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Changing Face of the U.N.

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Industrial Reorganization in the Soviet Union

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Sixth Five Year Plan

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Vol. 25, No. 5, May, 1957. Re-entered as second class matter June 27, 1951 at the Post Office at New York, N. Y., under the Act of March 3, 1879. Subscription \$2.50 per year. \$1.25 for 6 months (Canadian, \$3.00 foreign \$3.50 a year. Draw money orders or checks payable in New York). Published monthly by the S.R.T. Publications, Inc., 34 West 15th Street, New York 11, N. Y. Indexed in Bulletin of the Public Affairs Information Service. Phone: CHelsea 3-0666.

PRINTED IN U.S.A.

309

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"It's Absolutely Fundamental"

A Report on the Proposed Industrial Reorganization in the USSR

by RALPH PARKER

THERE'S a little patch of garden near my flat in Moscow where at this time of the year I sometimes go to sit and read the morning newspapers. Old nannies sit there pushing prams to and fro or telling the kids fairy-tales. Trolleys and buses streak by on an old street which if you follow it to its end leads you straight to the Spassky Gate of the Kremlin.

My neighbors on the bench the other day were two workers, sunning themselves before going on afternoon shift. They talked about the approaching football season, about an allotment one of them has outside the city, and then they turned to a question that is occupying much attention in the Soviet Union these days—the proposed reorganization of the management of industry.

"There's no doubt it's a big thing," one of the men said, tapping the front page of *Pravda* with his thumb-nail.

"Big?" said the other, "You're telling me. It's absolutely fundamental. It's one of the biggest things we've ever tackled."

I was struck by that "we"—"we've ever tackled" the man had said.

RALPH PARKER, long familiar to the readers of NWR, is our correspondent in Moscow. Formerly representing the "New York Times," he has lived for many years in the Soviet Union.

That is exactly the spirit that the architects of the new measures wish to arouse among the working people of this country. These measures stem from a meeting of the Central Committee of the Communist Party, a large body—over two hundred if alternate members are included. Last February the Central Committee instructed its Presidium and the Council of Ministers to draft concrete proposals for the reorganization of management in industry and construction. That is now being done and next month Nikita S. Khrushchev will report on the results to the Supreme Soviet. Meanwhile the theses of this report have been published in the press and at present a countrywide discussion is going on about them. Hence the remark of my neighbor.

The need for reorganization originates in the growth of the Soviet Union as a great industrial power with a modern large-scale, mechanized agriculture. There are at present over 200,000 state industrial establishments and more than 100,000 construction sites scattered throughout the vast expanses of the country. They can no longer be managed efficiently by the forms of management set up thirty, twenty, even ten years ago. To put it simply, those forms consist of a considerable number of specialized ministries and administrations, mainly located in Moscow, from where orders go out

to each of the enterprises under the control of each respective ministry. Each ministry represents a branch of industry and each one has its own sources of materials and machinery in various parts of the country, its own supply and selling organizations, its own stocks of reserves and sometimes its own institutes for training personnel. They are, in short, industrial monoliths with their heads in Moscow.

There are sound historical reasons why this should be so. In the early days of the country's industrialization there was an acute shortage of managerial skill in the localities. A good deal of centralized administration was inevitable. But even in those early days far-sighted leaders saw that as socialist construction proceeded there would be less need for a purely administrative apparatus. Lenin conceived of a democratic centralism which allows the coordination of centralized state management with a maximum development of creative activity on the part of the working masses who are directly taking part in the management of production, with the development of the initiative of local organs.

On the other hand, when this principle was conceived Russia had less than 200,000 people with a higher and secondary special education. Before the working masses could be an effective managing force they had to be educated. Suffice it to say that today there are more than six million specialists with a higher and secondary special education. In other words, the time has come when in the interests of efficiency the management can be decentralized.

The kernel of the new proposals is the creation of new forms of

management on the territorial principle. The center of gravity of the operative management of industry and construction will be transferred to the localities, nearer to the enterprises and construction sites. Tens of thousands of engineers and technicians now administering from Moscow and other large cities will be released from office work and go into production and management work in the localities.

It is proposed to divide the entire country into a number of areas. The actual frontiers of these areas will by and large be determined on the economic principle, but it seems likely that some of the national republics will be considered as integral units. Each of these areas would have a council of national economy, and these councils would exercise direct management of the enterprises and construction sites in their areas. They would be able to coordinate the work of plants now working independently of each other through being attached to different ministries. And the work of the area councils themselves would be coordinated by the State Planning Committee.

Take, for example, the position of the Uzbek Republic in Soviet Asia. This Republic grows cotton. Under the tsars it was a classical example of the colony, a source of raw material for the textile mills of Russia. There were no factories in those parts, there were very few intellectuals and practically no skilled workers. Now Uzbekistan has 150,000 specialists with higher and secondary special education. It has its own Academy of Sciences and its research institutions with a staff of nearly 6,500 research workers, while

its higher educational establishments have more than 70,000 students enrolled. A socialist industry equipped with modern machinery has been created to work up Uzbekistan's raw cotton. Today there seems to be no reason why the economic life of Uzbekistan should be administered from Moscow. Planning, yes. There must be a central plan. But administration, no. Uzbekistan is now in a position to manage its own economic life. And not only that. Uzbekistan has the skilled workers and specialists to produce much more of the machinery that its textile mills and its agriculture needs. So let Uzbekistan's engineering industry be developed too.

Thus it is clear that the aim of this reorganization is economic development that takes into account local peculiarities and local initiative.

This principle is to be applied in other ways than by the proposed setting up of territorial councils of the national economy. It is proposed to turn over to the jurisdiction of local Soviets a substantial amount of local industry at present being managed from the republic capitals or other cities. It is proposed radically to reorganize the Ministry of State Control. Control work, the theses say, should be based on the enlistment of the broad masses, should be concentrated in the localities. Further, a strengthening of the role of the trade unions is envisaged. The

trade unions would be given greater opportunities of going more profoundly into questions of the planning of production, raising labor productivity and influencing the productive activities of enterprises and construction sites. They would be more independent.

To sum up, what are the concrete results that we may expect from these proposed measures?

Firstly, the abolition of the industrial ministries and their replacement by territorial economic councils. That should lead to a reduction of red-tape and give local management a chance of showing initiative.

Secondly, the strengthening of the central planning organization by bringing to its staff first-rate men with experience in production and economics.

Thirdly, a more rational siting of industry, taking into account the immense fund of skilled workers and specialists created by the advanced Soviet educational system.

And finally—and perhaps this is the most important thing of all—the granting of opportunity to hundreds of thousands of managers to make their own decisions within the framework of the plan and not to have to work with one eye looking back over their shoulder towards a ministerial office in Moscow.

I think readers will agree that my neighbor on the bench was right when he referred to these measures as "absolutely fundamental."

POLAND REDUCES ARMED FORCES

THE POLISH Government announced on March 25 that it had decided to reduce its armed forces by 44,550 men. Two previous reductions totaled 97,000. The announcement said the decision was based on Poland's desire to contribute to the cause of disarmament and peaceful relations among nations as well as on the endeavor to aid the national economy.

Sixth Five Year Plan: The First Year

by MAURICE DOBB

THE report of the Central Statistical Board of the USSR on the results of the Plan for 1956 gives us much fuller details than formerly about production; and the lot of the student of Soviet economic development is accordingly a happier one. In this report, for example, details are given for about 100 products, not only of percentage changes compared with the previous year, but also quantity output figures (e.g. 48.6 million tons of steel and 419 million tons of coal).

In the past, Soviet statistics have been criticized for including only the successes and omitting the failures. There remain some important gaps: for example, non-ferrous metals, and quantity figures for grain. But the list of a hundred-odd industrial products includes several that have shown a drop compared with the previous year. Cotton fabrics, for instance, at 5,500 million meters show an 8 per cent decrease, (owing to a poor cotton harvest and consequent raw material shortage); so do spinning-machines and passenger motor cars and chemical equipment.

MAURICE DOBB, Professor of Economics at Trinity College, Cambridge, is an authority on Soviet economy. His books include "Soviet Planning and Labor in Peace and War," "Soviet Economic Development Since 1917."

Taking first the overall picture, the report tells us that gross industrial output in 1956 was nearly 11 per cent higher than in 1955; the manufacture of means of production increasing by 11½ per cent and that of consumer goods by 9½ per cent. Among the most striking increases in individual products were oil with a rise of nearly a fifth to 83 million tons (which is approaching three times the pre-war output), combine-harvesters which increased by 70 per cent to 82,000, diesel locomotives by 20 per cent, silk fabrics by 43 per cent, linen fabrics by 25 per cent, sugar by 27 per cent, soap by 18 per cent, domestic refrigerators which increased by nearly a half (to nearly a quarter million), motor cycles by 22 per cent, while domestic washing machines actually doubled. Basic products like pig iron, steel, rolled steel, coal and iron ore showed lower rates of increase of between 7 and 9 per cent—as do also paper, furniture, bicycles and a number of food products.

It will be seen, then, that while the principle of maintaining priority in development for industry producing means of production, or capital goods, is still adhered to, this lead over consumer goods production is not very great and the growth of the latter does not follow very far be-

hind the general average. The principle was reiterated by Mikhail Pervukhin in reporting on the annual plan for the coming year to the Supreme Soviet on February 5th. What is curious about this 1957 plan is a dropping of the sights so far as the target increases for industrial output are concerned—to an average increase of just over 7 per cent, with nearly 8 per cent for means of production and slightly under 6 per cent for consumer goods. One explanation that has been suggested for this is a possible shortage of some raw materials, for example coal, owing to the need to divert them to export in aid of other countries of Eastern Europe (for example Hungary, and to make good the drop in Polish coal exports).

Another possibility is a stepping-up of investment in housing at the expense of industrial construction. Housing, as is well known, continues to be a serious limiting factor upon the rise in the standard of life (and possibly also on labor mobility from country to town); since although the amount of urban housing space in the towns has trebled over the past three decades, the urban population (as a result of industrialization) has increased by slightly more than three times. Last year the targets set for building construction were not fulfilled. It is noteworthy that the 1957 plan provides for housing construction (by state bodies and by individuals with state financial assistance) to increase by nearly 30 per cent over last year.

