

China Policy Study Group

BROADSHEET

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BRITAIN'S FUTURE

In recent weeks the British people have been confronted, at a General Election, with a choice between three parties—two of them avowedly capitalist and the third, the Labour Party, advocating that social-democracy condemned by Lenin as the 'reserve force of capitalism'. Whatever their tactical differences all three parties stand four-square behind British finance capital and its close connections with international imperialism.

We refer to this because it is a situation many countries will face, perhaps in different forms, during the years to come. What would self-reliance mean for a capitalist country? We do not try to answer this question here, but it is important that it should be answered.

Britain today faces the greatest crisis in its imperialist history. It stands in pawn, as never before, to its rivals; all parties advocate more international borrowing, which means increased dependence. The future of the British people is to be mortgaged and their capacity to withstand inflation totally undermined; their independence is to become merely a memory.

Whilst the financial institutions of British imperialism grow richer and ever more rapacious, their profits swelling year by year, the British people are warned that within a few years their standard of living will bear comparison only with the poorer nations of Europe.

Why this contradiction? The truth is that in capitalist countries the people's future is being sacrificed to the interests of a financial oligarchy which daily eats away all shreds of national independence to satisfy its desire for a share in the spoils accruing to world imperialism as a whole. Richer banks and monopolies mean poorer people; the people are impoverished because they are enriching the banks and monopolies.

Mao Tse-tung points out 'countries want independence, nations want liberation, people want revolution'. Countries that have been brainwashed for centuries to believe that imperial glory is the foundation of national prosperity, must begin to understand that self-reliance and national independence are not necessary for just the less developed part of the world; they are a condition for the national survival of Britain and other capitalist countries too.

THE IMPORTANCE OF EUROPE

A few years ago there was a feeling on the left that Europe could be written off as an important political factor in the immediate future. World War II had greatly weakened Britain, France and Germany, revolutionary forces in western Europe scarcely existed, the U.S. had been strengthened, and the important events of the future seemed likely to take place in southern Asia, perhaps South America or Africa, anywhere but Europe.

Nevertheless, ever since Mao Tse-tung's remarkable interview with Anna Louise Strong in 1946, China's spokesmen have insisted on the importance of Europe in the world balance of power. Mao at that time discounted the possibility of war between the U.S. and the U.S.S.R., considered by many to be an imminent danger, and said that before it could take place the 'vast zone' lying between the two countries, in which he included Europe, would have to be subjugated. All the advantages seemed to be on the side of the U.S. government. During the war they had secured economic advantages from Lend-Lease, which were consolidated by the Marshall Plan when the war ended. Many European governments were unable to avoid becoming obedient satellites of the U.S., none being more subservient than the various British governments.

In practice things did not work out as might have been expected. General de Gaulle made himself something of an outcast among Western statesmen by his insistence on the independent rôle of France and the steps he took to rid his country of the U.S. presence and develop national independence. To say the least, France did not suffer as a result. Gold flowed to her, industry was re-equipped and she was disembarassed of her troublesome Algerian colony. U.S. opposition was unable to prevent this process.

In different ways, and with less fanfare, other countries followed suit; the economy of the Federal Republic of Germany, in particular, again became strong. U.S. aid was the foundation of this prosperity but did not ensure continued subservience to U.S. wishes. Throughout Europe U.S. leadership was

being resisted and thrown off, even though the process was often accompanied by obsequious references to the importance of U.S. guidance and gratitude for U.S. assistance. A specifically European point of view began to emerge and was eventually marked by economic union.

Though Chinese statements on the European Economic Community have always been cautious and rather general they have made it clear that they favour it because a united western Europe would be a force capable of withstanding pressure from the two superpowers and developing an independent line. This has certainly not occurred yet but it no longer seems completely illusory, as it might have done to some in 1946. Already Kissinger's plans fail to receive the automatic endorsement by the E.E.C. which he expects and his and Nixon's bad-tempered reproofs evoke disdain rather than obedience. Europe may be on the brink of resuming a purposeful rôle in the shaping of history.

The prosperity of western Europe has been, as we have said, a capitalist prosperity, from which the ruling class has always benefited more than the workers or peasants and will do so increasingly as time goes on. Workers see the E.E.C. simply as a means of increasing their exploitation and it is certainly true that strikes and protest movements proliferate throughout the area. Increasing exploitation by ever bigger multinational monopolies does not fail to rouse opposition, while the growth of unity among the ruling classes points the need for unity among the ruled.

