

PEKING REVIEW

29

July 21, 1961

THERE IS ONLY ONE CHINA

Renmin Ribao exposes the Kennedy Administration's latest tricks in the "two Chinas" game (p. 5).

U.S. Shadow Boxing at Geneva

Vice-Foreign Minister Chang Han-fu condemns U.S. manoeuvres on the question of procedure (p. 8).

The Tito Clique's "Self-Management Of Enterprises"

A cloak for the slide back into capitalism (p. 11).

Farm Mechanization in Shansi

A first-hand report on the current drive to modernize farming in this north China province (p. 19).

Art, Sidelights and Other Features

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報

A WEEKLY MAGAZINE OF CHINESE NEWS AND VIEWS

THE HURRICANE

by Chou Li-po

With a small village in China's northeastern Heilungkiang Province as the background, this excellent novel tells the story of land reform in full. Writing from personal experience and close observation, the author describes how the peasants, led by the Chinese Communist Party, developed a class consciousness and, like a hurricane, destroyed the feudal forces which had ruled China's countryside for thousands of years, smashing the schemes of the landlords and local despots to spread rumours, slander innocent people, sow discord and even commit murder. Chou Li-po neatly portrays representative types of the various strata in the villages, and creates a number of new heroic characters.

410 pages

Cloth cover with dust jacket

Illustrated

LIU HU-LAN, Story of a Girl Revolutionary

by Liang Hsing

Liu Hu-lan was a young country girl who, during the anti-Japanese war, led the peasants of her village to fight stubbornly against both Japanese invaders and national traitors. The story of her indomitable, heroic death has inspired and educated the whole Chinese youth. Here the author warmly sings Liu Hu-lan's noble character as expressed by her patriotism and revolutionary heroism, and gives a detailed account of the process of her fast developing into an iron-willed revolutionary woman fighter under the edification of the Party and tempering of revolutionary fires. A comprehensive picture of her life and struggles may be discerned by the reader through this book.

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PEKING REVIEW

北京周报

(BEIJING ZHOUBAO)

A WEEKLY MAGAZINE OF CHINESE
NEWS AND VIEWS

July 21, 1961 Vol. IV No. 29

CONTENTS

ROUND THE WEEK	3
Variety Spices Progress; Raising Freshwater Fish; Brisk Home Trade; Salt Production Up; Healthy Summer	
ARTICLES AND DOCUMENTS	
There Is Only One China, Not Two — <i>Renmin Ribao</i> Editorial	5
The Sino-Korean Joint Communique	7
Vice-Foreign Minister Chang Han-fu's Speech	8
"Self-Management of Enterprises" in Yugoslavia: The True Picture — Liao Yuan	11
China's Glorious Revolutionary History — A Visit to the Museum of the Chinese Revolution (II)	14
Speeding Up Farm Mechanization — Hua Chin	19
ART	21
New Water-Colour Paintings	
SIDELIGHTS	22
CHINA AND THE WORLD	23
Iraq's National Day; Tunisian Friendship Delegation; Ties with Africa; With S.E. Asian Neighbours; U.S. Military Provocations	

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ROUND THE WEEK

Variety Spices Progress

As 1961 enters its third quarter the nation's steel industry can give the thumbs-up sign for the past six months of its drive for more quality steel and a bigger range of products. Last week more iron and steel plants across the country reported successes in this campaign.

Forty-two new varieties of rolled steel have been turned out since the beginning of this year by the steel mills of Kiangsu Province on the east coast. New products include high-pressure seamless steel tubing for the chemical industry and steel products for the making of farm equipment. This adds up to three times as many varieties as were produced in the same period last year.

The Taiyuan Iron and Steel Works, Shansi Province, produces a type of high grade steel that is indispensable to the machine-building industry. In the first four months of this year it produced more than half as much of this steel as in the whole of 1960.

Shanghai this year has been producing large quantities of seamless, corrosion resistant steel tubes which can withstand high temperatures and pressures. They are much needed for expanding the chemical fertilizer industry.

To meet the growing needs of the national economy, Shanghai's steel-makers are also turning out high-grade rolled steel for the first time in the city's history. The Shanghai Steel Tubing Mill produced only low-pressure tubes before; now it is making high and medium-pressure tubes in considerable quantities.

Raising Freshwater Fish

In Hupeh, Hunan, Kiangsi, Anhwei, Fukien and other provinces people's commune members are out on the rivers rounding up baby fish. Last week thousands of fishing boats in Hupeh Province were busily catching fish fry along the Yangtse. This is the fish fry season.

The section of the Yangtse from the Three Gorges down to Ichang is a major spawning area for black, grass

and silver carp and big head, for which the river is famous. Besides having the great Yangtse flow through its territory Hupeh has plenty of other rivers and lakes. This enables this central China province to provide 60 per cent of the fry needed by other parts of the country and plenty to spare for export.

Fry caught are shipped, in some cases by air, to fish ponds and reservoirs for rearing. Fukien Province, for instance, plans this year to raise fish fry in ponds, reservoirs and other waters with a combined area of more than 570,000 *mu*.

The building of great numbers of reservoirs, ponds and other water conservancy works in the rural areas have provided excellent facilities for a rapid expansion of freshwater fish-breeding in recent years. The country has expanded its freshwater fish breeding grounds by more than ten times since liberation. Many places which never raised freshwater fish before liberation have now taken up this occupation and are breeding fish in huge quantities.

Fuyuan County in northeastern Kiangsi is a typical case. People in this mountain region practically never bred any fish before. After the big leap work of 1958, it found itself possessed of many reservoirs; to make full use of them, the local people's communes imported some two million fish fry from the Yangtse River. Today the county has 104 fish-breeding farms not counting its reservoirs. Fish are being bred there on a total water area of 30,000 *mu*.

Fish from the Yangtse and other rivers are now thriving even up in the cold regions in the north and the northeast where fish-breeding was formerly believed to be impossible. The natural lakes in the desert area near Yulin, Shensi Province, are now being used to produce fish. Members of the local rural people's communes have found the 500 freshwater lakes here to be great assets. Since fish-breeding was first introduced in the region three years ago, 24 million fry sent from other parts of the country have been placed in the lakes. The

fish, which have survived the cold weather, are providing commune members with a sizable extra income.

Another development in freshwater fishery is the increasingly popular practice of rearing fish in rice paddies. Though an age-old practice dating back to the Three Kingdoms (220-280 A.D.) it was more or less limited to the mountain areas, but in recent years it has spread to the plains, from south to north, as far as Heilungkiang, China's northernmost tip. According to studies made by agricultural institutes, if handled properly, raising fish in the paddyfields benefits both rice plants and fish. An average increase of 5-10 per cent in the rice output is recorded in paddyfields where fish are allowed to sport. With this double benefit beckoning, more and more peasants are taking it up.

Brisk Home Trade

Reports from many cities show a rise in the curve of domestic trade. Sales are brisk both in town and countryside. Not satisfied with their achievements, trade personnel in many parts of the country are seeking still better ways to speed and enlarge the exchange of goods. To that end, representatives of general trading companies of such major industrial centres as Shanghai, Tientsin, Canton, Wuhan, Harbin and Nanking have been meeting recently to discuss how to improve arrangements for mutual exchanges of goods. Big transactions negotiated at these meetings have brought more goods onto the market to the gratification of consumers.

In the past three months, the Tientsin trading company has supplied provinces in northeast China and Inner Mongolia with over a hundred new varieties of goods. The company also made contracts with 23 areas to purchase their local products.

Promoting business in a go-ahead way, the trading organizations of this big north China industrial city have since April had their representatives out on the road armed with samples and trade information, visiting various provinces both to sell and buy. And they have done good business.

Local trade fairs held in Hopei, Hunan, Kiangsu, Kweichow and Yunnan Provinces have also helped a brisker trade between cities, towns and the countryside.

Salt Production Up

One of the sights of the airway from Shanghai north along the coast to Liaoning Province are the squares and oblongs of the salt pans by the sea where salt is got by evaporation. These coastal provinces north of the Yangtse River have just reported a 25 per cent increase in salt output in the first five and a half months of this year compared to the corresponding period of last year. These — Kiangsu, Shantung, Hopei and Liaoning Provinces — are the country's major salt-producing areas. They usually account for more than half of the national output of sea salt. By June 15, they had produced 85 per cent of their quota planned for this year. Hopei Province which alone

makes up roughly one-third of the nation's total annual output of salt has already produced its quota for 1961 and the quality is tip-top.

China's output of crude salt in the past three years has gone up on an average of around 20 per cent each year. Sea-water salt production continues to be the main source but in recent years there has been a big increase too in the output from saltwells and lakes and from rock salt deposits.

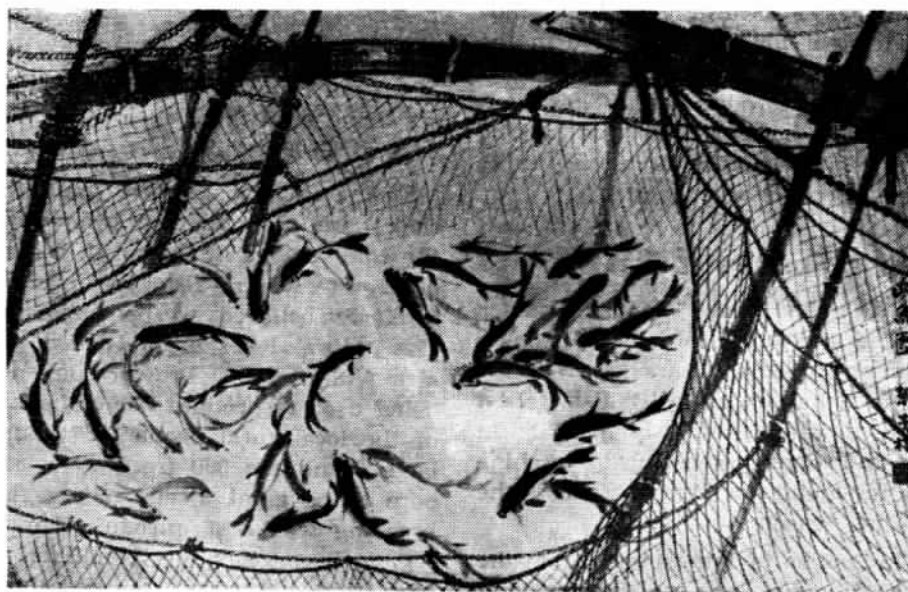
Healthy Summer

"One, swat that fly! Two, wash your hands before you sit down to a meal . . ." Schoolchildren in town and village chant the new "nursery rhymes" wherever they go. But these are more than songs, they are a mobilization call heralding the summer health campaign. Children and grown-ups alike, armed with flyswatters are laying into those little germ-laden public menaces wherever they appear. In a few days, the fly population, already low, has nosedived again.

House cleaning is, of course, a standing feature of the health campaign, summer or no summer. In some places in the Kwangsi Chuang Autonomous Region, for instance, the health-conscious people have cleaned their houses, polished their window panes and made everything spick and span three times already since the hot weather season set in. In Changchow, Fukien Province, 80 per cent of the population turned out in the recent drive to eliminate mosquitoes and flies, clear away garbage, fill up pools of stagnant water, etc.

Medical workers are alert to tackle seasonal diseases at their first appearance. "Prevention is better than cure" is the watchword. In Tientsin, they followed the mass line of work by making the rounds of the neighbourhoods teaching residents the ABC of how to keep fit in the summer time.

In Shanghai and other cities, special teams have been organized to check up on hygiene in the food industries, restaurants and public dining-rooms. In every city, cooling devices and air conditioning equipment have been installed in high-temperature workshops. The people are braced for the mid-summer heat waves.



Netting Fish

Painting in Chinese ink by Hu Chieh-ching

There Is Only One China, Not Two

The following is a translation of the "Renmin Ribao" editorial of July 14, 1961. Subheads are ours. — Ed.

THE Kennedy Administration of the United States, in pursuance of its "two Chinas" policy, is now playing a new trick—the so-called "successor state" formula.

According to the reports of U.S. papers and news agencies, the U.S. State Department, basing itself on the so-called "successor state" theory, holds that both the new China and the Kuomintang clique entrenched in Taiwan are "successor states" to China which joined the United Nations when that organization was founded. It therefore advocates that China's seat in the United Nations be divided into two, that the Kuomintang clique continue to usurp China's lawful seat while the People's Republic of China "apply" for admission to the U.N. In other words, it flagrantly attempts to create a situation in which "two Chinas" will exist side by side in the United Nations.

