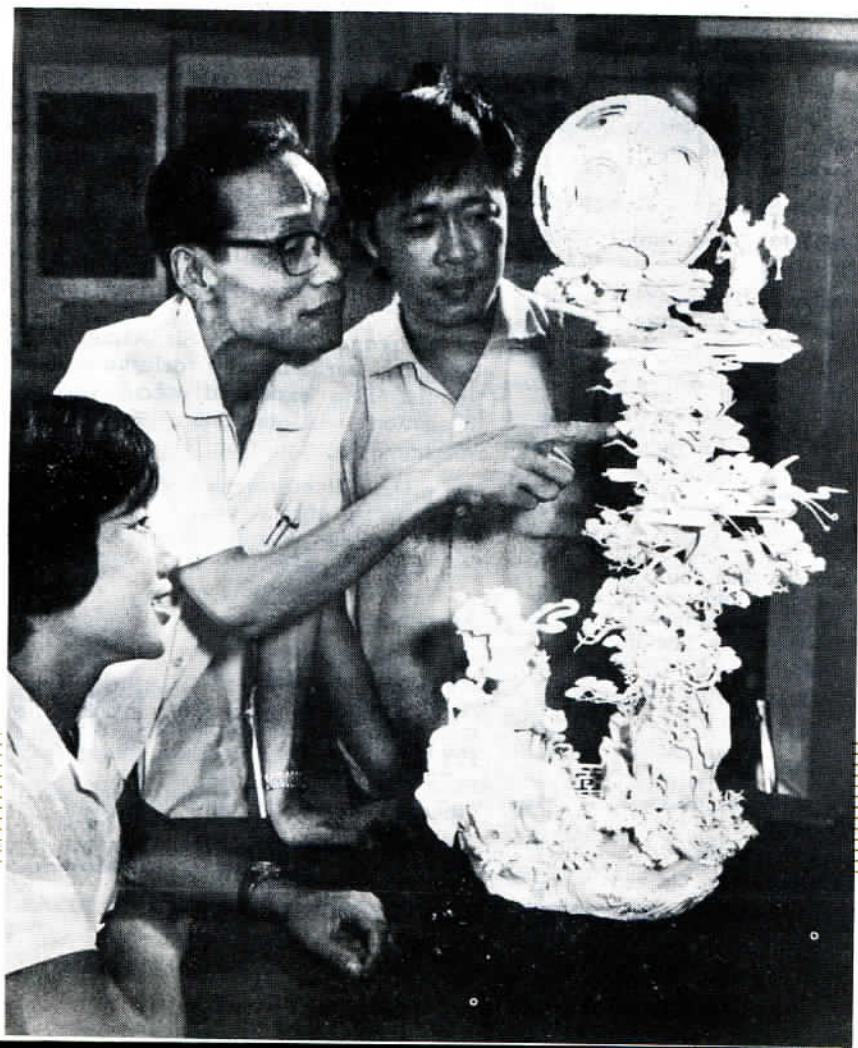


BEIJING REVIEW



Urban
Collective
Economy



Veteran
Craftsmen

BEIJING REVIEW

北京周报

Vol. 22, No. 35

August 31, 1979

CONTENTS

CHRONICLE	2
EVENTS & TRENDS	3
Memorial Meeting for Comrade Zhang Wentian	
July Industrial Production Increases	
Recognition of Veteran Craftsmen	
Sea Transportation Between Mainland and Taiwan Proposed	
Ultra-Left Literary Line Refuted	
"Eating From the Same Pot"	
Spare-Time Education for Workers	
ARTICLES AND DOCUMENTS	
Urban Collective Economy: Develop or Eliminate It?	9
A Struggle on Two Fronts: Oppose Rightism and "Leftism"—Xiao Feng	14
Tension Builds Up in West Sahara	18
Development in Middle East Peace Talks—Lin Jiaoming	19
Newsletter From Washington: Another Recession—"Renmin Ribao" Correspondent Wang Fei	21
Persian Gulf Rivalry	23
ROUND THE WORLD	25
ON THE HOME FRONT	27
CULTURE & SCIENCE	29

COVER: *Raising the Cup to the Moon*, a new ivory work with a 45-layer ball carved by veteran craftsman Wang Rongbiao who has been awarded the honorary title of "Master of Applied Art."

Published every Friday by BEIJING REVIEW,
Beijing (37), China
Post Office Registration No. 2-922
Printed in the People's Republic of China

CHRONICLE

August 20

● Premier Hua Guofeng met Speaker of the House of Representatives of the Republic of Malta Calcidon Agius and members of the Maltese parliamentary delegation he led.

August 22

● Chairman Hua Guofeng of the C.P.C. Central Committee and Chairman Ye Jianying of the N.P.C. Standing Committee sent a message to Nicolae Ceausescu, General Secretary of the Romanian Communist Party and President of the Socialist Republic of Romania, and Ilie Verdetz, Prime Minister of Romania, warmly congratulating them on the 35th anniversary of the liberation of their country.

● Vice-Premier Li Xiannian met Samdech Penn Nouth and had a cordial and friendly talk with him on some questions of common concern.

August 23

● Premier Hua met British friendly personage and author Felix Greene, Vice-Chairman of the Society for Anglo-Chinese Understanding, and had a cordial and friendly conversation with him.

August 24

● Premier Hua met U.S. Senator Henry M. Jackson, who spoke to Premier Hua of his impressions during his 17-day visit in China. They also exchanged views on some international issues.

● Samdech Norodom Sihanouk arrived in Beijing from the Democratic People's Republic of Korea.

August 25

● Premier Hua met Sir Arnott Cato and the Barbados parliamentary delegation led by him. Premier Hua expressed warm welcome to the delegation's visit to China. It is the first high-ranking delegation from Barbados to visit China.

● U.S. Vice-President Walter F. Mondale arrived on an official visit to China. Vice-Premier Deng Xiaoping was at Beijing Airport to welcome him and his party.

August 26

● King Birendra and the Queen of Nepal arrived in Beijing on a friendship visit to China. Premier Hua, Vice-Premier Li Xiannian and others were at the airport to welcome the royal visitors.



Memorial Meeting for Comrade Zhang Wentian

Beijing's Great Hall of the People was the site of the memorial meeting for Comrade Zhang Wentian on August 25.

An outstanding member of the Chinese Communist Party, Comrade Zhang Wentian was a veteran proletarian revolutionary who, persecuted by Lin Biao and the gang of four, died on July 1, 1976 in Wuxi, Jiangsu Province, at the age of 76.

Attending the memorial meeting were Hua Guofeng, Deng Xiaoping, Li Xiannian, Chen Yun, Wang Dongxing and other Party and state leaders as well as 1,500 people from all walks of life in the capital.

Comrade Chen Yun presided over the memorial meeting and Comrade Deng Xiaoping delivered a memorial speech.

Comrade Deng Xiaoping pointed out, "Comrade Zhang Wentian's life was a revolutionary one, loyal to the Party and the people. Now the Party Central Committee headed by Comrade Hua Guofeng, having made an overall and just appraisal of his revolutionary activities, has decided to rehabilitate him. All the false accusations and charges hurled against him by Lin Biao and the gang of four must be completely rejected."

Born in Nanhui County in Shanghai, Comrade Zhang Wentian took an active part in the May 4th new cultural movement in 1919. He joined the Chinese Communist Party in

1925 and engaged in underground work for the Party in Shanghai and Suzhou. Later he was sent by the Party to study in the Soviet Union, and he had been in charge of the work in the oriental department of the



Communist International. He returned to China from the Soviet Union towards the end of 1930. In the following year he became the head of the propaganda department under the Party Central Committee. In June that year when the provisional Central Bureau of the Party was set up, he was elected a Member of the Political Bureau of the Party Central Committee and Member of the Standing Committee of the Political Bureau. In early 1933 he went to work in the Central Soviet area. He was elected a Member of the Political Bureau of the Party Central Committee and a Member of the Secretariat at the Fifth Plenary Session of the Sixth Central Committee in 1934. He

was elected Chairman of the People's Council under the Central Government at the Second National Congress of the Chinese Soviet held in the same year. In October 1934 he joined the Long March.

At the Zunyi Meeting in January 1935, basing himself on the practice of the Chinese revolution and his personal experience, he rejected the Left deviationist line of Wang Ming and supported the correct line of Comrade Mao Zedong. He was elected General Secretary of the Party Central Committee at this meeting. During the Long March and after the Red Army had arrived in northern Shaanxi, he participated in the struggle against Zhang Guotao's Right deviationist line of flightism and his crime of splitting the Party. In the spring of 1936, he supported Comrade Mao Zedong's correct policy to cross the Huanghe River and march eastward. After the outbreak of the Xian Incident, he supported Comrades Mao Zedong and Zhou Enlai's principles in handling the incident, and helped them and Comrade Zhu De in effecting the historic strategic shift from civil war to the War of Resistance Against Japan.

At the Seventh National Congress of the Party held in 1945, he was again elected a Member of the Party Central Committee and Member of the Political Bureau of the Party Central Committee.

After victory was won in the anti-Japanese war, Comrade Zhang Wentian volunteered to

go and work in northeast China.

After country-wide liberation, Comrade Zhang Wentian was appointed Chinese Ambassador to the Soviet Union and subsequently First Vice-Minister of Foreign Affairs. He was firm in implementing the line and policies in foreign affairs laid down by Comrades Mao Zedong and Zhou Enlai. He did enormous work in helping Comrade Zhou Enlai and achieved remarkable successes. He was elected a Member of the C.P.C. Central Committee and Alternate Member of the Political Bureau of the C.P.C. Central Committee at the Eighth National Congress of the Party in 1956. He was also a Deputy to the First and Second National People's Congresses and Member of the Standing Committee of the First and Second National People's Congresses.

From 1959 onward, Comrade Zhang Wentian engaged in theoretical studies of socialist economic construction and wrote many articles. Even when he was completely deprived of personal freedom when Lin Biao and the gang of four held sway, he wrote articles repudiating their fallacies under extremely difficult conditions and in spite of his failing health and serious eye disease. In the face of Lin Biao and the gang of four's persecution, he upheld the principles, took the interests of the whole into consideration and waged a resolute struggle against them.

July Industrial Production Increases

China's total industrial output value in July went up by 11 per

cent over that of the same period of 1978, and the total amount of profit turned over to the state increased by 10 per cent.

With a 12.9 per cent increase in the output value of light industrial goods in July over that of the same month of last year, the situation began to change in which the increase of light industrial production is lower than that of heavy industry.

The quality of products has improved steadily. More than 90 per cent of the major goods manufactured in Beijing, Tianjin, Shanghai and other places have reached or surpassed the standards set by the state.

The variety of new and popular products has also increased. Some factories in Jiangsu Province have co-ordinated their efforts in making different components to produce air conditioners, washing machines and tape recorders which

are in short supply. They have increased their total output value by 7 per cent over that of the same period of last year.

July is a month of high temperature and heavy rainfall. The achievements made are results of efforts to increase production and practise economy, economize on fuel, improve management and popularize new technology.

The state has planned an 8 per cent increase for industrial production this year. But the increase in the total output value in the first six months was only 4.1 per cent. The rapid increase in July will be a fillip to fulfilling this year's state plan.

Recognition of Veteran Craftsmen

On August 16, Hua Guofeng and other Party and state leaders met all the delegates to a national meeting of craftsmen



Workers of the Wuxi No. 2 Cotton Mill have overcome all kinds of technical difficulties to produce high-quality printed quilt covers and other products.

and designers in the field of applied art. Thirty-four of them (mostly veterans) received the title of "Master of Applied Arts," the first honour of its kind to be conferred in China.

All the 34 have special skills in their own field. Ninety-year-old Dai Qingsheng from Hunan Province has had 77 years of experience in carving chrysanthemums in stone. His work once won a gold medal at an international exhibition held in Panama in 1915. He has produced 1,600 stone carvings since the founding of New China in 1949. His chrysanthemums are known at home and abroad for their myriad shapes, vitality and elegance.

Li Eying, deputy chief craftsman at the Research Institute of Embroidery in Suzhou, has invented many new stitches and new techniques of presentation. Craftsman Liu Chuan's works are characterized by life-like portrayals of human figures in pottery and porcelain. He has evolved his own particular method of exaggeration during

his long years of creative sculpture.

