

No. 7 February 16, 1981

# BEIJING REVIEW

北京周報

A CHINESE WEEKLY  
OF  
NEWS AND VIEWS

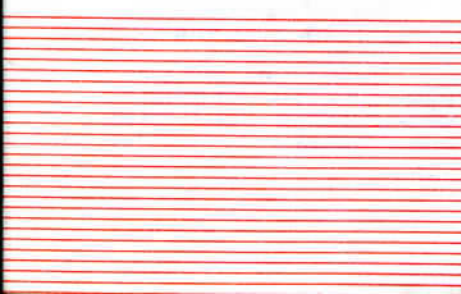
Party Guideline  
Unchanged



The Multinationals



Re-appraising Confucius



## HIGHLIGHTS OF THE WEEK

### The Party's Guideline Unchanged

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### Spring Festival Activities

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Well-known paddy-rice expert  
Huang Yaoxiang.

Photo by Jiang Zeng

## BEIJING REVIEW

北京周报

Published in English, French,  
Spanish, Japanese and  
German editions

Vol. 24, No. 7 February 16, 1981

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Published every Monday in Beijing,  
The People's Republic of China

Distributed by GUOJI SHUDIAN,  
(China Publications Centre),  
P.O. Box 399, Beijing, China

Subscription prices (1 year):

Australia.....A.\$12.50 U.S.A....US\$13.50  
New Zealand...NZ.\$14.50 U.K.....£6.80  
Canada.....Can.\$15.60

**POLITICAL****Closer Ties With the Masses**

The nation joyously celebrated the Spring Festival, China's biggest traditional holiday. During the four-day holiday (including Sunday), there were happy family reunions, while relatives and friends paid reciprocal visits, offering each other festival greetings. Party and state leaders took the opportunity to meet responsible members of a number of departments, hold discussions with representatives of various walks of life or visit people working at the grass-roots level to strengthen their ties with the masses.



Vice-Chairman Li Xiannian, Premier Zhao Ziyang and other leaders join the masses in the capital in celebrating the Spring Festival.

**C.P.P.C.C. Holds Tea Party.** Deng Xiaoping, Vice-Chairman of the Central Committee of the Chinese Communist Party and

Chairman of the National Committee of the Chinese People's Political Consultative Conference, and Ulanhu, Member of the Political Bureau of the Party Central Committee and Vice-Chairman of the National Committee of the C.P.P.C.C., attended a tea party given on February 5 by the National Committee of the C.P.P.C.C., which is a people's united front organization.

**At One With the People**

- Premier Zhao Ziyang and other leaders visited the commanders and fighters of a regiment of the Beijing Garrison during the Spring Festival. He inquired after their conditions and asked about their equipment and their study of Party policies. A company commander told the Premier the changes that have taken place in his family to illustrate the excellent rural situation in the past two years.
- Vice-Premier Yu Qiuli and Ni Zhifu, Chairman of the All-China Federation of Trade Unions, visited workers of the Beijing General Heating and Power Plant and extended festival greetings to them.
- Zhang Tingfa, Member of the Political Bureau of the Party Central Committee, and others went to the Evergreen People's Commune in Beijing's western suburbs, which produces vegetables for the Beijing residents. They wished the commune members a happy Spring Festival, and called on Li Shuxian, a 59-year-old retired woman peasant.
- Vice-Premier Wan Li and others visited the Yi Li Bakery and Confectionery and exchanged festival greetings with the workers there.
- Vice-Premier Gu Mu and others paid a visit to the Shoudu Iron and Steel Company. They met the workers there and inquired about the measures they had taken against pollution.
- Vice-Premier Yao Yilin and others went to the downtown district and visited the state-owned Xidan market, a shop run by young people waiting for jobs and retired workers, and a privately run restaurant. They encouraged the workers to master business management.

Ulanhu said at the gathering that the Party and government were determined to eliminate the influence of "Leftist" thinking in economic affairs, make further readjustments in the national economy and consolidate political stability. He said that the magnificent goal of modernizing the country would surely be realized and that Taiwan would certainly return at an early date to the embrace of the motherland as long as the people throughout the country unite and work with one mind under the leadership of the Chinese Communist Party.

**Get-Together of Teachers.** More than 200 teachers of primary

and middle schools and kindergartens in Beijing were invited to a discussion meeting at Zhongnanhai, the site of the Party Central Committee, during the Spring Festival. The meeting was sponsored by the Secretariat of the Party Central Committee and attended by Vice-Chairman of the Party Central Committee Chen Yun and other leaders.

General Secretary Hu Yaobang, who presided over the gathering, extended festival greetings to all the 11.90 million primary and middle school and kindergarten teachers, cadres of the Communist Youth League and instructors of the Young Pioneers throughout the country. He thanked them for their contributions in educating the 300 million children and youngsters between 3 and 16, and urged them to make still greater efforts to bring up a new generation and build a highly moral and civilized society.

Vice-Premier Fang Yi who also spoke at the gathering stressed the importance of education in the modernization drive. He said that while all other expenditures for this year will be reduced, appropriations for education have been increased.

Many teachers at the meeting made a number of proposals and suggestions for improving education.

**Writers and Artists Meet.** At a tea party attended by 800 writers and artists in celebration of Spring Festival, Wang Renzhong, Member of the Secretariat of the Party Central Committee, urged them to enhance their sense of responsibility to the society and produce works that will help the people develop in a healthy

way and prompt them to devote their energies to the socialist cause.

Zhou Yang, Deputy Head of the Propaganda Department of the Party Central Committee and Chairman of the China Federation of Literary and Art Circles, pointed out that the literary and art workers should have the courage to combat all kinds of erroneous ideas in the society and that they should dare to fight against bureaucracy and privilege-seeking as well as against bourgeois and petty-bourgeois ideology, feudalism, anarchism and ultra-individualism. In addition, he said, they should also correct their own mistakes and shortcomings.

### **More Legal Advisory Offices in Beijing**

The Beijing municipal government has decided to set up legal advisory offices in 14 districts and counties, besides strengthening the two offices already established.

The criminal law came into force last year. This year, the law of criminal procedure will be enforced across the country except for a few remote areas. It is urgent, therefore, that the work of giving legal advice be strengthened.

It was not until August 1979 that the lawyers' association in Beijing resumed its activities after a suspension of more than two decades. In Beijing, there are now only 56 lawyers, far short of the need. In view of this, the municipal government has decided to recall those lawyers who have been transferred to other jobs and to get those people who have received some education in political science and law to work in the legal advisory offices.

The law department which was abolished during the "cultural revolution" has been restored in some universities over the past two years. An evening law college and a cadre school of political science and law will soon be open in Beijing which is expected to have 1,000 lawyers by 1985, or one lawyer for every 10,000 citizens.

Wan Min, who is in charge of the No. 2 legal advisory office in Beijing, said: "Most of the cases brought to our attention are either civil or criminal cases. But with the development of socialist construction, cases dealing with economic matters are expected to increase in number." In the past, he added, administrative measures were resorted to in solving economic questions. Now people are getting used to handling economic cases according to economic laws, and this calls for more lawyers to give them legal advice.

## **ECONOMIC**

### **State Purchase Plan for Grain Overfulfilled**

By mid-January, the collection and purchase of grain by the state for the year 1980 had exceeded the plan by 4.3 per cent. Marketable grain in China comes mainly from the people's communes which deliver fixed quotas of grain (agricultural tax in kind) and sell their surplus to the state. The governing principle here is to take the interests of the state, the collective and the individual into account (the collective meaning the communes and their subdivisions — the production brigades and the production teams).



Public grain from northeast China's Changtu County being transported to state granaries.

Beijing, Tianjin and 17 provinces and autonomous regions fulfilled or overfulfilled the state plan.

The total amount of grain delivered and sold to the state last year was slightly less than in 1979. This was because some areas were hit by natural disasters. Areas which reaped good harvests were encouraged to sell more surplus grain to the state. One million tons of surplus grain were sold by the communes in Liaoning, Guangdong, Henan and Guangxi. In addition to this, grain departments purchased grain directly from the production teams or at village fairs at prices agreed by both parties. This is another way of increasing the amount of grain in state granaries and regulating supply and demand on the market.

