

BEIJING REVIEW

北京周報

A CHINESE WEEKLY
OF
NEWS AND VIEWS

- Reform of Rural Economic System
- Fighting the Huanghe River Flood
- New Developments in Chad



HIGHLIGHTS OF THE WEEK

Reform of Rural Economic System

What's the background to the introduction of the responsibility system in production in China's villages? What are their advantages? What's the main goal of the present reform? These questions are answered by Vice-Minister Du of the State Agricultural Commission (p. 15).

Price Readjustments

The director of the State Administration of Commodity Prices explains China's price policy and the reasons for the recent readjustment of prices (p. 6).

Readers' Letters Play Their Role

Publication of readers' letters in the newspapers has become a

component of an effective supervisory system. It helps leading officials overcome bureaucracy and other unhealthy tendencies (p. 5).

The Employment Problem

Effective measures have been taken to solve the employment problem in China, and 4.77 million people were given jobs in the first nine months of this year. The employment problem will be basically solved by 1985 (p. 8).

Conquering the Huanghe River Flood

This year witnessed the biggest ever flood on the upper reaches of the Huanghe River. Our special correspondent gives a detailed account of the epic fight by the people to overcome the floodwaters (p. 21).

The "Zero Option"

President Reagan's arms reduction proposal is meant to counteract the Soviet peace offensive. Moscow's quick rejection points up the sharp struggle between the two superpowers (p. 10).

Reunification of Korea

The long cherished aspiration of the 50 million Korean people is to end Korea's division and realize the reunification of their fatherland — an issue that also concerns world peace and security (p. 11).



To the rural fair.
Woodcut by Yang Yixian

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Advanced Science and Improvement Of Livelihood

Why should China, which is a developing country, spend so much money on the development of advanced science and technology, such as the launching of earth satellites and the testing of nuclear weapons? Wouldn't it be better for China to use the money to improve the people's livelihood?

We shouldn't counterpose the development of science and technology, including advanced science, to the improvement of the people's livelihood. Only when the national economy has developed can the people improve their livelihood, and science and technology are vital to the growth of the national economy. The research and development of advanced science and technology will raise the scientific and technological level of our country as a whole. This is beyond doubt. Since science and technology are developing at a fast pace nowadays, how can we change the backwardness of our country if we do not study and carry out necessary research?

It is true that China is a developing country. But we do not wish to remain backward. We want to develop our economy and achieve the four modernizations. Our purpose in promoting socialist production is to meet the people's material and cultural needs. Since the founding of the People's Republic in 1949, the living standard of the Chinese people has been raised significantly as compared with pre-liberation days. But it is still not high enough. We have over the past

two years summed up both positive and negative experiences gained in socialist construction and achieved fairly good progress in improving the people's livelihood. A faster rate of improvement can be expected in the future.

This of course should not be achieved at the expense of science and technology, for if we do so, it will lead to economic stagnation and ultimately affect the improvement of the people's livelihood. In readjusting the national economy, we give due consideration to readjusting the relations between science and technology on the one hand and economic growth on the other, and we shall gradually increase the proportion of appropriations for scientific research in the state budget. The aim is to equip our industry, agriculture and national defence with advanced equipment and techniques. Only in this way can we realize the four modernizations and steadily improve the people's living standard.

To modernize our national defence, we have to spend some money. This is necessary because we must have the capability to defend our socialist construction and the peaceful life of our people. We love peace and it is our wish that there will be a peaceful environment for a long time to come in order to build up our country. We will never tolerate aggression by any country. With the two superpowers fiercely contending for domination, the danger of war in the present-day world cannot be overlooked.

The hegemonists have not slackened their threat to China. If we do not strengthen our national defence, peace and security will be jeopardized.

This year, in order to wipe out our financial deficit, administrative expenditures, military spending included, have been curtailed. Compared with 1980, appropriations for national defence this year have been reduced by 2.2 per cent in the nation's total financial outlay. We will not abandon the task of modernizing our national defence. We have to make the necessary preparations against any possible attack.

China's launching of man-made earth satellites is solely for peaceful purposes. We have carried out limited nuclear tests and manufactured some nuclear weapons. This is entirely for the purpose of defence, the breaking of nuclear monopoly by the superpowers and the ultimate total elimination of nuclear weapons. We will not compete with the two superpowers in this field. We have declared on many occasions that China will not be the first to use nuclear weapons at any time and under any circumstances. The Chinese Government and people will, as always, work together with the people of the world and peace-loving nations for the lofty aim of the total banning and complete destruction of nuclear weapons.

— Political Editor
An Zhiguo



LETTERS

UN Secretary-General

China's stand on matters pertaining to the election of a new Secretary-General of the UN is most appreciated. It shows that the People's Republic of China stands by the interests of the third world countries. It is common knowledge that the majority of the member states at the UN are from the third world and these are countries beset by many political, economic and social problems. So they need a representative in the higher echelons of the world body.

Stephen B. Isabirye
Kampala, Uganda

Socialism: Theory and Practice

In *Beijing Review* No. 34, the article "Socialism: Theory and Practice," is indeed enlightening. The author rightly observes: "Although there are points in common between socialism as practised in our era and the first stage of communism as envisaged by Marx, we should not overlook their differences. What Marx envisaged belongs to the social-economic form which is to be established on the basis of fully developed social productive forces resulting from a highly developed commodity economy."

China has yet to develop a commodity economy. This fact was ignored in the last two decades. The CPC has set it right.

Hans Raj Rahbar
Delhi, India

Articles and Documents

I love your "Articles and Documents" section. It provides good insight into Chinese society, whether on government and economics or culture and history. I especially like the assessment of Chairman Mao. I believe it was a very fair one. Your articles on the Sino-Soviet border dispute and the US "Taiwan Relations Act" were also very good.

Generally, I believe yours is the best international news magazine published in the developing world. It is entirely devoid of much of the bias characteristic of news magazines published in the United States and many of its articles concern topics and issues close to the hearts of people in the developing world.

Jose Bayani D. Baylon
Diliman, The Philippines

How I Read "Beijing Review"

Since issue No. 12, 1981, I have marked in ink the sections of items important to me—in my work or in my personal life. Taking the column "Special Feature," for example, I marked 11 from issue No. 12 to issue No. 43. They are: "Further Economic Readjustment: A Break With 'Leftist' Thinking" (No. 12), "More Authority for Enterprises Revives the Economy" (No. 14), "Marriage and Family Relations" (No. 18), "Newspapers in China" (No. 20), "Commercial Reforms: Smooth Circulation of Goods" (No. 22), "A Promising Young Generation" (No. 30), "Small Hydropower Stations" (No. 32), "Report From Gezhouba: China's Largest Hydropower Project" (No. 35), "70th Anniversary of the 1911 Revolution" (No. 38), "Reports From Dalian: Worker Education" (No. 41) and "Growing Old in China" (No. 43).

According to the number of articles marked, the other sections are in the following order: "Events and Trends," 27; "Articles and Documents," 18; "Culture and Science," 13; "Notes From the Editors," 8; "Opinion Digest," 8; "International," 3; and "Books," 1. As for "Humour in China," I marked every issue.

May I add one point? The cover, layout and illustrations suit me admirably—and I admire the charming and skilful "woodcuts" which occasionally appear at the end of items.

G.E. Heath
Yeovil, UK

Five Principles of Peaceful Coexistence

I particularly enjoy "Notes From the Editors," "Events and Trends" (particularly the "trends"), "International: Reports and Com-

ments" and articles on the Chinese economy and on economics in general.

I would like to ask a question: What are the five principles of peaceful coexistence?

Rosemary Henderson
South Yarra, Australia

The five basic principles of peaceful coexistence were first put forward by the late Premier Zhou Enlai during the 1953 Sino-Indian negotiations and received the support of the Indian Government at that time. These principles are: Mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. Later, the five principles were reiterated in the joint statements issued by the Chinese and Indian Premiers and the Chinese and Burmese Premiers. The five principles have received a positive worldwide response and are now recognized as guiding principles in international relations. — Ed.

Make the Magazine More Vivid

I think *Beijing Review's* cover is visually unattractive. Nevertheless, it contains good information.

You could increase circulation by adding pages and pictures and by choosing a more attractive title.

Asim Matin
Karachi, Pakistan

I suggest that the cover of the magazine be more colourful and use better paper. It should also contain photographs showing the activities of teenagers. You had better publish more articles about young boys and girls.

Mohammad Afzal Bhatti
Sheikhupura, Pakistan

CORRECTIONS: In our last issue (No. 47), the first line of the second paragraph in the item on "Professor Ma Bi" should read: "On November 12, Professor Ma..."

In the same issue, the eighth line from the bottom in the right-hand column of page 22, for "... a year after his death" read "three months after his death."

POLITICAL

Criticisms in Newspapers

Liu Xinqiao, director of the bureau of animal husbandry and aquatic products in Hunan Province's Yueyang County, squandered 2,550 yuan from state appropriations for developing livestock- and fish-breeding to hold feasts or buy gifts. This was exposed in a letter to *Renmin Ribao*, organ of the Chinese Communist Party, earlier this year.

The letter said that the money was spent at a five-day meeting of 50 people, averaging 51 yuan for each. What was most disgusting was the fact that the director had the cheek to exhort those attending the meeting "not to indulge in feasting" but should "guard against the influence of bourgeois ideology and strive to curb various unhealthy tendencies."

Before it was published, the letter was sent to the Yueyang county Party committee for confirmation. Instead of giving serious consideration to the letter, the county Party committee defended the director, saying that the money was spent for improving the "welfare" of the workers, and demanded that the letter be withheld.

Renmin Ribao published both the letter and the county Party committee's reply. In less than a fortnight the newspaper received 370 readers' letters. Some denounced the case as an example of "officials shielding each other," and some said that "if such unhealthy tendencies are not censured and checked, it is tantamount to encouraging them."

Under the pressure of the higher authorities and public opinion, the county Party committee changed its attitude. Its leading member made a self-criticism and sent an investigating group to look into the case. The writer of the letter was commended for his courage to combat unhealthy tendencies and the director was criticized for his mistakes and asked to refund the money he had squandered. At first he refused to comply; he "appealed" to the higher authorities but was rejected. He began to change his attitude after he was repeatedly criticized. The county Party committee later took stern disciplinary measures against him.

Party newspapers from the central authorities down to the various localities in China all have special columns for readers' letters in which malpractices are criticized, good deeds are commended and suggestions for improvement in work are put forward. These letters deal with many topics, including the criticism of leading cadres for their bureaucratic style of work, for encouraging unhealthy tendencies or for shielding relatives who have committed criminal offences. Readers also often write to the newspapers, making suggestions on the ways of improving work or telling how they feel about the quality and prices of certain commodities. Before these letters are published, the facts are checked and leading departments concerned are informed. Most of the letters are written by ordinary people or cadres at the grass-roots level.

