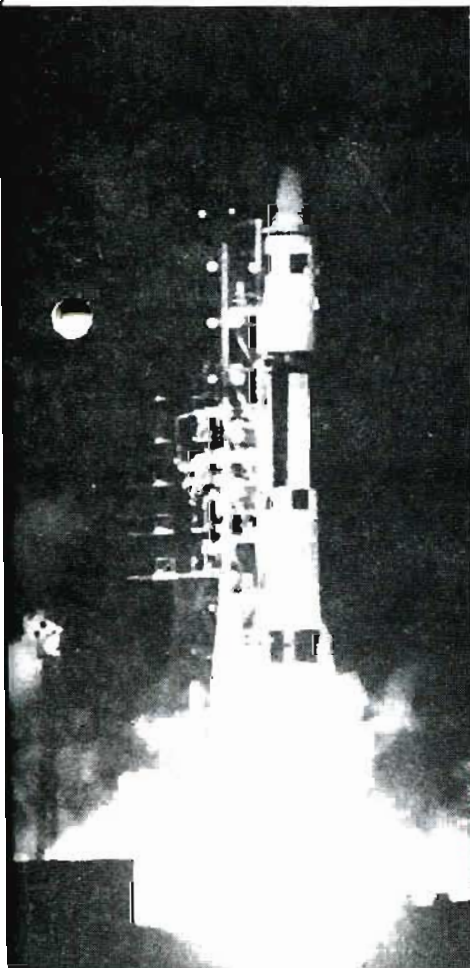


BEIJING REVIEW

北京周報

A CHINESE WEEKLY
OF
NEWS AND VIEWS

- On "Bourgeois Right"
- This Past Year (Pictorial)
- Subject Index (Nos. 27-52)



HIGHLIGHTS OF THE WEEK

The CPPCC Session

Members of this national consultative body approve Premier Zhao's government report and call for renewed efforts to realize peaceful reunification of the country and return of Taiwan to the motherland (p. 5).

"Bourgeois Right"

A theoretical worker explains Marx's original intention in using the term "bourgeois right," and analyses how it was misinterpreted and distorted during China's "cultural revolution" (pp. 9-11).

Income Tax on Foreign Enterprises

A newly adopted law stipu-

lates that starting January 1, 1982, foreign enterprises in China shall pay an income tax. Income earned in China by foreign enterprises that have no establishments in the country shall also be taxed. An unofficial translation of the law (pp. 17-19).

This Past Year

Three pages of photos reviewing the year's major and memorable events in China (pp. 12-14).

Chinese-Japanese Conference

Top officials of the two countries met in Tokyo to discuss

international situation and bilateral relations (pp. 15-16).

Laotian Ex-Official Exposes Viet Nam

A statement on the rigid control over Laos by the Le Duan clique (pp. 21-22).

Israel's Latest Provocation

Israel's annexation of the Golan Heights is condemned worldwide and places the Reagan administration in a predicament (p. 21).

The Portrayal of Love

A roundup of Chinese press discussions of the portrayal of love in art and literary works, the existing problems and ideal forms of presentation (pp. 25-26).

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Emancipating the Mind

It's often stated that bourgeois liberalization tendencies should be opposed. Does it mean you are opposed to emancipating the mind?

To oppose bourgeois liberalization does not mean that we are opposed to emancipating the mind. They are two entirely different concepts.

To emancipate the mind is a slogan raised at the Third Plenary Session of the 11th Party Central Committee in December 1978. It means, in the first place, that our cadres and people should free themselves from the shackles of the "cul-

tural revolution" and the "Left" errors of the preceding period as well as from the fetters of the personality cult and dogmatism, return to the right track of Marxism-Leninism and Mao Zedong Thought and uphold the fine tradition of seeking truth from facts. Practice has proved that the policy of emancipating the mind has played a decisive role in bringing order out of chaos and in overcoming "Left" deviations in our guidelines. To emancipate the mind is encouraged today and will still be encouraged in the future.

Bourgeois liberalization has nothing in common with the emancipation of the mind. The essence of bourgeois liberalization is opposition to the Party's leadership and the socialist road. Some people prettify bourgeois liberalization and equate it with emancipation of the mind. Their aim is to break away from Marxism-Leninism and Mao Zedong Thought, from the fundamental principles of socialism and the basic policies of the Party and the state.

Implementation of the principle of emancipating the mind over the past three years has resulted in noticeable improvement in various fields of work. In the course of implementing this principle, however, we have met with obstructions from two sides. One is from the "Left," which is totally opposed to the emancipation of the mind, and the other is from the Right, which distorts the concept of emancipating the mind and takes it to mean bourgeois liberalization. At the time when the principle of emancipating

the mind was put forward, the main obstruction came from the "Left." Now, however, greater attention is directed at combating bourgeois liberalization tendencies. This of course does not mean that "Left" errors will no longer be criticized.

Continued efforts will be made to emancipate the mind. While we should combat "Left" ideas and replace them with Marxism-Leninism and Mao Zedong Thought, we will oppose obstructions from the Right, that is, bourgeois liberalization tendencies, and uphold Marxism-Leninism and Mao Zedong Thought. Of course, since the situation varies from place to place, the focus of attention will be different, too.

— Political Editor An Zhiguo

The Situation In Poland

What is China's attitude towards the imposition of martial law in Poland?

The Chinese people are closely watching the development of the Polish situation.

As always, we hold that the internal affairs of Poland should be settled by the Polish people themselves.

It is China's hope that this issue will be solved in the interest of Poland and its people.

We are resolutely opposed to outside interference in Poland's affairs, no matter from which quarter.

— International Editor
Mu Youlin

South Asia

Will foreign military aid to Pakistan aggravate tension in South Asia? What is your attitude?

The relations between India and Pakistan have an important bearing on the situation in South Asia. We always stand for better relations between the two countries. This not only conforms to the interests of their peoples but is also conducive to peace and security in that region.

I don't think foreign military aid to Pakistan, which is limited, will disrupt the military balance between India and Pakistan, neither will it be a threat to India. India is a big country with 680 million people, while Pakistan has a population of only 80 million, and the armed forces of India are approximately two and a half times as

LETTERS

Dear Readers,

"Letters" is a column in which opinions are exchanged between editors and readers and among readers themselves. In the past year, many of you have provided valuable opinions, criticisms and suggestions to "Beijing Review." This has helped us improve our magazine. We would like to extend our thanks.

We will strengthen our contacts with the readers in the coming year. We also hope our readers continue to present their opinions, criticisms and suggestions, especially those on specific columns and articles.

We wish you a happy New Year!
Editor

Employment Transformation

I appreciated the report about Jiamusi's "Employment Transformation" in issue No. 44. I am an extension worker engaged in finding ways and means to improve economic condition for our rural folks. I've read about the Filipino scientists from our University of the Philippines at Los Banos who made an educational tour of your countryside. I wish I could have joined them.

When I talk to farmers in my country, I always mention the experiences of China's peasants. This gives them inspiration. If I am given a chance to travel and visit Asian countries, the first one I

large as those of Pakistan. To say that military aid to Pakistan "constitutes a threat" is, therefore, not convincing.

It is a fact, however, that Pakistan faces the threat of the Soviet hegemonists who have invaded Afghanistan and are looking at Pakistan with covetous eyes. The Karmal regime of Afghanistan has dispatched Soviet-made military helicopters on many occasions to intrude into Pakistan's air

shall tour is China. I hope my dream will come true.

Tereso Morfe Jr.
Manila, Philippines

Highway Construction

I want to thank you for the interesting article in issue No. 45 on Chinese highways. It provides welcome perspective of China's infrastructure.

The section of the article dealing with bridges was particularly interesting. I am surprised that the Anji Bridge is still in use. But judged by the advanced level of ancient Chinese engineering, there should not be any surprise about it. Anyhow, the Anji Bridge is a real beauty.

Lauri Ojala
Turku, Finland

Sun Yat-sen and Lenin

I was deeply touched by the article "Sun Yat-sen and Lenin" in issue No. 46. Just as you said: though they were thousands of miles apart, their hearts beat in unison. The article shows the respect of a proletarian revolutionary leader for a revolutionary democrat, who was a defender of the people in a poor and backward country, promoted the progress of revolution and destroyed all the obstacles in the road. The method he employed in doing this was, as Lenin said, to use revolution to emancipate all forces that were trammled and push them from the bottom of life to the top. The article also shows the modesty of Sun Yat-sen as well as his respect for Lenin, "a friend and teacher of the Chinese people."

space and strafed the refugee camps there, resulting in loss of life and property. Pakistan has the understanding and sympathy of the international community in its obtaining of some military aid in order to defend its independence and security. There is no reason for anxiety on the part of the other South Asian countries.

— International Editor
Mu Youlin

Chairman Mao Zedong and other revolutionaries in the People's Republic of China fulfilled Dr. Sun Yat-sen's wishes as they followed the examples of Sun Yat-sen and revolutionary Russia.

Gonzolo Alarcon
Bogota, Colombia

Conquer the Flood

The Huanghe flood was impressively conquered by leading cadres of the Party Central Committee, the local cadres, the army and the people. Everyone united to perform the difficult task. This reflected a fine style of work. China, I think, is striding forward in a favourable direction and will realize its goal.

We often see letters in *Renmin Ribao* which criticize unhealthy cadre behaviour. Although the Party Central Committee and the State Council have issued a notice on discipline, the unhealthy behaviour has not stopped. Although *Beijing Review* has limited space, could you present news on this problem and the manner in which it is being handled?

Kitaro Watanabe
Fuji, Japan

On Book Reviews

I consider the "Books" column to be a very good source of information on Chinese books in my professional activity as a university teacher. In fact, I do have access to all important catalogues of Chinese prints. On those occasions when I overlook an interesting item in a catalogue, the information provided by *Beijing Review* proves very helpful. Besides, the information in *Beijing Review* is more comprehensive than catalogue notes. I am sure many other scholars involved in the study of Chinese matters also find *Beijing Review* book reviews useful.

Alfred F. Majewicz
Poznan, Poland

We are glad you are fond of the "Books" column. Our magazine will continue to carry it in the new year. In addition to commenting on books in foreign languages published in China, we will also review important books printed in Chinese. — Ed.