Another factor in the situation may well be that industrial expansion may be meeting a more severe labor shortage than formerly, so that increase of output has to come pre-

dominantly from higher productivity of labor due to technical innovation and automation. In the past there has been a steady increase in the industrial labor force, mainly a result of a movement of population from the village into the town. This increase (in the total number of all factory and office workers) continued last year to amount to the high figure of more than two million (of which 1.7 million was in industry, building and state farms). There are signs that this high rate of increase may not continue; in which case, not only may there be a shortage of skilled and qualified labor (as there has been for some time) but even a shortage of unskilled and seasonal labor affecting building and construction work of all kinds. In the past few years there has even been some reverse flow from town to country, with the "virgin lands campaign" and the drive to get young people from the towns to go to the new lands that are being opened up to cultivation in Siberia and Kazakhstan. It is to be noted that the above figure of two million represents a 4 per cent increase in the total employed labor force (factory and office workers), whereas the annual rate of net population growth is under 2 per cent.

However, during the past year labor productivity registered a rise of 7 per cent in industry (and 10 per cent in construction), so that two-thirds of the growth of industrial output was attributable to this, rather than to growth of numbers. It may not be altogether a coincidence that the target increase in output set for 1957 is of the same magnitude as the rise in labor productivity for the previous year.

For agriculture, 1956 was a strikingly successful year. Largely as a result of the "virgin lands campaign" to extend the crop area, the latter showed a further increase of 22 million acres (an increase of more than 90 million acres on four years ago). This combined with very favorable weather conditions (everywhere except the Ukraine) produced a record harvest—greater by 20 per cent than the previous year and "much higher than the annual harvest delivered to the granaries throughout the entire history of the country, including the record years of 1937, 1940 and 1952." In consequence the surplus of grain available for so-called "state procurements" (to supply the town population and the needs of export) increased proportionately more—by over 50 per cent.

Livestock also registered substantial increases (cattle 12 per cent and pigs 18 per cent) and also livestock products. As a result of this the incomes of the farm population have risen; as expressed in the official report, "the incomes of peasants, in cash and kind increased by 12 per cent in 1956," while retail sales of rural cooperatives rose by 11 per

cent. This rise would have been greater, but for a 10 per cent drop in prices on the kolkhoz market (where collective farms and farmers sell their surplus produce in the towns), so that to this extent the benefits of agricultural plenty went to the town population; the biggest price reductions being in bread, meat and dairy products, vegetable oil and some vegetables.

Incomes of urban workers seem to have risen over the year less than those of the country; average wages and salaries by no more than 3 per cent; but there were substantial increases in pensions and social insurance benefits, affecting particularly the lower paid workers. From January 1 of this year there will have been increases in the wages in the lowest wage categories. In addition there have been some other social improvements affecting workers during the year, such as a shortening of the working-shift on Saturday by two hours, a six-hour working day for young persons between 16 and 18 (and a four-hour day for those between 15 to 16), a transition to shorter working shifts in coal mining, and a lengthened period of maternity leave for women workers.

THE EAST BERLIN THEATER AND OPERA

THE THEATER-GOER in East Berlin this winter had a rich choice of entertainment in the state-supported repertory and opera companies.

In plays the theater-goer could see among other productions Ibsen's *Doll House*, Bertholt Brecht's *Caucasian Chalk Circle* and *Mother Courage*, Jean Paul Sartre's *Nekrassov*, Oscar Wilde's *The Importance of Being Earnest*, Shakespeare's *Midsummer Night's Dream*, Shaw's *Pygmalion* and *St. Joan*, and Lillian Hellman's *The Little Foxes*.

The opera-goer had among other choices a magnificent new production of Mozart's *Magic Flute*, the Czech composer Janacek's *Clever Vixen* and *Jenufa*, Alban Berg's *Wozzeck*, and of course the whole repertoire of classic opera.

THE CHANGING FACE OF THE UNITED NATIONS

by **ESLANDA ROBESON**

THE eleventh session of the United Nations General Assembly, recently adjourned, makes a definite turning-point in the history of the world organization, reflecting as it does the definite change in the balance of power in world affairs.

The United Nations is now more noticeably multi-colored. The world has always been multi-colored, though the white western colonial powers have not given due weight to this obvious fact. For generations now they have behaved as though education, development, progress, security and peace are goals for the white West only. The darker East and Africa were characterized (by the West) as "backward," and were then forcibly *kept back*, so that their resources and manpower could be freely exploited for the benefit of the West.

This domination of the rest of the world by the West was first successfully challenged in our time by the "backward" Russians, when they overthrew the Tsar and his supporters, who had kept them back.

It was successfully challenged by the "backward" Indian people with their extraordinary non-violent resistance movement, which eventually made untenable the overlordship of the British, who had kept them back for generations.

It was successfully challenged by

the "backward" Chinese people, who finally drove out Chiang Kai-shek and his U.S., British and French supporters, who had kept them back for so many years.

The "backward" people of Indonesia successfully challenged the Dutch, and the "backward" peoples of Eastern Europe successfully challenged the West, who had kept them back.

Now the "backward" people of Africa are challenging the domination of the West, and it is possible that in our life-time we will see the people in that great continent freed at last from exploitation by Britain, France, Belgium, Portugal and the United States, and going happily forward to develop their rich resources for their own benefit and progress, and contributing their rich culture to the benefit of the world.

These recent developments in the world picture are at last beginning to be reflected in the world organization. At the United Nations, and elsewhere, it is no longer acceptable nor realistic to speak of "backward peoples." It is fashionable now to speak of "under-developed countries," and everyone knows why these countries are under-developed. Their development was deliberately prevented by the Western colonial powers, so that the spectacular development and progress of the West

could be achieved at their expense.

For ten long years the West—the colonial powers led by the United States—successfully dominated the United Nations by means of their control of a mechanical voting majority. Slavishly followed and supported by the delegates of the twenty Latin American nations, the West was always able to amass the necessary two-thirds majority of votes to carry any major resolution in the General Assembly. For all these ten years, the only serious challengers to the domination of the West in the United Nations were the Socialist countries, led by the Soviet Union.

The dominant West, representing nearly 300 million people, and supported by Latin America, representing some 170 million—together totaling under 500 million—controlled United Nations action over the destinies of the population of the rest of the world—some 2,200 million people. (The total world population is estimated at some 2,700 million). The representatives of less than one-fourth the people of the world dominated the affairs of more than three-fourths of the people.

This was, of course, a very unhealthy state of affairs. And it is the reason for many of the failures of the fine efforts of the United Nations. In the first ten years of its existence, the representatives of this vast three-fourths majority of the world's people had no effective voice in the UN.

But in the eleventh session of the General Assembly, with the increase of membership from 60 to 81, a much healthier state of affairs existed.

The most profound and significant change is that the West has lost its

mechanical voting majority, and with it its control of UN action. The Latin American bloc no longer holds the balance of power, but has been reduced to an ineffective minority (from 20 votes in 60, or one-third, to 20 votes in 81, or one-fourth).

In the exciting new alignment of forces this year the Asian-African bloc of 28 Bandung Nations has emerged with the balance of power, and, when acting together with the nine members of the Socialist bloc, can prevent any important action by the West which they do not consider wise or just.

One of the most interesting illustrations of the new alignment of forces in the United Nations was the discussion about increasing the membership of that all-important body, the Security Council.

There is a serious imbalance in the Security Council as it is now constituted. Of the eleven members, five (the United States, Great Britain, France, Australia and Sweden) frankly represent the West, and are consistently supported by four other members (Colombia and Cuba, representing Latin America; the Philippines, and Nationalist China, representing Formosa). The West can therefore count upon nine votes in the Security Council. There remain only two votes to challenge the West—the Soviet Union (representing all the Socialist countries) and Iraq, representing the Middle East.

Much has been said about the Soviet veto frustrating action in the Security Council. It is now becoming more and more apparent that what actually frustrates effective action by the Security Council is the lack of

democratic representation in that body. The vast majority of the people of the world are simply not represented there, and have no effective voice there.

A Security Council which would represent the world as it is now would comprise, possibly, six instead of the present five permanent members: United States, Soviet Union, People's China, Britain, and France *plus India*; and nine instead of the present six non-permanent members. Western Europe, Eastern Europe, the Middle East, Latin America (two), the British Commonwealth, *plus Africa, Southeast Asia, and Southern Europe.*

The addition of one permanent member—India—and three non-permanent members—Africa, South East Asia and Southern Europe—would spread representation more equably over the world. India is certainly now one of the Great Powers. Emerging Africa, Southeast Asia, and Southern Europe are new areas which require representation.

As the world picture continues to change, Africa will require more representation, and the West Indies will also have to be represented.

A Security Council so constituted would be in a much more solid position to understand and cope with situations and problems in the various parts of the world.

The new membership of the United Nations is 81. These 81 votes represent many and varied groups and blocs: NATO, SEATO, the Baghdad group, the Socialist nations, and the Bandung countries. They also represent, however inadequately, many distinct areas: Europe, Asia, Africa, North and South America.

For years the NATO bloc (West-

ern Europe and North America) have dominated UN and world affairs by bloc voting. Now that the NATO bloc has been de-powered, leading figures of the West in the United Nations—notably Mr. Henry Cabot Lodge, Jr. (U.S.A.) and Sir Pierson Dixon (Great Britain) are making major public speeches against the "evils" of bloc voting. Voting in the United Nations, they declare piously, should now be done—not by bloc—but on the merits of the issues.

The US delegation, forced to cope with the reality of lost control of the mechanical voting majority, is frantically and openly trying to align itself now with the Asian-African bloc. They are having some measure of success in this courtship. Liberia and the Philippines, Iraq, Iran, Lebanon and Thailand, did not require much wooing. But none of the formerly colonial countries, with the exception of Pakistan, have succumbed to American blandishments. Ethiopia remains timid.

The United States is closely allied to and sympathetic with the colonial powers. The former colonial peoples know that the leopard does not change its spots, but is still a man-eating animal. Therefore they are automatically on the defensive in their new situation, intent as they are upon survival and progress in freedom for their peoples.

These peoples of the Bandung Conference, led by India, and strongly and consistently supported by the socialist countries, led by the Soviet Union, may well be the means of achieving final victory in the battle at the United Nations, fought for so long almost single-handedly by the socialist bloc, for the replac-

ing of the Formosan representatives by the lawful representatives of China.

It is common knowledge at the United Nations, and in the world at large, that no one—not even the U.S. Mission—believes that the delegates from Formosa represent the 600 million people of China. They do not even represent the people of Formosa. They only represent Chiang Kai-shek and his followers, now exiled upon that island.