It is not uncommon, however, that criticisms from readers are sometimes muzzled. But eventually mistakes are corrected

and the wrongdoers punished.

To encourage positive criticisms, leading organs in a number of provinces, municipalities and autonomous regions recently issued a circular instructing all concerned to take a correct attitude towards criticisms. Retaliation in any form is forbidden under penalty of punishment according to law or Party discipline.

In order to ensure that criticism and self-criticism in newspapers are carried out smoothly and effectively, a circular issued by the Shaanxi provincial Party committee stipulated:

— Anyone who is criticized should reply in due time. If the facts are correct, he should accept the criticism and take concrete steps to correct his mistakes. When a criticism is partially or for the most part untrue, he should explain the situation to those concerned and sincerely accept what is correct in the criticism. No one should reject any criticism altogether just because certain details do not tally with the facts;

— Party organizations and Party commissions for inspecting Party discipline should help those who refuse to take the right attitude towards criticisms. If they should retaliate against those who have criticized them, disciplinary measures should be taken.

Referring to the rectification of the Party style of work, Vice-Chairman of the Party Central Committee Deng Xiaoping recently said: "It is necessary to set up a supervisory system and let the masses and Party members exercise supervision over the cadres, especially the leading cadres. The people have the right to expose, censure and

impeach those who indulge in privilege-seeking and refuse to mend their ways after repeated criticism and education. These cadres should be dismissed from office, and they should compensate for the economic losses and receive punishment according to law and Party discipline."

The publication of criticisms by the readers in the newspapers is a form of supervision by the people.

ECONOMIC

Industrial Production Will Overfulfil Plan

Total industrial output value in October was 45,100 million yuan, 1 per cent higher than in the previous month. The figure, which was an all-time high for the month of October, was 10.6 per cent more than that of October last year.

Industrial output value from January to October this year was 2.4 per cent higher than that of the corresponding period of last year. Judging from the present rate of increase, the state plan for industrial production this year will be overfulfilled.

By the end of October, the yearly quotas of 29 of the 100 major industrial products listed in the state plan had been fulfilled ahead of time. The production of another 49 had reached or surpassed the plan.

An overall readjustment of the national economy is being made this year. While the stress is on the development of light industry, efforts are being made to ensure a certain rate of development for transport and communications and the energy industry as well. As for heavy industry, its orientation will be changed from mainly serving capital construction and

itself to serving light industry, agriculture, technical transformation and renovation of equipment.

An increase of 8 per cent was originally planned for the total output value of light industry this year. The result is better than expected. The first 10 months saw an increase of 12.6 per cent over that of the same period of last year. The increase in the output of bicycles, sewing machines, cameras, cassette recorders, TV sets and electric fans ranged from 28 to 100 per cent.

In the first quarter of this year, because of the reduction in the scale of capital construction and because many factories were operating under capacity, the production of heavy industrial enterprises, the machine-building enterprises in particular, was affected. But, with the change in orientation and readjustments in the setup of enterprises and in the product mix, the situation has been improving. The total output value of heavy industry in October increased 1.8 per cent over that of the same month of last year — an indication that heavy industry has ended its downward trend in production.

At present, the State Economic Commission, which is in charge of industrial production for the whole country, and other departments in charge of economic work under the State Council are making the necessary preparations for industrial production in the first quarter of next year. A system of economic responsibility has been introduced in a growing number of industrial enterprises and is being gradually perfected. The reorganization of enterprises, with the stress on improving management and raising economic results, has been stepped up.

Readjustment of Prices

The prices of polyester-cotton and polyester-viscose fabrics have been reduced and the prices of alcoholic drinks and cigarettes raised throughout the country as of November 18.

The retail prices for all grades of polyester-cotton and polyester-viscose fabrics have dropped on an average of 0.66 yuan per metre. The prices of such fabrics range from three yuan to eight yuan per metre.

Prices for grade A cigarettes have, on the average, been raised 0.27 yuan per packet; for grade B, 0.08 yuan; and for grade C, 0.02 yuan. Prices remain unchanged for cigarettes of lower grades.

For liquor of famous brands, the prices have been raised by at least two yuan per bottle (half a kilogramme). The range of price increase for bulk standard beer is 0.16 yuan per litre. The prices of rice wine and bottled liquor have also been raised, while the price of liquor made of dried sweet potatoes remains unchanged.

Explaining the reasons for the reduction of prices of polyester-cotton and polyester-viscose fabrics, Liu Zhuofu, Director of the State Administration of Commodity Prices, said that the output of these products has now increased 31-fold as compared with the late 1960s and that the cost of production has dropped.

The price hike for cigarettes, liquor and wines, the director said, is because the cost of production has gone up resulting from the increase in the prices of raw materials. Coupled with this, the profits of the breweries, wineries and cigarette factories have decreased and this year the

state has further raised the purchasing price of tobacco. Furthermore, as the purchasing power of the people has gone up, the supply of high and intermediate grades of cigarettes and alcoholic drinks has fallen short of demand.

The director went on to say that raising the prices of cigarettes, liquor and wines will encourage the factories to step up production and help increase state revenue.

Prices are basically stable in China. In particular, the prices of daily necessities have remained basically unchanged since the founding of New China in 1949. This is because in formulating the price policies, the interests of the state, the collective and the people are taken into consideration. Although the government has raised the state purchasing prices for grain, cotton, sugar, coal and other necessities of life, their retail prices remain unchanged.

Because of the difference between the high state purchasing prices and the relatively low retail prices for grain and edible oil, the government spent 10,000 million yuan in 1980 to make up for the loss incurred by the state commercial enterprises on these two commodities. In this regard, the state will continue to subsidize in the future. This does not mean, however, that prices for all commodities will remain unchanged. Unreasonable prices for some commodities which are not daily necessities will be readjusted in a planned way under the strict supervision of the State Council and local governments so as to ensure normal production and circulation of goods.

Autumn Export Commodities Fair Closes

China's 1981 Autumn Export Commodities Fair in Guangzhou closed on November 15.

Businessmen from more than 90 countries and regions visited the fair and 24,000 people took part in trade negotiations. The volume of export transactions surpassed that of the 1980 autumn fair and also the 1981 spring fair.

The sale of textiles was more than twice the amount of the autumn fair last year. Bicycles and other light industrial products and local handicrafts also had good sales. The supply of some native products and farm produce fell short of demand.

Transactions for imports included chemicals, dyestuff, polyester textiles, plywood, medical equipment and precision instruments.

Developing Wind Energy

A 20-kilowatt power generating unit capable of generating 30,000 to 50,000 kwh of electricity a year will be installed on the Hulun Buir grasslands in the Inner Mongolian Autonomous Region after nearly two years of testing.

Designed by the Heilongjiang Machinery Research Institute, this generating unit can operate with a minimum wind speed of 3.5 metres per second.

At present, smaller models of 100 to 200 watts have been in wide use in Inner Mongolia and other remote areas.

Wind is a cheap and easily available source of energy for China's border regions, especial-

ly in Tibet, Qinghai, Xinjiang and Inner Mongolia, where the people live far apart. At present, these localities depend on electricity generated by diesel power generating units, but this is too costly.

In 1978, the State Scientific and Technological Commission listed the research of wind energy as a key project. Since then a number of new models of wind power generating sets have been devised. Now there are two experimental wind power stations, one at Badaling in Beijing and the other in Zhenhai County on the coast of Zhejiang Province. Newly developed wind power generating units, including vertical shaft generating units five and six metres in diameter respectively and horizontal shaft generating units of six metres in diameter,



The wind power generating unit designed by the Heilongjiang Machinery Research Institute.

with a generating capacity ranging from 4.6 to 8 kilowatts, are being tested. Several imported generating units are also being tested. The aim is to ensure smooth operation and reduce the cost of each unit to less than 2,000 yuan, so that every kwh of electricity will cost less than 0.2 yuan, which is the cost of every kwh generated by diesel units.

SOCIAL

Solving the Employment Problem

From January to September this year, 4.77 million people were given jobs in both the cities and countryside. According to the State Bureau of Labour, the employment problem will be basically solved in 1985.

Great importance has been attached by the government to solving the employment problem and a series of effective measures have been adopted with satisfactory results:

— From 1977 to 1980, 29 million people had been provided

jobs, an average of 7 million each year;

— Ten provinces, municipalities and autonomous regions found employment for all those who had been waiting for jobs prior to 1979;

— The problem of employment has been solved basically in some cities and towns.

The problem of people waiting for jobs did not exist before 1966. During the "cultural revolution" from 1966 to 1976, China's national economy was seriously undermined and the ways of providing employment were in the main blocked. The situation was further complicated as the state lost control of population growth for several years. As a result, a large number of middle school graduates could not find jobs and unemployment became a social problem. Moreover, an abnormal situation prevailed during those years. While 17 million young people in the cities and towns were sent to settle in the countryside, 13 million peasants were recruited to work in the cities.

After the downfall of the gang of four, those young people who had gone to the countryside returned one after another to the cities while large numbers of students left schools every year, all waiting for jobs. The situation was aggravated by the fact that the nation's economic structure was irrational and undue stress had for many years been placed on the development of heavy industry. Light industry, commerce and service trades, which are less technology-oriented but more labour-intensive, had not developed to a satisfactory extent. In addition, improper emphasis was laid on speeding up the transition of the collective economy in the cities and towns to state economy, and the individual economy was restricted or eliminated altogether. As regards the system of labour management, the state shouldered the sole responsibility of providing jobs for all the able-bodied people in the cities and towns. All this sharpened the contradiction that more and more people were waiting for jobs while ways of providing jobs decreased.

In order to solve the problem, the Chinese Government has adopted the following measures:

— Giving due attention to the development of labour-intensive trades;

— Implementing the policy of coexistence of multiple economic forms and management methods with the precondition that the socialist public economic sector occupies the predominant position. While developing state economy, positive measures are taken to support and help develop the collective and individual economy;

— With regard to employment, the principle followed is:



Making use of an old hothouse to grow flowers, five young people in Harbin earned a net profit of more than 10,000 yuan in 10 months.

under a unified plan and guidance by the state, the young people may get jobs through the recommendation of labour departments, or they may get organized and find work for themselves.

In this way, more job opportunities will be created for them.

FOREIGN RELATIONS

Mondale in China. Former US Vice-President Walter Mondale paid a visit to China from November 18 to 22.

Vice-Chairman Deng Xiaoping met with Mondale on November 22 and exchanged views with him in a friendly atmosphere. Referring to bilateral relations, Deng said that the relationship between China and US is not only a question involving the interests of the two countries but one of global strategic importance. This question can be handled well only from the plane of global strategy, i.e., from the political angle. He expressed the hope that Sino-American relations will not meet with setbacks.

Mondale agreed with China's stand.