From One Blind Alley to Another

As everyone knows, since its inauguration, the Kennedy Administration has continued the Eisenhower Administration's policy of hostility towards the Chinese people. The heart of this policy is to continue the occupation of China's territory of Taiwan. To achieve this end, the Eisenhower Administration conceived the idea of legalizing the U.S. occupation of Taiwan by creating "two Chinas." What the Kennedy Administration is now after is to speed up the process of creating "two Chinas." Kennedy said before assuming power that "Formosa would be recognized as an independent country." Chester Bowles, now Under-Secretary of State of the Kennedy Administration, declared even more bluntly on November 11 last year: "In the long run we can only solve this situation in China through some kind of 'two Chinas' policy—that is an independent Formosa and an independent China." Since its inauguration, the Kennedy Administration's activities in creating "two Chinas" have become steadily more flagrant. The application of the so-called "successor state" formula, the proposition of arranging two seats for China in the United Nations, is a concrete step taken by the United States in its attempt to create "two Chinas" more directly and flagrantly.

The reason for the haste with which the United States is trying to create "two Chinas" is because its China policy is in a hopeless mess: up a blind alley that offers no way out. The U.S. Government's policy of "non-recognition" of New China, far from preventing New China from growing strong, or damaging her international prestige, has had the opposite results. Instead of

isolating New China, it has isolated the United States itself. This setting up of a handful of Kuomintang elements by the United States as the representatives of China has become a laughing stock of public opinion both inside and outside the United States. The United States is having an increasingly difficult time in the United Nations. The number of countries voting against U.S. obstruction to the discussion of China's representation has been increasing every year. The U.S. voting machine is getting more and more run down. Even Adlai Stevenson, U.S. representative in the United Nations, has lamented that "apparent support for our position has been declining in recent years" and that "it will become more difficult to keep Red China out of the organization." U.S. Secretary of State Dean Rusk, replying to correspondents on June 27, also admitted that "there is an increasing feeling in the United Nations . . . that this moratorium formula will no longer suffice to deal with the question." But, in spite of all this, the Kennedy Administration still refuses to give up its policy of deep-rooted hostility towards the Chinese people, its occupation of China's territory of Taiwan and its basic policy of aggression and threats against China. As the U.S. ruling circles see it, it won't do to recognize China and it won't do not to recognize it. They have got themselves into a fix. They look on the creation of "two Chinas" as a way of extricating themselves from this ever worsening predicament.

But in trying to find a way out through the policy of creating "two Chinas" the U.S. ruling circles will only be walking from one blind alley into another.

Only One China

There is only one China in the world and that is the People's Republic of China. Taiwan is an inseparable part of China's territory and is not a state. The Chinese people have, in revolutionary struggles, overthrown the Kuomintang's reactionary rule and built a new China. There has only been a revolution in China and there has been no splitting into two states. How then can the question of two "successor states" to China arise? The Kennedy Administration, single-mindedly racking its brains to fabricate a theoretical justification for its "two Chinas" policy, is unaware that it has landed itself in self-contradiction. So confused is Kennedy's logic that he is incapable of answering the question: Has or has not the Kuomintang regime of the old China been overthrown? If not, how does the question of "successor states" crop up? If it has been overthrown, how then can the Kuomintang clique which represents nobody become a "successor state" to China?

Still fresh in everybody's memory is the fact that Eisenhower and Dulles, in the earlier days of their power, utterly refused to recognize the existence of the Peo-

ple's Republic of China. In the later days of their rule, they regarded the Kuomintang clique in Taiwan as an "independent political entity"; in other words, they wanted to name it a small China so as to create a situation of a big China and a small China existing side by side. Kennedy is now attempting to name the Kuomintang clique a "successor state" to China in the United Nations so as to create a situation of two Chinas existing side by side and on a par with each other. Like its predecessor, the Kennedy Administration, while continuing to "recognize" on the one hand the Kuomintang clique discarded by the Chinese people, tries on the other to create "two Chinas." The only difference is that Kennedy's predecessor used the "half-and-half" division method to break China up into two, while Kennedy is using the "two-times-one-is-two" multiplication method to transform one China into two Chinas. Kennedy may think he is smarter than his predecessor, but his proposition, in fact, is more absurd. After all when was this other China suddenly dropped from the heavens, adding 9.6 million square kilometres of land and 650 million people to the earth? What else can this be if not day-dreaming?

No question whatsoever should ever have arisen concerning China's lawful right and place in the United Nations. China and the Soviet Union, the United States, Britain and France are all sponsors of the United Nations and permanent members of its Security Council. This question has arisen solely because the United States has shielded the Kuomintang clique which has been repudiated by the Chinese people, and has made it occupy China's place in the United Nations, thus depriving the People's Republic of China — the representative of 650 million people — of its lawful rights. There can be no question of China "applying" for admission to the United Nations; the only question is for the United Nations to expel the Kuomintang clique and restore to China its lawful rights and place. This just stand of the Chinese people is firm and unshakable and has won the sympathy and support of more and more countries.

The Kennedy Administration is well aware that the Chinese people are resolutely opposed to any plot to create "two Chinas." The idea of the so-called two "successor states" to China now publicized by the United States is obviously a sly trick. Should it agree to this idea, China would fall victim to the United States' "two Chinas" plot — this is exactly what the United States wants; and should this idea be categorically rejected by China, the United States could say with some show of plausibility: Look, it is not that the United States is blocking China's "admission" to the United Nations but that China itself does not want to enter the U.N. According to an AP dispatch of July 3, quoting a report of the diplomatic correspondent of the U.S. magazine *Newsweek*, the U.S. plan is as clear as noon day. Under-Secretary of State Chester Bowles, it is disclosed, has proposed to offer China a seat in the United Nations General Assembly, "on a par with Chiang Kai-shek's Nationalists." But should China refuse Bowles' two Chinas proposal, this would at least remove from the U.S. the onus of blocking her "admission." But how can such a clumsy U.S. trick deceive anybody? The absence of the lawful representa-

tive of China in the United Nations is, of course, a disgrace to the United Nations Organization. It merely shows that the United Nations is still under the control of a U.S. dominated majority. As long as this absurd situation remains unchanged, the United States cannot absolve itself of its criminal responsibility for violating the U.N. Charter and depriving China of its lawful rights in the United Nations.

"Two Chinas" — A Mere Illusion

The U.S. plot to create "two Chinas" has not only met with the firm opposition of all the Chinese people including the people in Taiwan, but has also aroused strong reactions among the authorities in Taiwan. The authorities in Taiwan have of late openly declared that they would resist the United States' "two Chinas" policy. The press of the authorities in Taiwan has said: "If we yield on every point and dare not make even a slight resistance, [it is likely that] we will become a dependency of others." In fact, the present danger is far more serious than the question of "becoming a dependency." The U.S. plot to create "two Chinas" is, in fact, an important step to put Taiwan into its pocket completely. As is generally known, the United States has long planned to turn Taiwan into a so-called "independent country" or place it under international trusteeship. The recent big U.S. efforts to win over Liao Wen-yi, a diehard traitor, to engineer a "Taiwan independence movement" are part of this plot.

If the authorities in Taiwan continue to live under the thumb and the dictates of others, they will eventually be thrown overboard by them. Patriotic compatriots in Taiwan, like all patriotic Chinese, are resolutely opposed to any plot of creating "two Chinas." As for the authorities in Taiwan, so long as they consider their own future and weigh the pros and cons, they will not fail to see that to follow the "two Chinas" policy of U.S. imperialism is tantamount to digging their own graves. It is true, of course, that there is a handful of extremely pro-U.S. traitors in Taiwan who overtly or covertly follow the U.S. policy of creating "two Chinas" in a vain attempt to sever Taiwan from the motherland. All those who participate in these conspiratorial activities and favour "two Chinas" will be condemned by posterity as arch criminals betraying their motherland. They can never escape the severe punishment that will be meted out to them by the Chinese people.

The "two Chinas" policy of the United States is a continuation of the U.S. policy of aggression and hostility towards China. It is essentially an attempt to occupy China's territory of Taiwan permanently and a threat to the security of China and the peace in Asia. Therefore, anyone who has national self-respect and cares for peace in Asia will firmly oppose, as the Chinese people do, this criminal policy of the United States. There is only one China. Taiwan is China's territory. The Chinese people are determined to liberate Taiwan. They will never tolerate any interference in China's internal affairs, any encroachment on China's sovereignty or the splitting of China's territory. The attempt of any state or person to create "two Chinas" in whatever way and under whatever circumstances will only be an illusion that can never be realized.

The Sino-Korean Joint Communiqué

The Korean Party and Government Delegation headed by Kim Il Sung, Chairman of the Central Committee of the Workers' Party of Korea and Premier of the Cabinet of the Democratic People's Republic of Korea, arrived in Peking on the 10th of this month for a friendly visit at the invitation of the Central Committee of the Communist Party of China and the Government of the People's Republic of China. The delegation left China for home on the 15th.

During their stay, the delegation visited Hangchow where they met Mao Tse-tung, Chairman of the Central Committee of the Communist Party of China. The delegation also held cordial and friendly talks with a Chinese Party and Government Delegation headed by Liu Shao-chi, Vice-Chairman of the Central Committee of the Communist Party of China and Chairman of the People's Republic of China. They discussed the question of further consolidating and developing the friendly relations between their two countries and also major current international problems. A Sino-Korean Treaty of Friendship, Co-operation and Mutual Assistance was signed on the 11th. A Sino-Korean joint communiqué was issued on the 15th. Following are the main points in the communiqué. — Ed.

IN accordance with the principles of Marxism-Leninism and proletarian internationalism and on the basis of mutual respect for state sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and mutual assistance and support, the two parties signed a Treaty of Friendship, Co-operation and Mutual Assistance between the People's Republic of China and the Democratic People's Republic of Korea. The two parties agreed that the signing of this treaty was an important new milestone in the development of friendly relations between the two countries. This treaty will effectively safeguard the peaceful construction of the two countries, promote a common upsurge in their socialist cause, and help preserve Asian and world peace.

During the talks, the two parties reaffirmed that they would remain consistently and unswervingly faithful to the Declaration of the 1957 Moscow Meeting and the Statement of the 1960 Moscow Meeting, strengthen the unity of the socialist camp and of the international communist movement and, together with all the peace-loving people of the world, strive for peace, democracy, national liberation and socialism. The two parties were of the common view that modern revisionism represented by the leading group of Yugoslavia was the main danger to the present international communist movement, and that a resolute struggle must be waged against it.

The two parties pointed out that China and Korea consistently pursued a foreign policy of peace, and made unremitting efforts for the realization of peaceful co-existence among nations with different social systems and the relaxation of international tension. The two parties pledged active support to the peace proposals of the Soviet Union on general disarmament, the prohibition of nuclear weapons and the conclusion of a peace treaty with Ger-

many; they held that the conclusion of a peace treaty with Germany and the normalization of the situation in West Berlin would be important measures in solving the post-war problems in Europe and safeguarding peace in Europe and the world.

The two parties pointed out with stress that U.S. imperialism, the common enemy of the people of the world, is stepping up in an all-round way its aggressive activities and war preparations. The United States is energetically fostering militarism in West Germany and Japan, which are being turned into two dangerous sources of war in the West and the East. The danger of a new world war at the instigation of the forces of war headed by U.S. imperialism still exists, and the people of the whole world must continue to maintain a high degree of vigilance.

The two parties expressed resolute support to the just struggles against imperialism and colonialism and for independence and democracy waged by the broad masses of the people in Laos, southern Viet Nam, Japan, Algeria, the Congo, Angola, Cuba and other countries in Asia, Africa and Latin America.

The two parties strongly condemned and expressed resolute opposition to the aggressive crimes of U.S. imperialism in forcibly holding the southern part of Korea and China's territory of Taiwan. The Chinese Government and people fully support the propositions of the Korean Government for the peaceful unification of Korea; they resolutely support the Korean people in their struggle against U.S. imperialism and its running-dogs. The Korean Government and people consistently support the Chinese people in their struggle to liberate Taiwan; they are resolutely opposed to the U.S. imperialists' occupation of Taiwan and their scheme to create "two Chinas." The two parties expressed the firm belief that the aspiration of the Korean people for the peaceful unification of their fatherland and the aim of the Chinese people to liberate their own sacred territory of Taiwan would certainly be realized.

During the talks, the Chinese side highly praised the outstanding contributions made by the Korean Workers' Party in defending Marxism-Leninism and strengthening the unity of the socialist camp; it expressed sincere admiration for the revolutionary enthusiasm displayed and the great achievements scored by the industrious and courageous Korean people in their socialist construction under the wise leadership of the Korean Workers' Party and Government headed by Comrade Kim Il Sung. The Korean people are standing steadfastly on guard at the eastern front of the socialist camp and giving powerful support to the revolutionary struggle and construction work of the Chinese people. For this, the Chinese people expressed their heartfelt gratitude.

The Korean side highly praised the great achievements won in socialist construction by the great Chinese people, rallied around and under the wise leadership of the Chinese Communist Party headed by Comrade Mao Tse-tung.

The achievements of the People's Republic of China in socialist construction have further strengthened the

socialist camp and are a great inspiration to the peoples of various countries struggling for peace, national independence and social progress.