It is also common knowledge that no one at the United Nations, except only the U.S. Mission—seriously objects to the seating of the proper representatives of China.

Now, with the loss of the mechanical voting majority, with Latin American bloc shorn of its crucial influence, with the new healthier atmosphere prevailing in the Assembly, and with the general very real desire of the membership for the seating of China, this key objective may be achieved at the next session of the General Assembly.

Then a truly new era will begin in the history of this magnificent world organization, and then the work—peace, security and progress for *all* the peoples of the world—to which it is dedicated, may be well on the way to the fulfillment of its great promise.

PUBLIC HEALTH SERVICES IN CHINA

ON THE EVE of his departure last month for the annual Health Ministers' Conference of socialist countries held this year in Rumania, the Chinese Vice-Minister of Public Health, Chang Kai, announced some important facts about the remarkable advances of health services in People's China:

Every county in China now has its own general hospital. All industrial enterprises and all schools in the cities have their own clinics, and all government employes and workers in major cities have regular physical overhauls.

In the countryside all prosperous co-operatives have their own health stations and almost every Hsiang (a group of villages) supports a clinic.

China now has a total of 660,000 medical personnel. This figure includes those practising traditional Chinese medicine who have by this time become an official part of all regular health services. The utilization of traditional Chinese doctors in the public health services is one of the most remarkable features of recent Chinese medical practice.

CHINESE BUDDHISTS

REPRESENTATIVES of the Chinese Buddhist community, estimated at about one-sixth of China's population, have just finished their second national conference. There are about half a million Buddhist Monks and nuns in China.

Re-elected to the post of Chairman of the association of Buddhist was the Venerable Shirob-Jaltso, 73-year-old Tibetan Buddhist dignitary who is also a deputy to the National People's Congress, Standing Committee member of the Chinese People's Political Consultative Conference and Deputy Governor of Chinghai Province.

WHY CHINESE CAPITALISTS ACCEPT SOCIALISM

by MICHAEL SHAPIRO

WITH modesty, the Chinese leaders disclaim originality for the idea of buying out private enterprise and transforming it peacefully.

It is a fact that Marx thought of this as a possibility for Britain in the seventies of the nineteenth century. In a letter to Engels, he remarked that "in certain circumstances" it might be better for the British working class "to buy off that gang," meaning to buy out from the British landlords and capitalists the land, factories, mills and other means of production.

It is also true that in 1918 Lenin referred to what Marx had said and considered the possibility of buying out, rather than confiscating, capitalism in the Soviet Union. He wrote that "certain conditions have arisen similar to those that might have arisen in England half a century ago had it then begun peacefully to go over to socialism."

But if the idea had already been conceived, it remained for China to be the first country to carry it through fully in practice and with a skill and smoothness that has astonished both Communists and capitalists in other parts of the world. It has done so not on the basis of preconceived dogma, but by thoughtful,

step by step analysis of the hard facts and actual conditions in China, within the general context of its advance to socialism.

A more extended theoretical study could profitably compare the "certain conditions" which Lenin detailed in 1918, with both Britain in the seventies of the nineteenth century and China at the time of liberation.

This article explains the background to the buying out of the Chinese "national capitalists" which, for the main part, took place in the autumn of 1955 and the winter of 1955-56; and why they joined in and accepted the change with enthusiasm.

By now the capitalists have been separated from control over the means of production they formerly owned and receive fixed interest payments, amounting generally to 5 per cent annually (in some cases rather more) of the agreed valuation of their assets and investments.

It is costing the country up to 150 million yuan (roughly 64 million dollars) a year for a period of years that has not yet been settled.

"Of course the price is high," said one speaker at the recent Eighth Congress of the Chinese Communist Party. "But at this price we eliminate capitalist ownership. We are able to take over the capitalist en-

MICHAEL SHAPIRO is an English economist now living in China.

terprises intact and use them fully to meet the needs of the people and the state."

However, what is being done in China is more than this. A conscious effort has been and is being made to absorb the capitalists into the general stream of the country's productive, creative life and change them into people living by their own labors.

Nature of Chinese Capitalism

A few words first on the nature of capitalism in China. Chinese capitalism came late in a semi-feudal, semi-colonial country. China's first textile mill was not established till 1851 and its first "modern" shipyard was built in 1865. There was never an "industrial revolution" before the liberation of the country in 1949. Capitalism never reached a predominant position in the country's economic life and the capitalist class never fully superseded the feudal ruling class to control state power. Capitalism received an impetus during the First World War when the imperialists were busy elsewhere. It advanced slowly after that and reached a peak during and after the war of resistance to Japanese aggression.

The bigger capitalists were "compradores," that is, they served the capitalists who, in turn, fostered and supported them, and they were closely related to the landlord class.

But there was also the "national bourgeoisie"—medium capitalists who tried to build up industry and commerce and suffered difficulties from the domination of the country by the imperialists and the "compradores."

By the time of China's liberation, the four big families, Chiang, Soong, Kung and Chen, with their close American ties, had monopolized the economic life of the country and, during their years in power, amassed capital estimated at up to 20 billion American dollars (a good deal of which, incidentally, is now invested in the U.S. and used to finance the big China Lobby). They never built up any industry, but through the state apparatus, and particularly through their extensive financial network, appropriated the wealth of the country in collaboration with the foreign imperialists. After the Japanese surrender, they pocketed all the assets they could lay hands on, in the name of "taking over" the property of the Japanese and their puppets.

This monopoly capital, merged with state power, interlocked with foreign imperialism and the domestic landlords and rich peasants, made up the economic foundations of Chiang Kai-shek's regime. The state-monopoly capitalist class, commonly known in China as the bureaucrat-capitalists as distinct from the national capitalists, had all their property confiscated outright at the time of liberation.

The national capitalists, forming a sort of middle bourgeoisie that was also ruthlessly oppressed by the imperialists and bureaucratic capitalists, had a dual character. It was in conflict with foreign imperialism and bureaucrat-capitalism and this, at times when the revolutionary movement was strong, led it to lend support to or at least remain neutral in the revolution; but it also feared and was in conflict with the working class and peasantry, and this caused

it to vacillate in its support of the democratic revolution. While the bureaucrat-capitalists fled at the time of liberation, the national capitalists largely remained, or returned later.

Writing in July 1949, Mao Tse-tung said:

As for the national bourgeoisie, a great deal of suitable educational work can be done among them at the present stage. When the time comes to realize socialism, that is, to nationalize private enterprise, we will go a step further in our work of educating and reforming them. The people have a strong state apparatus in their hands and they do not fear rebellion on the part of the national bourgeoisie.

"Educating" the Capitalists

The "educational work" began even before the whole mainland was liberated. When the people's Liberation Army took its first big city, the industrial town of Shenyang (Mukden) in 1948, merchants had cornered the market in rice, the staple food, and prices soared. Expecting difficulties, Chen Yun (now Vice-Premier) had prepared several trainloads of rice at convenient places outside the city. He called on the merchants to unload their hoarded stocks and bring prices down but they would not. He thereupon opened up food stores and the ordinary people were allowed to buy daily quotas each at fixed prices. At the same time, the first state representatives appeared in the wholesale market offering rice for sale.

To maintain their artificially inflated prices the merchants at first bought all on offer, the Government selling at an official market price. It was the first time the new people's power had fixed a market price in a major commodity.

Prices continued to rise as merchants kept buying. After a few days of this, Chen Yun began bringing in his reserves, his trainloads, offering unlimited supplies at the official price. When the merchants reached their limit and could not go on buying, the unofficial price began tumbling.

When it had fallen half way toward the official price and looked like dropping further, the merchant's representatives came to Chen Yun and begged for mercy.

They got it. Chen Yun agreed to buy back from them all they had bought from him at the original price; and all other hoarded rice at the official price.

It was a very generous offer, for he could have driven them to complete bankruptcy, but the policy all the way through has been to fight them, but also to unite with them. Official prices won respect and precedence over privately, speculatively determined prices.

Jokingly, Chen Yun remarked later: "They were very helpful. We did not have warehouses to store the stuff in anyway, and they took it off our hands."

A far bigger tussle took place later in Shanghai, where, it was estimated, about 300,000 people lived on speculation. All banks and money exchanges were up to their eyes in it and even ordinary shops were involved, making normal industry and commerce very difficult.

It was a trial of economic strength that lasted through the latter half of 1949 in a fight with the merchant speculators for control over the market. Though the People's Government confiscated bureaucratic-capitalist property, the market was

still in the hands of the capitalist class—the national bourgeoisie. By a combination of skillful, far-sighted measures, the fantastic runaway inflation that had gone on so long that it had become almost normal and accepted was brought under control. New efforts to corner the market in various goods were broken up and at least three new inflationary storms were countered.

In fact by the spring of 1950 the extraordinary phenomenon of falling prices appeared. The People's Government and the working class had gained leadership over prices and given confidence in the currency.

This victory marked the first stage in the peaceful transformation of capitalism. Among the measures brought in to control the situation was the offer of processing contracts to private industry. As the avenues for speculation narrowed, the private firms flocked to sign these contracts and avail themselves of the stable market they provided.

The "lesson" administered to private capitalism was limited to this, for it was not the Government's intention to take over private industry and commerce at that time. On the contrary, the first serious task of the new Government was to restore economic life, to restore production, and that meant largely private industry and commerce.

Hard facts determined this policy, for agriculture was down by a quarter compared with 1937, the year before the anti-Japanese war, light industry was down by 30 per cent and heavy industry by 70 per cent. Imperialist intervention was still at hand, the enemy blockade operated and the mainland was still being bombarded. There were 9 million

Kuomintang ex-soldiers and civil servants and other officials who had somehow to be fed. The people were still not sure of the Communist Party's ability to manage the country's economic affairs.

Ending inflation and establishing a stable market was an essential step in restoring production. But by no means the least effect of the victory over the merchant-speculators was the demonstration that the Communists could handle complex, urban financial problems as well as military tactics. And the method of processing contracts that began linking up the individual firms with the economic machine of the state was the first knock at the gate of private enterprise.

At the time, it was not clearly recognized as state capitalism, but six years later a big capitalist remarked, "We were dreaming. We did not realize that once we asked for state help we started on the road to state capitalism and socialism."

