BEIJING REVIEW
A CHINESE WEEKLY OF NEWS AND VIEWS

Interview With Jiangsu’s Governor

Third World Debt

Diversified Forms Of Education
LETTERS

Kampuchean Issue and Others

I have long wanted to write some of my views on _Beijing Review_, and issue No. 37 led me to do so finally. This issue was of particular interest to me. First, I was deeply impressed by the supplement "The Kampuchean Issue," which revealed the basic causes of Kampuchean problem, the current situation and how it can be solved.

"Prospects of China's Coal Industry" in the same issue was also a tremendous article to read. It helped me to understand and judge China's coal industry, the development of which is worthy of praise.

Shafqat Nawaz Malik
Chakwal, Pakistan

Simple and Clear Exposition

It is clear to us that _Beijing Review_ is not a specialized magazine. But, we find it very useful for the readers of our weekly, _Economic Herald_, and the members of the Chamber of Economy of Croatia. With it, we can inform them about various aspects of life in the People's Republic of China.

Your magazine gives a view on things in a simple and clear way, which we find important in trying to gain readership.

We would also like to suggest you include more articles about China's economy, imports and exports, etc. We think statistics might also be very interesting.

Franjo Zilic
Zagreb, Yugoslavia

Beware Dangers in Mining Asbestos

_Beijing Review_ issue No. 33 carried an article "Future Development of Qinghai Province."

Among the strong points listed by Comrade Hu Yaobang was Qinghai's long-fibre asbestos deposit, the largest in the country.

I am not taking the risk of assuming that the Chinese leadership or the people are aware of the terrible danger facing the people mining or handling this material; so I must alert your great people to the tragic consequences if asbestos is not treated with all the safeguards it warrants.

The owners of this dangerous commodity in the Western world, although they have known for decades that asbestos causes all types of cancer and has caused thousands of thousands of deaths, have kept the truth from the public. Because there is very much money to be made in this industry, people's lives are not considered.

I don't want to see one Chinese person endangered.

Ted Bull
Victoria, Australia

Articles on Western Europe Superficial

I like articles on international politics. But your articles on Western Europe lack depth in their analysis.

On the whole, the content of your magazine is good and varied.

Eduardo Madronal Pedraza
Oviedo, Spain

Some Suggestions

I would like to read more ideological debate on the current international communist movement; more reports on socialist construction in China and other socialist countries; more exposures of US imperialism and its war preparations and provocations; more features on the experiences of the Chinese revolution; and more on the relevance of Mao Zedong Thought to current world events.

K. Chatunvi Maste
New Delhi, India

Cultural & Science Column

I was much interested in your science column, because I am a science student. I was very much impressed how some young boys in your country could invent different things. How marvelous! I like this part of your magazine very much because it always makes me to try my best to study seriously, and encourages me in many ways.

Francis K. Gedzeah
Kumasi, Ghana

Different Views

I am afraid I was not interested in the article "How Will China Solve Energy Problem?" (issue No. 35). For one thing, it is lengthy. For another, like many other readers, I am not a scientist.

However, I do like the articles in the international column.

Generally speaking, _Beijing Review_ is useful to those foreigners who take an interest in China.

Shaukat Hussain Baloch
Sargodha, Pakistan

I like the article "How Will China Solve Energy Problem?" in issue No. 35. It is very interesting. The statistics listed in the article are of much help in our research work.

I also like your African column (in the French edition), and I hope you will publish more articles concerning Africa and other developing countries.

From the Chinese Press column in issue No. 36 was also good, because it talked about the problems of women.

Alaoui Balghiti Kaoutar
Casa, Morocco

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HIGHLIGHTS OF THE WEEK

On a “Severe Climate in China”

The criticism of cultural contamination does not mean an inclement political climate in China. Nor will it affect China’s policy of opening to the outside world. Persistent struggle against bourgeois and other exploiting-class ideologies will help bring about an ever-flourishing socialist culture (p. 4).

Third World Debt

Foreign loans may help third world countries to develop their economies, but such loans can also create repayment problems and other unfavourable consequences. The current debt crisis of the developing countries and its effects on the North-South dialogue is analysed (p. 13).

Treaty Behind Tension in Southeast Asia

Since the “treaty of friendship and co-operation” between the Soviet Union and Viet Nam was signed in 1978, Viet Nam has escalated its aggression and expansion in Indochina and made the region a hot spot in today’s world (p. 9).

Jiangsu Forging Ahead

During a recent interview with a Beijing Review correspondent, Governor Gu Xiulian of Jiangsu Province explained in detail the province’s remarkable economic growth, its problems and its plans for future development (p. 17).

Township Governments Re-established

The integration of government administration with economic management in the people’s communes has proved unsuitable for production development. Township governments are therefore being restored, a process which should be completed by 1984 (p. 5).

Diverse Forms for Educational Development

The state increases its education budget every year, encouraging varied forms of education to better meet the needs of China’s modernization (p. 6).
NOTES FROM THE EDITORS

“Severe Climate in China”?

Preventing the decadent ideology of the bourgeoisie and other exploiting classes from contaminating the minds of our people—and eliminating this contamination whenever and wherever it has occurred—is nothing new. Party leaders have mentioned it on many occasions, and quite a few writers, artists and theoreticians have repeatedly called it to the public's attention.

Recently, “ideological pollution” was discussed at the Second Plenum of the 12th Party Central Committee as a problem that should be solved in earnest. This was followed by an increasing number of articles and criticisms concerning the issue in the Chinese press. Some people abroad have therefore jumped to the conclusion that a “severe climate” is threatening China’s cultural world. Others have become worried that China would change its policy of opening to the outside world.

Are such assumptions and worries justified? I would like to discuss this in the present article.

In the last few years, China’s literature and art have flourished as never before. This is marked by the depth and breadth of works which have achieved in portraying real life, the pronounced progress they have made in artistic presentation and the emergence of a rich variety of outstanding works which have been highly acclaimed by the public. In the theoretical field, many major issues—such as how to sum up the historical experiences gained since the founding of the People’s Republic and how to build socialism in the Chinese way—have been exhaustively discussed, and many people have presented valuable opinions. Social mores and the Party style of work, gravely impaired during the “cultural revolution,” are being gradually improved, and a large number of model workers have come to the fore in all fields of endeavour. Workers, peasants, cadres and intellectuals are working hard, inspired by the idea of reinvigorating China. All these represent the main stream of China’s intellectual world and the spirit of our people.

But on the other hand, ideological pollution still exists in our country in some ways. While obscene publications and video-tapes and demoralizing music are spreading unchecked in some places, other unsavory ideas—erroneous and even reactionary political viewpoints, bourgeois world outlook and the philosophy of life of the exploiting classes—are tainting many minds in the form of theoretical writings, literature and art. They are often subtle and therefore cannot be seen through easily. For example, some literary and artistic works deny class struggle and extol abstract human nature and love. Some theoretical articles distort Marxism with abstract humanitarianism, turning a blind eye to the fact that class struggle still exists to some extent even in a socialist society. A number of artistic works and theoretical articles have openly spread the idea of bourgeois freedom and democracy, extreme individualism, anarchism and nihilism.

Such cultural contamination leads to pessimism, lack of discipline, moral degeneration, mercenary-mindedness and scepticism about socialism. The undesirable attitude of seeking personal gain at the expense of the collective and the state can be attributed to this cultural contamination.

The emergence of ideological pollution stems internally from the long-standing ideas of exploiting classes despite the fact that exploiting class has been overthrown as a class and socialism has been established. Slack leadership and inadequate political work also partly account for the problem. Externally, it results from outside influence. Following the open policy, China has imported advanced technology and other useful things from foreign countries. But at the same time, decadent bourgeois ideas and trends have also found their way into China from abroad. This is like opening a window to let in fresh air together with a few flies and mosquitoes. It is impossible to build China into a powerful, modern socialist country behind closed doors. Just as opening to the outside world is our unswerving, long-term policy, so going parallel with this is also our long-term policy of making persistent efforts to clear away ideological pollution. This can be likened to putting a screen in the window to let in fresh air but keep the insects out.

To eliminate this ideological pollution, it is necessary to punish criminals such as those who spread pornographic or strongly reactionary publications, video-tapes, etc. In dealing with problems in
the ideological field, education should be conducted using the methods of criticism and self-criticism. Criticisms will be made in a calm, comradely manner. They must be well-reasoned, appropriate and convincing. Those who are criticized should be allowed to reply to the arguments against them, and no pressure should be applied. Those who erred but have made self-criticism should be welcomed.

These methods are quite different from the oversimplified and crude ways of handling such problems used in certain previous political movements. They will help us to avoid repeating the mistakes made during the "cultural revolution," when every problem was taken as one of class struggle and many people became the targets of unjustified attack.

The policy of "letting a hundred flowers blossom and a hundred schools of thought contend" will be followed as before. Some people, seeing criticisms in the Chinese press, cry that the policy has been changed. This is a misunderstanding. Criticism itself represents contention between different schools of thought. If erroneous ideas are allowed to spread unchecked while Marxism is forbidden to contend with them, then what on earth will there be "a hundred schools of thought contending with each other"?

It can thus be seen there is no reason to believe that with the clearing of cultural contamination, a severe climate will appear in China. On the contrary, through constant struggles in this field, a more thriving socialist culture will be brought about in this country.

— Political Editor An Zhiguo

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12,000 township governments restored

Structural reform of the rural people's communes and the re-establishment of township governments are now under way throughout China in accordance with the stipulation of the Constitution that government administration and commune management should be separated from each other.

According to incomplete statistics, 9,028 people's communes in 902 counties have been converted to exclusive economic organizations and 12,786 township people's governments have been re-established. In 176 of the 902 counties, township governments have been set up on a county-wide scale.

Townships were replaced in 1958 by people's communes which combined government administration with commune management. The people's communes instituted the system of three-level ownership (the commune, the production brigade and the production team) with the production team as the basic accounting unit.

But practice in the last 25 years, especially after the adoption of the production responsibility system in rural areas, has proved that this system can no longer meet the needs of the development of production. For instance, peasant households or producers who had adopted the system of responsibility in production asked for decision-making power to independently plan their production and circulation. But their demand was, as often as not, restricted by the original system. At the same time, because Party and government leaders at the grass-roots level were busy with agricultural production, they had been unable to attend to the work of power construction, cultural development and other social affairs.

A November 7 editorial in Renmin Ribao said, "The system of the people's commune which combined government administration with commune management must be reformed because it hinders the display of the initiative of the cadres and peasants and is therefore unfavourable to the development of material and cultural wealth in China's rural areas."

The new township governments will concentrate on administrative work and social development. The people's communes and other rural economic organizations, will practise democratic management, lay down their own regulations, further consolidate and improve the responsibility system in agricultural production, so as to promote the development of the rural economy.

Separating government administration from economic management represents a major reform in the political power at the grass-roots units in the countryside. The central authorities instructed that this work be completed by the end of 1984.

