

Chinese Export Commodities Fair In Kwangchow

by Our Correspondents Chao I-ou and
Sung Erh-chiao

THE 1976 (autumn) Chinese Export Commodities Fair in Kwangchow which opened October 15 and closes November 15 is the 40th to be held since 1957 when this twice-a-year fair, in spring and autumn, was inaugurated.

Over the past 19 years this fair has grown larger and larger, in both number of visitors and number and variety of commodities exhibited. It enjoys increasing influence in international trade and serves as an important channel for friendly exchanges between the Chinese people and the people of other countries, particularly people in economic and trade circles. Besides displaying samples of commodities for export, the fair also shows China's economic achievements.

A Marker of China's Economic Development

These bustling Kwangchow spring and autumn fairs clearly reveal the development of China's foreign trade as well as reflect the country's flourishing socialist economy. We saw many vivid illustrations of this at the 39th (spring) fair.

The first such fair only had a total of some 12,000 export items on display in the spring of 1957. The 39th fair had over 40,000 samples. Total floorspace at that first fair was 12,000 square metres while the 39th had 110,000 square metres, housed in new buildings.

The variety of commodities at each fair has increased progressively. Petroleum products were exhibited for the first time at the autumn fair of 1963. On display last spring in the chemical industry section were more than 150 samples of crude oil and petroleum products, 300 items of chemicals and 2,000 chemical products.

Another example is steel. China is now producing more than 20,000 kinds of rolled steel and more than 1,300 types of steel. Powder metallurgy products first appeared at the fair in spring 1976 and attracted much attention. Powder metallurgy has been in existence only in the last 20 or 30 years. The Soviet revisionists tried to prevent us from adopting this process and the imperialist countries refused to sell us technical data and equipment for it. But at the 39th fair China was showing more than 1,500 products turned out by this process

which our country had mastered through its own efforts and was exporting some of these products.

There has been an obvious change in the composition of the list of export commodities. Industrial products and minerals, processed agricultural and farm sideline products now make up about 65 per cent of the total exports. China only had one type of lathe for export in 1957. But more than 200 types of machine tools making up a rather comprehensive range are exported today. Hardware, instruments and meters, bearings, diesel engines, textile machinery, farm machinery, and medical equipment and apparatuses are also exported to many countries. The amount of complete sets of equipment exported also have risen in recent years.

Light industrial export commodities run into five figures. Last year's exports of these were 500 per cent over that of 1965, the year before the start of the Great Proletarian Cultural Revolution, and were 45 times that of 1952. More than 7,000 kinds of light industrial products were shown at the previous fair and the textile industry itself displayed nearly 6,000 varieties of new textiles, most of them of new design.

A big change has also taken place in traditional export items like farm, forestry, fishery products; animal byproducts and native produce. Canned foods in the grain and edible oils section, for example, came to more than a thousand varieties, a 100 per cent increase over that of 1965, and 81 times more than there were at fairs in the early years after liberation.

The development of trade relations with other countries and regions can be seen from the number of visitors who came and where they came from. Only about 1,200 from over a score of countries and regions came by invitation in 1957. Last spring, however, there were more than 24,000, a 20-fold increase.

Formerly a Parasitic Siphon

Vast changes have taken place in China's foreign trade. This is readily observable by looking back at past fairs. But if a comparison is made with China's foreign trade before liberation, then post-liberation and pre-liberation foreign trade are as different as day and

night. We interviewed some foreign trade personnel familiar with external trade in old China and from what we heard it was quite clear that foreign trade in semi-feudal, semi-colonial old China was simply a siphon through which the imperialists bled the Chinese people.