There were other skirmishes later in the fight to control the market, though never so great as in 1949-50, and in 1953 the vital link between private capitalism and the peasants was virtually cut when grain, edible oils and other basic products were brought into the system of planned purchasing by the state.

Ending Corruption: the 2nd Stage

Looking back, it is clear that the *wu fan* movement of 1952 was the second stage in the transformation and "education" of private capitalism, without which the final change-over at the end of 1955 would have been impossible.

By 1952, with Government help,

private industry had recovered and expanded. Its output in that year had grown from 6,830 million yuan in value in 1949 to 10,530 million yuan; though with the concurrent growth of state and cooperative enterprise, this larger figure represented only 39 per cent of the country's total output compared with 68.3 per cent in 1949. In commerce, the private sector handled 65.6 per cent of retail sales.

As it grew, private industry and commerce spread many practices and habits which are taken for granted in the capitalist world. In the *wu fan* movement, the Government mobilized the whole country to recognize and fight back against them, for they threatened to undermine economic stability and hold back the advance to socialism.

It was found that hardly a single Government department concerned with buying supplies and hardly a single private undertaking was not involved in one or another of what were pinned down as five rampant malpractices—(*wu fan* means five "against"). These were bribery of Government personnel to get orders or other advantages, tax evasion often with the connivance of officials, theft of public property, cheating on Government contracts, stealing of financial and other economic information for purposes of private profit.

Neither economic measures nor the application of the laws of the country to punish offenders were enough to deal with this problem, for its roots lay in the capitalist way of thinking. And so, alongside the most painstaking investigation of thousands and thousands of account books, the checking and cross-check-

ing of facts to discover the offenders—in which the workers in private enterprise, particularly the clerks, joined with great relish—there took place nationwide discussion and study of the nature of capitalist and socialist thinking, why the one was narrow, selfish and damaging to China and the other opened the way to prosperity for all.

This "educational work," though it primarily concentrated on clearing up the civil service and ending corruption in Government administration, at the same time taught the capitalists that the working people and not they were masters in the country, that there was close supervision over them and the limits to their operations were strictly defined. It dashed their hopes for a restoration of capitalism.

But there was no attempt even then to abolish private enterprise. As from the outset, a clear line of division was drawn between the useful and harmful sides of capitalism. The policy was to destroy the harmful but to use what was positive.

Article 10 of the Constitution adopted in September 1954 declared:

The state protects the right of capitalists to own means of production and other capital according to law.

The policy of the state towards capitalist industry and commerce is to use, restrict and transform them. The state makes use of the positive sides of capitalist industry and commerce which are beneficial to national welfare and the people's livelihood, restricts their negative sides which are not beneficial to the national welfare and people's livelihood, encourages and guides their transformation into various forms of state-capitalist economy, gradually replacing capitalist with ownership by the whole people; and this it does by means of control exercised by the administrative organs of the state, the leadership given by the state sector

of the economy and the supervision by the workers.

The state forbids capitalists to engage in unlawful activities which injure the public interest, disrupt the social-economic order, or undermine the economic plan of the state.

The capitalists and their various organizations had taken full part in the formulation of this article and agreed to it.

Forms of "State Capitalism"

By the third quarter of 1955, many factors combined to make necessary a more rapid change in private industry and commerce. Other parts of the national economy were growing rapidly. State-owned industry was moving ahead fast, the agricultural cooperation movement was sweeping through the country, the socialist owned transport network was expanding.

The Soviet Union and the People's Democracies were sending in heavy equipment, but China had to make a good deal of its own supplementary equipment. To do this, it had to rely on private industry, too. But most of the private factories and workshops were poorly equipped, working to old American or British patterns. The state did not need what many of them were adapted to produce, and these could not produce what the state needed.

With agricultural cooperation came a rising demand by the peasants for flashlights, thermos flasks, bicycles and other goods, most of which were in the hands of private industry working under Government contract. But costs of production were high and both quality and quantity were not enough. A change to a higher, more efficient form of

production capable of turning out bigger quantities at lower prices while maintaining or improving quality was essential.

Till then there had been three forms of "state capitalism": the simple form in which all the output was bought by the state, the capitalist getting his own raw materials and managing his factory himself; the more advanced form in which the state provided the materials and bought the output, that is, processing to state orders, with the management of production in private hands; and the joint ownership form, under which the state invested in the private concern and shared in or controlled the decisions on production and management.

By the summer of 1955, four-fifths of private industry had come under the second form. This meant that the anarchy of private capitalism was greatly restricted, but there was still exploitation, private ownership and control which acted as a brake on the forces of production.

In commerce, about a quarter of the country's total retail trade was private; another quarter was private enterprise serving as agents of the state, that is, selling at determined prices goods supplied by the state trading network; and the rest was run directly by the state or the supply and marketing cooperatives. Difficulties arose in adjusting the distribution network to meet the changing needs of the people. Private shops would not move to growing new areas, away from their old customers, especially if the new areas were away from the cities. Some parts of the bigger cities had too many shops of the same kind within a few yards of each other, while great new

working class areas could not get enough shops for their minimum needs.

The change-over to joint state-private ownership by individual concerns was a slow, costly and laborious procedure. It worked this way. If part of the share capital in the concern had belonged to the bureaucrat-capitalists, this became the state share and the Government generally did not have to invest any more, unless equipment had to be renewed or additions made. Otherwise, it simply sent in personnel to share in the management.

In enterprises with no bureaucrat-capital, the state usually invested 5-10 per cent of the existing capital as the state share. This was costly in both money and personnel at a time when efforts needed to be concentrated on building up the more important state sector, especially in heavy industry. At the rate of change-over to joint state-private operation that prevailed till then, it would take at least sixty years to transform private capitalism.

A new device was therefore tried out in September-October 1955, the change of whole trades to joint ownership. Invariably one or more units already had some state capital, and this allowed state participation without further investment, except where this was desirable for production reasons.

But a new contradiction arose, whether the change came by individual units or whole trades. The moment a private firm became joint state-private, the production relations changed. The workers came into the sphere of management, welfare amenities improved, production expanded and quality improved.

But this meant greater private profits, calculated on the old basis. In joint undertakings, net profits were divided generally into four parts, as follows: 35 per cent for taxation, 15 per cent workers' welfare, 25 per cent to the shareholders, 25 per cent to reserve.

If the state owned only 5-10 per cent of the shares—and it could not own more without additional investment—this meant the private shareholders were getting an extra benefit from the effort by the workers and the state. If this continued over all trades, it would mean the state working for the capitalists over a wide range of industry and commerce. How to solve this problem cost many a discussion, for the decisive stage in the change-over had been reached.

Turning Point Toward Socialism

At the end of October 1955, Mao Tse-tung had two talks with the Federation of Industry and Commerce, which represented private interests all over the country; and Chen Yun made two reports on policy regarding the transformation to socialism. These discussions proved a turning point.

At the time there was despondency among the capitalists. Everywhere the watchword was "forward to socialism." There was the tendency to look down on anything to do with capitalism. They feared for their standing as part of the united front and for their political and social position in the country.

Mao Tse-tung opened up the future for them very frankly. He told them they must help to shape their own destiny and now, with the working class in power, they had the

possibility of doing so, provided they grasped the laws of development of society.

The cause of communism was very broad and it required as many as possible on its side—even the former landlords had a place in China. In future, the capitalists would become part of the working class. There were an increasing number of progressive elements among them and their task was to help the others understand the trend to communism. There was nothing frightening about this, as the past few years had shown. Chinese society was changing away from private ownership so naturally all those connected with private enterprise were affected, but the pace and form of change was open to discussion in which everyone could take part. The new system could not be imposed but had to show itself better than the old. They would be given reasonable profits over a transition period. This was better for society and better for capitalists.

As for their place in society, the united front would continue as this was useful to China. They had their right to elect and be elected (unlike the landlords). By the time they were bought out China would be more prosperous. Their efforts and skill were necessary to build prosperity in China and help the country gradually to overtake the industrial levels of the most advanced capitalist countries. It was natural for them to hesitate and vacillate, but if they went forward progressively they would have the support of the people. The upshot of the meeting was a remarkable outburst of enthusiasm and energy behind the transformation, and it went forward by whole trades throughout the country.

On the question of profit, it was finally agreed to substitute a fixed rate of interest, to be paid on the agreed valuation of the private assets and capital in the firm, whether the undertaking makes a profit or loss. At first the rate was left open and, after further considerable discussion, was finally settled in the middle of 1956 at 5 per cent (though where previous arrangements had been made guaranteeing more, these were not to be altered).

This was roughly the average profit made by all private enterprise in the years since liberation, a little more than was made in 1955 and rather less than in 1953.

Changing whole trades to joint ownership and introducing the principle of fixed interest was more than just a new technical device. It involved a qualitative difference in that it separated the capitalist from control over the means of production. While it honored his financial interest, even if his particular firm was found unproductive and disappeared as a separate unit, it made him a kind of preference holder of gilt-edged bonds with no control over management.

Once the principle was agreed, plans were made at provincial and municipal level to complete the change-over of the whole range of private enterprise.

A statistical summary showed a total of around 7 million capitalists, including their families, of whom less than 500,000 were actually engaged in business. In industry there were just under 90,000 concerns employing four or more people, with a total labor force of about 1 million.

A breakdown of these figures shows that it was mostly small-scale

industry, while the comparable figures for 1953 show that a considerable number of concerns had already changed to joint state-private ownership before 1955. Most mines, railways, banks and other large-scale industry had been confiscated in 1949 from the bureaucrat-capitalists.

<i>Units employing</i>	<i>Num.</i>	<i>Compar. figures for 1953</i>
<i>less than 10</i>	<i>53,237</i>	<i>104,776</i>
<i>10-49</i>	<i>31,676</i>	<i>39,881</i>
<i>50-99</i>	<i>2,735</i>	<i>3,570</i>
<i>100-499</i>	<i>1,125</i>	<i>1,884</i>
<i>500 and over</i>	<i>36</i>	<i>164</i>

Seven out of ten of all the industrial units were concentrated in the major cities. In commerce there were nearly 3 million units, the great majority of which were tiny one-man concerns. Only 4,638 units employed nine or more people. Roughly half the private capital in China was concentrated in Shanghai. It was generally reckoned that with hard work the whole change-over could be completed in about two years, that is by the end of 1957.

