Marxism at Discount Rates

China Goes to Market

This improvement can be attributed not only to the new material incentives offered to the peasants, whose incomes more than doubled between 1978 and 1983. Another factor is that the peasantry is finally reaping the fruit of capital investments (water works, farm machinery, etc.) made just a few years ago.

Leading Chinese economists are counting on further improvements in the agricultural "measures of production," and a project to raise productivity that will make some 200 million peasants superfluous to the agricultural labor force over the next 20 years. Hungary's experience with careful rural planning, such a release of human energy could be an incredible boost to economic and social development. But given China's present reliance on the "invisible hand" of the market, this massive transition is sure to be chaotic and fraught with peril. Those pushed off the land will be the peasants who failed in the competition to accumulate; those who remain, meanwhile, can be expected to contract for larger and larger amounts of land and press for ever-greater leeway in economic decisions, including the right to hire those who cannot "make it" by their own efforts. In effect, a powerful social force for agricultural development along capitalist lines is being created, with the CPC leadership waxing enthusiastic about its short-term benefits and failing to see the larger picture.

Advertisements—the hallmark of capitalist competition—is once again appearing in China. This new policy has produced a significant, if temporary, rise in the living standards of most Chinese.

RURAL REFORMS

The first steps in the Deng faction's new course came in the field of rural reforms. These reforms included decollectivization of agriculture, a return to the family (rather than the work brigade) as the basic economic unit in the countryside, and lifting controls to allow peasants to freely market surplus production. Besides an unrestrained market in agricultural goods, the main mechanism to accomplish this is the household contract system, which gives each family practical control of resources and incomes, some with land and equipment forbidden or restricted to state-owned enterprises. As a result, an estimated 70% of China's peasants have been able to produce nuclear weapons, much of its weapons technology remains badly out of date. The U.S., apparently confident that China is not about to return to anything resembling proletarian internationalism in the near future, is only too happy to help China with this facet of modernization.

U.S., China Forge Closer Military Ties

China is not only accelerating its economic ties with the capitalist West; it is strengthening military connections as well. On January 12, U.S. Gen. John V. Vessey, chairman of the Joint Chiefs of Staff, began a week of talks with Chinese military leaders in Beijing. Vessey is the first high-level U.S. military officer to visit the Chinese mainland since Gen. George C. Marshall went in 1947 in an attempt to mediate between the communists and the Nationalists.

Vessey has already announced that a formal agreement is in the works to sell modern U.S. anti-submarine devices to the Chinese. This deal, expected to be sealed with a visit by Assistant Secretary of Defense Paul Nitze in late January, would culminate a year of unprecedented military contacts between Washington and Beijing. This new round of cooperation was initiated by a September 1983 visit to China by Defense Secretary Caspar Weinberger. At that point, negotiations between China and the U.S. for the sale of a U.S. Army anti-tank system and a U.S. Air Force air defense system are also in progress.

The meetings with China, Vessey has said, are set to discuss the "spectrum" of military cooperation. The Chinese are interested in acquiring modern military equipment, including warplanes, with which to build an air force capable of fighting the U.S. or its allies. The Chinese, in turn, are interested in U.S. assistance in building an advanced air defense system and in containing the spread of nuclear proliferation.

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Offensive Routes Kampuchean Counter-Revolutionaries
By Irwin Silber

Counter-revolutionary guerrillas operating along Kampuchean western border have been dealt a major setback in a recent dry season offensive mounted by joint military units of Vietnam and the People’s Republic of Kampuchea.

In the last 10 days, two of the most important guerrilla base-camps—at Ribben and Ampil—have been completely overrun. All told, four such staging areas for raids against the PRK have been demobilized since the present offensive began.

Over and above the impressive military aspect thus far registered, the present offensive is noteworthy on two counts.

First it appears to be aimed principally at forces of the Khmer People’s National Liberation Front (KPNLF), one of the three constituent groups in the anticom- munist coalition dominated by the remnants of the ousted Pol Pot regime.

Second, the bulk of the fighting, according to an announcement made in New York last week by Vietnam’s U.N. Ambassador Hoang Bich Son, is being carried out by Kampuchean troops of the PRK armed forces. “For the first time, they are in the frontlines of the battle against the enemy,” said Hoang at a press conference at Vietnam’s U.N. headquarters.

By focusing its attacks on the KPNLF, the joint Kampuchean-Vietnamese offensive seems to be aimed at not only weakening the counter-revolutionary military forces militarily, but also at stripping away the last, operationally, (PHCN)” which the coalition has provided for the discredited Pol Pot.

SON SANN

Headed by one-time Kampuchean prime minister Son Sann, the KPNLF’s political base rests primarily with forces associated with the government of Lon Nol which ruled in Phnom Penh under U.S. auspices from 1970 until 1975. The Lon Nol regime was overthrown by the Khmer Rouge at the time when Vietnamese liberation forces were mounting their final offensive of theIndochina War.

Son Sann, who had served as military supply, advice and development policy and strategic support to Pol Pot, the U.S. and Thailand have concentrated their efforts on Son Sann. The KPNLF claims to have some 15,000-20,000 troops under its command—at least that was its assertion prior to the most recent offensive, which has appar- ently taken a significant toll. But most observers believe that these figures are highly overblown.