POLITICAL

Fourth Session of Fifth CPPCC National Committee Closes

The Fourth Session of the Fifth National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed on December 14.

Liu Fei, 83, and Dong Qiwu, 82, were elected Vice-Chairmen of the Fifth CPPCC National Committee. Both were formerly high-ranking Kuomintang military officers who had crossed over to the side of the Communist Party on the eve of nationwide liberation. After the founding of the People's Republic, they held high posts in the government and army until they retired.

The session adopted a political resolution unanimously approving Premier Zhao Ziyang's government work report and other reports delivered at the Fourth Session of the Fifth National People's Congress. The resolution called on all patriotic forces to carry out the principles and tasks set forth in Premier Zhao's report and make new contributions to China's socialist modernization, the safeguarding of world peace and the peaceful reunification of the motherland.

The CPPCC members held lively discussions on such questions as the return of Taiwan to the motherland and peaceful reunification. They declared that the nine-point statement made last September by Chairman Ye Jianying of the NPC Standing Committee concerning the return of Taiwan and the propositions made by Chairman

Hu Yaobang in October for carrying out these principles were reasonable, fully conforming to the fundamental interests of the Chinese nation, the compatriots in Taiwan included, and conducive to peace in the Far East and the world as a whole. The Taiwan issue is entirely China's internal affair and can only be solved by the leaders and people on both sides of the Taiwan Straits. Any action which interferes in China's internal affairs and impedes the reunification of the country will not be tolerated.

The CPPCC usually holds its session when the NPC is in session. Its members attend the NPC session as observers and they discuss the reports, draft laws and resolutions submitted to the NPC for approval. As the committee's name indicates, it plays a democratic supervisory and consultative role which is accomplished by discussing major issues such as government policies and principles, the country's economic construction and the people's livelihood. In addition, it investigates and discusses state affairs as well as the implementation of the Constitution and laws, and raises criticisms and suggestions.

The latest CPPCC session received 527 motions from its members. The motions examination committee reviewed and sent them to departments concerned for consideration.

Election of Directors

As an experiment in democratic factory management, some of Beijing's industrial enterprises now elect directors and deputy directors by secret ballot. In a few cases, the

workers' congresses are entrusted to nominate directors or even appoint them.

Heretofore, factory directors have been appointed by higher authorities.

So far, 161 enterprises in Beijing have elected their directors and deputy directors since the new method was adopted last year on a trial basis.

Election results indicate that younger, more technically competent cadres who are good at management are the workers' choices for leading posts.

The Beijing Building Materials Industrial Bureau, which has many enterprises under its jurisdiction, has made the most rapid progress in this respect. To date, 41 of the new directors and deputy directors have been elected from the ranks of technically proficient workers and staff members with years of practical experience behind them. These elected leaders average 46 years in age; this is three years younger than before, but their average cultural level is higher.

Several election procedures have been tried. In one, directors and deputy directors were nominated by the workers or the workers' congress of the factory. After consultations, a list of names was drawn up with more candidates than positions. Then ballots were cast either by all the workers or by the workers' congress under the supervision of the presidium of the workers' congress.

Some factories elect only the director, who appoints the deputy directors. Workers at the Shoudu Cement Factory put up 43 nominees, and after discussion and consultation, the list was narrowed to two candi-

dates who ran in a factory-wide secret ballot election. The director thus elected then chose four deputy directors from among the original nominees, whose appointments were approved by the workers' congress.

The tenure of office is usually three years for the director. Incumbents who are not re-elected either retire or work as advisers, researchers or in some other capacity.

Electing directors instead of appointing them is a major transformation in the cadre system of China's enterprises. Since the Ninth National Trade Unions Congress in 1978, elections have been held to choose workshop heads, section chiefs and shift or team leaders. Democratic election of factory directors began last year on an experimental basis in a number of provinces, autonomous regions and municipalities including Beijing. This is an effective move towards democratic management, ensuring the exercise of democratic rights by the workers.

ECONOMIC

Agricultural Research and Development

A production advisory contract for a joint agricultural development project between a county government in suburban Beijing and a crop research institute was signed recently. It is the first of its kind ever signed in north China's rural areas.

The people's government of Shunyi County on the north-eastern outskirts of the capital signed the agreement with the crop research institute of the municipal academy of agricul-

tural science, on the basis of voluntary participation and mutual benefit.

The contract stipulates that the county will pay the institute to conduct small-scale experiments in growing wheat, maize and paddy-rice on 70,000 hectares of the county's land in 1982. One goal of the project is to determine how to maximize production of these crops in Shunyi County. The institute will also train agro-technicians and advise the county on the use of appropriate technical measures to raise production.

The agreement indicates that peasants in the rural areas strongly desire new agricultural approaches. In the wake of the implementation of the responsibility system in agriculture, a growing number of peasants have become dissatisfied with traditional farming techniques. Under the responsibility system, the peasants' income is entirely dependent on the amount of crops reaped.

The countryside is experiencing a spurt of enthusiasm for technical training. In the first eight months of 1981, some 400,000 peasants in east China's Fujian Province took spare-time courses for growing rice, sugar cane, jute, tangerines and tea, and some attended literacy classes.

There are now 200,000 peasants throughout the country who work part-time in the fields and part-time as agro-technicians. They are most welcome in the rural areas, and talks given by them on scientific farming are sometimes even more attractive than

films and operas.

New varieties of cotton, rice, wheat and vegetables developed by agro-scientific departments in recent years have achieved marked success in production after they were popularized in large areas. The Chinese Academy of Sciences and five counties in northeast, north, northwest and south China have jointly set up scientific experimental centres for farm modernization and organized 722 scientists to analyse local field conditions and suggest which crops are best suited to each locality. As a result, total average grain output of each county in the past three years has risen by 20 per cent.

Statistics show that there are now 24,000 agrotechnical stations, 2,396 seed companies and 1,700 county agricultural research institutes throughout the country.

Huanghe River Water Diverted to Tianjin

Two sluice-gates were flung open in east China's Shandong Province¹ on the lower reaches of the Huanghe River and in early December water surged to drought depleted Tianjin², an important northern Chinese industrial city with a population of 3 million.

Earlier, in mid-October, 220 million cubic metres of water



were diverted to Tianjin from the Huanghe through another sluice-gate in central China's Henan Province³.

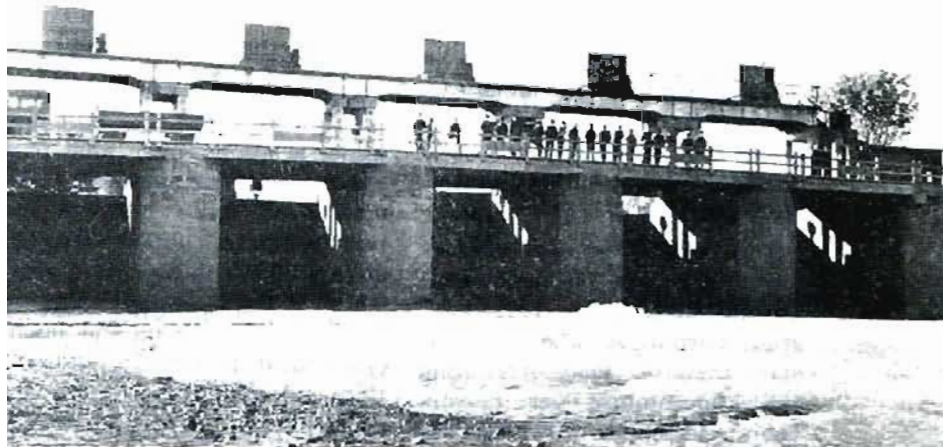
After the three canals converged, the Huanghe River water began flowing into Tianjin at 100-odd cubic metres per second. This has alleviated the water shortage in Tianjin to a large extent.

The Miyun Reservoir north-east of Beijing used to be Tianjin's main source for the 600-700 million cubic metres of water it consumes every year. But unmitigating drought in the last two years has reduced the huge reservoir's water level well below its outlets, causing serious shortage in the water supply for the city's population and industries.

To overcome Tianjin's water shortage for the coming winter-spring season, the State Council decided upon the project to divert water from the Huanghe (see issue No. 41).

Construction of the two canals in Shandong began in mid-October. Within six weeks, 400,000 Shandong peasants dredged rivers and dug canals, moving 20 million cubic metres of earth. They fulfilled the task four days ahead of schedule. The canal from Henan runs 850 kilometres, and the two from Shandong are 600 and 480 kilometres long respectively.

To make way for the canals, some villagers, aided by the local governments, tore down their own houses and moved elsewhere. Their close co-operation, which stems from their concern for the overall situation, won praise from the Tianjin municipal government and was highly acclaimed by the press.



Huanghe River water from Henan flowing into the city of Tianjin.

SOCIAL

Helping the Poor

Will the responsibility system in farm production and the principle of "to each according to his work" lead to class polarization, with a small number of people getting rich quickly while the majority remains in poverty?

The majority of peasants are now increasingly better off thanks to the development of production. But it is true that 10 per cent of the peasant households are having trouble making ends meet. Some of these have been rendered destitute by sudden accidents, some have sick and handicapped members to provide for and others have too few able-bodied members.

However, it has been China's consistent policy to help the poor in both production and daily life so that they will embark on the road to common prosperity.

Different measures have been adopted to help the poor, but

they have two common features: (1) poor families are encouraged to work hard to improve their own lot and (2) they are given financial and material support in improving production. Families whose difficulties are a result of waste do not qualify for such support.

The subsidies are provided by local governments, the Agricultural Bank and departments in charge of grain supply, finance, commerce, supply and marketing and farm production.

Production teams in many places have set up small groups composed of cadres, Party members and peasants to help the poor families overcome difficulties in production and daily life as well as with the shortages of labourers and draught animals.

A county in east China's Shandong Province bought oxen, sheep, pigs and rabbits and gave them free of charge to the poor families to raise. These families enjoy preferential treatment in the supply of animal feed, the prevention and

cure of animal diseases and in purchases made by the state.