But as in agriculture, the tide of change to socialism moved faster than any plans. By January 1956, it had become a mass movement. Not only the workers and clerks, but the capitalists themselves were caught up in the wave of enthusiasm. Shanghai, that had initiated the change by whole trades, was left behind by Peking, which went over to joint state-private operation on a city-wide basis on January 10. After meetings and discussions in the previous fortnight, the vast majority of owners pooled their applications and handed them all in on the same day. Peking became China's first socialist city.

In the three months prior to Janu-

ary 1956, twice as many firms changed to joint state-private operation as in the whole of the previous six years. The rate of change was particularly striking in commerce where before there were few joint enterprises.

As the movement spread, capitalists in Peking, Shanghai, Tientsin, Harbin and other cities even drew out hidden stocks of gold and other property and invested it in the enterprises or, for the first time, recorded its existence. Many paid up arrears of taxes. Wives and children of capitalists showed up particularly well in the movement.

Alongside the workers, capitalists and their families marched in procession and joyfully celebrated the great change-over in public demonstrations all over the country.

Capitalists Accept the Inevitable

So the third "great pass" was crossed successfully. It was feared beforehand that this task might prove in many ways harder and more drawn out than crossing the other two "passes"—the liberation of the country and the land reform. "Heads would roll," said some, and there were voices that counselled caution.

Some people find this capitalist acceptance of the inevitable with a good grace difficult to understand, and perhaps it is, judged only by the experience of countries where capitalism has ruled supreme for generations. They are inclined to attribute it to special qualities in the culture or character of the Chinese people, their profound respect for reason stretching back thousands of years. Without arguing this point, I think the more obvious hard facts are enough to explain the process.

Politically, there was the people's democratic dictatorship with the working class in the lead and with a high level of political understanding. Economically, the powerful state sector controlled all major materials and markets.

Previously the national bourgeoisie had depended to a considerable extent on the imperialist and bureaucrat-capitalist economic structure though it bore down on them heavily. Now it depended on the economic structure built up by the new people's state. There was no vertical cartelization of industry at the time of liberation. Even fountain pen manufacture was separated into many parts under different ownership and the state had simply to acquire control of one important link in the process to be able gradually to bring the whole under control.

China's capitalist class had its links with foreign capitalists cut after liberation, partly as a result of the embargo imposed by the United States. Foreign trade was in the hands of the state. After the Korean War, all U.S. investments in China were seized when China's assets in the United States were frozen. Two British shipping plants were similarly taken over after Britain requisitioned Chinese tankers. The Chinese bourgeoisie was virtually isolated. True there had been great "worship" of the United States, but much of this had evaporated by the end of the Korean War.

Nor could they easily build up links with the peasantry, who traditionally had good relations with the Communist Party and People's Government and not such good relations with the capitalists. From the

start, the villagers gave preference to Government representatives over private merchants when it came to selling their cotton, soya beans, grain and other products, even before the planned purchase system was adopted. And at the end, the immense change to agricultural cooperation all over the country once and for all blocked the road to capitalism in the countryside.

At the same time, the socialist part of the national economy, going ahead by leaps and bounds, was competing with them and proving its superiority in vigor, quality, lower costs of production and higher productivity of labor. It provided, too, welfare arrangements and cultural amenities for its workers that were the envy of those employed by private capitalism. Towards the end, state-manufactured goods had won the confidence of the millions, and state stores were favored for their wider range of goods and their fair dealing. In one and the same street, by 1955, it was a common sight to see the new state-owned store crowded with customers and the privately owned store almost deserted. It would not have been too difficult for the state steadily to squeeze out private enterprise and drive it to bankruptcy. But then it would have had a big social problem on its hands.

At home, the capitalists were not unaffected by the distaste among their children for entering the family business. Many even renounced their right of inheritance, caught up in the new life that was opening up for them, with work an honor and limitless opportunities to give one's best to build up the country. "My teacher says the workers are best,"

coming from a school child expressed the new outlook—and sometimes the direct question, “Daddy, why aren’t you a worker?” Wives in many cases felt that the people’s regime had made their husbands into better men. One said, “In the old days, if a man did well, he took a new concubine. If he went downhill, all that was left for him was to jump into the river.”

In speaking to some prominent capitalists at the time of the change-over last winter, I was struck by the emphasis they placed on this aspect. A big cement manufacturer of North China whose uncle was one of the pioneer industrialists in China, founder of the Kailan Mines, enumerated to me what his seven sons and three daughters were doing. They were mostly engineers, teachers or scientists, several of them educated in the United States. “They do not want shares in my concerns,” he said. “They laugh at the idea.”

Had there been two paths open to China’s capitalists—capitalism or socialism—there is no doubt they would have chosen capitalism. But only one path was available, and they saw there was no point in being unhappy about it.

In most cities, a minority of anything from 2 to 5 per cent of the capitalists were progressives with close friendship with the Party and Government for a long time. These understood things more clearly and were in no way afraid of going to socialism. They included some big industrialists who had considerable influence with others. They were very helpful in the days of decision. As in the war of liberation, great efforts were made to win over generals and troops.

When it came to the point, there was even a competitive scramble to be in first, partly with the idea of gaining prestige and standing, or that the keenest might get the best positions as managers and directors of the transformed enterprises. But there was also genuine conviction among many that socialism was the right and the only way forward, not only for China but for capitalism all over the world.

When all these facts are taken together and weighed up, it is hardly necessary to resort to out-of-the-way explanations for the peaceful acceptance by the capitalists of the socialist solution.

Patient, non-Sectarian Methods Win Out

One point must be stressed, and that is the patient, non-sectarian work of the Party and Government over the years. Strict limits were set to the struggles against the capitalists, attacking only their actions that broke the law and were harmful to the people. Indiscriminate struggle was avoided and the impatience of some sections of the workers restrained. Efforts were made to avoid interruptions of production and business. The capitalists were helped over difficulties, provided with raw materials and loans, markets were opened to them.

They were given credit for their skill in management and many of them were respected for their technical abilities in engineering and other spheres. In fact, the national bourgeoisie was seen as a relatively more educated section of society and their services were acknowledged to be useful.

Liu Shao-chi said at the Eighth Congress of the Chinese Communist Party in September:

The policy of using, restricting and transforming capitalist industry and commerce by the state and every single measure taken on the basis of it are not wishful thinking and arbitrary decision, but proceed from a study of actual conditions and situations and a consideration of what the national welfare and people's livelihood demand.

He described the aim of the policy of uniting with the national bourgeoisie while struggling against them as being to win over the majority, to raise the level of the progressives among them, gradually lead the middle and backward elements to change their attitude and to disintegrate the die-hards. Events have proved this policy successful.

Since January 1956, the process of assimilating the immense acquisition has been going on. All private industry employing four or more people, all trading businesses employing one or more and all service establishments employing two or more, almost without exception, are now under joint state-private operation.

For the joint state-private undertakings, trusts have been set up for each trade. There are now over 100 local trusts in Shanghai alone, including furniture-making, flour milling, clothing and machine making, and there is also a restaurant trust and so on for other trades.

The first practical step, even before the forming of trusts, was the taking of inventories and valuing assets. This was done with remarkably few serious disputes, though with some humorous incidents the various owners in the same trade ex-

ercising a kind of mutual check on each other, with the active assistance and supervision of the workers.

More complex has been the merging of small, scattered enterprises, the organizing of production tasks in each trade and the rearrangement of jobs among the owners.

A basic principle adopted is that a former owner who was actively engaged in the business shall not receive less in salary than he was getting formerly, whether he is worth it or not. In addition, all owners with less than 2,000 yuan capital (roughly 900 dollars) now came within the free medical benefits scheme.

Decisions on the placing of these owners as directors, managers, heads of amalgamated groups of small workshops, branch managers and so on are made after discussion among the capitalists themselves and after considering the suggestions of the workers. On October 29, the Shanghai municipal people's council approved the appointment of 189 former capitalist owners as managers and vice-managers of 107 corporations or trusts in local industry, commerce, communications and transport.

The new scope for promotion for those with ability, technical knowledge and experience is seen in the elevation this year of Li Chu-chen to the position of Minister of the Food Industry. He is the former owner and manager of a sizable Tientsin salt and chemical manufacturing concern.

What was planned to take two years has been crowded into a few months by the pace of events, and some errors have been inevitable. In some places, the customer has

lost something by a too rapid merging of scattered, individual concerns. In others former owners have been elbowed aside without recognizing their abilities and experience.

These errors are now gradually being put right. The good sides of capitalist management are being studied—its careful attention to the customers' needs, knowing what to stock and at what time, building up good relations with suppliers, building up variety, selling in small quantities, taking individual orders, arranging for shops to keep open to customers' convenience, and so on.

The bad sides are eliminated—exploitation of the workers, disregard of the workers' suggestions and stifling initiative, skimping on material and using inferior material, other devices for cheating or deceiving the

customers, overcharging customers and underpaying the workers.

A "free market" is gradually being introduced without the anarchy of the capitalist free market, but in which the element of competition is being used to encourage initiative in the production of consumer goods and to curb bureaucracy through freer activity in buying and selling and fixing prices in a wide range of goods other than basic essentials.

And educational work is continuing among the capitalists so that they can work in well with both the workers and the representatives of the state, help run the new enterprises efficiently as a service to the people, gradually shake off all taint of exploitation, and fit themselves completely into the new society.

Reprinted by courtesy of the British publication, *The Marxist Quarterly*, Jan. 1957.

GUNNAR MYRDAL ON SOVIET ASIAN REPUBLICS

MR. GUNNAR MYRDAL, the Executive Secretary of the United Nations Economics Commission for Europe, delivered a lecture March 19 in Moscow to a group of Soviet specialists on Ricardo's Theory of Value. Mr. Myrdal had just returned to Moscow from a tour of Central Asia with three of his colleagues and in the course of his lectures he gave his impressions of the Soviet Central Asian Republics, especially Uzbekistan:

"We have collected a great quantity of economic literature and statistical data of various kinds on the development of the republic's economy and culture. The fact that there is not a single illiterate person in a country where before the Revolution only two per cent of the population knew how to read and write, testifies to the great progress made by the republic. In the past there was practically no industry or productive agriculture there, whereas today the republic has a highly developed industry and cotton fields cultivated by machines.

"These facts show that the accession of the Central Asian Republics to the Soviet Union has led to their rapid development through large capital investments and the enlistment of experienced specialists.

"Now we see that the Central Asian Republics have developed to an extent where they can themselves train highly qualified specialists who are used in the republics and in other parts of the country. The standard of this training is being steadily improved and has reached academic level.