Besides the forces led by Son Sann and Pol Pot, a third counter-revolutionary grouping is headed by former head of state Prince Norodom Sihanouk. But assertions that Sihanouk has 5,000 anticommunist rebels under his command are also advanced more to justify a place for Sihanouk in the anticomunist coalition in order to attract support from countries who are uncomfortable with both Pol Pot and the U.S.-associated Son Sann forces.

All three groups are linked in an uneasy coalition which has taken over the name of Pol Pot state’s apparatus. The KPNLF, to which Sihanouk has designated “president” of the DK and Son Sann its “prime minister,” has itself no official status in the new DK government.

Khieu Samphan represents the one-time Khmer Rouge as the DK’s “vice president.”

While the U.S. press has by large duly observed these shifting allegiances, another picture has begun to emerge in certain news accounts. A number of battlefield reports have noted the fact that the so-called “refugee camps” under attack have been deliberately used in order to provide safe havens for counter-revolutionary military forces. Taking this into account, the Christian Science Monitor declared (Dec. 29) that “sometimes an organization innermilitary soldiers civilians, as the Kampuchaeans [the] conflict have done in the border camps, it risks endangering the civilians.”

As to charges of “unprovoked” incursions into Cambodian territory, the New York Times pointed out (Jan. 10), “withdrawing by Vietnamese forces, the rebellion frequently retreats into Thailand, which offers them sanctuary. Sometimes in pursuit Vietnamese forces clash with Thailand’s border guards.”

According to news accounts, the fierce instances of direct confrontations between troops of the joint PRK-Vietnam-ese command and Thai forces have been quickly resolved without serious incident.

While carrying on the military campaign, Hanoi and Phnom Penh are also continuing to hold open the possibility of a peaceful resolution of the conflict. So far, however, ASEAN countries—backed by Washington and Beijing— have insisted that the Heng Samrin government has repeatedly replaced “ roadway” to include the DK forces as well. For their part, Hanoi has pledged the prompt removal of all Vietnamese troops from Kampuchea and Phnom Penh has pledged itself to a foreign policy of non-alignment once China, the U.S. and Thailand end their support to and for the counter-revolutionary forces.

KAMPUCHEA: Six Years Later
Six years after the overthrow of Pol Pot’s high-date line in the midst of an economic and political revival and occupies an important place in the world struggle against imperialism.

Hear a first-hand report on the situation in Kampuchea at Frontline’s Forums.

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guidance via economic levers (taxes, credit policies, etc.) for a wide range of industrial and consumer goods whose prices have been raised to meet the market produc-
tion of non-staple foods and of other items.

The document’s approval was a major policy statement for Deng, who discoursed Marxist theory’s ability to identify underlying economic trends and to suggest possible policy solutions. China “It doesn’t matter if the cat is white, as long as it catches mice.”

China’s “internal reforms” are the wider opportunities being opened up for foreign capital in China. Deng’s promise of a “new opening” of “special economic zones”—where foreign capitalists can set up wholly-owned operations—appealed to hire and fire workers as well as deter-
mise their wages—was increased by 14.

The “one country, two systems” approach to attaining the reunification of Hong Kong (under which Hong Kong will be allowed to remain capitalist, but for a period of 50 years) is likewise regarded as a prime mechanism for gaining access to foreign capital and it’s formula has been offered to Taiwan.

China’s drive to break out of isolation has also led up to agreement with the socialist camp. Economic ex-
change between East European countries and Cuba have been opened for more important, a major trade and aid agreement has been signed with the Soviet Union during the High-level visit of First Deputy Chairman of the USSR Council of Ministers Pyotr SFU Politburo member Ivan Arkhipov to China. So far, however, this seems to be more of a pragmatic move to strengthen China’s economy than a substantial step to revive socialist internationalism and rehabilitate ideological unity between the two socialist national communist movements.

China’s economic, political and military ties with the capitalist countries are seen as a far faster link than links with the socialist camp.

OPPOSITION

In the political realm, there remains a definite opposition to Deng’s program despite his victory at the October central committee meeting. Former rural reformers seem also universally popular. The relaxation in central planning for industry and agriculture have aroused considerable controversy. It is this controversy that sparked the recent amending of the constitution in the People’s Daily.

Not leaving anything to chance, Deng has been laying the groundwork to crush all dissenters he can identify. The CPC is soon to begin a complete re-registration of its membership as a continuation of the rectification campaign begun last year, and any member deemed not in sufficient harmony with the new reforms is to be re-

In the purge, the purge has already begun. Many of Deng’s staunchest allies in the ideological opposition have been left in the People’s Liberation Army (PLA) and Deng has worked personally to promote them to positions of authority. Last month the military announced the retirement of forty military commanders, including some of those men from any serious political influence. Deng’s ability to isolate these forces is due largely to the fact that their views—many are simply tisoned-
down line of Mao’s ideology—are proven failures in the current state of China’s economy. Practically speaking Deng’s views appear to be the better results—at least for the time being. Still—all is as always is the case with pragmatism—Deng’s poli-
cies are putting all the ingredients in place for major economic distortions, turmoil and political conflicts somewhere down the road.

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