In Eastern Europe the effects of domination by a superpower are visible to all. There governments, willingly or not, study the Soviet Union first, national aims second. They are completely dependent politically and economically. Czechoslovakia tried to pursue an independent line and failed, but it is inevitable that others will try, and eventually succeed.

At the time of Mao Tse-tung's interview with Anna Louise Strong the war that was feared would have been between imperialism and socialism; now

it might well be between rival imperialisms, two superpowers contending for supremacy. Talk of detente must not delude us into thinking that the superpowers can settle their differences peacefully, for both are engaged in a feverish build-up of military potential involving tactical nuclear weapons, inter-continental ballistic missiles, ground forces and naval and aerial fleets. The Soviet Union is at present engaged in a massive build-up of military strength from the Baltic to the Mediterranean. The Institute of Strategic Studies reported that the U.S.S.R. had 45 per cent of her main surface vessels and more than 60 per cent of her submarines off northern Europe. In the Mediterranean, under the pretext of helping Arab countries, she has a permanent fleet of 95 warships. In Eastern and central Europe there has been a spectacular rise in Soviet tank strength, with a first echelon force of 8,700. There has been an increase of five airborne divisions, bringing the total to 12, and a 50 per cent increase in tactical air strength. Since 1968 Soviet tanks in Eastern Europe have increased by 20 per cent.

The other Soviet preoccupation is of course the frontier with China, an area where no other country is directly involved and where there is reported to be over a million Soviet troops, armed with the most modern weapons, including nuclear weapons. The Chinese say only that they are fully prepared and that they believe preparedness makes an attack less likely. They will not retreat before threats.

The Russians, like the Americans, talk constantly of peace. Both of them, however, still refuse to undertake never to be the first to use nuclear weapons. Both try to cloak their arms expansion and competition by talk of disarmament. The truth is that they are enemies; in spite of their common approach to some of their problems (e.g. the Middle East) there are between

them irreconcilable differences. In Europe they face each other more directly than anywhere else and Europe is a prize perhaps more valuable than any to be found elsewhere. Nowhere outside the U.S. is there such a concentration of capital and expertise. Furthermore, Europe is a key to the Middle East and commands one approach to the Indian Ocean. Nixon pettishly threatens to withdraw U.S. forces from Europe unless European governments behave more respectfully, but in fact he dare not do so; he is protecting not so much the Europeans as himself. Should a new war break out, then at all costs, the battleground must be Europe, not Texas or New England.

Nor do the main European governments yet wish for the withdrawal of U.S. troops; they are not anxious to follow the French example. Nevertheless there is increasing resentment about U.S. attempts at dictation, the object of which is to facilitate the exploitation of Europe. As their economic difficulties increase the ruling class of the western European countries become more and more unwilling to share their profits with the U.S. and resistance to U.S. penetration grows. It is clear that a degree of cohesion in the E.E.C. increases ability to resist and in spite of all obstacles and the twists and turns of individual governments, such unity is likely to continue to grow. West European governments must ensure their own protection against the social-imperialists in the Kremlin, who would certainly seek to take advantage of any split among the Western powers. But a Europe strong and united enough to rid itself of U.S. domination would hardly do so without creating its own defence structure.

The outcome would be a stronger intermediate zone between the two superpowers and less likelihood of Europe becoming a testing ground for their military strength.

CHINESE ECONOMIC PLANNING

by Roland Berger (concluded)

Acting on the principle of local self-reliance but operating within a centralised plan, the counties (the level above the people's communes) are developing small and medium industries which are steadily increasing their accumulation funds.

The Hsin Chou County (Hupeh Province, population 690,000), for example, which I visited in May 1972, had set up 120 factories since 1965 with a total output value in 1971 of 39,010,000 yuan (based on ex-factory prices). Investment in machinery in the seven-year period amounted to 27,500,000 yuan. In addition this county had received part of the amount by which quotas had been overfulfilled. The quota for the county of 10 million yuan had been exceeded by one million yuan of which the county retained 65 per cent, passing 35 per cent up to the administrative region. And, as already mentioned, the county retained 5 per cent of the agricultural tax collected from its 67 communes. With those funds, plus a percentage of profits on its commerce department, the county is able to invest in new industries, develop capital construction projects such as water conservancy schemes, provide social services or contribute to the costs of those run by the communes, and cover its own administrative costs.