"All this information received by us is of great interest and will be published by us."

On March 20 Mr. Myrdal lectured on the activities of the United Nations Economic Commission for Europe. In the course of the lecture Mr. Myrdal paid tribute to the Soviet Union's efforts to promote European economic co-operation through the Economic Commission.

Mrs. Wang Votes

by GRACE LIU

MRS. WANG and I were doing the dishes on the balcony that serves our two families as a kitchen until the weather gets too cold—in this old mansion of a Kuomintang official who fled to Taiwan (Formosa) in 1949. It now houses sixteen working-class families and my own. My three children and I have two rooms.

"I've been at a meeting all afternoon," she said, handing me a bunch of chopsticks to dry.

"What was it this time?" I asked, knowing that she has many meetings to attend as a neighborhood representative.

"We met with the district people's deputies just elected in our neighborhood, to give them suggestions and let them know what our neighborhood people expect of them. It was a big meeting—all the group leaders and small representatives of the neighborhood—about seven hundred people in all. And just about everybody had something to say!"

All during September we were in the throes of election activities. Our many neighborhood committees chosen by the people of the neighborhood, were busy calling daily meetings of committees, or big meetings of all family representa-

tives, to discuss candidates and their fitness to be people's deputies. The candidates were neighborhood people proposed by the different parties—the Communist and non-Communist democratic parties—various people's organizations, and religious and minority groups. After much discussion one of our candidates was rejected and another nominated in her place. Only the names of those candidates who had the wholehearted approval of their electorate were put on the ballot.

Mrs. Wang was an election group leader and sometimes went to several meetings a day. Her work was to talk to the housewives and to explain to the illiterate, old fashioned and more backward women what elections are, why they are held and why all the women should take part in them. She explained to them how they could help see to it that only good deputies were elected to serve the people. Although she had so much to do, she still found time to run over every day to help me with my household problems. Her sense of humor made her see much to laugh about, but she took her duties very seriously.

She told me the housewives entered into the election campaign with lively interest and enthusiasm and in the discussions showed quite a good understanding of what qualities went to make up a proper people's deputy. However, the "lau tai-tais" (old ladies) sometimes used

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subjective judgment in disapproving of some candidate or other. For instance, one old lady exclaimed, "No, no, I don't like him at all! He didn't speak to me on the street the other day." And another one said of a woman candidate: "I don't think she would make a good people's deputy. She drove my chickens out of the court-yard once."

When election day arrived, I watched the women of our house gather in the courtyard, and I could hardly recognize some of my hard-working and usually pretty drab looking housewife neighbors. They were making a great occasion of the trip to the ballot box and were wearing colorful dresses and jackets, flowers in their hair and make-up! Mrs. Chi from upstairs was a big surprise. A bright jacket, a red flower in her hair and lipstick had transformed the thin sallow-faced woman that I was used to seeing every day in black trousers and jacket. Mrs. Wang was wearing red flowers, lipstick and a pretty new gown. They all went off in a group to vote for the candidates they had approved of. These were three women—a director of a co-op, a primary school principal, and the head of a nursery—and two men—a business man and a packing-house worker.

These five deputies of our neighborhood, together with the deputies of all the other neighborhoods of our district made up the district people's congress. This district people's congress elects from among its members a district council, which is the district government. The district people's congress also elects certain of its members to the municipal people's congress, and members from each of Tientsin's twelve dis-

tricts form the Tientsin Municipal People's Congress. This is the city's highest authority, and it elects from its members the city council or city government—the mayor, vice-mayors and council members. Thus the members of the city government at all levels have first been elected in neighborhood election zones where their qualifications and fitness to serve in government positions have been carefully weighed and discussed by their own neighbors.

About a month later the elected deputies met with all the neighborhood representatives to discuss the needs and problems of the neighborhood. I asked Mrs. Wang to tell me a few of the problems, complaints and suggestions brought up. The first and most important, she said, was the problem of getting enough coal to the local coal yards to supply the extraordinary demand for lump coal, which many more people are using this year instead of the cheaper, but suffocating and dangerous coal balls. Insufficient transportation has made this an acute problem. Two suggestions that met with everyone's approval were that our streets should have more traffic police, as more young children are going to school this fall; and that the co-op grain stores should prepare a whole grain flour made from millet, corn and soy beans. The most frequent complaint was about the co-op clerks and their lack of courtesy.

"More women understand now," she said, "how important it is for the building up of our country to elect the right people's deputies." She herself is a splendid example of present day China's progressive, forward looking, working class women.

On the Question of Soviet Bonds

by THEODORE BAYER

A number of our readers, perplexed by the press reports, have asked for an explanation of recent proposals of the Soviet Government for a moratorium on payments for Soviet internal loan bonds. We passed on the question to Mr. Theodore Bayer, Administrative Secretary of the National Council of American-Soviet Friendship, and well known to our readers through his former "Your Questions Answered" department. His answer follows.

THE MOSCOW *Izvestia* and *Pravda* for April 10 give the text of an address made by Nikolai Khrushchev to a conference of agricultural workers held in the city of Gorky, in which he made suggestions in relation to the outstanding internal debt and future flotation of bonds. He said that the Party and the Government wanted to discuss the matter with the people before taking final action.

Mr. Khrushchev suggested that it would be to the advantages of the budgetary finances of the USSR to discontinue, beginning in 1958, the system of annual flotation of government bonds to which the population subscribes. He motivated the proposal as follows. There are at present outstanding government bonds in the hands of the population in the

amount of 260 billion rubles, on which the government pays out in the form of lottery winnings and redemption of the winning bonds, annual sums, amounting to 16 billion rubles in 1957. These payments, becoming progressively larger, would amount to 18 billion rubles in 1958, and by 1967 would amount to 25 billion rubles or more annually, approximating the amount that it might be expected to receive from the population if the flotation of bonds continued.

Annual subscriptions by the population to new loans amounted to 32 billion rubles in 1955 and 34 billion rubles in 1956. Recognizing the need of the people that this be reduced, the previous government decision that 26 billion rubles should be subscribed in 1957 had been changed, and the amount to be subscribed this year reduced to only 12 billion rubles.

From the above it may be seen that receipts from the annual loans have come to be used in the main for the payment of annual services on existing loans. Mr. Khrushchev suggested that this actually had become a sort of vicious circle, the government taking in money on

loans in order to pay it out in interest and winnings. It was therefore recommended by Mr. Khrushchev that no more internal loans be issued, and that there be a moratorium on interest and repayment of bonds for about 20 to 25 years, and that at the end of this period the bonds be redeemed at their full value at the rate of about 13 billion rubles a year until all bonds are redeemed. This scheme would apply to the entire government loan of about 260 billion rubles, with the exception of the one 3 per cent negotiable loan. Furthermore, the 1957 loan, reduced from 26 to 12 billion, will be subscribed to only by those whose earnings are 500 rubles or more a month, and the subscription of an individual is limited to the equivalent of two weeks of his earnings.

Mr. Khrushchev further proposed that the money saved by the suspension of payments should be used to augment government appropriations for home building, the building of new schools, hospitals, maternity homes, kindergartens, nurseries and the like.

Mr. Khrushchev reported that this tentative proposal had already been laid before large bodies of workers to test the reactions of the people who are bondholders. Such meetings had been attended by 20,000, 60,000, and, in the city of Gorky, 150,000 people. The Soviet press has been reporting the resolutions of approval passed by these meetings.

It should be understood that the loans in the past, in addition to providing a budgetary income, also served the purpose of reducing inflationary pressures by reducing the amount of money in the hands of

the people competing for the purchase of goods that were not readily available. The discontinuance of the annual loans will leave money in the hands of the population far in excess of the payments of annual interest under the previous system. This would signify that the present greater availability of goods and services no longer requires the syphoning off of ready cash via loans as an anti-inflationary measure. To this must be added that the loans were not in any case paying interest to all the bondholders, since the annual lottery paid out money prizes to the winners far in excess of their share of interest in the bonds they held. As far as the majority of the people are concerned, the freezing of the interest is by no means a withholding of money that they would regularly receive, since the lottery operates in favor of only a comparatively few people, and most of the bondholders would have to wait until maturity to cash their bonds, which are usually for a 20-year period.

The large sums of unearned income in the hands of a comparatively few people, due to winnings, has perhaps been regarded as an undue advantage in the ability to purchase goods not enjoyed by the majority. It is no doubt in this light that the population sees reforms inherent in the proposal which elicit their approval, along with the actual increase in their own income resulting from the abandonment after this year of the annual bond drives into which from two weeks' to two months' wages had previously gone, and the knowledge that they will also gain in increased housing, schools and other facilities.

Americans to Attend World Youth Festival in Moscow

MANY thousands of young people and students from all over the world are planning to attend the Sixth World Festival of Youth and Students to be held in Moscow this summer, July 28-August 11. A delegation of American youth will take part.

Preparations for the festival have been under way in Moscow for many months. There will be unique artistic and educational displays throughout the city. An international club will be opened, where delegations and young people of the same trades, professions and interests may meet and exchange views.

The festival program will include 70 outdoor concerts and performances daily and international contests in 24 fields of art, Moscow's best theaters and clubs will be made available for this purpose. Leading young sportsmen of the world will participate in the International Youth Games, which will include table tennis, volley ball and other sports and chess tournaments. An international art and photograph exhibition will be held, and 20 Moscow movie theaters will show the best films of young producers. The USSR Agricultural Exhibition grounds will be open to special celebrations for youth from farm areas. Special events for girls will include meetings and conferences on subjects

close to their hearts, a fashion show and a parade of national costumes.

A special students' program will include seminars, educational excursions, and meetings among students. Moscow University will provide an international students' club where students will be able to meet leading scientists and cultural figures. Students balls, concerts and jazz sessions will be included in the festivities.

The festival will begin with a great parade of the youth of all nations, and a gala celebration in Moscow's main stadium, and will culminate in a Kremlin ball.

In most countries preparatory committees are at work publicizing the plans for the festival and helping to arrange the participation of groups of young people of many walks of life and many views who wish to attend.

The cold war policies of our government, which opposes all movements for friendly relations with the Soviet Union, have placed obstacles in the way of the formation of such a group in this country, but one nevertheless exists.

Due mainly to the efforts of a young Chicago Ballet dancer, Miss Barbara Perry, there will probably be a sizable American delegation.

