

Far East Reporter Publications

SOME BACKGROUND ON THE GREAT PROLETARIAN REVOLUTION IN CHINA By Maud Russell See inside page 32	50¢
TRADITIONAL MEDICINE IN COMMUNIST CHINA By Ralph C. Croizier	40¢
AN OBSERVATION ON ACUPUNCTURE IN CHINA By Felix Mann	40¢
MASS-LINE LEADERS AND LEADERSHIP IN RURAL CHINA By Isabel & David Crook	40¢
AN OBSERVATION ON ACUPUNCTURE By Felix Mann	40¢
WHY WASHINGTON SEES CHINA AS THE "ENEMY" By Maud Russell	40¢
ON THE INFLUENCE OF THE THOUGHT OF MAO TSE-TUNG By Rewi Alley	25¢
THE PROCESS OF URBAN AND RURAL ECONOMY IN CHINA By David Crook and Shirley Wood	35¢
"SEEING IS BELIEVING" - by An American POW in China	25¢
THE PAST IN CHINA'S PRESENT By Joseph Needham	60¢
IN SOUTHEAST ASIA TODAY; Poems by Rewi Alley	25¢
THE IMPACT OF US CURRENT POLICY ON PHILIPPINE "INDEPENDENCE"	50¢
SOME OBSERVATIONS ON EDUCATION, TRADE & POLITICAL PROCESS IN CHINA. Dr. Oldham J. Russell Love Anna Louise Strong	40¢
SOME BACKGROUND ON US IN VIETNAM & LAOS	35¢
SOME BACKGROUND ON US IN SE ASIA: MAPHILINDO	25¢
LETTERS FROM FRIENDS IN CHINA	30¢
ACUPUNCTURE: The Scientific Evidence Han Su-Yin	25¢
SOME FACTS ABOUT TODAY'S TIBET - Stuart & Roma Gelder	30¢
MALAYSIA: Arena of International Conflict - Abdul Rahim Karim	30¢
CHINA SPEAKS FOR HERSELF: Interviews with P M Chou En-lai	25¢
ASIANS SPEAK OUT ON US "AID" POLICY AND PROGRAMS Pakistan: US Aid to Pakistan: An Evaluation by Hamza Alavi Cambodia: Why Cambodia Rejected Aid by Han Suyin	30¢
CHINA IN TODAY'S WORLD: "Economic Failure"? "Opposing Peaceful Co- existence"? "Isolated"? "Threat To Asian Neighbors"? By Maud Russell	60¢
ORIENTAL RENAISSANCE IN EDUCATION AND MEDICINE Dr. Wilder Penfield (Reprint from "SCIENCE")	25¢
WHITHER INDIA - Maud Russell	35¢
CHINA 1963: Food Medicine People's Communes - Rewi Alley, Dr. Wilder Penfield, David Crook, Anna Louise Strong	50¢
THE WAR IN VIETNAM - Hugh Deane. A 32 page Monthly Review Pamphlet	50¢
ARTS & SCIENCES IN CHINA - 40 page reproduction of British-China Friendship Ass'n 1st quarterly issue	60¢
CHINA-INDIA CONFLICT By Maud Russell	60¢
THE "NEW ERA" IN THE PHILIPPINES	25¢
NEW LIGHT ON THE KOREAN WAR	15¢
REPORT FROM UN: THE CHINA DEBATE By Susan Warren	25¢
CHINA FACTS FOR AMERICAN READERS - Correcting Popular Tales Israel Epstein & Rewi Alley & Felix Greene	25¢
AS CHINA SEES UNITED STATES POLICY - Chapter 26 of "Awakened China" by Felix Greene	50¢
THE WORLD BELONGS TO ALL--FAMILY LIFE IN CHINA Liao Hung-Ying and Derek Bryan	25¢
"WHAT ABOUT CHRISTIANS IN CHINA?--THE YWCA" A Canadian YWCA Member visits YWCAs in China, with photographs	25¢
CHINA'S PATH TO HER NEW SOCIETY	25¢
MEDICINE AND PUBLIC HEALTH IN CHINA - Compiled by Maud Russell	26¢
PREMIER CHOU EN-LAI--FELIX GREENE INTERVIEW Full Text, October, 1960	25¢
"WHY DO CHINESE 'REFUGEES' 'ESCAPE' TO HONGKONG?" Maud Russell and Anna Louise Strong	15¢
CHINA AND INDIA? AND INDONESIA? AND BURMA? - Maud Russell	50¢
NEW PEOPLE IN NEW CHINA, Maud Russell	35¢

far
east

Reporter

40¢

The Great Proletarian

Revolution

and

CHINA'S ECONOMIC HEALTH

By Maud Russell

The Great Proletarian Cultural Revolution
and
CHINA'S ECONOMIC HEALTH

By Maud Russell

Introduction

For the past year, 1966-1967, the Chinese people have been engaged in a Great Proletarian Cultural Revolution - a revolution which is a stage in the process of changing the thinking, the habits, the customs, the ethics, the culture - the ideology - of that quarter of the world's population: moving their thinking and actions away from feudal and bourgeois ideology and farther on the path of their socialist and eventually communist objective.

Endless stories and accounts abound in China telling how this emphasis in their thinking in terms of Marxism-Leninism, The Thought of Mao Tse-tung and the practices associated with this thinking (criticism and self-criticism, faith in the masses, faith in themselves) have increased their productive capacity. Westerners may read these stories with a cynical sneer, but cynicism cannot undo the results in the lives of the Chinese people.

"Whatever may be the impediments to a new way of thinking, a new way of living and producing there certainly is. Those whose business it is to judge by material standards no longer stand in need of published statistics to check their observations of the general economic level in China. This now applies to all parts of the mainland, in some of which changes have come with a rush in the last three or four years."*

But since all American readers cannot personally and directly make "observations" in China they "stand in need of published statistics" about China - of which there are

*All quoted material, except otherwise noted, is from the China Trade & Economic Newsletter, published in London, by the British Council for the Promotion of International Trade. Hanover Square, London W1. Annual subscription \$30.00

plenty for those who can take the time to ferret them out. So: FAR EAST REPORTER shares with its readers some of the facts about the economic health of the People's Republic of China during the past year of the Great Proletarian Cultural Revolution.

Has The Cultural Revolution Affected Production?