The Korean side expressed once again its sincere gratitude to the fraternal Chinese people, who not only supported the Korean people with blood in their war to liberate their fatherland, but also continued to give them enormous material and spiritual aid since the war, and who consistently supported them in their struggle for the peaceful unification of Korea.

The Chinese Government and people warmly hailed the Treaty of Friendship, Co-operation and Mutual Assistance signed between the Democratic People's Republic

of Korea and the U.S.S.R. and considered that the relations of friendship, co-operation and mutual assistance between the Soviet and Korean peoples and between the Chinese and Korean peoples sealed by the treaties fully conformed to the fundamental interests of the peoples of the three countries and were helpful to the cause of world peace and human progress.

During the talks, the two parties exchanged their experience in socialist construction. They expressed their satisfaction at the continuous consolidation and development of the relations of friendship and co-operation between the two countries and their readiness to exert their utmost to continue to strengthen the fraternal friendship, mutual help and co-operation between the two countries.

The Enlarged Geneva Conference

Vice-Foreign Minister Chang Han-fu's Speech

In his statement at the July 14 session of the enlarged Geneva Conference, Vice-Foreign Minister Chang Han-fu, Acting Head of the Chinese Government Delegation, denounced the United States for continuing to stir up trouble on the question of procedure. He called on the conference to discuss first things first. He reiterated that the question of recognizing and respecting the independence and neutrality of Laos should be discussed first, and the question of control next.

Following is the text of his statement. Subheads are ours. — Ed.

Mr. Chairman,

After hearing the statements made by the U.S. delegates and some other delegates supporting the United States, I would like to make some more remarks on the question of procedure for our conference.

A Big Step Backward

First of all, I cannot but say frankly that, after repeatedly studying Mr. Steeves' statement of July 4 and Mr. Harriman's statement of July 11, I am still not quite clear about what exactly the U.S. delegates are proposing. In his statement Mr. Steeves seemed to suggest that it would be meaningless for our conference to discuss the documents on respecting the independence and neutrality of Laos, for according to him even the American Declaration of Independence itself was quite meaningless. Mr. Harriman did not make statements to the same effect, nevertheless, I am none the clearer about what exactly the U.S. delegate proposes our conference should do next. It seems that the U.S. delegate is not against our conference proceeding to the discussion of the specific documents, and yet he insists that this has to be preceded by the discussion of the question of the powers and equipment of the International Commission for controlling the cease-fire and of the question of the withdrawal of foreign troops from Laos. Mr. Chairman, I wish to point out that such position taken by the U.S. delegates shows a big step backward from their past stand.

As is well known, the U.S. delegate supported the French proposals, and furthermore he also proposed articles supplementing the French document on control. Let us see what was the position taken by the U.S. delegate at that time.

On June 15, Mr. Harriman told all of us in the council chamber downstairs, and I quote: "We have studied with care both the Soviet and the French drafts. We have listened with considerable interest to the suggestions made by the distinguished delegate from India. On the basis of these discussions and these studies, we are fully prepared to enter into detailed drafting work on a paragraph-by-paragraph, line-by-line, word-by-word basis. In our opinion the proposals which have been submitted by Ambassador Chauvel and the French delegation are thoughtful, constructive documents which should constitute the basis for our work."

The French draft, or the American-French draft, is an integral whole which includes the declaration on neutrality by Laos, the declaration by the participating nations in response to the declaration on neutrality by Laos and the protocol on control. Since the U.S. delegate agrees to taking the French draft as the basis and is ready to discuss this draft paragraph by paragraph, line by line, word by word, how can he object to beginning the discussion with the question of undertakings to respect the neutrality of Laos? Nevertheless, Mr. Steeves asserted that the question of the neutrality of Laos is a hypothetical one, that the discussion on this question will be

a sort of philosophical discussion and that the proposal to discuss this question first is a plot. Mr. Chairman, I would not like to use sharp words here, but I cannot but point out that what Mr. Steeves did here was patently wilful trouble-making.

New Artificial Obstacles

Of course, on the other hand, the position of the U.S. delegates and some other delegates who support the United States that the question of restoring peace to Laos should be discussed first and then the question of the neutrality of Laos can come after is not a novel one. As you will recall, the opening of our conference was postponed four days owing to the so-called question of the effective cease-fire in Laos. After the conference was opened, the U.S. delegate Mr. Dean Rusk again raised this question in his first statement. Subsequently, on the same issue, the U.S. delegates and some other delegates supporting the United States most unjustifiably boycotted our conference, thus wasting about a week's time of the conference. Now, what is strange is when all of us acknowledge that the cease-fire in Laos is more stable than in the previous period, the U.S. delegates have once more introduced the question of restoring peace to Laos to obstruct the progress of the conference. Is it really that some serious military conflicts are going to take place in Laos again? No. To date reports from the International Commission have all indicated that the state of the cease-fire in Laos is good, and is in the process of becoming better. The U.S. delegates have raised this question not because the situation in Laos is deteriorating but precisely because the situation in Laos is improving, and especially because the three Laotian princes have reached explicit agreement in their Zurich talks. In his July 3 statement, Minister of Foreign Affairs Chen Yi of our country has already pointed out that Washington quarters were very much dissatisfied with the Zurich communique. Since then, the Zurich communique has been subjected to continued censures and oppositions. Indeed, our conference should have made greater progress. However, contrary to one's expectations, our conference not only has failed to make progress but has met with some new artificial obstacles. The United States neither would like to see that the three political forces in Laos form a coalition government strictly in conformity with the Zurich agreement, nor would it like to see that our conference, in the light of the policy of neutrality of Laos stipulated in the Zurich communique, arrive at an agreement to recognize and respect such a policy. This is the crux of the problem.

The position of the U.S. delegates is entirely untenable. The U.S. delegates and other delegates who support the United States hold that our conference should first of all discuss the question of the International Commission's powers for supervision and control over the cease-fire in Laos. They hold that our conference should give the International Commission unrestricted powers for conducting activities and free inspections everywhere. The Chinese delegation has repeatedly demonstrated that the present war in Laos differs from the war in 1954, and it is a domestic war. As the war was fought and the fire ceased by the Laotians themselves, the International Commission's terms of reference for control of the cease-fire in Laos can only be determined by the

belligerent parties in Laos. The directive to the International Commission dated May 5 from the two Co-Chairmen of the Geneva Conference has this principle as its starting point. It is the principle of respect for the sovereignty of Laos and is the only practicable principle in the present circumstances. This position of ours has been supported by many delegations. Not a single delegation has been able to offer any convincing argument against it. It is welcome that Mr. Phoui Sananikone, delegate from Vientiane, has come at last to take part in our conference. But it is regrettable that he, probably owing to inadequate knowledge of the proceedings of our conference at the previous stage, repeated yet once again the view that it would do no harm to sacrifice a little the sovereignty of Laos. Mr. Quinim Pholsena and Mr. Phoumi Vongvichit have rightly pointed out that this position of Mr. Phoui Sananikone thoroughly runs counter to the Zurich agreement between the three princes. Since the Vientiane authorities formally agreed to the Zurich communique on July 4, it seems that the delegate from Vientiane has the obligation to be bound by that communique.

As regards the question of equipment for the International Commission, it is entirely an artificially created problem. As the Indian delegate Mr. Lall pointed out in his statement of July 11, a unanimous rational resolution to this problem had already been found after consultation between the delegates of the three countries on the International Commission and the two Co-Chairmen. However, the Canadian delegate abused his veto power, unjustifiably upset the unanimous agreement and raised once again this question at our conference, and he was supported by the U.S. delegate. Up till now, we



His Speech Goes Round and Round

Cartoon by Chih Feng

still do not understand why it has to be insisted that the International Commission should use the equipment offered by the United States and France, since the parties concerned in Laos have already agreed to provide the International Commission with the necessary equipment. There has been endless talk here by some people about helicopters, we cannot see what wonders helicopters provided by the United States can work, and what good the use of them will bring to the cease-fire in Laos. We completely agree with Mr. Lall in his appeal on this question and earnestly hope that the appeal will be responded to as it should be.

Withdrawal of Foreign Troops from Laos

As to the withdrawal of foreign troops from Laos, this is precisely a question we want to discuss. The Zurich communique has the following explicit provisions: "Not to allow any foreign interference in the internal affairs of Laos in any form whatsoever, to require the withdrawal from Laos of all foreign troops and military personnel, and not to allow any foreign troops or military personnel to be introduced into Laos." The draft of the Soviet Union proposes that the participating countries undertake "not to allow the presence in Laos of any foreign troops or military personnel . . ." and that "all foreign troops and military personnel now present in Laos shall be withdrawn within a specified period." Clearly, our proposal that the neutrality declaration should be discussed first by no means excludes the discussion on the withdrawal of foreign troops and foreign military personnel. However, Mr. Steeves has asserted that our proposal to discuss the neutrality declaration constitutes an evasion of the discussion on the withdrawal of foreign troops, trying to make it appear that the socialist countries were afraid of discussing that question. This is entirely groundless. We put forward the question at the outset of the conference and have since then repeatedly pointed out that this question should be discussed. The United States has indicated its readiness to withdraw from Laos its troops and military personnel. Looking at the surface, this is, of course, to be welcomed. But the question is not simple like that. In Laos there is a remnant Chiang Kai-shek force of several thousand strong, which is the biggest foreign force there under U.S. support. The Chinese delegation firmly holds that our conference must settle this question. The U.S. delegate, however, has so far kept complete silence upon this grave issue, but has falsely accused the socialist countries of having military units in Laos. This makes one doubt whether the United States has the sincerity at all to withdraw from Laos its troops and military personnel. While we resolutely hold that the question of the remnant Chiang Kai-shek troops in Laos should be settled, we do not think that agreement on this specific question is a pre-condition for the discussion on the neutrality declaration. Rather we think that, in the process of the discussion on the neutrality declaration, an agreement in principle on the question of the withdrawal from Laos of all foreign troops and military personnel should be reached and then, as provided in the second Soviet draft, the specific questions of the implementation of the agreement in principle should be discussed. This is logical. For without first reaching an agreement in principle on the withdrawal of foreign troops, how could the specific question of the

withdrawal of foreign troops be tackled? We don't know what exactly are the concrete views of the U.S. delegate on this question. If the withdrawal of foreign troops be made a pre-condition for the discussion on the declaration on the neutrality of Laos, if it be held that only when foreign troops are withdrawn from Laos can the question of the neutrality of Laos be discussed, then, I think, no possible consequence will come out of insistence on such a stand other than a prolonged stalemate for our conference.

The proposition of the U.S. delegate is unjustifiable, and therefore we cannot agree to it. The question before our conference is, shall we enter into a specific discussion on the question of undertaking to respect the neutrality of Laos or shall we not enter into such a discussion? We hold that, with the agreement reached by the three princes at Zurich, we have the conditions for, and we should engage in, such a discussion. The U.S. delegates and some other delegates supporting the United States are against such a procedure. This question was most simple in the first place, and it should have been very easy to make a decision on it. Mr. MacDonald, the British delegate, put forward a compromise proposal in which he suggested that we discuss the question of neutrality one day and the question of control the next. We understand the point of the British delegate in doing so, and we also agree that under certain conditions compromise is necessary. But just as pointed out by my Polish colleague, the British proposal cannot be considered as a compromise proposal. The Indian delegate in his statement yesterday also pointed out that the British proposal was not practical. We fully agree to their views.

First Things Should Come First

A certain delegate echoed the U.S. point of view, and called our proposal dangerous. I would like to ask you all to consider calmly what dangers there can be in our proposal. We all agree that we shall discuss the question of Laotian neutrality and the question of the terms of reference for the International Commission, and this is the order in which all our respective drafts have been put forward. Our proposal is but to discuss first the question of recognizing and respecting the independence and neutrality of Laos in accordance with the nature of the question itself. What plot can there be behind this? In his statement yesterday, Mr. Krishna Menon, the Indian delegate, eloquently demonstrated that the question of undertaking to respect the independence and neutrality of Laos should be discussed first and the question of control after that. In his statement today, the delegate of Burma, Mr. James Barrington, has also made the same point. The recognition of and respect for the independence and neutrality of Laos is the main question before us. Without discussing this question, how can the question of control come up? Without an agreement reached on the withdrawal of foreign troops and military personnel from Laos, how can the question of supervision and control on the withdrawal of foreign troops and military personnel be discussed? What is more, the three Laotian princes have already reached an explicit agreement on the policy of peace and neutrality for Laos, and the substance of this neutral policy is clear and explicit.

Therefore, we are fully provided with the conditions for engaging in discussions on an undertaking to respect such a policy and reach an agreement. What reason is there for us not to do so?