These veteran craftsmen who have accumulated rich experience over the years have inherited and carried forward the superb techniques of China's time-honoured applied arts. The Party and state, out of esteem for their creative labour, have not only paid special attention to their material well-being, but also accorded them an honourable political status. This contrasts sharply with their insecurity and low position in the old society.

In the old days, techniques were kept secret because more often than not the master would starve if he passed his skills on to his apprentices. With a view to protecting their own livelihood, they only passed on their skills to their sons and grandsons.

Things in the new society are different. Technique enables one to serve the people. Veteran craftsmen now voluntarily take on apprentices and pass their special skills on to others. This is why the applied

arts are flourishing. Ivory carver Weng Rongbiao is known for his peerless skill in high-relief carving. He has carved an ivory ball of 45 layers with a flower pattern, each layer being movable. The technique involved is exceptionally difficult as the craftsman can judge whether his carving-tool is in the right place only by the sound and the feeling of his finger-tips. He has done his utmost to pass his skill on to younger craftsmen, patiently demonstrating and carefully explaining every detail to them. Under his guidance, an increasing number of apprentices have mastered the art. One of them has learnt to carve a 33-layer ivory ball in high relief.

China's applied art is famous for its superb workmanship and rich variety. It has a unique national flavour as well as distinctive features of the locality in which it is developed. This branch of art has made notable progress in the last three decades as a result of the government's policy of protecting and developing it and raising the standards. Its output occupies



Pine Trees and Cranes — symbol of longevity — by the Research Institute of Embroidery in Suzhou. This piece of embroidery, 3 by 1.6 metres, has been exhibited in 94 countries and areas.

an important place in light industry. At present, the trade embraces 2,100 enterprises with 325,000 craftsmen and staff members.

Sea Transportation Between Mainland and Taiwan Proposed

China's Ministry of Communications recently expressed the hope to conduct negotiations with the shipping department in Taiwan so as to restore as quickly as possible passenger and cargo transport services between the mainland and Taiwan.

This was made known on August 18 by Minister of Communications Zeng Sheng in a statement to reporters of the Xinhua News Agency and other Chinese journalists.

The Minister said that Taiwan had been separated from the mainland for 30 years. Restoration of sea transportation would enable compatriots on both sides of the Taiwan Straits to visit their relatives and friends and at the same time facilitate trade and economic exchanges.

"We hope that the communications department in Taiwan will send delegates to Beijing or some other place to negotiate with us at an agreed time," the Minister said. "We are also ready to send delegates to Taiwan for negotiations at any time."

"Once agreement has been reached by both sides," he added, "we will start passenger services to Taiwan from Shanghai, Guangzhou, Xiamen and other ports. As to cargo transport, we have also made prep-

arations, both for freighters going to Taiwan and for freighters from Taiwan."

He noted that the ports on the mainland, such as Shanghai, Guangzhou, Qingdao, Tianjin, Dalian and Ningbo, are ready to welcome merchant vessels from Taiwan with draughts suitable for anchoring there. "We can offer fuel and supplies for the ships and the seamen in case of need," he added.

When asked whether in sea transport Taiwan seamen will enjoy the same rights as their colleagues on the mainland, the Minister answered in the affirmative.

Ultra-Left Literary Line Refuted

The June issue of the journal *Hebei Wenyi* (Hebei Literature) carried an article entitled "Praising Socialist Virtues or Lacking Such Virtues." According to its writer, works that paint a rosy picture of reality and describe China as a Utopia are praising socialist virtues, while works reflecting reality and depicting life as it is—such as works exposing the crimes of Lin Biao and the gang of four or well-intentioned criticisms of certain shortcomings that exist under socialism—are said to be uglifying socialism and therefore lacking socialist virtues.

This article caught the attention of the readers immediately after it was published. Many criticized it as echoing the words and ideas of Lin Biao and the gang of four who pushed an ultra-Left line in art and literature. The difference, if any, is that it continues to spread ultra-Left ideas under

the guise of "lauding socialism" and "serving the four modernizations," while actually it is against the emancipation of the mind.

Renmin Ribao published a short commentary on July 31, calling attention to the fact that the article did not say a word about Lin Biao and the gang of four's persecution of writers and artists and the serious consequences brought about by their ultra-Left line to creative writing and literary theories. Instead, it picked fault with those writers who, taking the stand of the Party and the people, dare to face reality and depict life as it is, accusing them of "treating the people's great cause with a gloomy outlook" and of "being animals good at smelling the stench of blood and sludge."

It is true that an important theme of literary works is and will always be singing the praises of socialism, the commentary noted. However, our socialist society is not perfect and, moreover, great damage was done by Lin Biao and the gang of four. The urgent task is to draw lessons from past experience and clear up the debris. To gloss over all this and describe everything as smooth and pleasant, isn't the writer of this article trying to pull the wool over people's eyes?

The writer held that if art and literature were to serve the "four modernizations," they must only choose certain themes and depict certain types of characters. This view is one-sided, said the commentary. If works exposing the crimes of Lin Biao and the gang of four are regarded as having

nothing whatsoever to do with the "four modernizations" and that works which do not deal directly with the workers and peasants are regarded as deliberately ignoring them, then the policy of letting a hundred schools of thought contend and a hundred flowers blossom cannot be implemented and socialist art and literature cannot flourish.

Since the beginning of this year, art and literary circles in China have become more lively than ever and a number of good works have appeared. Those that dare to criticize and expose life as it is are quite well received. There are now also more animated discussions on literary and art theories. The appearance of the article in *Hebei Wenyi* was therefore, as a literary critic said, like "a gust of cold wind in spring." In view of this, the *Renmin Ribao* commentary stressed the need to continue to criticize the ultra-Left line of Lin Biao and the gang of four, for although "cold wind cannot stop the coming of spring, it can harm the young sprouts just emerging from the soil."

"Eating From the Same Pot"

A popular saying among workers of the Beijing General Internal Combustion Engine Factory is: "Even among brothers, accounts should be settled without ambiguity." "Eating from the same pot" is another common saying which means taking what one needs and getting an equal share regardless of the work done.

Since the beginning of this year, this big factory has introduced on a trial basis the

system of economic accounting, with each workshop keeping an account of its own profits and losses, which will determine the amount of bonuses for its workers. This has thus ended the days when everyone in the factory could "eat from the same pot."

The purpose of this new practice is to overcome the shortcomings resulting from business accounting done by the factory management alone. In the past, only the factory leadership showed concern for the fulfillment of quotas, while cadres at the lower levels and the workers cared little for the economic results. They were concerned only with the amount of output without consideration for the costs or profits. This resulted in a big waste in manpower and material. Moreover, the workers' enthusiasm was not brought into full play as no difference was made between those who did more and those who did less and between those who did a good job and those who did shoddy work.

Now business accounting is done at two levels — the factory and the workshop.

- In accordance with the production plan determined by the factory leadership, the workshops sign contracts with one another, clearly stating the rights and duties of both sides. Any workshop that fails to carry out the contract to the letter will be held responsible and will have to compensate for any losses.

- The workshop which makes more profits will get more funds for awards, which means more bonus for its workers.

Trial implementation of this new accounting system has yielded good results in the past six months. Division of labour is now clear and co-operation between the various workshops is much better than before. With everyone paying attention to economic accounting, consumption of fuel and material has been reduced and the level of management has been raised.



Workers of the Fengshou Tractor Plant in Shanghai discussing how to improve the quality of their products.

Compared with the corresponding period of last year, total output value in the first six months of this year rose by 18.87 per cent, and the output of internal combustion engines increased by 16.52 per cent, labour productivity 12.84 per cent and profits 11.5 per cent.

It is now generally recognized that the system of management in China's factories and mines has been one that encourages absolute equalitarianism. This means material rewards are divided equally regardless of profits or losses and everyone gets an equal share irrespective of one's attitude towards work. Since this has an adverse effect on the implementation of the socialist principle "to each according to his work," a speedy change must be made.

Spare-Time Education for Workers

About 50,000 industrial workers and staff members in Shanghai are studying in spare-time colleges. This number is approximately the same as that in the city's numerous seats of higher learning. In northeast China's Jilin Province which has large chemical and automobile industries, 180,000 workers are attending various kinds of spare-time schools (from literacy classes to colleges). The subjects they study range from general knowledge for beginners, politics, enterprise management to science and technology.

The All-China Federation of Trade Unions held a forum at which the Shanghai and Jilin experience was introduced and the nation's situation as a whole was analysed. Ways and means

of developing spare-time education were studied:

— Spare-time schools are part of the nation's educational undertaking. The large number of workers and technicians with advanced scientific and technological knowledge needed for accomplishing the four modernizations cannot possibly be trained by the full-time schools alone. Spare-time schools run by factories and mines at the grass-roots level or by the trade unions at higher levels have a big role to play in raising the cultural level and technical and managerial skills of the workers and staff, thereby boosting the labour productivity of these enterprises.

— The national economy is at present undergoing readjustment, but spare-time education should be developed as quickly as possible. Incomplete statistics of 26 out of the 30 provinces, municipalities and autonomous regions in the country show that 81.4 per cent of the nation's total number of workers and staff members have had no more than a junior middle school education, and some of them are illiterate or semi-literate. About 70 per cent of the industrial workers are below the third grade in technique (the highest being the eighth grade in China), while engineers and technicians account for only 1.6 per cent.

— The experience gained in running spare-time schools in the first 17 years after the founding of the People's Republic is valuable. In 1949, nearly 80 per cent of the workers and staff were illiterate. By 1966, they had by and large learnt to read and write, and a spare-time educational system from elementary to advanced

levels was set up. This helped raise the cultural and technical level of the workers, and large numbers of managerial cadres and technicians were trained from among them. Practice has proved that the Party's policies regarding spare-time education are correct and great achievements have been scored.

— Spare-time education was suspended for nearly 10 years due to the interference of Lin Biao and the gang of four. Efforts made in the past three years to resume it have been rewarding. At present there are in China over 20 spare-time colleges set up by city trade unions and a greater number of spare-time middle schools run by trade unions at the city and county levels.

— The pressing task at present is to popularize junior middle school education and to give workers under 35 an elementary technical education. These workers have a low cultural and technical level because they have grown up in the years when education and other fields of endeavour suffered serious damage at the hands of Lin Biao and the gang of four. Spare-time colleges or training classes giving university courses should be set up in all the big and medium-sized cities and in the big enterprises.



Urban Collective Economy: Develop Or Eliminate It?

"Renmin Ribao" has published an article by its Special Commentator who emphasized that, whether in the countryside or in the city, collective ownership is, at the present stage, in harmony with the level of development of the productive forces in our country. The article adds that urban collective ownership plays an important part in the socialist economy and should be greatly expanded.

FOR years urban collective ownership* was ignored or even discriminated against. It came to the fore again only recently when efforts were being made to find jobs for people seeking them. But there are still erroneous views about its status and role in China's socialist economy; some people doubt if there should be long-term coexistence between urban collective ownership and the ownership by the whole people. In their opinion, the former has already fulfilled its historical mission and the role it can play in socialist modernization is insignificant now that socialist construction has reached its present scale of development. They think there is no reason for it to exist or develop because to allow it to go on expanding would be "retrogression." What is the sound way of looking at urban collective ownership?

Conforming to Development of Productive Forces

The relations of production must be in conformity with the development of the productive forces. This is a law common to all the various stages in the development of human society. Historically, the transition from one social mode to another and the transformation of one form of ownership into another without exception resulted from the operation of this law. Today, if we want to look into the "fate" of urban

*In China's cities and towns, in addition to the large state-owned enterprises, there are small and medium-sized ones, such as handicraft shops and retail stores. Their means of production are collectively owned by the labouring masses.

collective ownership, this same law will have to apply also.

We have won victory in revolution and are making a transition to socialism in a big, populous country where small production has predominated in an extremely backward economy. After the victory of the revolution, we led the numerous individual handicraftsmen step by step on the road of co-operation as in the case of the individual peasants. In the 20-odd years following the movement for co-operation, there has been considerable advance in our economy, but to this day China is still a developing socialist country where the productive forces of both agriculture and industry are at a rather low level.