"The Chinese planners - and statisticians - have made their mistakes in the past, but over the past five years appear to have settled down to a fairly scrupulous discipline....Most of the claims for individual industries made in a communique announcing the rise in gross industrial output in 1966 can be verified from the personal observation of Western economists and business men. China can now, it says, produce the rolled steel required for motor vehicles, precision instruments and for the petro-chemical, aircraft and nuclear energy industries. She can also build all equipment for the modern iron and steel plants, power stations, coal mines, oil fields and oil refineries, chemical factories and machine-building works to be erected during the Third Five Year Plan." (This began in 1966...ed) "In a passage which has a sober ring and yet a significance which no one who can recall the China of seventeen years ago will miss, the communique concludes that an 'independent and fairly complete system of modern industry is being built in China. The country is now completely self-sufficient in petroleum products for its national economy and national defence, both in quantity and variety'." (Jan '67)

"Experts watching Communist China's political turmoil say it isn't seriously upsetting the economy, yet. Industrial production in mid-year is actually a shade better than at the same time a year ago, according to some intelligence estimates." (Christian Science Monitor 9/14/66)

"China is very much a going concern economically. Her contrast in this respect with most other countries of Asia, in fact in the world, is so marked that those who dislike the current phase of Chinese politics have taken refuge in the prophecy that the 'cultural revolution' will lead to demoralization in industry and agriculture." (Jan '67)

Let the Chairman of the British-owned and powerful Hongkong & Shanghai Banking Corporation, in his "Survey of 1966" speak: "The Thought of Mao Tse-tung is basically aimed at giving the mass of the population courage to think out and try out new ways of tackling economic problems which face them."

"Some reassessment and disturbance of existing practices there no doubt will be. If it is accomplished by proposals for improvement such criticism could even have a salutary effect in weeding out old-fashioned and wasteful methods where these are still in use....There is less danger of a decline in production in a period when the tempo of politics is quickening than in times of adversity to which there is no satisfactory political answer." (Jan '67)

Kurt Mendelson, Reader in Physics at Oxford University, speaking on a British Broadcasting Corporation program, said, "The progress in agriculture and, above all, in industry which I have seen since my first visit to China in 1960 is hardly believable. Then, the people were struggling with the beginning of industrialization; now, there is practically nothing which the West can produce and China cannot; from merchant ships to motor cars, from computers to electron microscopes, from high grade metal alloys to synthetic insulin. To me it seems utter folly to ascribe the cultural revolution to economic difficulties. Coming from the Soviet Union one is astonished by the much greater range and availability of consumer goods in China."*

The Christian Science Monitor in an editorial of July 18th 1967 comments on a report of the Joint Economic Committee of Congress on "Mainland China in World Economy", a committee headed by Senator William Proxmire (D) of Wisconsin: "The impression which emerges is that Communist China, notwithstanding its year-long elephantine thrashing of its Great Proletarian Cultural Revolution, is a country which has been making substantial progress in a number of major fields. Despite its vast and swiftly growing population, China

* The Listener 8/12/66

apparently has been able to order its agricultural and internal transportation in such a way as to avoid the periodic starvation which once swept the land.... Since the late 1950's China has made noticeable industrial progress. This is true even in fields wholly unconnected with that atomic development in which China has outpaced world expectations. It is crucially important that the world, and first and foremost the United States, understand China... China must be understood, and in the end, it must be cultivated..."

"Western visitors to the international fair in Canton (Kwangtung) this year say China's industry continues to progress - despite the chaos of the revolution. Chinese products shown for the first time: a six-seater limousine called 'Red Flag'; air conditioning units, new machine tools, X-ray equipment, 35 different petroleum products including high octane gas. All goods displayed were reported having much better finish than in the past. Quality of textiles has improved greatly. Western businessmen who have seen the fair comment particularly on the good quality of Chinese steel." (CSM 7/28/67)

Those Western Misreadings of Developments in China

Western analysts, experts and correspondents may characterize China's cultural revolution as involving "turmoil" and "chaos" in China's economy as well as "political instability" and "disaster" - but the facts belie their hostilities and their misunderstandings.

American writers continue to harp on the "disastrous effects of the Great Leap Forward of 1958". But, as the China Trade & Economic Newsletter points out: "The Great Leap Forward, whatever distractions and dislocations it caused at the time, it had a decided effect in enabling the Chinese to break with the habits of dependence on orthodox training and imported expertise. Practically everything now beginning to produce interesting developments in industry dates from the Leap." (Oct '66)

The New York Times reporting on studies made of China's economy, lists the gross national product - the total of goods and services as:

1952	71.4 billion yuan*	1961	92.2 billion yuan
1958	108.0 " "	1965	108.0 " "**

The wishful thinking of American reactionaries that the cultural revolution has retarded China's economic progress is not borne out by the facts. Let a Japanese economist speak: "China is now only ten to fifteen years behind Japan. She has emerged from the 'take-off' stage and has entered the industrialization stage... How far off is the impending break-off?" he asks, and answers, "My own estimate is five to ten years." And he goes on to say that he does not think "the recent political events in China, apparent to the outside world largely in the activities of the Red Guards will affect that timetable." ***

China's Foreign Trade Has Not Suffered

The Christian Science Monitor reported that "A Japanese economic mission reports it has found Communist China's trade with Southeast Asia continuing brisk even after the outbreak of the power struggle inside China. The mission, headed by Eiji Honda, managing director of Sumitomo Shoji (commercial) Kaisha, recently conducted a month-long trade survey in Thailand, Singapore, Hongkong, Taiwan and Malaysia. The survey was undertaken at the request of the Japanese Foreign Ministry. The mission said its findings were based on studies of official data obtained from the governments and central banks of the five areas visited. Its report said Chinese Communist products were found making advances on the markets of the five areas as briskly as before the start of the cultural revolution last summer. It said it found Hongkong most conspicuous for the abundant supplies of Chinese Communist goods." (CSM 5/4/67)

Earlier the Monitor had reported, "Regardless of political chaos at home Communist China looks after her business abroad. Charles Churchill, a British tube-investments company, had just received a major order for general gear-cutting and processing machines from Peking. Nitrex

* 1 Yuan equals about 40¢ US ** NYT 3/7/67
*** Geneke Uchida, International Economic Secretary
in the Ministry of Economy, Trade & Industry of
Japan (Scientific American 11/66)

of Zurich has agreed to sell China some three million tons of nitrate fertilizers worth about \$100 million. In December Peking opened a new department store on Raffles place, in downtown Singapore." (CSM 1/8/67)

A Canadian reports "Neither production nor foreign trade appears to have suffered serious retardation because of the cultural revolution."*

"Business men report major deals have proceeded with few hitches, despite China's current internal political turmoil." (Wall Street Journal 10/5/66)

"Preliminary figures indicate that despite the political disturbances in Communist China, Peking's trade with its chief non-Communist trading partners increased more than 20% last year. The data appears partly to support Peking's contentions that appreciable gains in both industrial and agricultural production were realized last year.. Available data indicate that last year China's exports to its seven chief non-Communist trading partners was valued at \$1.1 billion compared with \$880 million in 1965. Chinese imports from these same partners apparently rose to about \$825 million last year as compared with \$600 million a year earlier. The seven trading partners included in the data were Canada, Britain, Japan, France, West Germany, Italy and Hongkong...Data on the nonCommunist world's trade with China are regularly collected by the International Monetary Fund and the International Bank for Reconstruction and Development." (NYT 2/19/67)

China's Food Situation Is Improved, Not Impaired

The three years of natural calamity (1959-1961) did cause a food stringency in China; but "China apparently had a moderately good economic year in 1966 despite political turmoil" reports the NYTimes (1/20/67) and goes on, "There was no real food shortage, and as one expert said, it was a high out-put...in contrast to pre-Communist days." Even two years earlier the Times had reported "agricultural production is back to the levels prevailing before 1958." (7/6/65).