Old China's economy was backward and had few exports—tea, raw silk, tung oil, bristles, soya beans and so on, plus several kinds of minerals such as tungsten, antimony and tin. Foreign trade in those days was entirely in the hands of the imperialists. China had no say at all in it. It was just as Engels had incisively pointed out: "... it also became evident that trade, like robbery, is based on the law of the strong hand." (*Outlines of a Critique of Political Economy.*)

Using the various privileges they had exacted, the imperialists turned China into a dumping ground for their commodities and a base for extracting raw materials for their industries. They directly controlled the customs, as well as banking and foreign exchange, commodity inspection and other organs in China connected with foreign trade. The imperialists determined what and how much was to be imported and exported. Exports in those days consisted mainly of primary products. Imports were "surplus" consumer goods dumped by the imperialist countries and luxuries for the exploiting classes. Here is a partial 1946 list from Shanghai, China's largest port. Exotic foodstuffs like shark's fin, 190,000 kgs.; butter 80,000 kgs.; milk powder 2,350,000 kgs.; bottled brandy 43,000 kgs.; oranges 10,000 tons. . . . This is how the foreign currency earned by the sweat and blood of the Chinese working people was squandered by a handful of parasites. No more than 10 per cent of the imports were machinery and other means of production. More than 90 per cent of the imports were consumer goods. Even the tiny fraction of the imports—machines and means of production—was paid for by selling out the country's resources and used by imperialist monopoly capital to build railways, open mines and start factories to facilitate their using cheap labour to more brutally exploit and squeeze the Chinese people, and for the expanded reproduction of the enterprises owned by the Kuomintang bureaucrats and compradors.

Because of the imperialist policy of unrestrained dumping, industries owned by the national bourgeoisie languished and many of their factories were forced to shut down. A country's foreign trade should help promote its economic development, but before liberation the reverse was true. Foreign trade hampered the development of production.

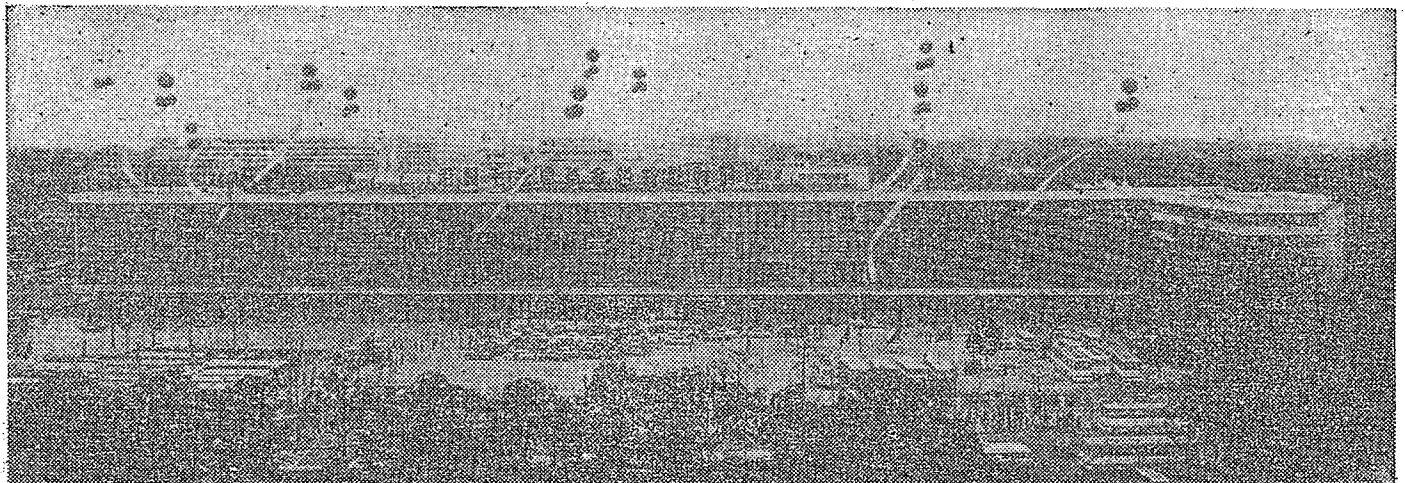
The nature of China's foreign trade before liberation was completely semi-feudal and semi-colonial and facilitated the imperialists, through exchanges of unequal values, to plunder as they pleased. Take imported petrol for example. The 1944 price of petrol was estimated at 1,481 times that of 1925, whereas the price of tung oil China exported went up only 360 times. The price of imported artificial silk rose 626-fold during this period while raw silk went up a mere 129-fold.