Under these conditions, it is impossible to establish within a fairly short period of time the kind of system under which all means of production are owned by society as a whole as envisaged by Marx and Engels. We can't do that either in the countryside or in the city. To look for a transition from collective ownership to ownership by the whole people within a short period of time is unrealistic and is expecting the impossible. When conditions have not yet ripened, such a transition is bound to hamper the development of the productive forces. Therefore, socialist public ownership should have various forms differing in scope if it is to be adapted to the productive forces at their present level. This has been fully confirmed long before in the course of the development of collective ownership in our country.

It may be recalled that in 1958 when rural people's communes came into being, people in some places were over-anxious to hasten the transition of the communes into units in charge of both unified production and distribution. In some counties there were even so-called "united county communes" which had in fact done away with collective ownership. In this way, by carrying things beyond the existing level of the



Electric bulbs are being produced by Nanxiang Commune in Shanghai's Jiading County.

productive forces in the rural areas, they greatly dampened the enthusiasm of the peasants and brought considerable damage to agricultural production. It was only after this mistake was rectified by introducing the "three-level ownership, with the production team as the basic accounting unit"* — a system which made the relations of production correspond in the main with the development of the productive forces — that agricultural production was enabled to advance.

A similar thing happened in the case of handicraft co-operatives in the city. In 1958 a considerable number of them were "transformed" into enterprises owned by the whole people. This not only hampered production but brought inconveniences to the people's daily lives. So by and by they were again switched back to collective ownership.

These facts show that the relations of production may not correspond with the productive forces under two different circumstances, that is, either when the relations of production lag behind the development of the productive forces or when the former have shot ahead of the development of the latter. In both cases, the development of the productive forces are hampered.

These facts also show that not under all conditions is it true that the more advanced the form of public ownership, the greater will be its real advantages. Full ownership by the whole

*The assets of a people's commune fall under three separate levels of ownership — the commune itself, the production brigades and production teams under it. A production team is the basic accounting unit.

people can be realized only when actual conditions for it are ripe and certainly not by invoking subjective, imaginary conditions. If things are done haphazardly without waiting for conditions to ripen, full ownership by the whole people, instead of manifesting its superiority, will only produce destructive effects:

Urban collective ownership is socialist in nature. At present an enterprise under this category has the following features: One, it is an independent accounting unit responsible for its own profits and losses. Its success or failure is directly connected with its collective interests and those of its workers and staff members so that economic interests serve as an immediate motive power in developing production. The enterprise and its workers and staff members, therefore, focus on their own development with enthusiasm and a sense of responsibility. Two, it has a comparatively more independent status and more right of self-management and therefore, is in a better position to bring its initiative into play in many ways. Three, it is small in size, varied in the line of production, and has a high degree of adaptability. Its line of production can be adjusted easily according to changing conditions on the market and the needs of consumers. Four, it can be set up with less effort by the masses, with simple equipment, small investment and quick returns. In view of these special features, urban collective ownership is in a position to bring the initiative of the labourers into full play and promote the development of the productive forces over quite a long historical period.

Role in Socialist Economy

Urban collective ownership is playing an important, positive role in our national economy.

First, it is a major force in developing the production of industrial goods for daily use to meet the needs of the people.

We have 970 million people living in this country whose demand for such goods is enormous and multifarious. A considerable portion of these industrial goods has been produced by collectively owned enterprises. Statistics compiled at the end of 1978 show that

in the second light industrial department* producing these goods, there were 56,800 enterprises under collective ownership, or 97 per cent of the number of enterprises under that department; they employed 6.25 million workers and staff members, or 91 per cent of the number of people working in that department; they produced an output value of 33,500 million yuan, or 79 per cent of the total output value produced by that department.

Taking the second light industrial department as a whole, its total output value made up about 10 per cent of the nation's total industrial output value and 53 per cent of the total output value of the branches under the Ministry of Light Industry and its products made up about 17 per cent of the total volume of retail consumer goods. It comprises more than a dozen trades producing tens of thousands of kinds of commodities. The products or services offered by collectively owned enterprises in the industrial repairing trade, service trades, communications and transport, as well as in the chemical and electronic instrument industries are also closely connected with people's livelihood and social production.

Secondly, it is an important source for the state to accumulate funds and produce export goods. In 1978, the second light industrial department comprising mainly collectively owned enterprises provided the state with 5 per cent of its financial revenue in tax levies and profit. Many handicraft goods turned out by this department, especially art wares, with their unique national flavour and local colour, exquisitely made and lovely to look at, have always been widely acclaimed on markets overseas. It provides 15 per cent of the nation's goods for export, amounting to 71.7 per cent of the goods exported by the light industrial branches under the Ministry of Light Industry.

Thirdly, urban collectively owned enterprises provide a huge number of job opportunities for people in the urban districts.

This year there are over 7 million people in the urban districts seeking employment. Between 1980 and 1985, there will be

*The second light industrial department deals in sundry goods for daily use, art wares, furniture, plastics, hardware, etc. They are produced mainly by collectively owned enterprises. The first light industrial department puts out paper, cigarettes, salt, soda, bicycles, sewing machines, etc. They are produced mainly in enterprises owned by the whole people.

18.65 million senior and middle school graduates in cities and towns alone, an average of 3.1 million annually. The state builds a number of enterprises every year which may absorb a part of the work force. But these enterprises, in the process of modernization, can employ relatively fewer people. Take the big industrial enterprises importing modern technology and equipment for instance. They can probably employ only one man or woman for an investment of more than 100,000 yuan, or even hundreds of thousands of yuan. This means that in the process of modernization there will be large numbers of people seeking employment on one hand, and there is the need to employ new technology, new equipment and new techniques to steadily raise labour productivity on the other. This is quite a contradiction and we must try to find the proper way to handle it.

Energetic development of urban collective ownership is a major method to provide job opportunities for a long time to come. Many years of practice point to the fact that in cities where collectively owned industry develops fairly rapidly, the problem of employment is more successfully solved. Jiangsu Province is an outstanding example. Of the existing enterprises in the province, 82.7 per cent are collectively owned; between 1965 and 1977, 46 per cent of the people seeking jobs got them in these enterprises. In recent years, in quite a number of cities, 70 to 80 per cent of people seeking employment got jobs in enterprises or undertakings owned by collectives.



Yanjing Paintings Shop run by Beijing's young people. The paintings and art wares on sale are welcomed by customers, Chinese and foreign.

As pointed out by Premier Hua Guofeng in his Report on the Work of the Government to the Second Session of the Fifth National People's Congress, the government "will try to multiply the opportunities for employment by efforts to develop handicrafts, repair and renovation services, commerce, service trades, fish breeding and poultry farming, restaurants, tourism, urban public utilities, parks and public gardening and other undertakings that are needed and feasible, so that those waiting for jobs can be gradually and suitably placed" (see *Beijing Review*, No. 27, 1979). A big part can be played by urban collectives in these fields.

Fourthly, urban collective ownership is a major economic form through which modernization can be accelerated.

Some people think that modernization means big industry and doing everything by "pushing buttons," so that collectively owned industry is something that has to be eliminated. This is an unrealistic idea. To begin with, we must work for modernization in our own way, that is, upholding the principle of building small, medium-sized and big enterprises simultaneously and employing mechanization, semi-mechanization, automation, semi-automation as well as manual labour simultaneously. Only by adhering to this principle and using the economic forms of both ownership by the whole people and collective ownership can all positive factors be aroused, can manpower and material resources be rationally utilized and the usefulness of the various technical forces be fully tapped to speed up the tempo of modernization.

There isn't the slightest doubt that we must build large numbers of giant enterprises using the world's advanced technology and equipment as the sinews to raise the scientific and technological level in the entire national economy. But on no account should the role of small, collectively owned enterprises be ignored. This is because as the big state-owned enterprises develop further towards modernization and specialization, they need still larger numbers of small, collectively owned enterprises to work for them in co-ordination. This is a kind of rational division of labour. To increase social wealth, the collective enterprises can also make use of the remnant materials from big state-owned plants.

Fifthly, it is the main way to develop small towns.

China's cities and towns now number over 3,400, of which 192 are municipalities embracing more than 70 million inhabitants. From a short-term point of view, building factories in big cities or existing industrial areas requires less investment and yields quicker results. But if we see things from a long-term point of view, when building socialism in a big country like ours, it is inconceivable that we should develop only one or two hundred big and medium-sized cities without setting up a network of towns.

We should develop the towns and gradually turn them into political, economic and cultural centres in the countryside and make them function as the major links integrating cities with the countryside. Here, reliance on and making use of the forces in the collectively owned enterprises in the towns (and in the countryside as well, of course) is an important way to build up these towns. We should develop collectively owned industries, handicrafts, repair trade and commerce in the towns to meet the needs of the countryside so that our industry can be moved to places closer to raw material supply sources and to its markets. This will help promote agricultural production, bring conveniences to the peasants in their everyday life and activate the industrialization of the rural areas, thus step by step narrowing the differences between city and countryside.

From what is mentioned above, it is clear that at the present stage our urban collective ownership can play a significant role for a long time to come. Moreover, it is of great vitality and capable of solving problems which ownership by the whole people is finding difficult to solve. It can be seen that developing urban collective ownership is in no way "retrogression" but an advance along the road of socialism. Therefore, now is not the time to convert collective ownership to a higher form, but the time to expand it on a large scale. Within a fairly long historical period, it will coexist with ownership by the whole people as an indispensable and important component part of a unified socialist economic structure.

Problems Waiting Solution

Actively developing collectively owned enterprises and undertakings in the cities and towns calls for solving some existing problems and raising the status of collective ownership.

Political Equality and Rational Economic Treatment. In some places, once government

cadres are transferred to collectively owned enterprises, they no longer enjoy the same political and economic treatment as before. In some places, workers and staff members of collectively owned enterprises are not recognized as part of the working class and therefore not allowed to join trade unions. The pay, labour insurance and fringe benefits are also not reasonable enough. In some places, the pay in collectively owned enterprises, no matter how well they are run, is much lower than that in state-owned enterprises of the same trade and same occupation. In a few places, collectively owned enterprises do not even have labour insurance. Such irrational provisions have seriously affected the initiative of their workers and staff members.

This state of affairs must be changed. Politically, those working in collectively owned enterprises should be given the same treatment without any discrimination. Their pay should be more or less the same as that for workers in state-owned enterprises in the same locality doing the same kind of job involving the same level of technical know-how. In collectively owned enterprises which are successfully operated, workers and staff members should be allowed pay and fringe benefits that are higher than those in the state-owned enterprises of the same category.

Respect the Right of Self-Management and Ensure Their Economic Interests. In some places, collectively owned enterprises are run solely by administrative means, according to which major issues are not decided on through democratic discussion and workers and staff members have no say in the management. In some places, assets, property, equipment, raw and other materials and workers of a collectively owned enterprise are transferred freely for other purposes without compensation. The shares of profit for many local co-operative enterprises are fixed in a very unreasonable way. Nearly all their profits are handed over to the administrative organ concerned and these enterprises have no right whatsoever to use the profits they have earned for expanded reproduction. The size of an enterprise's earnings does not directly affect the income of its workers and staff members.



Plaited articles made of local materials by people of Hai'an County, Jiangsu Province.

All these practices are not in conformity with the nature of collective ownership; they have even changed the nature of collective ownership. A collective economic unit is a producer and manager of commodities, and is responsible for its own profit and loss. Infringement on its right to self-management and its economic interests is a negation and expropriation of the collective ownership.

Stress the Role of the Market Under the Guidance of the State Plan. Under the existing managerial system, collectively owned enterprises mainly depend on state planning. Those which manufacture goods specified in the plan generally maintain normal production; in the case of goods not included in the plan, production is very irregular. Collectively owned enterprises produce all kinds of things, mostly small commodities made and sold locally. It is impossible to include all these commodities in the state plan. We should, therefore, attach great importance to the role of the market under the guidance of the state plan.

Except for the more important products affecting the national interests and people's livelihood that must be placed under unified state plan for unified distribution, all other products should be taken care of by the enterprises themselves. Quantity and varieties can be decided on by the enterprises in the light of market supply and demand, their specific conditions, and the provisions of various economic contracts with other parties concerned. The mode of marketing should also be flexible and varied. Except for products that are to be sold exclusively by commercial

departments as specified in plans or contracts, some may be purchased selectively by commercial departments while others may be marketed by the manufacturers themselves. The raw and other materials needed by these enterprises but allocated by the state should be included in the state plan and their supply ensured.