*Russell McArthur, Chief of Electrical & Electronic Technology at Selkirk College, British Columbia 11/66.

Currently there are reports of China's buying wheat on the world market. For example, "China contracted for a little more than five million tons of foreign wheat in the 1966-1967 crop. In the last crop year imports reached 6.3 million tons." (NYT 1/20/67)

Many of the reports in the American press contain the implication that a food shortage in China accounts for the wheat buying. There are two facts that bear on this wheat importing program of China: 1) The wheat-importing program is a method of securing foreign exchange with which China can purchase industrial equipment on the world market; she buys wheat at \$1.85 a bushel and she sells her rice at \$2.15 a bushel.

"Four shipments of newly-purchased Australian wheat were diverted to Egypt in June...Figures in the British press suggesting that China's deliveries to Egypt, Syria and other Middle Eastern and Asian countries add up to as much wheat as she is buying from Australia, and perhaps more, seem exaggerated. There is evidence that the government's grain policy includes a definite and continuing element of wheat import balanced by rice export. But it would be safe to conclude that China now finds herself with much more room to manoeuvre and can ship, or divert shipments of grain as a regular part of trade and aid agreements with Asian and African countries." (July 1967)

And there is a second fact that bears on this wheat-importing program. 2) In pre-Communist days wheat was the staple food in the north and rice in the rest of China. Today the eating habits of wider sections of China are including wheat as a staple. So, the export of rice does not decrease the food supply of the Chinese people; rather, it helps build the industrial base that in turn serves to modernize China's agricultural base.

At the same time there is increased production of wheat in China; one way is by "the transformation of a number of formerly food-deficient areas in the north into self-sufficient or food-surplus areas." (Jan '67). And, in another way "instead of concentrating on the rice crop and bringing in over-wintering crops only as a side-line as in the past, the

peoples communes in the mountainous province of Kweichow set themselves the objective of raising two crops a year from their land, one of rice and one of over-wintering wheat or barley...The province will certainly be regarded as an example to others politically. In agricultural terms, just as one of last year's main conclusions was that the northern provinces need no longer be a grain-deficiency area, so this year's moral is to be that mountainous provinces are not necessarily unsuitable for wheat." (June '67)

The capitalist press is full of dire discomfort - over the "population explosion" in China: too many Chinese in the world and too many to feed. But two facts bearing on this Western concern must be noted. One is that the population growth rate in China is less than that of other countries with which the United States presumes to be concerned. China's population growth is 1.6% (UNESCO) while that of Pakistan is 3.2% (NYT 11/1/65), of the Philippines is 3.3% (CSM 11/4/65) of South Vietnam is 3% (Sheer in "How the US Got Into the UN), of South America is 3.5% (NYT 3/11/65), of South Korea is 2.7%. "China today is about 23% of the human race. If China goes on growing this will coincide with similar growth in other countries of Asia, Africa and Latin America. At most, China may increase her share to 26% or 27%. This would not seem to justify a fear on the part of the rest of the world of being numerically swamped." (UPI London 5/5/66 as reported in the Detroit Press 5/9/66)

But if, and this is a big "if" - the concern of the capitalist world is less over fear of being numerically swamped and is truly over the prospect of a "starving Chinese population, with too many mouths to feed", there is a second fact that must be noted: "The land already under cultivation is 13% of the area of the country; another 15% can be cultivated."* So China at present is using less than one half of her cultivatable land area - and on that 13% that is being used water control, soil conservation, irrigation, electrification, mechanization, improved seeds,

* Han Su-yin in Contemporary China, a Vintage book, Published October 1966 \$1.95

improved and modern crop methods, transportation, education, and health facilities are already making the Chinese government estimate that "self-sufficiency within the next decade can be reached with the area now under cultivation."

"The basic situation is that China feeds and clothes herself with the products of her own agriculture, where other countries which started from the same point as she did are increasingly depending on foreign aid." (Jan '67)

"It is to the credit of the regime that, despite the limitation of resources, China has been able to give almost all the children at least a four-year primary education, to provide them with at least the minimum medical facilities, and of course, to feed and clothe this unproductive multitude."*

China's Purchases Abroad Have Continued

China's economic stability and potential are evidenced by the wide, varied and multitudinous purchases of industrial equipment abroad. And be it noted that China is not using her foreign exchange to purchase consumption goods - nor the luxury items that figure in the imports of Washington's client (modern colonial) states. Her purchases abroad are helping build a modern industrial base that underpins not only a rising standard of living for the Chinese people, but also a genuine economic independence.

During this first year of the cultural revolution China maintained her purchases (imports) of goods from abroad. One example was China's imports from Great Britain; not only was there a continued but also an increased import; let the figures speak:

Imports for the first 5 months of 1967: **

Were £17,217,000 - a monthly rate of £3,581,200 worth
Imports for the first 11 months of 1966:

Were £29,564,000 - a monthly rate of £2,687,363 worth
In other words, there was an increase
in 1967 in the monthly rate of £893,838 worth ***

*Leo Orleans in Contemporary China

** Figures from China Trade & Economic Newsletter

*** 1 pound (£) British currency equals \$2.80 USA

"In the last week of January 1967 Imperial Chemical Industries (ICI) whose sales to China rose from half a million pounds in 1963 to nearly two million pounds in 1965 announced the conclusion of a one million pound contract to supply nitrogenous fertilizer to the China National Chemicals Import & Export Corporation. This deal comes after the Chinese purchase of 3 million tons of fertilizer from a consortium of fertilizer companies in France, Italy, West Germany, Switzerland and Belgium....It is estimated that last year's imports totalled 6.5 million pounds worth; not all of this was from European suppliers - China has been a heavy buyer of fertilizer from Japan and North Africa." (Feb '67)

"Next month deliveries will start on the 50,000 tons of steel tubes being supplied by Hikon Kokan Kaisha of Japan over a six months period. The total purchase price is approximately £3.5 million." (Jan '67)

"By the end of November 1966 United Kingdom firms had exported textile machinery to the value of £1,346,040 to China during 1966. A dyeing plant for woolen or synthetic fibres, together with ancillary equipment and two years spares, was shipped to Tientsin early in December 1966; this was worth £20,000. Equipment worth a further £20,000 was being supplied by another synthetic fibre machinery specialist, Ernest Scragg & Sons." (Jan '67)

"France's exports to China rose by well over 100% in 1966, over their 1965 value. Motor vehicles probably accounted for a third of all deliveries to China. At the beginning of December a further sale of 600 Berliet 15-ton lorries was reported." (Jan '67)

"The last purchase, a year ago, was of 1200 heavy lorries, now delivered. The value of the complete vehicle contract was quoted at 80 million francs (about £6 million)" (Feb '67)