### Cracking Down on Speculation and Smuggling

China's national economy has been revitalized over the past two years and the current

situation is excellent. However, owing to the lack of adequate economic legislation and management, speculation and smuggling are rife in a number of places. Some law-breakers even collude with workers of a few enterprises in purchasing at high prices commodities which should be sold to the state. These illegal activities account for the emergence of black markets and price hikes.

In order to maintain the socialist economic order, the State Council recently issued a directive calling on the various localities to strengthen market control and crack down on speculation and smuggling.

The directive defined these illegal activities in detail, adding that units or individuals involved will be fined or have their goods confiscated according to government decrees, and serious cases will be punished according to law.

A merchant from Xianggang (Hongkong) operating in Beijing was fined 12,000 yuan for illegally selling three cars he

had bought from foreign embassies. Two of the cars were confiscated by the Beijing customs while an illegal deal was being made. The other car, also confiscated, was sold to the Palace Museum whose responsibility in this illegal transaction is under investigation.

The directive stipulated that commercial enterprises can only trade along lines specified in their licenses, and they are forbidden to snatch up goods on the market by offering high prices. Industrial and mining enterprises can sell their surplus products only after they have fulfilled the state purchasing plans and honoured their contracts.

Management of the peasants' markets in both the towns and the countryside should be further improved, and no individuals are allowed to buy large vehicles to transport goods for profiteering purposes.

The directive also called for tough measures to combat smuggling, especially smuggling on the sea which has become rampant since last year. It is reported that the joint anti-smuggling team organized by the Xiamen (Amoy) customs and the public security organs had by the end of last year seized 19 vessels from Taiwan, three from Xianggang and three fishing boats from the rural communes, all engaged in smuggling. Altogether 13 million yuan's worth of goods were confiscated.

To take effective measures to combat smuggling on the seas, the General Administration of Customs held a special meeting in Xiamen earlier this year, attended by representatives of customs houses from the coastal provinces of Guangdong, Fujian

and Zhejiang and the municipality of Shanghai.

## Good Tidings From Tibet

In spring 1980, the Party Central Committee issued a number of important directives with a view to correcting the mistakes made in the work in the Tibet Autonomous Region and improving the material and cultural well-being of the Tibetan people. To facilitate the implementation of these directives, General Secretary of the Party Central Committee Hu Yaobang and other leaders visited Tibet last year to make an on-the-spot investigation.

News from Tibet, known as the "Roof of the World" with a population of 1.83 million, shows that remarkable results have been achieved over the past year after the implementation of a policy suited to local conditions, the easing of control in economic matters and the adoption of measures aimed at reducing the burden of the people. Last year, the region reaped an all-round good harvest in farming, animal husbandry and side-

line occupations, and at the year-end distribution the peasants and herdsmen got more grain, meat, butter, hides and cash than in 1979.

Grain output in Tibet rose by 10 per cent last year as compared with 1979, rapeseed by 5 per cent and livestock by 13.4 per cent. Good weather conditions were also an important factor in such substantial increases. Initial returns from 60 of the region's 71 counties indicated that incomes from collective sideline occupations went up by 43.7 per cent, in addition to an increase in income from household sideline occupations.

Food grain distributed at the end of last year to each person in those people's communes engaged mainly in agricultural production averaged 300 to 350 kilogrammes, and in some communes and production brigades it was as high as 500 kilogrammes. In the pastoral areas where food grain is mainly supplied by the state, each person got an average of 100 kilogrammes of meat, and per-

capita annual income in some counties exceeded 200 yuan.

Last year also saw a general increase in the income of urban residents of various nationalities in Tibet, and measures have been taken by the region's people's government to raise their standard of living. Take Lhasa for example. No business tax is levied on collectively owned enterprises or individuals; rents, electricity charges and school fees for the minority peoples are either reduced or waived; and the residents are permitted to develop household handicraft production or set up stalls to do business. With the enterprises having greater power in making their own decisions, production has developed and the workers and staff members get more pay in addition to bonuses and welfare benefits.

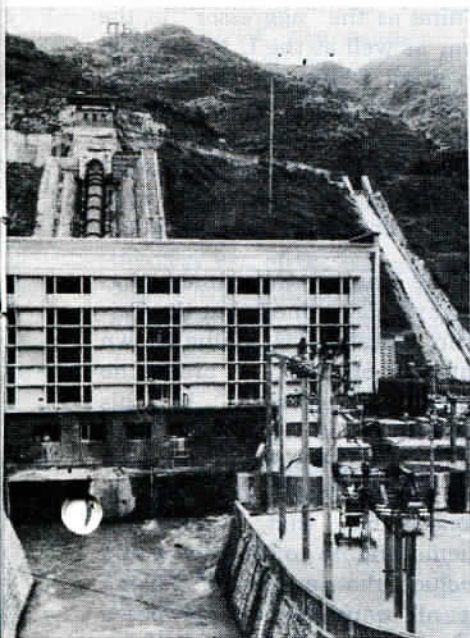
## 4,000 New Hydropower Stations

Last year, more than 4,000 small hydropower stations were built in China, the total generating capacity being 800,000 kw. This raised the number of such stations in the rural areas to 90,000, and the installed capacity totalled 7.1 million kw. In 1949 when the People's Republic was founded, the total designed capacity of small hydroelectric power stations was only a little over 2,000 kw.

About 40 villages in the border region of southwest China's Yunnan Province have built 14 small hydroelectric power stations, thereby bringing to an end the days when the minority peoples there used pine torches for lighting. When the electric lights were switched on in the bamboo houses of the Dai and Bulang peasants, they were



A children's playground in Lhasa.



A small hydropower station in Yunnan Province.

described as "shining diamonds in the dark."

In 58 of the 92 counties in south China's Guangdong Province, where water resources are abundant, the supply of electricity depends mainly on small hydropower stations. The total installed capacity of such stations in Guangdong last year was one million kw.

In a county in the Minshan Mountains in northwest China's Gansu Province, 17 small hydroelectric power stations had been built by the end of last year. Now, more power-driven machines are used in this county to replace manual labour, and the people there no longer have any difficulty in obtaining drinking water which was quite a problem in the past. Moreover, another 1,000 hectares of farmland are now under irrigation and 3,500 of the county's 5,000 Tibetan peasant households have electric lights.

At present there are 3.1 million kilometres of power transmission lines in China's countryside. Electricity is supplied to 90 per cent of the communes, 60 per cent of the production brigades and more than half of the production teams. And more than 18.7 million hectares of farmland are irrigated by means of electric power-driven pumps. Electricity used in the rural areas is steadily increasing, topping 37,000 million kwh. last year.

## FOREIGN RELATIONS

### Hua Guofeng Meets Hoang Van Hoan

Hua Guofeng, Chairman of the Central Committee of the Chinese Communist Party, met Comrade Hoang Van Hoan from Viet Nam on February 4 in Beijing. Together they celebrated the second Spring Festival of the 80s.

It is a tradition for both the Chinese and Vietnamese peoples to celebrate the Spring Festival or the Lunar New Year. At the meeting Com-

rade Hua Guofeng thanked Comrade Hoang Van Hoan for his untiring efforts to promote the revolutionary friendship between the two peoples.

Comrades Deng Yingchao and Ji Pengfei were present at the meeting.

### News in Brief

**Minutes of Talks Between China and Belgium.** The minutes of talks on China-Belgium scientific and technical co-operation signed in Beijing last December reaffirmed the desire of the two sides for greater scientific and technical exchanges. The two sides will engage in 15 items of scientific and technical co-operation in the fields of agriculture, public health, earth science, chemistry, applied science, new energy resources and ports.

**E.E.C.-China Trade Week.** The Commission of the European Economic Community and China will hold a trade week in Brussels, Belgium, in early April this year. China and the E.E.C. established official relations in 1975 and signed a trade agreement in 1978. The quota of trade between them has doubled during the period 1975-79.



Chairman Hua Guofeng with Comrade Hoang Van Hoan.

## U.S. House Committee Publishes False Document

### Report From Washington

THE Memorandum on the New Programme of World Revolution published by the Foreign Affairs Committee of the U.S. House of Representatives on January 18 is clearly a falsified and fantastic document.