Financial and Technical Assistance by the State. In founding collectively owned enterprises, although they should rely on their own efforts, the state should also render financial support whenever possible. In the past, in some localities the rules had it that no loans were to be issued to collectively owned enterprises. This is irrational and must be abrogated. With a view to fostering the growth of collectively owned enterprises, only reasonable taxation

should be levied; newly founded ones should be exempted from taxation for a specified length of time. Collectively owned enterprises must also undergo technological transformation and raise labour productivity. The state should give all-out support in terms of technological equipment and technical forces.

Setting Up Management Organs and Strengthening Leadership. We are now in a period of brisk development of urban collective ownership. To meet this new situation, we need to set up or improve special management organs at all levels as quickly as possible, and strengthen leadership. Such organs have been restored in some provinces and municipalities in recent months. They are giving an impetus to the development of collectively owned production and service trades.

A Struggle on Two Fronts

Oppose Rightism and "Leftism"

by Xiao Feng

In the light of the integration of theory and practice and on the basis of the historical experiences of the Soviet and Chinese Communist Parties, this article explains that, whether in the period of democratic revolution or socialism, a Marxist must proceed from reality and persist in waging a struggle on two fronts — against both Rightism and "Leftism." — Ed.

IN the period of socialism, it is necessary to combat and guard against revisionism" — this has been a stock phrase since the start of the Great Cultural Revolution. But what are we fighting against? Should we only oppose and avert Right opportunism? Lin Biao and the gang of four twisted the meaning of opposing and preventing revisionism into opposing and preventing Rightism, as if only Rightism and no "Leftism" can emerge in the period of socialism and so one should just fight against Rightism, never "Leftism." Such logic is absurd, a stereotyped pattern that had pushed our country to the brink of disaster. The time has come to clarify the matter.

The True Marxist Stand

Marxists always hold that a struggle should be waged on two fronts.

When we speak of a "Left" or Right ideological deviation and of a "Left" or Right opportunist line inside a proletarian political party, we mean an erroneous trend of thought or an erroneous line that has deviated from a correct line and has swung to one extreme or another. Either extreme is harmful to the revolution.

Lenin maintained that both Right and "Left" opportunism inside the Party should be opposed. In 1910 he formally epitomized this idea into what he termed "a struggle on two fronts," observing that "the Bolsheviks have in fact from August 1908 to January 1910 waged a struggle on two fronts, i.e., a struggle against the liquidators and against the otzovists." (Liquidators are Rightists and otzovists "Leftists.") (*Notes of a Publicist*, 1910.) Lenin advocated Party unity on the basis of acknowledging "a struggle on two fronts" and overcoming the dangerous deviations inside the Party by means of waging "a struggle on two fronts."

Stalin took over this idea from Lenin. He said in 1928: "Lenin always waged a fight on two fronts in our Party — both against the 'Lefts' and against outright Menshevik deviations. Study Lenin's pamphlet, *'Left-Wing' Communism, an Infantile Disorder*, study the

history of our Party, and you will realize that our Party grew and gained strength in a struggle against both deviations — the Right and the 'Left.' (*Industrialization of the Country and the Right Deviation in the C.P.S.U. [B.]*)

Comrade Mao Zedong, too, on many occasions emphasized waging a "struggle on two fronts." He said: "Our Party has consolidated itself and grown strong through the struggle on the two fronts." (*The Role of the Chinese Communist Party in the National War, 1938.*) "We must wage a struggle on both fronts, combating both 'Left' and Right deviations." (*Speeches at the National Conference of the Communist Party of China, 1955.*)

What merits our attention is that in the history of the Soviet Party, a struggle did take place over the issue of whether a struggle should be waged on two fronts. Some people inside the Party who "had made mistakes" in struggles against erroneous tendencies and, therefore, had "a guilty conscience," flared up at the mentioning of this and opposed it bitterly. There were also those who maintained that the essence of "Leftism" was Rightism, and there was no difference between the two, wrongly concluding that it was enough just to wage a struggle on one front.

The first case took place in 1910. Lenin at that time proposed "waging a struggle on two fronts" as a means of overcoming a dangerous tendency inside the Party, whereas Trotsky et al. preferred to substitute the "means of broadening and deepening Social-Democratic activities" for Lenin's proposal. Lenin dismissed this as "nothing but phrase-mongering and a futile evasion" and said that they turned a clear proposition into something ambiguous. Lenin asked: "And in what way is it possible to overcome deviations by means of broadening and deepening Social-Democratic work? In any broadening and deepening of our work the question of how it should be broadened and deepened inevitably rises;" "it is possible to broaden and deepen the work in the spirit of liquidationism" and "it is also possible to do so in the spirit of otzovism." (Lenin, op. cit.)

An example of the latter happened in 1928. At that time there were people inside the Soviet Party who held that the essence of Leftism was Rightism, both of which would produce the same effect. So they asked: What then is the difference between them? Where on earth are the two fronts? To this Stalin replied: "The difference is in their platforms, their demands, their approach and their methods."

Stalin then went on to give an example. The Rightists said: "It was a mistake to build the Dnieper Hydro-Electric Power Station." The "Leftists," on the contrary, declared: "What is the use of one Dnieper Hydro-Electric Power Station, let us have a Dnieper Hydro-Electric Power Station every year." The Rightists said: "Let the kulak alone, allow him to develop freely." And the "Leftists" declared: "Strike not only at the kulak, but also at the middle peasant, because he is just as much a private owner as the kulak." The Rightists said: "Difficulties have arisen, is it not time to quit?" The "Leftists," on the contrary, declared: "What are difficulties to us, a fig for your difficulties — full speed ahead!"

After this easy-to-understand and graphic illustration of the difference between "Leftism" and Rightism, Stalin concluded: "That is why it is obligatory for us, Leninists, to wage a fight on two fronts — both against the Right deviation and against the 'Left' deviation." (Stalin, op. cit.)

Enough Experience

In the history of the Chinese Party, on several occasions serious consequences have arisen from confounding "Left" deviation with Right deviation. In the 30s, Li Lisan pushed a "Left" opportunist line, but when Wang Ming took over, he opposed this "Left" deviation as a Right deviation. Thus, as the struggle progressed, the "Left" deviation became increasingly serious with the result that 90 per cent of the base areas were lost and the forces in the white area were almost entirely destroyed. After the fall of Lin Biao in 1971, the proper thing would have been to criticize his ultra-Left line, and yet, the gang of four insisted on saying that his was an "ultra-Right" line and should be criticized as such. People in this country have had enough experience in the harms done by the gang of four.

The foregoing shows: on the question of opposing erroneous tendencies and lines, it is most harmful to confound the struggles on two fronts with confused, marred phraseology. Therefore, to deny the difference between "Left" and Right deviations on the pretext that "Left" deviations are in essence Right deviations is equally very harmful because it advocates, in actual fact, waging a struggle on one front only. This is why Marxists must consciously wage a struggle on two fronts: fighting against Right deviations as well as "Left" deviations; fighting whichever of the two when it comes up.

"Left" Deviations Are No Less Dangerous Than Right Deviations

Does this principle of struggle on two fronts only apply in the period of democratic revolution and become "outdated" in the period of socialism? Certainly not. In the period of socialism, due to the victory of the revolution, some people inside the Party may become content with the status quo, lose their militancy and incline towards Right opportunist deviations. On the other hand, owing to the spread of Marxism and the soaring revolutionary enthusiasm on the part of the labouring masses, "Left" opportunism, with its embellished slogans and "most, most revolutionary" watchwords, is in a good position to take in some of the Party members and the masses, especially captivating without much ado a part of the youth and petty-bourgeois elements who have little experience in political struggle but are always fascinated by new-fangled trends of thought. So the possibility for "Left opportunism" to gain ground not only exists but is also very likely.

After the October Revolution, although Right deviation once did appear in the Soviet Party, "Left" opportunism was the main danger inside the Party for a fairly long time.

In 1918, in the hope of ending the imperialist war so that the young Soviet power could have a breathing space, Lenin intended to conclude with Germany the Brest-Litovsk peace treaty. His correct stand was, however, opposed by the "Left Communists" represented by Trotsky and Bukharin who vilified it as "Right opportunism" and "coming to terms with imperialism." They attacked the Party's correct line from the ultra-Left.

In 1920, Lenin stood for changing the system of war communism and, in the work of the trade unions, for a transition from military commands to democratic persuasion. Trotsky and the "Workers' Opposition," however, wanted to "tighten the screws" and put forward the slogan that the trade unions should be "governmentalized." They wanted to take even more rigid and hardened methods than those taken under war communism. This made the workers become alienated from and discontented with the Party and caused a split among the ranks of the working class.

In 1923, on the issue of the New Economic Policy, Lenin was of the opinion that agriculture must be developed first if industry was to be restored because this would provide industry with raw materials and food for the workers. Trotsky and his followers again attacked

this policy, asserting that it "has put the interest of the proletariat out of mind," that it represented "an inclination of the peasants" and was aimed at "safeguarding the interest of the capitalists."

In 1924, when Lenin was gravely ill and then passed away, Trotsky with an ultra-Left mien took the opportunity to accuse the Party's stalwarts of "being in the process of degeneration," alleging that the Soviet state was "far from being a proletarian state" in an attempt to incite the innocent young people to oppose the Party.

In 1925 and 1926, having ascertained the possibility of building socialism in the Soviet Union, Stalin pointed out: "We have entered the period of economic construction," merely talking about "world politics," will not carry one very far now. (*The Results of the Work of the 14th Conference of R.C.P. [B.]*) He stood for the need to study economics and economic laws and to pay attention to uniting the middle peasants, refraining from "giving orders to the peasants" and "learning to convince the peasants." But Zinoviev, "in the role of a schoolboy quoting Marx, Engels, Lenin," dismissed everything that served to perfect the particular principles and formulas of certain writers of the Marxist classics as revisionism. (*The 7th Enlarged Plenum of the E.C.C.I.*)

In 1928, Stalin proposed to concentrate the fire on the Right deviation. In 1929, the Soviet Party started waging a struggle against the Right capitulationists headed by Bukharin and Rykov. But a "Left" deviation surfaced immediately in the wake of the struggle against the Right deviation. In 1930, on the question of agricultural co-operation, "Left" deviationist mistakes like "superfluously going after figures," "compelling peasants to join co-ops," "collectivizing at once dwellings, small livestock and poultry" took place.

In the 1930s, on the question of suppressing counter-revolutionaries, the question of line was mixed up with the question of counter-revolution, which caused the mistake of broadening the scope of the suppression of counter-revolutionaries.

In the light of the actual conditions, Stalin pointed out: "That 'Left' camouflage of opportunist actions has been one of the most characteristic features of all the various opposition trends in our Party during the period since the seizure of power." (ibid.) He said in 1928, the fight against "Left" opportunism, that is, "a fight against Trotskyist trends, and a con-

centrated fight at that, has been going on already for some ten years." (*Industrialization of the Country and the Right Deviation in the C.P.S.U. [B.]*)

It is true that in the 30 years since liberation Right deviations have appeared in our Party, but the greatest harm has been done by the "Left" deviationist line of Lin Biao and the gang of four.

Not to Be Confounded

In the 1950s, the Khrushchov revisionist clique usurped the Soviet Party and state leadership after which Right modern revisionism became the main danger in the international communist movement. Comrade Mao Zedong led us in waging a struggle against revisionism on an international scale. This was entirely necessary.

Still, can it be said that Right modern revisionism is the main danger inside our Party because it has become the main danger in the international communist movement? One must not, of course, oversimplify things and come to such a conclusion. The main danger in the international communist movement and the main danger in a proletarian party inside a country are two interrelated but different things, which must not be lumped together as the one and same thing.

When Lenin was alive, the main danger on the international scene was revisionism stemming from the Right, namely, the revisionism of Bernstein and Kautsky of the Second International. But Lenin did not for this reason ignore the danger of "Left" opportunism in the international arena, nor did he on this account hold that, inside the proletarian parties and organizations in various countries, there should be opposition without exception to Right deviation, not to "Left" deviation.

In 1920 Lenin wrote the book *"Left-Wing" Communism, an Infantile Disorder* in which he systematically analysed and criticized the "Left" deviationist mistakes in the international communist movement and noted that the greatest efforts must be exerted to remedy this disorder. Although Lenin at that time maintained that the "Left" deviationist danger in the international communist movement was less than "one-thousandth" of the Right deviationist danger, he did not for this reason assert that there was not the slightest difference among the proletarian political parties and organizations in the various countries.