"A £250,000 order from China, completed in November, was one of the factors in delaying the close-down of a small Lanarkshire company manufacturing metallurgical furnaces for steel works." (Jan '67)

"Further sub-contracts arising from Chinese orders for complete plants from the United Kingdom have gone to Johnson & Phillips Ltd for capacitors for the Simon-Carves polyethylene factories, to Kestner Evaporator & Engineering Co Ltd for propeller-turbine and paddle type mixers ranging from $\frac{1}{2}$ to 10 horse-power for the acrylic fibre plant being supplied by Courtaulds." (Jan '67)

"Colvilles Ltd, the large Scottish steel firm whose trading loss in 1966 recently caused a stir in financial circles in December booked one of the current Chinese orders for light steel plates; the company's works will supply around 5000 tons." (Jan '67)

"Reuter reported from Singapore on January 19th that last year China was one of the four biggest buyers of Malayan natural rubber. The published figures of tonnage shipped in the first eleven months show the USSR in the lead with 174,356 tons, the USA second with 87,032, China close behind with 83,000 tons and the United Kingdom fourth with 68,245 tons." (Feb '67)

"Ten months trading with Japan showed Chinese imports of inedible raw materials other than fuel (£3.5 million), of chemicals (£37.3 million, of manufactured goods including steel (£38.3 million), of machinery and industrial equipment (£14.45 million), of miscellaneous manufactured articles (£2.2 million.....Trade with China is estimated by the Kansai Regional Office of the Japan Association for the Promotion of International Trade to have risen 30% last year to a total of \$680,000,000 - with China taking her place as the second or third largest buyer of Japanese goods, instead of the fifth largest as in 1965. Today China is the biggest foreign market for Japanese manufactured fertilizer and the second biggest, after the US, for steel products" (Feb '67)

"Japan's exports to China in 1966 included steel and iron, artificial fibre, metal manufactures, textile machinery and optical instruments." (April '67)

"The Charles Churchill Group, which 15 months ago received a £200,000 contract to supply machine tools to China, announced a new contract in January for gear-cutting and processing machines to the value of £75,000." (Feb '67)

Not all imports are inanimate. "The first two shipments of a total of £53,000 worth of Large White and Landrace pigs were recently sent to Shanghai by British Livestock Exports Ltd; the value of the pigs already despatched is £20,000; a further batch of 100 will leave this month." (Feb '67)

"First livestock to be carried aboard the Glen Line's 13,000-ton Glenfilas were 214 head of Romney Marsh sheep, loaded at the beginning of last month consigned to the China National Animal By-Products Import & Export Corporation, Shanghai. A year and a half ago several important Chinese orders for breeding cattle, pigs and sheep were executed by British Livestock Exports Ltd and Lineage Livestock Ltd. The former company was responsible for the export of more than 600 pedigree pigs to China during 1966, and stated that orders for another 200 sheep had been received this year." (July '67)

"At the British Scientific Exhibition in Tientsin in September 1966 Longworth Scientific Instrument Company received a trial order for 60 anaesthetic outfits." (Mar '67)

"The 5,731-ton Foch was sold this year by the French Nouvelle Compagne de Paquebots to the China National Machinery Import & Export Corporation for £600,000." (July '67)

"During June the Hino Motor Company of Japan sold 200 trucks to the Chinese National Machinery Import & Export Corporation. Payment, £1,120 per unit, was by letter of credit." (July '67)

"A report from Constanza, Rumania, says that consignments of road roller and excavators have been shipped to China." (July '67)

"Zambia has this year made her first sale of maize to China. The quantity involved is one million bags and there is a reciprocal purchase of Chinese consumer goods." (July '67)

"The delivery of the first vessel built for China by a British yard, the 'Dunhuang', was made early in March. The ship begins sea-trials during March, by which time a

sister vessel, the 'Amei' should have been launched. The two ships, ordered in January 1966, are worth £2.5 million." (March '67) "On March 14th a second 15000-ton dry cargo vessel, the 'Jinsham', was launched." (April '67)

"W E Sykes, a well-known manufacturer of gear producing machines, have recently secured a further contract from China for seven Fine Pitch Fear Shaping Machines. When delivered these machines will bring the value of Sykes machines shipped to China over a three year period to approximately £260,000. The gears supplied are for producing gears in the instrument industry and in automobile tractor plants." (March '67)

"A leading machine-tool firm, Coventry Guage & Tool Co Ltd maintained its overseas trading position in 1966 mainly on the strength of orders from the planned-economy area. By far the largest of these orders was from the China National Machinery Import & Export Corporation, for 56 thread, gear and tap grinding machines." (March '67)

"West Germany now leads the United Kingdom in exports to China. Items which contributed substantially in the past year to West Germany's export figure of £46 million were copper, iron and steel sheet, machine tools and other machinery." (March '67) "West German business-men began talks with the Chinese Communist officials today about the possible construction in China of a large steel-rolling mill...The West German Government has offered a credit guarantee of \$75 million. The mill would be the most modern of its kind in Asia and have a capacity of 3 million tons annually, according to the sources." (Reuters NYT 3/14/ '67) "The West German Government has been conferring secretly with representatives of the Chinese Communist regime about improving trade...A West German trade mission was reported to be in Peking to discuss arrangements for building a 196 million dollar steel rolling mill in China. The project is to be financed by a consortium of German, French and Belgium concerns....West Germany has become Communist China's biggest European trading partner. Recently published statistics show that exchanges between the two countries have trebled in three years." (NYT 4/14/67)

"The Chairman of Mannesman confirmed on the 7th of June that deliveries can now begin under the £4,000,000 Chinese contract for a tube welding mill, concluded with several West German firms recently." (July '67)

"It was reported in London that a West German firm, Alfred Fritsch, had received an order from China for laboratory equipment worth £15,000." (May '67)

"Danish exports to China rose from \$2,100,000 in 1960 to \$2,500,000 in 1966." (March '67) "Seventy percent of the goods on display at the Danish Industrial Exhibition in Peking between March 1st and 15th, worth £168,000 was sold. The exhibition concentrated largely on ship-building, refrigeration, electronics and diesels." (April '67)

"Switzerland increased her trade turn-over with China by more than 20% last year; her exports to China totalled £7.5 million." (April '67)

"Auto-Tractor, the Rumanian State Company, recently despatched a consignment of SR Carpati lorries to China. It is also reported from Bucharest that all three cargo boats of from 3150 to 4400 tons dead weight, ordered by China, have been delivered. Rumanian exports to China under the Sino-Rumanian agreement of February 1967 agreement include oil-drilling equipment, cargo vessels, -trucks, chemicals and petroleum products, and steel tubes. Recently it was stated that electric motors and lubricating oil figured prominently in Rumania's 1966 exports to China." (March '67) "Several thousand tons of Furnal R-300 semi-active carbon black and Carbonet-S active channel carbon black have recently been sold by Chimimport of Bucharest to the National Chemicals Import & Export Corporation of China." (May '67)