With state and collective aid added to their own efforts, the livelihood of these poor peasant families has improved to a certain extent. In northeast China's Heilongjiang Province, 25 per cent of the formerly poor peasant families have shaken off poverty.

In a county in east China's Anhui Province, 770 poor families increased their 1981 total grain output by 77.5 per cent over that of 1980, averaging 551 kilogrammes per person. Their per-capita income increased from 98 yuan in 1980 to 134 yuan in 1981.

As one peasant put it: "The old society disliked the poor and favoured the rich; the gang of four criticized the rich but never bothered to help the poor. Now we are encouraged to get rich by our own sweat and help the poor. This is real socialism." (Please refer to p. 9.)

FOREIGN RELATIONS

Sino-Japanese Co-operation

At the second conference between Chinese and Japanese government officials, held in Tokyo in mid-December, views were exchanged on the international situation, Sino-Japanese relations, economic and financial policies adopted by each side and other bilateral questions.

The Chinese side expressed the opinion that the two countries have enhanced consultation and co-ordination of policies and actions in international affairs. Friendly co-operation in the economic and trade fields has made fresh progress. Next year, the 10th anniversary of the establishment of diplomatic relations between China and

Japan, leaders of the two countries will exchange visits. These visits will make new contributions to the growth of long-standing friendly co-operation between the two countries.

Encouraging progress has been made in the economic and trade relations over the past year. It is estimated that the volume of trade between the two countries will reach US dollars 10,000 million this year, which is about 10 times that of the year when China and Japan established diplomatic relations. Both sides held that there are broad vistas for economic co-operation.

During the conference, the two sides signed the minutes of talks and the notes the governments exchanged on co-operation in funds for the Daqing Petrochemical Project and the first-stage construction project of the Baoshan Iron and Steel Complex near Shanghai.

A joint press communique on the conference was issued. (For full report of the press communique see p. 15.)

China-Turkey

Foreign Minister Ilter Turkmen of Turkey paid a visit to China from December 17 to 23.

During the visit, Vice-Chairman Deng Xiaoping and Premier Zhao Ziyang met the Turkish Foreign Minister on separate occasions and had cordial talks with him. They all stressed the importance of developing bilateral relations. Both China and Turkey are developing countries belonging to the third world, and they need a peaceful international environment to build up their countries. They hope that co-operation between the two countries will develop in the future.

Vice-Premier and Foreign Minister Huang Hua gave a banquet in honour of Foreign Minister Ilter Turkmen and held talks with him. The two sides exchanged views on the situation in Europe, the Middle East and the Gulf area as well as other major international issues. They also discussed the expansion of relations between China and Turkey.

Referring to the Middle East situation, the two sides condemned Israel for its annexation of the Golan Heights. They pledged firm support to the Palestinian people in their just struggle to recover the lost territories and regain their national rights.

Foreign Minister Turkmen explained during the talks the Turkish Government's position on the Middle East and Cyprus questions. He said that the two communities on the island of Cyprus should solve their problems by peaceful means.

On behalf of Chairman Ye Jianying of the NPC Standing Committee and the Chinese Government, Premier Zhao Ziyang invited General Kenan Evren, and in the name of the Chinese Government and himself, he invited Turkish Premier Bulend Ulusu to visit China at a time convenient to them.

Turkmen conveyed an invitation by Premier Ulusu to Zhao Ziyang to visit Turkey, which the Chinese Premier accepted.

An agreement on economic, industrial and technical co-operation between the two governments was signed in Beijing on December 19.

Greeting New UN Secretary-General

Vice-Premier and Foreign Minister Huang Hua on December 16 sent a message of

(Continued on p. 27.)

On the Party Resolution

What Is Meant by "Bourgeois Right"?

by "Beijing Review" guest writer Shi Zhongquan

Marx used the term of "bourgeois right" in an abstract sense to describe the principle of exchange of equal amounts of labour in distribution according to work during the period of socialism. In using it this way, he did not mean to deny the socialist nature of this type of distribution. The misunderstanding that the use of the term "bourgeois right" suggests that distribution according to work is a capitalist practice actually negates the essential differences between the socialist and capitalist distribution systems. In China, this theoretical mistake led to many harmful practices, and was seized upon by the gang of four.

WHILE analysing the complicated social and historical causes of the mistakes during the "cultural revolution" initiated by Comrade Mao Zedong, the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China points out that the misunderstanding and dogmatic interpretation of certain ideas and arguments set forth in the writings of Marx, Engels, Lenin and Stalin constituted an important theoretical basis for these mistakes. The misunderstanding of the term "bourgeois right" designated by Marx was included.

In China, the term "bourgeois right" was at one time both wrongly translated and wrongly interpreted. In the latter phase of the "cultural revolution," when Comrade Mao Zedong called for restriction of bourgeois right, the media controlled by Zhang Chunqiao and Yao Wenyan distorted the term further and made it even more confusing.

After the downfall of the gang of four, although the fallacies spread by Zhang and Yao were criticized, this question was still not clarified due to the historical conditions at the time. The fact that the Resolution emphasizes the correct understanding of theoretical concepts such as "bourgeois right" is of great significance in setting things right on the theoretical front.

The author is a theoretical worker.

Original Implications

In his *Critique of the Gotha Programme*, Marx criticized the use of such confusing phrases like "undiminished proceeds of labour," "fair distribution" and "equal right" by Lassalle and explained the principle of distribution of the means of consumption in the future society. He said that in the first phase of communist society, it was impossible to practise such "fair distribution" of the "undiminished proceeds of labour" nor was it possible to let "all members of society" enjoy equal rights. Instead, the bourgeois version of "equal right" would still exist because the distribution of means of consumption among the workers would still follow the principle of the exchange of equal amounts of labour. At that time Marx did not name the first phase of communist society "socialism," nor did he use the term "distribution according to work." However, in this early writing, Marx first introduced the idea that distribution according to work—the more one does, the more one receives—would be a practice in socialist society.

Marx used the term "bourgeois right" to describe the principle of the exchange of equal amounts of labour in distribution according to work because value is measured in terms of labour just as it is in the exchange of commodities under capitalism. "A given amount of labour in one form is exchanged for an equal amount of labour in another form," in both

cases, Marx said. In the capitalist exchange of commodities, all commodity-owners are equal in accordance with this measurement of value.

As a matter of fact, the exchange of equal amounts of labour is not unique to capitalist society. It is a general principle in the exchange of commodities, a process which appeared simultaneously with the historical emergence of commodities. It reached its peak in capitalist society and became a general principle in the sphere of circulation. However, in the realm of production, there was only cruel exploitation of surplus labour and there is no equality at all. The bourgeoisie replaced the privileges of the feudal system with the equal rights of commodity-owners, and made such equal rights the hallmark of the bourgeois system. In socialist society, labour is no longer regarded as a commodity but it is still an object of exchange. During this historical period, the vestiges left over by the old society still cannot be discarded and the form of the exchange of equal amounts of labour still exists. Therefore, Marx designated this equal right as "bourgeois right" when he compared the principle of the exchange of equal amounts of labour during the socialist period of distribution according to work with the capitalist exchange of commodities.

Marx held that the actual inequality between workers presupposed the existence of the "bourgeois right" reflected in the exchange of equal amounts of labour during the period of distribution according to work. The "equal right" to commodities that are distributed using labour as the standard of equal measurement accepts the existence of unequal rights for different workers, as it tacitly recognizes unequal individual endowment, such as the productive capacity as well as the different social burdens of the workers. Differences between the workers' physiques, intelligence and family members mean that with an equal performance of labour and hence an equal share in the social consumption fund, one worker will in fact receive more and be better off than another. Therefore, as Marx said, this kind of "equal right" is "a right of inequality, in its content, like every right." This actual unequal right is one of the important characteristics of "bourgeois right," which can be neither avoided nor eliminated in the socialist society. The limitations embodied in the bourgeois right can be breached only when the principle of "to each according to his needs" is practised in a higher phase of communist society.

It should be pointed out that Marx used the term "bourgeois right" in an abstract sense in his *Critique of the Gotha Programme* while referring to the principle of the exchange of equal amounts of labour in the process of distribution according to work. In his use of the term, Marx did not relate it to the nature of the socialist principle of distribution according to work or the capitalist exchange of commodities, nor did he link this abstract term to the different relations of production in each system. While using abstract concepts to analyse concrete matters one should proceed from the study of actual social relations. This means that while using the abstract concept of "bourgeois right" to analyse the principle of distribution according to work, one should proceed from the study of the socialist relations of production. Only in this way is it possible to distinguish the essential differences between the socialist principle of distribution according to work and the capitalist exchange of commodities. While using the concept of "bourgeois right," Marx neither denied the socialist nature of the principle of distribution according to work nor did he confuse this socialist principle with the capitalist exchange of commodities.

In his *The State and Revolution*, Lenin further expanded the concept of "bourgeois right" designated by Marx in an abstract sense. He made a distinction between the "bourgeois right" reflected in the principle of distribution according to work and the bourgeois right in its original meaning, which recognized the means of production as the private property of individuals. Thus, "bourgeois right" under the capitalist system is based on the private ownership of the means of production and the term serves to gloss over the fact that the system awards the capitalists the right to cruelly exploit wage labourers by calling it the equal right to buy and sell labour power. This is the real bourgeois right, bourgeois right of the original meaning. The "bourgeois right" which exists in the socialist period of distribution according to work is based on the workers' joint ownership of the means of production. Here, nobody can provide anything except his own labour. The right of the workers to the products of labour is directly proportionate to the labour they provide. Those who do more receive more, and those who do not work get nothing. This kind of so-called "bourgeois right" is a negation of the capitalist system of exploitation and is fundamentally different from the original

meaning of "bourgeois right" which reflects the capitalist relations of production.