In dealing with the dangerous tendencies inside Russia's proletarian political party, Lenin also adhered to the principle of making a specific analysis of specific questions. In 1908, when the Second International's revisionism dominated in the international sphere, he opposed the Right liquidators and the "Left" otzovists in the light of the actual conditions at that time inside the Party. In 1914, Lenin fought against both Trotsky's Rightist slogan of "defending the motherland" and Bukharin's stand which was completely opposed to the further use of that slogan.

Revisionism is usually interpreted as Right opportunism. In fact, this is a misunderstanding. Lenin in 1908 clearly stated that revisionism takes two forms: "Revisionism from the Right" and "revisionism from the Left." But, because Lenin at that time was preoccupied with opposing revisionism from the Right, he in most cases referred to Right opportunism simply as "revisionism" or "opportunism." If one understands Marxism-Leninism-Mao Zedong Thought comprehensively and accurately, one must never simply understand revisionism in the sense of Right opportunism and interpret "opposing and guarding against revisionism" as "opposing and guarding against Right deviation."

To guard against capitalist restoration by simply opposing and guarding against Right deviations will not do. Like Right opportunism, "Left" opportunism, when it prevails, will also lead to capitalist restoration. The best proof of this is that when Lin Biao and the gang of four pushed a terribly "Leftist" line, capitalism actually came back in some places and departments.

Accordingly, in the future, on the question of inner-Party struggle, it is imperative to wage struggles on two fronts, to fight against Right deviations or against "Left" deviations as the case may be. At present, the emphasis is on opposing "Left" deviations, on thoroughly liquidating "Left" opportunist line of Lin Biao and the gang of four and eliminating its pernicious influence. Of course, when a Rightist tendency appears in a certain place or on a certain question, it must also be opposed. Only in this way can we ensure that the socialist cause will move on along a correct and healthy track.

(A slightly abridged translation of a "Jiefangjun Bao" article.)

Tension Builds Up in West Sahara

SIX days after Mauritania and the West Sahara People's Liberation Front (Polisario) signed a peace agreement in Algiers, Moroccan troops on August 11 marched in and took total control of Mauritanian-administered Tiris el-Gharbia. Moroccan King Hassan II then renamed it Ouedaddahab, claimed that it was a province of his kingdom and announced the appointment of a new provincial governor. Thus tension in West Sahara is building up.

West Sahara was a Spanish colony until Spain pulled out in February 1976 and was partitioned, according to an agreement between Morocco and Mauritania, into a Moroccan-occupied northern part of about 170,000 square kilometres and a Mauritanian-occupied Tiris el-Gharbia (Rio de Oro) in the south of about 90,000 square kilometres and inhabited by nearly 20,000 people, most of them nomads.

Prime Minister of Mauritania Mohamed Ould Haidalla on August 13 issued a statement "most strongly protesting" the Moroccan armed forces' occupation of Dakhla (capital of Tiris el-Gharbia). Two days later, Mauritanian troops withdrew, leaving Morocco in full control of West Sahara.

Algeria, which has been supporting Polisario since Spain's withdrawal, welcomed the Mauritania-Polisario peace agreement and condemned Morocco's takeover of the territory in West Sahara occupied by Mauritania. On August 16, the Political Bureau of the Algerian National Liberation Front met and issued a communique warning that it was not Morocco alone that enjoyed "the privilege to use force." Algerian President Chadli Benjedid wrote a letter to the current O.A.U. Chairman William R. Tolbert condemning Morocco's entry into Tiris el-Gharbia and asking him to take measures to enforce O.A.U. decisions on West Sahara.

A responsible member of Polisario declared in a statement on August 14 in Paris that Polisario guerrillas would take vehement military action against Morocco. According to one report, the two sides on August 11 had fought a fierce battle in Bir Anzaren some 100 kilometres northeast of Dakhla. Polisario

guerrillas in 500 military vehicles including Soviet-made light armoured cars were dispatched to attack the Moroccan army. Each side claimed inflicting 400 casualties on the other.

Situation Causes Concern

The tense situation in northwest Africa has aroused concern in African countries and world opinion.

AP in an August 16 dispatch from Paris held that such a development had altered the line-up in north Africa and was aggravating the already tense situation there. A direct conflict between Algeria and Morocco has become more possible, it said.

According to AFP, Morocco has already distributed arms to the people living in the Morocco-Algeria border area. On August 15, it quoted a high-ranking Moroccan officer as saying that the danger of an Algeria-Morocco war was looming larger.

News agencies and newspapers of Algeria and Mauritania recently all refuted the allegation made by a Moroccan paper that Algerian troops had landed at the Mauritanian port city of Nouadhibou. But on August 15, the Algerian newspaper *Ach Chaab* said in an editorial: Algeria was confronted with a dual task — helping the fraternal Mauritanian people to defend their sovereignty and independence and continuing to support unconditionally the West Saharan people's just struggle for freedom and self-determination. The editorial also said that, if necessary, Algeria would provide military support for Mauritania to cope with the "Moroccan provocation."

In such a situation, superpower activities are watched vigilantly. Moroccan chief of general staff recently told a French paper that the Soviet Union was supplying "all kinds of weapons" to the 5,000-man Polisario armed force through certain north African countries. These Soviet weapons, he said, could invite the escalation of the war to threaten the Maghreb as a whole.

A DPA dispatch said that the visit paid to Tiris el-Gharbia on August 12 by Stephen Solarz, Chairman of the Sub-Committee for African Affairs of the Foreign Relations Committee of the U.S. House of Representatives, was an indirect recognition of Morocco's annexation of this area. This American Congressman also visited Mauritania and Algeria and held talks with their leaders on the West Saharan situation. He also made a trip to the Polisario-controlled part of West Sahara and held long talks with leaders there. At an evening party of several hundred West Saharans, he said that the United States was in a position to do something for the establishment of justice and peace in West Sahara.

For Friendly Negotiations

African countries are very concerned about developments in West Sahara and hope that all parties concerned will settle the dispute peacefully through friendly negotiations. The governments and peoples of the rival sides do not want to see the situation further worsen to the detriment of the peace and stability of the whole of northwest Africa. They are not abandoning efforts for a peaceful settlement. Recently, there were visits of high-ranking

delegations shuttling between Mauritania and Algeria and between Mauritania and Morocco explaining and making clear their stand over the current situation. On August 15, when Mauritania pulled out its troops from West Sahara, it announced that its aim was to create the necessary conditions for the restoration of genuine peace. At the end of his visit to Mauritania on August 15, a ministerial advisor to the Algerian President said that the purpose of his trip was to seek a peaceful, final and lasting way to settle the West Saharan issue. Moroccan King Hassan II declared at the August 19 press conference: The possibility of a dialogue between Morocco and Algeria, as before, always exists. Asked if war was nearer than peaceful negotiations, Hassan said: "I think it'll become clearer to you in a month, or a month and a half at the maximum." He also indicated that France and Spain could make contributions to peace in West Sahara.

William R. Tolbert, Chairman of O.A.U. and President of Liberia, recently urged the rival parties to enter into negotiations for peace. He also cabled Algerian President Chadli Benjedid and Moroccan King Hassan II appealing to them to make all efforts possible to ease the strained situation in that area.

Development in Middle East Peace Talks

CONTACTS with the observer of the Palestine Liberation Organization to the United Nations led to the resignation of U.S. Ambassador to the United Nations Andrew Young recently. This was the result of pressure from Israel and the Zionist lobby. Widespread repercussions inside and outside the United States as well as serious concern shown by all circles indicate that U.S. policy in the Middle East has reached a crucial point.

Earlier, the United States had had contacts with the P.L.O. through a third party, and had moved towards direct dialogues. This turn of events was widely bruited about and alarmed the Israeli authorities.

In an interview with some visiting editors on August 10, President Carter said: "I am against any creation of a separate Palestinian state. I don't think it would be good for the Palestinians. I don't think it would be good for Israel. I don't think it would be good for the Arab neighbours of such a state." He also said that he would not deal with the Palestine Liberation Organization unless it recognized "Israel's right to existence," adding that U.S. policy had never deviated from that condition.

The Central Council of the P.L.O. held a meeting in Damascus from the night of August 11 to the early morning of August 12. The meeting stressed that the Palestinian people's

inalienable rights as expounded in the political programme of the P.L.O. must be adhered to, particularly their right to return to their homeland, to decide their own destiny and to establish an independent Palestinian state. The meeting firmly rejected any resolution that did not support these rights. Khalid Al Hassan, a leader of the P.L.O., once stated that prior to any U.S.-Palestine dialogue, the United States must recognize the P.L.O. as "the sole and legitimate representative of the Palestinian people" and confirm the national rights of the Palestinian people.

Carter's stand seems to be incompatible with that of the P.L.O. But neither side denies that there have been contacts through a third party.

The news of U.S. contacts with the P.L.O. was disclosed after the talks between Austrian Federal Chancellor Bruno Kreisky and Yasser Arafat, Chairman of the P.L.O., who visited Austria in early July. It is reported that Kreisky probed the possibility of solving the Palestinian problem on the basis of the P.L.O.'s recognition of Israel's right to exist. Kreisky said on August 16 that the P.L.O. was going to recognize Israel and all European countries would soon recognize the P.L.O. He added that Carter did not recognize the necessity of setting up a Palestinian state because he wanted to avoid interfering with the talks between the United States and Israel on Palestinian autonomy.

The United States hopes that the West European countries will put forward a suggestion on revising U.N. Security Council Resolution 242, which was adopted during the 1967 Middle East war. The resolution only demanded an Israeli withdrawal from the occupied Arab territories and a just solution to the so-called "refugee problem." It did not endorse the Palestinian people's right to recover their homeland. Therefore, it was rejected by the P.L.O. The United States is ready to back a new U.N. resolution, into which provisions conducive to the Palestinian people's participation in the peace talks are inserted. Washington hopes to add a guideline to U.N. Security Council Resolution 242 recognizing the Palestinian



people's right to determine their own future. Such an addition would make it easy for the Palestinians to recognize Israel's right to exist, which would in turn entitle them to play a role in the negotiations. The U.S. Department of State considers it an urgent task, regardless of Begin's opposition, to enable the P.L.O. to participate in the negotiations.

U.S. shifting has upset Israel. A sharp dispute arose between the United States and Israel during the fifth round of negotiations, attended by the United States, Israel and Egypt, on the autonomy of the West Bank and Gaza Strip. According to Tel-Aviv papers, the Begin administration informed the United States, through a letter handed to U.S. Secretary of State Vance on August 5 by its ambassador to Washington, that if the United States took the initiative of suggesting a revision of U.N. Security Council Resolution 242, Israel would absolve itself of all commitments stipulated in the Egypt-Israel peace accord. In a cable to the U.S. Senate and House of Representatives, Moshe Arens, Chairman of Israel's Foreign Affairs and Security Committee, complained that contacts between Washington and the P.L.O. ran counter to the U.S.-Israel agreement. Israeli Foreign Minister Moshe Dayan openly accused the United States of adopting a new Middle East policy detrimental to Israel. He added that if Israel accepted the U.S. suggestion he would resign.

As the West has pointed out, there are compelling reasons why the Carter administration should adopt a more flexible approach towards the problem of Palestine. According to the Kuwaiti paper *Al Siyassah*, Saudi Arabia demanded that the stability of the world's oil supply be considered in connection with a fair settlement of the Palestinian problem. The paper saw this as the major factor in the change of U.S. approach. U.S. Secretary of State Vance admitted in his August 8 statement: "There has been a turn to our detriment. This turn stems from the problem facing the United States in the spheres of economic energy, and the quantities and prices of oil. Therefore, the United States is seeking an understanding with Saudi Arabia which, for its part, has demands in regard to the Palestinians."