"The sale of an English Electric Leo Marconi computer to China recently drew attention to the potential of the Chinese market for cybernetic equipment. Negotiations were taking place in London for the eventual sale of an International Computers & Tabulator computer system to the same buyers...In July 1966 the Company received its first order for a computer, one capable of mathematical work in addi-

tion to data processing, intended for use in meteorological and hydro-conservation surveys; the value of this order was estimated at £500,000; the computer was also capable of multi-programming." (May '67)

"A further purchase of steel scrap, approximately 10,000 tons, by China, was delivered last month. This was one of a series of purchases of British iron and steel scrap, amounting to 100,000 tons and worth £2 million." (May '67)

"Parkinson Cowan International Ltd have received an order from China for two Wild-Barfield vacuum heat-treatment furnaces, designed for vacuum annealing nickel-iron alloys." (June '67)

"The Soviet Union and China signed the trade agreement for 1967 today after discussions which opened April 12th. In 1965, the last year for which figures are available, the Chinese bought \$200,000,000 worth of Soviet goods; the biggest items were machinery and equipment, aircraft, rolled metals and timber. (Reuters NYT 7/28/67)

"It is considered significant that, despite the almost complete break-down of political communication between Moscow and Peking, economic links continue. Under the latest agreement the main items the Chinese will buy from the Soviet Union are machinery, steel products, chemical products, aircraft; and platinum. Among the aircraft are said to be five Ilyushin-18 commercial planes." (NYT 8/3/67)

"Two British specialists are working with a team of Chinese technicians at Changchow, northwest of Wusih, on the Shanghai-Nanking railway in Kiangsu Province, to complete and commission a plant that will give China the basis of a new industry; this is the glass fibre reinforced plastics industry; and the plant about to go into production will produce the polyester resin known in Britain as Crystic." (March '67)

"Specialists from branches of industry in which Britain occupies a leading position have found a particularly warm welcome in China in recent months. Mr Brian Blackwell, managing director of Viking Engineering Ltd, and

a pioneer in the design and manufacture of equipment for the polyetheane foam industry, was besieged by technicians and kept fully occupied answering their questions for the greater part of a week.

"Two representatives of Scott Bader & Co, who have now returned from commissioning a polyester resin plant at Changchow in Kiangsu Province were highly impressed by the keenness and avidity for knowledge of new techniques shown by the Chinese teams working with them.

"From the other side of China, Lanchow in Kansu Province, Mr E W B Mills, engineer in charge of administration at the site of the polypropylene plant now in course of erection by Vickers-Zimmer, praised the Chinese engineers working on the plant, whom he described as 'highly trained and very intelligent', and also praised the quality of the Chinese civil engineering work. This, he said, 'was well up to world standards'." (May '67)

China Continues To Produce Goods For Export

The table of exports of Chinese products to Great Britain for the eleven months of 1966 will give some idea of the range of China's exports. (See table at end) A few other examples follow.

"From January to September 1966 China exported to Hongkong products totalling £124,045,350 (In US dollars, \$357,326,980); the bulk consisted of food. Twenty million pounds worth of the exports consisted of textile yarn, grey and other cotton cloth and fabrics of other fibres." (Feb '67)

"The 1966 listing of Chinese exports to Japan included the following: soya beans (£17.5 million), iron and steel (£7.7 million), coal (£4.5 million), maize (£3.4 million), chemicals (£2.8 million), non-ferrous metals (£1.4 million), iron ore (£1.3 million), non-ferrous ore (£1.0 million)." (April '67) An earlier report had also included "food and live animals, mineral fuels and lubricants, animal and vegetable oils and fats, manufactured goods worth over £20 million." (Feb '67)

"Under the February 1967 Sino-Rumanian trade agreement China will export to Rumania minerals, rolled steel, hard alloys, lathes, chemicals, rice, marine products, textiles and light manufactured goods." (March '67)

"Chinese shipments to West Germany during the first quarter of 1966 amounted to £7.5 million.

"Exports to France during this quarter amounted to £7 million. Exports to Italy for the first two months of 1966 were 15% higher than in 1966." (June '67)

"Over 4000 tons of Chinese goods ordered by merchants in Iraq were delivered at Basra last month by a Chinese vessel, according to Bagdad radio." (July '67)

Other Demonstrations of China's Economic Health

During the 1966-1967 year of the cultural revolution there have been dramatic demonstrations of China's economic health.

Aid To The Vietnamese People. "In 1955 the Chinese and Soviets promised North Vietnam one billion dollars in economic aid...Of this total some 250 to 300 million dollars came from the Russians; three hundred to four hundred million dollars came from the Chinese; the remaining sums came from the Communist East European bloc. Since 1964 there has been 400 to 500 million more, 75% or more of it from the Soviets....Most Chinese economic aid since 1964 has been rice; China is the biggest supplier of food to North Vietnam.

"There are now 35,000 to 50,000 Chinese in North Viet Nam; most are labor troops, used to repair bombed roads and bridges, though some are widening the gauge of North Vietnamese railroads to match China's..

"The number of Soviet ships arriving at Haiphong and smaller North Vietnam ports rose to 122 last year from 74 in 1965, while the number of Chinese vessels held steady at 138.W (Wall Street Journal 2/14/67)

"Ambassador Lodge said he found no indication of any slackening of Peking's political and material help for North Vietnam as a result of political instability." (NYT 1/12/67)

"China is the main supplier of food stuffs, particularly rice; it is believed that North Vietnam depends on China for as much as 600,000 to 800,000 tons."(NYT1/18/67)

"Experts estimate that North Vietnam may need to import up to one million tons of rice this year from China." (CSM 3/10/67)

"Analysts in Saigon say that other countries - particularly Communist China - will be able to eventually supply the necessary products to make up for the bombing of North Vietnam's steel complex." (CSM 3/13/67)

"Not only does China supply food stuffs to North Viet Nam but all the rolling stock, rails, ties, signal equipment needed to maintain the North Vietnam railroad. In addition, she provides small arms, rifles, machine guns, mortars, grenades, light anti-aircraft guns, and ammunition!" (NYT 4/16/67)

"To a small extent China supplied North Vietnam with a force of fighters composed mainly of MIG 15's, MIG 17's, and and a handful, probably fifteen to twenty, of MIG 21's." (WSJ 2/14/67)

"Peking supplies certain goods even more vital to guerrilla existence than modern equipment - rice and bicycles." (CSM 3/26/67)

Development of Nuclear Energy and Equipment. Not only has China been able to afford and willing to supply economic aid to Vietnam - labor manpower, war material, transportation facilities and material, and food stuffs in this period when hostile and misinformed Western reporters were imputing economic weakness and chaos within China, but in the costly field of atomic engineering China made steady, if not spectacular progress.