At a press conference he gave before his departure, Mondale said that Sino-US relationship "is at a very delicate moment. Great care is needed in the spirit of the Shanghai Communiqué and the joint communiqué on normalization in expanding the political, strategic, economic and cultural ties." He stressed the need for the United

States to keep its commitment to the one-China principle.

He said that the Chinese Government's 9-point proposal on Taiwan "is a very forthcoming offer." The United States should not sell advanced fighter planes and other military equipment to Taiwan so as not to affect the reunification of the Chinese people.

Zhao Ziyang Meets Zairean Government Delegation. Premier Zhao Ziyang met on November 15 with Lengema Dulia Yubasa Makanga, Secretary of State for International Co-operation of the Department of Foreign Affairs and International Co-operation.

During the meeting, Premier Zhao said: "Friendly relations and co-operation between China and Zaire have developed in a satisfactory way, and economic and technical co-operation between the two countries have yielded remarkable results." He reiterated that China would continue to develop her friendship and co-operation with Zaire.

Friendly Exchanges With Latin American Countries. Vice-Chairman Li Xiannian met on November 20 with a delegation of the Confederation of Latin American Workers led by Emilio Maspero.

During their talks, Li Xiannian expressed China's wish to strengthen friendly exchanges with Latin American countries. "China has always stood on the side of the third world countries," he said. "We will learn more from each other and exchange experiences with the trade unions, workers and peo-

ple of the Latin American countries."

The confederation is a regional organization and is composed of the general trade unions of various Latin American countries. Members of the delegation included representatives from Venezuela and seven other countries.

China-US Joint Economic Committee. The 3-day second session of the China-US Joint Economic Committee closed in Beijing on November 18.

At the closing meeting, Chinese Minister of Finance Wang Bingqian and US Treasury Secretary Donald Regan exchanged letters on the taxation of maritime and air transportation income.

During the session, both sides held discussions on the following:

— On finance and investment. Both sides discussed China's access to American Government finance programme and private capital markets in the United States;

— On economic information. Both sides agreed that a good beginning has been made in the exchange of economic information and more efforts should be made to facilitate the exchange of economic information and experts;

— On trade. Both sides discussed the existing problems in trade and the ways and means of resolving them.

They also discussed preparations for the setting up of a joint commission on commerce and trade. They agreed that the next

(Continued on p. 14.)

Washington Kicks the Ball to Moscow

Report From Washington

US President Ronald Reagan recently disclosed the primary contents of his April letter to Brezhnev.

Speaking to a group of reporters at the National Press Club in Washington on November 18, Reagan said that his letter contained a four-point proposal concerning the control of theatre nuclear weapons, strategic nuclear weapons, conventional weapons and the prevention of surprise attacks in Europe. The first point is the most important. Reagan said the United States is prepared to cancel its deployment of Pershing II and ground-launched cruise missiles in Western Europe, if the Soviets will dismantle their SS-20, SS-4 and SS-5 missiles in Eastern Europe. Although the US press disclosed this proposal earlier, Reagan's speech focused people's attention because it was his first major foreign policy speech since he has been in the office. His speech also precedes the November 30 start of negotiations with the Soviet Union in Geneva.

Reagan's speech has been described as a counter to the Soviet peace offensive.

Soviet Peace Offensive

Moscow has recently been waving an olive branch to the West European countries on the issue of nuclear weapons in Europe. Brezhnev pledged during his recent interview with a correspondent of the West German weekly *Der Spiegel* that the Soviet Union will not use nuclear weapons under any circumstances against any country which has stopped pro-

ducing, purchasing and deploying nuclear weapons on its territory. He declared that an approximate nuclear balance exists between NATO and the Soviet Union in Europe. He also said that if NATO will give up its plan to modernize its nuclear force, the Soviet Union is prepared to reach an accord on the reduction of missiles. The Soviet peace offensive has provided impetus to the pacifist trend in the West European countries, exerted pressure on some governments and possibly achieved its aim of cancelling the deployment of Pershing II and ground-launched cruise missiles in Western Europe.

Immediately after Reagan took office, the US Government began to de-emphasize negotiations and to stress the need to modernize NATO's nuclear force. Some governments in Western Europe criticized this approach. West European pacifists have recently conducted a series of large demonstrations in several countries against the US deployment of nuclear missiles. In the United States, some people think it is unwise for the Reagan government to push for the deployment of new nuclear missiles in Europe while de-emphasizing negotiations with the Soviets. At the same time, the US economy is faced with difficulties because of expanded military expenditures. It is against this background that Reagan made his proposal of arms reductions.

Reagan Administration's Aims

According to some American analysts, the Reagan administration hopes to achieve the following aims by this action:

1. Change its negative image regarding negotiations and disarmament. On the eve of the Geneva meeting, President Reagan personally announced the US proposal to demonstrate US interest in the talks. Furthermore, Reagan specially mentioned his April letter to Brezhnev to show that his attitude towards disarmament has not been consistently rigid.

2. Expose Soviet deception. The Soviet Union has gained nuclear superiority with its deployment of SS-20 nuclear missiles in Europe. Nevertheless, it has stubbornly asserted that the nuclear strength of both sides is approximately equal. The Soviets have also put forward some seemingly impartial proposals in order to maintain the status quo. Although United States government officials have tried hard to explain that the Soviet Union holds the upper hand, some people think it is difficult to make an accurate assessment of the situation. Having again explained in detail the balance of nuclear strength in Europe, Reagan pointed out that the Soviet proposal for shifting SS-20 missiles east of the Urals is a trick. He has advanced the counter-proposal of dismantling both sides' medium-range nuclear missiles. This proposal has been called the "zero option." This makes it difficult for the Soviet Union to continue playing tricks.

3. Improve US-European relationship. The "zero option" has long been brewing in Western Europe and some West European state leaders show great interest in it, hoping that the United States will take this into consideration. Now Reagan has advanced this proposal with

the aim of weakening anti-US sentiments in Western Europe's pacifist movement and improving US-European relations.

4. Weaken Soviet nuclear superiority in Europe. If the Soviet Union opposes the "zero option," the United States will

accuse Moscow of being insincere about arms reductions and, by virtue of this, establish the necessity for NATO to build up its nuclear strength. If the Soviet Union expresses a willingness to negotiate, then the United States will face reduced resistance in Western Europe.

It can thus be seen that the present US-Soviet relationship is defined by sharp struggle, no matter whether both sides are waving an olive branch or brandishing a big stick.

—Yuan Xianlu
(November 19)

Reunite Korea Now

THE reunification of Korea concerns not only stability on the Korean Peninsula and in Asia, but also world peace and security.

The resolution to turn truce into durable peace in Korea adopted at the 30th UN General Assembly session on November 18, 1975, marked an important step in the right direction towards solving the Korean problem. However, six years have gone by and this resolution has not been implemented. Korea's independence and peaceful reunification has to be solved by the Korean people themselves without outside interference. But the US military presence in south Korea is a major obstacle standing in the way of reunification. US President Ronald Reagan has dropped his predecessor's plan to phase out US forces in south Korea and has decided to sell more US arms and military know-how to south Korea. The Chun Du Hwan clique in south Korea, under the aegis of the United States, has intensified its repression of democracy and its pursuit of a policy of "two Koreas" with a view to obstructing the reunification. These actions have exacerbated tension on the Korean Peninsula and added to the obstacles in the way to reunification.

The armistice agreement on Korea was signed many years

ago. Ending Korea's division, removing the obstacles in the way of Korea's independent and peaceful reunification and early realization of reunification brook no delay. The United States should observe the relevant resolution adopted at the

30th UN General Assembly, withdraw from south Korea all its aggressor troops and military hardware, stop its interference in the internal affairs of Korea so as to create favourable conditions for the country's peaceful reunification.

—*"Renmin Ribao" Commentary* (November 18)

Developments in Chad

THERE has been a dramatic change in Chad since Libyan President Gaddafi on November 3 ordered an "immediate" withdrawal of Libyan troops from Chad. The Libyan withdrawal paved the way for pan-African peace-keeping forces to enter Chad. On November 15, 250 Zaïrean paratroopers, the first contingent of pan-African peace-keeping forces dispatched by the Organization of African Unity, arrived in Ndjamena, capital of Chad. Zaïre is to contribute 800 men to the pan-African peace-keeping forces. Nigeria, Senegal, Benin, Togo and Guinea are also sending men to join the pan-African peace-keeping forces in Chad.

Armed Conflicts One After Another

Since winning their independence in 1960, Chad's 4 million people have not seen much political stability in their country. Factional wars had erupted again and again until the OAU and neighbouring African

countries persuaded the 11 political factions of Chad to agree to set up a transitional government of national unity on November 10, 1979. But government powers were abused by the various factions to further factional interests. It was not a government of national unity by any stretch of the imagination. The most powerful factions, the People's Armed Forces led by President Goukouni, and the Northern Armed Forces led by former Defence Minister Hissene Habre have been pitted against each other, fighting for control of Ndjamena and other areas of Chad. The fighting brought chaos to the whole country and huge numbers were made homeless.

In mid-December last year, Goukouni's men and their allies with the direct help of Libyan officers and soldiers using Soviet-made weapons drove Habre's forces out of Ndjamena and other towns to the mountainous eastern border. Even this large-scale intervention by

Libyan forces could not bring permanent peace to Chad. Habre's Northern Armed Forces have been waging an escalating guerrilla war against their opponents and the factions remaining in the transitional government of national unity have split off and reorganized. Fighting broke out in the central and eastern areas between the Democratic Revolutionary Committee's forces led by Foreign Minister Acyl Ahmat assisted by Libyan forces, and the People's Armed Forces led by President Goukouni and the First Army led by Minister of State for the Interior and Security Mohamed Abba Said. Direct Libyan armed intervention in this internal conflict in Chad only made the situation more complex and tenser and tension has spilled out into neighbouring countries.

Libyan-Chadian Merger Rejected

On January 6, Libya and Chad had announced that the two would be "merged into one state." This drew sharp opposition and condemnation from other African countries. On January 8, Egypt decided to recall its diplomatic mission in Ndjamen. On January 14 the OAU called an emergency meeting, in which a dozen members asked Libya and Chad to give up the idea of a merger, Libyan troops to withdraw immediately from Chad and free elections to set up a legal Government of Chad without any foreign interference. Inside Chad, Chadian authorities grew more and more apprehensive about the presence of Libyan troops in their country and repeatedly down-played the significance of the proposed merger. In mid-July, President

Goukouni "flatly" rejected Libyan proposals for a merger. Then on October 29, the Chadian Government issued a statement after an emergency cabinet meeting pointing out that a Libyan troops withdrawal should be "total and immediate" from Ndjamen and Chari-Baguirmi, a prefecture 300 kilometres south of the capital, and announcing that a ministerial committee has been appointed to talk with Libyan authorities on withdrawing Libyan troops from the rest of Chad by the end of this year.