The total value of sales through the county's commerce department was running at some 61,000,000 yuan a year. The volume of sales and purchases through the free markets, which operate within strict controls, represented 2.9 per cent of the county total.

The communes similarly dispose of sizable investment funds. At the Yueh Chi Commune in the Wu hsien (county) near Suchow (Kiangsu), I found in April 1973 that admittedly in a fertile area with above average prosperity, mechanisation of agriculture was fairly advanced as a result of purchases of machinery and equipment in recent years from the commune accumulation fund.

This commune had purchased two 35 h.p. tractors; 67 walking (12 h.p.) tractors (80 per cent of cultivated land was tractor-ploughed); 11 irrigation and drainage stations; 12 electric transformers; 15 electric motors (284 KW capacity) for irrigation pumping; 71 pumps; 18 semi-mechanised threshing machines; 183 other threshing machines for wheat and rice; 15 mechanical and 178 compressed-air sprayers; 2 rice-husking machines; 11 wheat milling machines; 56 rice transplanters; 19 4-ton motor-powered cement boats and 520 other cement boats; 12 trailers, and 42 handcarts. The commune had equipped a farm implement repair and maintenance shop with lathes and drilling, planing and electric welding machines.

This commune derived 1,900,000 yuan a year from 37 sideline occupations—including embroidery, fish raising, mushroom cultivation, silkworm breeding, and the growing of water plants used for fodder and fertilizer. This is a region interlaced with waterways along a section of the Grand Canal, hence the cement boats which are produced by each of the eight counties in the administrative region by a simple process of casting cement on a wire-mesh frame. The bulk of goods are moved to supply centres and depots by means of this cheap form of transport.

There are clearly wide differences in the natural conditions—fertility of soil, water supply, character of the terrain from one area of China to another—which might make for wide disparities in the relative prosperity of the 50,000 people's communes. To avoid a situation in which the rich communes get richer whilst the poorer remain poor a policy is operated to preserve a nice balance between local self-reliance and assistance from the State. There are production brigades—Tachai and Shashiyu are the outstanding but not the only examples—where peasants have succeeded by their own efforts in the most adverse conditions without calling for State assistance. Generally, the adjustments in the application of the agricultural

tax and quota systems make allowance for communes which have special difficulties, but where assistance in this form is not adequate, direct financial support is provided by the State. Substantial amounts were granted after the formation of the communes in 1958 to give the poorer units a flying start.

Funds are also included in the Budget each year for water conservation schemes, the opening up of new land, for the introduction of higher grade seeds and other measures likely to bring economic benefits either directly or indirectly to the less prosperous areas. The adjustment of income and expenditure between richer or poorer provinces through the national economic plan is another method by which the pace of development of the poorer regions can be accelerated in comparison with those which, by reason of history or geography, are better endowed.

On the basis of expanding production the Budget can allocate increasing amounts to improve the quality and expand provisions for health, education, science, technology and cultural services. Here again, the Chinese strive to maintain a balance between state aid and local self-reliance, with its concomitant of grass-roots democracy. The number of pupils in primary and middle schools in 1972, according to Budget Bureau figures, increased by 30 per cent over 1965. Much of this increase would be accounted for by additional places in rural schools as a result of the campaign to provide at least five years' primary school education for children in the countryside. These schools are under the supervision of the peasants and the production brigades receive 120 yuan a year for each teacher, the balance of salary coming from brigade funds.

Each of China's 2,000 counties has a hospital and every commune a clinic, with 60 per cent of the salaries of doctors in commune clinics paid by the State (through the county). The rest is provided through the co-operative medical service for which peasants contribute one yuan a year per head. All social services for industrial workers—health, pensions, crèches, kindergartens—are provided free of charge through the factory welfare fund, 11 per cent of the total wage bill of which is provided by the State. Family members of workers pay half the cost of medical treatment, although in cases of special need funds can be made available from the factory welfare fund.

Financial assistance to the minority people, the Budget Bureau explained, is provided within the context of the Party's policy of 'unity, mutual help and love'. The minority areas are given much greater control over their own budgets than the purely Han provinces. Yearly expenditure in the national economic plan provided for the minority regions greatly exceeds planned revenue, in contrast to the richer provinces where the reverse is the case. The State, moreover, devotes large sums every year to investments in capital construction projects especially for these areas, as well as providing non-repayable subsidies for the extension of social and cultural services.