The memorandum is alleged to have been written by the late Chinese leader Mao Zedong and sent to Moscow by Chinese Foreign Minister Zhou Enlai in March 1953. Its publication has been taken by some as the signal for a new mud-slinging campaign against China. One American newspaper even gave the report display under the boldface headline, "Mao's Chilling Plan for Conquest."

The memorandum was first read out to a closed Congressional meeting on May 27, 1954 by U.S. Senator William F. Knowland of California. No explanation has been given for how this supposedly top-secret document fell into American hands, nor has any proof of its authenticity been presented.

There is ample proof, however, attesting to the document's lack of authenticity. Its language and style, for example, are not even remotely similar to those of Mao Zedong, which always bear his individual stamp recognizable to all who are familiar with his writings.

### Telltale Errors

From an analysis of certain passages in the memorandum, one can easily see that it is counterfeit. One section, dealing exclusively with the Taiwan

question, refers to Taiwan as "Formosa" in every case. Yet the Chinese Government has always made known its opposition to the use of the name Formosa, and has insisted on calling the island province by its rightful name Taiwan. A little more care on the part of the document's true authors would have saved them from this self-revealing error.

Another strange incongruity is the fact that the document, though supposedly written by none other than Mao Zedong, fails to use the phrase "liberate Taiwan"; yet this is the standard expression in Mao Zedong's writings and all Chinese government documents. Instead, the memorandum talks of "seizure by force" and the "transfer of Formosa to the control of the people's government." As Taiwan is part of China, it is taken for granted that the question of its jurisdiction falls under the central government of China. It is therefore inconceivable that this central government would use such phraseology as the "transfer" of Taiwan to its "control."

Perhaps the most preposterous part of this false memorandum is the suggestion it makes that "a United Nations trusteeship over Formosa as an intermediary step could be taken into consideration." In March 1953, when this is claimed to have been written, China had not yet even come to an armistice with the so-called United Nations force in Korea. The Chinese people at that time felt very strongly against an earlier U.N. resolution branding

China as the "aggressor" in the war as well as the U.N.'s refusal to grant China its rightful seat in that world organization. How could Chinese leaders possibly contemplate U.N. trusteeship over Taiwan under such circumstances?

The Chinese Government has always maintained that the Taiwan question is China's own internal problem. It brooks no foreign interference in this matter, be it from the United States, the United Nations or the Soviet Union. It is thus inconceivable that a Chinese memorandum to Moscow would include the question of Taiwan at all, much less a proposed solution to that question involving the U.N.

Various other telltale errors appear in the memorandum — such as the treatment of "Formosa" as an equal with countries like India and Japan, a practice which would in actuality incur protest from the Chinese Government — revealing the document's complete lack of authenticity.

### What's in the Wind?

In short, the memorandum is a stigma to the U.S. Congressional Record and an article of ridicule for the experts. It would be too self-revealing to warrant serious comment, if not for the fact that some have taken it seriously and used it to paint China as similar to the Soviet Union today: fundamentally dangerous and expansionist. These people fail to understand that China broke with the Soviet Union over important matters of principle, one of these points being that the Soviet Union is out to dominate other countries now and extend



its sphere of influence in every part of the world, nor do they realize that China has been engaged in a bitter struggle with Soviet hegemonism for more than 20 years and will continue to struggle against it.

It is noteworthy that the memorandum was made public more than 25 years after it had allegedly been discovered, on the very eve of the inauguration of the new U.S. administration, and that it was at once given

wide attention and used to start a mud-slinging campaign against China. The question naturally arises: Was the timing of the publication pure coincidence or a deliberate calculation by those who want to prevent further development of Sino-American relations? Perhaps it is best to withhold judgment for now and watch to see which way things develop.

— *Xinhua Correspondent  
Peng Di*

## **Invasion and Apartheid**

**T**HE South African regime frequently sends its troops to attack and invade its neighbours to try to stop them from supporting the struggle of the people of South Africa and Namibia against its racist policies. The latest invasion is the unprovoked attack on January 30 against the refugee centre of the African National Congress of South Africa (ANC) in Matola inside Mozambique, about 20 kilometres from the Mozambican capital of Maputo. A number of people were killed and wounded and three refugee houses destroyed.

The ANC, a national-liberation organization banned by the South African authorities in 1960, has established refugee camps in Mozambique for South Africans forced to flee from persecution by the South African regime. It has the sympathy and support of the front-line countries.

The Mozambican Government has lodged a protest with Pretoria. Zimbabwean and Zambian leaders have expressed solidarity with Mozambique and declared that they would not

give in to intimidation. Their countries would not stop supporting the just struggle of the South African people.

### **Pretext for the Raids**

The South African racists claimed that the Mozambican camps held "terrorists" and they were merely taking "pre-emptive action." This is the logic of invaders. The pretext fools no one. Their barbarous raids are a testimony to their rejection of all generally recognized international norms of behaviour.

Last July, Pretoria sent its troops across the border into Angola and into Zambia under the same pretext: there were "terrorists" in those independent and sovereign states. "Terrorists" in the language of those South African racists are members of the South West Africa People's Organization (SWAPO), an organization recognized by the United Nations as the sole representative of the Namibian people. So it is not strange for the perverted minds of the South African

racists to see the ANC with broad mass support inside South Africa as a "terrorist organization."

### **So-called Reforms**

So long as racist minority rule continues, Pretoria can expect the majority to go on struggling against it and win growing sympathy and support. It is the fear of the people's struggle gaining greater momentum and Pretoria standing in greater isolation that persuaded the authorities to introduce "reforms" modifying their apartheid policy after P.W. Botha became Prime Minister. But what have the "reforms" accomplished?

Recent reports from South Africa show how much the apartheid policy has not been reformed.

- Two influential black newspapers, *Post* and *Sunday Post*, were forced to close on January 20 because they were "anti-government." Later, two leaders of a black journalists' union, Phil Mtimkulu and Joe Tholoo, were served with three-year "banning" orders, which severely restrict their movements and put them under close police surveillance.

- New age limits are being set to ban black pupils over the age of 20 from attending high school and those over 16 from primary school. This will force many black African pupils to leave school without finishing their studies, and keep more blacks from better jobs. Already very few black children can go to school and this further restricts the few from getting a better education.

- A new system of passes is being introduced requiring members of all races to carry identity documents, but existing discriminatory legislation

against blacks remains in force. "These documents will mean we blacks will now have a double dose of harassment," declared Bishop Desmond Tutu, General Secretary of the South African Council of Churches.

The "reforms" are not designed to lighten or to remove

any of the discriminatory measures practised against the majority. Pretoria has no intention of giving up its minority racist rule. The recent raid on the refugee centre in Mozambique confirms this.

— "Beijing Review" news analyst Yi Fei

make Afghanistan a "buffer" to block tsarist Russia from driving south into India. By mutual consent, Russia and Britain, two imperialist powers, in 1873 recognized Badakhshan Province, including the Wakhan area, as belonging to Afghanistan. But this did not stop Russian designs. In 1889, tsarist Russia resumed its endeavours to infiltrate this area. Then in 1891, the Russians sent out an "exploration team" in an attempt to annex the region.

## Afghanistan

### Soviet Occupation of the Wakhan Area

SOVIET troops have taken over the strategic Wakhan corridor of Afghanistan, says a New Delhi report. Other sources claim the Soviets have built ground-to-ground missile sites, underground bunkers and permanent barracks and widened the north-south road running along the border with Pakistan. Communications in this region have been upgraded, too. Passes leading to China and Pakistan are now patrolled by Soviet troops, and parts have been mined and checkposts established.

By all indications, the Soviets are systematically preparing to keep this area under their permanent control, for the Soviet annexation of the Wakhan salient pushes the Soviet Russian border right up to Pakistan. This is an ominous sign.

The Wakhan corridor, or panhandle, is a narrow east-west salient 15,000 feet above sea level in northeast Afghanistan. It borders the Soviet Union on the north, Pakistan on the south and China on the east and has historically been an important east-west passage.

In the second half of last year the Soviet Union moved decisively and quickly to annex the Wakhan corridor of Afghanistan. Russian troops, mostly from neighbouring Soviet Tajikistan, were moved in and the Afghan tribesmen living in this area were gradually driven out. Reports say more than 4,000 Soviet troops are now



in the Wakhan area. Over a thousand Afghan refugees of Kirghiz nationality have been pushed out into the Gilgit region in Kashmir, which is under Pakistan control.