"China has already impressed American officials with the advanced level of its nuclear weapons technology, particularly its ability to produce enriched uranium." (NYT 10/19/66)

"So far no indication has been received by the United States that the political turmoil is impeding Peking's development of atomic-warheads or the missiles to deliver them." (NYT 1/2/67)

"Peking announced plans to launch a rocket-powered earth satellite in the near future, a Japanese despatch from Peking reported. The announcement was attributed to the acting Chief of Staff of the Chinese Army."(NYT 2/20/67)

"The most recent study, one made by the Joint Congressional Committee on Atomic Energy made several points: The most recent Chinese test in June indicated rapid progress in thermonuclear design. Progress is being made in development of delivery vehicles for weapons with yields in the megaton range. **Internal strife has had little if any effect on progress.**" (CSM 8/4/67)

"The turmoil created in Red China by Mao's cultural revolution seems, for the most part, to have by-passed the scientists and technicians working on the Chinese nuclear and rocket programs. Despite the rampaging Red Guards...**the Red Chinese detonated a hydrogen bomb on June 17th.** Though officials disagree on whether the Chinese will launch an earth satellite, few doubt that the Reds have the rocket capability to do so. Last October the Chinese exploded an atomic bomb carried to its target by a guided missile. This indicated to US officials that the Red Chinese had both rocket power and the guidance capability to launch a satellite." (National Observer 8/7/67)

"Admittedly the economy of China has so far been effected less than many outsiders expected by the ideological upheaval. The nuclear energy program, for example, has apparently been going ahead unimpeded to the point where the Chinese successfully exploded their first hydrogen bomb." (CSM editorial 7/13/67)

China's Aid To Other Developing Economies Continued
Through 1966-1967

Afghanistan: "A note on the terms on which China will provide expert help in the setting up of a poultry farm in Afghanistan was signed at Kabul on April 27th." (May '67)

"A Chinese tea-plantation survey team, after working for three months in Afghanistan, left for home on January 26th." (NCNA 1/29/67)*

Burma: "Construction of the four projects under the Chinese aid program is in full swing under the joint efforts of Burmese workers and technical personnel, as well as Chinese experts. The four projects are the Sittang paper mill, with a capacity of 40 tons per day; the Swa plywood mill with a production capacity of 7000 square metres a day; the Merktilla textile mill, with 40,000 spindles and 600 looms; the Takaw bridge across the Salween River, a steel bridge, and a second bridge built with Chinese aid." (NCNA 2/15/67)

Cambodia: "Opening the Battam Textile mill constructed with Chinese aid, Prince Sihanouk of Cambodia said that the cultural revolution had resulted in increased aid to countries pursuing a policy of economic independence." (May '67)

Ceylon: "China decided to buy our rubber at 5 shillings more per pound than the Singapore price and to supply us with rice at 5 shillings less per ton than the Burma price, in addition to a host of other consumer goods at give-away prices." (Red Flag 4/9/67).

"China bought 20% of Ceylon's 1966 rubber crop - 4,850,920 pounds and supplies Ceylon with 200,000 tons of rice." (NYT 2/26/67)

Egypt: "Chinese experts on schistomiasis concluded a three months scientific investigation on combatting bitharzia in the United Arab Republic." (NCNA 8/21/66)

"The UAR has begun to use the \$80,000,000 trade credit from China; the first installment was used to purchase capital goods for industrial expansion." (NYT 9/26/66)

"Peking granted the UAR an unconditional hard-currency loan of ten million dollars." (CSM 6/67)

* NCNA (New China News Agency)

Algeria: Algeria, which at present imports its household pottery and porcelain from abroad, is about to have a modern porcelain factory at Guelma, near Constantine, with layout and equipment supplied by China. The annual output will be 3000 tons of finished pottery and porcelain articles, approximately the present home demand." (Oct '66)

"Chinese teams are now working in Algeria on the construction of a steel-rolling plant." (March '67)

Guinea: "The Kin Kon Hydro-electric Power station built with Chinese assistance about 250 miles northeast of Conakry in Guinea went into action at the beginning of February." (March '67).

"President Sekou Toure, speaking on January 29th at the ceremony marking the completion of the plant praised the achievements scored by the Chinese people and spoke highly of the friendly cooperation between China and Guinea. He said, 'Chairman Mao is faithful to the people; he never compromises with imperialism and colonialism; the Chinese experts have not only built a hydro-electric station for us; they have also brought us rich experiences, raised our people's enthusiasm for work, and set us an example of national consciousness. All this is something indestructible - an aid more precious than any hydro-electric station'." (NCNA 2/2/67)

Mali: "Mali, whose native timber has hitherto been considered unsuitable for matchwood, now has a match factory developed with Chinese assistance." (Feb '67)

"The Chinese have given \$3,000,000 in hard currency to Mali to bail that little country out of economic distress." (NYT 9/16/66)

"An inaugural ceremony for a new Mali cinema built with Chinese assistance took place on June 5th; the construction took a year's time and was finished last month." (NCNA 6/12/67)

"A sugar factory built with Chinese assistance in Mali is processing 400 tons of cane a day. Mali, which achieved its independence less than seven years ago, has always been dependent on imported sugar. Now sugar cane is being grown on plantations inaugurated several years ago under the Chinese technical assistance program, and a

modern refinery processes sugar at Dougabougou. This area, some 150 miles from the capital at Bamaki, also grows tobacco, introduced as part of the same program. Rice has similarly been introduced in Kouroumma." (March '67)

Mauritania: "A team of Chinese agricultural experts visited Mauritania, North Africa, recently at the invitation of the Mauritanian government." (Oct'66) An agreement on trade and technical help was signed by China and the Republic of Mauritania on February 16th 1967."(NCNA 2/18 67)

"Agreements on trade and economic and technical cooperation were signed in Peking on February 16th...Although the Islamic Republic of Mauritania is a small country with a population of less than a million, conditions in its territory are not dissimilar from those in some parts of China before 1949; it is also evident that the Mauritanian government is interested in studying some of the examples offered by the development of Chinese industry since then."(Mar '67)

Nepal: "The completion of the 104 kilometre Katmandu-Kodari highway, the Nepalese section of the Katmandu-Lhasa highway, was celebrated in May. This highway was built with Chinese help; the Chinese government supplied economic and technical help free of repayment and without stipulating any political conditions or privileges. In May 1962 Chinese highway experts arrived in Nepal to begin surveying and planning work; construction work began June 1963 and was completed in April 1966." (NCNA 5/29/67)

"China is helping build a new highway in Nepal - the Katmandu-Pokhara Highway; this 174 kilometre highway will link the capital with many remote regions in west Nepal." (NCNA 6/1/67)

"King Mahendra of Nepal presided at the inaugural ceremony of a warehouse built with Chinese aid over an area of 7000 square metres in the country's second largest city, Birgunj, on March 22nd." (April '67)

"A free grant of 20,000 tons of rice, requested from China by the Government of Nepal, under an earlier agreement between the two countries, was announced on the 14th of March." (April '67)