Although U.S.-P.L.O. contacts have just begun, different reactions have been aroused in the Arab world. The Egyptian Minister of State for Foreign Affairs Boutros Boutros Ghali stated that Cairo would favour adding pro-

visions to U.N. Security Council Resolution 242 — provisions conducive to Palestine's participation in the negotiations. The Saudi Arabian paper *Al Riyadh* published an article indicating that the U.S.-P.L.O. dialogue was the real key to the realization of peace in the Middle East region, for it would play an important role in solving the Palestine problem. The Kuwaiti paper *Al-Rai al-Aam* pointed out in an editorial that although the U.S. Government had initiated dialogues with the Palestinians, yet its basic position had not changed one iota: that is, refusal to establish a state of Palestine and restriction of Palestinian rights. The Syrian semi-official paper *Tichrin* condemned any

action by the United States which might lead to talks with the P.L.O. The paper said that this would separate Palestine from the Arab ranks and make the Palestinian cause no longer the common commitment of the Arab world.

With an eye to the next presidential election, sensitive to pressure from the Zionist lobby and the partialities of high-ranking policy-makers, the Carter administration cannot give up its support for Israel lightly. But impending developments in the Middle East will not leave the Carter administration much time to hesitate.

— Lin Jiaoming

Newsletter From Washington

Another Recession

WHAT greets the eye of those first visitors to the United States is a peaceful world where there are streams of cars, a forest of tall buildings and glittering neon lights. But, after coming into contact with persons in various walks of life, people who can look below the surface realize that in the United States today there are many pressing problems waiting for solutions. Despite endless debates, no one has come forward with a fundamental solution to these problems.

Many vexing problems face the American public. What they are most concerned with are domestic economic problems, such as inflation and the energy crisis. For these affect the life of every family and every person. The recession, which has recently surfaced once again, makes Americans still more uneasy.

Inevitable Phenomenon

Why can't the United States, which styles itself an "affluent society," be rid of the recession? As Karl Marx scientifically analysed more than one hundred years ago, this is because the masses' ability to pay decreases while "there

is too much civilization, too much means of subsistence, too much industry, too much commerce." (*Manifesto of the Communist Party*.) Hence the periodic "overproduction" crises.

Official, industrial and commercial circles long predicted the present recession and took many preventive measures. These measures to some extent alleviated but could not cure the economic ills.

Several major economic indices such as the gross national product, industrial production index, rate of employment and unemployment, and stocks are frequently published here to gauge the trend of vast and complicated economic activities. From these indices, people can foresee roughly the trend of economic development. Naturally, some predictions are as accurate as weather forecasts. Precisely on the basis of these economic indices, the U.S. authorities declared in mid-July that the United States had entered a period of another recession since the second quarter of the year. Specifically, in the first quarter of this year, the GNP growth rate was only 0.8 per cent (in terms of the U.S. dollar in 1972) which meant virtual stagnation, and in the second quarter it was

down 3.3 per cent at an annual rate. Industrial production in the second quarter also dropped 0.3 per cent. Although other figures such as stocks and the unemployment rate went up very little, the trend was quite pronounced. The auto industry, one of the three American economic pillars, is very depressed and has as many as 2.2 million unsold cars. Chrysler is on the verge of bankruptcy. The other two pillars, the steel industry and the building industry, are receiving less and less orders. In these circumstances, the influential U.S. journal *Business Week* in its August 21 issue also said that economists almost unanimously admitted that the United States had entered its seventh post-war recession, which probably began last April.

Effects of Recession

One must remember that, in a "free world" like the United States, representatives of the various interest groups always take different views of the same question. For instance, *The New York Times* in a long article on August 12 said that whether there is recession in the country or not is debatable. The article said that there are two different assessments of the present situation among American economists. One tends to be more optimistic, the other more pessimistic. But the overwhelming majority of them agree that the present recession is more serious than the Carter government had predicted in mid-July, and that it will not be as serious as the one in 1974-75, but will be "mild."

The U.S. press points out: The present recession, while affecting the traditional auto, steel, petrochemical and tourist industries mainly in the Northeast and Midwest, will have little impact on the new electronics and aircraft industries in the Southwest and West. As for agriculture, the United States has reaped a record harvest this year and revenue from agriculture will be somewhat up, because the Soviet Union is rushing in to buy grain. Comforting themselves, some economists are saying that agriculture is the one "bright aspect" of the American economy in a recession year.

Of course the American working people are hit hard by the recession. According to official U.S. statistics, the unemployment rate has climbed to 5.7 per cent, with 5.8 million unemployed. Next year, it is estimated, the rate will be 8.2 per cent and the number of jobless will jump to 8 million. The real figures will be far higher. For example, the unemployment rate

in New York city has already reached 10.2 per cent. Because of unemployment and soaring prices, the American people find things getting tougher and tougher and they are being forced to lower their standards of living. Depressing reality and an uncertain future cannot but arouse discontent and anxiety among the ordinary American people. This is probably the material cause of the "spiritual crisis" of the American people losing confidence in the future, which Jimmy Carter has noted.

The Carter Plan

The Carter government is still giving priority to anti-inflation without taking any major anti-recession measures. Obviously, Carter has some anti-recession cards to play—reducing interest rates, expanding credits, cutting taxes by 20,000 or 30,000 million dollars, boosting military expenditures, and so on. This would meet some people's demand for increasing military spendings as well as stimulate the economy. The question is when Carter will make bigger gains by playing these cards. The guess is that some time early next year when the recession may grow worse, he will show the cards in the hope that the economy will take a turn for the better next summer so he would have a better chance of being re-elected. It will be a major factor deciding Carter's political future. However, whether Carter can achieve what he wants to or not, practice alone can answer.

The present recession will naturally make itself felt in the rest of the Western world. The European Economic Community and Japan were early aware of this and have taken emergency measures to slow down their economic growth. Therefore, whether or not the present recession will lead to a worldwide economic crisis like that of 1974 depends on developments.

Postwar history shows that recession has taken place every three to five years or so in the United States. This is unavoidable under the present U.S. system. Nevertheless, if anyone believes that the American economy has lost all vitality and is doomed, that will not necessarily conform with reality. What happens will probably be that the American economy will twitch and jerk and grind on from recession to recession, but recovery will be sluggish and weak. As the Americans say, it will be stagflation.

— "Renmin Ribao" Correspondent Wang Fei

Persian Gulf Rivalry

WASHINGTON has been talking a lot about strengthening its military presence in the Persian Gulf area. In the latter half of June this year, top U.S. foreign policy institutions held one secret meeting after another to discuss the matter; they made proposals for beefing up U.S. military forces in the Indian Ocean and the Persian Gulf. Proposals include adding a destroyer or two to the U.S. naval force of three warships already in the Persian Gulf, increasing the U.S. task force's regular cruises to the Indian Ocean from three to four times a year, and sending more U.S. military aircraft to visit Arab countries, and so on.

Washington Steps Up Preparations

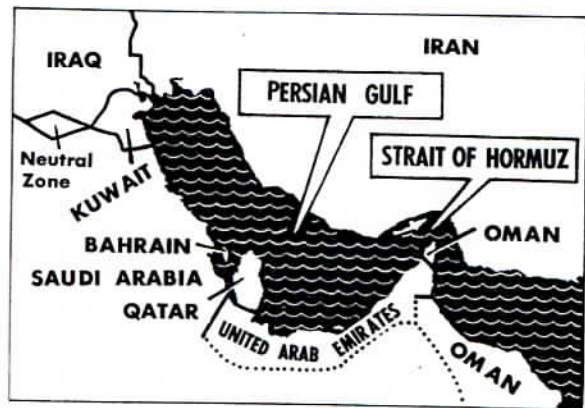
The U.S. Defence Department is stepping up preparations for the establishment of a 110,000-strong contingency force to be used mainly in the Middle East and the Persian Gulf area, "to cope with any eventualities" that may happen to U.S. allies in various parts of the world or menace the Persian Gulf oilfields.

The United States has been planning such a move for a long time. After Carter came to power in 1977, the U.S. Government spent a lot of time studying issues concerning U.S.-Soviet relations and U.S. strategy. Then, in a confidential instruction on strategy, the U.S. President called for the establishment of a light,

flexible and mobile unit to meet any crisis that may break out in the Middle East and in the Persian Gulf area. In early 1978, when Moscow meddled in the fighting in the Horn of Africa and threw the Red Sea coast into upheaval, Washington was afraid this might cause a wider confrontation over strategic matters. So the U.S. Defence Secretary instructed U.S. armed services to establish a regular force for fighting "a war and a half," that is, fighting a full-scale war in Europe and simultaneously fighting a smaller "half war" outside the continent. President Carter also urged the Defence Department to build a special, highly flexible attack force composed of crack troops. Although the Pentagon has remained silent, it has been reported that this force is to be made up of two reinforced army divisions and a marine division equipped with aircraft, totalling about 100,000 to 110,000 troops.

A full year has elapsed and the United States is again calling secret meetings to study this matter. The main reason is the emergence of a new, unstable situation in the Persian Gulf area which directly affects U.S. oil sources and its free access to them.

Compared with the Soviet Union, U.S. dependence on overseas oil and other strategic resources is surprising. The United States has to import over 50 per cent or all of its non-ferrous metals and rare metals. Defence Secretary Brown admitted frankly that the United States relies more than before on the outside world for resources, and that U.S.-Soviet rivalry in the Middle East, the Persian Gulf and Africa was directly tied to obtaining natural resources. Petroleum is an example. The United States imports over 8 million barrels a day, or over 40 per cent of its consumption, mostly from the Persian Gulf area. Referring to the Persian Gulf, R.M. Helms, former U.S. Ambassador to Iran, said that free shipments of oil through the Strait of Hormuz were particularly important.



to the United States and that the Persian Gulf had virtually become the lifeline of the country. The strait is a narrow passage on the oil route, with Iran on its north and Oman on its south. It is the outlet from the Persian Gulf into the Indian Ocean and oil from the producing countries in the Persian Gulf area goes to the United States and Europe through this important passage.

This year has witnessed political storms in the area. The decline in oil output in Iran after the government change there has affected oil supplies in the United States as well as greatly weakened U.S. influence in the Gulf area. And Moscow has been exploiting this situation. The U.S. Government repeatedly expressed its anxiety and concern over the situation in Iran, demanding that the Soviet Union refrain from interfering in Iran's internal affairs. Earlier, Moscow had made advances in Ethiopia, South Yemen and Afghanistan and it had been cashing in on the situation in Turkey and Pakistan to expand its influence. It has increased its military forces in the area of the Indian Ocean and the Persian Gulf. It has often sent aircraft to carry out reconnaissance activities over the Gulf area and submarines to prowl the Strait of Hormuz.

Soviet Expansionist Moves

A Soviet nuclear missile submarine, escorted by a supply vessel, was reported to have entered the Port of Aden recently in South Yemen. This is the first time a Soviet nuclear submarine has appeared in the Middle East and it has aroused the attention of all concerned, for it is indicative of the fiercer rivalry between the two superpowers in the Middle East.

The Soviet Union has been trying to build up a military and political superiority over the United States in the Persian Gulf area. It has established military bases in the Red Sea and the Persian Gulf areas and has sent its fleet led by the aircraft carrier *Minsk* there in a show of force. In 1976 and 1978, it held two military exercises codenamed "Caucasus-1" and "Caucasus-2" with the Persian Gulf in mind. They involved moving a large number of tanks and mechanized troops for a simulated occupation of the Gulf oilfields and cities. At the same time,

Moscow has stepped up its subversion and infiltration of the littoral countries on the Persian Gulf. These expansionist moves have aroused anxiety in the Middle East, the United States and other Western countries.

Washington has openly declared that the stability and security of the Persian Gulf area is a matter of vital interest to the United States. Brzezinski, National Security Assistant to the President, pointed out that the coastal arc of the Indian Ocean has actually become an unstable area, that the social and political fragility there and the Soviet build-up may interact and cause acute problems. Referring to the Soviet nuclear submarine's entry into Port Aden, a spokesman for the commander-in-chief of the U.S. Pacific Fleet said that the United States was closely watching developments.

Superpower Rivalry Intensifies

In March this year, when fighting broke out between North and South Yemen, the Soviet Union immediately came out for South Yemen and sent in weapons and Cuban mercenaries, while the United States rushed weapons to North Yemen. Later, the U.S. aircraft carrier *Midway* and the Soviet aircraft carrier *Minsk* were both in the Arabian Sea at the same time. The stepped-up U.S. efforts to strengthen its military forces in the Indian Ocean and the Persian Gulf and establish a contingency force are obviously a reply to the Soviet challenge.