The world became aware of the Wakhan salient in the latter half of the 19th century when the British in India decided to

In order to stop Russian annexation of the Wakhan area and to keep India, then under British rule, separate from Russia, a committee was set up in 1895-96 by Britain, Russia and Afghanistan to demarcate the northern border of the Wakhan area with Russia. This border was recognized by the world and reaffirmed in the 1946 Soviet-Afghanistan agreement.

The Soviet annexation of the Wakhan salient today provides the Soviet occupation forces with a forward supply base to step up Soviet suppression of the Afghan resistance. Soviet troops are constantly entering western Badakhshan Province through the Wakhan area. The Pakistan newspaper *Dawn* has pointed out that the Soviet occupation of the Wakhan area is another step taken by the Soviet Union to realize its hegemonist strategy. The Soviet occupation of the Wakhan corridor now separates China from Afghanistan and makes the Soviet Union share a common border with Pakistan. The immediate significance of this is apparently to ensure the permanent stationing of Soviet troops in Afghanistan.

— Li Yunfei

# No Change in the Party's Guideline

CHINA has decided to carry out further readjustment of its national economy beginning from this year. There is one problem the people are interested in and talk about among themselves: Does the readjustment mean that the principles and policies adopted at the Third Plenary Session of the 11th Party Central Committee have changed?

The Third Plenary Session of the 11th Party Central Committee represents a great turning point in the history of the Chinese Communist Party. The keynote and guiding principle of the session was: Emancipate the mind, be more resourceful, seek truth from facts, and get united to look ahead; or in other words, eliminate "Left" mistakes and proceed from reality in all aspects of our work. The session decided the shift of the stress of the Party's work. This was soon followed by the policy of readjustment, restructuring, consolidation and improvement. Marked progress achieved in various fields over the past two years or so shows that we can win success and march forward as long as we implement the principles and policies of the Third Plenary Session of the 11th Party Central Committee.

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## Why Further Readjustment?

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Why are we now carrying out further readjustment of the national economy? This is because many of our comrades have differed as to the significance of the readjustment. They have not freed themselves from the trammels of the erroneous "Left" guiding principle and have not been carrying out efficiently the policy of readjustment, restructuring, consolidation and improvement in the last two years. As a result of this, the state of imbalance in the national economy has not changed fundamentally, the scale of the capital construction has not been reduced as planned, other expenditures which could be cut have not been brought down to the full extent, the financial

deficit has increased somewhat and it has been difficult to keep prices stable. While the national economy as a whole has made great achievements, there exists a hidden danger which should not be neglected.

Therefore, the present readjustment definitely does not represent a change in the principles and policies in force since the Third Plenary Session of the 11th Party Central Committee. Quite the contrary, it is a continuation and development of the correct principles and policies formulated since then and a further implementation of the guiding principle of the Third Plenary Session to seek truth from facts and overcome "Left" mistakes.

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## What About Reforms?

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The central task of our economic work in the near future is to carry out readjustment. Do we go on to introduce reforms or not?

Since the Third Plenary Session of the 11th Party Central Committee, we have introduced reforms in the economic structure and economic system. This has played an excellent role in enlivening the economy and improving the economic results and greatly helped ameliorate the economic situation. Both readjustment and reform are keynotes of the Third Plenary Session of the 11th Party Central Committee and their general aim is identical. But, when putting them in practice, they have the aspects of both complementing and contradicting each other.

We will consolidate the progress already achieved in the reform, sum up experiences, analyse and solve new problems which crop up during the reform. Reforms which are beneficial to economic readjustment will continue to be introduced; reforms which contradict the readjustment should be postponed and put aside until a later date. Generally speaking, when the readjustment is taken as the central task, reform measures will be slowed down, but it does not indicate any change in orientation.

## **Centralized Leadership and Democracy**

In order to do a good job of economic readjustment, it is necessary to strengthen centralized leadership by the Party and state. Historical experience has proved that centralization, especially that by the central authorities, is needed in overcoming difficulties. But the centralization we are talking about refers to unified guidance by the central authorities over major readjustment measures to change the passive state of the national economy. It does not mean centralization and strict control of everything. What we oppose and guard against are blindness and destructive spontaneous tendencies which only seek departmental and personal interests at the expense of the interests of the state and the people. As for the justified initiative and zeal of the localities, grass-roots units and the masses, it should not be opposed, but on the contrary, be protected and encouraged.

It is necessary to carry out real democratic centralism in inner-Party life and in the political life of the state. Developing socialist democracy and strengthening socialist legal system — these are both fundamental principles the Party Central Committee has adopted since its Third Plenary Session. Over the past few years, we have made continuous efforts to develop democracy. Our work in this respect has not been enough and we must carry on the work. At present, while continuing to develop inner-Party democracy and people's democracy, we must strengthen discipline and the legal system, institutionalize democracy and place it on a legal basis, and correct and struggle against all tendencies which break down discipline and order and which violate and undermine the legal system.

We will go on introducing reforms, unswervingly and step by step, not only in the economic system, but also in political institutions, including reforms in the system of Party and state leadership as well as measures to overcome the drawbacks of over-concentration of power and abolish the existing system of life tenure for leading cadres. The general aim of the reform is to carry forward and guarantee inner-Party democracy and democracy among the people.

## **Restore the Party's Fine Style of Work**

Since the Third Plenary Session of the 11th Party Central Committee, we have made great

efforts to restore and carry forward the Party's fine style of work and have brought about considerable progress in this respect. But so far there has been no fundamental change. We have to push the work on unswervingly. One of the important reasons for quick results of the readjustment at the beginning of the 60s is that, at that time, the Party's style of work was fine and the Party enjoyed great prestige among the people.

Though the material conditions are better in the current readjustment than the last one, there are nevertheless many difficulties. These difficulties can only be overcome by strengthening the contacts of the Party with the masses and by the whole Party and people working with one heart and one mind. The unhealthy tendencies among certain Party members and cadres are very detrimental to the restoration of the Party's prestige among the masses. Therefore, we cannot relax our efforts to correct them.

There is no change in other economic policies either, such as opening the country to the world on the basis of independence and self-reliance, or in foreign policies, such as opposing hegemonism and safeguarding world peace.

With the change of the situation and a deepening of our understanding, there should be corresponding adjustments and amendments of policies to render them more sound and complete. This is both normal and necessary. It does not represent any change in orientation. So it is wrong for some people to think that the Party's policies have changed.

Since the Third Plenary Session of the 11th Party Central Committee, our Party has adopted a series of new policies which conform to the actual situation. These policies are not the same as those during the "cultural revolution," and in many respects, even not the same as those before. The Party will not change these principles and policies which have proved to be correct and which accord with the actual conditions of China and enjoy the ardent support of the people. They have not changed today and will not change for a considerably long period of time in the future.

*(An abridged translation of a "Renmin Ribao" editorial, January 19. Subheads are ours.)*

# On the Question of Intellectuals

by Hu Ping

*Deep-going social and historical causes as well as line and policy mistakes by the Communist Party have led to the suppression and persecution of Chinese intellectuals many times in the last several decades. For a long period of time, knowledge was not esteemed; science and culture remained backward. The development of the Chinese economy was seriously hindered. The writer, Hu Ping, a researcher of the State Scientific and Technological Commission, summed up this historical lesson theoretically and offered some measures aimed at letting intellectuals play their role. The article appeared in "Renmin Ribao", on January 9. The following is a slightly abridged translation of the article. Subheads are ours.—Ed.*

**T**HE ten years of turmoil from 1966 to 1976 saw numerous principled Chinese intellectuals falsely accused, humiliated and persecuted.

In fact, the misfortune of New China's intellectuals began as early as the mid-1950s. First, during the 1957 "anti-Rightist" movement, they were officially included in the ranks of the bourgeoisie so far as the world outlook went. From then, they became the target of revolution. And, in each of the following political movements, a number of intellectuals were discredited.