Misinterpretation and Distortion of "Bourgeois Right"

In China over the years, neither people's understanding of "bourgeois right" in the principle of distribution according to work, nor the theoretical expositions in the press [*Beijing Review* included—Ed.] fully conformed to Marx's original intention. The main manifestations of misinterpretation and distortion were as follows:

First, "bourgeois right" embodied in the principle of exchange of equal amounts of labour during distribution according to work was misunderstood to mean that distribution according to work itself was a bourgeois practice. In other words, "bourgeois right" which Marx used in a specific sense and did not reflect the capitalist relations of production, was misinterpreted as meaning bourgeois right in its original sense and as reflecting the capitalist relations of production, thereby obliterating the essential difference between the distribution systems of socialism and capitalism. Comrade Mao Zedong wrote on this theoretical question at the end of 1974 that China practised "an eight-grade wage system, distribution to each according to his work and exchange by means of money, which are scarcely different from those in the old society." He clearly misunderstood Marx's exposition on "bourgeois right."

Taking advantage of the misunderstanding of Comrade Mao Zedong, the gang of four totally negated the socialist nature of this distribution system and asserted that distribution according to work was a capitalist factor and was the economic base and condition engendering capitalism and the bourgeoisie. (See *On Exercising All-Round Dictatorship Over the Bourgeoisie* by Zhang Chunqiao, and *On the Social Basis of the Lin Biao Anti-Party Clique* by Yao Wenyuan.) This was a great distortion of the Marxist theory. As mentioned above, the essence of the principle of distribution according to work is to oppose exploitation. He who does not work, neither shall he eat. It is a coercive measure against the exploiters. Only thus can the majority of the exploiters be turned into labourers earning their own living. The implementation of the principle of "more pay for more work" can kindle the enthusiasm of the labouring people to work actively and creatively for the society, and to make efforts to enhance their labour productivity.

The gang of four took the absurd position that different payments for labour brought about by distribution according to work would lead to a polarization and a wide gap between the rich and the poor. In fact, different payments for labour brought about by distribution according to work are based on the elimination of capitalist exploitation in order to enhance common prosperity for labouring people. The differences will gradually be narrowed with the development of the productive forces and labourers' skills, as well as with the general enhancement of their scientific and cultural levels.

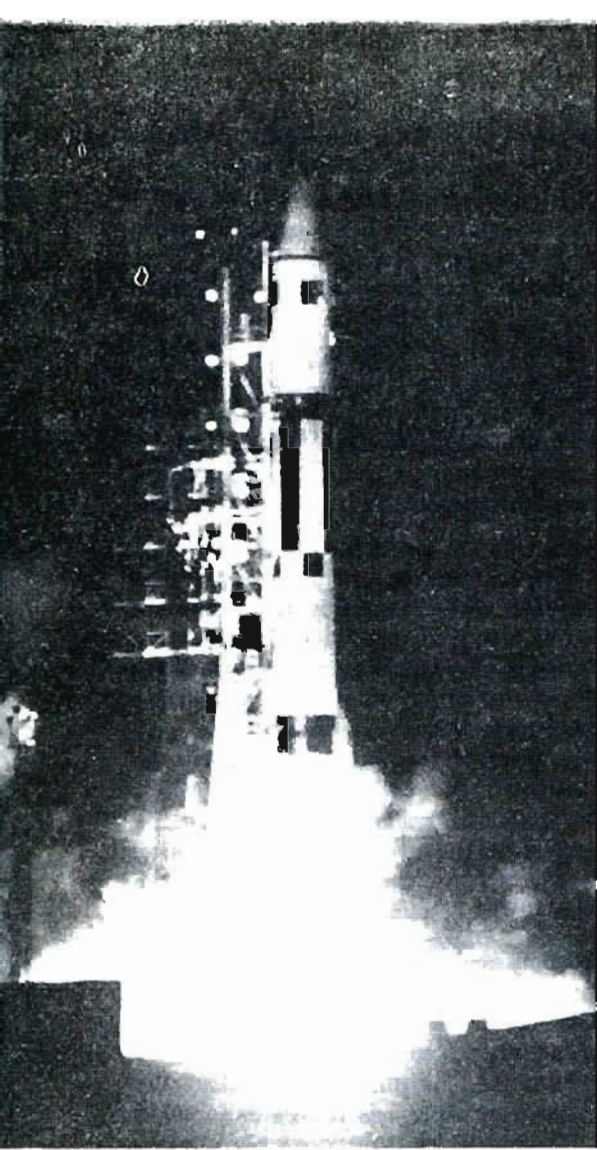
Adhering to the principle of distribution according to work will not bring about a new class polarization. Of course, this does not mean that new exploiting elements will not come forward through other channels in the socialist society. However, the emergence of those upstarts who have engaged in speculation and profiteering, graft and embezzlement and who have appropriated the collective's and other's property by unlawful means is not due to the implementation of the principle of distribution according to work, but, on the contrary, to the fact that the principle is seriously undermined.

Second, bourgeois right existing in the distribution of the means of subsistence was mistakenly believed to exist in the total relations of distribution and even in the total economic and social relations. Lenin has made clear the scope of "bourgeois right" as it was expounded by Marx. He said: Socialism "does not remove the defects of distribution and the inequality of 'bourgeois right' which continues to prevail as long as products are divided 'according to the amount of labour performed.'" (*The State and Revolution*.) Obviously, "bourgeois right" does not refer to the entire relations of distribution, but only refers to the individual distribution of the means of subsistence. As to the distribution of other products, for example, those used in expanded reproduction and for public consumption in the society, these are not distributed according to labour and distribution is not carried out on the principle of exchange of equal amounts of labour. There is no "bourgeois right" in these fields. Furthermore, neither Marx nor Lenin extended "bourgeois right" to other economic and social relations.

Because Comrade Mao Zedong lumped together the actual inequality of "bourgeois right" in the principle of exchange of equal amounts of labour and other unequal phenomena existing

(Continued on p. 20.)

THIS PAST



In September, China sent three satellites into space with a single carrier rocket for the first time in its history.



Girls of the Chinese women's volleyball team could not help shedding joyful tears upon the team's capture of the World Cup at the 3rd World Cup Volleyball Tournament held in November.



YEAR



The Fourth Session of the Fifth National People's Congress was convened in December. Deputies adopted the resolution approving Premier Zhao Ziyang's report on the work of the government, The Present Economic Situation and the Principles for Future Economic Construction.

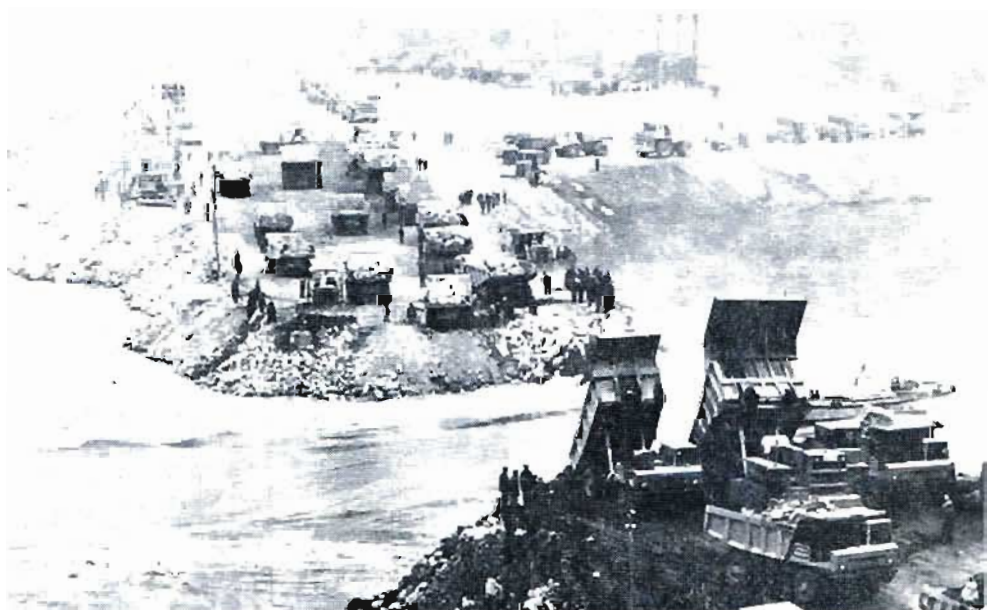
Chairman Ye Jianying of the NPC Standing Committee put forward in September a nine-point proposal concerning the return of Taiwan to the motherland and the peaceful reunification. Leaders of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang discussed the proposal in Beijing

Premier Zhao Ziyang (right) and Vice-Premier Huang Hua at the North-South Summit at Cancun in October.

The first-stage work of the Gezhouba key water control project on the middle reaches of the Changjiang (Yangtze) River was completed in August. Pictured is the cofferdam being closed at Gezhouba.



The Sixth Plenary Session of the 11th Central Committee of the Communist Party of China held in Beijing in June adopted the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China and elected Comrade Hu Yaobang Chairman of the Party Central Committee.





The implementation of the Party's rural economic policies witnessed an all-round good agricultural harvest in 1981. The total grain output for 1981 is expected to approach the 1979 level and will be the second highest since the founding of the People's Republic.

Many places were hit by floods. The commanders and fighters of the People's Liberation Army were at the forefront to battle against the floods.



The Chinese People's Liberation Army is being built into a modernized army. Pictured are military exercises held in north China in September.



Children in the capital paid a touching final tribute to Soong Ching Ling, Honorary Chairman of the People's Republic of China, who passed away in May.

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Joint Press Communique on the Second Conference Of Sino-Japanese Government Officials

Tokyo, 16 December 1981

1. The second conference between members of the State Council of China and cabinet members of Japan (hereinafter referred to as the conference of Sino-Japanese government officials) was held in Tokyo from 15 to 16 December 1981.

Present at the conference on the Chinese side were: Gu Mu, Vice-Premier and Minister in Charge of the State Administrative Commission on Foreign Investment, Huang Hua, Vice-Premier and Minister of Foreign Affairs, Yuan Baohua, Minister in Charge of the State Economic Commission, Han Guang, Minister in Charge of the State Capital Construction Commission, Zheng Tuobin, Minister of Foreign Trade, Lin Hujia, Minister of Agriculture, Wang Bingqian, Minister of Finance, Duan Yun, Vice-Minister in Charge of the State Planning Commission, Gan Ziyu, Vice-Minister in Charge of the State Administrative Commission on Import and Export Affairs, and Fu Hao, Chinese Ambassador to Japan.