Worries Unwarranted

Some people fear that once the question of Laotian neutrality is discussed and an agreement reached, there would be the danger of the question of control not being discussed. Such worries are totally superfluous. Our proposal merely concerns an order of discussion. The question of neutrality and the question of control are different in that one is of primary and the other of secondary importance, but they are also inter-connected. How is it conceivable that there would be no discussion on the question of control once an agreement is reached on the question of neutrality? Again, how is it conceivable that things can be wound up merely upon agreement on the question of neutrality and not on all the questions? Everyone knows that only when agreement is reached on all the questions shall we sign on these documents. This is but a question of common sense. In his statement of July 3, our Foreign Minister Chen Yi fully explained this point. The Soviet Co-Chairman in his statement of July 10 further made a detailed exposition of this point. It is totally without ground to have any further doubts on this question.

Mr. Chairman, procedural questions are after all procedural questions and are not questions of substance. I believe that there will be a settlement of this question. But the argument over the past ten days have made me deeply feel that, so long as there is one country among us which lacks the sincerity to reach agreement, any

small question but the size of a sesame seed can be swelled up into a huge problem as extensive as the skies, and thereby preventing our conference from moving forward even a single step. Since the opening of our conference, we have gone through the so-called question of an effective cease-fire, the so-called question of the representation of Laos, and the so-called question of Padong. None of these questions should have affected the work of our conference. Our conference, however, has wasted a great deal of time on them. The debate over the question of procedure could also have been avoided, yet we again wasted nearly two weeks on this question. If it goes on like that, who can assure that, after the settlement of the question of procedure, some other question would not crop up in our conference?

The U.S. delegates have time and again expressed the desire for a peaceful settlement of the Laotian question. From President Kennedy to Senator Humphrey of the United States have all repeatedly indicated that the United States would like to see an independent and neutral Laos. But words alone will not suffice, we want to see deeds to follow. It would be very difficult not to question one's sincerity for reaching agreement if one avows willingness for reaching agreement on the one hand while engaging in continuous obstructions on the other. Mr. Chairman, although our conference has already encountered various obstacles and will encounter obstacles of one kind or another hereafter, yet we believe that given the sincere desire to reach agreement, these obstacles can be overcome and we can, and have to, reach an agreement. We sincerely hope that the U.S. delegates will seriously review their position.

Thank you, Mr. Chairman.

"Self-Management of Enterprises" In Yugoslavia: The True Picture

by LIAO YUAN

Following is an abridged translation of an article published in "Hongqi" (No. 11, 1961), fortnightly of the Central Committee of the Chinese Communist Party. Subheads are ours. — Ed.

SO-CALLED "self-management of enterprises" has been carried on by the Tito clique of Yugoslavia for more than ten years. In Yugoslavia the socialist planned economy has practically been abolished and formerly state-owned factories and mines, transport and communications, trade, agriculture and forestry, public utilities and enterprises of other branches of the national economy have been placed under the "independent" management of the so-called "working collectives" in the enterprises concerned (through "workers' councils" and "administrative committees"). Every enterprise arbitrarily determines the output, variety and prices of its products according to the supply and demand situation in the market; it buys raw materials and sells its products on the domestic and foreign markets on its own; it alone decides on how profits and

wages are distributed and bears sole responsibility for its gains or losses.

This economic policy of the Tito clique has its own "theoretical" basis, that is, the revisionist theory that a socialist state and particularly its economic functions will wither away during the transition period. The Tito clique slanders the dictatorship of the proletariat and the management of economic affairs by the socialist state as "bureaucracy," and socialist ownership by the whole people as "state capitalism." It asserts that the withering away of the economic functions of the state should start immediately, and that a so-called "higher, thoroughly socialist relationship" and a so-called "genuine economic democracy" should take its place. It claims that "self-management of enterprises" represents such a "higher, thoroughly socialist relationship" and "genuine economic democracy" and is "the only correct way for the withering away of the economic functions of the state."

This economic policy of the Tito clique is determined by its general political line. This is the reactionary line

which has caused the entire social system of Yugoslavia to degenerate into capitalism.

The Tito clique has always described this revisionist twaddle as a new development of socialism. In his message of November 1960 commemorating the 15th anniversary of the founding of the Federal People's Republic of Yugoslavia, Tito said that the carrying out of "self-management of enterprises" had made "great contributions to the further development of the general theory and practice of socialism." Actual economic conditions in Yugoslavia, however, are a direct slap in the face for the Tito clique.

Bosses in Enterprises Have Final Say

As a matter of fact, the Tito clique's so-called handing over of enterprises to the workers for management merely empowers a handful of bosses in the enterprises to control the management and administration of those enterprises. The broad masses of the workers, on their part, are often unjustifiably deprived of their right to work, not to speak of having the right to administer the enterprises. S. Vukmanovic, leader of the Confederation of Trade Unions of Yugoslavia, admitted in a speech at a trade union meeting in January 1960 that bureaucracy, nepotism and corruption prevailed in Yugoslav enterprises, and that many workers got sacked merely because they criticized leading personnel of the enterprises. In a speech made in June 1959, Tito himself had to admit that in the eyes of the leaders of enterprises, "the handing over of the management of the enterprises to the workers was merely something theoretical and nominal." "Actually, those who made decisions there were individuals."

The distribution of income in the enterprises also clearly shows up the hypocrisy of this so-called "economic democracy." Wage regulations laying down the criterion of distribution are drawn up by a small number of leading members of the enterprises; the workers have no say in them. According to Yugoslav press reports, when the various enterprises drew up new wage regulations in 1959, all the leading personnel of the enterprises took the opportunity to increase their own salaries. They got far bigger pay increases than the workers. In some areas the pay increase for a manager almost equalled the total wages of two skilled workers. Some departments only increased the salaries of a few leading members but not the workers' wages. In addition to higher salaries, leading personnel in enterprises have the privilege of using the public funds of enterprises for foreign travel and receiving bigger bonuses and allowances. So their real incomes are far greater than their nominal salaries and this enables them to lead a particularly well-to-do life.

Cutthroat Competition

In essence, the Tito clique's "self-management of enterprises" means regarding profit-making as the highest criterion of the economic activities of an enterprise, and so-called "material incentives" as the sole motive force promoting its economic activities. It encourages the capitalist way of management and advocates capitalist free competition in which the weak are squeezed out by the strong and the small swallowed up by the large.

Under the Tito clique's system of "self-management" any enterprise which succeeds in beating its rivals on the market and raking in bigger profits is rated as a "success-

fully" managed enterprise. Cutthroat competition among enterprises is the common practice in Yugoslavia.

This keen competition among the enterprises has caused man-made damage to production. Three machine-building works, Ivo Lola Ribar, Djuro Djakovich, and Jedinstvo, in 1959 jointly contracted to produce equipment for five sugar refineries. Each of the three sought to make the maximum profit out of this deal. A good six months were wasted in squabbles about how to allocate the job among themselves. As a result, production of the equipment for the refineries was delayed and the five sugar plants were commissioned a year later than originally planned. For fear of competition from their rivals, enterprises keep trade secrets to themselves and refuse to pass on technical know-how to others. The Yugoslav *Borba* reported on June 13, 1959, that two years after being put into operation, the Proletarian Rug Factory in Zreljanin was still unable to produce terry velvet up to standard because it had not yet mastered the necessary technique. It asked a plant in Ljubljana producing decorative fabrics to allow its workers to be trained there or co-operate in production, but this request was turned down and the rug factory had to send its personnel to learn the necessary technique in foreign factories.

As regards relations between enterprises engaged in supplying raw materials and those engaged in processing, the former, hunting profits by every means, often deliberately raise prices, provide substandard goods, delay deliveries or refuse orders for supplies. This makes it impossible for the enterprises engaged in processing to fulfil their production plans and even compels them to halt production. The Yugoslav *Vjesnik* of July 10, 1960, reported that shipbuilding enterprises in Yugoslavia had "extraordinary difficulties" with the hundreds of firms with which they co-operated because the raw materials or manufactured parts supplied by the latter were often "late in arriving, failed to meet specifications and were charged for at high prices." As a result, the launching of the *S.S. Opatija* was delayed one year. *Borba* of January 11 and 24 this year reported that the Krschko Factory had stopped producing standard rotary paper because of the shortage of wood-pulp. Although the firms producing wood-pulp had large stocks, they refused to sell, waiting to get still higher prices; as a result, "no one could tell when the Krschko Factory would start production again."

Sharp competition is also widespread within communications and transport departments, commercial and foreign trade departments and between different economic departments. There are cases of several bus companies operating on the same routes, each setting up its own stations and booking offices and charging different fares. Similar practices also prevail in Yugoslavia's overseas transport. Two shipping companies, for instance, operate on the same sea route to the United States. One company uses such methods as calling at fewer ports on the way and speeding up the voyage to take business out of the hands of the other. In commercial departments, shops in the same district charge different prices for the same commodity in order to attract customers. Many enterprises in Yugoslavia engage in the import and export trade by themselves. They also compete with each other on the foreign market. In order to reap super-profits, Yugoslav commercial departments make no bones about importing from foreign countries those industrial goods

which Yugoslavia's industrial departments themselves can supply; they also try to squeeze out home products from the market and undercut the industrial departments of their own country. Industrial and commercial departments in Yugoslavia even sling mud at each other by advertising in newspapers, broadcasting and distributing posters.

Frantic Profiteering

Under the system of "self-management of enterprises" carried out by the Tito clique, many enterprises, on the lookout to grab fabulous profits, engage in frantic profiteering on the market, unscrupulously raising commodity prices, and so harming society as a whole. The Yugoslav weekly *Nedelne Informativne Novine* of June 5, 1960, reported that as a result of increased state investments in building projects, a wave of frantic profiteering activities "swept the market of building materials" and "cunning merchants found it a good opportunity to do good business." Many enterprises scrambled for and stocked up building materials, causing a serious shortage of such materials on the market. Departments producing these materials immediately took this opportunity to raise prices and the commercial departments followed suit. As a result, timber prices rose by 100-150 per cent and the price of structural steel increased by two-thirds. Some enterprises which were never in this line of business before have also tried their hand at it and fished in the troubled waters by setting up "agencies" dealing in building materials. "By using a number of middlemen, they could usually rake in enormous profits merely through talks on the telephone."

The sharpening rivalries and selfish strife among enterprises are vividly reflected in the increasing number of economic disputes. According to data published by the Yugoslav press, the number of cases of economic disputes handled by the economic courts of the country is increasing every year. There were more than 106,000 such cases in 1953. By 1959, the number had risen to 380,000. Many enterprises have spent large sums of money on lawsuits. In one year, the building enterprises of the Republic of Serbia spent more than 250 million dinars in this way. Since May 1960, in pursuance of its policy of currency deflation, the Tito clique stopped issuing loans to enterprises to be used as circulating funds. As a result, enterprises have run into difficulties with the turn-over of their capital and there has been an enormous increase in the number of disputes about debts.

In 1958, the Tito clique promulgated a "Law on Economic Associations," which stipulates that enterprises may organize "business associations," "jointly producing and marketing certain products," and "jointly purchasing raw and other materials." Miha Marinko, Member of the Executive Committee of the League of Communists of Yugoslavia, admitted that such "economic associations" were intended to "imitate capitalism in concentrating capital in monopolistic concerns and cartels." According to Tito, this could "shut the doors to all unhealthy competition, narrow-minded viewpoints and the interests of provincialism." As is well known, in a modern capitalist state, free competition leads to monopoly; this cannot eliminate competition but merely enables competition to develop more fiercely on a new basis. This is exactly what has happened in Yugoslavia. Eight tobacco factories and some 40 wholesalers of processed tobacco prod-

ucts, for instance, organized a "business association" in 1959. It was stipulated that the participants could obtain raw materials and market their products only through the commercial organization under this "business association"; it also fixed the scope of production for each participant. Consequently, three tobacco factories which did not participate in the "association" were seriously discriminated against: their products could be sold only in Macedonia and nowhere else.

The Tito clique has all along boasted that "self-management of enterprises" can help develop production in the best way and create a force for promoting the growth of production which cannot be achieved by any "state control" and "administrative intervention." But, what is the real situation as regards the economic development of Yugoslavia?

Subject to Capitalist Economic System

Under the rule of the Tito clique, the Yugoslav economy is being subjected more and more to the economic system of the capitalist world. The Yugoslav market is flooded with U.S., West German and Italian goods; Yugoslavia's domestic industry is being dealt ever heavier blows and is being squeezed out. A large proportion of the industrial enterprises in Yugoslavia has practically been turned into assembly shops for foreign capitalist monopoly enterprises, carrying on production by buying licences to imitate industrial products from the capitalist countries and by importing semi-manufactured products and spare parts from these countries. An article carried by *Borba* of May 29, 1960, lamented that Yugoslav industry was "an industry without inventors" and was "content with carrying on production according to foreign licences."