Special funds set for education

A special fund of 200 million yuan has been set for capital construction in education, even though the State Council has been vigorously curtailing its
investment in other capital construction projects. The fund will come out of the 1983 state investment budget.

Fifty per cent of the special funds were used to enable institutions of higher learning directly under the central authorities to enrol more students in 1983. Universities and colleges registered 348,000 students this year, 11 per cent more than last year.

The other half of the special funds are being used for building primary schoolhouses in the underdeveloped regions and those inhabited by minority nationalities, and the remote areas. The state feels funds for education should not be held back or used for other purposes.

Attention has been paid to developing educational projects ever since Premier Zhao Ziyang said we should give priority to the promotion of education, science and technology, in his Report on the Work of the Government, delivered at the First Session of the Sixth National People's Congress. To catch up with the rest of the country, the underdeveloped Qinghai Province in northwest China has decided to set aside 23 million yuan from its local budget for education. The Xinjiang Uygur Autonomous Region has also decided to allocate an additional fund of 7 million yuan to improve conditions in its schools.

Encourage diversity to develop education

China has devoted special efforts in the 1980s to educate some 200 million students, who make up nearly one-fifth of its population.

In 1982, 1.15 million students attended 729 colleges, 337 more institutions than in 1976. Middle schools, including secondary technical schools, teachers' schools and agricultural schools, had 47 million students. There are also 139.72 million pupils in primary schools.

The state's education budget increases every year. In 1982, the government set aside 19.70 million yuan for cultural education and public health, 9.4 per cent more than originally planned.

In order to accelerate higher education to better meet the needs of China's economic construction, the state has encouraged varied forms of education, establishing radio-television universities, correspondence universities, night schools, enterprise-run workers' colleges, county-run peasants' colleges, colleges for managerial cadres and teachers' training schools. Three hundred universities throughout the country have now set up correspondence colleges and night schools, with more than 200,000 students. In the last four years, more than one million people have graduated from radio-television universities, and 140,000 are studying in 824 workers' colleges. In addition, 40 vocational universities with two to four years of training have been set up to meet the needs of local work units. Students from these schools become competent very quickly when they are assigned to work. This year, for example, 630 graduates from a new vocational school in Nanjing, Jiangsu Province, had been recruited for work, even before they finished their graduation projects.

Workers' schools and short-term vocational training courses are offered in the country's 400,000 enterprises, and 17 million workers of the nation's total study in these facilities.

The state also encourages individual study. Those who pass the examinations held specially for people who studied on their own receive the same college diploma as graduates from regular universities.

The Ministry of Education and the State Planning Commission recently drew up a five-year plan for developing China's education. Under the programme, the annual enrolment in the country's regular colleges will reach 550,000 in 1987, up by 75 per cent over the 1982 figure. The number of students will go up by 53 per cent. The annual enrolment of students in other colleges will increase to 1.1 million, 3.8 times that of 1982. The number of students will increase 3.7 fold.

The Ministry of Education will emphasize education in the countryside, where 80 per cent of the nation's population live. Today, 93 per cent of China's school-age children are in primary schools. Although many children in rural areas do enter school, some cannot finish their courses. The Ministry has directed primary schools in rural areas to adjust the school schedules during the busy farming seasons. Part time or alternate day schools should be set up. The government plans to achieve universal elementary education by the end of the decade.

Secondary school education is also undergoing rapid development. There are now three times as many regular senior middle schools as there are vocational schools. This will be equalized before 1990. Students who cannot go on to college will also receive technical training in vocational schools. Efforts will also be made to begin in 1986 to
Deng welcomes closer EC relations

Deng Xiaoping has told Gaston Thorn, President of the European Communities Commission, that both China and the European Communities (EC) face the task of coping with the turbulent world situation, a situation neither likes.

"We all want a peaceful and stable environment," said Deng, Chairman of the Advisory Commission of the Chinese Communist Party Central Committee, at their Nov. 5 meeting.

"We have all along hoped to see Europe united and strong," he said. "We also hope that the European countries pursue a policy of independence."

Thorn said Europeans want a powerful, united community and they expect expanded relationships with China will help move the world towards stability. The EC recognizes the Chinese Government as the sole legal representative of the Chinese people, he said. "We will not have any official relations with Taiwan."

The EC delegation arrived in Beijing on Nov. 1. On the same day China entered into official relations with the European Coal and Steel Community and the European Atomic Energy Community. (These two bodies, together with the European Economic Community, with which China already had official relations, make up the EC.)

Premier Zhao Ziyang, meeting with Thorn, said relations between China and the EC have a solid political basis and that both sides can establish solid partnerships in the economic field.

Although China and the West European countries have different social systems, Zhao said, he sees no fundamental conflict of interests. China has always held that favourable conditions exist for the development of cooperation.

Thorn said their bilateral trade potential was very important, as were technical exchanges and political and financial co-operation. Their economic relations are mutually complementary, he said.

Zhao noted that China, with its rich resources and vast markets, and Western Europe with its advanced technology and financial networks, could combine their strong points, establishing close economic ties to meet reciprocal needs. He hoped both sides would make joint efforts to markedly increase their trade volume.

At a banquet in honour of Thorn, Vice-Premier Wan Li said the maintenance and development of long-term, co-operative relations between the two sides on the basis of equality and mutual benefit would have a great and immediate influence on world peace and stability.

Thorn said China and the EC are stable factors in a world situation which is growing increasingly tense. "We are both willing to contribute to safeguarding world peace."

Thorn also met with Foreign Minister Wu Xueqian, and they briefed each other on their respective political and economic situations. They also exchanged views on the international situation, on developing political relations between China and the EC, and on other matters.

Deng Yingchao, Chairman of the National Committee of the Chinese People's Political Consultative Conference, met on Nov. 2 with Liliane Thorn, wife...
of Gaston Thorn and a well-known journalist.

**China reaffirms support for PLO**

Foreign Minister Wu Xueqian told a visiting delegation of the Palestine Liberation Organization (PLO) that China is "gravely concerned" about the deteriorating situation in the northern Lebanese port of Tripoli, where Palestinian soldiers and civilians, as well as Lebanese locals, have been killed in factional fighting.

"We appeal to the Arab parties concerned to treasure the interest and unity of the Arab nation against the common enemy and stop at once (this) bloodshed that saddens friends and gladdens foe," Wu said.

He made his remarks at a meeting on Nov. 4 with a high-level PLO political delegation headed by Abdul Rahim Ahmad, a member of the Executive Committee and director of the Department of People's Organization.

Vice-Premier Wan Li, in his meeting with Ahmad the next day, said the Chinese Government and people resolutely support the cause of the PLO and the Palestinians under Yasser Arafat, Chairman of the Executive Committee.

Wan spoke highly of Arafat's speech on Nov. 3 appealing to "all sides to train their sights on the Zionists."

"We sincerely hope," Wan said, "that the PLO will improve its internal unity and the unity with the Arab countries and all other justice-upholding peoples to deal with hegemonism and Israeli policies of aggression and expansion.

"Your struggle is arduous and tortuous, but justice is on your side," Wan said. "Persistence means victory."

Ahmad said the PLO is greatly inspired by China's support, and despite their difficulties they are determined to persevere until the final victory is won.

On Oct. 26, China decided to provide the PLO with emergency material aid.

**Chinese officials on Sino-Indian talks**

Officials with the delegation representing China at the fourth round of the Sino-Indian talks said that "given continued, patient and unrelenting efforts on both sides, it should not be difficult to resolve the Sino-Indian boundary issue."

They made the remarks to a Xinhua correspondent following the talks, which were held in New Delhi from Oct. 24 to 30.

The two delegations had a serious exchange of opinions in order to seek common ground, the officials said, and the Chinese delegation put forward a draft containing points common to each country's approach to the boundary issue. Both countries, the draft read, agree on:

- Adherence to the Five Principles of Peaceful Co-existence;
- The desire for an early settlement through consultations in a spirit of friendship and equality;
- The need to consider the history, existing conditions and national sentiments of each country;
- The maintenance of peace on the border before a settlement is reached.

The Indian delegation also produced a draft.

"China has consistently maintained that the two parties should arrive at a fair, reasonable and comprehensive settlement of their boundary issue through friendly consultations and in a spirit of mutual understanding," an official said. "It has worked untiringly and for a long time toward this end.

"It is in favour of a comprehensive settlement, but does not oppose separate discussions on the east, middle and west sectors of the boundary if this may lead to an overall settlement."

Asking about the "inadmissibility of acquisition of territories by force," the officials replied that this is a basic principle of international relations. China has always opposed the seizure by force of foreign territory.

To date, they said, China has settled past boundary disputes with the majority of its neighbours through friendly consultations and in a spirit of mutual understanding and accommodation.

Qi Huaiyuan, Director of the Foreign Ministry's Information Department, said at his weekly news briefing on Nov. 2 that the latest round of talks had achieved new progress in developing economic and trade relations and in promoting cultural, scientific and technological exchanges and co-operation.

Each delegation briefed the other on its country's foreign policy and exchanged views on international issues of common concern, said Qi. He added, "This represents a new attempt in the Sino-Indian talks."
Kremlin-Hanoi Pact

Source of Southeast Asian tension

FIVE years ago on Nov. 3, 1978, the Soviet Union and Viet Nam concluded a “treaty of friendship and co-operation,” which, owing to its explicit provison of military co-operation, can be considered a military alliance. Since then, Viet Nam has escalated its aggression and expansion in Indochina, making the region a hot spot in today’s world.

Grave Developments

The gravest development in Southeast Asia in the past five years has been Viet Nam’s invasion of Kampuchea. Starting in 1975, Viet Nam repeatedly invaded the borders of Kampuchea in an attempt to annex that country and realize its plans for an “Indochinese federation.” But for three years its attacks were repelled as a result of its limited strength and the heroic resistance by the Kampuchean people. Then on Dec. 25, 1978, a month after it signed the treaty with Moscow, Viet Nam mounted a massive invasion with 200,000 troops, hurriedly supplied on the eve of the attack with large numbers of Soviet weapons and equipment and many military advisers and personnel. Since then, the Kremlin has kept Viet Nam’s war machine going at the staggering cost of US$1 million a day.

A second serious development is the increase in Vietnamese provocations against China. After signing the 1978 treaty, Viet Nam, with the Soviet Union as its “powerful backer,” began to step up its acts of aggression and provocation along the Sino-Vietnamese border. These bloody incidents are intended as a means to occupy Chinese territory and meet the strategic needs of its ally, the Soviet Union; which encourages, supports and abets Viet Nam in this anti-China attitude. Moscow uses its pawn to threaten and attempt to pin down China from the south. Viet Nam is the knife the Soviet Union has at China’s back.