'Every year, when preparing the Budget,' the Bureau members informed me, 'we have to think of the obligation of those who have already been liberated to help others in their just struggles. Whilst building socialism in our country, we endeavour to support the revolutionary struggles throughout the world. But China is a developing country and we are conscious of the fact that whatever help we can give to others is still rather limited.'

The yearly economic plan includes a figure for expenditure and income for each province, municipality and autonomous region. The two are not connected and whereas planned income of the richer provinces and municipalities greatly exceeds their expenditure, the reverse applies in the case of the autonomous regions and the poorer provinces. For example, expenditure in the provinces of Kiangsu and Liaoning and the municipality of Shanghai was 33 per cent, 18 per cent and 10 per cent respectively of planned income for 1972.

Prices of all major items, including most of the 'daily necessities', are fixed centrally with marginal differences depending

on quality and with some small regional variations, which are gradually being eliminated, reflecting costs of transportation. Prices of some small items—towels, slippers, leather shoes, pots and pans—are decided at the provincial or administrative region level where they are produced and consumed. These arrangements do not exclude some flexibility to avoid waste. When, for example, there is a glut, in one area or another, of fish, fruit or vegetables which cannot all be processed or stored, prices are temporarily reduced and the items are sold at a loss to the State, although the prices paid to the communes remain stable.

Apart from the price adjustments already mentioned, of benefit to the peasants, cuts in the prices of a wide range of items purchased by both town and country dwellers have been introduced as productivity has increased. Reductions in the prices for the most-used medicines and drugs in August 1969, for example, brought the overall price down by 37 per cent (or 80 per cent below 1950).

In 1972 the effective purchasing power of the people in town and country rose by 10 per cent which was reflected in a larger value of saving and increased purchase. In 1972 sales of piece goods of synthetic fibres rose by 30 per cent, increases across the country in sales of thermos flasks, aluminium cooking pans and other daily necessities increased from 10 to 20 per cent, and there was a marked rise in purchases of the more expensive items such as radios, silk materials, wrist watches and bicycles.

Many visitors to China have remarked favourably on the price, quality, range and design of consumer goods offered in the large urban department stores as in well-stocked village shops run by production brigades. Professor J. K. Galbraith, who visited China towards the end of 1972, has this to say:

The Chinese seem to have developed a plain but remarkably efficient system for the distribution of consumer goods. The markets and stores we examined were handling a dense traffic at markups that are most minuscule by our standards—4.4 per cent on fresh produce and meats, 13 per cent in a big Peking Department store. The department store is helped by having no packaging, no high- and slow-moving items, no advertising, no style-goods, no fitting, few returns, no shop-lifting.

Production is for use, not profit. The approach was explained in a statement by the Writing Group of the Ministry of Commerce (October 1970):

We must actively handle commodities which the workers, peasants and soldiers like and which are economical, practical, unpretentious, durable and varied. At the same time, great attention must be given to making repairs . . . We stand for proletarian richness of variety and colourfulness.

As in all spheres, increase in supplies of consumer goods has not been achieved without a struggle of principle with the capitalist-roaders. Whilst Mao Tse-tung advocated 'Develop the economy and ensure supplies', Liu Shao-chi was arguing that 'circulation determines production'. In putting the market and demand and supply considerations first, Liu Shao-chi was falling into the error roundly condemned by Marx in his *Critique of the Gotha Programme*:

Vulgar Socialism . . . has taken over from bourgeois economics the method of treating and considering distribution as independent of the methods of production and thereby representing Socialism as turning on distribution.

It would seem that the country which has talked least about material incentives and consumer sovereignty has, without a lot of fuss, been the most successful—whether among planned economy countries or in the third world—in increasing quantity, extending variety and improving quality of its consumer goods.

By planning for an effective balance and to ensure the proportionate development of heavy and light industry and agriculture, by maintaining a supply of consumer goods to correspond with the purchasing power of the community and operating a price policy to serve the interest of the workers and peasants, China has, since 1949, successfully avoided inflation.

PEASANT PAINTINGS IN PEKING

Two things strike you immediately you see the exhibition of peasant paintings in Peking—the blaze of bright colours and the simplicity and boldness of form. The impact was greater when one saw the art of amateur peasant painters of Hu County alongside traditional style paintings by mostly professional painters. In contrast, the latter, though new and popular, seem somewhat pallid.