Miss Perry, who participated in the "Youth for Eisenhower" move-

ment in the 1956 campaign, said that her interest was aroused by a film she had seen of last year's festival. Anyone who has seen one of these films reflecting the warmth and joy generated by these great gatherings of the world youth, will understand her enthusiasm.

Miss Perry wrote to Secretary of State Dulles urging U.S. recognition of the festival. The State Department replied coldly that this country regarded the festival as "an instrument of Communist propaganda" and urged her "not to engage in any effort to encourage participation." Undeterred, the dancer took her story to the *Chicago Daily News*, which carried a three column feature article on it, and helped her get in touch with officials on a trip to Washington. After Congressman Barrett O'Hara (D-Ill.) made a speech about her efforts on the floor of Congress, a State Department official consented to see her. He told her she had "been investigated" and given a "clean bill of health," but she found his attitude "pretty stuffy" about the whole affair. However, the State Department has indicated that while it frowns upon the project, it will not withhold passports from those who nevertheless decide to attend.

On April 9 Miss Perry announced in Chicago that 700 young Americans had applied to attend the festival and that organizers in different parts of the country have reported a heavy response to plans for participation. Among those who have applied are twenty divinity students from Harvard and Princeton Universities and a large group from the University of Wisconsin. Miss Perry suggests that other young Americans

who would like to attend write immediately to the Festival Committee, Room 403, 189 West Madison Street, Chicago 2, Illinois. She estimates that a U.S. participant can make the trip (from Chicago and return) for the all-inclusive cost of \$421.60, including food and lodgings. She is going to Moscow this spring to make arrangements for American participation.

Preparations for the festival were formulated by an International preparatory Committee with delegates from 51 countries, under the chairmanship of Govino Sahai of India. As in previous festivals, this committee has emphasized that there shall be no dominating political or other trends, and the Festival will be operated completely in the spirit of mutual respect and understanding. Thirty thousand young people from 140 countries are expected to attend.

These annual festivals, held in different countries under the auspices of the International Union of Students and the World Federation of Democratic Youth, offer an unparalleled opportunity for the young people of the world to get to know each other, form bonds of friendship, see each other's cultural and sport achievements, and discuss their common problems. Those who sing and dance together, compete in sports and share their problems and their joys, can be counted on to do everything in their power to avoid a war turning their friends of other lands into enemies who must be killed.

A big American attendance at the Moscow Youth Festival this summer will be a tremendous service to the cause of peace, and would promote the best interests of our country.

END THE NUCLEAR TESTS!

by JESSICA SMITH

THE LIFE force we feel all around us in this lovely spring-time as the bonds of winter are broken and the leaves and blossoms unfold and the countryside rings again with songs of birds, is burgeoning too in the hearts of the people of the world. From all lands the cry of the people is rising expressing the greatest and most overwhelming of all human needs—for life to conquer death, for peace to conquer war, for a future of endless creative growth instead of one menaced by the fatal mushroom clouds.

That this is the single greatest problem faced in the world today becomes increasingly evident as the press reports the mounting demands of people everywhere for the ending of nuclear tests as the most urgent immediate step to protect the human race from radiation hazards and the deadly Strontium-go, and to open the way for the imperative next step of complete banning of nuclear weapons and the use of the atom for peaceful purposes alone.

There is hope in this world-wide protest of the people, in the position of socialist and neutral governments which urge an ending of the tests, in the beginnings of an indication of a detente in international relations.

In this worldwide movement, the American people have a greater responsibility than they have yet undertaken. Whatever our attitude to-

ward the policies of any other powers, our main business must be with the policies of our own government, which we can and must influence. We must understand and act upon the fact that the policies of our government continue to run counter to the world's and our own great need for peace. This is seen in the whole policy of military alliances and military bases around the world, the Eisenhower doctrine for military intervention in the Middle East, already bringing troubled repercussions in Jordan, in U.S. adherence to the military provisions of the Baghdad Pact, in plans to provide our allies with nuclear weapons, and the continued refusal to enter into an agreement to end nuclear weapons tests.

These policies, as from the beginning, are based on the idea of a necessary "deterrent" to an alleged threat of war on the part of the Soviet Union which everyone agrees is non-existent, and to any spread of Soviet influence in world affairs. Yet any rational person must understand that the only effective way of countering that influence is through policies of international cooperation and trade and help to underdeveloped nations which will increase the security and well-being of the peoples of the world. It cannot be done by balancing over their heads the threat of annihilation in any war

among the big powers, in which countries having military bases of other nations on their territories would necessarily be victims.

The need of a new, positive American policy has been stressed repeatedly in recent months by Republican commentator, Walter Lippmann. Writing in the *New York Herald Tribune* of April 18 on impressions gathered in Western Europe, he said there was obviously a "wide anti-American feeling," that expressed itself in a general disillusionment with President Eisenhower, and an "extraordinary lack of confidence in Secretary Dulles." He declared:

I have seen no one who thinks the Soviet Union is planning and is preparing for a general war. For that reason the resounding declarations of the so-called Eisenhower Doctrine are received with puzzled incredulity. Some think that the President and Mr. Dulles are living in an unreal world, emphasizing dangers that will probably not come and not dealing with dangers that do in fact exist.

Mr. Dulles' address to the *Associated Press* luncheon on April 22, described as a "major foreign policy pronouncement," oozed mealy-mouthed protestations of his concern for peace but bristled with attacks on what he calls "international Communism," and offered nothing more constructive than a defense of our big arms budget and a continuation of the false policies of "deterrence" through modern weapons and "liberation" of socialist nations.

Protests Throughout Europe

The complete bankruptcy of a policy of seeking security through an atomic stalemate depending on a

continuing nuclear arms race was exposed in the British White Paper published April 5, which outlined the new British plan to end the draft and drastically cut its land and naval forces, and base itself in the future on nuclear weapons. While economic necessity has forced Britain to cut its arms expenditures, it is compelled at the same time to adjust itself to the U.S. nuclear weapons program. Yet the White Paper at the same time says bluntly: "It must be frankly recognized that there is at present no means of providing adequate protection for the people of this country against the consequences of an attack with nuclear weapons."

Throughout Britain there has been a rising popular protest against the plans of the British Government to explode an H-bomb in the area of Christmas Island in the Pacific. While the leadership of the British Labor Party has failed to develop a strong attack on the Government's foreign policy, 80 Labor MP's and large sections of the membership have demanded unconditional abandonment of the tests. A compromise resolution was passed by the Labor Party on April 3 calling for postponement of the tests and their abolition through international agreement. The Liberal Party in Parliament has taken a similar position. The British Council of Churches, at its annual meeting in London, April 2-3, passed a resolution deploring the decision to carry out the Christmas Island tests. The University Liberal Societies pleaded with the government to halt the tests. Petitions against the tests are being circulated all over England by local organizations, and hundreds

of resolutions are being adopted by trade unions.

The opposition was further intensified by the April 16 report of the British Association of Atomic Scientists which estimated that explosions of hydrogen bombs might "eventually produce bone cancer in 1,000 people for every million tons of TNT or equivalent explosive powers." In other words, one nominal nuclear test could produce bone cancer in 20,000 persons.

Throughout Western Europe, according to Harold Callender in a dispatch from Paris (*New York Times*, April 21), intensified support for the banning of atomic weapons and their testing has arisen as a result of the recent statement of eighteen of the leading nuclear physicists of West Germany that they would refuse to cooperate in any way in the production, testing or use of atomic weapons, which came on the heels of the U.S. promise to supply nuclear arms to its European allies.

The statement of the German scientists—four of them Nobel prize winners, including Prof. Otto Hahn, first physicist to split the atom—came in protest against the decision of the Bonn Government to equip West Germany's new armed forces with tactical atomic weapons.

According to a dispatch by M. S. Handler (*New York Times*, April 13), the scientists said that "in their opinion a small country such as West Germany could best defend itself and world peace if it expressly and freely went without the possession of any kind of atomic weapons." They said each tactical bomb or shell would have an effect similar to the first bomb dropped in Hiro-

shima, that the whole population of West Germany (50,000,000) could be destroyed by the radioactivity spread by hydrogen bombs.

In a later dispatch (April 15) Mr. Handler described the public reaction aroused by Chancellor Adenauer's answer to the scientists that atomic armament was a political matter for which he as head of the government was primarily responsible. The resulting controversy, said Handler, "appears to have improved the political perspective of the Social Democrat's campaign to unseat Adenauer in the September elections."

All Japan Opposes Tests

The most vehement and widespread protests against continued nuclear tests have come from Japan, whose people were the victims of the first A-bombs and have suffered the greatest dangers from the Pacific explosions.

At present all Japan is crying out against British plan for H-bomb tests over Christmas Island. The movement in Japan is universal, cutting across all political, class, religious and social lines, from big corporations to trade unions. Four hundred Japanese physicists sent abroad an appeal against the tests. At the Hiroshima peace monument twelve people, including a Buddhist priest, are on a day and night peace vigil. Early in May, an "International Protest Fleet" under the auspices of the Japanese Council against A-and H-bombs will cruise the fishing waters marked for contamination, and visit ports from Hawaii to Australia. May 20 has been designated as a day of national protest throughout Japan.

The President of Japan's Christian University, Professor Masatochi Matushita, as personal envoy of Prime Minister Nobusuki Kishi, has been visiting world capitals with his wife, carrying appeals and petitions from all over Japan against the continuance of nuclear tests. In London, Prime Minister Harold Macmillan turned down his appeal, as did Secretary Dulles in Washington. In Rome, Pope Pius XII voiced sympathy for Japan's position and gave him a copy of last year's Easter warning against a nuclear race toward the abyss, repeated in his this year's message in vaguer terms.

Recently alarm has been expressed in Japan over contamination of its atmosphere as a result of current nuclear tests in the Soviet Union. Japanese Ambassador Suemitsa Kadowaki made a personal plea to Nikolai Khrushchev that the tests be ended. Mr. Khrushchev was reported to have told him (*N. Y. Times*, April 21) that the Soviet Union could not take action until agreement was reached with the West. Khrushchev suggested that Japan join the USSR in proposing to Britain and the United States that tests be discontinued.

Throughout Asia the movement to ban tests is gaining ever wider adherents. People's China strongly supports the ban. The Government of India has repeatedly proposed the banning of tests. Indonesia has joined the protest. Ceylon's Prime Minister, S. W. R. D. Bandaraika, has joined the worldwide protest. In June he will officially open the meeting of the World Peace Council, which is now concentrating on a worldwide campaign to end atomic tests as a first step to disarmament

and the complete abolition of nuclear weapons.