The figures on the expansion of Yugoslav industry, so frequently trotted out by the Tito clique, are to a large extent dependent on imperialist investments and on imports of semi-manufactured products and manufactured parts from foreign countries. The Yugoslav press disclosed that in the first four months of 1960, most of the products of the electrical engineering industry, the industry with "the fastest rate of growth," were turned out by increasing imports of manufactured parts and spare parts, and held that "this situation also applied to other departments" (*Borba*, May 24, 1960). Most pharmaceutical plants "engage in processing imported pharmaceuticals or merely changing the wrapping paper of imported drugs; they make their own drugs only on a very limited scale" (*Borba*, March 8, 1960). Heavy imports have caused enormous foreign trade deficits. To make good these deficits, the Tito clique relies entirely on begging "aid" and loans from the imperialist countries. Whenever foreign exchange difficulties occur, those enterprises whose production depends on imported manufactured parts have to reduce production, stop work or close down altogether.

Commodity "Surpluses,"

Closures of Plants and Unemployment

Phenomena characteristic of a capitalist society — commodity "surpluses," the closing of enterprises and large numbers of unemployed workers — frequently occur in Yugoslavia, which the Tito clique claims to be a "socialist country." Although the living standards of the broad masses of working people in Yugoslavia are very

low, there are large quantities of "surplus" goods. Enterprises generally sell their "surplus" goods on credit. Many enterprises, with large stocks of unsalable products on their hands are forced to curtail production. Some even resort to the destruction of large quantities of commodities in order to maintain high prices. According to a report of the Yugoslav *Vjesnik U Srijedu* of August 19, 1959, certain farms and commercial enterprises dumped tons of vegetables and other farm produce in the rivers in order to "maintain their high prices on the market."

Some enterprises, squeezed out by their rivals in competition, were unable to make a profit, had no money to pay taxes, repay bank loans or pay the wages of their workers and finally had to shut up shop. *Svet*, a supplement to the newspaper *Oslobojenje*, reported on February 23, 1959, that 2,000 enterprises had folded up in four years. According to data published in the first ten issues of *Bulletin of the Federal People's Republic of Yugoslavia* of this year, 118 enterprises closed down in the period from January 11 to March 15.

Unemployment among workers is very serious. The ranks of unemployed are expanding every year. According to data published in *Indeks* (No. 5, 1960), the number of unemployed was more than 67,000 in 1955, close to 100,000 in 1956, more than 115,000 in 1957, 132,000 in 1958, more than 161,000 in 1959 and rose to more than 216,000 in February 1960. The Yugoslav press reports that unemployment among the Yugoslav workers continues to increase at the present time. So-called "labour surpluses" have appeared in every enterprise, and "there is no way out other than dismissals."

All these economic difficulties in Yugoslavia have been entirely created by the Tito clique itself; they are the result of the fact that that clique has taken Yugoslavia out of the orbit of socialism, dragged it onto the road of capitalism and placed it in subservience to imperialism headed by the United States. The Tito clique is implementing this system of "self-management of enterprises" and advocating the so-called "withering away of the state" and "economic democracy" in order to cover up its renegade deeds with a fig-leaf and deceive the Yugoslav working masses and at the same time shift the burden of these economic difficulties onto the Yugoslav

working people. One of the major features of the Tito clique's "self-management of enterprises" is the provision that the income of the workers is decided by how much profit an enterprise can make; if the enterprise makes a small profit or incurs losses, the income of the workers is drastically reduced.

Soaring commodity prices, a constant occurrence in Yugoslavia, has universally reduced the real income of the workers and worsened their living conditions. Although the workers have sometimes got nominal pay increases, these have been practically nullified by soaring commodity prices. *Indeks* reported in its 9th issue of 1960 that the cost of living index for a worker's family of four increased 25 per cent in 1959 as compared with 1953. *Borba* of March 14 this year reported that the cost of living index in 1960 registered another increase of 11 per cent over 1959. The paper reported on the same day that the cost of living index during the first two months of this year was 15 per cent higher than that in December 1960. Under these circumstances, many hard-pressed workers have no choice but to work overtime. Those working in enterprises which are losing money and workers who have lost their jobs are having an even harder time.

The data cited in this article covers only a few aspects of the situation brought about by "self-management of enterprises" and other related conditions as disclosed by the Yugoslav press. But this is quite enough to show clearly what the Tito clique's so-called "self-management of enterprises" and the "withering away of the economic functions of the state" really signify.

In fact, the state does not wither away in Yugoslavia under the rule of the Tito clique. The Tito clique advocates the so-called withering away of the state for the purpose of covering up the fact that Yugoslavia is degenerating into a capitalist state, and uses it as a means of attacking the socialist countries.

The Tito clique's distortion of the Marxist-Leninist theory on the withering away of the state, its attack on the management of economic affairs by the socialist state power and its implementation of "self-management of enterprises" in Yugoslavia are a manifestation of its betrayal of the proletarian cause and evidence of its service to imperialism and the reactionaries.

China's Glorious Revolutionary History

—A Visit to the Museum of the Chinese Revolution (II)—

by PAI YUN

This is the second and concluding instalment of the article. The first instalment appeared in our last number. —Ed.

The Single Spark That Started a Prairie Fire

THE First Revolutionary Civil War ended in defeat. To save the revolution, Comrades Chou En-lai, Chu Teh, Yeh Ting, Ho Lung and Liu Po-cheng, acting on the instructions of the Chinese Communist Party, led 30,000 troops

of the Northern Expeditionary Army in an armed uprising in Nanchang, Kiangsi Province, on August 1, 1927. Recalling the struggles of those days, the exhibition displays an automatic pistol bearing Chu Teh's name in memory of the Nanchang Uprising and a proclamation issued by the insurgent army on its march towards Kwangtung.

In September of that year, Comrade Mao Tse-tung led the miners in Anyuan and the peasants of Hunan in the Autumn Harvest Uprising. Following this, the red flag was planted on Ching Kang Mountain on the Hunan-

Kiangsi border. The first revolutionary base area in China was created here. The people's state power was established; popular armed forces were organized and the peasants given leadership in the agrarian revolution. Comrade Mao Tse-tung formulated the only correct path for the advance of the revolution, namely: encircling the cities from the rural areas, and finally seizing the cities and gaining nationwide victory.

On December 11, 1927, the famous Canton Uprising broke out. It sounded a clarion call to advance. A single spark was starting a prairie fire. On display are various types of weapons, improvised pistols and other arms used by the troops and people in the base areas against the counter-revolution. An empty kerosene tin attracts attention. By setting off firecrackers in it, it was used as a "machine gun" whose realistic noise actually put the reactionary troops to flight. These weapons lead one's memory back to the legendary battles of those days. In the base areas and wherever the Red Army operated the peasants launched an immense revolutionary movement to overthrow local tyrants and divide up their land. A stone door-frame taken from a landlord's villa is on exhibition. It bears the following couplet inscribed by the Red Army: "The ax opens up a new world; the sickle breaks down the old order." These brave words show the mighty sweep of the agrarian revolution of those days.

The rapid growth of the Red Army and the revolutionary base areas and the deepening of the peasants' agrarian movement thoroughly scared the Kuomintang reactionaries. Between the end of 1930 and the beginning of 1933, Chiang Kai-shek massed huge forces to launch four successive large-scale attacks on the central revolutionary base area. Under the correct guidance of Mao Tse-tung's strategic thinking, the revolutionary forces routed the enemy and inflicted heavy losses in men and equipment. A photograph at the exhibition shows Comrades Lin Piao and Nieh Jung-chen standing by a captured enemy plane. Other exhibits show various aspects of the Red Army's fighting life. Here is a china teapot used by the Red Army; it had been buried for 18 years and dug up only after liberation; it bears the inscription: "The Red Army will go on growing; it will fight its way north and south and liberate the whole country" — a prediction which came true. After five counter-encirclement campaigns, the Red Army started on its momentous Long March northward to take up positions to fight the Japanese invaders. A wooden model of the house in which the important Tsunyi Meeting was held in January 1935 is of particular interest. It was here that Comrade Mao Tse-tung's leadership was established throughout the Party. An historic change within the Party was thus completed. Special dioramas show two exciting scenes of the Long March: the Red Army climbing the snow-covered mountains and storming the precipitous Latzekou Pass. The course of the Long March is vividly



Establishing the People's Power in the Countryside

Woodcut in colour by Yi Chen-sheng and Chu Ting-yi

depicted in a number of exhibits, including the palm rope used by the Red Army in crossing the Wukiañg River; a silver bowl presented to the Red Army by the Tibetans in Sikang; a banner of the Red Army's Yi (a minority nationality) detachment carefully preserved by the wife of its leader Hsiaoyehtan; things used for propaganda work on the way, and specimens of the many types of wild herbs eaten by Red Army men when crossing the marshlands.

While the red flag was being carried over the better part of China, the Party also held its revolutionary positions in areas under Kuomintang rule and led the people there in unremitting struggle. Comrade Liu Shao-chi finely exemplified the Party's correct line of work in the "white" areas. He advocated standing on the defensive as the primary concern there at the time while making the fullest possible use of legal opportunities for carrying on revolutionary work, so as to enable the Party organizations to go deep among the masses, work under cover and accumulate strength gradually over a long period of time while sending cadres and personnel to the countryside to develop armed struggles there in co-ordination with the struggles being waged in the villages and so push the revolution forward. This correct line, however, was repeatedly rejected by advocates of a "left" line for the Party. A photograph shows the small quiet courtyard of a house in Peking where Comrade Liu Shao-chi lived during those days when he was directing the Party's underground activities in north China. A painting shows Lu Hsun, China's great writer, with Chu Chiu-pai, one of the Party's leaders and a writer. The two co-operated closely in Shanghai in leading the cultural revolution in the Kuomintang areas. They levelled their pens at the very heart of reaction and launched a relentless offensive. Underground struggles in Kuomintang-held areas were waged under extremely difficult conditions. On display are a compass used by Yun Tai-ying (a well-known Communist leader who gave his life to the cause) when he disguised himself as a fortune-teller; a suitcase used by another Communist martyr Yang Yin for carrying secret documents in between its boards, and a signboard of a



The Red Army Crossing the Great Snow Mountains
Oil painting by Wu Tso-jen

store which served as the Party's secret liaison station. Such were the stratagems the revolutionaries used in a victorious battle of wits against the enemy.

The struggles in both the revolutionary war and the "white" areas were sharpened and many revolutionary comrades fell. Chang Tai-lei, Hsiao Chu-nu, Peng Pai, Teng Chung-hsia, Liu Chih-tan, Liu Po-chien, Ku Pai, Tsai Ho-sen, Chu Chiu-pai, Fang Chih-min, Chi Hung-chang and other heroes perished in this struggle. These were men who dedicated their whole lives to the revolutionary cause, refused to bow before the enemy and died a martyr's death. Their memory is enshrined in the hearts of the people.

At the very time the Kuomintang was reinforcing its encirclement campaigns against the Red Army and intensifying its reign of terror against the people, the Japanese imperialists manufactured the September 18 (Mukden) Incident in 1931 and the January 28 (Shanghai) Incident in 1932, in order to push ahead with their plans for the conquest of China. Later they carried out a fresh act of aggression in north China. This stirred a wave of anger throughout China and the Chinese people's movement against Japanese aggression surged to new heights. On December 9, 1935, the Peking students staged a mammoth demonstration against Japan and for national salvation. Photographs of demonstrations in Peking, Hangchow, Canton, Shanghai and other cities recall this time of a new high tide in the Chinese revolution. Here too are many periodicals published at that

time rallying the people to the cause of national salvation and the declaration which the National Salvation Association issued on the day it was founded. A photograph of the meeting place of the Political Bureau of the Communist Party's Central Committee in Wayaopao, northern Shensi, recalls the historic meeting at which the Communist Party put forward the idea of the national anti-Japanese united front which was welcomed by people throughout the country. As a result of the mounting pressure exerted by the people of the whole country and the growth of forces within the Kuomintang advocating resistance to Japan, Chiang Kai-shek was forced, for the time being, to give up the ruinous policy he had followed in the preceding decade and accept the proposal to cooperate with the Communist Party for the second time. The clarion call went out for the war against Japanese aggression.

War of Resistance Against Japan

A photograph of the antiquated Lukouchiao reminds one of the days of hardship and heroism of the War of Resistance. The Japanese imperialists launched their all-out war of aggression against China on July 7, 1937. The telegram of the Central Committee of the Chinese Communist Party calling on the nation to wage a war of resistance is on display. It was a message that gripped the hearts of the people. Here too is the original of the "Basic Programme for the War Against Japan" issued by Madame Soong Ching Ling, Ho Hsiang-ning and 1,700 other patriots. The salvos of resistance sounded on the Yungting River and in the streets of Shanghai. Groups of photographs arranged like stills from a motion picture show scenes of the people rising courageously to save the nation. Copies of Chinese and foreign newspapers report how the people of other countries supported China's War of Resistance. The War of Resistance Against Japan began.

