They are both there, more existing than coexisting. One thriving, the other trying.

Two Chinas, one world

by Gordon F. Boreham

While China can be said to have the longest continuous history of any nation on earth, there is no escaping the fact that there are two Chinas today. One is the People's Republic of China on the mainland, the other is the Republic of China on the island of Taiwan. One is ruled by the Chinese Communist Party, the other by the Kuomintang or National People's Party. One is a socialist state, a managed economy founded on the principles of Marxism-Leninism with some modifications to meet Chinese reality, the other a mixed capitalistic economy based on the principles of Dr. Sun Yat-sen. One is still an economically backward country as well as a developing country, the other qualifies for the accolade of newly-industrialized country. One is now "recognized" as a nation by most of the world, the other diplomatically discredited.

What is life like in the two Chinas? How did Mao Tsetung's administration rebuild and expand the wartorn mainland economy after it took over in 1949? How did Chiang Kai-shek's administration deal with similar problems on the small mountainous island of Taiwan. What are the prospects for a peaceful reunification of China? Is sovereignty association a better alternative? Is Taiwan likely to declare independence as a political entity? What is

the current state of Sino-American relations?

To know modern China, it is necessary to understand the Chinese character. As will be brought out by this survey of comtemporary China, the Chinese are strongly drawn to history and tradition, names and concepts, numbers and slogans, symmetrical patterns and ever-recurring cycles, mediation and compromise. This helps explain some of the key notions in Chinese society: the idea of change within tradition; the view that theory can be imposed on reality; the belief that leaders rule by heavenly right (it survives in the personality cult); the concept of "face." Above all, it helps to account for the Chinese contempt for obvious facts. Seen in this light, words do not mean what they say in China. Symbols and catchwords mask secrets. Everything must be interpreted and all interpretations are dubious.

People's Republic of China

It has been almost thirty-three years since the Chinese Communist Party gained control of mainland China. During this period, the world's most populous country has made remarkable progress (though not steadily) on almost all fronts — agriculture, industry, transportation, communications, education, public health, sports, and on the international scene.

As partial evidence of this fact, mainland China today is the world's largest producer of grain, tobacco and cotton textiles and is a leading producer of jute, hemp, coal, steel and petroleum. In 1943 it had less than 128,000 kilometres of roads. Today the Communist government claims 890,000 kilometres, of which perhaps twelve to fifteen percent are paved. In education, enrollments in primary and secondary schools, and in universities and other institutions of higher learning are large in proportion to the population, compared with pre-communist days. Gains in the medical and public health fields are perhaps the most impressive of all. By the mid-1960s many infectious and parasitic diseases which had ravaged China for generations (cholera, bubonic plague and smallpox) were eradicated, and others (malaria, tuberculosis and venereal disease) confined. The improvement of general environmental sanitation and the practice of personal hygiene, both in the cities and in the rural areas were also remarkable. Life expectancy at birth is sixty-four years, a very high level for a low income country. Until very recently, mainland China remained largely a closed society so far as the West was concerned. But this is changing. Since 1976 China's foreign trade has been accelerating at an unprecedented pace and its antipathy to foreign borrowing, foreign investment and foreign aid has been softening. Indeed, a new proletarian worldview seems to be emerging. But this cannot be taken for granted.

Some examples might help make this reservation more precise. In their first year of rule the communists declared that "current policy is to control capitalism, not to eliminate it." They offered forgiveness and friendly cooperation to the rank and file officials of the Nationalist government and to China's bourgeois industrialists. They provided meaningful jobs for intellectuals and even tolerated minor political parties. This "mild" policy soon started paying off. By March 1950 China's hyperinflation was under control and by October ninety percent of the country's railway lines were back in service.

As the economy began functioning the first steps towards transforming "the new democracy to socialism" were taken. Under the Land Reform Law of 1950 land was seized. from landlords and wealthy peasants who owned more

Gordon F. Boreham is Professor of Economics at the University of Ottawa. His latest visit to mainland China and Taiwan was in the summer of 1981.