Reason for Libyan Troop Withdrawal

Libyan troops have withdrawn from several towns in eastern Chad. The Libyan Government has given no reason for the rapid recalling of its forces. Foreign observers say that this move could be an attempt by Libya to show that its forces in Chad played a

peace-keeping role and so improve its image before the next OAU meeting to be held in Tripoli.

The sudden pullout could lead to a renewal of civil war in Chad as the pan-African peace-keeping forces cannot all get to Chad to prevent pockets of "power vacuum" emerging because of the lack of funds and sufficient transportation. Already there are reports that Acyl's troops and Habre's troops are both trying to take over the towns vacated by the Libyans. Some Western journalists say that the Libyan withdrawal from Ndjamen and other towns in eastern Chad could be for regrouping to get a tighter hold in central Chad.

The situation in Chad is very complex and it would be foolhardy to predict an early termination to the unstable situation in that unhappy country.

— Xu Guang

Senegambian Confederation

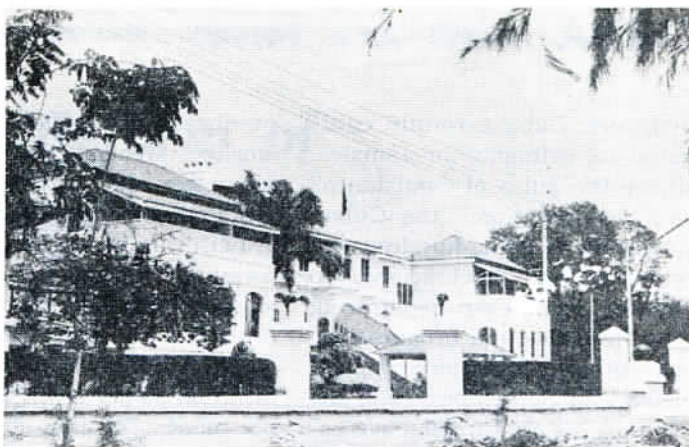
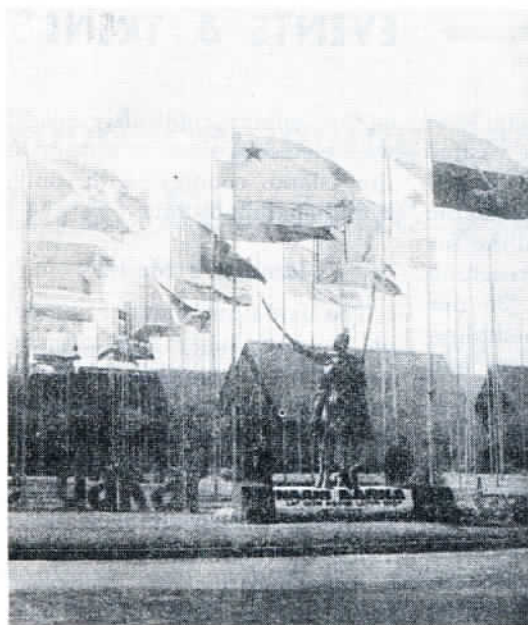
SENEGAL and Gambia have agreed in principle to form a Senegambian Confederation, announced a Senegal-Gambia joint communique of Nov. 14.

In mid-August, when Gambian President Dawda Jawara paid his first visit to Senegal, he put forward a proposal for the creation of a confederation with Senegal, with both countries maintaining their independence and sovereignty, but integrating their armed forces and security forces. Two weeks later, Senegalese President Abdou Diouf said at a press conference that leaders of both countries were studying ways to

find a form of unification that would definitely lead to the signing of a treaty. Today, the principles guiding the establishment of the confederation have been agreed upon by the two countries.

Man-Made Obstacles

Historically, Senegal and Gambia were one state. At the end of the 19th century, the British took over some 10,300 sq km, 20-40 kilometres wide and 330 kilometres long east and west along the River Gambia, and turned it into a colony named Gambia. The French occupied 196,000 sq km to the



Left: The International Exchange Centre in Dakar, capital of Senegal.
Right: The National Palace in Banjul, capital of Gambia.

south and set up their colony of Senegal. This divided Senegal almost into two parts, with Gambia in between. It is some 200 circuitous kilometres around Gambia to get from one half to the other half, unless one is prepared to pay Gambia a transit fee.

As Gambia is surrounded on three sides by Senegal, and one side borders the ocean, communications with the outside world is quite troublesome and has been an obstacle to trade and the development of the two countries.

Towards Confederation

Since its independence, Senegal has on several occasions proposed that the two countries join up into one country again. But Gambia always turned down the suggestion, until recently.

Some foreigners have described Gambia as a sort of free port, with Gambian merchants smuggling imported goods into Senegal and illegally shipping out goods the Senegalese Government has a monopoly of, especially agricultural goods. This

strange trade is a boon to the Gambian Government and merchants, but brings heavy losses to the Senegalese Government.

Gambia's long stability was shattered a year or so ago and the economy has steadily deteriorated. Official corruption and bribery became rampant and popular discontent has swelled. From October last year to July this year, two military coups d'état took place and only prompt military intervention by Senegal on both occasions and the joint efforts of the Gambian and Senegalese

armed forces managed to crush the insurgents. The coups, especially the last one, made President Dawda Jawara decide that Gambia had to have Senegal to maintain Gambia's security.

The principles guiding the establishment of the confederation between the two countries have been agreed upon. But when will the confederation be set up and will there be problems and will outsiders take kindly to the proposed confederation? These remain to be seen.

— Yang Guilan

Cuban-Jamaican Relations Deteriorate

WHEN Edward Seaga became Jamaican Prime Minister a year ago, he said he would restore the economy and get rid of Cuban intervention. He first asked Cuba to recall its ambassador for his interfering in Jamaican internal affairs. On October 29 this year, Seaga told the Jamaican parliament that continued Cuban interference in

Jamaican affairs left him with no alternative but to sever diplomatic relations with Cuba.

Cuba's Penetration

Jamaica had established diplomatic relations with Cuba in 1972 when Manley's People's National Party was in power. In the eight years when Manley was

in power, Cuba carefully cultivated its influence in Jamaica. Under the guise of "assistance" and "co-operation," the Cuban Government sent hundreds of "experts" and "technicians" to Jamaica, some even penetrating into the police and broadcasting and other important departments. In September 1979, the exposure of the intelligence activities of the Cuban Ambassador Ulysses Astrada caused a tremendous uproar in Jamaica, which the Manley government did all it could to cover up. After Seaga defeated Manley in the general elections, he asked Cuba to recall its ambassador. At the beginning of this year the Jamaican Government suspended the "technical agreement" signed with Cuba. Prime Minister Seaga once stated that his government's coming to power has caused a setback to Cuban and Soviet expansionism in the Caribbean.

Economic Situation

Jamaica is the biggest British commonwealth island country in the Caribbean. To its south is the strategic Panama Canal linking two oceans. Cuba, the Soviet bridgehead in the western hemisphere, is located less than 100 miles away to the north. Jamaica is a big bauxite exporter, and the second biggest

producer of bauxite in the world. When Seaga came to power, he inherited a devastated economy. The economic growth rate had been falling for seven successive years, reaching an accumulative 15 to 20 per cent, and its annual unemployment rate was 30 per cent and inflation 30 per cent. There was no money in the state kitty. Right after Seaga came to power, measures were taken to readjust the economy, court private investments and create job opportunities. The government received a \$650 million three-year loan from the International Monetary Fund and a \$48 million supplementary loan. Seaga moved to improve relations with other countries, particularly Venezuela, which supplies Jamaica with 16,000 barrels of oil each day and is also a partner in its bauxite industry. Venezuela has provided nearly \$100 million of aid to its neighbour in recent years.

The United States is deeply interested in Jamaica, because 40 per cent of the bauxite it needs comes from there and US interests own four of Jamaica's five foreign-owned bauxite companies. They are worth \$1.5 billion. Proof of US interest in Jamaica can be seen in the US Congress approving a \$40 million economic aid pack-

age to Jamaica right after Seaga was elected prime minister of the island country with only 2 million inhabitants.

Jamaica's Model

The Jamaican economy based on bauxite, sugar and tourism has shown an upswing this year. In the first half of this year the production of bauxite rose 6.3 per cent and export earnings 7.5 per cent more than the previous same period last year. Price of food has gone down and the inflation rate decreased from 30 per cent to 5.4 per cent. Seaga confidently predicted that the long economic downside will end this year, a view many consider to be over-optimistic. Although many questions still bedevil the Jamaican economy, the government has announced that this "Seaga model" of economic development produces good results and that Manley's model is a total failure. The United States hopes to see the present Jamaican model exerting a stabilizing effect on many unstable Caribbean countries. Politically, the Seaga government is set on exposing Soviet and Cuban interventionism and it is keeping a vigilant eye on Cuba.

—Guo Weicheng

(Continued from p. 9.)

session will be held in Washington in autumn next year.

Sino-Australian Press Seminar. The Sino-Australian press seminar was held in Beijing from November 17 to 20. It was the first professional seminar between Chinese and foreign

journalists, the purpose being to further improve news reporting between the two countries.

Sponsored by the All-China Journalists' Association, the seminar was attended by more than 20 journalists from the newspapers, news agencies, broadcasting institutions and news research departments of

both countries. At the seminar, both sides made reports on the development of journalism in each country, discussed the issues confronting the two countries and world journalism, made an assessment of the conditions and problems of news reporting about the other country, and suggested ways of improving news reporting.

Good Beginning for Reform of Rural Economic System

by Du Runsheng

Historical experience proves that the collective economy in Chinese villages is basically successful, but problems remain. At present several forms of the production responsibility system have been implemented all over China and are being developed into an all-round reform of the economic system. The general direction of the reform process is to investigate and experiment with diverse methods so as to find socialist production forms and to formulate systems of socialist economic management best suited to Chinese villages.

THE Party Central Committee's rural policies, pursued for the past two years throughout China, have led to a better rural situation than we anticipated. In areas where there were no severe natural disasters, not only has grain output increased, but there has been an overall improvement in other farm production, fishery, forestry, animal husbandry and sideline occupations.

To accompany the reinvigorated collective economy, the household economy has been restored and developed. Even in areas which have suffered extreme difficulties, the peasants' livelihood is turning for the better.

With the nationwide implementation of the production responsibility system, an all-round reform of the rural economic system is taking shape. Its main goals are: to grant the right of self-determination for the collective economy to the localities and to pay attention to the peasants' material interests in order to stimulate their enthusiasm for work.

This process has just begun. Our task at the moment is to perfect the responsibility system while solving the problem of commodity exchange between the cities and the countryside.

The author is a vice-minister in charge of the State Agricultural Commission. The article is an excerpt of his speech made in the CPC Central Committee Party School which was published in a recent issue of the Party magazine *Hongqi*.



and the relationship between farming and commerce.