A third serious development is that Viet Nam, under the pretext of having a “special relationship” with the other “Indochinese countries,” is speeding up its plan to establish a “federation of Indochina.” A statement issued early this year at a summit conference of the “three Indochinese countries” specifies that all questions concerning these countries should be resolved through consultations. Or, in other words, Viet Nam pulls the strings. The Soviet Union, by openly repeating its pledge to fully support the “unity and co-operation” of the “three Indochinese countries,” shows that it backs the plan for a “federation of Indochina.”

And now, operating through occupied Kampuchea, Viet Nam has moved up its guns, tanks and artillery to its neighbours’ doorsteps and has repeatedly encroached upon Thailand’s territory. The members of the Association of Southeast Asian Nations (ASEAN) have the Soviet-Vietnamese threat staring them in their faces.

A fourth serious development is the appearance of the Soviet military presence in Southeast Asia. Military aid for the invasion of Kampuchea was only an opener. The Soviet Union has now been granted the use of Cam Ranh Bay, Da Nang and other military bases in Viet Nam, which effectively moves its Asian and Pacific outposts further south by more than 2,000 nautical miles and completes its naval web.

Military Presence

The Soviet military presence in the area and Soviet hegemonism and Vietnamese regional hegemonism linked together by a military treaty constitute a threat to the security of all countries in Asia and the Pacific: it constitutes a menace to international sea lanes as well, especially the Strait of Malacca linking the Indian and Pacific Oceans.

It is with Soviet-made tanks, guns and artillery that the Vietnamese occupation troops have killed the Kampucheans and trampled on their sacred territory. Without Soviet backing, Viet Nam could not keep its war machine going. Without Soviet backing, Viet Nam would not have the nerve to defy world opinion and instigate aggression against a neighbour. Without Soviet backing, Viet Nam would not stubbornly ignore five UN resolutions condemning its actions and refuse to withdraw its aggressor troops.

When the two countries recently “celebrated” the fifth anniversary of their treaty, the Soviet leaders made it clear once again that they support their ally’s actions in Laos and Kampuchea and asked it to “make its due contribution” to the “cause against hegemonism” (by which it meant China).
China's stand on conventional disarmament

On October 26, Chinese ambassador for disarmament affairs Qian Jiadong called on the superpowers to take the lead in conventional disarmament at the 38th UN General Assembly.

Qian said, "It will not be possible for humanity to enjoy peace and security unless, while we are endeavouring to prevent a nuclear war, we remove the immediate threat of conventional wars launched by big and small hegemonists."

He noted, "From a global point of view, the conventional arms race is going on mainly between the two superpowers. Spending the most for military purposes and using tremendous resources, these two countries have built up the biggest and most sophisticated conventional arsenals, with ever better quality and increasingly lethal and destructive power."

"They have widespread networks of military bases both at home and abroad, and stationed large numbers of occupation troops and other military forces outside their borders," he added.

Qian went on to say, "The conventional armaments have always been an important component of the superpowers' arsenals. These weapons far exceed any reasonable need for self-defence and security in power and number, and have become instruments for pursuing their policies of foreign expansion and interference.

"For conventional disarmament, the other militarily significant states also have their share of responsibilities to shoulder. Compared with those of the superpowers, however, their responsibilities cannot but be of secondary importance. As for the numerous peace-loving small and medium-sized countries, it is absolutely necessary for them to maintain limited defence forces, which are needed for their national safety and security. This has nothing to do with the arms race. It is obviously unfair to hold that all countries in the world should bear the same responsibility for conventional disarmament."

The ambassador said, "China fully agrees that conventional disarmament should be carried out in conjunction with nuclear disarmament. At the second Special Session on Disarmament, the Chinese delegation made the following concrete proposal: All states should undertake not to use conventional forces to commit armed intervention or aggression against or military occupation of any other state. As a first step towards conventional disarmament, all foreign occupation troops must be withdrawn without delay.

"In the meantime," he said, "the Soviet Union and the United States should proceed to substantially reduce their heavy and new-type conventional weapons and equipment, especially those for offensive purposes. After this, the other militarily significant states should join them in reducing their respective conventional armaments, according to a reasonable proportion and procedure to be agreed upon. This proposal is entirely in accord with the realities of international relations and the state of various countries' armaments, and constitutes a reasonable and practicable approach to conventional disarmament."

The Soviet-Vietnamese military alliance has revealed the true nature of the Soviet Union's professed policy of desiring "no harm to a third country" and has exposed the hypocrisy of its rhetoric about turning Southeast Asia into "a region of lasting peace, good-neighborliness and co-operation" and "not allowing external interference in the internal affairs of a country."

If the Soviet Union truly wishes to uphold the principle of "no harm to a third country," it must immediately stop its support of Viet Nam's aggression against Kampuchea (a "third country") and end its policy of backing and using Viet Nam to threaten other "third countries," such as China and the ASEAN members.

If the Soviet Union and Viet Nam are truly hoping for peace in Southeast Asia, they must stop their military intervention in Kampuchea, withdraw all Vietnamese occupation troops without delay, and let the Kampuchean people decide their own destiny as required by the resolutions of the UN General Assembly.

—Tang Shan

PLO
Its existence depends upon unity

The solidarity of the Palestine Liberation Organization (PLO) has deteriorated rapidly. On the morning of Nov. 3, troops supporting Yasser Arafat, Chairman of the PLO Executive Committee, were attacked in the northern Lebanese port of Tripoli by anti-Arafat PLO forces. This unfortunate bloodshed has aroused great concern in those countries supporting the Palestinian people's just cause.
Internal differences in Patah, the largest organization in the PLO, caused what Arafat has described as the “fratricidal massacre” in Tripoli. On the day of the attack, Arafat issued an urgent appeal to the Arab heads of state and to the heads of non-aligned and other friendly countries asking them to “intervene without delay” to end the fighting before it led to the killing of innocent Palestinian and Lebanese civilians. His appeal shows the seriousness and urgency of the situation.

Israel, backed by the United States, has long pursued an aggressive and expansionist policy in the Middle East. It has sowed political dissension and exploited differences among the Arab countries. Using military force and the tactic of “divide and conquer,” it intends to bring about the annihilation of the Palestinian armed forces fighting for their national rights.

Israel is the enemy not only of the Palestinians; it is the enemy of all Arab peoples. It has shown its true face by refusing to withdraw from occupied Arab territories and by expanding its occupation of southern Lebanon. Now it directs its spearhead against the forces of the PLO. It aims to destroy its opponents one by one, and thereby consolidate its occupied territories and remove any obstacles hindering its aggression against Arab countries.

The Palestinians and the other Arab peoples share a common destiny — and a common enemy. They must unite to struggle for their survival. If they allow their differences to build up, it will only hurt them and gladden their enemy. History shows that victims of aggression can survive only by uniting; division means annihilation.

Now a number of Arab countries are developing multilateral diplomatic connections in the hopes of mending the split both within the PLO and between the PLO and some Arab countries. These seekers of peace have called for an end to the bloody conflict and for unity against the common enemy.

In the current international situation, the consequences of the bloody confrontation between PLO factions go far beyond the organization itself, or even Lebanon. They affect the peace of the entire Middle East and the world.

— Zhong Tai

West African Community

Summit counts up achievements

THE ninth summit conference of the West African Economic Community (CEAO) has reviewed its accomplishments of the past year and is pushing ahead with new projects.

Among the major decisions made at the conference, held in Niamey, the capital of Niger, from Oct. 29 to 31, was one to speed up the CEAO village and pasture irrigation programme and another to set up a railway carriage company.

(The West African Monetary Union and the signatories to the West African non-aggression and defence-assistance accord held their fifth summit conferences in Niamey at the same time.)

The CEAO — with the Ivory Coast, Mali, Mauritania, Niger, Senegal and Upper Volta as members, and Togo as an observer — began operating in 1974 and has since organized extensive co-operation between members in industry, agriculture, trade, transportation, communications, fishing, energy and tourism.

Its economic strength has grown steadily through the efforts of its members. Since 1979, the community has increased its joint investment fund to 12.5 billion francs CFA (about US $32.8 million) from 5 billion francs CFA (about US $13.1 million), a rise of 150 per cent. During this period, the CEAO developed 42 projects with this money. 31 of them belonging to the community as a whole. Among the projects were:

- A flour-processing mill in Niger with an annual capacity of 400,000 tons of wheat and a bran output (for animal fodder) of 8,000 tons. This mill cost 734 million francs CFA (about US $1.9 million).

- A milk-products factory in Mauritania with a processing capacity of 2,500 litres an hour. This factory cost 600 million francs CFA (about US $1.6 million).

- There are 233 wells under construction in Upper Volta to combat drought, aid water conservation and improve drinking water. Another 2,600 are planned in five member states.
The cornerstone for a CEAO-sponsored solar energy centre was laid on Oct. 18 in Bamako, the capital of Mali.

Also on the drawing board are plans to invest between 50 billion and 100 billion francs CFA (between US$131.2 million and $262.4 million) in setting up a shipping equipment company to develop marine transport. The member states have also undertaken bilateral and multilateral co-operative projects to explore rivers, build dams and set up cement factories.

The community has also approved the free flow of labour and the free exchange of products between member states. Trade within the community has been encouraged by tax exemptions for traditional handicrafts and by preferential regional co-operation tax laws for 425 industrial imports.

According to statistics, the community's trade volume expanded from 4.4 billion francs CFA in 1976 (about US$11.7 million) to 25.5 billion francs CFA (about US$67 million) in 1981. At present there are 243 businesses engaged in trade in the community. To solve the imbalance of the financial revenue caused by the preferential regional co-operation tax, the community has set up a special compensating investment fund. This expresses the superiority of regional mutual assistance.

In recent years, the CEAO has put stress on the cultivation of management and technological personnel and increased investment in setting up technological schools. The foundations were laid not long ago for a geology school in Niamey. Other projects include a textile college, a fishery school and an advanced management research centre.

Thanks to CEAO's achievements, international financial institutions and developed countries have confidence in the CEAO, and invested 65 billion francs CFA (about US$171 million) in its development programme.

The leaders of the CEAO are proud of its successes. They stressed that the community is "an indispensable, precious tool" and that only the desire for unity can rally the scattered sources of strength and pave the way to development.

— Qin Dianjie and Luo Yifan

Pretoria

Deceitful constitution referendum

To turn South Africa into a "legal" country for whites only, the Pretoria regime held a so-called national referendum to endorse the racist amended constitution on Nov. 2, in which only the white people were allowed to vote.

According to the results, of 2.71 million possible voters, nearly 700,000 voted against the constitution, more than 650,000 did not vote and 1.36 million voted for, which is just over half. This shows that the new constitution, which discriminates against and excludes black people, is also unpopular among many white people.

The new constitution went through a marathon 127-day debate and was reluctantly approved on Sept. 10. The South African authorities decided to put it into effect after the referendum on Nov. 2. In appearance the new constitution allows coloureds and Indians to share a limited power, but in essence the political power is firmly held by the white racists. The coloureds and Indians are only second-class citizens. All the racist and segregationist policies in South Africa have not changed in any way, and the black people, 70 per cent of the total population, still live under enslavement and exploitation.