Pakistan: "At a ceremony in Karachi on the 9th of March the Government Commissioner for the area welcomed as further evidence of China's 'tremendous support' for Pakistan during her time of need a gift of ten rice-milling machines." (April '67)

Somalia: "The donation of 200 bags of rice and 260 cases of canned food from the Chinese Red Cross Society for refugees recently expelled by the French colonial authorities from Somalia into the Somali Republic was handed over to the Somali Government on June 5th." (NCNA 6/8/67)

"China presented 38 water tanks to Somalia, delivered on October 1st 1966."(NCNA10/7/66)

"China presented a theatre to Somalia, with the foundation being laid on November 14th 1966."(NCNA11/17/66)

Sudan: "China is providing design and engineering services for textile mills in at least four African countries. One of these is in Sudan which exported nearly £5 million worth of cotton to China in 1965 and contracted to supply at least 70,000 bales of long and short staple in 1966." (Feb '67)

Syria: "Negotiations began on December 29th 1966 to initiate a project for a fine yarn mill in Syria. The following week a Syrian report said that the mill, estimated to cost £1.2 million would be financed from a £4.1 million Chinese credit confirmed last autumn." (Feb '67)

"On behalf of the Chinese Red Cross Society the Chinese Embassy at Damascus presented a donation of 20,000 yuan for flood victims." (NCNA 5/29/67)

"Last June it was announced that a further extension of a Chinese £5.8 million loan was being discussed, one purpose of which would be applied to the construction of a 50,000 spindle fine yarn factory." (Jan '67)

Tanzania: "Tanzanian President Nyerere officially inaugurated a short-wave transmitter station of Radio Tanzania built with Chinese assistance."(NCNA 12/12/66)

"Four new coastal vessels that were given to Tanzania by Communist China raced around Dar-es-Salaam harbor this week as Chinese instructors showed Tanzanians how to handle them. The boats, each equipped with two

12.7 mm anti-aircraft guns and carrying a crew of ten, are the latest of a series of Chinese gifts to this southern African republic. Two weeks ago it was announced that work had begun on preparing the site of a \$15,000,000 dam on the Ruvu River west of Dar-es-Salaam to be built with Chinese aid and to include a large hydro-electric plant.

"Two weeks ago Tanzania's president Julius K Nyerere opened a \$600,000 short-wave radio transmitting station near Dar-es-Salaam that was built with a Chinese grant and loan funds. A later announcement said China had offered to build a second station.

"Chinese experts are at present assisting in the building of an \$8,000,000 textile mill on the capital's outskirts." (NYT 1/11/67)

"Chinese experts on water resources exploration who arrived in 1965 left for home in February 1967; they were rice planting experts." (NCNA 2/17/67)

"Communist China raised to \$53,000,000 the amount of aid promised for Tanzania's development plan, and promised an additional \$5,600,000 in an interest-free loan and a grant of about \$2,800,000, the Minister of Economic Affairs reported. He said the loan agreement means that Tanzania could step up by \$5,600,000 the agricultural, educational and roads projects scheduled for the third year of mainland Tanzania's five year development plan." (NYT 6/12/66)

"On January 11th Chinese representatives concluded, in Dar-es-Salaam, the technical arrangements for implementing last year's agreement on setting up a China-Tanzania Shipping Line. China has granted Tanzania an interest-free loan of £750,000 to purchase a 10,000-ton ship and will also contribute a similar vessel herself as part of the initial assets of the company." (Feb '67)

Yemen: "Two hundred women, veiled but wearing modern slacks, are making social history in the new Chinese-built textile mill on the outskirts of Sanaa. They are the first Yemeni women to do industrial work." (March '67)

"The original announcement of the setting up of this spinning and weaving mill with Chinese aid said it would be opened in September 1966 and go into operation March 1967,

with 1816 spindles, 3600 looms and 26 dyeing and processing machines. The plant was expected to employ 700 people at the outset, some of these trained in China, and to produce 3600 metres of cloth a day." (March '67)

"China granted \$45,000,000 in credit for the construction of roads and a large textile plant in Yemen." (NYT 9/26/66)

"A Chinese medical team is in Yemen". (NCNA 3/27/67)

Zambia: "President Kenneth Kaunda said today that Zambia was seeking closer ties with China. 'We want to be as close to the East as we are to the West', he said." (NYT 6/13/67)

"President Kaunda returned from Communist China at the end of June with a Chinese promise to finance and build the 1042 mile railway link between Zambia and Tanzania, estimated to cost \$280,000,000." (NYT 7/10/67)

"The most important of the aid proposals made to Zambia has concerned the projected \$110,000,000 Zambia-Tanzania railway. The latest Chinese offer is to finance and build the railway itself, now that the others (Britain and Canada) have paid for the survey which has been completed.

"An inter-governmental committee of Zambian and Tanzanian ministers is meeting in Dar-es-Salaam this month to adjudicate between the Chinese offer and whatever comes out of the reactions of the British, American, French and Japanese authorities to approaches for aid for the project....The Chinese have offered to undertake it by either labour-intensive or mechanical means, according to Zambia's wishes. Concerning as it does both finance and the contracting work, the Chinese offer is obviously very attractive." (July '67)

Zanzibar: "The team of Chinese farm-implements experts now in Zanzibar began training courses last month at Machui, north of Zanzibar town, for tractor drivers. The 65 trainees present at the opening of the course were all young peasants, including four women. The government planned the course to train over 300 tractor drivers by Chinese experts. In 1964 just over 30 were trained, also by Chinese." (March '67)

Economic Expenditures for Red Guard Activities. An added demonstration of economic health in China is the fact that during 1966 China was able to divert economic assets in terms of rail and bus transportation, food, clothing, housing, medical services, arm bands and flags, and big-character poster materials (ink, paper, paste, bamboo sheets, etc) to the tens of millions of Red Guards traveling to and from their homes to the capital at Peking and to historic spots across the land. And, at the same time China continued to provide rail transport for aid to Vietnam and for the supplies from socialist countries going overland to Vietnam.

Conclusion

This record of China's international trade and aid covers only some of the transactions during the past year of the cultural revolution. Nor is there herein more than a suggestion of her internal economic stability - food, clothing, consumption goods, transportation, scientific break-throughs. But the facts presented amply vindicate Point 14 of the August 8th 1966 Decision of the Central Committee of the Chinese Communist Party Concerning The Great Proletarian Cultural Revolution, - that the cultural revolution is not to be counterposed to production.

"The aim of the Great Proletarian Cultural Revolution is to revolutionize people's thinking and as a consequence to achieve greater, faster and more economical results in all fields of work...It is possible to carry on both the cultural revolution and production without one hampering the other, while guaranteeing high quality in all our work. The Great Proletarian Cultural Revolution is a powerful motive force for the development of the social productive forces in our country. Any idea of counterposing the great cultural revolution to the development of production is incorrect."

The China Trade & Economic Newsletter sums it up under its heading "Mid Year Outlook For Production and Trade" -

"The proof of the pudding is in the eating, and however tastes may differ as regards political regimes, all must recognize that China has little to be apologetic about when it comes to the effect of her political battle on the immediate economic and trade outlook.