In the more than 30 years since the founding of New China, the intellectuals enjoyed some happy times when the country's political life was comparatively normal and economic construction was thriving. The majority were able to develop their specialities with ease of mind and do their bit for the nation and people. Unfortunately, these periods were frequently interrupted by incidents coming from out of the blue. When the nation and people suffered, it was always the intellectuals who suffered the first blow. Their misfortune portended the approach of a disaster for the whole nation.

Persecuting intellectuals is not fortuitous in China, but has its profound social and histori-

cal causes. It is a special form of manifestation of the great influence exerted upon modern political life by the force of habit of the 2,000-year feudal rule and the small-peasant economy.

## The Value of Knowledge

Knowledge, whether in the social sciences or the natural sciences, is the product of human beings' hard labour over dozens of centuries. It serves as a weapon for humanity to win its emancipation. Except for phoney sciences and reactionary theories fraught with bias that only serve the interests of the exploiting classes, all scientific knowledge contains elements of truth accumulated gradually by human beings in the long procedure of cognizing and transforming the world. Knowledge constitutes the basic element of human civilization. The level of its development marks the degree of progress of a society. Knowledge itself is non-classical, but in class society different classes have different conceptions of the value of knowledge.



The noted expert on mechanics Professor Qian Weichang (front right) answering questions to postgraduates of the China University of Science and Technology. Professor Qian was mistakenly branded as a Rightist in 1957.

In feudal society where knowledge was degraded to serve feudal rulers only, its value was decided by power. Ideologies, theories and doctrines which helped consolidate the domination of the feudal imperial authority and divine authority were appreciated by the ruling figures. Those opposing feudal power were banned. Politically, imperial authority was the foundation of feudal dictatorial rule. Under it, power was everything while knowledge became insignificant. This was because keeping the people in ignorance is the essential condition for maintaining feudal rule. Economically, the self-sufficient small-peasant economy of feudal society was restricted by the narrow experiences passed on from generation to generation. People with specialized knowledge were not needed, to say nothing of any requirement for science and technology. Under this situation superstition and blind faith were encouraged but knowledge and science were rejected. The intellectuals naturally could not escape being humiliated and harassed.

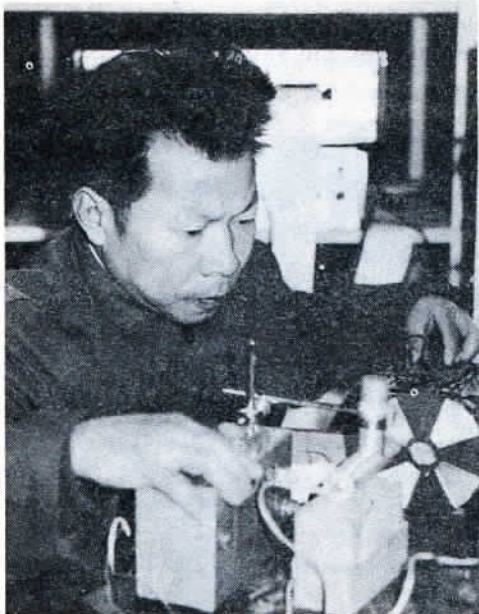
In the bourgeois revolution and during the development of capitalism, knowledge experienced a great change in status and role. The capitalist class was linked with a newly emerged mode of production, and capitalist production by large machinery replaced the small-

peasant economy and handicrafts. Social production broke through the framework of narrow experiences, and there was a growing need for science and technology and also a strict demand on the educational level of hired managerial personnel and workers. This advanced education and various kinds of training. In addition, with the development of large-scale industrial production and the deepening of the human rights movement, intelligence was developed on a deeper and wider scale. Many new sciences and technologies appeared. To make high profits, the capitalists strove to convert science and technology into wealth by putting them to use in production as quickly as possible. This was the first time in history that knowledge became so closely and widely linked with social production and wealth. Knowledge became a ready source of money for the capitalist class and intellectuals were the pathbreakers of capitalist society.

However, capitalist society is not in any sense a paradise for intellectuals and their knowledge. It is a society under the control of capital in which profit is everything and the value of knowledge is decided by profit. Once it cannot bring money to the capitalists, any knowledge will be cast away without the slightest regret.

Under socialist conditions, knowledge becomes the wealth of the whole people. Its value is decided by the economic development of society and the people's material and cultural demands. Socialist society is founded on the basis of large-scale modern production; therefore, there is a higher demand for specialized knowledge and intellectuals in order to advance the techniques of the national economy, increase productivity, improve the work of statistics and management in production, circulation and distribution as well as to explore and transform society and the natural world. This is because, as Lenin once pointed out, socialism and communism can only be established on the basis of the total knowledge accumulated by human beings over thousands of years.

Basically, knowledge should be more required and intellectuals more respected in socialist society than at any other time in history. They should be given the widest opportunity to play their role. Unfortunately, for many years, because of our incorrect line and policies as well as the drawbacks in institutions, such as life tenure for leading cadres, the patriarchal style of work and the over-concen-



**Qian Fuxing, Member of the National Committee of the Chinese People's Political Consultative Conference and researcher at the Institute of Mechanics under the Chinese Academy of Sciences, has achieved significant results in his research recently.**

tration of power, the superiority of the socialist system could not be given full play. On the contrary, abnormal phenomena characteristic of feudal times reappeared in certain respects of our political and economic lives, such as despising knowledge, worshipping power and letting those without any expertise lead those who are well-trained. And this is related to many of our shortcomings such as low-efficiency management, wasteful-type production and arbitrary, non-scientific way of directing our work.

### Historical Causes

What are the historical causes for overlooking the role of scientific knowledge for such a long time? There are at least the following factors: First, before liberation, China was a semi-colonial and semi-feudal society with a backward economy. The working people had a low educational and cultural level. Ignorance and superstition, therefore, had deep roots among the masses. Second, for quite a long time the bases of China's revolution were in the countryside. While mainly engaged in revolutionary wars, the cadres, unfamiliar with modern science, had no chance to raise their cultural level. Third, though the main emphasis of our democratic revolution was to solve the problem of feudal land ownership, the influence of feudal autocracy in the superstructure was under-estimated and not adequately criticized. As China had never gone through prolonged anti-feudal ideological emancipation movements like the Renaissance and the Enlightenment in European countries, there is little democratic tradition to speak of. Science cannot prosper in the absence of democracy. Fourth, under our system of economic management, plans were made and handed down from above and the method of unified purchase and marketing of finished products by the state was practised. Within different branches of the economy, there was no incentive to better scientific and technological knowledge. This resulted in the strange phenomenon in which new scientific and technological achievements were often unwanted and talent and wisdom were ignored. Fifth, because experiences of the international communist movement were summed up mistakenly, to attach great importance to the role of scientists and experts was labelled "revisionism," "courting danger to the Party and the state." Intellectuals were further restricted and cast aside, knowledge was sometimes equated with bourgeois ideas and blindly



Ni Peiying, a 1966 university graduate, was recently promoted to the rank of engineer.

discarded. Naturally all these factors are by no means products of the socialist system, but result from going against socialism.

Since the convocation of the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978, the Party has made great efforts to correct past mistakes by reforming the political and economic management system and implementing a sound policy towards intellectuals. With their political status greatly raised, our intellectuals now have greater enthusiasm.

But this is only the beginning. Even now the pernicious influence of "Left" ideas still exists to a serious extent as to how to regard intellectuals. Their working conditions are far from satisfactory. Public opinions which reject and suppress intellectuals are not criticized in a systematic way from the theoretical point of view, but are still accepted by certain people. Some still use such nonsense to attack the intellectuals. One example is to set the intellectuals against the working people as if the former are an alien force. Once they are given important posts, this is regarded as being tantamount to rejecting and attacking the working people. Some indiscriminately demand that intellectuals be at the same time manual workers and peasants, as if mental workers are not workers; any intellectual who studies hard to further professional knowledge and use it in the service of the people is considered a "spiritual aristocrat." Such people would not tolerate intellectuals airing diverse views because, in their eyes, independent thinking means "opposing the leadership" or "arrogance,"

while to be submissive is virtuous. All these views are very similar to the fallacy of "more knowledge, more reactionary" which prevailed in the past.