The Chinese Communist Party held high the sacred banner of resistance against Japanese imperialist aggression and led the people's all-out War of Resistance. Exhibited are two documents: "Manifesto of the Communist Party of China on the War of Resistance" and "The Chinese Communist Party's Ten-Point Programme for Resistance Against Japan and for National Salvation" and Comrade Mao Tse-tung's works: "The Policies, Measures and Perspectives of Combating Japanese Invasion," "On the Protracted War," etc. These documents armed the people ideologically and enhanced their confidence in final victory in the War of Resistance. In its first battle at the Pass of Pinghsingkuan (Shansi), the 115th Division of the Communist-led Eighth Route Army annihilated 3,000 crack Japanese troops at one blow and became world famous. The swords used by arrogant Japanese officers now lie in a glass showcase as a symbol of that ignominious rout. Other exhibits recall the following series of events: the shattering of the enemy's nine-column encirclement drive in southeast Shansi by the 129th Division of the Eighth Route Army inflicting heavy losses on the enemy; the smashing of the enemy encirclement campaign in Shansi-Chahar-Hopei by the 120th Division of the Eighth Route Army which wiped out some 4,000 enemy troops and killed Lieutenant-General Abe, Japanese Commander-in-Chief on the northern front; the campaign of the Communist-led New Fourth

Army which, advancing north and south of the Yangtse River, reached southern Kiangsu, the outskirts of Shanghai, both flanks of the Tientsin-Pukou Railway, and the vicinity of Chaohu Lake in Anhwei Province. These attacks kept the Japanese invaders on tenterhooks. In the vast anti-Japanese democratic base areas, women and children stood on sentry duty at the crossroads; militiamen, taking advantage of the cover offered by tall crops, operated in the fields; land mines exploded beneath the feet of the enemy; everywhere could be heard the battle songs of the people. In the centre of one exhibition hall are displayed various types of land mines and booby traps used by the militia. A large model with cross sections gives a vivid idea of the tunnel warfare which was a feature of the war on the north China plain. The tunnels were skilfully made with many outlets for launching attacks and strong-points for covering retreats. This eloquently recalls the ingenuity and resolution of the Chinese people in those days of relentless struggle that cost the lives of so many Chinese patriots. A finely made model shows Yen-an, the long-time nerve centre of the Chinese people's revolution and beacon light guiding the national war of resistance. Near it is the life-sized model of a cave dwelling typical of that part of Shensi. It is simply furnished with a table, an oil lamp, a spinning wheel, a shovel and books. Scissorcuts decorate the door and windows. They reflect the life and struggles of those days. It was in such a cave that Comrade Mao Tse-tung wrote many of his important works which guided the Chinese revolution from victory to victory and enriched the treasury of Marxism. Many of his manuscripts are on display. Here too are pictures and objects depicting the rectification movement of Party members, administrative personnel, soldiers and people of Yen-an; the tools they used in opening up wasteland, and clothes made of cloth they themselves had woven. A large photograph shows Comrade Mao Tse-tung in patched trousers standing at a small table lecturing to revolutionary young people who had flocked to Yen-an to study and be tempered. The revolutionary spirit of the Yen-an period is an undying inspiration to the Chinese people in their advance.

Led by the Chinese Communist Party the guerrilla war in the enemy's rear made tremendous progress. Chiang Kai-shek, however, launched one anti-Communist campaign after another, hatching plots for surrender and compromise with the Japanese invaders. Damning evidence of this is shown in the secret telegrams exchanged between Chiang Kai-shek, Ho Ying-chin (Commander-in-Chief of Kuomintang ground forces) and Kuomintang generals who had surrendered to the enemy. These are here for all to read, and so is the pamphlet issued by Chiang Kai-shek on "Restricting the Activities of the Alien Party" (meaning the Chinese Communist Party) and a narrow iron-wired wooden cage which his underlings used for torturing Communists. Chiang Kai-shek's three anti-Communist campaigns, however, were all smashed.

In August 1945, the Soviet Union declared war on Japan. All the troops and the people in the Liberated Areas launched a large-scale offensive and recovered great tracts of territory from the invaders. Nineteen Liberated Areas were established all the way from the northeast to Hainan Island in the south, with a total population of 120

million. The People's Liberation Army grew to a force 1.2 million strong supported by 2.6 million militiamen. On August 14, the Japanese invaders surrendered unconditionally. Captured swords and banners bearing the words "Lasting Military Fortune" tell of the ignominious end of the Japanese imperialist aggression against China.

The People's Victory

Japanese imperialism was defeated by the Chinese people after eight long years of heroic struggle. But a new and more ferocious enemy—U.S. imperialism—stepped into its shoes. U.S. imperialism tried to turn China into its largest colony by using the Kuomintang Chiang Kai-shek government as its tool in instigating a civil war in China and attacking the Chinese people. The Chinese Communist Party did its utmost to avert a civil war and bring genuine peace and democracy to the country. Comrade Mao Tse-tung flew to Chungking to negotiate with the Kuomintang. He was accorded an enthusiastic welcome there by representatives of the democratic parties and people of all circles. After pertinacious struggles by the representatives of the Communist Party, the two parties signed a "Summary of Conversations." A copy of this is on exhibition in the museum. Beside it is the *Handbook on Bandit Suppression*, a counter-revolutionary pamphlet compiled by Chiang Kai-shek and dealing with methods of attacking the Chinese people's forces and the revolutionary bases at that very time. This shows what Chiang Kai-shek's sincerity in the negotiations was worth.

The soldiers and civilians in the Liberated Areas, however, never for a moment slackened their vigilance towards the treacherous Kuomintang. While the negotiations were going on, they launched three big mass movements to train troops, reduce rents and increase production. On display are photographs showing the People's Liberation Army and militia training; a directive issued by the Party concerning the land question, and the hoe which the model peasant Li Shun-ta used at the time to increase agricultural production. As soon as Chiang Kai-shek had completed his preparations for unleashing a civil war with the support of U.S. imperialism, he tore up the agreements reached to realize peace in the country, and launched an all-out offensive against the Liberated Areas. Guided by Comrade Mao Tse-tung's strategic concept of "concentrating a superior force to destroy the enemy forces one by one," the People's Liberation Army smashed the attacks of Chiang Kai-shek's troops on all fronts. On display are photographs showing military operations in east China, in the Shansi-Hopei-Shantung-Honan region, in the Shansi-Chahar-Hopei region, in the Shansi-Suiyuan region, in northeastern China and other war theatres. The people in the Liberated Areas gave active support to the Liberation Army in fighting the enemy. Before long, Chiang Kai-shek was forced to shift from launching offensives on all fronts to attacks on major points, but even this change of tactics failed to save him from repeated defeats. Many photographs on display show the large quantities of modern weapons the People's Liberation Army captured from Chiang Kai-shek's troops to arm itself. Of particular interest is a pamphlet of the Liberation Army—a "receipt" written out for "Transport Leader" Chiang Kai-shek listing the

weapons, munitions and other supplies that had been received from him.

The Central Committee of the Chinese Communist Party held a National Land Conference in September 1947 for the purpose of thoroughly solving the land question. Comrade Liu Shao-chi gave a report at this conference.

The museum shows a copy of the *Outline Land Law of China* formulated at the time. Near it is a chart which gives the visitor an idea of the care with which the land reform teams carried out their work. One of the photographs shows a stone slab that had been pulled up in a field. It signifies the end of the feudal land system and the end of the oppression and exploitation the peasants suffered at the hands of the landlords. Charts on display show that, at that time, land reform was completed in agricultural regions of the Liberated Areas with a population of about 145 million people. The peasant masses became masters; they got land and enjoyed the fruits of victory in their struggle against the Kuomintang. Large numbers of them joined the People's Liberation Army to fight against the enemy and to defend their newly won happy life.

Meanwhile, the reactionary rule of the Kuomintang government and the frantic way it plundered the nation's resources plunged the masses of people in the areas under its control into the depths of misery. On display is a fantastic Kuomintang bill of lading. It has more than 16,000 stamps on it, each worth 10,000 yuan (Kuomintang *fapi*). It is 76.9 metres long and has to be rolled up to be put on exhibition. Inflation in the Kuomintang areas reached astronomical proportions. Even a tram ticket cost 1,800,000 million yuan! Many photographs record the struggle against civil war, against hunger and against persecution, in which people from all strata of society in the Kuomintang-controlled areas took part. On display is a huge streamer the students of Fudan University in Shanghai carried during demonstrations; they served warning on the American GIs, telling them to get out of China or else they would be kicked out! In a glass case is exhibited the diary of Professor Chu Tse-ching who, though seriously ill, starved to death rather than accept U.S. "relief food."

Guided by Comrade Mao Tse-tung's strategic principles, the People's Liberation Army switched from the defensive to the offensive in the second year of the War of Liberation. A large sketch map hanging on the wall shows that in June 1947 the Liberation Army in the Shansi-Hopei-Shantung-Honan region forced a crossing of the Yellow River and routed the hundreds of thousands of Chiang Kai-shek's troops who were defending the strategic positions along the river. The victorious People's Libera-



Crossing the Yangtse River in Force

Painting by Li Chen-chien

tion Army gave chase to the routed Kuomintang troops. Thus began the great strategic offensive of the Liberation Army. Red arrows on the charts, showing the directions in which the Liberation Army launched its attacks, point straight at the heartland of Kuomintang reactionary rule. The three major military campaigns of Liaohsi-Shenyang, Huai-Hai and Peiping-Tientsin followed one another. The Liaohsi-Shenyang campaign was fought by the Northeast Field Army under the command of Lin Piao and Lo Jung-huan; the Huai-Hai campaign was fought by the Eastern China and Central Plains Field Armies commanded by Liu Po-cheng, Chen Yi, Teng Hsiao-ping, Su Yu and Tan Chen-lin; the Peiping-Tientsin campaign was fought by the Northeast Field Army and the Northern China People's Liberation Army under the command of Lin Piao, Lo Jung-huan and Nieh Jung-chen.

The People's Liberation Army scored magnificent victories in these three great campaigns, inflicting crushing defeats on Chiang Kai-shek's troops. Many trophies captured by the People's Liberation Army are on display: the turret of a U.S.-made tank, a huge cannon, the motor of an aeroplane, a military banner and other things. Also on display are a receipt bearing the words "Received: a war criminal by the name of Tu Yu-ming" and three keys for opening Peking's gates—mementoes of the great victories won by the Liberation Army.

Things used by the people in giving support to the War of Liberation attract the eye. The museum displays a little cart the people used to transport grain for the Liberation Army; wooden pegs for breaking ice in the rivers; a bullet-riddled iron barrel they used for sending cooked rice to the soldiers fighting at the front, and little gift bags they made specially for the soldiers. In these major campaigns, more than 1,540,000 enemy troops were wiped out. Thus Chiang Kai-shek and his masters lost the crack troops on which they relied for waging the anti-popular and counter-revolutionary war to maintain their criminal rule in China. The wooden board bearing the words "President's Office," captured from the presidential mansion of the Kuomintang in Nanking; Chiang Kai-shek's copper seal; and a copy of the Kuomintang "Constitution" written with Chinese brush and ink are on exhibition in the museum; they have all become trophies of the people.

The final decisive battle between the armed revolution and armed counter-revolution in China ended in the great victory of the People's War of Liberation. On September 21, 1949, the First Plenary Session of the Chinese People's Political Consultative Conference opened in Peking. On exhibit are a notebook bearing the signatures of the 662 delegates who attended that conference and a copy of *The Common Programme of the Chinese People's Political Consultative Conference*, that splendid document which they unanimously adopted. Comrade Mao Tse-tung was unanimously elected Chairman of the Central People's Government, and on October 1 that year the People's Republic of China was founded. On display is a large five-starred red flag, the national flag which Chairman Mao personally hoisted on that memorable day over Tien An Men Square. On that day Chairman Mao solemnly

proclaimed to the world: "The Chinese people have now stood up." His great voice resounded throughout the world.

The exhibits in the museum help the visitors relive the 109 years of the Chinese revolution from 1840 to 1949. Walking through the exhibition halls, they seem to be living among the revolutionaries, sharing their joys and sorrows, struggling by their side and marching forward together with them. Coming out of the museum, they see the Monument to the People's Heroes and red banners flying over the Tien An Men Gate. More than ever they realize that today's happiness was born in the hard struggles of the past. The sentiment wells up in their hearts that they should take deep to heart the revolutionary history of the past and work hard to create a splendid history for the future.

Report from Shansi

Speeding Up Farm Mechanization

by HUA CHIN

CHINA'S programme for agricultural mechanization is going steadily ahead. This year the People's Government has given priority in farm mechanization to a number of provinces in the valleys of the Yellow, Huai and Hun Rivers. Shansi is one of them. Thus, this important north China wheat- and cotton-raising province is slated to get an increasing number of Chinese-made tractors this year including the famous Dongfanghong (East Is Red) caterpillar tractor made by the Loyang No. 1 Tractor Works. In this one year of 1961, Shansi will in fact be getting as many new tractors (in terms of 15 h.p. units) as it got in all the first 11 years after liberation.