Present at the conference on the Japanese side were: Minister of Foreign Affairs Yoshio Sakurachi, Minister of Finance Michio Watanabe, Minister of Agriculture, Forestry and Fisheries Kichiro Tazawa, Minister of International Trade and Industry Shintaro Abe, Minister of Transportation Tokusaburo Kosaka, Director-General of Economic Planning Agency Toshio Komoto and Japanese Ambassador to China Yasue Katori.

2. The Chinese Delegation called on Prime Minister Zenko Suzuki on 15 December.

3. The conference held discussions on the following issues:

(1) the general assessment of the international situation and the Sino-Japanese relations;

(2) the economic and financial policies of the two countries;

(3) bilateral co-operation and exchanges.

4. The two sides had a frank and sincere exchange of views on the international situation with emphasis on the Asian situation and the North-South question. They reached identical views on many issues. They also appraised their bilateral consultations and co-operation in handling major world issues in the international arena over the past year. They affirmed that China and Japan should continue to make efforts for the maintenance and development of peace and stability in Asia and the world as a whole, each proceeding from its own position.

5. Both sides were satisfied that the relations of peace and friendship between the two countries have been developing steadily since the normalization of the Sino-Japanese relations in 1972, especially with the conclusion of China-Japan Peace and Friendship Treaty. Both sides affirmed the need to develop lasting and unshakable relations of peace, friendship and co-operation between the two countries in future on the basis of mutual understanding and mutual trust. They also affirmed that in 1982, the 10th anniversary of the normalization of Sino-Japanese relations, the visit to Japan by Premier Zhao Ziyang in June and the visit to China by Prime Minister Zenko Suzuki in the autumn would be of great importance to the enhancement of Sino-Japanese friendly relations.

6. The two sides exchanged views on the economic situation in their respective countries.

The Chinese side gave an account of the present economic situation in China and the 10 principles for future economic growth as well as the prospects for China's economic development.

stressing that China would readjust and develop its national economy in the light of its conditions.

The Japanese side gave an account of its recent economic situation and implementation of its economic policies as well as its financial policies

7. Both sides expressed satisfaction with the smooth development to date of their bilateral trade and affirmed the importance of continuing to expand trade on the basis of the principles of equality and mutual benefit.

Both sides agreed to carry on the long-term and stable trade in oil, coal and other energy resources and to co-operate in the exploitation of such energy resources.

8. Both sides highly appraised their economic co-operation to date as having contributed to the enhancement of relations between the two countries

Both sides were satisfied that during the second conference of Sino-Japanese government officials, the question of co-operation concerning the fund for complete sets of equipment was finally solved in a way acceptable to both sides and that notes were exchanged concerning commodity loans.

Both sides also expressed satisfaction with the smooth implementation of the construction plan of the China-Japan Friendship Hospital and of the training of doctors and other medical personnel and with the holding of the foundation stone laying ceremony on 2 December. They reviewed the smooth progress of various kinds of technical co-operation in developing infrastructure, such as agriculture, railways and harbours, public health and health care, enterprise management, modernization of factories, hydro-electric power generation and the exploitation of nonferrous metals. The Chinese side appraised the fact that the formal survey had begun for the plan of reclamation of the San-jiang Plain in northeast China. Both sides agreed to conduct consultations when necessary to ensure smooth co-operation in the field of transportation, such as railways, harbours, etc.

9. Both sides expressed satisfaction with the smooth progress of the consultations being conducted concerning the proposed agreements

on taxation and on mutual promotion and protection of investments, which both sides agreed to start at the first conference of Sino-Japanese government officials with a view to developing Sino-Japanese economic relations and promoting exchange of personnel. Both sides expressed the hope that the above-mentioned agreements would be concluded at an early date.

10. Both sides expressed satisfaction with the sound development of the relations between the two countries in maritime transportation and agreed to continue to work for the opening of a route for a regular freight service between the two countries.

11. Both sides highly appraised the steady and active cultural exchanges in wide-ranging fields in recent years, and held that efforts should be made to strengthen the exchanges and co-operation in this field with a view to further enhancing the friendship and mutual understanding between the Chinese and Japanese peoples.

Both sides expressed concern for the efforts in Japan to make preparations for the setting up on the occasion of the 10th anniversary of the normalization of Sino-Japanese relations in 1982 of a "Japan-China Society" (tentative) for the purpose of promoting Sino-Japanese cultural exchanges and providing facilities for Chinese students and others in Japan. Both sides affirmed that exchange of views would continue on this issue.

12. While expressing its gratitude to the Chinese side for the co-operation which made it possible for 47 Japanese orphans to return home this year on a temporary basis, of whom more than half had found their families or relatives in Japan, the Japanese side expressed the hope that the Chinese side would continue to co-operate on the question of orphans. The Chinese side expressed readiness for its continued co-operation in this respect in future.

13. The two sides agreed that the next conference of Sino-Japanese government officials would be held in Beijing and that the specific time was to be decided upon through diplomatic channels.

The Chinese side expressed its thanks to the Japanese side for the attention given to the convening of the second conference of Sino-Japanese government officials. □

The Income Tax Law of the People's Republic of China Concerning Foreign Enterprises

Following is an unofficial translation of the full text of the Income Tax Law of the People's Republic of China Concerning Foreign Enterprises which will come into force on January 1, 1982. The law was adopted at the Fourth Session of the Fifth National People's Congress on December 13 and promulgated by an order of Ye Jianying, Chairman of the NPC Standing Committee, on the same day.— Ed.

Article 1. Income tax shall be levied in accordance with this law on the income derived from production, business and other sources by any foreign enterprise operating in the People's Republic of China.

"Foreign enterprises" mentioned in this law refer, with the exception of those for whom separate provisions are stipulated in Article 11, to foreign companies, enterprises and other economic organizations which have establishments in the People's Republic of China engaged in independent business operation or co-operative production or joint business operation with Chinese enterprises.

Article 2. The taxable income of a foreign enterprise shall be the net income in a tax year after deduction of costs, expenses and losses in that year.

Article 3. Income tax on foreign enterprises shall be assessed at progressive rates for the parts in excess of a specific amount of taxable income. The tax rates are as follows:

Range of income	tax rate (per cent)
Annual income below 250,000 yuan	20
That part of annual income from 250,000 to 500,000 yuan	25
That part of annual income from 500,000 to 750,000 yuan	30
That part of annual income from 750,000 to 1 million yuan	35
That part of annual income above 1 million yuan	40

Article 4. In addition to the income tax levied on foreign enterprises in accordance with the provisions of the preceding article, a local income tax of 10 per cent of the same taxable income shall be levied.

Where a foreign enterprise needs reduction in or exemption from local income tax on account of the small scale of its production or business, or its rate of profit, this shall be decided by the people's government of the province, municipality or autonomous region in which that enterprise is located.

Article 5. A foreign enterprise scheduled to operate for a period of 10 years or more in farming, forestry, animal husbandry or other low profit occupations may, upon approval by the tax authorities of an application filed by the enterprise, be exempted from income tax in the first profit-making year and allowed a 50 per cent reduction in the second and third years.

With the approval of the Ministry of Finance, a 15-30 per cent reduction in income tax may be allowed for a period of 10 years following the expiration of the term for exemptions and reductions specified in the preceding paragraph.

Article 6. Losses incurred by a foreign enterprise in a tax year may be carried over to the next year and made up with a matching amount drawn from that year's income. Should the income in the subsequent tax year be insufficient to make up for the said losses, the balance may be made up with further deductions against income year by year over a period not exceeding five years.

Article 7. Income tax on foreign enterprises shall be levied on an annual basis and paid in quarterly instalments. Such provisional payments shall be made within 15 days after the end of each quarter. The final settlement shall be made within five months after the end of a tax year. Excess payments shall be refunded by the tax authorities or deficiencies made good by the taxpayer.

Article 8. Foreign enterprises shall file their provisional income tax returns with the local tax authorities within the period prescribed

for provisional payments. The taxpayer shall file its final annual income tax return together with its final accounts within four months after the end of the tax year.

Article 9. The method of financial management and the system of accounting of foreign enterprises shall be submitted to local tax authorities for reference.

Where the method of financial management and the system of accounting of foreign enterprises are in contradiction with the provisions of the tax law, tax payments shall be assessed according to the provisions of the tax law.

Article 10. Foreign enterprises shall present relevant certificates to the local tax authorities for tax registration when they go into operation or close down in accordance with law.

Article 11. A 20 per cent income tax shall be levied on the income obtained from dividends, interest, rentals, royalties and other sources in China by foreign companies, enterprises and other economic organizations which have no establishments in China. Such tax shall be withheld by the paying unit in each of its payments.

For the payment of income tax according to the provisions in the preceding paragraph, the foreign companies, enterprises and other economic organizations which earn the income shall be the taxpayer, and the paying unit shall be the withholding agent. Taxes withheld on each payment by a withholding agent shall, within five days, be turned over to the State Treasury and the income tax return submitted to the tax authorities.

Income from interest on loans given to the Chinese Government or China's State banks by international finance organizations shall be exempted from income tax. Income from interest on loans given at a preferential interest rate to foreign banks to China's State banks shall also be exempted from income tax.

Income derived from interest on deposits of foreign banks in China's State banks and on loans given at a normal interest rate by foreign banks to China's State banks shall be taxed. However, exemption from income tax shall be granted to those foreign banks in whose countries income from interest on deposits and loans of China's State banks is exempted from income tax.

Article 12. The tax authorities have the right to investigate the financial affairs, account books and tax situation of any foreign enterprise, and have the right to investigate the withholding situation of any withholding agent. Such foreign enterprises and withholding agents must make reports on facts and provide all relevant information and shall not refuse to co-operate or conceal any facts.

Article 13. Income tax levied on foreign enterprises shall be computed in terms of Renminbi (RMB). Income in foreign currency shall be assessed according to the exchange rate quoted by the State General Administration of Exchange Control of the People's Republic of China and taxed in Renminbi.

Article 14. Foreign enterprises and withholding agents must pay their tax within the prescribed time limit. In case of failure to pay within the prescribed time limit, the appropriate tax authorities, in addition to setting a new time limit for tax payment, shall surcharge overdue payments at one half of one per cent of the overdue tax for every day in arrears, starting from the first day of default.