Then, we shall have to tackle the problem of perfecting the overall socio-economic structure and superstructure in the rural areas.

Historical and Present Situation

Our Party began the socialist transformation of agriculture in 1952. In 1958, rural people's communes were set up all over the country.

Now it has become necessary to reconsider: In a vast country like China, is success possible if we allow only one form of rural economy? What are the advantages and disadvantages of this economic form? Is reform necessary? How should reform be carried out?

These were our approaches when we first introduced the production responsibility system in the late 70s. Of course, the reforms include more than the responsibility system alone.

The advanced agricultural producers' co-operatives were established in the 50s through a gradual process initiated by Comrade Mao Zedong. Initially we set up mutual-aid teams and later we organized elementary agricultural producers' co-operatives. Both involved co-operation on the basis of private ownership.

The transition period for transforming elementary co-ops into advanced agricultural



Peasants in northwestern Shandong Province selling cotton to the state at a state purchasing station.

producers' co-ops was expected to last 15-20 years. But, within three years the transition was completed and the advanced form was adopted all over China.

Only one year after the advanced co-ops were formed and, prior to their consolidation, they were reorganized into people's communes. A "communist wind" was stirred up.

Therefore, the Party Central Committee and Comrade Mao Zedong resolutely guided the peasants to retreat to a system of "three level ownership with the production team as the basis," i.e., ownership at the commune, production brigade and production team levels, with the production team as the basic accounting unit.

A review of our experience over the past 30 years reveals that:

1. From a national perspective, it is correct and successful for China's agriculture to take the path of socialism, to have public land ownership and to produce crops on a co-operative basis. We have basically solved the problem of feeding a population of 1,000 million, and have provided the basis for industrialization. More significantly, we ended the plunder of land by the landlords, which had gone on for thousands of years, and abolished the system of exploitation.

2. Currently, about one-third of the production teams are well-run. At present price levels, a peasant needs an annual income of 120 yuan to subsist. In these teams, the peasants' annual

average income (including income from sideline occupations) is generally more than that amount, and in some places they earn 400-500 yuan or even 1,000 yuan.

In the Liuzhuang Production Brigade of Qiliying Commune in Henan Province, for example, a commune member's annual income from the collective is 470 yuan. Stipends for welfare facilities and recreational entertainment come to 67 yuan per capita, and other subsidies add 50 yuan per person, adding up to a total of 587 yuan per year.

The commune family pays no rent and is typically housed in a single-story dwelling with an average of one room for each person, within the walls of a private courtyard. Some even have TV sets, electric fans and other appliances.

Production brigades or teams like this have worked collectively and have already acquired or developed machinery, chemical fertilizers, insecticide and irrigation systems. In addition to farm production, they engage in sideline occupations and industry, which form the embryo of a comprehensive new structure for the rural economy. An individual economy is certainly incapable of such large-scale projects.

3. Another third of the production teams are not as wealthy as those in Qiliying, but if they work hard, it is within their capability to catch up. These teams have not yet diversified production, but they possess certain fixed assets which provide the basis for farm modernization,

such as farm machinery and irrigation systems as well as some industry.

4. The average annual per-capita income for peasants in the remaining third of the production teams is under 60 yuan, not enough to support themselves.

They must rely on sideline occupations, on government relief or on frugality to make ends meet. That means they are free from exploitation but have not yet shaken off poverty. So the superiority of the collective economy has not been fully displayed.

5. Returns from peasants' private plots have always been comparatively high. Investigations show that in parts of Guangdong Province, the private plots can produce six crops a year. The return on private plots is several times higher than on collective ones.

This leads people to wonder if peasants can possibly give equal consideration to collective and private production. The present system of assigning output quotas for individual labourers on collective tasks has, to a certain extent, resulted in their equal attention to both kinds of production.

Thus, as we said earlier, the collective economy is for the most part successful but still has some problems.

The trouble lies in the incorrect integration of collective and individual interests, such that individual interests are often neglected.

There is no longer exploitation under the system of public ownership. However, if the means of production and the fruits of labour are not fully at the disposal of the labourers, they will feel that they are not working for themselves.

Therefore, to stimulate the workers' incentive to produce, we need a form of management which puts the labourers in charge of the means of production and the fruits of labour, provided it also adheres to the collective economy.

Production Responsibility System

Marxism teaches us that no new relations of production can be successfully established unless the productive forces suited to them have developed to their fullest extent. Therefore it is necessary to choose relations of production that suit the current productive forces in the light of the differences in the economic development in various regions.

This is a task that should be tackled consistently and earnestly. Pursuing the form of "large in size and collective in nature" while neglecting the level of development of productive forces would only obstruct their development.

In Yunnan Province, there is a national minority still in the stage of primitive communalism, in which private ownership has not yet come into being. A tribal chief leads his people to work together to perform simple tasks and cultivate the land. Crops are divided equally among all.

Soon after liberation, it was decided to give the tribe land and permit them to work according to their own primitive practices for several years, and to work towards a mutual-aid organizational form.

But when co-ops and then people's communes were set up throughout China, this primitive commune was not exempt. Even though



The development of industry by a production brigade in Xinxiang County, Henan Province, greatly increased collective and individual incomes. Pictured is a ceramic factory producing coal-burning ovens.



A Party branch secretary of a production brigade in Zhongshan County, Guangdong Province, growing flowers during his spare time. Flower sales gave him an extra income of 10,000 yuan last year.

the changes were too sudden and were inappropriate for them, the tribal people accepted the people's commune. Why? Because they were used to working together and distributing crops in a unified way.

When the co-op and subsequently the commune were formed, the tribe's organization remained the same, with the tribal chief assuming the title of production team leader.

To this day their economy is virtually unchanged. I visited them and found that with the exception of a pot and a knife which they bought from the market, all of their daily articles were home-made, including cooking ladles, bamboo water pails and cotton cloth.

Since they have no commodities, exchange is undeveloped and commodity exchange is considered shameful. The present form of organization has postponed the disintegration of the tribe's natural economy.

This example shows that development of productive forces can actually be slowed down if the relations of production are not suited to them. Only by speeding up the growth of productive forces and developing commodity production can socialism be built up.

The level of development in most parts of China is much higher than in that Yunnan commune, but a few others retain their original semi-natural or natural economies. In such areas it is necessary to readjust the relations of production to correspond to the level of productive forces, so that the original productive forces will expand and develop, and the natural economy will eventually be transformed into a commodity economy.

In this way production can develop along specialized lines but nonetheless on a socialized basis.

It is imperative to ensure that individual interests are guaranteed, with the collective economy as the precondition, and the collective economy is strengthened on the basis of developing individual interests, so that both the collective and the individual are responsible for commodity exchange, both are rewarded economically, and both are motive forces in economic development.

Our goal must be to develop a commodity economy as we consolidate and develop co-operative farms. Throughout the country the commodity economy is underdeveloped; the net rate of marketable grain (the percentage of grain that can be sold as compared to the total amount that is produced) is only 15 per cent. The commodity rate of other farm products is similarly low. Socialist relations of production cannot be established soundly unless a commodity economy is fully developed.

It should be pointed out that we are firmly following the road of collectivization in China's villages. Multiple forms of the responsibility system should serve to improve collectivization.

The recent rural economic reforms have engendered the following forms of the responsibility system:

In economically developed areas, the form of giving remunerations according to output is encouraged. Within a diversified economy, production quotas are set separately for each specialized task, such as growing a particular grain, growing one kind of industrial crop, breeding cattle, operating vehicles, building houses, doing processing jobs or performing services.

Everyone works under a unified management, and each specialized task is performed by a group, a family or an individual. Remuneration is based on work accomplished — more work more pay, less work less pay.

In poorer areas where commodity production is still rare, the form of *bao chan dao hu*, or "fixing output quotas based on the household" has been instituted. That is, under the unified management of a production team, each household is responsible for all of the tasks of production on a certain amount of land, including the costs of production. The produce is distributed centrally, with surplus produce retained by the producer.

In some cases, under the unified management of the production team, each household retains everything produced on the land assigned to it after paying taxes and contributing its share to the accumulation and public welfare funds as a member of the collective. This form, known as *bao gan dao hu*, allows the households greater autonomy and independence in management.

I found that in areas where the two forms have been instituted, production has increased by an average of 30 per cent. A few production figures have doubled or even tripled.

Production teams in an intermediate state of development are expected to assign output quotas to individual able-bodied labourers under the unified administration of the production teams.

The difference between this form and *bao gan dao hu* is that production team planning and management is under unified leadership, and the portion of income from industry and sideline occupations is distributed in a unified way, as is income from agriculture.

All the above-mentioned forms together could be called "the contract system according to production." Besides, the peasants make other choices with regard to the production responsibility system.

In short, diversified forms should be adopted while unified patterns should be opposed. Our goal is to attain an economic co-operation which displays the superiority of unified management, can inspire the enthusiasm of the individual, and combine unified leadership with the workers' right to manage and distribute the fruits of their labour. This will provide perpetual renewal of motivation for the forces developing the rural economy.

Socialist Path Upheld

Some say the form of *bao gan dao hu* is good, and some say it is terrible. What are the facts?

Do those peasants who favour this form tend to deviate from the collective economy? In some cases, yes. Once their initiative for individual production is roused, there is a tendency to pull away from the collective.

However, peasants of present-day China are no longer like the peasants prior to liberation, nor are they like the peasants of the 50s.

The majority of today's peasants want to get rid of not the socialist road, but rather the heavy burden of intolerable equalitarianism, undemocratic orders and the arbitrariness of a few, problems left untackled for many years.

In the poor districts, *bao gan dao hu* has helped the peasants eliminate these practices, which is one reason it has been so well-received.

This form differs from the individual economy of the post-land reform era, because the situation and conditions have changed. Objectively there are more factors binding today's economic forms to the socialist path.

First of all the leadership of the Party and the people's democratic dictatorship are actively guiding the peasants along the path of socialism.



The Party Secretary (second from left) of Guangshan County, Henan Province, allotting a hard-to-get bicycle to Yu Wenlong (first from right) for selling 17,000 kg of grain to the state.

Secondly, in the 50s the capitalist class was abolished as a class, so that now both our industry and commerce are socialist, as are our banks which provide credit. In the countryside, the socialist economy is in an absolutely

dominant position, with a system of collective or state-owned property that cannot be transferred or divided, like water conservancy facilities and large-scale agricultural machinery.

Furthermore, the law stipulates that buying or selling of land is forbidden, in order to restrict concentration of land as well as polarization between rich and poor.

As a result, the form of "fixing output quotas for households" and the form of *bao gan dao hu* resemble neither the small private economy before liberation, nor that of the period after land reform and before co-operation. Therefore these two forms are consistent with socialism and remain a component part of the rural socialist structure.