This encouraging prospect of a rapid rate of advance in agricultural mechanization has already stimulated work on every rural people's commune in Shansi. They are taking timely steps to ensure that the tractors are well taken care of and put to good use as soon as they arrive.

In anticipation of the larger area that will be ploughed and cultivated by tractor this year, members of the rural people's communes did a lot of work this early spring to facilitate the smooth manoeuvring of their new "iron bulls" as they affectionately call their tractors. Large tracts of land have been contoured and levelled, hollows in the fields filled in, trees and other obstacles removed and the necessary roads and bridges repaired or built.

Today, a tractor is nothing out of the ordinary to Shansi's peasants, but up to 1949, when the nation was liberated, not a single tractor had ever worked their fields. When farm co-ops were formed, a few tractors appeared here and there, but it was only after the co-ops joined to form people's communes in 1958 that there was a rapid increase in the province's tractor park. More than half the tractors it had at the end of last year were acquired by the communes.

Support from Local Industry

Fulfilling a prerequisite for large-scale mechanization, Shansi's local industry has also grown to the point

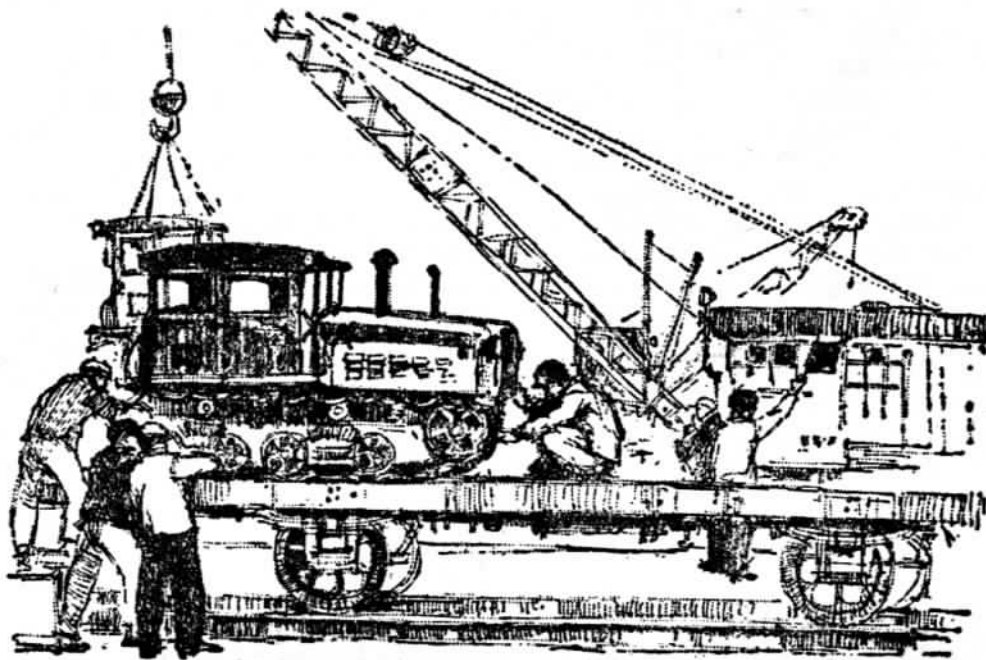
where it can make a solid contribution to speeding up local farm mechanization and keep mechanized farm equipment in operation. This has been achieved despite the fact that the province was industrially backward before liberation. The few plants it had then were used by the local warlord, Yen Hsi-shan, almost exclusively to make munitions. With liberation, the people turned these warlord-exploited plants into state-owned enterprises making metallurgical and generating equipment and various kinds of farm machines and tools. Today, all have been renovated and enlarged and in addition many new plants have been built.

As a result the province now has an engineering industry able to supply, among other things, quite a wide range of farm equipment: steam, diesel and gas engines for farm use, combine harvesters, threshers, tractor-drawn implements and many semi-mechanized farm tools.

The province's engineering industry has expanded particularly rapidly since 1958 as a result of carrying out the policy of simultaneously developing national and local industry, big, small and medium-sized enterprises. By the end of last year, Shansi had 151 farm machinery and repair plants under provincial or county management and in addition, the rural communes themselves had also set up hundreds of small farm tool plants. Last year these plants turned out a considerable number of mechanized farm tools; and many semi-mechanized tools, 18 times as many, in fact, as they did in 1959.

The province also has a growing number of plants making pumps and pumping engines which are widely used locally.

Before liberation the engineering plants in Shansi were concentrated in a few cities. Now they are widely distributed throughout the province. Today each special administrative region has several farm machinery plants and the overwhelming majority of the counties and people's communes have their own farm tool plants too.



Tractors for the Countryside

Sketch from the Shantung College of Fine Arts

All can handle repair jobs on farm machines and tools as the peasants naturally find it more convenient to be able to solve their repair needs on the spot rather than having to depend on some distant repair centre for every job, as they had to in the past.

Fushan County in the south of the province provides a good example of how local industrial growth helps the farms. Up to 1957, this county could only make small farm tools. All its "industrial" equipment was such as could be found in an average village blacksmith's shop. Now it has a farm machinery plant with 16 lathes and a small iron smelting plant. This makes a good basis for mechanization in the days to come.

Iron, of course, is not the only raw material that many districts with a formerly weak industrial base have added to their output, but it is one of the most important. At the end of 1957, few plants in the province could smelt iron. Large numbers of small iron and steel plants using modern or indigenous methods of production emerged during the nationwide drive to smelt iron and make steel in 1958. Now converter steel is being made in a number of places.

By 1960 Shansi's steel output was more than 30 times what it was in the pre-liberation peak year. This rise in local steel output enabled the province to allocate a much larger amount of steel for farm use. Last year local plants contributed no less than 6,000 tons of rolled steel for this purpose alone. The actual amount of steel going to make farm machines and tools was, of course, much more than this as the central authorities also made available for farm use large amounts of rolled steel from its big state plants.

In expectation of the influx of new tractors, the provincial authorities have now designated eight engineering plants to specialize in the manufacture of tractor-drawn ploughs, harrows, seeders, etc., while another seven plants have been built recently especially to make spare parts for tractors and farm machines. At the same

time steps have been taken to reinforce the maintenance and repair network for farm machines and tools that has been taking shape in Shansi over recent years. This includes the designation of 30 renovated or expanded repair plants to do major overhauls and repairs as well as ordinary tractor repairs, supplemented by the hundreds of commune-run farm tool plants which can handle minor repairs.

Behind the Wheels

Tractors need drivers, and the large-scale training of new tractor drivers started before the actual arrival of the new machines. In province-wide tests held early this year, more than 2,000 commune members successfully qualified as drivers. Their work over the past year as apprentices under veteran drivers of the communes' tractor stations has given them a fund of both theoretical and practical knowledge.

At the same time a group of veteran tractor drivers selected for advanced training as tractor station directors and tractor station team leaders is attending classes run by the province or the special administrative regions. The Shansi Rural Mechanization School that trains teachers for the mechanization drive has been expanded to take on more students.

These newly trained tractor drivers and other technicians of the farms represent a new generation of Shansi peasants. Most of them are former farmers, swineherds, ox-cart drivers or housewives. Not long ago some were even quite illiterate.

One of the recent graduates from the tractor driver training class in Taiyuan, capital of the province, is Li Chen-chu. She was a farmer's wife completely occupied with household chores before the people's commune with its dining-room and nursery freed her from this drudgery. She learnt to read and write in the commune's spare-time school. During the national drive to smelt iron and steel, she gained some elementary technical knowledge and when her commune decided to buy four tractors she was selected to take a tractor driving course. "When I saw my father following the old ox-drawn plough in the old days I little dreamt then that I would one day become a tractor driver!" she said. "As our commune grows, there are more and more new things that one has got to learn!"

What is happening in Shansi gives some idea of what is happening in the other provinces where rural mechanization is also developing on a priority basis. It is a promising start in the national drive for agricultural mechanization which is scheduled for completion by about the end of this decade.

ART

New Water-Colour Paintings

Visitors to the exhibition of water colour paintings by Ku Yuan, Chou Ling-chao and Wu Pi-tuan at the Artists' Union Gallery were clearly more than averagely interested in the techniques employed. Many art students studied the paintings with great concentration and took notes.

Over the years there have been many exhibitions of paintings in the traditional Chinese ink and (water) colour style, but hitherto few exclusively devoted to paintings using the Western type of water colours and papers. Hence the particular interest of this exhibition. But it was not only the comparative novelty of the techniques that attracted. There was a fresh and evocative air in Ku Yuan's paintings of the south in the spring, and a bold exuberance in Chou Ling-chao's Kweilin and Sinkiang landscapes.

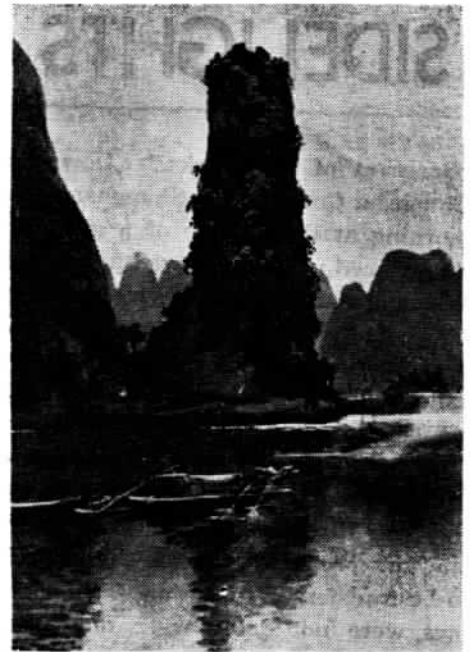
Ku Yuan and Wu Pi-tuan journeyed together to Soochow and Wusih, famous for their lovely views around Lake Taihu. Ku Yuan's theme is the lyrical beauty of those areas with their many water-ways. He has not chosen spectacular scenes; in fact most are rather quiet ones: paddyfields of the people's communes, country roads, village canals. He uses various approaches — flat washes, broad strokes leaving the white ground of the paper to fill out the composition, various kinds of paper to give various effects. Sometimes he paints swiftly on the absorbent paper which is used for traditional Chinese painting; some-

times, on thick Whatman paper, he uses several superimposed washes in the style of the traditional English academic school of water colourists, the style in which Western water-colour painting came to be known more widely in China around the beginning of the century. Some viewers were obviously struck by Ku Yuan's proficiency in this latter technique with its mirror-like verisimilitude to nature, but most seemed more interested in those paintings where Ku Yuan has infused Western water colour technique with elements of Chinese traditional style painting — such as in his use of white blanks of paper to create the impression of space, or light or the veils of mist that bathe these southern lands in a characteristic light, his rendering of sails in the distance and the general composition of some paintings.

Ku Yuan is one of China's most accomplished woodcut artists and a competent painter in oils. He has an acute eye for the human figure in movement and the characteristics of a landscape. He brings this experience fully to bear in this new departure of his in water colour painting, evoking the beauty of these southern landscapes in low-toned, tender colours with, in his best works, an admirable economy of means.

All this naturally throws one's thoughts back to the recent exhibition of new landscape paintings by Kiangsu artists in the traditional style. There, while the basis was firmly traditional, some of the works had a clear infusion of elements of Western water colour techniques; such as in use of perspective or compositions in depth. Thus one form is influencing the other and vice versa; the Western elements gradually taking on a Chinese flavour while helping to enrich the traditional Chinese styles.

Wu Pi-tuan uses more opaque colours than Ku Yuan and specialized on this trip in portraiture, a genre not a great deal practised at the moment

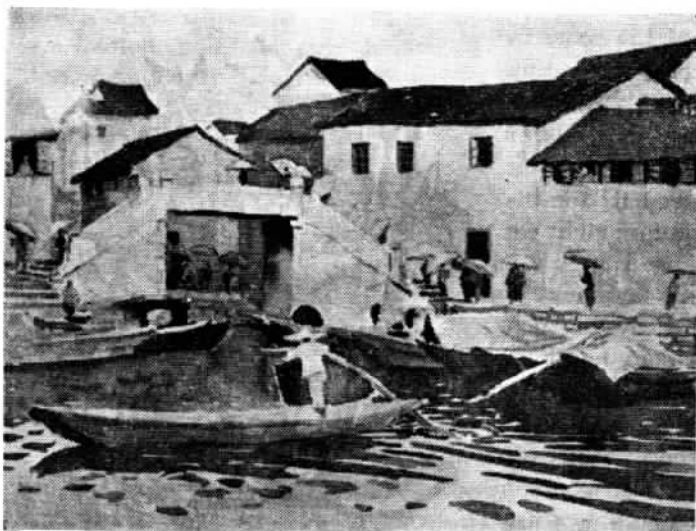


Scene Along the Lichiang River (Kweilin)
Water-colour by Chou Ling-chao

in this country, but that is attracting more and more attention among artists.