Article 15. The tax authorities may, acting at their discretion, impose a penalty on any foreign enterprise which has violated the provisions of Articles 8, 9, 10 and 12 of this law.

In dealing with those withholding agents who have violated the provisions of Article 11 of this law, the tax authorities may in addition set a new time limit for the payment of the part of tax that should have been withheld and, at their discretion, impose a penalty of not more than the amount that should have been withheld.

In dealing with foreign enterprises which have evaded or refused to pay income tax, the tax authorities may, in addition to pursuing the tax, impose a fine of not more than five times the amount of tax underpaid or not paid, according to how serious the offence is. Cases of gross violation shall be handled by the local people's courts according to law.

Article 16. In case of disputes with tax authorities about tax payment, foreign enterprises must pay tax according to the relevant regulations first before applying to higher tax authorities for reconsideration. If they do not accept the decisions made after such reconsideration, they can bring the matter before the local people's courts.

Article 17. Where agreements on tax payment have been concluded between the Government of the People's Republic of China and the government of another country, matters concerning tax payment shall be handled in accordance with the provisions of these agreements.

Article 18. Detailed rules and regulations for the implementation of this law shall be formulated by the Ministry of Finance of the People's Republic of China.

Article 19. This law shall come into force as of January 1, 1982. □

Rules Governing the Carrying of Foreign Exchange, Precious Metals and Payment Instruments in Convertible Currency Into or Out of China

(August 10, 1981)

Article 1 These rules are formulated for implementing the stipulations in articles 27, 28, 29 and 30 of the Provisional Regulations for Exchange Control of the People's Republic of China.

Article 2 No restriction is imposed on the quantity of foreign exchange, payment instruments in convertible Renminbi, gold, silver, platinum and other precious metals and objects made from them which may be carried into China by persons entering the country, but they must be declared to the customs at the place of entry.

Article 3 The carrying out of China of foreign exchange, payment instruments in convertible Renminbi, gold, silver, platinum and other precious metals and objects made from them previously brought in shall be permitted by the customs against the original declaration form issued at the time of entry.

Article 4 The unused portion of the Renminbi which has been converted either from foreign exchange and payment instruments in convertible Renminbi brought in or from foreign exchange remitted in by persons entering the country may be converted back into foreign exchange before their departure from China and the customs shall permit the taking out of China of the foreign exchange so obtained against the exchange memo issued by the Bank of China.

Article 5 The carrying out of China of objects made from gold, silver, platinum and other precious metals bought in the country shall be permitted by the customs against certification by the sellers within the limit as prescribed by the state.

Article 6 The carrying out of China of foreign exchange and payment instruments in convertible Renminbi shall be permitted by the customs against certification by the Bank of China.

The carrying out of China of drafts,

traveller's cheques and traveller's letters of credit in foreign currency, and Renminbi bank-note and passbook custodian certificates issued or sold by the Bank of China shall be permitted by the customs after examination, and no certification by the Bank of China is required.

Article 7 Chinese, or foreign nationals, or stateless persons residing in China shall, when emigrating from the country, be permitted by the customs to carry out of China gold, silver, platinum and other precious metals and objects made from them within the limit as prescribed by the state.

Article 8 The carrying or sending out of China in person, or by others, or by post of Renminbi cheques, drafts, passbooks and deposit certificates and other Renminbi payment instruments held by Chinese, or foreign nationals, or stateless persons residing in the country is not permitted.

Article 9 Unless otherwise approved by the State General Administration of Exchange Control or its branch offices, it is not permitted to carry or send out of China in person, or by others, or by post documents and securities held by Chinese residing in the country, such as foreign bonds, debentures, shares and title deeds; certification and agreements relating to the settlement of creditor's rights, inheritances, real estates and other foreign exchange assets abroad; and letters and instruments containing instructions of payment abroad.

Article 10 Where foreign enterprises which have terminated their business in China and foreign nationals who have left China wish to carry out of China foreign securities kept in the country, they shall be permitted to do so by the customs on the approval of the State General Administration of Exchange Control or its branch offices, but it is not permitted to carry out of the country Chinese securities and shares whether in person, or by others, or by post.

Article 11 Where bilateral agreements have

been signed between China and foreign countries on the carrying of currencies into and out of each other's boundary, matters will be handled in accordance with the provisions thereof.

Article 12 These rules shall also apply where foreign exchange, payment instruments in convertible Renminbi, gold, silver, platinum and

other precious metals and objects made from them are carried into or out of the country by compatriots from Xianggang (Hongkong) and Aomen (Macao).

Article 13 These rules are promulgated by the State General Administration of Exchange Control. □

(Continued from p. 11.)

in the sphere of the social life, he thus came to the conclusion that "bourgeois right" also existed in the relations between people, and even regarded feudal hierarchism as bourgeois right. Zhang Chunqiao further distorted Marx's exposition on "bourgeois right." He not only held that bourgeois right "has not been totally abolished in the realm of the system of ownership" but also asserted that the question of leadership was not resolved either in those enterprises owned by the whole people or those collectively owned by the working people. (See *On Exercising All-Round Dictatorship Over the Bourgeoisie* by Zhang Chunqiao.) Thus, he said that bourgeois right not only existed in the realm of the economic base but also in the superstructure. He usurped the Marxist concept, wilfully distorted it and even publicized that the bourgeois right which reflects the capitalist relations existed in all fields of the socialist society. His ridiculous argument was aimed at providing the theoretical grounds for his counter-revolutionary political line of "changing the dynasty" and "completely smashing the state" and at moulding public opinion in favour of the gang's seizure of Party leadership and state power.

Third, Marx's reference to the "drawback" of bourgeois right in the distribution according to work was misunderstood as a drawback in socialist society itself. Comrade Mao Zedong in 1958 agreed with the idea of doing away with bourgeois right. In his remarks on theoretical question in 1974 and 1975, his views on "restricting bourgeois right under the dictatorship of the proletariat" were directly influenced by this misunderstanding. Marx said clearly in his *Critique of the Gotha Programme* that "right can never be higher than the economic structure of society and its cultural development conditioned thereby." In socialist society, the system of exploitation has been eliminated and the public ownership of means of production has been established. Thus, bourgeois right in its original meaning has been completely abolished. But restricted by the development of the productive forces, the distribution of the means of sub-

sistence cannot be carried out according to need. Hence, the "bourgeois right" created by the actual inequalities between labourers cannot be eliminated. Marx called this "bourgeois right" a "drawback" when he compared the principle of distribution according to work to the communist principle of distribution according to need. He did not mean that it had become a "drawback" within the socialist society per se. Compared with all the previous systems of exploitation, socialist distribution according to work is a profound revolution in the distribution system and represents epoch-making progress in human history. It conforms with the development of the productive forces in the socialist stage. Comrade Mao Zedong's views on the restriction of "bourgeois right" did not tally with the original intention of Marx, and had a most important bearing upon his "Left" mistakes in the economic sphere, e.g., egalitarianism. The gang of four, taking advantage of Comrade Mao Zedong's misunderstanding, attacked "bourgeois right" and negated the historically progressive role of distribution according to work. Their fallacies were antagonistic to the Marxist standpoint.

The implementation of the principle of distribution according to work in the socialist society is an objective economic law independent of man's subjective will. China's experience in socialist construction has proved that when the principle of distribution according to work is well implemented, the enthusiasm of the labouring people is high and the socialist cause makes rapid progress. Otherwise, the enthusiasm of the labouring people suffers setbacks and the socialist cause is infringed upon. The "communist wind" in 1958 and criticism of "bourgeois right" during the "cultural revolution" constituted two bitter historical lessons. We have now drawn our conclusions and are unswervingly implementing the principle of distribution according to work so as to push the socialist cause forward. □

* "Communist wind" refers to egalitarianism in distribution and indiscriminate transfer of the labour force and materials during the movement for rural people's communes.

Israel's Latest Provocation

ISRAEL'S recent annexation of the Golan Heights constitutes a serious challenge to the Arab world and the international community.

The Golan Heights was Syrian territory before it was captured and occupied by Israel in the 1967 war. It is a strategically important area and the Syrians called for an emergency meeting of the UN Security Council shortly after the annexation decision was announced. The Security Council adopted a resolution on December 17, declaring Israel's decision on the Golan Heights null and void.

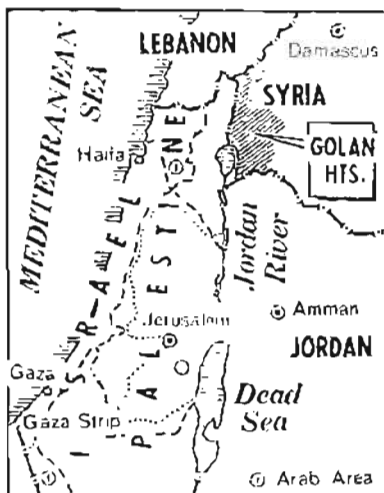
Israeli Prime Minister Begin claims that Israel resorted to annexation after Syria categorically rejected its requests for negotiations. However, he has not indicated what he wanted to negotiate and why Syria refused. In his address to the Knesset, he claimed that the Golan Heights are an "inalienable" part of Israel and that Israel will "never give it up to Syria." This means that Israel sought to limit the framework of negotiations by coercing

Syria into recognizing Israel's occupation.

A Serious Step

The annexation decision was made just four days after the United Nations adopted a resolution demanding Israel's withdrawal from Palestinian and other Arab territories. It represents contempt for the international community and a gross violation of the UN Charter and relevant resolutions.

Some members of the Knesset repeatedly put forward Golan Heights annexation bills since 1980, but the Begin government did not dare to pass them. On November 30, 1981, the United States and Israel signed a "memorandum of understanding on strategic co-operation." The United States said the memorandum was designed to cope with threats to the security of the entire (Middle East) region caused by the USSR or Soviet-controlled forces. Nevertheless, many observers pointed out that it would closely tie the United States to Israel's hostile policies towards Arab countries and provide support for its expansionism. Less than half a month after the memorandum was signed, Israel resorted to the serious step of annexing the Golan Heights.