The indications are that as developments in the Indian Ocean and the Persian Gulf area unfold and the oil crisis grows worse, the rivalry between the two superpowers there will intensify. Soviet-U.S. contention has aroused the anxiety of the Persian Gulf countries, and some of these countries have told the Soviet Union in no uncertain terms that they are against Soviet expansion in the Arab world and have demanded that Moscow refrain from interfering in their internal relations. At the same time, public opinion in some countries has pointed out that a stronger U.S. military presence in the Persian Gulf area constitutes a menace and is a political blackmail against the countries concerned. Demands are rising for closer cooperation among more and more Gulf countries in coping with the challenge posed by the superpowers.

ASEAN

Upholds Kampuchea's Independence and Sovereignty

On August 16, a special meeting of the ASEAN foreign ministers was convened in Kuala Lumpur to discuss their positions for the forthcoming non-aligned summit as well as the Kampuchean problem in the U.N. General Assembly. A joint statement issued at the end of the meeting asserted that Kampuchean independence and sovereignty should be assured and that a solution to the Kampuchean problem is essential for the durable peace and stability of the Southeast Asia. It reiterated a call for an immediate and total withdrawal of foreign troops from Kampuchea so that the Kampuchean people could determine their own future without any outside interference. In addition to deciding that Democratic Kampuchea should participate in the non-aligned summit, it strongly urged Viet Nam to stop the outflow of refugees and solve the problem at its source.

These decisions strongly support the Kampuchean people in their heroic struggle against the Vietnamese aggressors and are an important contribution to the safeguarding of peace and stability in Southeast Asia. To this end, all peace-loving people of Southeast Asia and the world have resolutely demanded that Viet Nam withdraw its aggressor troops from Kampuchea. However, the Vietnamese authorities not only have refused, but have dispatched more troops to Kampuchea and have directly threatened Thailand by stationing their troops along the Thai-Kampuchean border. Supported by the Soviet Union and

Cuba, Viet Nam has tried to squeeze the Phnom Penh puppet regime into the non-aligned movement in place of Kampuchea in order to legalize its aggressive acts in Kampuchea. The ASEAN meeting's decisions have upheld justice, expressed the common aspirations and demands of the people of Southeast Asia, and dealt a serious blow to the ambitious aggressive expansion of the Vietnamese authorities and its supporters. As such, it is a powerful action for safeguarding the fundamental principles of the non-aligned movement.

To deceive world opinion, the Vietnamese authorities recently launched a "diplomatic offensive," alleging that they were evacuating troops from Kampuchea and proclaiming that they had temporarily stopped exporting refugees. These tricks are nothing but an attempt to improve Viet Nam's image in an attempt to escape world condemnation as an aggressor. But Southeast Asian medias have pointed out: "Viet Nam has never kept its word." "We must be on guard against the misconceptions they fabricate." This demonstrates that the hypocritical game of the Vietnamese authorities cannot deceive the people of Southeast Asia.

The request to withdraw Vietnamese troops from Kampuchea by the ASEAN foreign ministers speaks to the heart of the matter for tackling the Kampuchean problem.

LATIN AMERICA

U.S. Stand on Three-Mile Limit Opposed

A U.S. Defence Department official announced on August 10 that the White House had in-

structed the U.S. navy and air force to stick to the policy of only recognizing a territorial water limit of three-nautical miles. This instruction, which is a reiteration of the U.S. policy that U.S. vessels and planes should uphold "the right of free passage" by only respecting a three-mile limit for a country's air space and territorial waters, has aroused the strong opposition of many Latin American countries.

On August 13, the Foreign Ministry of Brazil reaffirmed that the Brazilian Government would uphold 200-mile maritime rights. A statement was issued by the Presidential House of Costa Rica pointing out that the position of the U.S. Government "has gone backwards on maritime rights and is now raising again the question already settled by practice, theory and generally acknowledged truth in the world." The Mexican Foreign Ministry reaffirmed its 12-mile territorial waters as well as an exclusive economic zone of 188 miles. "Any interference by other countries in exercising our rights in our own waters will be regarded by Mexico as a violation of international law," the statement added.

A joint statement issued on August 18 by the foreign ministers of member countries of the South Pacific Executive Committee — Peru, Chile, Colombia and Ecuador — pointed out that the United States is sabotaging other countries' maritime rights by not abiding by the new law of the sea. The foreign ministers of the four countries expressed their determination to "reject all oppression and threats which might thwart or hinder negotiations at the U.N. Conference on the Law

of the Sea." At this conference, which is currently being held in New York, they called on other countries to make joint efforts to achieve the objectives of development and world peace.

ISRAEL

Economic Ailments

Hundreds of thousands of Israeli workers held a two-hour strike on August 13 protesting soaring prices. The strike was called by the Israel Trade Union Federation which afterwards declared that 90 per cent of the work force took part. Trade union leaders declared that they will call a 24-hour strike if the Israeli Government doesn't change its economic policy.

Israel is facing economic difficulties as a result of its aggressive and expansionist policies. The economy has been gravely deteriorating for a long time due to sharp increases in military spending and the country's inability to make ends meet. Israel ranks first in the world in the amount of its foreign debts and trade deficit. Citizens have to bear the burden of 3,000 U.S. dollars in foreign debts per capita and pay a personal income tax of 46 per cent.

The Begin government, which came to power by capturing the military vote which made up 46 per cent of the total, had pledged to improve the economy. However, due to its continued arms expansion and war preparations, the economic situation is going from bad to worse. In 1977, military expenditures accounted for 24.6 per cent of the gross national product, and they increased to 28.3 per cent in 1978. The financial deficit reached 3,400 million U.S. dollars in 1978. Foreign debts are in excess of 12,000 million U.S. dol-

lars, up 1,500 million dollars over last year. According to non-governmental figures, inflation has reached a record 110 per cent. Since Begin took power, the Israeli pound has devalued 60 per cent, 25 per cent of which devalued this year. Israeli economic difficulties are irreversible with large amounts of U.S. aid to no avail.

Some Israelis are looking forward to a peaceful life. When the Egypt-Israel peace agreement was signed this spring, they danced and threw fresh flowers into the streets of Tel-Aviv. But the Israeli authorities have no intention of making a fresh start. Recently, they sent aircraft to repeatedly bomb southern Lebanon, but the most convincing evidence is their staunch refusal to recognize the P.L.O. Nevertheless, the people's patience is not endless, the strike by hundreds of thousands is an indication of their determination and strength.

WESTERN EUROPE

Protests Soviet Occupation Of Czechoslovakia

August 21 marked the 11th anniversary of the Soviet armed occupation of Czechoslovakia. On this occasion, the people of Sweden, Britain and Norway held demonstrations and mass rallies to condemn Soviet aggression.

More than 1,000 people held a torch parade and rally in Stockholm on August 21 demanding Soviet withdrawal of troops from Czechoslovakia. Carrying streamers and placards, the demonstrators marched through the main streets of the city, shouting: "Soviet Union, get out of Czechoslovakia!" "Stop persecuting the Charter 77 signatories!" and "Release political

prisoners!"

A group named the August 21 Committee organized similar demonstrations and rallies in some 30 places throughout Sweden.

The Revolutionary Communist League of Britain held a public meeting in London on August 21 to warn the people about the Soviet threat to world peace and to highlight the need for unity of the peace-loving peoples and nations, and to maintain vigilance against this threat.

One speaker at the London meeting recapitulated the Soviet social-imperialists' blatant invasion of Czechoslovakia in 1968, and how this invasion heralded the start of a new stage in the drive by the Kremlin's new tsars for world domination. He pointed out that people must be highly vigilant of the Kremlin because facts show that Soviet social-imperialism is very deceptive, flaunting the banner of socialism and pretending to be an "ally" of third world countries.

In his speech at the meeting, a representative from the Communist Workers' Movement of Britain spoke about the struggle of the peoples and countries of the world against the Soviet social-imperialists, especially the struggle put up by the third world.

On the same day, Norway's Initiative Committee for 21 August, 1979 held a 1,600-strong demonstration and rally in Oslo. Addressing the rally, a signatory to the Charter 77 denounced the criminal Soviet armed invasion of his country.

CORRECTION: The 4th line of the August 17 item in our last issue's *Chronicle* should read: "Ye Jianying, Chairman of the..."

A Former Mayor's Daughter

Not long ago, the press carried a story on Cao Xiaolan, a woman teacher who had become famous for her revolutionary determination which was repeatedly tested during the Cultural Revolution.

Her father Cao Diqu was the Mayor of Shanghai before the Cultural Revolution. He was falsely labelled a traitor and capitalist-roader on trumped-up charges by Lin Biao and the gang of four, and persecuted to death in March 1976.

Under extreme mental duress, Cao Xiaolan did not lose her confidence. Recalling her father's activities again and again, she remained convinced that he was loyal to the people and was an aboveboard Communist Party member. Even if he did something wrong, she decided, that was no reason for her to stop being a revolutionary.

She joined the Youth League at 14 and the Chinese Communist Party at 20. After her graduation from a military

engineering and technical college, she voluntarily went to the Tibetan Plateau as an ordinary soldier. However, she was involuntarily demobilized and became a commune member in the hometown of her fiancé near the Huaibei Coalfield. Subsequently she worked in the mine as a worker, then in an office there and finally as a teacher in the school for miners' children, always working to the best of her ability. She often said: "I will go wherever the Party needs me."

In 1978, the Shanghai Municipal Committee of the Chinese Communist Party posthumously rehabilitated her father. According to the Party's cadre policy, as a child of a cadre who was persecuted to death by the gang of four, she could have asked to return to the city, but she did not request it. Having assumed she would go back to Shanghai, her colleagues found it incredible when they discovered she was going to remain at the coal mine. One pointedly asked: "Why aren't you going back to Shanghai?"

She smiled and responded: "Why should I? If everybody goes to better places, who will do the work where conditions are poor?"

Cao still teaches in the school for miners' children and in addition teaches English in an evening school. She declined to move from her small and crowded room. As always, she is responsible in her work and treats her comrades warmly. In one word, she is a revolutionary.

To encourage herself and her comrades, she insists: "As a child of a cadre of the older generation, I have no right to seek privileges, but am obliged to follow my father and to carry on the revolutionary cause. To rely on the merits of my parents would be to betray them."

Thermal Power Plants Under Construction

Work has begun on building a thermal power plant with a generating capacity of 1.2 million kilowatts in Jinzhou, Liaoning Province. The first phase of work includes the installation of three Chinese-made high-temperature, high-pressure turbogenerating sets, each with a capacity of 200,000 kw.

Construction on a number of thermal power plants is proceeding rapidly in other parts of China. They include:

- The Hulan Ergi and Mudanjiang Power Plants in Heilongjiang Province, with a generating capacity of 600,000 and 400,000 kw respectively in their first stage of construction.

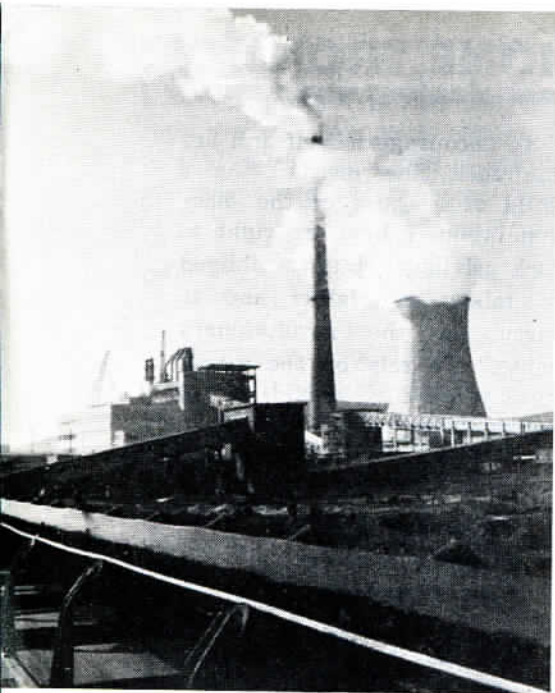
- The 800,000-kw Shuangpaozi Power Plant in the Inner Mongolian Autonomous Region's Tongliao.

- A Huainan Coalfield power plant equipped with three 300,000-kw generating sets, and two 200,000-kw generators being installed at the Huaibei Coalfield in Anhui Province.

- An enlarged Matou Power Plant adding a 200,000-kw generator in Hebei Province.