Since its birth, the new constitution has been strongly opposed inside and outside the country. Even the white opposition party, the Progressive Federal Party, which represents the industrial, commercial and financial capitalists, has said this constitution will only aggravate the tensions between the races. South African blacks have been protesting constantly against the approval of the constitution by the Pretoria authorities. The Organization of African Unity and many African countries pointed out sharply that this document will further entrench the racist policies pursued by the present regime. Clearly, the wave of protest against the new constitution proves that the ploy of the national referendum will not release the Pretoria regime from its predicament, and cannot save its precarious reactionary rule.

The new constitution again proves that the South African regime intends to oppose the African people to the end. Its perverse actions will only fuel the flames of the struggle against racism by the people of South Africa and the rest of the world and speed the reactionary racist regime to its doom.

— Ren Yan

CORRECTION: In the seventh line from the bottom of the left-hand column on page 16, Issue No. 45, for "32.700 million" should read "327.700 million."
Third World Debt

by You Zhongwen and Zhen Bingxi

- External debt, while having some benefit to the economies of third world countries, also has many disadvantages. How to maximize the advantages while avoiding the disadvantages requires serious study.
- The dispute between the third world and the developed countries over the debt problem directly affects North-South relations. Developed nations should consider the third world demand that the debt problem be solved as a whole.

The long-term accumulation of indebtedness by developing countries has resulted in a debt crisis. The characteristics of their external borrowing were already noticeable in the 1970s. Indebtedness expanded sharply, debt structure underwent an extremely disadvantageous change towards the debtor nations, the terms for borrowing became harsher and the proportion of preferential debt declined. Thus the conditions for a repayment crisis have gradually increased. In 1982, when the economic crisis in the capitalist world was deepening, an unprecedented and profound debt crisis in the third world eventually broke out.

Role and Impact of Foreign Loans

In 1982 debt crisis has prompted international discussion on whether the third world countries should use and how they should use foreign funds in developing their national economies. The role played by external debt and the influence exercised by it in the third world economic development, and their evaluation are complex problems that require specific analyses. Under different circumstances and conditions, its role and impact differ greatly.

Short of their own funds and technologies, third world countries may appropriately utilize foreign funds to develop some economic sectors for replacing imports and increasing exports, and to raise their production capacity and technical level as a whole. This will play a positive role in strengthening their economic development. Foreign funds are particularly important in the non-oil-producing third world countries to maintain a higher economic growth rate, particularly under the conditions of soaring oil prices since 1973, the drop in prices of primary products and the steady expansion of an unfavourable balance of international payments.

During this period, third world countries depended on external debt to increase imports and expand domestic investment. They purchased from abroad a large amount of means of production, of which more than one-third were machinery and equipment. Import of machinery and equipment increased from US$33,000 million in 1973 to $113,400 million in 1979. Up to 1977, the Philippines used 86 per cent and south Korea 64 per cent of their loans for buying machinery and other means of production. The proportion of foreign funds in domestic production investments also increased. The proportion in Latin American countries rose from 1.5 per cent in 1965 to 9.5 per cent in 1979. Therefore, external debt has, in varying degrees, helped third world countries expand their production investment. During 1970-80, their total production investment grew at an average 6.1 per cent a year, compared with an average 2.4 per cent in the developed capitalist countries, and averaged 26 per cent of GNP, compared with 22 per cent in developed capitalist countries.

Even given the “stagflation” of the Western economy, the above-mentioned investment helps third world countries maintain comparatively high economic growth rates. During 1970-80, the annual average actual growth rate of national domestic product in third world countries reached 5.7 per cent, approaching the 6 per cent target originally planned and far surpassing the 3.3 per cent economic growth rate in the developed capitalist countries. Some countries registered still faster rates of growth. For instance, the annual average growth in Brazil leaped to 8.4 per cent in this period.

Nevertheless, while external debt can play a positive role in the third world countries’ economies, it also has many disadvantageous implications. The harmful influence will show more clearly when third world debt becomes too
large and when the West experiences an economic crisis or changes its credit policy.

First, when the debt burden of the third world countries becomes heavier, external debt will be gradually transformed from the "engine" for economic growth into its "shackles." Because third world countries are heavily in debt at present, loans which could have been used for developing production must be used for paying off existing debt. The effective loans (that is, the difference between new loans and the amount spent for paying off principal and interest) have declined from two-thirds of the annual total new loans in the early 70s to one-third in the early 80s. External debt interest of the third world countries has taken up more and more imported funds. For instance, during 1971-74, annual external debt interest of several Latin American nations that were heavily in debt was equivalent to about 4 per cent of the imported funds, but it reached around 40 per cent during 1979-81. In 1982, it reached 68 and 56 per cent in Brazil and Mexico respectively. That is to say, the huge external debt has become a heavy burden on the economic development of the third world countries.

When, in particular, they find it difficult to clear off the debt, they are forced to accept the terms of artificially reducing domestic economic development raised by the Western financial circle so as to continue borrowing to tide over their difficulties. In receiving emergency loans in 1982, Mexico and Brazil have accepted conditions put forward by the International Monetary Fund (IMF) to cut financial expenditures, reduce investment projects, decrease imports, cut welfare spending, relinquish control over interest rates and give up control over foreign exchange. To cope with debt crisis, measures taken by Latin American countries have led to domestic financial fluctuations, drastic currency devaluations, aggravation of inflation and the heavy outflow of funds. Some countries have even cut production and closed factories, laid off large numbers of workers or reduced wages, thus intensifying social unrest. Last year, imports in Latin American countries, which have been badly hit by debt crisis, decreased by 55 per cent. Their national domestic product has dropped from an average increase of 6 per cent a year in the 70s to a decrease of 1 per cent, which constituted the most serious economic regression since World War II.

Second, given certain circumstances, external debt will make the third world economy more dependent on Western countries. Economic independence can be easily subject to the impacts by the Western economic situation and economic policy changes. The scale of economic development in a number of third world countries now depends to a great extent on the loans by Western countries, and it might even develop to the point that some countries will be unable to maintain existing conditions without external debt. Morgan Guaranty Trust Co. of New York estimates that at present, only if new loans obtained by non-oil-producing third world countries increase at least 20 per cent a year, can they maintain a certain economic growth rate. If new loans increase 10 per cent, their economic growth rate will be lowered by 1.5 per cent (Latin America down 3 per cent); if new loans keep at the previous level, their economic growth rate will be reduced by 3 per cent (Latin America 5 per cent). The capability of the third world economy to resist Western nations' shifting of economic crisis will be greatly weakened.

Third, taking advantage of the third world countries' heavy dependence on their funds, the Western nations put forward all sorts of unreasonable economic and political demands. For example, when Mexico sought loans from Western nations to meet its urgent needs in 1982, the US Government promised to provide $2,000 million of emergency loans, but demanded that Mexico purchase US surplus agricultural products with half the loans and accept the rest as US advance payment for 40.1 million barrels of superior Mexican crude oil. Another example is that in 1978, debt-ridden Zaire asked for aid from Western nations. Eleven countries, including the United States, Britain and France, and three international financial institutions, including the IMF, met in Brussels and decided to provide loans for Zaire but demanded that the Zairean Government consent to the appointment of an IMF official as director of its central bank for one year, responsible for its banking business and foreign trade, and to the appointment of a Belgian as head of Zairean customs department. Although Zaire has obtained the loans, its economic independence has been impaired.

External debt, of course, plays different roles and has a far-ranging impact on third world economies. This depends on whether the countries concerned are borrowing appropriately, using the funds properly or are capable of good management. Some countries or regions, such as Singapore, in accordance with their economic characteristics, use external debt to concentrate on developing their processing industries. This
has strengthened their accumulation of domestic funds, raised their capability of gaining foreign exchange through exports, and laid the foundation for setting up heavy industry in the future. Therefore, the positive role played by external debt will possibly be bigger and the negative impact smaller.

Some other countries, however, such as Mexico, used more than 75 per cent of their foreign loans for investment in state-owned departments of energy, raw materials, communications and transportation. With their heavy investment, long-term cycle, slow turnover of funds and low profits, these departments cannot quickly boost production capability and realize results of investment. Owing to poor management, losses have often been incurred after going into operation. In the mid-70s, Mexico encountered financial difficulty.

From 1974–82 Brazil invested $86,000 million in seven large projects with long construction periods, slow efficiency, low profits and poor repayment. And most of the investment came from short-term loans by international private banks. Prior to the completion of these projects, a large amount of debt was already overdue and Brazil landed itself in a difficult situation.

Debt Problem and North-South Relations

The 1982 debt crisis has also impelled Western political and financial circles to consider further how to deal with the debt problem of the third world countries.

Western nations take risks to provide third world countries with large loans. The risks may possibly come from the default of third world countries which are unable to repay, thus provoking a serious banking crisis, or from the credit policy of the Western financial institutions, which provide loans without restraint to pursue profits. For example, the United States stipulates that loans made to a country cannot exceed 15 per cent of a bank's own capital, but the prescribed loan-to-capital ratio of 80 big US banks all exceed 30 per cent. For the 10 largest banks, loans to Mexico and Brazil constitute 56 and 59 per cent respectively of their capital. As Western banks take risks in lending to the third world, would they step back in the case of a serious weakening of third world repayment and the occurrence of debt crisis in many countries? The answer is no. Western banks must continue providing loans to maintain their existing creditors' right. It is particularly important to remember that Western nations make loans to the third world in order to meet their long-term economic targets and to serve their fundamental interests.

First of all, Western nations can gain high profits by providing loans to the third world. Between 1971 and 1982, profits from interest paid by third world countries to Western banks increased from $1,100 million a year to about $35,000 million. This interest income has become an increasingly important source of their profits. From 1970 through 1976, the average annual foreign earnings of the 13 largest US banks increased 31 per cent, while the domestic earnings of these same banks increased only 4 per cent. The proportion of foreign profits of the seven largest US banks, including Citibank and Chase Manhattan, have increased from 22 per cent of the total earnings in 1970 to 55 per cent in 1982. Loan capital often earns more in third world countries than in developed nations. Statistics from the World Bank show that interest rates charged to third world countries may be 2 to 3 per cent higher than those for developed nations. The interest earned by a number of big banks from the third world countries have become the main source of their profits.

Second, by providing loans to the third world countries, the Western nations help develop their own trade and economies. Since the 70s, Western nations have been depending more and more on the markets of developing countries. Their exports to the third world, as a proportion of total exports, rose from 19 per cent in 1970 to 25 per cent in 1982. The US proportion rose from 30 to 38 per cent, the Japanese from 40 to 45 per cent and the European Community's from 14 to 19 per cent. To a great extent, Western nations have expanded their exports to the third world with the aid of their fund transfers to the third world.