Chou Ling-chao has a distinctly individual style. He uses gouache water colours (poster colours so-called) in striking colour combinations. In choosing his subjects he is attracted by the strange and romantic: the karst landscapes of Kweilin with their bizarre-shaped rocks and mountains soaring with dramatic unexpectedness out of a plain or lake: the bright, sun-drenched scenes of Sinkiang. He delights in sumptuous subtropical colours: brilliant blues, greens, reds, yellows. He treats these scenes in a highly decorative, sometimes almost poster-like style, bold in composition and handling of colour. As one reviewer has remarked, his pictures sometimes seem like stage sets and at other times like illustrations for some legendary story. This is not surprising, of course. He is one of our leading illustrators. Where Ku Yuan and Wu Pi-tuan are seeking to discover and record the beauty of the land before them, Chou seems to be viewing the scene before him through a highly romantic vision, storing up the memory of strange scenes for new visions.

The exhibition is a small one of about thirty paintings for each artist. It is a convenient size for taking in over an hour or so. Reviewers have commented appreciatively on it and expressed the hope to see more of such small-sized exhibitions giving a chance to glimpse current developments in the styles of more artists.



Spring Rain — South of the Yangtse Water-colour by Ku Yuan

SIDELIGHTS

"Sergeant of the Ducks." Down in Chuansha County near Shanghai, each morning at the whistle of a girl, the ducks lined up and followed her to the Whangpoo River for their morning dip. At feeding time, they waddled back at her call. Hu Hsiu-ying was called "Sergeant of the Ducks." All her charges at the people's commune's duckyard grew sleek and fat. She became known far and wide. Yet early this year Hu Hsiu-ying suddenly made an unexpected request—she asked to be transferred to the pig farm. The pigs were not doing well; that was reason enough for Hsiu-ying, a Communist, to go there. Transferred at her third application, she and her co-workers carefully observed the pigs' habits. Gradually they got to know what type of feed they like and how to get them to eat more. They kept the sties spick and span and gave the pigs daily rub-downs. Well fed, clean and comfortable the sickly pigs grew fat. Not one has fallen sick in the four months since Hsiu-ying came. It's said that an old pig-breeder there who quit his job when the situation looked dim used to steal back to the sties every now and then and shake his head sadly over the latest loss. After Hsiu-ying took over, he found that every time he came back the pigs were looking better and better. One morning, thinking things over, he just packed up and came back for good.

Bingku'er Time. Five *fen* for a vanilla, ten for a chocolate and then there are those made with red beans, chestnuts, dates and all kinds of fruits—there is a big choice of ice lollies this summer. To the young generation of today these tasty bits of coolness on a stick called *bingku'ers* here are very much a taken-for-granted part of summer life. But most of their parents from the working class still remember the days before liberation when refreshments even cheaper than a *bingku'er* were only to be looked at when you had only a few cents in your pocket and the question was a meal or no meal. With a steadily bet-

ter livelihood and a lot more pocket money, the demand for all kinds of refreshments including *bingku'ers* is enormous. Tens of millions of *bingku'ers* are sold daily in Peking, Shanghai and other big cities. Newly risen industrial centres and small cities and towns are starting to put them on sale in large numbers too. Just before the summer season this year, Shanghai workers rushed the delivery of large orders for machines making *bingku'ers* and soft drinks. China produced her first such machines only in 1954. Mass production of them started in 1958. In 1960, twice as many were produced as in 1958; and bigger orders are on hand.

On the Bus. Passengers are apt to give an approving smile to the bright girl conductor on the No. 4 bus who calls out in such a ringing voice: "Next stop is Wangfuching Department Store. Alighting passengers please get ready! Don't forget anything!" In a few brief words, she also tells you the names of the succeeding stops, the times and the buses to change to for other destinations. . . . Few guess the time and thought Wang Hui-chin and her colleagues spent in the effort to give their passengers this carefully potted information. "Before," she said, "in our eagerness to give our passengers more information, we used to launch into long, involved explanations which tired out both the passengers and ourselves. Then we got to studying what the passengers really wanted to know and how we could say it in as few words as possible. Passengers are much better pleased now." She made the rounds of the seats in her section of the bus, collecting fares, and then continued, "Another thing we do is to study the needs of the passengers and give them what they need when they need it: for instance, in the mornings before eight we know that most of the passengers are going to work and are anxious to know the time we reach such and such a stop. So we keep on giving them the times. Between rush hours, we find that most passengers are shoppers, so we tell them where to get off for the various shopping districts."

Strictly speaking, all Wang and her colleagues have to do is to sell tickets,

but their eagerness to be more useful in every way has made of ticket-selling much more than a simple routine.

New Carpets. Of all colours blue is the favourite of China's Mongolian people. Huhehot in the Inner Mongolian Autonomous Region has presented Peking with a magnificent 400-square-metre blue carpet decorated with creamy chrysanthemums. It now covers the floor of a room in the Great Hall of the People. This is one of the most recent efforts of the Huhehot Carpet Factory, set up in 1958. The lovely work of art bears eloquent testimony to the fact that carpet-weaving, a centuries-old art of Inner Mongolia, has come back into its own again after a lapse of many years in the time of the Kuomintang, when it had disappeared altogether. The Inner Mongolian factory is also turning out again such traditional favourites as "Peonies in Three Shades of Blue," "Deer and Crane in Springtime," and others. The flourishing of the carpet industry in Inner Mongolia is no isolated instance. The Tientsin Carpet Factory is another that is breaking new ground in design. "Moscow-Peking," "Nanchang Uprising," "Ode to Peace" are the titles of some recent works unique in that they look like oil-paintings from afar but coloured bas-reliefs at closer quarters. Changchun, Yulin, Changchiakou and other cities are also producing notable work. Some lovely new styles which have appeared recently are based on designs from the famous Tunhuang murals.



Papercut by Shen Pei-nung

CHINA AND THE WORLD

Iraq's National Day

Chairman Liu Shao-chi and Premier Chou En-lai sent messages of greetings to President Mohammed Najieeb Al Rubayi of the Sovereignty Council and Premier Abdul Karim Kassim, on the occasion of the Iraqi national day on July 14.

Speaking at a reception given by Iraqi Ambassador to China Abdul-hak Fadil, Vice-Foreign Minister Huang Chen stressed that the Chinese and Iraqi peoples have a common aim in their struggle against imperialism, to safeguard world peace and to uphold their national independence and sovereignty; the Chinese and the Iraqi as well as other Arab peoples have always supported and will support each other in this struggle.

Since the establishment of the Republic of Iraq, the Vice-Foreign Minister declared, tremendous changes have taken place in the international situation which is now more favourable to peace. But, he pointed out, the colonialists, both old and new, would not reconcile themselves to defeat; the recent armed occupation of Kuwait by British imperialism is a fresh example of this.

Tunisian Friendship Delegation

A Tunisian friendship and goodwill delegation headed by Minister of Information and Tourism Mohamed Masmoudi is visiting this country at the invitation of the Chinese Government.

Chairman Liu Shao-chi and Premier Chou En-lai have received the delegation. Vice-Premier and Foreign Minister Chen Yi who entertained the Tunisian guests at a banquet said that the further strengthening of existing friendly relations between China and Tunisia is in full conformity with the common desire of their peoples. The Chinese people, he declared, resolutely support the just struggle of the Tunisian people for the defence of national independence, for the with-

drawal of foreign troops and the abolition of foreign military bases. The Chinese Government consistently pursuing a peaceful policy sincerely wishes to establish and develop friendly relations on the basis of the Five Principles of Peaceful Coexistence and the ten principles of the Bandung Conference with all African countries with similar aspirations; China has more and more friends in Africa while the attempts of the imperialists to place barriers between the Chinese and African peoples will continue to fail, he added.

The Chinese-African People's Friendship Association also gave a reception for the Tunisian guests. Before their departure from Peking, the Tunisian delegation and the Chinese Ministry of Culture signed an agreement on holding a Chinese film week in Tunisia this year.

Ties with Africa

Liu Chang-sheng, head of a goodwill delegation of Chinese-African People's Friendship Association, gave a detailed report on its recent four-month tour of eight West African countries in the capital on July 15.

Speaking to a large audience that included diplomatic envoys of African countries and African guests and students now in Peking, he described the struggle of the West African peoples to liquidate all the remaining survivals of the imperialist and colonialist forces and the warm reception given to his delegation.

The Sino-Guinean Treaty of Friendship came into force when instruments of ratification of this treaty were exchanged in Conakry on July 1. The treaty was signed in Peking last September.

In Conakry the Guinean Ministry of Information and Tourism has signed contracts with the China Film Distribution and Exhibition Corporation on the exchange of documentary films and on the distribution of Chinese films in Guinea.

On behalf of the Chinese Ministry of Agriculture, the Chinese Embassy in Mali has presented a rice transplanter to the Mali Ministry of Planning and Rural Economy in Bamako on July 11.

With S.E. Asian Neighbours

Chairman Liu Shao-chi, Premier Chou En-lai and Vice-Premier Chen Yi separately received R. K. Nehru, Secretary-General of the Indian Ministry of External Affairs and his party. The Indian guests arrived in Peking on July 13. They are on their way home after attending the celebrations of the 40th anniversary of the Mongolian people's revolution.

M. Ali Amin, Mayor of Palembang, Indonesia, and his family completed a two-week visit to China on July 11. They came to China at the invitation of the Mayor of Tientsin, and visited that city as well as Peking, Shanghai, Hangchow and other places.

An agricultural mission from Yunnan Province of China is now visiting Burma. The mission went there in accordance with the agreement set down in the joint communique issued by Prime Minister U Nu and Premier Chou En-lai last April.

U.S. Military Provocations

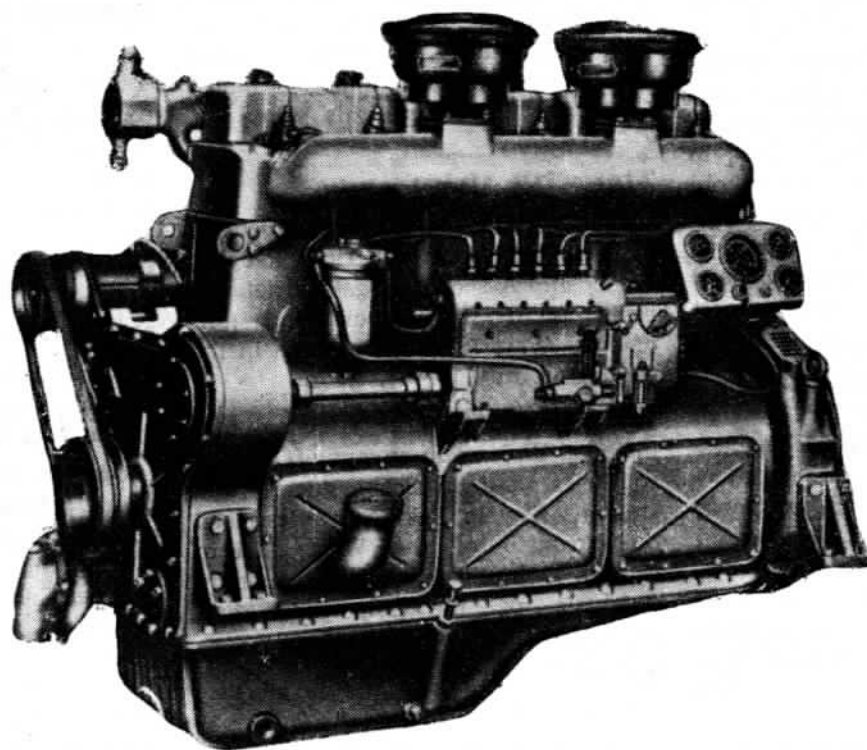
More U.S. violations of China's territorial airspace and waters occurred in the past month.

On June 13, between 14:01 and 14:23 hours, a U.S. military aircraft intruded over the area southwest of Pinghai, Kwangtung Province. On June 20, between 7:06 and 7:38 hours and again between 12:53 and 17:45 hours, a U.S. warship intruded into the Pingtan and Paichuan areas, Fukien Province. On June 24, between 8:23 and 8:40 and again between 16:26 and 16:50 hours, a U.S. military aircraft intruded over the areas south of Pinghai and Swabue, Kwangtung Province. On June 30, between 14:02 and 14:14 hours, a U.S. military aircraft intruded over Yunghsing and Shih Islands in the Hsisha Islands, Kwangtung Province. On July 4, between 12:50 and 13:04 hours, a U.S. military aircraft intruded over Yunghsing Island, Hsisha. On July 12, between 11:28 and 11:44 hours, a U.S. military plane intruded into China's territorial air south of the areas of Sanmen Island and Swabue in Kwangtung Province.

A spokesman of the Chinese Foreign Ministry has issued serious warnings against these military provocations. The latest warning was the 160th.

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