Then what are the prospects for the development of these two forms? After the problem of livelihood has been solved, peasants will ask for further economic improvement. They will need new means of production: chemical fertilizers, pesticides, machinery and irrigation facilities.

Contradictions will arise between production growth on the one hand and lack of capital and individual management on the other. The only way out will be to pool capital and labour.

This can already be seen in villages in Anhui, Henan and Shandong, where peasants have developed collective sideline occupations.

An advanced form of association will only appear when the commodity economy has developed and conditions for specialization of labour have matured.

By then, the associations will need to extend their work to specialized production and services, such as the associated production of fruits, silk and tobacco, as well as pig-raising and chicken-breeding. Techniques, supplies, marketing and services will be handled in a unified way.

Eventually, such organizations will evolve into a kind of associated economic entity covering farming, manufacturing and commerce embracing several regions.

In short, with the growth of productive forces, development of commodity economy and the introduction of new technical equipment, small production that is currently carried out under the system of *bao gan dao hu* will be transformed into associated big production.

The transformation will be possible because

of material conditions, rather than the people's will.

Some hold that *bao gan dao hu* is the sole form of the production responsibility system and that it should be implemented uniformly in all areas.

This is wrong. Any form of the production responsibility system will go through a process of initiation, growth and improvement. The system of *bao gan dao hu* is no exception.

In the course of development, some peasants will increase their incomes, some will become rich quickly, while some households short of labour will make economic gains more slowly. Assistance must be given to the latter.

It would be wrong to expect that everyone will achieve prosperity at the same pace, but that does not mean we will forget the principle of general prosperity in the long run.

While looking after the interests of the individual, we must also consider the interests of the state and the collective.

While guaranteeing the state's interests, we should turn to economic measures and the law, such as the contracting system, to solve the problems of economic association between collective and individuals, and the sharing of rights and obligations.

The livelihood of the poorer families who are short of labour will be improved by means of taxation and through the social welfare and pension systems.

In the meantime, it is essential to educate the peasants that the purpose of "fixing output quotas for households" is to develop production, increase income and strengthen the collective economy.

Therefore, public resources and wealth such as trees and water conservancy projects should be well-protected and not divided up. Power-driven wells and tractors should be used collectively as usual.

And every peasant should feel obligated to do a certain amount of voluntary labour, such as planting trees or working on public projects.

The growth of the production responsibility system signals the desire for reform among the peasants who have been mobilized. This is a social current which cannot be held back. □

(Title and sub-titles are ours. — Ed.)

Fighting the Huanghe River Flood

by Our Special Correspondent Sun Zhanke

The 4,845 kilometre-long Huanghe (Yellow) River has brought both happiness and calamity to the Chinese people for thousands of years. The awesome river, which stretches across the middle section of the nation, has been called the "cradle of Chinese culture." Nevertheless, its seasonal floods have also been responsible for tens of thousands of deaths and hundreds of millions of yuan worth of destruction.

During the 2,000 years before the founding of the People's Republic of China, the Huanghe overflowed its banks and caused major death and destruction more than 1,500 times.

One of the worst floods in the past 150 years occurred on the upper reaches of the Huanghe River this year. Nevertheless, serious losses were avoided. The following report recounts the heroic manner in which the people residing along the river turned back the flood.
— Ed.

THE trouble began with a torrential rainstorm over the Qinghai-Tibet Plateau, an area which covers 180,000 square kilometres. The rain continued for 28 days without end and as each one passed the potential for catastrophic flooding increased. During the first 10 days of September, emergency reports poured in from communities situated along the upper reaches of the Huanghe River.

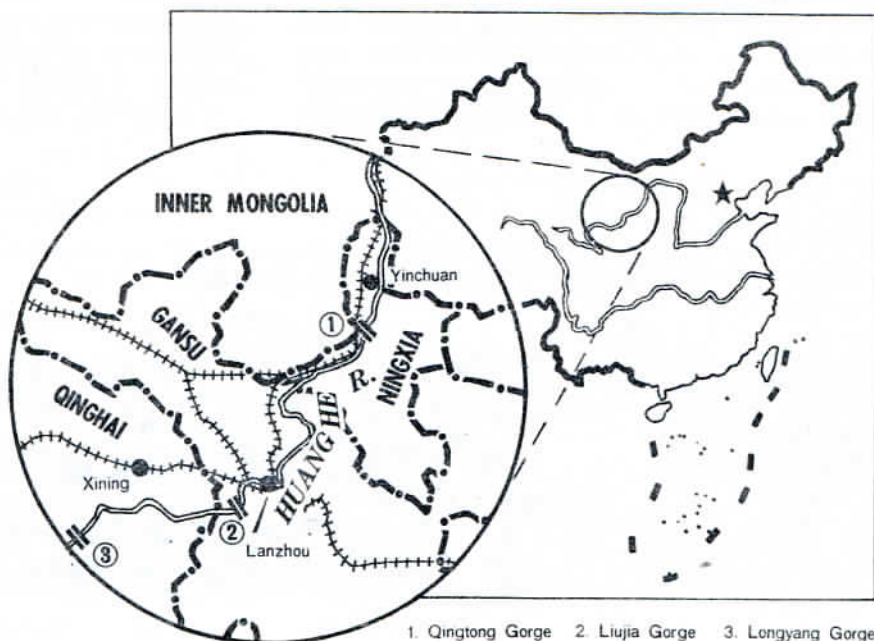
According to those closest to the scene of impending destruction, the river was surging like a "dragon." During normal times, the flow capacity of the river in the Qinghai section is only 400 to 1,000 cubic metres per second,

but the situation was not normal. Reports indicated that the river's flow had increased to over 5,000 cubic metres per second.

The first line of defence against the raging waters of the fast-rising river is located at the site of the Longyang Gorge hydropower station, Qinghai Province. The station, which is still under construction, will include a 172-metre dam when it is completed. This will provide a capacity to regulate 20 billion cubic metres of floodwater.

Unfortunately, at the time when the emergency occurred, the site only consisted of three interim projects built to protect construction work: A 53-metre-high cofferdam on the upper reaches of the site; a diversion tunnel at the foot of the mountain for sluicing and an extraordinary spillway at the top of the cofferdam to be used to discharge floodwaters. These temporary structures were designed to contain floods equal to the largest ones which had occurred during the past 50 years.

Unfortunately, the water volume this year was greater than it had been during any flood



in the past 150 years. At the beginning of the crisis, the situation looked promising. The diversion tunnel was efficiently discharging water at a rate 13 per cent higher than its designed standard and the extraordinary spillway was effectively discharging the overflow.

As the heavy rains continued, a serious problem developed. Water above the cofferdam began to build up faster than it could be drained away. Moreover, it was rising at the rate of two metres per day. By the 15th day, it had risen 27 metres and was threatening to spill over the cofferdam.

Had this been permitted to happen, the cofferdam would have collapsed releasing the one billion cubic metres of water behind it to pour down from the 2,600-metre plateau at a rate of 38,000 cubic metres per second. This would have produced destruction resulting in incalculable losses of lives and property.

Harnessing the "Dragon Head"

On September 11, the State Council issued an emergency flood-control circular for Qinghai, Gansu, Ningxia and Inner Mongolia. In response to the circular, soldiers and civilians along the Huanghe made immediate plans to fight the flood.

The section of river where the crucial fight was to take place is located in a meandering gorge where the precipitous banks of the river are 100 metres high. The surging floodwaters lapped menacingly at the side of the endangered cofferdam as the volunteers swung into action. The top of the cofferdam was covered with feverishly working soldiers and civilians, each one armed with a shovel. Huge excavators moved back and forth, levelling and packing the

loads of earth being transported to the top by a lumbering caravan of dump trucks.

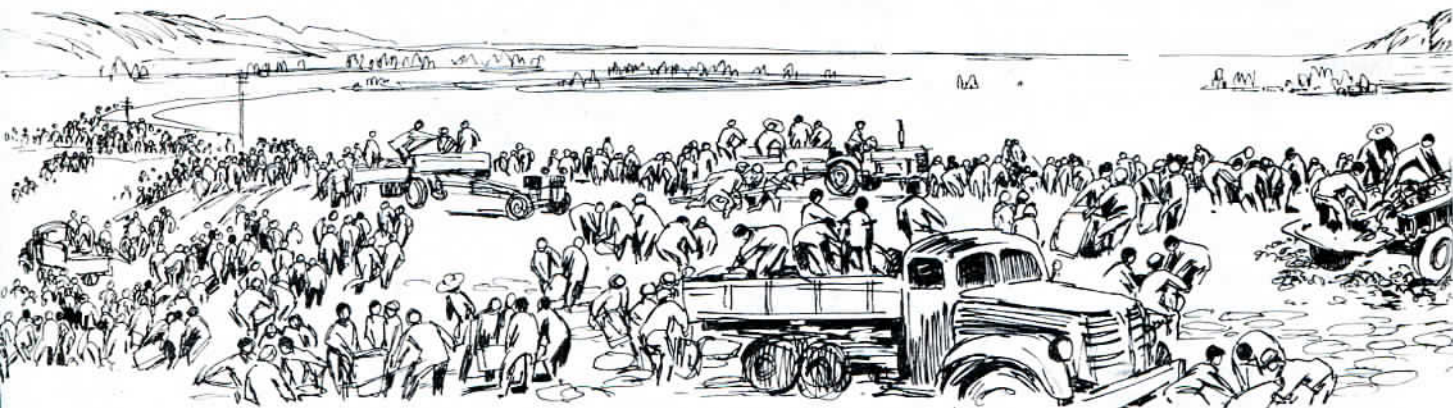
Flood-control headquarters was co-ordinated by Minister Li Peng and Vice-Minister Li Eding of the Ministry of Power under the State Council from Beijing. It was situated on the right side at the top of the cofferdam, a section in danger of immediate collapse.

No one needed to explain the meaning of this. The message was clear. If the dam collapsed, the headquarters and everyone in it would be destroyed. By choosing that particular site for their headquarters, the leaders of the desperate struggle were demonstrating their resolve to save the cofferdam or die trying.

Everyone worked round the clock. Minister Li Peng kept on the move. Sometimes he was atop the cofferdam surveying the rising water. At other times, he took to a helicopter to inspect the turbulent waters at the upper reaches of the Huanghe.

Vice-Minister Li Eding called one meeting at 3 o'clock in the morning to analyse flood conditions. At the construction site, Deputy Director Liu Hailun of the Engineering Bureau co-ordinated the fight for hours on end. He was covered with mud, his eyes were bloodshot and his voice grew husky from barking orders.

At one point, someone from the Longyang Gorge Engineering Bureau proposed that the cofferdam be dynamited once the flood began to discharge at a rate above its designed standard. He reasoned that this would eliminate the prospect of a catastrophic buildup when the flood peak arrived. He also suggested that this course of action was reasonable because the construction site was still in its preparator



stages and, therefore, the amount of damage would be minimal.

