

authorities moved in on "underground" editors and warned foreign correspondents stationed in the capital to end their contacts with dissidents and cease writing about their works. *Zhing Ming*, a daily newspaper in Hong Kong, which was critical of China's new modernization policy, was forced to cease publication in July. A British student at Fudan University accused of writing blasphemous political slogans (in jest, he praised the Gang of Four) was ordered out of the country. Even the People's Liberation Army was reminded that "the party commands the gun."

Like Mao's 1957-58 "rectification" campaign to wipe out the conservative elements in the Party, the new leaders have recently called for a full-scale political purge of leftist radicals still in official positions. In commenting upon this proposal, the party newspaper *People's Daily* said that "Cadres (persons in authority) must be evaluated as to whether they are politically reliable, and their political records must be examined." In short, their support of Teng Hsiao ping's reform policies will be a major factor in whether they keep their posts.

On the basis of these developments it would appear that there is substantial evidence to support the hypothesis that all the changes of direction in the Chinese Communist Party line since 1949 have been only "tactical" changes — "modifications in quantity, not quality, variations in amplitude, not changes in basic orientation," as noted sinologist, Simon Leys, has written.

Mainland Summary

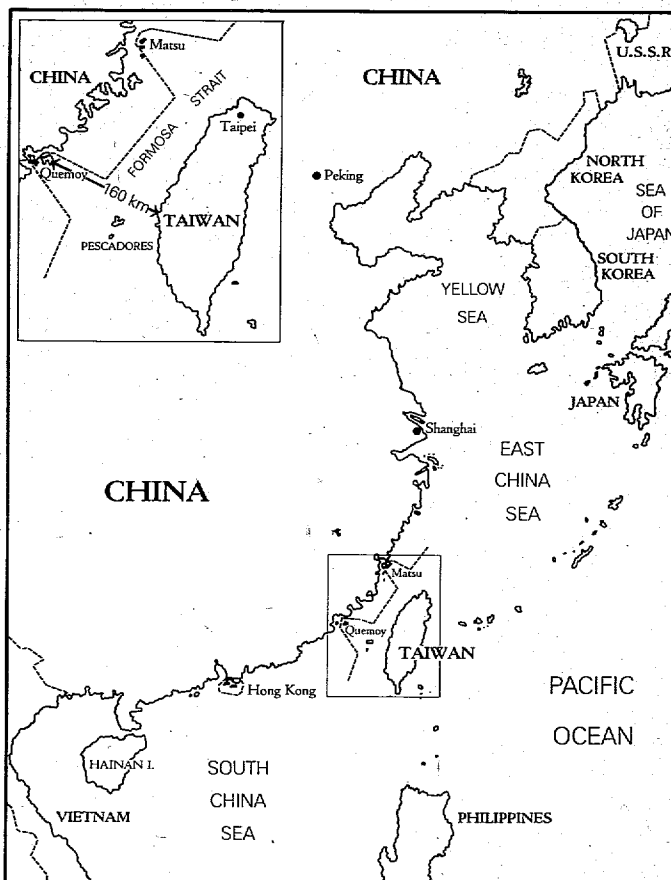
Of course, it is only fair to say that a good many of the changes that have occurred in China since 1978 are distinctly promising. The government has relaxed restrictions and is giving support to individual businessmen, self-employed laborers and vendors. It has disparaged the "iron-rice bowl" system (guaranteed lifetime employment no matter how ill-suited the worker) and extolled material incentives. It has taken some steps to decentralize decision-making (the job responsibility system), to allocate more resources to agriculture, and to increase returns to "peasants." It is carrying out a mass birth control program. It has moved to reorganize and upgrade its financial system. It is releasing an unprecedented quantity and quality of economic data. It is establishing a whole body of commercial law. It is buying machinery and equipment on credit and borrowing funds (from the IMF, the World Bank, foreign governments and private banks) to finance its modernization programs. It is accepting outside offers of disaster relief. It is attempting to streamline the country's unwieldy bureaucracy, which currently numbers about twenty million men and women. (It has started with the upper hierarchies of government.) And it is revising its constitution — again. (China has produced three constitutions, in 1954, 1975 and 1978.)

The picture that is presented by these facts is one in which China, while remaining an authoritarian and an ideological state, is making tremendous efforts to improve the lives of her people. Whether these measures pay off in terms of higher living standards will depend on whether the new-wave leadership can restore the country's sense of discipline. China today is struggling through an identity crisis as it tries to decide what it is or ought to be.

Taiwan, island province of China and seat of the Nationalist government, lies 160 kilometres off the coast of

mainland China. It consists of fourteen islands of the Taiwan group and sixty-four islands of the Penghu group. The province has a total area of 35,964 square kilometres with limited physical resources and a population of approximately eighteen million, of which two million are called mainlanders.

When Generalissimo Chiang Kai-shek's government retreated to Taiwan in 1949 with an armed force of about



600,000, it was immediately faced with the fundamental problem of patching up a war-damaged economy (during World War II, US bombers severely damaged the industrial installations and rail and road network the Japanese had constructed from 1895 to 1945, when they controlled the island) to make certain that there would be enough material goods to share with the seven million native-born Taiwanese. The ensuing strategy was based on Dr. Sun Yat-sen's "Three Principles of the People." Although never precisely defined, these principles urged (1) nationalism — in the sense of national independence, (2) popular sovereignty — in the sense of a government "of the people, by the people and for the people," meaning democracy, and (3) the people's livelihood — in the sense of social welfare or social justice. Sun's measures for improving the people's welfare were land redistribution and control of private enterprise.

From 1950 to 1962, the Nationalists redistributed 580,954 acres to peasant families, under the slogan "Land to the Tiller." As a reward for their "voluntary" cooperation in this move, landlords were partially paid in the stocks of Taiwan's new growth industries. In the event, land reform resulted in the most productive farming area in South-