US information research institutes estimated that a transfer of $20,000 million a year to the non-oil-producing developing countries, sustained for three years, will increase the exports of Western nations about 3 per cent a year, raise actual GNP 0.5 per cent and create 500,000 jobs. Some people hold that after the 1973-75 crisis, loans helped bring about the economic recovery of the West. This was because in 1975 and 1976 third world countries increased 5 and 6 per cent of their GNP through borrowing $8,000 million and $11,000 million respectively. Conversely, this helped industrial nations increase their GNP by 0.4 and 0.6 per cent.
A US Congress document admits that for every dollar loaned to the third world countries, about 1.5 dollars will come back in increased demand for exports from the industrialized countries. So the West uses loans to the third countries as a means to expand its markets in these countries and thus extricate itself from “stagflation.”

To guarantee that they suffer no losses from existing loans or they can pursue their economic goals, Western nations must provide further loans to the third world. However, they will be more cautious than before, the terms will be harsher, and the debt burden of the third world countries will be heavier. The debt problem, rather than easing, will increasingly worsen. In the 1980s or even longer, it will be a focus of the North-South struggle. How the concerned countries deal with this problem will directly affect North-South relations.

The dispute between the third world and developed countries over the debt problem has been going on for a long time. Beginning in 1956, creditor and debtor nations have consulted with one another almost every year to arrange the official debt problem. In 1965, to avoid a debt crisis, third world countries at the UN Trade and Development Conference sought discussion on rescheduling debt and improving debt conditions. After the mid-70s, the struggle over debt problem between North and South has become more acute. In February 1976, the Group of 77 raised for the first time the problem of universally reducing or remitting debt in the Manila Declaration and Programme of Action. Afterwards, reduction and remitting of debt has become one of the main topics in the North-South dialogue. In the UN General Assembly, the Conference on International Economic Cooperation in Paris, UN Trade and Development Conference and the 1981 Cancun Meeting, both sides have repeatedly debated the general problem of reducing and remitting debt.

The third world countries hold that, in the final analysis, the difficulty of repaying debt is the result of the existing irrational international economic system and they urge the reform of the system and the establishment of a new international economic order. They also think that the difficulty of repaying debt is a universal problem in the third world, and the West should consider the reduction and remitting of debt in its entirety. Preventive measures should be taken before debt crisis takes place. They put forward a general target for solving the debt problem of the developing countries, that is, mapping out common standards within the United Nations for the overall reduction and remitting or re-arrangements of debt of the third world countries. They also demand that according to the repayment capability of the debtor nations, overall or partial elimination of official debt owed to Western countries will be handled separately, transforming the debt into grants or delaying the payment of principal and interest. For loans owed to commercial banks, they urge the adoption of a rational arrangement and consolidation, the deferment for payments for 25 years and the offer of a partial reduction. International institutions should provide sufficient funds for tackling the difficulty of repayment.

Western nations attribute the debt problem to soaring oil prices and poor management by debtor nations, and argue that it should be resolved by the debtor nations themselves. They hold that only a few countries have suffered from the crisis of urgent repayment, while most of them remain in "chronic" difficulty. Only when a debtor nation's difficulty in repayment threatens the interests of the creditors do they consider restructuring individual debt. They oppose the correct stand of the third world countries, which calls for tackling the overall debt problem of the developing countries through multilateral negotiations. The usual measures adopted by the West are: given the emergency conditions, official debt will be reduced and remitted or re-arranged individually, while it will be solved through the inflow of additional funds in most cases. They disagree with re-arrangement, deferred payments and reduction or elimination of private debt.

The rigid attitude adopted by the United States and other countries has caused an impasse in the North-South dialogue on debt problem. The US has regarded its loans and aid to the third world as an important means to control third world countries and realize its foreign policy goals. Some small and medium-sized nations of the West have, of course, made certain concessions. Norway, Britain, West Germany, Japan, Switzerland and Canada have declared that their official loans to the poorest countries should be treated as "grants," and Sweden declared that all its loans to the poorest countries would be cancelled entirely. But these concessions are insignificant. Until the early 1980s, the debt that the third world countries are exempted from repaying totalled

(Continued on p. 25.)
Economic Newsletter (1)

Jiangsu Leads in Economic Experiments

— An interview with Governor Gu Xiulian by Our Correspondent Jing Wei

Jiangsu Province, situated where the Changjiang (Yangtze) flows into the Yellow Sea, is not only one of China's smallest provinces, it is also the most densely populated and economically developed. It has an area of only 102,000 square kilometres (1.07 per cent of the national total) and a population of 60.2 million, which works out to nearly 600 people per square kilometre. Last year it led the country in industrial and agricultural output, producing about 9 per cent of the national total.

Recently “Beijing Review” Correspondent Jing Wei travelled to Nanjing, the provincial capital, and met with Gu Xiulian, the newly elected governor. Before being transferred to Jiangsu in 1982 to head the province's economic affairs, Gu had been a vice-minister in charge of the State Planning Commission for 12 years. During the interview, she explained in detail Jiangsu's economic development, its problems and its future. — Ed.

Modern Jiangsu's economy has been characterized by steady development. When the People's Republic was founded in 1949, Jiangsu's industrial and agricultural output value totalled about 4.3 billion yuan. By 1957, after three years of economic rehabilitation and after the completion of the First Five-Year Plan, it had risen to 8.1 billion yuan, nearly a two-fold increase.

By 1966, the province's output value had doubled again to 16.2 billion yuan; nine years later, in 1975, it had doubled yet again to 32.9 billion yuan; and by 1981 it had doubled for a fourth time to 65.4 billion yuan. Last year it rose a substantial 12.7 per cent to 73.69 billion (see Chart).

In the past 33 years,” said Governor Gu. “Jiangsu's total output value has increased 16 times, doubling on the average every eight years.”

However, the growth of national income (producer's net output value) is not as impressive. Jiangsu's national income in 1952 was 3.56 billion yuan and its population was 37 million, resulting in an average per-capita income of 95 yuan. Thirty years later, the national income had risen to 30.83 billion yuan and the population to 60 million, for an average per-capita income of 512 yuan. In the 30 years, the national income had multiplied...
by only 8.7 times and average per-capita income by only 6.5 times.

"This shows that in spite of fairly rapid development in production, the economic results are not so good," said Gu. "Moreover, before the 1970s our population grew far too rapidly. We must make great efforts to improve economic results and tighten population control so that our people may get more in return from the development in production."

Four Changes

Asked to describe Jiangsu's economic structure, Gu replied that "it has gone through great changes in the past 30 years or so" and she noted four major ones.

Industry has outpaced agriculture. In the early days of the People's Republic, the ratio of Jiangsu's industrial output value to its agricultural output value was 3:7. Today the figures are reversed. Industry's output value is nearly 70 per cent of the provincial total output value and agriculture's share is a little more than 30 per cent. Measured by output value, Jiangsu has transformed itself from a predominantly agricultural province into an industrial province. By 1982, its industrial output value had jumped to 50.3 billion yuan from 1.22 billion yuan in 1949 (this figure and all others below are based on the 1980 constant price.—Ed.), second only to Shanghai, China's largest industrial city.

Gu pointed out that industry's growth has not been at the expense of agriculture: "Jiangsu's industry has grown gradually on the basis of agricultural development—and by lending support to agriculture, which of course is industry's main task," she said. To date, Jiangsu's agricultural output value has climbed to 23.4 billion yuan a year from 4.21 billion yuan in 1949, an increase of 5.6 times.

Heavy industry is playing a greater role. In the past, heavy industry's share of Jiangsu's economy was small. Its output value in 1949 was a mere 60 million yuan, only 5.5 per cent of the total industrial output value. Today the province has numerous enterprises in the heavy industries: machinery, chemicals, electricity, iron and steel, and coal as well as modern electronic industry. The output value for heavy industry totalled 20.5 billion yuan in 1982, about 41 per cent of the province's total industrial output value (see Table 1).

Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture to industry</th>
<th>Light industry to heavy industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>70.30</td>
<td>94.6</td>
</tr>
<tr>
<td>1957</td>
<td>58.42</td>
<td>84.16</td>
</tr>
<tr>
<td>1965</td>
<td>46.54</td>
<td>72.26</td>
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<tr>
<td>1970</td>
<td>36.64</td>
<td>59.41</td>
</tr>
<tr>
<td>1978</td>
<td>27.73</td>
<td>49.51</td>
</tr>
<tr>
<td>1982</td>
<td>32.68</td>
<td>59.41</td>
</tr>
</tbody>
</table>

"Nor has this been achieved at the expense of light industry," said Gu. Jiangsu's light industry developed just as rapidly in the same period. By 1982 the output value of light industry had risen to 29.813 billion yuan from 1.156 billion yuan in 1949, nearly a 26-fold increase. Also, its light industrial goods have made their mark on the domestic market for variety, modern design, good quality and competitive prices. Many of the province's famous brand products have also won a reputation on international markets. These include Nanjing brocade, Wuxian County's silk, Suzhou embroidery, Changzhou corinroy and Changshu lace.

Industry is thriving in the countryside. This important feature has changed the look of
The No. 1 polyester fibre plant of the Yizheng Chemical Fibre Corporation in Jiangsu Province, when it becomes operational in 1984, will have an annual capacity of 180,000 tons of chemical fibre, equivalent to the cotton from 230,000 hectares of land.

the countryside, where in the past farming was the only economic activity. Most of the small rural industries, which can now be found everywhere, are financed and run by people's communes and production brigades, appearing first in 1958 and making great progress since the 1970s. In 1982 the total output value of small rural industries reached 13.5 billion yuan or 26.8 per cent of the province's total industrial output value. About 4.29 million peasants, or 18 per cent of the rural workforce, are employed at these small enterprises.

Major changes have occurred in agriculture. For centuries, Jiangsu peasants grew mostly food grain, cotton and oil-bearing crops. In 1949 the output value of these crops made up 81.4 per cent of the total agricultural output value; as late as 1970 it was still as high as 78 per cent.

Since the 1970s, however, Jiangsu's agricultural structure has changed markedly as a result of the rise of rural industry and the rapid economic diversification (including the growth of handicraft, food processing and sideline industries).

By 1982 more than 8 million Jiangsu peasants had left farming for other industries and commerce. The share of rural industry and sideline production in the total agricultural output value rose to 31 per cent in 1982 from 5 per cent in 1970. In the same period, farming's share declined to 55 per cent. In this way, Jiangsu's agricultural sector has been transformed from one that simply supported its population to one that produces a surplus of marketable goods.

Asked whether so many people leaving farming will affect the output of food grain, cotton and oil-bearing crops, Gu replied: "Jiangsu has too many people and not enough land; so there really is a large surplus of labour in the countryside. When several million peasants cease to work in the fields, this does not affect the output of these crops. Instead it invigorates the rural economy."

This view is borne out by the facts. In recent years, Jiangsu's output of food grain, cotton and edible oil has increased quickly. Grain output rose to 28.55 million tons in 1982 from 22.74 million tons in 1978, an increase of 25.5 per cent. Cotton output rose to 576,000 tons from 475,000 tons in the same period, an increase of 21.3 per cent. Oil-bearing crop output rose to 806,000 tons from 374,000 tons, a 115 per cent increase. (These rates of increase over the four years surpassed the average rates since 1949.)