UN Disarmament Discussions

Sufficient pressure from the American people, joined with world opinion, could bring a change in our government's foreign policy. Already there are signs of the beginning of a detente which indicate that the time is ripe for still greater efforts.

While it is too early to expect any definite results from the current five-power discussions at the UN Subcommittee on Disarmament meetings in London, there are hopeful reports that some sort of minimum agreement is in sight. After Harold Stassen, U.S. representative, reported to Secretary Dulles during his visit home for the Eastern recess, a joint statement was issued to the effect that "partial agreement" seemed possible with the Soviet Union on arms reduction and first steps toward a system of controls and inspection. Stassen said the discussions were "the most serious" that had yet taken place.

The Soviet Union has continued to seek agreement on abolition of nuclear tests and banning of nuclear weapons, and extensive disarmament measures. However, its representative, Valerian Zorin, has indicated interest in proposals of the West for reduction on a smaller scale than the Soviet plans, and also that his government would consider an extension of its earlier proposal to institute President Eisenhower's "Open Sky" inspection plan over a belt 500 miles on either side of the dividing line in Europe, to include some Soviet territory. Leonard Ingalls wrote from London April 14 that

the conference participants were reported to be "cautiously optimistic" about possibilities for agreement on limited cuts in conventional arms, although there was little likelihood of agreement on nuclear arms. Yet specialists, he said, feel that agreement on cutting non-nuclear weapons would ease the way toward nuclear disarmament. "The representatives of the West," he continued, "have been encouraged by the temperate and businesslike attitude displayed thus far by Valerian Zorin."

Numerous recent reports have indicated renewed efforts on the part of the Soviet Union for an easing of international tensions. William J. Jordan wrote from Moscow April 20, "Soviet leaders this week seemed to be trying to open the way to an improvement of Soviet relations with the rest of the world, especially the West. . . . A campaign favoring disarmament and calling especially for a halt to production and a ban on the use of nuclear weapons is a key element in the Kremlin's new place drive." He mentioned the importance of the recent agreement, reached on Soviet initiative, for a meeting in Moscow with the West German Government to discuss trade and other issues. On April 22 he wrote that the latest Soviet notes to the United States, Britain and France on the Middle East situation "were regarded by observers here as new evidence of the more conciliatory policy the Kremlin seems to have adopted recently."

In these notes the Soviet Union, following its earlier proposals to refrain from supplying arms and setting up military bases in the Middle East which had been rejected, renewed its proposals that the big

powers condemn the use of force as a means of settling the problems of the Middle East, now aggravated by the Eisenhower Doctrine.

In the *New York Herald Tribune* of April 22 B. J. Cutler reported on an editorial article in *Pravda* (April 21) which again raised the question of the withdrawal of all foreign troops from European territory:

Naturally if the Western powers accept Soviet proposals to withdraw their troops from the territories of other countries and liquidate their military bases, there would be no need for Soviet troops to remain on the territories of Poland, the German Democratic Republic, Hungary and Rumania.

As we go to press, news comes of the powerful worldwide appeal against continued nuclear tests by the great humanist, Dr. Albert Schweitzer.

We wish we could report as extensive a movement for peace in our own country as elsewhere in the world. The wide response to Adlai Stevenson's campaign suggestion to end nuclear tests indicates that there is a basis for such a movement in popular feeling. At the UAW convention in Atlantic City in April Walter Reuther's warning that there is no defense against the H-bomb but peace found approval. Such groups as the Quakers, the Women's International League, the National Council of American-Soviet Friendship and others are doing vitally important work in mobilizing public opinion against the tests and for disarmament. Surely the time is now ripe for a great nationwide campaign in which many groups of varying views would unite their efforts on this one great central demand through letters to President Eisenhower, to end the tests, and open the way for an era of universal peace.

Book Reviews

A SCOTSMAN IN RUSSIA

IVAN THE NOT-SO-TERRIBLE, by Archie Johnstone, *British-Soviet Friendship Society, London, 1956. \$1.50.*

THIS is a delightful, witty and discerning book. It contains little about political matters as such, no evaluation, de-evaluation or re-evaluation of Stalin. It's all about the Soviet people, how they live and work and laugh and play and err most humanly and, like the poet Marshak and the young forester Volodya, "dream and build for the future happiness of man."

The author writes of Russian grandmothers and children, workers and farmers, engineers and artists, life in a Moscow courtyard and in rosy-hued Erevan in Armenia, in apple-growing Alma Ata and the wide spaces of Siberia, of ballets and circuses, of holidays and books, and of how everyone, but everyone, in the whole Russian land loves Mark Twain.

Archie Johnstone is a Scotsman whose love of life makes you think of his great Irish neighbor, Sean O'Casey, as do his warm response to people, the rhythms and songs and made-up words that give his sketches of Russian life a quality so different from ordinary reportage.

A long-time journalist, member for a time of the British Embassy staff in Moscow, and editor of *British Ally*, official Foreign Office paper in Moscow, he resigned that post in 1949 because he disagreed with his country's cold war policies. He stayed on in the USSR "because he liked it," as Pat Sloan says in his introduction, and married himself a Russian wife. A selection of articles about life in Moscow which he knows intimately because he lives there and about the people he has met in wide travels all over the land of the Soviets, are gathered together in this beguiling little book.

Reading it makes you wish you knew the author personally, as well as the many Soviet people he writes of with such warmth and love.

J. S.

WITH WALL STREET EYES

THROUGH SOVIET WINDOWS, by Joseph Evans. *Dow Jones and Co., New York, 1957. 124 pp. \$1.00.*

THE addition of the words "with Wall Street Eyes" would make the title of this little book by the Associate Editor of the *Wall Street Journal* a little more accurate. According to the foreword this "perceptive newsmen" provides an insight both into some of the basic economic problems of the Communist system and its human impact, but in fact there is little of either. The author seems to feel that there's nothing much wrong with the Soviet system that a good dose of capitalism and its free market economy couldn't take care of. But after 6,000 miles of travel he concludes that any assumption that the "Soviet system is capable of moving only in the direction of rigidity and repression until it finally collapses of its own dead weight," is questionable.

RADICALS IN THE U.S.A.

AMERICAN RADICALS, edited by Harvey Goldberg. *Monthly Review Press, New York. 1957. \$5.00.*

THIS collection of essays by various writers, among them Harvey O'Connor, Arthur K. Davis and Bert Cochran, on leading American radicals, makes timely reading. It is well to be reminded today of the contributions made in the past by such figures as "Fighting Bob" LaFollette, Big Bill Haywood, Eugene Debs, Daniel De Leon, Heywood Broun, Vito Marcantonio and others.

The essays give an estimate of how each man under consideration saw the problems of an unjust social order, and how each of them attempted in his own way to make a contribution towards their solution.

Two of the most interesting essays deal not with individuals but with specific aspects of the problem of radicalism in America. In one of the essays the long history of those who defected from the cause they had previously embraced is explored, and in the other a study is made of the history of repression of radicals by deportation and imprisonment. These essays throw con-

siderable light on today's defectors and on the development of repressive techniques that have swollen to such ominous proportions in our country.

The Monthly Review in publishing this book has made another valuable contribution to their growing list of important publications.

AN EXILE'S STORY

THE FRIGHTENED GIANT, by Cedric Belfrage. *Weekly Guardian Associates*. New York. 1957. 235 pages. \$3.95.

CEDRIC Belfrage, now living in forced exile in England, has written a lively and instructive account of the brutal manner in which he was put out of the country of his adoption, a country which through his books and his co-editorship of the *National Guardian* he had served so well.

Placed in the same cell of the West Street jail that had been Julius Rosenberg's in the first days of his arrest, Belfrage recalls the terrible story of the Rosenbergs' trial and execution, and he reminds the reader with justifiable pride of the role the *Guardian* played in making known the real facts of the Rosenberg case to the American people.

The story Belfrage tells in these pages is an important account of the bitter days of the cold war and of what happened to a great and powerful nation which lost its sense of direction and forgot its inspiring traditional principles in a crucial period of world history.

For all the grimness of the story, Belfrage writes with unflagging zest and continuous humor that highlights all the absurdities that, along with much that was repellant, marked his enforced removal from the country he had come to love so deeply.

RUSSIA IN PICTURES

A PICTURE OF RUSSIA, edited by John S. Martin. *Crown Publishers*. New York, 1956. 407 pages. \$5.95.

THE FIRST edition of this book appeared in 1945 and was received with wide applause for the very thorough and enlightening job it was. Excellently selected

pictures matched by succinctly written, scrupulously objective text, the whole sweep of Russian history from the earliest days to the end of the Great Patriotic War was admirably set before the reader.

Reflecting the serious mood of the war alliance between ourselves and the Soviet Union, the 1945 edition could be recommended as a fair and conscientious addition to the rich and complex history both of the Tsarist and Soviet periods. Making clear the inevitability of the February revolution in face of the general collapse of Tsarist authority, the editor treated the October revolution and the establishment and consolidation of Soviet power in a remarkably unbiased way. Picture and text conveyed dramatically the surge and movement of the first sustained working-class government.

For the new 1956 edition the editor has attempted to cover the period from the end of the war through the 20th Congress. At once the reader is aware of a basic difference in the text: gone is the objectivity, the scrupulous attention to fact, the careful effort, even in limited space, to set historical events in their full perspective. Instead we have "wisecracks," "humorous" remarks, irresponsible generalization of the usual banal *Life* and *Time* variety. Where before there was effort to grasp events and personages in the Soviet Union as a part of a vast historical movement and to come to an understanding of them, this new addition to the earlier book is written completely from the contrived anti-communist attitudes of the Cold War.

Here within the covers of one book (for the 1945 text is left unchanged) is a most enlightening example of what has happened generally to the popular treatment of Soviet reality from the great days of our wartime alliance when a serious effort was made to achieve a clearer understanding of this momentous social phenomena and the dark decade of the Cold War in which objectivity, care and factual precision were thrown aside in the false interest of building up an ominous image of a supposed "enemy" of our national interests.

M. Y.

CORRECTION

The name of the author of *Russia Without Stalin*, reviewed in our April issue, should, of course, read Edward Crankshaw, instead of Ernest.

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