The State Council considered the dynamiting proposal, but decided that it would not eliminate the critical problem. Their sense was that the flood had already progressed to such an extent that a major surge of water was inevitable. Without the cofferdam, the amount of damage which would result along the lower reaches of the Huanghe would be unacceptably high.

Having reached this conclusion, the State Council forwarded another emergency circular to the emergency headquarters situated perilously atop the endangered cofferdam. The flood coordinators were instructed to build the cofferdam higher so as to relieve pressure from people along the lower reaches of the river.

Having received orders, the 15,000 workers, cadres and PLA men prepared to wage an increasingly dangerous struggle against the rising water. Deputy Director Liu Hailun, who remained atop the cofferdam for 72 straight hours at one point, repeatedly risked his life while working at the precipice secured only by a rope tied to his waist.

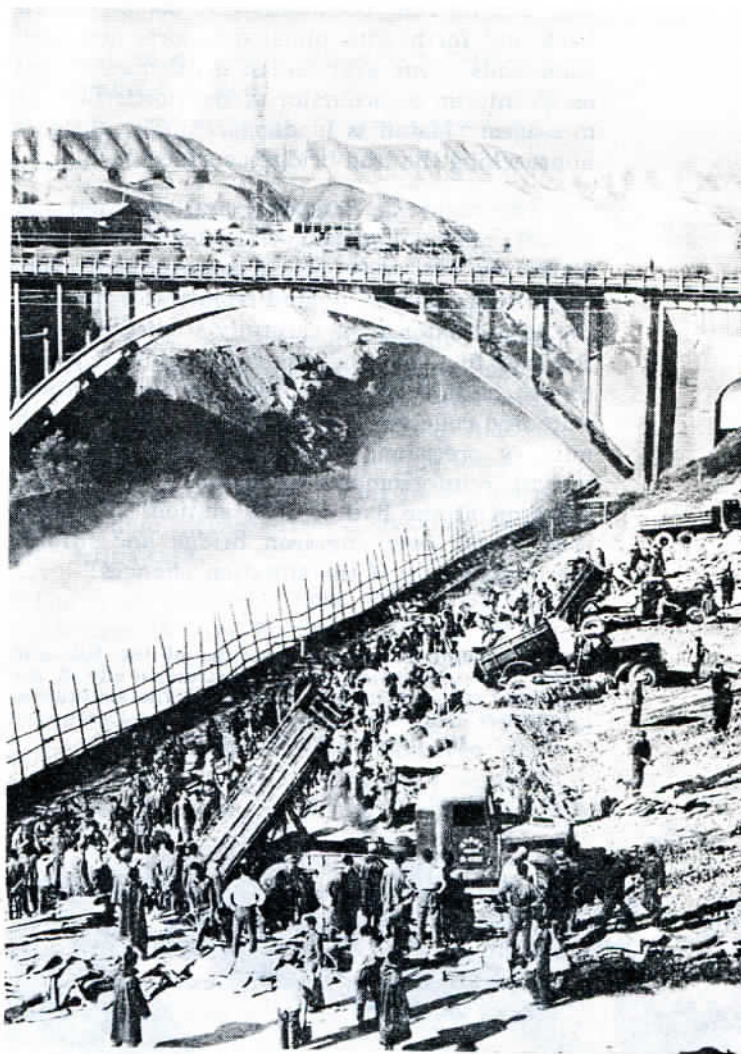
Many others displayed comparable courage during the desperate hours of the struggle. One young worker named Wang Lin wrenched his foot at the very outset. When his leader suggested that he take a rest, he shrugged and kept working. When he subsequently began to suspect that his leader might insist that he stop working, the young man stealthily joined a group of PLA soldiers and worked with them.

Working non-stop, the cadres, workers and soldiers finally managed to get the upper hand on the floodwaters. The cofferdam, which had its height increased by four metres, blocked one billion cubic metres of floodwater, pared down the flood peak by 1,800 cubic metres per second and harnessed the raging river, thereby relieving its threat to people living downstream.

The Bitter Struggle at Lanzhou

The struggle to contain the flood at Lanzhou, capital of Gansu Province, was particularly intense.

The battle was fought by over 160,000 men under the direction of the State Council. Three thousand men were stationed at the Liujia Gorge hydropower station, and their primary objective was to cut down the volume of floodwater in order to minimize its destructive



Despite the rains, work continued to strengthen the third-stage of the Liujia Gorge project.

impact on downstream farms, businesses and communities.

The hydroelectric station has a flood-relief channel with a capacity of 7,000 cubic metres per second, but this was restricted to 5,400 cubics per second when the flood was most severe. At one point, the flow was restricted to 4,500 cubics per second.

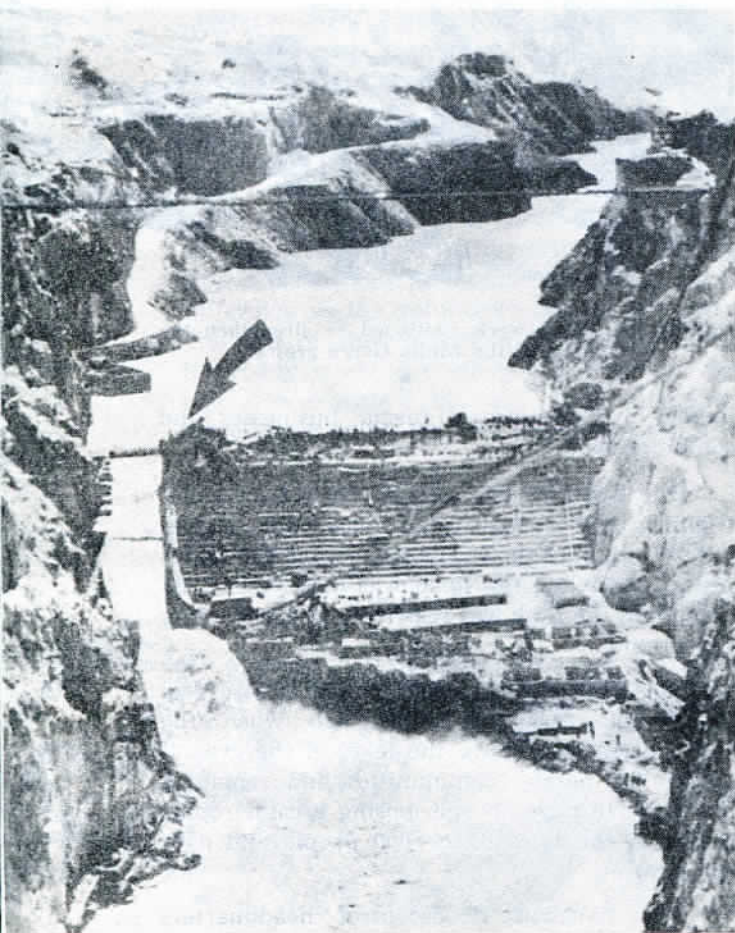
The situation remained critical for several days. This was particularly so when the floodwaters rose above the level of the ground surface in nearby communities and remained there for 10 days on end, posing a catastrophic threat to the lives of 200,000 people and over 90 factories.

The Lanzhou flood-control headquarters exuded the tension of a military command cen-

tre. Phones rang constantly and people rushed back and forth with updated reports and new commands. One gray-haired gentleman served as an interim co-ordinator of the hectic flow of messages: "Matan is in danger!" "The flood is approaching the iron bridge's surface!"

The night air was cold and wet and the temperature in Lanzhou, which is 1,700 metres above sea level, was only 10 degrees centigrade. Nevertheless, sweat poured from the temples of the co-ordinator as he carefully studied maps of the area for which he was responsible. Despite the chaos and imminent danger, he remained calm and collected while dispensing orders with military precision: "Order the follow-up units to rush reinforcements to Matan!" "Report the situation at the hydrological station!" "Keep a close watch over the iron bridge and inform me immediately if the situation changes!"

The protruding part in this section of the Huanghe River is the cofferdam on the construction site of the Longyang Gorge hydropower station. The spillway is on the left side. The arrow points to the location of the flood-control headquarters.



Most of the principal provincial and city leaders joined the fight to defend the area's endangered dykes and dams. Dou Mingkai, the deputy mayor, was on duty at the headquarters. Although he is over 60 years of age, he remained at his post for long hours. He is a former Red Army soldier and his experience was needed for the crucial life-and-death struggle.

The situation was particularly critical at the Matan water distribution facility, which supplies nearly half the people and over 50 businesses in the city. Things nearly got out of hand at one point—the raging water tore through a dyke in four places and threatened to inundate the city and many of its factories.

Fortunately, the flood-control headquarters quickly rushed in reinforcements: a PLA battalion, 700 teachers and students from Lanzhou University and a group of delegates attending a local conference. These delegates were led by the secretary of the city Youth League committee. After a night of furious work, the breaches in the dyke were repaired and the danger eased.

At one point during the long hard struggle to save Lanzhou, the floodwaters were two metres above the ground level. People worked shoulder to shoulder day and night in order to win the battle. An unending line of huge trucks rumbled back and forth carrying loads of crushed rock and sand to the top of the dyke. Thousands of mud-smeared volunteers filled, carried and stacked large straw bags of rock and earth along the top of the dyke.

Du Guoru, chief-of-staff of the Lanzhou Garrison Command, spent seven days and nights at the scene. His eyes were bloodshot and his lips cracked. When he slept, it was in a mud-filled tent. His meals consisted of pancakes and water.

The arduous struggle lasted 15 days and nights. During that period, it was the primary concern of everyone in the region. Even the children were kept abreast with daily reports. Whenever there was a slight reduction in the water's flow, they would listen attentively and then pass the word in excited voices.

At one critical point, a truck sank partially through a weakened section of the dam. As it passed on, water from the river bubbled up and began to wash away that particular section. The only witnesses were a group of local residents and some people who were being evacuated. Although no leaders were present,

the people responded immediately. Rushing forward, they used stones and bits of earth to block the leak. When the emergency squad finally arrived, the leak had been contained and the mud-splattered people who had accomplished the task were gone.

The Lanzhou flood fight required over 5,000 trucks and the augmentation of 50,000 metres of dykes and dams. Nevertheless, 2,000 peasant households, 40,000 *mu* of land (1 *mu* = 0.0666 hectare), 18 factories and 13 schools were submerged and over 20 million yuan were lost.

Defending Ningxia

When the surging floodwater reached Zhongwei County on September 16, it tore out a 50-metre-long section in the local dyke.

The unchecked floodwater swept through a broken dyke, inundating farmland along the irrigation channel parallel to the river. The PLA sent an engineering battalion which tried every possible means to block the hole, but it proved incapable of closing the last five metres.