"There is a fairly general recognition that up to now, the apprehensions that have been expressed about a break-down of production and interruption of foreign trade are not borne out by actual evidence." (June '67)

The past year's economic data make abundantly clear that any dislocations resulting from the cultural revolution have not caused any decline in China's production. **Even more significant is the question of this Revolution's long-range economic effects.**

In capitalist countries a person's additional labor increases another's profits and is done under compulsion and lacks intrinsic interest. Labor is viewed solely as a means. The worker fulfills himself only in his leisure after work, not while at work. Under these circumstances an increase in efficiency and working hours is obtained by increased material inducements - wages and other pecuniary benefits. To seek greater production without some such tangible remuneration would in general, in a capitalist society, be completely impracticable.

In Eastern Europe strenuous efforts are being made to increase production, and greater emphasis is being placed on increased material incentives as the means to bring about this rise in production. In China the thrust of the Cultural Revolution is on ideological commitment arising from the community of interest of workers in socialist society in increasing production. The Newsletter of the

British Council for the Promotion of International Trade has made an illuminating contrast of the material and ideological approaches to production:

"In China, as in Eastern Europe, all talk in industry just now is of a new system of management. The Soviet and East European new system of management is a bid to stimulate greater effort and better production by means of greater material incentives and to encourage a more commercial attitude in the managements of individual enterprises by enabling them to offer increased benefits to their technicians and workers in proportion to the increased profitability of their business. It is an application of principles well-known outside the planned economies.

"The new system of management in China is the opposite of this, a reaction against reliance on material incentives, against the identification of the individual, whether manager or worker, with special advancement of his own enterprise, as distinct from the rest of the community, and against looking for prospects of above-average rewards from the success of its operations.

"In casting aside these traditional ideas about what should give people the will to improve production the Chinese Cultural Revolution is also casting aside many former managements who were strongly infected by the ideas now prevalent in Eastern Europe, It is in fact an attempt on an unprecedented scale to substitute motives of public-interest for those of self-interest.

"No one can yet say how far the attempt will succeed, or if it does succeed how long it will be before the success becomes general throughout China. Meanwhile claims are being made from widely separated industrial centres of quite abrupt transfers from the former system to the new regime in industry, and in the majority of cases they are accompanied by reasonably convincing evidence of increased productivity.

"Just as the peasants of Honan blazed a trail for those other parts in China in joining their cooperatives together into communes in 1958, so it now appears will the 'proletarian revolutionary' groups in Shanghai, Shansi, Harbin and Kweichow play the role for some time as pace-setters in the introduction of a new socialist system of industrial management in China." (May '67)
(Emphasis added..ed)

People's China is seeking to uproot the idea derived from capitalist society - "every man for himself and devil take the hindmost" - and to supplant this idea with one reflecting the new material conditions of socialist society: "all for each and each for all."

The revolution in ideas of the Cultural Revolution is, in the last analysis, a vital step in the consolidation and progress of People's China 's Economic Revolution.

China's Purchases from Great Britain: Main Items
January-November 1966 (11 months)

	<u>Pounds</u>
Textile fibres & their waste	2,113,000
Chemical Elements & compounds	1,100,000
Dyeing, Tanning & Coloring Materials	249,942
Medical & Pharmaceutical Materials	187,532
Plastic Materials, Regenerated Cellulose and Artificial Resins	276,501
Insecticides	278,856
Textile Yarn, Fabrics, Made-up Articles	607,000
Iron & Steel	4,699,000
Figures for comparable periods:	
1963	2,322,566
1964	2,677,000
1965	1,591,000
Nonferrous Metals - including Platinum alloys copper & copper alloys	2,623,000
Machinery, other than electric	9,207,000
Figures for comparable periods:	
1963	1,069,683
1964	2,595,000
1965	5,733,000
Including digital computers, machine tools, textile machinery, heating & cooling equipment, pumps & centrifuges, lifting, handling, loading & un- loading machinery, plastic & rubber working machinery	
Electric Machinery, apparatus & appliances	3,291,000
Including telecommunications apparatus, electrical measuring, checking, analysing or automatically controll- ing instruments & apparatus	
Transport Equipment	761,000
Including dumpers & dump trucks and aircraft	
Scientific & controlling instruments, photo- graphic & optical goods, watches & clocks	2,462,000
(Jan 1967) 1 pound (£ equals \$2.80 USA	

China's Sales to Great Britain: Main Items
January-November (11 months) 1966

	<u>Pounds</u>
Meat & Meat Preparations	1,273,901
Dairy Products & Eggs	594,000
Fish & Fish Preparations	676,723
Rice, unmilled	894,872
Fruits & Vegetables	1,357,794
Cocoa Butter - 453,777 Tea - 537,929	991,606
Hides, Skins, Fur skins, undressed	1,076,000
Oil seeds, oil nuts & oil kernels	1,507,000
Textile fibres & their waste	5,348,000
Including: silk, sheep or lamb's wool, camel hair, cashmere, goat hair, raw rabbit hair, angora	
Crude Fertilizer & crude minerals	281,969
Including graphite, natural; talc; steatite, natural	
Tungsten Ore & Concentrates	1,015,111
Crude Animal & Vegetable Materials	3,613,000
Including bristles, hog casings, feathers, gall nuts, garden canes	
Fixed Vegetable oils & fats	3,429,000
Including cottonseed oil & tung oil	
Chemicals	2,301,909
Leather & Leather-manufactured Goods	868,741
Plywood 254,036 & Paperboard 159,661	413,707
Textile Yarn, Fabrics, Made-up Articles	3,121,000
Including Grey Cotton fabrics, silks, hat shapes, cotton household linen, floor coverings and tapestries	
Glass-ware & Pottery	267,409
Non-ferrous metals including tin & tin alloys	309,000
Manufactures of Metal	167,733
Miscellaneous Manufactured Articles	1,443,539
Including clothing, toys, basketwork & wicker work	
(Jan '67) 1 pound (£) equals \$2.80 US	

FAR EAST REPORTER issues on The Great Proletarian
Cultural Revolution

China's Economic Health and The Great
Proletarian Revolution 40¢
By Maud Russell

The Seizure of Power in China's
Socialist Society 35¢
By Israel Epstein

China's Genuine Democracy 30¢
By Rewi Alley: Among The Communes
of Mao Tien
By Israel Epstein: Mass Democracy
in China

Some Background on The Great Proletarian
Cultural Revolution 50¢
By Maud Russell

The Making of New Man 30¢
By Tuan Ping-li

On The Influence of The Thought
Of Mao Tse-tung 25¢
By Rewi Alley

These six issues for Two Dollars
(To one address)

FAR EAST REPORTER

Annual Subscription \$2.00

Making available significant facts and analyses contributed by competent writers on
the Far East

MAUD RUSSELL, Publisher P.O. Box 1536, New York, N.Y. 10017