Secret of Success

Gu disagreed with the opinion that Jiangsu owes its rapid development to greater state investments than other provinces and autonomous regions have received. "Between 1952 and 1980, state investment in Jiangsu totalled 17.42 billion yuan. That is only 3.08 per cent of the state's total investment in capital construction."

Nor can the growth be attributed to mas-
sive foreign investment. "Jiangsu," said Gu, "did not begin its direct economic co-operation with other countries or begin to import capital until China adopted its open policy in recent years. To date, total foreign investment in Jiangsu is less than US$200 million."

She attributed Jiangsu's success to the way it has responded to its situation. "The main factor, in my opinion, is that the leadership has been able to give full play to the province's unique potential. In other words, it has been able to conduct economic construction in line with local conditions."

**Major efforts devoted to developing agriculture.** Local conditions can be imposing. On the plus side, Jiangsu has a level terrain and fertile soil, a mild climate with abundant rainfall, and a tradition of intensive and meticulous farming. But years of negligent water conservation and frequent natural disasters had lowered agricultural output, particularly in the northern areas, which make up 40 per cent of the province. This was compounded by the lack of chemical fertilizers, pesticides and modern farm equipment.

The S195 diesel engines of the Dongfeng-12 produced by the Changzhou Diesel Engine Plant have a ready market at home and abroad due to their high quality and low price.

Without a sound agricultural base, development was out of the question, especially during the early days of the People's Republic when the fairly developed textile and food industries relied on agriculture for their supply of raw materials. Faced with these conditions, Jiangsu set itself four major tasks in developing agriculture:

- **Capital construction of water conservation projects.** In the past 30 years, Jiangsu has spent more than 3.7 billion yuan on these projects, which in the 1950s accounted for a third of its total investment in capital construction. Nearly a million peasants have been employed in harnessing rivers and levelling land. Today the province has five water conservation networks to control flooding, to maintain proper drainage and to resist drought. More than a million hectares of land that used to suffer frequently from either minor flooding or drought have been converted to stable, high-yield farmland.

- **Setting up aid-agriculture industries.** Jiangsu, in a push to increase agricultural output, has developed aid-agriculture industries on a large scale. In 1952, for instance, the province could produce only 60,000 tons of chemical fertilizer. Today every county boasts a chemical fertilizer plant, raising provincial output to 6 million tons a year. In 1965, Jiangsu produced only 600 walking tractors; its output is now more than 40,000 a year. And before 1949 there was no pesticide production to speak of; but by 1982 output was 2,000 tons a year and today it is as high as 60,000 tons. Factories have been built or expanded to manufacture drainage and irrigation equipment, electric motors, ploughs, mechanical sowers, harvesters and transportation vehicles.

Statistics show that the output value of industries directly serving agriculture in 1982 was nearly 100 times that in 1949.

- **Increased research in agricultural science, together with the dissemination and application of the results.** Jiangsu has only 4.63 million hectares of arable land, or an average of 0.08 hectare per person.

It has, however, become more than self-sufficient in grain because it has paid special attention to developing agricultural science and technology needed to steadily raise per-hectare output. For this purpose, Jiangsu has set up a research and dissemination network covering the entire province, which has led to reforms in farming methods, increases in the multiple crop index and improved seed varieties.
Studies in water conservation have resulted in the conversion of formerly low-yield areas where dry crops were traditionally grown, especially in northern Jiangsu, to high-yield rice paddies. This reform alone has made it possible for regions formerly not self-sufficient in food grain to become producers of marketable surpluses of an extra 1.75 million tons a year.

- Carrying out the state agricultural policy to the letter. The rural productive forces were greatly expanded after the policy of agrarian reform was implemented immediately after liberation and co-operative transformation of agriculture introduced in the years that followed. In recent years, Jiangsu has been able to encourage production and quicken the pace of agricultural development by implementing the policy of “actively developing a diversified economy” and the policy of introducing the responsibility system in farm production. By 1982 the total agricultural output value had increased 41.2 per cent over the 1978 figure, for an average annual growth of 10.3 per cent during the four years. The increase in 1982 alone was 12.4 per cent.

**Industrial self-reliance.** In the early years of the People's Republic, Jiangsu's textile and food industries were already more or less developed. The chemical and machine-repair industries were of a lesser magnitude, and total industrial output value totalled only about 1.2 billion yuan. First the textile and light industries were improved; then in the late 1950s the emphasis was switched to aid-agriculture industries. Since then, each county has set up at least one factory to manufacture or repair farm machinery, as well as a fertilizer plant. This in turn has encouraged the light and textile industries by improving the peasants’ standard of living.

Since the 1960s, as demand for farm machinery has grown and the light and textile industries have expanded, there has been a call for more and better raw materials (iron, steel and cement) and for more energy. As a result, heavy industry has developed rapidly, illustrated by the growth in the steel and machinery industries (see Table 2).

According to Gu, Jiangsu's industrial development has followed the path of self-reliance, with emphasis placed first on light industry and then on heavy industry, starting with aid-agriculture industries.

**Plan for Future Development**

"The main problems at present," said Gu, "are that our industrial technology is rather outdated, the extent of specialization is still limited, and the economic and managerial systems leave much to be desired. There is also an acute shortage of energy, and the economic results are far from satisfactory."

But she outlined measures to solve these problems. First, the various trades must be restructured one by one to consolidate the myriads of small enterprises and raise the level of specialization. In agriculture, house-

<table>
<thead>
<tr>
<th>Year</th>
<th>Steel (tons)</th>
<th>Machinery output value (unit: 1 billion yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>1,000</td>
<td>0.028</td>
</tr>
<tr>
<td>1957</td>
<td>17,000</td>
<td>0.255</td>
</tr>
<tr>
<td>1965</td>
<td>65,000</td>
<td>1.059</td>
</tr>
<tr>
<td>1970</td>
<td>162,000</td>
<td>2.150</td>
</tr>
<tr>
<td>1978</td>
<td>545,000</td>
<td>11.340</td>
</tr>
<tr>
<td>1982</td>
<td>625,000</td>
<td>11.785</td>
</tr>
</tbody>
</table>

November 14, 1983.
holds will specialize and work under contract, based on a sound responsibility system. It is hoped that through co-operation with one another on the basis of voluntary participation and mutual benefit, these households will raise the level of specialization.

Second, the state will promote the technical transformation of existing enterprises and the reform of their managerial systems. While encouraging the use of advanced Chinese technology, Jiangsu will also seek capital and advanced technology from abroad. In economic reforms, it will continue with the system of levying taxes on state-owned enterprises (rather than asking them to turn in their profits) and with the practice of letting the cities care for the countryside. Improvements are planned for the commercial system.

Third, energy output must be increased. Jiangsu’s economic development has been handicapped to a large extent by its lack of adequate energy resources. It plans to open or expand a number of coal mines within the next few years in an effort to become more or less energy self-sufficient. It will also arrange increased shipments of coal and oil from other provinces or autonomous regions. Efforts will be made to save energy through technical improvements and reduced consumption.

Fourth, education and culture will be developed and intellectual resources tapped. Jiangsu will soon make primary education universal and will reform the structure of secondary education. Academic standards will be raised, vocational colleges developed, and television and correspondence courses promoted to encourage young people to become self-taught professionals.

“We expect to continue to forge ahead with the help of these measures,” said Gu. “By improving our industrial and agricultural economic results, we can increase the competitive power of our industrial products.” She said Jiangsu will also make full use of three ports — Lianyungang, Nantonggang and Zhangjiagang — to boost foreign trade.

On the question of China’s goal to quadruple the annual industrial and agricultural output value by the end of the century, Gu said: “As far as Jiangsu is concerned, if we manage to solve the crucial energy problem and improve economic results year by year, I see this goal as attainable. What is more, there is the possibility of realizing it sooner than expected.”

(The next article in the series about Jiangsu’s economy will look at the changes that have taken place in the countryside after the introduction of the responsibility system in farming. — Ed.)
Facts and Figures

Health Service

The following four tables show the development of China’s health service since 1949. A medical network which meets the people’s basic needs has already been set up throughout China. However, due to its poor economic and cultural background there is still a big gap between China and the developed countries in this field.

National Birth Rate, Mortality Rate and Natural Growth Rate

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth rate</td>
<td>35.0</td>
<td>36.0</td>
<td>37.0</td>
<td>34.0</td>
<td>37.9</td>
<td>18.3</td>
<td>21.1</td>
</tr>
<tr>
<td>Mortality rate</td>
<td>25.0</td>
<td>20.0</td>
<td>17.0</td>
<td>10.8</td>
<td>9.5</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>Natural growth rate</td>
<td>10.0</td>
<td>16.0</td>
<td>20.0</td>
<td>23.2</td>
<td>28.4</td>
<td>12.0</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Hospital Beds and Technical Medical Workers Per 1,000 People Throughout China

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital beds</td>
<td>0.15</td>
<td>0.46</td>
<td>1.06</td>
<td>1.74</td>
<td>2.02</td>
<td>2.03</td>
</tr>
<tr>
<td>City</td>
<td>0.63</td>
<td>2.08</td>
<td>3.73</td>
<td>4.61</td>
<td>4.70</td>
<td>4.76</td>
</tr>
<tr>
<td>Countryside</td>
<td>0.05</td>
<td>0.14</td>
<td>0.51</td>
<td>1.23</td>
<td>1.48</td>
<td>1.46</td>
</tr>
<tr>
<td>Technical medical workers</td>
<td>0.93</td>
<td>1.61</td>
<td>2.11</td>
<td>2.24</td>
<td>2.85</td>
<td>3.11</td>
</tr>
<tr>
<td>City</td>
<td>1.87</td>
<td>3.60</td>
<td>5.37</td>
<td>6.92</td>
<td>8.03</td>
<td>8.63</td>
</tr>
<tr>
<td>Countryside</td>
<td>0.73</td>
<td>1.22</td>
<td>1.46</td>
<td>1.41</td>
<td>1.81</td>
<td>1.95</td>
</tr>
<tr>
<td>Doctors and practitioners of traditional Chinese and Western medicine</td>
<td>0.67</td>
<td>0.84</td>
<td>1.05</td>
<td>0.95</td>
<td>1.17</td>
<td>1.29</td>
</tr>
<tr>
<td>City</td>
<td>0.70</td>
<td>1.30</td>
<td>2.22</td>
<td>2.66</td>
<td>3.22</td>
<td>3.65</td>
</tr>
<tr>
<td>Countryside</td>
<td>0.66</td>
<td>0.76</td>
<td>0.82</td>
<td>0.65</td>
<td>0.76</td>
<td>0.81</td>
</tr>
<tr>
<td>Doctors of traditional Chinese and Western medicine</td>
<td>0.58</td>
<td>0.64</td>
<td>0.70</td>
<td>0.57</td>
<td>0.72</td>
<td>0.85</td>
</tr>
<tr>
<td>City</td>
<td>0.54</td>
<td>0.88</td>
<td>1.41</td>
<td>1.61</td>
<td>2.14</td>
<td>2.53</td>
</tr>
<tr>
<td>Countryside</td>
<td>0.59</td>
<td>0.59</td>
<td>0.36</td>
<td>0.38</td>
<td>0.44</td>
<td>0.50</td>
</tr>
<tr>
<td>Senior nurses and nurses</td>
<td>0.06</td>
<td>0.20</td>
<td>0.32</td>
<td>0.41</td>
<td>0.47</td>
<td>0.56</td>
</tr>
<tr>
<td>City</td>
<td>0.25</td>
<td>0.94</td>
<td>1.45</td>
<td>1.74</td>
<td>1.83</td>
<td>2.03</td>
</tr>
<tr>
<td>Countryside</td>
<td>0.02</td>
<td>0.03</td>
<td>0.10</td>
<td>0.18</td>
<td>0.20</td>
<td>0.25</td>
</tr>
</tbody>
</table>