There was a chronic unfavourable trade balance in China's foreign trade throughout those years. According to the records, China had trade deficits for 73 straight years, from 1877 until the country was liberated in 1949. The reactionary governments' deficits were made up by selling out the country's sovereignty to get foreign loans. This put China even deeper into the imperialists' political and economic clutches.

Socialist Foreign Trade

Under the leadership of Chairman Mao and the Chinese Communist Party, the Chinese people used revolutionary violence to overthrow the rule of the imperialists and the reactionaries and won political independence. Guided by Chairman Mao's principle of maintaining independence and keeping the initiative in our own hands and relying on our own efforts, the national economy of our country developed swiftly. Agriculture today can basically meet the needs of feeding and clothing the country's 800 million people. An independent, fairly comprehensive integrated industry and national economic system have been initially established, which provide the conditions for the thorough transformation of old China's foreign trade.

Maintain Independence and Rely On Our Own Efforts.
China trades with other countries on the principle of





Foreign visitors to the Chinese Export Commodities Fair see a scale model of the Taching Oilfield, the red banner on the industrial front.

maintaining independence and keeping the initiative in our own hands and relying on our own efforts. The state determines what to export and import and in what quantities. This has put an end to imperialist dumping, their disrupting of China's national economy, getting raw materials for next to nothing and plundering the country's resources. Because both imports and exports are handled by the state in an overall manner, the foreign trade deficits which had plagued the country before liberation were quickly eliminated. And, as the country differentiates prices on the home market from the foreign market, the constant price fluctuations and the economic crises of the capitalist world cannot adversely affect the economy. The principle of maintaining independence and self-reliance has enabled foreign trade to play a useful role in promoting socialist construction, break the imperialist blockade and embargo, counter trade discrimination and the sudden economic onslaughts of social-imperialists. Foreign trade has continually expanded following the steady development of China's national economy.

Through the fair we can see some other characteristics of China's new-type socialist foreign trade.

State Control. China's foreign trade is completely controlled by the state. As early as on the eve of the founding of the People's Republic of China, Chairman Mao pointed out: "The restoration and development of the national economy of the people's republic would be impossible without a policy of controlling foreign trade." (*Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China.*) After the founding of the People's Republic of China the state immediately set up special departments and

organizations to control foreign trade and abolished all imperialist privileges in China. All foreign trade enterprises owned and run by bureaucrat-capitalists were confiscated. At the same time state-owned foreign trade enterprises in various trades were set up. Private capitalist import-export enterprises were transformed in the 1950s into state-private enterprises and finally incorporated into the state socialist foreign trade system. The export commodities fair, for example, was started by seven state specialist companies as a trading body for discussing trade with visiting business people.

Equality, Mutual Benefit, Supplying Each Other's Needs. China's foreign trade is conducted on the principle of equality, mutual benefit and supplying each other's needs. Its socialist economy is based on its domestic market, no reliance being put on foreign markets and foreign products. However, the principle of maintaining independence and through self-reliance does not preclude developing trade with other countries. On the contrary, trade, economic and technical exchanges with other countries are both necessary and helpful in promoting the economic development of the trading partners.

China is a developing socialist country; China belongs to the third world. Through trade China and other third world countries support and help each other, promote each other's economic development and work to oppose monopoly, exploitation and plunder by imperialism and colonialism and superpower hegemonism. Over the years the volume of trade between China and other countries at these fairs has continually increased and the scope of economic exchanges steadily expanded. Among the 24,000 visitors to the 39th fair many were

from third world countries. Some visiting businessmen we talked with told us they found there was no bullying, no deception, and that new and old business acquaintances and large and small traders were treated alike and integrity was stressed so that the fair promoted both trade and friendship and an atmosphere of friendship permeated the whole fair in Kwangchow.

As in all aspects of China's foreign trade, the Chinese Export Commodities Fair, guided by Chairman

Mao's revolutionary line, has made huge achievements. These were won through the struggle to continually criticize and defeat the counter-revolutionary revisionist line of Liu Shao-chi, Lin Piao and Teng Hsiao-ping. The struggle to criticize Teng Hsiao-ping and beat back the Right deviationist attempt to reverse correct verdicts is forcefully propelling China's economic construction and other undertakings forward. Under the guidance of Chairman Mao's revolutionary line, China's foreign trade will achieve new and greater development.