US Predicament

Although the United States has recently attempted to cope with Soviet expansionism by seeking to improve relations with the Arab countries, it has not desisted from its biased policy towards Israel. Now that Israel has decided to annex the Golan Heights, the United States finds itself in an awkward situation. In order to avoid involvement in the matter, the US Government announced on December 18 that it intended to suspend negotiations on implementing the memorandum of understanding on strategic co-operation. However, this has not eliminated its predicament.

The Israeli cabinet responded to the US suspension announcement on December 20, when it unanimously voted to cancel the memorandum. Begin said that the Israeli people can live without it. Thus, the position of the United States has become more problematic.

The Begin government appears oblivious to the condemnation of the international community as it pursues its hostile policies towards the Arab people. This will not bring good results.

— "Beijing Review" news analyst An Ding

Laotian Ex-Official's Statement

Laos Taken Over by the Le Duan Clique

DR. KHAMSENGKEO Sengthith, Director of the Health Bureau of the Ministry of Public Health of the Lao

People's Democratic Republic and Secretary-General of the Lao Afro-Asian People's Solidarity Committee before he

A Canal of Expansionism

The UN General Assembly Ad Hoc Political Committee adopted a resolution on December 7 urging Israel to cancel its plan to construct a canal linking the Mediterranean and the Dead Sea.

The proposed canal is part of Israel's policy of expansion and aggression. Construction of the canal across the Gaza Strip is consistent with Israel's plan to permanently occupy some Arab territories.

The Gaza Strip is Arab territory occupied by Israel in 1967. Israel has no right to construct a canal there. If Israel builds the canal, Jordan's phosphate and sylvite plants on the east bank of the Dead Sea will face the danger of being inundated. Immediately after the Israeli plan was announced, it generated indignation and opposition from Arab countries and the Palestinian people. Egypt, Jordan and other countries have lodged protests at the United Nations. The Foreign Ministers of the Arab countries met on November 24 and unanimously decided to forward a "serious warning" to Israel about the proposed canal. Although the United States is backing the plan, the UN Ad Hoc Committee's resolution received near unanimous support. Of the 116 states which participated in the vote, the United States and Israel were the only ones opposed to the resolution. Israel has repeatedly ignored the just demands of the world community and will probably go ahead with its plans to construct the canal. However, if the Arab countries and the Palestinian people close ranks, they may be able to foil the Israeli plan.

broke with the Lao Government, said he was most unhappy to see his country taken over by Viet Nam's Le Duan clique, which was why he had come to China, instead of proceeding to a presidium meeting of the Afro-Asian People's Solidarity Organization in Kabul.

Dr. Khamsengkeo told newsmen at a press conference on Dec. 15 in Beijing that he could no longer tolerate the occupation and the turning of his nation by Viet Nam's Le Duan clique into a colony.

In his statement read out to the press, he listed a number of facts showing how the Le Duan clique had imposed rigid control over the Party, the government and the army of Laos.

In his statement, Dr. Khamsengkeo Sengstith said that the Laotian People's Revolutionary Party is now "merely a branch of the Vietnamese Communist Party. Its lines, policies and the composition of its top cadres are all decided by the Le Duan clique."

"The Le Duan clique has set up a special 'working committee for the west' (CP-38 for short) to control the Laotian Party and has secretly set up a special body in Laos to run the various departments, including the Central Committee of the Laotian Party in Vientiane and Party affairs. Members of this body give direct instructions to the general secretary of the Party and are even in charge of his security because they do not trust the Laotian guards."

"The Le Duan clique has appointed a minister without portfolio and one vice-minister from each ministry of the Vietnamese Government to directly control and direct the work of all Laotian ministries. The Laotian local government bodies in the provinces have been

put under the direct control and command of government bodies of Vietnamese provinces bordering Laos."

The statement said that since 1975, the number of Vietnamese troops, first sent covertly and then overtly, has grown steadily to between 40,000 to 50,000 men. They garrison places of strategic importance in Laos. They have control of the Laotian supreme command and the defence ministry.

The statement also cited facts to show how the Le Duan clique is persecuting and suppressing the Laotian people and how the country is being plundered of its wealth. "The clique practises a policy of genocide towards the national minorities of Laos."

In conclusion, the statement demanded that the Vietnamese authorities withdraw unconditionally from Laos all Vietnamese troops and the different kinds of cadres sent to take over and control Laos. It declared this must be done to ensure the independence, sovereignty and territorial integrity of Laos and to allow the Laotian people to fully exercise their right to determine their own destiny.

In compliance with Dr. Sengstith's request, China has granted him permission to reside in China.

— Zhong Tai



Dr. Khamsengkeo Sengstith (left) at a press conference in Beijing.

United States

A Bleak Prospect for Reagan's Economic Recovery Plan

THE US economy has drastically deteriorated during the past six months.

Unemployment rose from 7.5 per cent in September to 8 per cent in October and then to 8.4 per cent in November. More than 9 million people are out of work. Production is down in the home-building and automobile and other industries. Inventories of salable goods are increasing. Automobile sales decreased 24 per cent in October, the biggest drop since 1958. In addition, many big businesses such as General Motors have suffered large deficits while numerous small and medium-sized ones have gone bankrupt.

Six months ago, President Reagan's economic advisers were optimistically predicting that the US economy would be rising at an annual rate of 4.2 per cent towards the end of the year and at an annual rate of 5.1 per cent by early next year. However, their predictions were wrong.

The new economic recession is in fact seriously undermining Reagan's economic recovery scheme. It has also generated a sharp drop in federal revenue, a big increase in unemployment and social welfare and contributed to a larger federal deficit. If the budget deficit cannot be significantly decreased, Reagan's goal to stop inflation and lower interest rates will not be reached and

his plans to stimulate the economy will prove fruitless.

The Cause and Cure

Reagan and his economic advisers claimed to have a novel plan for stimulating the US economy. They said that inadequate investment and slow growth rate for production were primary sources of the nation's economic problems. They advocated a controversial plan: decreased taxes for individuals and businesses. They said that this would encourage people to work more and save a higher percentage of their incomes. They also said this approach would result in larger business investments. This, they claimed, would create more jobs, increase productivity and provide more investment funds at reduced interest rates. They also claimed that this plan would decrease inflation.

Using this line of reasoning as the basis for action, Reagan proceeded to implement a 3-year 25 per cent tax cut (the longest and biggest in US history) and drastically reduce expenditures on social programmes. He also encouraged the federal reserve bank to maintain strict control of the nation's money supply. Reagan's plan also called for one of the biggest increases in military expenditures in the history of the United States.

Although the Reagan administration expected the US financial community to be pleased with these measures, such was not the case. Wall Street analysts consistently maintained that the plan had serious weaknesses. The tax cut and increased military expenditures were frequently cited by financial experts critical of the plan. Other critics focused on the federal reserve's policies. They said that its tight control of the money supply would produce stultifyingly high interest rates.

Subsequent events have proven the critics of Reagan's programme to be at least partially correct. The US economy has gone from bad to worse during recent months.

Continuing Inflation

In addition to his problems with the deteriorating economy, Reagan is still faced with inflation. Moreover, his first tax cut, a 5 per cent one which began as from October 1, will be followed by a 10 per cent reduction beginning July 1. Although next year's increased military expenditures are expected to significantly stimulate the economy, the White House doesn't expect an economic recovery until the last half of the year.

However, what is bothering the Reagan's administration is the federal deficit. Despite Reagan's tax cuts and a cut of 35,000 million dollars in government expenditures, the budget for the fiscal year ending on September 30 next year will still be 100,000 million dollars in the red. (In the last fiscal year the deficit was 57,000 million dollars.) Budgets for the 1983 and 1984 fiscal years are estimated

to have deficits of 120,000 million and 140,000 million dollars respectively. In order to harness inflation, the federal reserve bank has to continue to exercise strict control over the money supply and keep interest rates high. Continuing high interest rates, however, will make it hard for the economy to quickly recover. Reagan's economic plan will probably prove unworkable unless he dares to run the risk of inflation.

Since the federal budget deficit can not be eliminated in a short period, a sceptical mood prevails in the White House. Budget Director David Stockman, worried that increasingly large tax cuts will create an as-

tronomical deficit, has asked Reagan to seek a tax increase or postpone the present tax cut.

The United States has suffered two recessions in less than two years. Although US inflation and interest rates have gone down a little during recent months (results of shrinking domestic and external markets), they are still very high, so high that the economy can not develop quickly. Reagan is finding that he has fewer and fewer opportunities to stimulate the economy by either financial or monetary means. As a result, prospects for the success of his economic recovery plan are bleak.

— Gu Jin

West African States' Defence Pact

TOGO and the six West African Economic Community countries of Ivory Coast, Upper Volta, Senegal, Niger, Mali and Mauritania at their third summit meeting in Dakar, on December 14, signed a protocol putting into effect their non-aggression and defence assistance agreement concluded in Abidjan in 1977. This will help defend peace and security in the area and counter foreign armed intervention and aggression.

The agreement grew out of the struggle by the African peoples against hegemonism and foreign armed intervention. After the Soviet and Cuban armed intervention in Angola in 1975, the then President Senghor of Senegal proposed that members of the Economic Community of West Africa (CEAO) sign an agreement on mutual

defence assistance. The proposal was warmly supported by CEAO members. Although Togo is not a member of the CEAO it also signed the agreement. When the agreement was being discussed, mercenaries hired by Moscow invaded the Shaba Region of the Republic of Zaire and this hastened the signing of the agreement.

The signatories declared that the agreement was not aimed at any country, but is to be an instrument for self-defence by relying on their own strength and joint struggle. Should a member state be attacked, the others will render assistance.

The West African countries want to develop their national economies and cultures, but they cannot do this unless their security is ensured. A Senegalese newspaper has said: Ex-

Book News

English and Japanese Editions of

Selected Works of Zhou Enlai

(Volume I)

The English and Japanese editions of the "Selected Works of Zhou Enlai," Volume I, have now been published by the Foreign Languages Press, Beijing. The English edition, 152 × 222 mm, is available in paper and clothbound covers and the Japanese edition, 130 × 184 mm, only in clothbound covers. Distributed at home and abroad by Guoji Shudian (China Publications Centre), both are on sale at Waiwen Shudian (Foreign Languages Bookstores) in China's major cities.