### Concrete Measures

To give full play to the role of the intellectuals, in addition to continuing criticism of "Left" ideas, it is essential to take some concrete measures organizationally. This of course will take time and involve political, economic and cultural reforms in our country. From now on, steps should be taken gradually. As the first step, I think the following measures should be taken:

**First, give priority to intellectual development.** Great importance should be attached to the development of educational undertakings and training personnel in our national construction. The success of our modernization programme hinges on the general educational level and the quality of personnel. Among all gaps that exist between China and the developed countries, education is the most fundamental. Socialism cannot be built in a society in which the people's educational level is very low.

**Second, reform our present cadre structure.** Leaders will be required to have certain scholarly attainments. After a period of time, there should be a major change in this structure, and

the cadres' educational level should be noticeably raised.

**Third, scientists and experts should take part in policy-making.** In this way every major policy and measure by the government will have a scientific basis. And the authority of science in the construction and management of the state will be established.

**Fourth, open the doors to able and talented personnel.** It is necessary to set up and perfect the system of selecting, checking, promoting and transferring personnel, a system which would encourage competition. Organs such as talent recruitment or employment offices can be set up, so that all able and talented personnel will be put to good use and given jobs according to ability. In this way, talented personnel, heretofore "owned by the units to which they belong," can work elsewhere and can better develop their talents.

**Fifth, set up an economic system which would provide an incentive to seek scientific and technological knowledge.** Such a system will speedily transform knowledge into wealth, thereby increasing the people's interest in science, technology and general knowledge. In drafting economic laws, the traditional way of using knowledge without compensation should be changed. This will stimulate economic and intellectual development. □

## Growth of the Multinationals

by Teng Weizao and Jiang Zheshi\*

**T**RANSNATIONAL, multinational, or international corporations—these are all different names for the same thing. Generally speaking, they are a form of international monopoly organization with branches and affiliates in many countries and regions established through direct investments by an enterprise owned or controlled by certain financial groups of one of the major capitalist countries. Multinational corporations produce, sell and engage in other business operations on an international scale, and practise a "global strategy" to grab super profits through monopolies they have created for themselves.

Multinationals are a product of monopoly capitalism developed to a high degree. After World War II, multinationals, especially those of

the United States, grew rapidly. To an increasing degree, they have dominated production, distribution, trade, and finance in the capitalist world and become a powerful force internationally. The world's two biggest multinationals, Exxon and General Motors, are said to have in 1979 a turnover of 79,100 million and 66,300 million U.S. dollars respectively and net profits of 4,300 million and 2,900 million U.S. dollars and employ 169,000 and 853,000 people. Although domestic investments fell off on many occasions in major capitalist countries, the foreign investments of transnationals rose steadily. While the multinationals invest chiefly in the develop-

\*Teng Weizao, professor and director of the Research Institute of Economics at Nankai University.

Jiang Zheshi, lecturer in the above institute.



ed countries, the developing countries are their main source of super profits. The rate of profit from direct investments by the multinationals in the developed countries was 11 per cent in 1977, while in the developing countries it was 23 per cent.

In the last decade some new trends have been observed with regard to the multinationals, chiefly as below:

- The uneven political and economic development of capitalism in different countries is reflected in the uneven external expansion of their respective multinationals. In recent years, overseas expansion of multinationals based in the United States, Britain and France have slowed down, while those of West Germany and Japan have speeded up. More significantly, West European and Japanese capital has been flowing into the United States and the differential in direct investments in each other between the former two and the latter has narrowed.

- The proportion of investments by the multinationals in the developing countries has dropped from some one-third to less than one-fourth. Investments also tend to be concentrated in the oil-producing countries, the politically more stable and economically better-off developing countries, as well as certain tax havens such as the Bahama, Barbados, Bermuda, Cayman islands, the Dutch Antilles and Panama.

- Multinationals now operate more flexibly in the developing countries. To retain control of the enterprises in the developing countries to reap big profits as before, some no longer rely on their majority shares but go through other channels, such as management, technology and sales.

- In order to hedge risks and improve their competitiveness in a world of ever-changing techniques, multinationals frequently bring together enterprises in various countries producing different products or offering different services to form international conglomerates and diversify production.

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### **Behind Rapid Rise of Multinational Corporations**

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There are political and economic causes behind the rapid and extensive development of the multinationals after World War II.

1. Fundamentally, it is the result of an acceleration of capital accumulation and concentration, a greater degree of monopoly and growing "surplus" capital. The big monopolies possessing advanced technology and management skills and tremendous amounts of capital are exporting capital to seek monopoly profits. The United States is illustrative. After World War II, the big monopolies grew steadily bigger and their domination of major industrial sectors and the national economy as a whole was vastly strengthened. Now a few companies control practically the whole U.S. market for motor vehicles, computers, aeroplanes, iron and steel, oil, electricity and chemicals. Since the market is dominated by a few equally powerful oligarchies, it becomes increasingly more difficult for one oligarchy to capture a larger share of the market. In a word, as production more and more overtakes consumer ability to pay in a particular sector, the area for profitable investments inside the country shrinks. This leads to a relative surplus of capital which leaves the monopolies no way out but to export their capital. Consequently, countries and regions with cheap raw materials and cheap labour and large potential markets become the natural and chief targets of investments for the multinationals.

Furthermore, to maintain their dominance, the industrial oligarchies adopt the strategy of "investing to stop others from investing" which in turn accelerates their expansion abroad. According to a Harvard University study, this is the way the monopolies operate: When a new product appears, they manufacture it at home to seize control of the home market and export it to open up foreign markets. When the new product gradually becomes perfect and the market abroad grows larger and the technology becomes more widely known, they start building factories in other countries where the income and technical levels are comparatively high, the labour costs are fairly low and there is demand for a similar product, so as to prevent overseas competitors from copying them and to maintain control of the foreign market. Then, when the new product reaches the stage of standardization and competition is manifested mainly in prices, its production is shifted to areas of abundant cheap labour.

2. The technical revolution has swiftly developed the productive forces, bringing about

a greater degree of socialization of production and calling for the internationalization of production and capital. While automation demands rigid quality of products, it also turns out a greater diversity of products. This requires the monopoly enterprises to specialize production, to research and introduce various special equipment and technologies, to carry out greater specialization and co-ordination among their departments and even to go outside their countries to organize large-scale co-ordination of production between their branches and affiliates. Only in this way can they improve productivity and lower costs. This is why the multinationals have taken to international specialization and co-ordination.

The technical revolution in communications and transport has vastly reduced transport costs and has economically shortened distances between countries to create favourable conditions for the internationalization of production and capital.

3. Assistance from state monopoly capitalism. After World War II, the developed capitalist countries encouraged and urged their multinationals to expand abroad by various ways and means. These governments invested directly in the mining and other sectors and set up "state-owned" or "state-private" companies which expanded abroad. They funded the private monopoly companies' buying of new equipment to become more competitive in the international market and shouldered the risks and invested heavily in research and the development of science and technology on behalf of the multinationals. They granted them preferential financial aid and encouraged them to re-invest in foreign countries by deferring, reducing or remitting tax on their overseas profits. They also passed legislation to guarantee foreign investments of the multinationals. They supported them in their business operations abroad through diplomacy and through the state exporting capital abroad as aid to other countries and forcing the recipient country to accept all sorts of conditions, which created a favourable atmosphere for the multinationals to invest there. They also set up various international organizations and, in the name of international co-operation, created conditions for the multinationals to expand abroad. These measures have greatly spurred the multinationals of the developed capitalist countries to expand into other countries.

Since the rise of vigorous national-liberation movements in Asian, African and Latin American countries, colonies and dependencies became independent one after another after World War II. Some developed capitalist countries have maintained their political and economic influence in these countries through their multinationals' investments. In some countries and regions, the multinationals actually became instruments of neocolonialist policies. It must be pointed out that investment by the multinationals in the developing countries is different in nature from their investment in the developed countries. In the former investments are usually one-way, while in the latter investments are two-way. The multinationals frequently exercise control over the economies of these newly independent developing countries by taking advantage of their pressing desire to develop their industries and agriculture and their lack of funds and technology, through direct investments and using the recipients' cheap labour and securing cheap raw materials to undermine recipient countries' economic interests and political sovereignty. One of the main tasks for the developing countries today is to change this situation and fight for the establishment of a new international economic order.