November 14, 1983

23
## Health Institutions and Hospital Beds

<table>
<thead>
<tr>
<th></th>
<th>1949</th>
<th>1957</th>
<th>1965</th>
<th>1975</th>
<th>1980</th>
<th>1982</th>
<th>1949-82 % increase (times 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of health institutions</strong></td>
<td>3,670</td>
<td>122,954</td>
<td>224,266</td>
<td>151,733</td>
<td>180,553</td>
<td>193,438</td>
<td>51.7</td>
</tr>
<tr>
<td><strong>Of which</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td>2,609</td>
<td>4,179</td>
<td>42,711</td>
<td>62,425</td>
<td>65,450</td>
<td>66,149</td>
<td>24.4</td>
</tr>
<tr>
<td>Sanatoriums, rest homes</td>
<td>39</td>
<td>835</td>
<td>887</td>
<td>297</td>
<td>470</td>
<td>593</td>
<td>18.8</td>
</tr>
<tr>
<td>Clinics</td>
<td>769</td>
<td>102,262</td>
<td>170,430</td>
<td>80,739</td>
<td>102,474</td>
<td>113,916</td>
<td>147.1</td>
</tr>
<tr>
<td>Centres for preventing and controlling certain diseases</td>
<td>11</td>
<td>626</td>
<td>822</td>
<td>683</td>
<td>1,138</td>
<td>1,272</td>
<td>114.6</td>
</tr>
<tr>
<td>Quarantine stations</td>
<td>1,626</td>
<td>2,459</td>
<td>2,912</td>
<td>3,105</td>
<td>3,271</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternity and child-care centres</td>
<td>9</td>
<td>4,599</td>
<td>2,795</td>
<td>2,025</td>
<td>2,610</td>
<td>2,645</td>
<td>292.9</td>
</tr>
<tr>
<td>Pharmaceutical inspection centres</td>
<td>1</td>
<td>28</td>
<td>131</td>
<td>310</td>
<td>1,213</td>
<td>1,186</td>
<td>1185.0</td>
</tr>
<tr>
<td>Medical research institutes</td>
<td>3</td>
<td>38</td>
<td>94</td>
<td>141</td>
<td>282</td>
<td>294</td>
<td>97.0</td>
</tr>
<tr>
<td><strong>Total number of beds</strong></td>
<td>84,625</td>
<td>461,802</td>
<td>1,033,305</td>
<td>1,764,329</td>
<td>2,184,423</td>
<td>2,280,323</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Of which</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In hospitals</td>
<td>80,000</td>
<td>294,733</td>
<td>765,558</td>
<td>1,598,232</td>
<td>1,982,176</td>
<td>2,053,838</td>
<td>24.7</td>
</tr>
<tr>
<td>In sanatoriums, rest homes</td>
<td>3,625</td>
<td>67,069</td>
<td>67,757</td>
<td>37,158</td>
<td>67,941</td>
<td>37,794</td>
<td>21.5</td>
</tr>
</tbody>
</table>

## Number of Professional Medical Workers in China

<table>
<thead>
<tr>
<th></th>
<th>1949</th>
<th>1957</th>
<th>1965</th>
<th>1975</th>
<th>1980</th>
<th>1982</th>
<th>1949-82 % increase (times 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>541,240</td>
<td>1,254,372</td>
<td>1,872,335</td>
<td>2,593,517</td>
<td>3,534,707</td>
<td>3,987,804</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Of which</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical workers</td>
<td>505,040</td>
<td>1,039,208</td>
<td>1,531,595</td>
<td>2,057,068</td>
<td>2,798,241</td>
<td>3,142,943</td>
<td>5.2</td>
</tr>
<tr>
<td>Doctors of traditional Chinese medicine (including those with secondary medical school education)</td>
<td>276,000</td>
<td>337,022</td>
<td>321,430</td>
<td>228,635</td>
<td>262,185</td>
<td>302,791</td>
<td>0.1</td>
</tr>
<tr>
<td>Pharmacists of traditional Chinese medicine</td>
<td>53,505</td>
<td>71,848</td>
<td>86,201</td>
<td>106,963</td>
<td>140,231</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior technical workers (doctors and pharmacists of Western medicine, and senior nurses)</td>
<td>38,875</td>
<td>78,875</td>
<td>203,402</td>
<td>318,488</td>
<td>502,022</td>
<td>699,380</td>
<td>18.0</td>
</tr>
<tr>
<td>Middle-rank technical workers (practitioners and pharmacists of Western medicine with secondary medical school education, nurses and midwives)</td>
<td>103,277</td>
<td>341,637</td>
<td>619,870</td>
<td>938,353</td>
<td>1,174,435</td>
<td>1,223,238</td>
<td>10.8</td>
</tr>
<tr>
<td>Junior technical workers</td>
<td>86,888</td>
<td>228,169</td>
<td>315,045</td>
<td>485,391</td>
<td>752,636</td>
<td>777,303</td>
<td>7.9</td>
</tr>
<tr>
<td>Total number of doctors and practitioners of both traditional Chinese and Western medicine</td>
<td>363,400</td>
<td>546,296</td>
<td>762,804</td>
<td>877,716</td>
<td>1,153,234</td>
<td>1,307,205</td>
<td>2.6</td>
</tr>
</tbody>
</table>

(Continued from p. 16.)

$3,300 million — only 7.6 per cent of the entire official development assistance.

Since the end of last year, under the emergency conditions of the debt crisis, the United States and other Western governments, the IMF and international commercial banks have consulted urgently with one another to raise funds to “aid” those countries with a debt crisis. Last February the 10-nation group reached an agreement to expand international loans (including the increase of about 50 per cent of the loan fund in the IMF, that is, an increase from the original $66,000 million to $99,000 million), and to expand emergency loans, which are confined in the 10-nation group, to the third world by raising their limit from $6,500 million to $19,000 million. The United States has provided $8,400 million for these two projects. During his visit to Brazil, US President Ronald Reagan promised to provide $1,200 million in new loans. In addition, more than 500 Western commercial banks have united to provide new loans of $8,000 million and $5,000 million respectively to Brazil and Mexico.

Nevertheless, the emergency measures adopted by Western countries to prevent a banking crisis, expedient measures to resolve their pressing need, have not considered the third world’s demand to tackle the debt problem. The attitude of the United States and other Western governments towards reducing and remitting debt remains unchanged. The emergency measures have, of course, mitigated the debt crisis for the time being, but they are insufficient to tackle it fundamentally. As the Brandt Commission put forward recently: Any new loans under market conditions, no matter whether they come from commercial banks, governments or the IMF, can do no more than increase the debt of these countries to alleviate an urgent crisis. Only a large-scale recovery of the world economy and effective measures to lessen the debt burden can really relax the situation. Otherwise the third world economy will deteriorate further, which will also be extremely unfavourable to the West itself.


November 14, 1983
Characteristics of modern warfare

ZONG HE, a research fellow at the Beijing International Strategy Society, describes in an article how modern weapons and technology are used in modern warfare. His analysis itemizes the following features:

1. The two sides involved in modern warfare, in addition to launching large-scale ground attacks, must quickly destroy each other's deep military targets, especially long-range missiles and other weapons in co-ordination with a large-scale strategic air attack.

2. The early stage of a modern war will be short but its scale will broaden quickly. The war will break out suddenly and the influence of the early stage will be great. This shows the increasing importance of the early-stage warfare.

3. The scale of a modern war will be huge. The war will encompass the entire territory of both sides and possibly the entire globe. It will be difficult to pinpoint the front or the rear.

4. There will be greater flexibility. Because the armies of many developed countries are mechanized, the fighting will be marked by mobility and will not centre on one spot.

5. There will be more reliance on logistics. The modern war will destroy great numbers of weapons and transportation facilities and will cause heavy casualties. All these demand great amounts of material and other equipment supplies.

6. A modern war will create complexity and difficulty in organization and command. Because computers are widely used in commanding, an automatic command and control system will be established in the war. It will be necessary to improve reconnaissance means so as to speed up the transmission of information. It will also be necessary to develop electronic devices and use them to counter the opponent's electronic devices. In other words, the modern war will be a war of electronics.

Although the use of modern weapons will greatly influence the process of warfare, the important factor deciding the outcome of the war is still the human beings.

"Shijie Zhishi" (World Knowledge) issue No. 15

Funds for public health inadequate

IN his article in Jiankang Bao (Health Newspaper) on June 23, Zhang Qin, director of the public health department of Guangdong Province, points out that state investment in the public health service and related capital construction is too small. He points to Guangdong Province, where public health expenditures in 1979 were 3.94 per cent of the total expenditures of the province, 6.12 per cent less than the 1952 figure. From 1950 to 1981 annual investment in public health capital construction was gradually reduced to only 0.68 per cent of the province's total investment in capital construction.

Furthermore, there has been a one-sided emphasis on hospitals which were regarded as socialist welfare units. The state has cut medical fees on three occasions since 1958 without providing subsidies to make up for the losses, thus creating increasing difficulties for the operation of hospitals. For instance, the cost of treating an out-patient averages 0.64 yuan in the city, 0.44 yuan in a town and 0.38 yuan in a commune. But all out-patients only pay 0.10 yuan each time. Hospitalization costs 5.6 yuan per patient each day in the city, 3.7 yuan in a town and 3.1 yuan in a commune. But patient fees are only 0.7 yuan, 0.6 yuan and 0.3 yuan respectively. The province loses 100 million yuan each year, owing to the reduction in medical fees. Therefore Zhang proposes:

1. Both the central and local governments should pay attention to investment in public health. The public health expenditure should account for 8 to 10 per cent of the total expenditures of a locality and be raised to 1 to 5 per cent of the gross national product in the future.

2. The standards of medical fees should be readjusted appropriately to speed up the development of the public health service.