In form and content the 179 paintings of the Hu County peasant painters are fresh, original and uninhibited. They vividly depict everyday life and the strong impressions the peasants have of their work and villages. In their scenes of collective work (reminiscent of Breughel), of bright yellow cornfields ready for harvest (recalling Van Gogh), of peasants, old and young, at meetings, studying, working, doing military drill and watching films—they express the spontaneous feelings of China's commune members. The paintings spring from the soil and their roots are firm among the tillers of the soil.

The amateur peasant painters of Hu County, Shensi Province, started to paint in 1958 during the Great Leap Forward. There was already a local tradition of popular art, which took the form of woodcuts, paper-cuts and New Year paintings. After liberation various art groups formed, and wall papers with pictures were used for news and education. Of course, the new peasant painters drew on these experiences when the local Party branch mobilised them in 1958. They say that their art began to develop as a political necessity. The peasants wanted to depict the big changes, particularly the newly-formed communes, in the countryside. At the same time, they were stimulating enthusiasm for these changes among the new commune members.

Hu County is a region of mountains and plains, 30 miles from Sian. It has 22 communes, a population of 400,000, and an area of 13,430 sq. kilometres. At first conditions were difficult for the new peasant painters: they had little equipment and experience. However, the County Party Committee gave them support and organised popular art classes. Thus they trained a nucleus of artists, with the help of professional painters, and made amateur art activities a routine matter of discussion and organisation in every Party branch. In addition, the Revolutionary Committee of Hu County calls a work-meeting on peasant amateur art every year, where painters exchange ideas and experiences.

During the Socialist Education Movement in 1964 the peasant painters produced paintings of the history of the villages—the history of the landlords and the peasants—in order to carry out mass education. During and since the Cultural Revolution they have also been very productive.

Who are these painters who have emerged as national model artists? They include young and old, men and women, commune members, militiamen, brigade party secretaries and heads of production teams. Now there are 500 of these peasant painters, including 30 women. Altogether they have produced 40,000 paintings. In their spare time, when they are not working in the fields, they paint on house and village walls, on black-board posters, on the field embankments and walls of reservoirs. They also put up exhibitions on construction sites. In this way they stimulate production. One interesting form of art which they introduced in 1962 is slide-transparency painting. The slides can be shown all over the county and are a new form of popular art. The peasant painters use simple equipment to paint in basic rural conditions among their fellow commune members.

Gradually the skills and styles of the peasant painters have improved—through study, practice, and helping one another. The commune members also give their opinions, which help

the painters raise their standards. They have inherited the old forms of woodcut and paper-cut, while taking up painting in oil and water-colour. In all the various lively and flexible forms, the main features are bold outlines, unconventional perspective and vivid imagination. Some of the figures seem to be stuck on the paintings, they stand out so much. Very often the painters ignore true perspective in a delightful way, in order to depict what they see. A cross-section picture of workers down a well illustrates their imaginative approach. In fact, as we were told by an organiser of the exhibition, professional painters would never dare to paint in this way.

To sum up, three main features distinguish this peasant art. Firstly, the fact that their art is directly linked to political developments and movements. Secondly, the peasant painting is characterised by its portrayal of collective labour, in which the peasants themselves are engaged. This reflects the painters' view of life and work; it is a communal image rather than an individual one. Thus, these painters have broken away from the conventional images of individual characters, isolated work or heroic types, more common in professional painting and perhaps a heritage of traditional bourgeois art in the West. Thirdly, the peasant painters reflect their own basic creative energy and dynamism. These are not restricted by form or convention, as are many of the professional painters. As one professional painter said to me, 'when we see the exhibition of the Hu County paintings, we feel that the peasant painters rely on their feelings, while we rely on technique in painting. Professional painters often use dull colours. This can't portray the prosperous countryside and educate the people. They must overcome this bourgeois tendency'.

There are political as well as purely artistic lessons to be learnt. The professional painters have rich experience and advanced technique; they have also changed and adapted their outlook and styles to produce many fine works showing contemporary China. The peasant amateur painters are closer to life and have their own specific quality and distinctive styles, which they should retain. They are learning from one another to enrich their art—to make it popular and aesthetic.

Happily, the peasant painters of Hu County are not unique. Other counties do similar work, but this one has been selected as a model to be popularised. With such a model we can expect great progress in the field of popular art.

MICHAEL SHERINGHAM

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