Cao Xiaolan (left) helping a sick pupil keep up her lessons.



The Xuzhou Thermal Power Plant: A set of Chinese-made 125,000 kw turbogenerator with inner water-cooled stator and rotor has been put into production at this plant.

China's power industry is still one of the weak links in the national economy. In the past two years, the state made great efforts to develop the industry. This year, more state investments have been allocated to the industry.

When Workers Reach Retirement Age

Recently, 51-year-old Zhang Yue'e retired from the Beijing Chemical Factory. At the factory's retirement party, Zhang and 43 other retired workers, wearing large paper-made red flowers, received retirement certificates and gifts. Amidst the sound of beating gongs and drums, they were accompanied home by some of the plant's leaders, trade union cadres and workers.

Zhang's husband who is 58 will retire in 1981. They plan to make a trip then, which will include a visit to their married

second daughter who works elsewhere. Now this couple is living with their son in Beijing as is customary for old people in China.

More than 80,000 Beijing workers have retired this year, the highest figure in recent years. In China, the retirement age is 60 for men and 50 for women workers. Those who work in adverse working conditions such as in mines, in high temperatures or at high altitudes may retire five years earlier. Women cadres and teachers retire at the age of 55.

Pensions vary according to the number of years on the job. In line with a document on retirement issued by the State Council last year, a pension may range from 60 to 90 per cent of a worker's monthly pay. This represents a 20 per cent increase. Zhang Yue'e is receiving 85 per cent of her monthly pay, because she worked for 25 years and was cited as a model worker in Beijing many times.

Before workers retire, the work unit will help them solve the various difficulties that may occur after retirement. Retired workers have free medical

care. After their death funeral expenses are paid by the state and their immediate family is eligible for payments equal to the deceased's monthly salary for a period of 6 to 12 months.

One son or daughter of a retired worker may be employed at the parents' work unit provided he or she is qualified for the work.

First Tourism Institute

An institute of tourism, the first of its kind in China, has been set up in Shanghai and will begin classes on September 1.

The institute will train administrative personnel for tourism in a two-year programme. To begin with, there will be three specialities — hotel management, restaurant management and financial affairs. Other specialities will be set up in the future. The curriculum will include courses on tourism, geography, international politics and economics.

Because China's tourist industry is developing quite rapidly, great numbers of special personnel are badly needed.



Students of a tourism school learning from a veteran cook.



SPORTS

Jinan International Gymnastics Tournament

From August 12 to 14, gymnasts from Canada, France, Greece, Romania, the United States and China vied with each other at the 1979 International Gymnastics Friendship Invitational Tournament held at the newly built Shandong Gymnasium in Jinan, capital of Shandong Province. The competitors from the various countries showed very high levels of skill and competition was keen throughout the three days. Friendship and co-operation among gymnasts and judges of the various countries were also in evidence as they helped and learnt from one another.

In the men's events, China's current national champion, Huang Yubin, came first in the individual all-round, parallel bars, rings, vaulting horse and horizontal events. James Hartung of the United States took the floor exercise title and Michel Boutard of France won the pommel horse event.

In winning the parallel bars, Huang received 9.70 points for his novel serialization known as the "Hecht straddle swing with handstand." The American coach, Hal Halvorsen, said:

"Huang deserves the high points for his originality." Hartung also scored 9.70 points in the floor exercise with his series of a flyspring with a 360-degree body turn, a cartwheel roll, a flip-flop forward, a salto with a 360-degree body turn, and two successive front somersaults after some quick tucked rolls. In his winning performance on the pommel horse, Boutard introduced the latest Thomas front-round and an exciting dismount incorporating a 360-degree body turn to the front round.

In the women's events, the individual all-round title was captured by China's 17-year-old Wang Ping while another Chinese girl, Li Cuiling, took the floor exercise and uneven bars events, and Feng Chun won the beam event. America's 14-year-old Sandy Wirth won the vaulting event.

On the 13th, China's 16-year-old Zuo Jingjing, a non-scoring member of the Chinese

team, put on a most amazing performance in the floor exercise competition which drew applause from spectators and fellow competitors. She started with two back somersaults with a 360-degree twist and ended her exercise with another two back somersaults and a 720-degree twist. In between, she introduced a high-leaping routine known to Beijing opera acrobats as "tiger's back flop." The routine was seen for the first time in a gymnastics competition and everyone wondered what it should be called in gymnastics parlance. Canadian coach Geoff Palmer suggested that it be known as "a layout and two successive fish flops." French coach Michel Fontanel exclaimed: "This is the most exciting routine seen anywhere in the world!"

After three days of competing and practising together in Jinan, the gymnasts of the six countries became good friends and they rounded off their stay



Wang Ping (China), winner of the women's all-round title.



Winners of first to sixth places in the men's all-round event acknowledging spectators' applause at the closing ceremony.

in the Shandong capital with a day of sightseeing. France's 18-year-old Martine Pidoux who was on her third visit to China said she found the tournament very well organized and she hoped she would visit China for a fourth and fifth time.

Gymnastics is a sport which is rapidly growing in popularity in China. Chinese gymnasts and coaches have found that frequent contests and exchanges with gymnasts in other parts of the world are useful for raising their levels as well as for popularizing the sport in China. To this end, an invitation international gymnastics tournament was held in Shanghai last year and this year it was held in Jinan.

OPERA

Training Beijing Opera Performers

The Chinese art troupes, in their recent tour of some Asian, European and African countries, performed Beijing opera with national colour for the audiences there. Beijing opera has traditionally been popular in China, attracting audiences with its complicated plots, wide range of rhyme scheme and superb acrobatic fighting. It is easy to see how hard an opera actor has to train before he takes the stage.

The China Opera Institute in Beijing is the largest organization training Beijing opera actors and actresses. The students there must study 31 subjects and spend 11,000 periods studying in nine years. Whether they can make the

grade depends largely on their talent and how hard and well they train.

Students from all over the country enter the institute when they are about 9 after rigorous selection. They must have the right physical build and quality of voice. After a few years their teachers direct them into a course of training according to which type of role they will specialize in. Beijing opera has four principal roles: male roles, female roles, painted roles and clowns, and each of these four roles is subdivided into variations of the type.

For example, twin sisters Yang Jieyi and Yang Fengyi went through the same basic training upon entering the institute in 1973. But later, bit by bit they differentiated. The elder sister specialized in studying the stage art of attack and defence and was trained to play a martial role. The younger sister with the better voice trained for the part of a *qingyi*, which symbolizes a good and virtuous woman, requires less

rigorous forms of movement but more delightful singing.

Singing is very important in Beijing opera. As song is used to express various emotions, the trainees must work hard each day at voice training to improve the timbre and volume of the voice and master the skill of all rhyme scheme.

The Beijing opera actors and actresses must know every movement for the role. This procedure in speech and movements has to be strictly obeyed. It takes long hours of strict training to master all these gestures and movements of the head, hands and feet to accompany on actor's narration and singing. Take the sleeve movements as an example. The sleeves are long and their proper manipulation needs long training. They are an important part of the actor's technique. The movements are manipulated in tune with the rhythm of the music and have symbolical meaning. Specific movements show when the actor is closing



One of the twin sisters (centre) at a rehearsal.

or opening a door, getting on or off a horse, and so on.

The trainees practise various acrobatic and boxing skills, such as kicking, turning somersaults and bending backwards from the waist every day. They have to do them precisely and expressively. The movements become progressively more difficult until they can do them perfectly. In the item presented during their European tour, the woman performer, as a big egret, has to simultaneously

sing and dance and adroitly parry with hands and feet a dozen thrusting spears.

Unlike training in modern drama and dancing, Beijing opera pupils study individual operas in their entirety as textbooks. The trainees have to learn all the various techniques of song, speech, movement and acrobatics. They have to master the leading roles of 20 to 30 operas during the nine-year course.

To understand thoroughly the theme and the roles they play,

trainees are required to have a good grasp of politics, Chinese history and world history and a sound knowledge of Chinese and foreign literature.

The predecessor of the China Opera Institute was the China Opera School which was set up in 1950. A thousand Beijing opera performers have been trained by many masters in this field working with the other teachers. Now there are 360 pupils being trained at the institute.

ON THE STAGE AND SCREEN

National Theatrical Festival

Items staged in August for the national theatrical festival to mark the 30th anniversary of the founding of New China included:

• **Modern Drama** *A Marriage in the Mei Pu Family*, about a young couple of two different nationalities, comes from southwest China's multi-nationality Yunnan Province.

Forward! Forward! depicts the ideological struggle going on in army building. By army performers from Nanjing.

Cherry Blossoms and Blood-Stained Tears, by literary and art workers of Fuzhou in east China. The separation and reunion of a Japanese woman and her Chinese husband.

Hot Blood, from Nanchong Prefecture in Sichuan Province. A group of young people in the 40s go to Yanan to join the revolution with the help of Comrade Zhou Enlai.

In the Darkness of Night, Husband and Wife and *Miss Chen* are three one-act plays from Yunnan Province. The first two are about the sufferings of Chinese nationals in Viet Nam, the last is about the bitter experience of a Vietnamese girl in a border town, all exposing the Vietnamese authorities' sabotage of the friendship between the Chinese and Vietnamese peoples.

• **Songs and Dances** Rich and colourful singing and dancing from the Inner Mongolian Autonomous Region and the Ningxia Hui Autonomous Region.

Songs and dances by army literary and art workers extolling the heroic deeds of Chinese border troops in the self-defence counterattack against Vietnamese invasion.

• **Opera** *Ah! Starlight*, by the China Opera and Ballet Theatre of Beijing. Public security officers give up their lives to fight Lin Biao and the gang of four.

• **Local Opera** *Yu Qian*, a *Shaoju* opera from east China's Zhejiang Province. A patriotic official's heroism in fighting invaders and defending the capital 500 years ago.

County Head Tang Passes Judgment on a High Official's Wife, a *Yuju* opera from central China's Henan Province. An ancient comedy praising a county head who did not fear authority but strictly maintained the law.

Sanliwan, a *Huagu* (Flower Drum) opera from Hunan Province. Adapted from a novel of the same title by the well-known writer Zhao Shuli. It is about the co-operative movement in the rural areas in the early 50s.

Friendship Performances

While Prime Minister Premadasa was visiting China, Chinese audiences were given superb entertainment by the Hewisi Music and Dance Troupe of Sri Lanka.

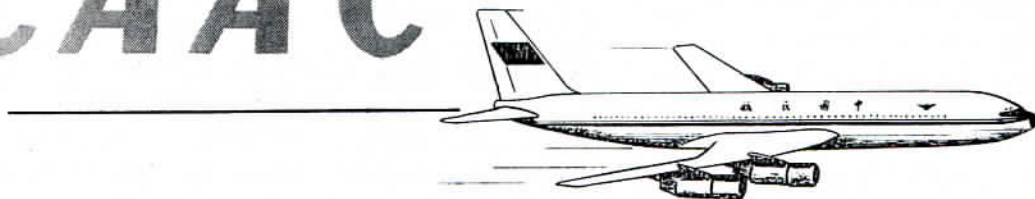
To mark the first anniversary of the signing of Sino-Japanese Peace and Friendship Treaty, the modern drama troupe of the P.L.A. navy staged a modern drama, *Green Is the Mountain and Red Is the Flower*, about the friendship between an ordinary Chinese family and a Japanese family.



Scene from the local opera *Yu Qian*.

Sketch by He Ning

CAAC



NEW AIR SERVICES to MANILA and NAGASAKI

BEIJING — GUANGZHOU — MANILA
(Peking) (Canton)

Commencing September 4, 1979

BEIJING — SHANGHAI — NAGASAKI

Commencing September 13, 1979

TIMETABLE

(All local times)

CA919 Thu. B-707	CA971 Tue. Fri. B-707	CA173 Tue. Fri. B-707	Flight No. Days Aircraft	CA174 Tue. Fri. B-707	CA972 Tue. Fri. B-707	CA920 Thu. B-707
08.20		08.20	dep. BEIJING	21.35		19.50
		11.05	arr. GUANGZHOU	18.55		
	12.25		dep. MANILA		17.40	
	14.25		arr. SHANGHAI		15.35	
10.05			dep. NAGASAKI			18.00
11.45						17.00
14.40						15.55

For reservations and shipments, please contact

CAAC Booking Offices or CAAC Agents