colonialism and hegemonism. An anti-hegemony international united front, including the people of the Soviet Union and the United States as well, is taking shape. The united struggle of this force will disrupt the imperialist war schemes and postpone the outbreak of a new world war.

# ROUND THE WORLD

## DEMOCRATIC KAMPUCHEA

### Deputy Prime Minister Ieng Sary in Bangkok

Deputy Prime Minister Ieng Sary of Democratic Kampuchea paid a friendship visit to Thailand from July 14 to 17.

During his stay in Bangkok, Deputy Prime Minister Ieng Sary was received by King Bhumibol Adulyadej and Prime Minister Kriangsak Chomanan of Thailand separately. He had many rounds of talks with Thai Foreign Minister Upadit Pachariyangkun on matters concerning the development of bilateral relations, the border, exchange of ambassadors, trade development and scientific and technological exchanges. Both sides expressed satisfaction with the results of their talks.

At a press conference on July 17 before he left Bangkok, Deputy Prime Minister Ieng Sary emphasized once again that Democratic Kampuchea is determined to defend its independence, sovereignty and territorial integrity, and to persist in its non-aligned policy. He also pointed out that in the first half of 1978, the Kampuchean people had defeated several large-scale invasions by Viet Nam and frustrated the attempts at coups d'etat directly engineered by Hanoi.

He said that to Kampuchea, this victory is as significant as

the victory in the liberation of the whole nation on April 17, 1975. This victory, he pointed out, has a significance going beyond the borders of Democratic Kampuchea, for Viet Nam is carrying out a strategy aimed not only at forcing Kampuchea into an "Indochina federation" under Vietnamese domination and then swallowing it up, but also at expansion into Southeast Asia to serve the expansionist policies pushed by its big-power supporter in the region.

## VIENNA TALKS ON FORCES REDUCTION

### No Substantial Progress

Due to the Warsaw Pact's refusal to acknowledge its numerical advantage in troop strength in Central Europe, representatives from 12 NATO countries and seven Warsaw Pact countries wound up their 15th round of talks on troop reduction held in Vienna from May 18 to July 19 without any substantial progress.

The five-year-old force reduction talks between the two sides is deadlocked because no agreement has ever been reached on how many troops each side has. Warsaw Pact negotiators claimed that the troop strength of each side is roughly equal and therefore any cut in troop strength should be carried out on parity. However,

NATO estimated that the Warsaw Pact countries have at least 150,000 more men than NATO, so there must be balanced cuts. While NATO has proposed a common ceiling for each other's ground forces, the Warsaw Pact insists on national subceilings for the two military alliances' forces. This move of the Warsaw Pact is clearly aimed at West Germany which has the largest ground force among NATO countries in Europe, said a Western news agency report.

In a so-called "compromise" submitted by the Soviet Union on June 8, the Warsaw Pact agreed to the Western proposal of a ceiling of 700,000 for each other's ground troops. On the surface, the Soviet Union has given up its obstinate demands, but in reality it is up to its old tricks again. While refusing to acknowledge its vast superiority in troop strength in Central Europe, the Soviet Union said that it would be willing to cut back a little more of its troops than NATO. If Moscow's offer is taken, that would leave NATO with 700,000 troops and the Soviet Union with a large force in reserve in Central Europe. Just as the Dutch negotiator Willem de Vos Can Steenwijk said on July 19: "It would be unrealistic to expect the West to ignore the large Eastern superiority in manpower." He added: "There can be no real progress towards an agreement on reductions and limitations until the discrepancy is resolved."

# ON THE HOME FRONT

## **Mechanization in Shops**

**I**N a number of large and medium-sized Chinese cities, machines are gradually replacing men in the processing, storing, transporting and selling of goods, and in restaurant services as well. Commercial departments in some small cities and towns have been following suit.

Electronic scales, counters and vending machines have been introduced in many stores in Shanghai.

Making noodles, steamed bread and dumplings, usually done by hand, has been generally mechanized in Peking, ensuring a greatly increased supply for a population whose staple food is wheat.

Grain stores in many cities have been using vending machines and forklifts for stockpiling. Mechanized or

semi-mechanized devices have rendered ladles and funnels obsolete in the selling of edible oil, soy sauce, vinegar and liquor in many groceries.

Filling prescriptions of traditional Chinese herbal medicine used to involve tiresome manual labour. To make up a single dose, usually consisting of a dozen or so ingredients, the druggist had to busy himself finding each item from among layers upon layers of drawers and weigh out the required dosage on a small scale—all done by hand. Now, with the introduction of a numerical control device, it takes only about half a minute for some drug stores in Shanghai, Peking and Nanchang to fill a single prescription.

Three Peking hairdressers came up with a solar energy heater in which water can be brought up to 70 degrees centigrade from March to November of the year. The device has

been adopted by the capital's 40 barbershops and bathhouses.

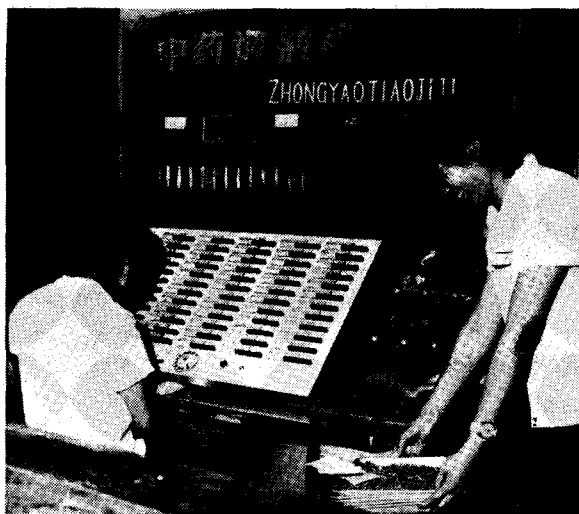
Some 5,000 technical innovation groups made up of workers, cadres and technicians throughout the nation are working hard to develop mechanization in commercial services.

A responsible member of the Ministry of Commerce said: "Mechanization of commercial services is one of the measures to cope with socialist modernization in the whole country. Ours is a developing country and work in this field has just started. Energetic efforts are being made to quicken the pace."

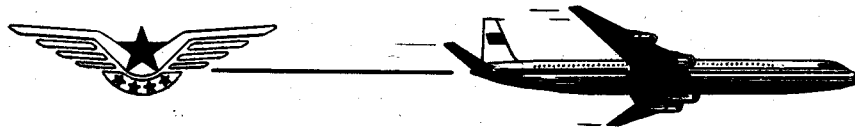
## **Agro-Technicians for Tibet**

**A** GROUP of 193 Tibetan technicians recently completed more than one year's training in agro-technical schools in Hopei, Liaoning, Kirin and Heilungkiang Provinces and have returned to Tibet as competent instructors in the maintenance, repair and use of ordinary farm machinery. Most of them are sons and daughters of emancipated serfs.

The agro-technical schools were entrusted with the task of training them by the Ministry of Agriculture and Forestry for the purpose of stepping up farm mechanization in Tibet. Effective measures were adopted to solve the students' difficulties, whether they had to do with language, teaching methods or habits and customs. To ensure success, the schools allocated their best teachers, equipment and laboratories to the course. Some teachers even learnt Tibetan in order to help the students more.



Using a machine to make up a prescription of herbal medicine in a Peking pharmacy.



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