"Jiankang Bao" (Health Newspaper)
LIFE

No. 11 telephone operator

On the night of July 27, No. 11 operator at the Xian long-distance telephone exchange station in Shaanxi Province switched an emergency call from Xining, Qinghai Province, to the office of Xian branch of the Chinese Writers' Association. But no one was there to answer.

"Ah, what can I do, then?" sighed the caller.

"Something urgent?" asked the operator. "Can I do anything for you?"

The operator was told a seriously sick man needed to go to Guangzhou for an operation. The Xian branch of the Chinese Writers' Association was asked to help with booking six plane tickets from Xian to Guangzhou on July 31 for the patient, his doctor and the men accompanying him, to arrange hospital treatment and to find lodging for the night.

The operator wrote all this down and reassured the caller: "I am No. 11 operator. Don't worry. I'll get everything settled for you." Then she phoned the Xian sub-bureau of the Civil Aviation Administration of China (CAAC) and was asked to book the tickets the next morning. Later she called a major hospital in the city with good medical facilities and then a hotel at the airport.

Next morning the operator cycled to the Xian branch of the Chinese Writers' Association to pass on the message, and then to the sub-bureau of CAAC, the hospital and the hotel to make sure everything was arranged properly. Finally she telephoned back to Xian, asking the patient to come as scheduled.

On July 30, when the patient and his men arrived at Xian railway station, the operator was there to give a hand, carrying their baggage and accompanying the patient to the hotel. When a reporter accompanying the patient asked the operator if she knew who the patient was, she said no. After learning the unknown patient was the famous writer Qin Mu, she was very glad and came to Qin's bed to shake his hand.

"Thank you very much," Qin Mu said, and asked: "What is your name?"

The operator, who up till then had declined to mention her name, blushed and with great reluctance told him she was Liu Yuanfeng.

— "Yang Cheng Wanbao" (Guangzhou Evening News)

TITBIT

Cultural exchanges in Tang Dynasty

XIAN in Shaanxi Province, which was known as Changan when it was the capital of the territories ruled by the Tang Dynasty (618-907), has a richer culture and numerous historical sites as a result of cultural exchanges during that period.

Of the 18 Tang emperor tombs in the area, one, the Qianling Tomb where Emperor Gaozong and his wife Wu Zetian were buried, is of special interest. Outside the tomb are a number of huge stone carved animals, including two ostriches. Native to Asia and Africa, the ostrich came to China during increased cultural exchanges with neighbouring countries and was looked upon as a rare bird by the local people. Because Emperor Gaozong liked the bird very much, the two ostriches were carved for his tomb.

There are also 61 stone figurines of foreign envoys outside the tomb, evidence of the foreign relations of the Tang Dynasty. These envoys came for the funeral of Emperor Gaozong. His wife Wu Zetian ordered the carving of these figurines to show the grandeur of the funeral. Although there are names and state names on the backs of these figurines, only one of them can be recognized. A cap worn by women of a neighbouring country in the present-day Afghanistan was a favourite of the local women at that time.

Absorbing and introducing the culture from various countries in the then Western Regions, the Tang culture itself became enriched, and new local talent came forth in large numbers. Songs and Dances of the Tang Dynasty and Songs and Dances of Changan are all adapted from the songs and dances of that time by the Xian cultural workers.

— "Xinmin Wanbao" (Xinmin Evening News)

November 14, 1983
SPORTS

China's men bring home gold medals

Twenty-five years of sweat and effort finally paid off at the recent 8-day 22nd World Gymnastics Championships in Budapest, when China collected three gold medals for the men's team event, men's individual floor exercises and parallel bars, a silver for the pommel horse and and a bronze for the men's individual all-round. This is not only China's best performance in the World Championships, but also the first time it has come out on top in an Olympic event.

The gruelling championships were both an exacting official competition and the qualifying preliminaries for next year's Olympics. To secure their position among the top 12 teams and qualify for the coming games, all competing countries sent in their best stars. China's men's team boasts the seven best gymnasts in the country, including Li Ning, who won six golds in last year's World Cup Gymnastics Competition and Li Yueju, who took the gold in the floor exercises at the last World Championships. Its women's team includes the first five all-rounders at the 5th National Games held this September.

In the compulsory exercises for the men's team, Chinese gymnasts were composed and made no major mistakes throughout the 36 required programmes. Three of them collected scores of 9.90 on the vaulting horse and rings. And they entered the optional ses-
sion with a big lead of 0.85 over the Soviet team, winners of the last two World Championships. During the free exercises Chinese gymnasts put on marvelous performances, hovering over the high bar, displaying their acrobatic skills on the floor and turning high somersaults on the pommel horse.

Winding up the competition, Tong Fei went through his routine meticulously to add a critical 9.90 points, bringing China's score to 591.45 — just 0.10 more than the Soviet Union.

But China's women gymnasts were out of form, and mistakes on the uneven bars and vaulting horse marred their efforts. Worse still, four of the five competitors had injured feet. They placed only fifth, with 387.65 points.

In the individual exercises, Tong Fei's fluent and precise movements on the floor earned him all 10 points and the gold medal. Lou Yun shared the gold for the parallel bars with a Soviet, also with 10 points.

Li Xiaoping won the silver in the pommel horse.

In the individual all-round, 19-year-old Lou Yun shared the bronze (118.125 points) with a Soviet gymnast. It is the highest a Chinese athlete has ever placed in this event. Female gymnast Chen Yongyan placed 10th in the individual all-round, one better than her previous championship.

The most important factor in the success of China's men's team was their stress on the technical quality and stability of the compulsory routines. During all 72 required programmes in the compulsory and optional routines, only Li Ning slipped from the high bar. All of the gymnasts landed steadily, each averaging 9.73 for all events. In last year's World Championships, China's men earned 583.90 points. This year they added 7.55 precious marks to that number.

One of the characteristics of this year's championships was the...
THEATRE

Ancient music recreated

What was most impressive about the Hubei Song and Dance Troupe's recent Beijing presentation of "Chimes, Music and Dance" was the extensive historical and cultural research it represented.

The production used ancient instruments, poetry and folk dance dating from and based upon the State of Chu in the Warring States Period (475-221 B.C.).

The ancient State of Chu, located along the lower and middle reaches of the Changjiang River, was a big state enjoying both economic and military strength. Its rich and unique culture has long fascinated people from generation to generation.

Songs based on the poetry of Qu Yuan (340-278 B.C.) were quite interesting, but the evening revolved around the music and sounds produced through the recreation of visually beautiful and unique ritual chimes.

These chimes were discovered in the tomb of Marquis Yi of the State of Zeng (who died in 433 B.C.) during a 1978 excavation in Suixian County in Hubei. They are said to be the earliest complete 12-tone instruments found in China. Other relics unearthed from the tomb include chime stones, drums, 7- and 25-stringed plucked instruments and wind instruments (reed pipes and vertical and transverse bamboo flutes). In all, 124 musical instruments were found including 65 well-preserved chimes, weighing a total of 2,500 kilogrammes (see our issue No. 14, 1983, p. 29). These instruments were not unique to the State of Zeng, but were used in other parts of China during the Warring States Period.

This unprecedented discovery demonstrates the musical achievements made by the ancient Chinese people. It encouraged choreographers from the troupe to revive the Chu songs and dances, which until now were seen only in pictures or described in books.

Chinese audiences can now hear different sounds, played on replicas of ancient chimes and drums by musicians wearing Chu clothing. The orchestra
Long-sleeved court dance from the State of Chu.

has about one hundred replicas of the chimes and stringed instruments found in the marquis’ tomb. These well-made copies still retain the original tone quality and timbre, although they are checked against international standards for acoustics. These ancient instruments can be played alone or together, or in co-ordination with a Western orchestra.

The 24 bronze chimes are arranged in three tiers according to their pitch, and it takes three musicians to play them with sticks and hammers. These chimes produce clear melodic notes in the higher octaves and deep resounding tones in the lower octaves. The music played on them gives audiences a vivid image of the heroic nature of the State of Chu.

In sharp contrast with the large chimes is a clay wind instrument shaped like a goose egg, called *xun*, which dates back 6,700 years. This was the first time this sorrowful instrument, and many others, were played before a modern audience.

Most of the dances in the HuBei troupe’s programme were created from images on historical materials and relics found in tombs of the State of Chu. *War Dance* expresses the strength and bravery of the Chu warriors as they are going into battle. They dance powerfully, with shining spears and swords in their hands. *Farming* has successfully used graceful and exaggerated dance movements to reflect the farming people’s character and interests. The dance for women, *Picking Mulberry*, introduces interesting new movements such as exaggerate curve of the torso. *A Promenade in the Chu Court*, based on the poetry of Qu Yuan, recreates the graceful court dances. A leading dancer in long-sleeves gently undulates her slender body to the rhythm of the Chu music.

But it is impossible for “Chimes, Music and Dance” to be solely imitative of the Chu songs and dances. The work uses replicas of ancient musical instruments, but they are arranged in a modern way. Songs are based on *Chuci* (Elegies of Chu) written by Qu Yuan, with melodies from ancient folk songs. Dance movements mix Chinese folk dancing with modern dance techniques. Experts in music and dance have different views of this old and new mixture, but they all agree that “Chimes, Music and Dance” was an impressive experiment in reviving the ancient culture of the State of Chu.

This recreation means the musical heritage of China will be carried forward in sight and sound as well as words and pictures, an important contribution, according to Wu Xiaobang, Chairman of the Chinese Dancers’ Association.

**MUSIC**

Promising opera singers

Two Chinese singers won the second and fourth prizes in the 7th British Benson & Hedges Gold Award vocal competition held in London last month, in which 80 singers from various countries participated.

Twenty-six-year-old baritone Fu Haijing took the second prize. His repertoire included an aria from Verdi’s *La Traviata* (Lady of Camellias) and selections from Mahler’s song cycle, *Lieder Eines Fahrenden Gesellen* (Songs of a Wayfarer).

The fourth prize went to 24-year-old mezzo-soprano Liang Ting. She sang selections by Mozart and Brahms, and an aria from Rossini’s *Il Barbiere di Siviglia* (Barber of Seville).

Fu and Liang have just graduated from the opera department of the Central Conservatory of Music in Beijing. Fu studied there for five years, and Liang for three years, both under the tutorship of Chinese vocal teachers. Formerly, Fu sang in an opera troupe of the Chinese People’s Liberation Army in Beijing and Liang, in the Guangzhou Orchestra.
Sketches by
Wang Hong

Farmers' homes.

Born in 1923 in Shahe, Hebei Province, Wang Hong graduated from the traditional Chinese painting department of the Central Academy of Fine Arts. He is now an assistant editor-in-chief at Gongren Ribao (Workers' Daily). These paintings portray life in a mountain area in south Henan Province which he visited a few years ago.

Under a gingko tree.

Banana trees on the road side.

Tombs of revolutionary martyrs in Xinxian County.
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