The French, Spanish and Russian editions will be published before the end of this year.

The Foreign Languages Press also plans to put out German, Korean and Arabic editions of the "Selected Writings of Zhou Enlai," Volume I, which consists of articles and speeches from the "Selected Works."

perience has taught us that only when we have peace and security are we able to pursue our economic development. With greater unity and strength, we will be better able to cope with covert foreign intervention.

The signing of the protocol strengthens the seven's unity and will play a positive role in fighting against imperialist intervention and subversion, and in safeguarding their national independence and sovereignty.

— Li Xuechun

LITERATURE

On the Presentation of Love

Numerous Chinese art and literary works have focused on love in recent years.

Most of them are healthy, but the negative characteristics of some merit attention. In the past year, the press approached the problem from different angles. Following are summaries of these comments:

Does Love Need To Be Addressed? Everyone agrees that love should be addressed. Nonetheless, differences of opinion exist regarding the most appropriate way to do so. For example, some people believe that love is a mixed reflection of the spirit of the times and one's social status which focuses on the presentation of personal morality and private feelings. Within this context, love is considered an important aspect in portraying the identities of literary figures. Some articles claim that love is a subtle as well as complicated relations which constitutes an important content in human life. They think that art and literature which focus on love can elucidate important social problems and broad historical events.

Other articles claim that love — the most fundamental emotion shared between men and women — involves everyone. This is precisely why love is a very important subject matter in art and literary works delineating characters. Nevertheless, some commentators claim that it is improper for art and literature to regard love as a perpetual theme. They believe that art and literature should

have variations in themes as they reflect the spirit of the times and the great changes in social life.

Problems. Many commentators believe that the major problems in the literary works involving the theme and presentation of love are as follows:

First, violation of the true state of affairs in life. Some critics claim that no matter what they write, a few authors use love as a "condiment." They even portrayed figures falling in love with each other in tanks while surrounded by the smell of gunpowder. Such critics also claim that some authors use unrealistic love problems in order to attract the attention of gullible young people.

Second, vulgar interests. Some commentators believe that works about love should correctly reflect healthy ideological values and encourage people through the advocacy of proper moral and spiritual approaches to problems. Proponents of this point of view are critical of those writers and artists who merge love and pornography. They are particularly critical of works which address subjects such as affairs between three or more people; love relations between Chinese people and foreigners; stories about older and younger lovers and those about half brothers and sisters. These are considered corrupt subjects created for the sake of novelty.

Third, monotonous presentations. Life is kaleidoscopic, yet love stories frequently ignore this fact. Some commentators believe that the kinds of love presented in many literary works are monotonous and often repetitive. They claim that they can read the first

chapter of many books and correctly predict their outcomes.

How Should Love Be Presented? Many comrades have produced numerous recommendations. These revolve chiefly around the following:

First, restraint is needed. Some commentators suggest that while it is not wrong to write stories about love, if no guidance is given and unhealthy stories are presented, then too many writers will devote primary effort to the subject. They say this cannot be justified. Love depiction should be subjected to the characterization and the presentation of theme. They also believe that the history of art and literature demonstrates both in China and abroad that the finest works about love have all profoundly expressed the goals of society.

Second, paying attention to the characteristics and habits of the nationalities concerned. Although breakthroughs may occur in the presentation of love, the form of expression should be suited as much as possible to the psychological characteristics, customs and habits of the nationalities concerned. Writers and artists should take the aesthetic standards and artistic flavour of the people into account. They should also pay attention to the differences between European and Chinese approaches to love. In the Beijing opera, for instance, an expression of the eyes or a gesture is enough to convey love between a man and a woman. Scenes of young men chasing after their lovers, kissing and embracing are often presented on Chinese motion-picture screens. Such portrayals have obviously been copied

from the West. They are not representative of traditional Chinese art.

Third, write about lofty goals. Some comrades believe that the most impressive thing about love is its tendency to foster lofty ideals. They are convinced that works which fail to emphasize this dimension of love are mediocre. According to them, love is not sufficient as a sole objective. Such comrades also believe that writers and artists should take their educative influence more seriously by emphasizing positive social values and criticizing negative ones. Their conclusion is that the subject of love should be addressed in a manner which inspires young people to adopt correct values regarding love, work and morality.

MEDICINE

Tibetan Medicine Promoted

The 1,300-year-old Tibetan school of medicine is being studied and developed. In the past few years, more than 30 ancient treatises on Tibetan medicine have been classified and systematized, and formerly missing classical Tibetan medical works have been printed. Ten famous doctors have been involved in the editing of *New Guide to Tibetan Medicine*, a recently completed compendium.

Some 100 young doctors of Tibetan medicine have been trained at the Tibetan medical school since it was established in 1979. Many veteran doctors have received professional titles; Qamba Chili, president of the Tibet regional hospital of Tibetan medicine, recently has been honoured with the title of director doctor. Tibetan medicine departments, each with two or three doctors, have been added



Doctors from the regional hospital of Tibetan medicine treat the sick and fill prescriptions for lamas.

to the six prefectural hospitals and 74 county hospitals in the Tibet Autonomous Region. More than 70 per cent of the counties in Tibet have Tibetan pharmaceutical factories which now produce 300 kinds of Tibetan medicine. Around 70 Tibetan medical practitioners have joined health departments in Tibet over the past two years.

Since 1976, funds allocated for the promotion of Tibetan medicine have increased at an average annual rate of 10 per cent, reaching 630,000 yuan for this year.

ARCHAEOLOGY

2,200-Year-Old Armoury Discovered

A large armoury built in about 200 B.C. has been excavated. The site, about five kilometres northwest of present-day Xian, is in Changan, capital of the Western Han Dynasty (206 B.C.-24 A.D.).

The armoury, enclosed by a wall, was rectangular (710 metres by 322 metres) and covered an area of 22.86 hectares. It consisted of two courtyards. The east courtyard had the foundation remnants of three storehouses and one bar-

rack; the west courtyard had those of one storehouse and two barracks. Stone bases for pillars were found in the rammed earth of one of the storehouse's partition wall. A large amount of ashes from wooden weapon shacks was unearthed in one of the storehouses.

Most of the weapons found were made of iron, including over 1,000 iron arrowheads. There were also iron knives, swords, spears, halberds, axes, an iron armour weighing 40 kilogrammes and other armour pieces. More than 100 arrowheads and several dagger axes and swords made of bronze were also discovered. At that time, iron weapons were replacing bronze weapons due to the development of iron smelting.

In addition to weapons, other articles were also unearthed, including coins of the Western Han Dynasty, nails, hammers and chisels made of iron, many tiles and bricks decorated with fretwork or chequered patterns and bronze and iron cauldrons used by the armoury guards.

The armoury dig is located between the sites of the Changle Palace and the Weiyang Palace of the early Han period. The excavating work was done between 1975 and 1978.

Books

Post-1949 Chinese Literature

Draft of the History of the
Chinese Contemporary Literature
(in Chinese)

《中国当代文学史初稿》

Published by the Publishing
House of the People's Literature,

Price: Volume I, RMB 1.35,
Volume II, RMB 1.15,

Distributed abroad by Guoji
Shudian (China Publications
Centre), P.O. Box 399, Bei-
jing, China.

Draft of the History of the Chinese Contemporary Literature is a chronicle of the trends in Chinese literature since the founding of the People's Republic in 1949. It introduces more than 100 modern writers and their works.

The writing of the text was initiated by the Ministry of Education and the editing entrusted to 10 institutions of higher learning. In 23 chapters this book recounts for the first time the achievements and developments in literature since 1949.

A "Left" opportunist trend began to emerge in literary circles after 1957; during the "cultural revolution," the literature of the 17-year period (1949-66) was slandered as "revisionist." As a result, many works were denounced, writers criticized, and some important theoretical issues were confused. In those days, nobody dared compile a history of the contemporary literature.

Following the Third Plenary Session of the 11th Party Central Committee held in December 1978, wrong charges of 17 years of literary "revisionism" were redressed. Criticized writers were rehabilitated, and their works reissued. It then became possible to write a history of contemporary literature, and work began on it in 1979.

Although twists and turns were seen in the development of post-1949 literature, yet, generally speaking, it is of a socialist nature.

Two-thirds of this 600,000-word work recounts the creativeness of the epoch (1949-66), a vital period in Chinese literature. The Party's policies on literature were basically correct and a flourishing of literary creations appeared in this

period of healthy development.

The literature in the "cultural revolution" (1966-76) suffered from the autocratic line of Lin Biao and Jiang Qing. The book criticizes their idealist literary theory and "conspiratorial literature" which served their usurpation of Party's leadership and state power. This was a catastrophic period for literature.

In April 1976, a mass movement unfolded in Tian An Men Square. Many people wrote poems commemorating the late Premier Zhou and opposing the gang of four. Highly acclaiming these poems, the book points out that seldom in history has a political movement been so closely connected with a revolution in literature.

After the downfall of the gang of four in 1976, numerous works depicting China's modern revolutionary spirit and reflecting the aspirations of the populace sprang up. This has opened broad vistas for the development of a blooming socialist literature.

In assessing the state of literature today, this book summarizes the negative effects of the repudiation campaigns during the "cultural revolution." This helps the continued development of the Chinese creative spirit.

— Yang Guixin

(Continued from p. 8.)

congratulations to the newly elected UN Secretary-General Javier Perez de Cuellar.

In his message Huang Hua said that the appointment demonstrates that the international community has deep trust in him, and acknowledges and appreciates his contributions during his long service in the capacity of an Under Secre-

tary-General of the United Nations. The message added that it also shows that the third world countries are playing an important role in international affairs.

The message expressed the belief that during his term of office he will live up to the aspirations of the people all over the world and

make constructive contributions to the maintenance of world peace and security and the promotion of friendly co-operation among the people of various countries in accordance with the aims and principles of the UN Charter.

CORRECTION: In our last issue, p. 3, left-hand column, third paragraph, line 1, the word "and" should be ":",

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