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### **Their Role in the World Economy**

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In view of their huge economic might, their flexible strategy in management and in their means of expansion, and their monopoly of production, sales and technologies, multinational corporations play an important role today in the development of the world economy. Specifically as follows:

1. The process of concentration of production and the accumulation of capital is speeded up, internationalizing production and capital operations and bringing production in the capitalist world increasingly under the control of a small number of big multinationals.

As production and sales of the multinationals cross national boundaries, they need greater capital. This has impelled enterprises to take over other companies at home and abroad. In establishing organizations abroad, some multinationals set up branches, but most

of them take over existing enterprises, swallowing up the production, sales and research facilities of the host countries, and then reorganizing, expanding and developing them. The larger the multinationals, the more they resort to this form of expansion. After the Second World War, the big U.S. monopolies made inroads into Europe mainly on the strength of their abundant capital, new technology and the strength of the U.S. dollar. U.S. dollars were used to buy up enterprises in Europe to swiftly establish their own networks and intensify the dominance of U.S. monopoly capital in the world. This "invasion" of the U.S. multinational corporations roused the opposition of the monopoly capitalists of Western Europe. When they gradually recovered their economic strength they formed mergers, which were supported if not organized by their national governments. Many formed corporations with branches abroad, amalgamated or combined to improve their position to challenge the U.S. multinationals.

2. In a certain period and to a certain degree, multinational operations promoted the development of productive forces in certain regions of the capitalist world. In the early post-war period, when the economies of Western Europe and Japan were recovering, investments by U.S. multinational corporations in these areas objectively played an important role. New industries in Western Europe, such as the petrochemical, synthetic fibre, synthetic rubber industry and so on, were all first set up with American capital. Over the past decade, the activities of the multinationals have had a lot to do with the economic development of Brazil, Mexico, and capitalist countries in the Far East, including members of the Association of South-east Asian nations. The experience of many developing countries proves that so long as a policy of independence is maintained and the right steps and measures are taken, the import of transnational capital and technology in a planned way, step by step, selectively and within limits, can play a positive role in the economic growth of developing countries.

However, the activities of the transnationals bring in their wake a rash of problems. In Western Europe, some of the most advanced branches of industry such as the electronic computer industry are controlled by U.S. capital, which gravely affects the development of these industries in that part of the world. And since the U.S. multinational corporations occupy a dominant position in the economies of West

European countries, the economic developments in the United States and changes in management strategy of its corporations directly influence economic developments in Western Europe. In developing countries, the operations of the multinationals have made them more economically dependent. Certain countries (particularly the smaller countries), whose enterprises rely on export processing zones, become merely the processing workshops of foreign multinational corporations, places supplying cheap labour and resources. If an independent policy cannot be maintained and no proper management measures taken, the direction of economic development of these countries can be manipulated by the multinational corporations.

3. The growth of the multinationals had an immense impact on international trade.

Post-war capitalist international trade developed very rapidly and its speed overtook industry and agriculture. The volume in trade of industrial products to be processed between the developed countries increased much more rapidly. One major reason was the greater size of the multinationals. As they built new plants, enlarged facilities and merged and reorganized, they sent out machinery and various kinds of production equipment to their subsidiaries and affiliates. Sometimes they even export certain raw materials and semi-finished goods to boost exports from the home country. It is the common practice of the multinationals to divide work among their subsidiaries and affiliates and assemble the parts and orientate sales and this requires moving parts and components, semi-finished and finished products around the different countries, thus enlarging the volume of trade of the capitalist world. The result is that the domestic and foreign trade of the multinational corporations occupy a very large segment of both the total world trade and the total import-export trade of any one country.

Their dominance of world trade has allowed the multinationals a role in spurring the growth of international commodity exchange and, at the same time, influenced changes in the structure and flow of world trade, particularly influencing the economy and trade of the countries in which the subsidiaries of the multinationals are based. Here is an illustration. As the multinational corporations plan their import-export trade according to their own global strategy and the countries where these corporations are based cannot intervene in their

trade orientation and quantity of product, not even subjecting to the regulatory measures of the exchange rate of these countries, they frequently directly hurt the interests of the countries where they are based. To evade taxes, pull out capital and adjust the rate of profits of their subsidiaries as well as to avoid fluctuations of remittance rates and other risks, the multinationals artificially manipulate prices in their internal trade to the loss of the government of the host countries.

4. With plenty of capital and an immense flow of funds they influence the stability of the international money market.

The multinationals, especially U.S. multinationals and U.S. multinational banks in Europe, always have in hand huge sums of bank deposits and liquid assets. In the early 1970s, short-term liquid assets held by the multinationals all over the world came to more than 260,000 million U.S. dollars, with the U.S. multinationals holding the most. They are a primary source of the Eurodollar. A huge amount of capital is constantly being transferred between the head offices and their subsidiaries and also among the subsidiaries themselves because of business operations. This internal flow of funds among the subsidiaries is directed and adjusted by the head offices in pursuit of profits around the world, and state governments have no way to control this. This constant flow of short-term funds between countries is the main source of funds for international speculative activities frequently disrupting the international balance of revenue and expenditure, the stability of the exchange rate and effectiveness of the credit policy of the host countries. In recent years, the multinationals have used the instability of the capitalist monetary system and the many crises of the U.S. dollar to engage in large-scale currency speculation and to avoid losses because of rate fluctuations through exploiting changes in the exchange rate and the interest rate and the different methods of monetary control of the various countries. This has caused grave confusion in the capitalist money markets, making state governments devalue or revalue their currency or clamping down tighter foreign exchange controls.

In a word, the operations of the multinational corporations have brought the degree of socialization of production beyond national borders to the stage of internationalization of production. But the means of production are still privately owned and the trend to concen-

trate continues unabated. This will inevitably aggravate the basic contradictions of the capitalist world. The struggle to control and against control among the developed capitalist countries grows more acute. While utilizing the funds and technology of the multinational corporations to develop production, the developing countries are also doing their best to safeguard state sovereignty, adopting planned controls over the activities of these multinationals and struggling to establish a new international economic order based on equality and mutual benefit. Today, the scope of exploitation of the multinational corporations is of an unprecedented scale: not only are the workers and labouring people of the developing countries and of their own countries being directly exploited, but those of other developed industrial countries as well. The sharpening of the labour-capital contradiction caused by the multinationals and the proliferation of multinational trade unions within the respective corporations will have a profound effect on the development of the international workers movement. □

## **SOCIAL SCIENCES IN CHINA**

(Quarterly journal of the Chinese Academy of Social Sciences in English)

Carries in No. 3, 1980, articles on:

- The Feudal Clan System Inherited from the Song and Ming Periods
- The Movement for a Parliament in Late Qing Dynasty
- The Origin of the Law of Value
- The Initial Reform in China's Economic Structure

*Distributed by:*

**GUOJI SHUDIAN**

(China Publications Centre)

P.O. Box 399, Beijing, China

ART

Young Artists Exhibit Works

Five hundred and seventy-five young painters, sculptors, engravers and other artists, the youngest a boy of 16, participated in China's Second National Youth Art Exhibition held in Beijing last month. More than 500 works of art were on display in the month-long competition.



"Father."



"Qiu Jin."



"Aspiring Girl."

*Father*, an oil painting by a student of the Sichuan Academy of Art, won one of the first prizes at the exhibition. The painting is highly impressive for its detail and life-like realism; with a lined, weather-beaten face, the portraiture vividly reflects the industriousness of the Chinese peasant.

A set of seven woodcuts entitled *Qiu Jin* also received a first prize and high praise from

visitors and artists. The engravings show the bold, heroic spirit of a woman revolutionary in China's democratic revolution, after whom the work is named. The engraver is a postgraduate student at the Zhejiang Academy of Art.

The skilful oil painting *Aspiring Girl* was done by a soldier in the People's Liberation Army, and received a second prize at the exhibition. Featuring a crippled girl studying diligently, the painting inspires hope and confidence.

The works of these young artists, most of whom grew up in the turmoil of the "cultural revolution," reveal the spirit of our young generation and the great artistic efforts it has made in recent years.



"Qiu Jin."

ARCHAEOLOGY

Bronze Relics From Qin Shi Huang's Tomb

Two sets of bronze figurines, horses and carts were recently unearthed from the tomb of Qin Shi Huang (first emperor of the Qin Dynasty) in northwest Chi-



A set of bronze relics.

na's Shaanxi Province. The figurines stand 0.9 metre high; the horses, about a metre long, are 0.7 metre high; the carts are more than a metre long and wide. This is another important find following the terracotta figures discovered in the same tomb.

During their explorations beginning June 1978, archaeologists first ascertained there were valuable head adornments of horses. In October 1980, it was believed that giant bronze relics existed. Later excavations showed that the two sets of bronze

figurines, horses and carts were placed in a vault of the tomb. The two carts, each with four horses driven by a bronze cavalryman, were similarly cast and are of the same structure. However, they differ in shape. The varying-figured cavalrymen wear the same uniform as the terracotta warriors of the rank of general which were earlier unearthed from the tomb. Both these high-ranking cavalrymen and the style of the carts are important for the study of the way the Qin Dynasty high officials lived, as well as of the carts they used.

According to the archaeologists, the relics were made in the period of 221-211 B.C.



A bronze cavalryman.

## LITERATURE

### A Magazine Open to Young Writers

*Youth*, China's popular new literary magazine devoted to the works of young and unknown authors, has been heralded as "a cradle for young writers" and "a fertile plot reclaimed from the (literary) wasteland of

the catastrophic 'cultural revolution.'"

Since it appeared in Nanjing in 1979, the literary monthly has published short stories, novellas and creative writings from more than 200 authors, and over half of these were first works. Some of these original efforts — including *Green Grass in a Graveyard*, *Love of a Madwoman*, *Anti-Cultural Current*, *Search* and *The Cuckoo Returns* — have even caught the interest and attention of the nation's general reading public and critics. As a result, circulation was up to 400,000 copies last year from its original 1979 level of 20,000. In an average month, the magazine receives some 6,000 submissions for publication from writers throughout the country.

The October issue of *Youth* carried first-work stories by six writers, all of them novices. One of the stories, *Disappearing Companion*, was written by Zhu Shenzhi, a 26-year-old peasant woman from Heilongjiang Province. Zhu failed in her first three attempts to publish her work, but finally succeeded with the story after the magazine had given her encouragement and advice.

*Youth* also has several special columns — such as "Writers on Writing," "Reading and Appreciation" and "Appraisal of New Works" — in which experienced authors offer writing tips and give reviews of well-known Chinese and foreign writings. These columns have helped both ordinary readers and novice writers improve their writing skills and increase their knowledge of literature.

In addition, the magazine sponsors regular forums and training classes to instruct fledgling writers in literary creation.

### On Studying Confucianism

Reassessment of Confucius and  
Confucianism

《孔子及孔子思想再评价》

Edited by the history department  
of Shandong University,

Published by the Jilin People's  
Publishing House,

Renminbi 0.46 yuan.

*Reassessment of Confucius and Confucianism* (Reassessment for short) is a collection of ten important papers published at a national symposium of humanity theory in October 1978. The collection is in three parts. The first contains an essay on correctly understanding Comrade Mao Zedong's assessment of Confucius, the second has six essays on the assessment of Confucius and his thinking and the third includes three essays on the history of assessing Confucius.

Confucius was a thinker who had great influence in Chinese history. There are many differing views and schools of thought on how to assess Confucius and his thinking. This has always been a major controversy in China's ideological circles.

Using the Marxist viewpoint as best they can, the writers reviewed the history of modern assessment of Confucius and Confucianism. They analysed and studied Confucius' class stand and his thinking, educational practice and theory of knowledge in a special historical period.

All hold that to make a scientific and more practical assessment of Confucius, one must thoroughly and correctly understand Comrade Mao Zedong's appraisal of Confucius. One must not ignore

the essence, quote sentences out of context, or substitute the part for the whole. Nor should one affirm or negate differing views or schools of thought according to the advocates' political position. Those historians who affirm Confucius should not be branded as "an exponent of Confucius" or "a man bent on restoration." Academic problems can only be solved by contention of different schools of thought.

An academic work, *Reassessment* assembles varying views on the assessment of Confucius and Confucianism in the spirit of letting a hundred schools of thought contend.

— Veteran editor Zhou Zhenfu of the Zhonghua Publishing House explains why in feudal society the conservative Confucius of the Spring and Autumn Period which was more backward than feudal society was praised as a sage. Zhou thoroughly studies the backwardness of Confucius' ethical code and holds that, with the development of productive forces, feudal society was changing from the stage of using an ethical code to administer the state to the stage of using law to run the state. Confucius' opposition to engraving criminal laws on a tripod, that is, to the publication of criminal laws, was in accord with the needs of feudal rulers in strengthening their rule and making society retrogress. In addition, Zhou considers that the Confucian doctrine of the mean is not eclecticism; it means that one should know how far one can go.

— Professor Zhu Ruikai of the history department of Northwest University covers the origin of Confucianism and holds that the doctrine of the mean is eclecticism; thus it is

idealistic philosophically and reactionary politically.

— Zhong Zhaopeng of the Institution of Philosophy under the Chinese Academy of Social Sciences deals with Confucius as a famous educator in China's history. He argues that the methods of teaching students in accordance with their aptitude, advancing step by step and elicitation played a great role in educational history.

— Pang Pu of the editorial board of *Lishi Yanjiu* (Study of History) argues that the slogan "love men" advocated by Confucius changed the trend of thought to treat slaves as a tool that could speak. This was an achievement in the history of ideology in China. He emphasizes that Confucius was a conservative thinker as far as the new system is concerned, but was not a diehard.

— Professor Cai Shangsi, Vice-President of Fudan University, first introduces the history of the modern assessment of Confucius and then assesses him. He holds that Confucius' major political belief was "leading people to look to the past" and that in the economy, Confucius advocated fettering the productive forces.

In terms of education and moral concepts, "make no class distinction in teaching" is false and "love men" is empty talk. In general, Cai considers Confucius was a "teacher in negative ways."

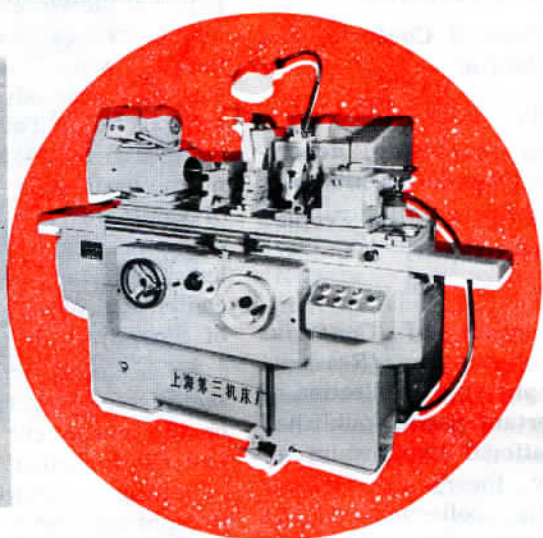
All papers in *Reassessment* were written by professors and researchers of Confucianism. Wide-ranging and full of facts, they express different views. Although the assessment of Confucius as an academic problem is not conclusive in this work, publication of the collection should give impetus to the study of Confucius.

— Yu Ciyun

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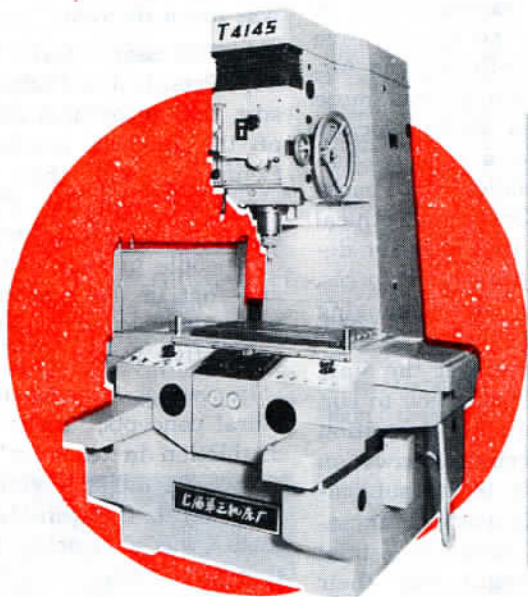
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Cylindricity	0.005 mm
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