Water level in the irrigation channel parallel to the dyke swelled to three times its normal height. This constituted a serious problem because the channel's lower end is higher than the roadbed of the nearby Baotou-Lanzhou Railway. If the water had been permitted to breach the outer dyke, it would have destroyed the railroad tracks. Moreover, it would have submerged and destroyed more than 100 local villages.

After evaluating the situation, Wu Shangxian, deputy chief engineer at the provincial water conservancy bureau, came up with a daring plan.

"We must adopt a strategy of attacking the weak points instead of the strong points," he said.

"Let's make use of the characteristics of the irrigation channel parallel to, but higher than, the river.

"We should dynamite the inner dam, cut through the channel and thereby force the water back into the river."

Although Wu Shangxian is referred to by many people in the area as a "walking map" of the Ningxia water conservancy district, some were a bit skeptical of this unorthodox proposal. While discussing the matter, Wu Shangxian stopped for a moment to answer the telephone.

Vice-Premier Yu Qiuli was calling from Beijing to inquire about the situation.

"Acting on my plan will ensure success," Wu Shangxian told him.

"If any trouble occurs, I will assume full responsibility!"

The proposal was adopted. After a tense night of hard work, the irrigation channel was cut through, the water was forced back into the river and the danger subsided.

Nevertheless, much work remained to be done. Three thousand and two hundred cadres from the Ningxia Party, government and army institutions co-ordinated the efforts of 190,000 volunteers in a day and night struggle to repair the area's dams and dykes. They had to move 8 million cubic metres of earth in order to accomplish this task.

The crisis reached a peak on the morning of September 16. The floodwaters were pouring into Ningxia at the rate of 5,290 cubic metres per second. The flood was two metres above ground level and emergency reports were pouring in. The worst moment occurred when the water tore through the dyke in two places inundating 70,000 *mu* of land and 4,000 homes.

Despite this disheartening setback, the soldiers and volunteers remained steadfast. Slowly but surely, they won the perilous struggle. The breaches were filled, 4 million *mu* of farmland were protected and the Baotou-Lanzhou Railway continued unimpeded operations.

On September 20, the flood peak reached Inner Mongolia. It was met by a force of 160,000 soldiers and volunteers, who spent 24-hour shifts reinforcing 340 kilometres of weak dykes. Even though the floodwater flowed at a rate of 5,500 cubic metres per second and continued for five days and nights, no accidents occurred.

A vigilant contingent of soldiers and civilians watched the floodwater empty harmlessly into the Bohai Bay on October 8. The month-long battle was crowned with victory.

Reflecting on the nature of this particularly arduous struggle, one is reminded of the man who claimed that "nothing in the world other than the Yellow (Huanghe) River torrent can make people feel so helpless before the power of nature."

This might have been true in the past, but not any more. The dragon has been harnessed. □

Economic Development Problems Facing African Countries

by Li Qiling

This is the second and concluding part of the article. The first part appeared in our last issue. — Ed.

IV. Growing International Trade Deficit

African countries' foreign trade is very prone to market fluctuations in the developed countries. Inflation in the West has sent the price of grain and industrial goods soaring, while prices for most primary products (except crude oil) have dropped. This has steadily widened the price "scissors" between import and export commodities to the disadvantage of the African countries. The United Nations Economic Commission for Africa estimates that because of this, from 1960 to 1970, African countries lost some 6,000 million US dollars. In 1970 alone, this disparity caused African countries a loss of 700 million dollars. Since the middle of 1974, the non-oil countries of Africa have lost somewhere around 3,000 million dollars through exports because of this disadvantageous condition in their import-export trade. Since the mid-70s the inflation rate has soared, so have prices for grain, oil and other commodities. This continuously enlarges the foreign trade deficits incurred by African countries.

From 1960 to 1975, imports by non-oil countries in Africa rose faster than exports. Calculated on prices prevailing in those years, total exports rose from 4,000 million US dollars to 13,200 million dollars (an average increase of 8.3 per cent per year), while total imports went up from 4,200 million dollars to 19,600 million dollars (an average increase of 10.8 per cent each year). Thus it can be seen that in 1960 there was a rough parity between imports and exports, but by 1975 the trade deficit had risen to the enormous sum of 6,400 million US dollars. Statistics in the 1980 *Direction of Trade Yearbook* published by the International Monetary Fund show that the foreign trade deficit incurred by the African countries jumped to more than 9,500 million dollars in 1978, but attained a favourable balance in 1979 of 4,800 million dollars. How did this happen? Mainly

because after events in Iran and the Soviet invasion of Afghanistan, the United States cut back its oil import from the Persian Gulf and imported more oil from Africa, which increased revenues for the four African oil-producing countries of Nigeria, Gabon, Algeria and Libya, giving them some 17,400 million US dollars that enabled them to earn a favourable trade balance in 1978 of more than 2,700 million dollars. Except for these four oil-producing countries, the other African countries in 1979 incurred foreign trade deficits totalling more than 12,500 million dollars. Last year, the continued oil and grain price hikes increased the foreign trade deficits of the African countries. According to Adebayo Adedeji, Executive Secretary of the United Nations Economic Commission for Africa, grain and energy imports by African countries last year came to 13,400 million dollars, which is about 53 per cent of their combined revenue from exports. The non-oil African countries spent 6,000 million dollars importing grain. The huge trade deficits of the African countries further intensify their unfavourable international balance of payments and increase their external debts. In 1965, the combined foreign debt of African countries was 7,000 million US dollars, going up to 28,000 million dollars in 1974 and 42,000 million dollars in 1978. This forced the African countries to incur new debts to pay old debts. Repayments, both for capital and interest, take up more than one-fifth of their combined annual revenue from exports. This indebtedness forces the African countries to rely more and more on the capitalist countries of the West.

The many complex problems confronting African countries in developing their national economies are caused by historical, social and political factors.

First of all, plunder and exploitation by imperialism and colonialism over the centuries are the basic factors behind Africa's poverty and backwardness. After the African countries won independence, the continued control and exploitation by Western monopoly capitalism has

gravely hampered African economic development.

Secondly, the African countries have not yet established independent and diversified economies, but are still carrying on the mono-economic system of colonial days. Owing to lack of experience, many countries have not paid enough attention to agricultural production, especially grain production, and this has led to grave grain shortages. Agriculture is not supplying enough raw materials for industry and this is holding up economic development.

Thirdly, political unrest and border conflicts have also held back economic development in many African countries. Interference and invasions by new and old colonialists and hegemons have created greater tension and turbulence in Africa, particularly the fierce contention between the two superpowers—the United States and the Soviet Union. This has disrupted stability and economic development in Africa.

On top of this, economic management experience, technical personnel and development

capital are all lacking and natural calamities, too, have contributed to holding up economic development in Africa.

The African peoples and their leaders desperately want to get rid of their poverty and backwardness and they place their hopes on developing their national economies as quickly as possible so as to establish an independent economic system of African countries. In April 1980, the first economic summit of the Organization of African Unity was convened in Lagos, capital of Nigeria, with 49 state and government leaders and representatives participating to discuss speeding up the development of African national economies. A "Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa" and "Protocol on an African Economic Community" were adopted. The African countries have decided to take vigorous measures to develop their agriculture (including food-grain production), industry, energy, transport and communications. The stress is on developing agriculture, with the aim of attaining grain self-sufficiency by 1990. □

Zhong Nan Hai, Beijing

Now Available

Zhong Nan Hai, Beijing—a picture album—has been published in English, Japanese, French and Spanish editions by *China Pictorial*.

Beijing's Zhong Nan Hai is the political centre of China, a country of one billion. It is also an ancient, beautiful park.

Consisting of 93 colour, black and white photos, this album provides information on the work and life of Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De and other Chinese leaders in Zhong Nan Hai. It also contains photos of Mao Zedong's former residence in Zhong Nan Hai and other scenic Eastern-styled buildings.

Printed on art paper, the album is 22.5 cm by 25.5 cm. Wholesale orders are available for traders. Order code name: 85-183 P.

Distributed by **GUOJI SHUDIAN** (China Publications Centre), P.O. Box 399, Beijing, China.

"Tertiary Industry"

IN the last two years, the term "tertiary industry" has been used frequently in Chinese newspapers and periodicals. However, people differ in their understanding of this concept and on whether this category is useful. This controversy has given rise to debate on the question of how to define productive labour in a socialist country.

The divergent opinions can be classified into three groupings: "broad," "narrow" and "intermediate."

The "broad" view contends that productive labour refers to a wide scope of activities. It holds that under socialism any labour which conforms to the aim of socialist production and does not capitalize on the exploitation of others is productive labour. Machinists, designers, production organizers, scientists, managers and army personnel are all engaged in socialist productive labour.

The "narrow" view strictly delineates the scope of productive labour: Only the actual labour used in the production of material is productive labour. While the labour of the scientific, educational, health and the artistic fields is indispensable, it is not productive in the Marxist sense of the word.

The "intermediate" view maintains that productive labour refers primarily to materially productive labour but it also includes some service work, such as scientific research which is directly related to production, medical and health work, passenger transport,

tourism, urban public utilities, repair trades, business services, and cultural and recreational activities.

The discussion has revolved around the following points:

(1) How to understand Marx's analysis of productive and non-productive labour? In some of his works Marx maintained that productive labour meant only the actual labour involved in material production. But he also wrote that in capitalist society all activities (including the activity of dancing girls) that brought capitalists surplus value constituted productive labour. During the debates, participants have emphasized one or the other aspect of Marx's view. Those who uphold the former only recognize labour which produces material products as productive labour. Others, however, hold that the concept of productive labour is, as Marx wrote, inseparable from the aim of production.

(2) Why has China neglected science, education, culture, health and the service trades for so many years? The "broad" view maintains that an important reason is that these fields were viewed as non-productive and as leeching on productive labour. The "narrow" view counters that the neglect of these fields was caused by the "Left" line, not by an incorrect definition of productive labour.

(3) Should the concept of the "tertiary industry" be used? The "broad" view holds that the present prevalence of this concept in China is the logical

result of economic development. In the past, the development of service trade industries did not match the growth of production or population. Production efficiency was thus affected. This is now being corrected, and the development of commerce and service trades is being stressed as a principal way to solve the problem of employment in China. Therefore, the status and role of the tertiary industry are receiving increasing public attention.

The "narrow" view asserts that the term "tertiary industry" does not come within the scientific framework of Marxist political economy. This concept leads to the lumping together of non-productive labour departments (science, education, culture, health, service trades, national defence, police and judiciary) with the productive labour departments (such as industry, agriculture, transport and communications). The holders of the "narrow" view proposed eliminating the use of the terms: "primary," "secondary" and "tertiary" to classify industries.

Some people, while affirming the concept of the "tertiary industry," put forward the concept of the "quaternary industry." They call the scientific, cultural, educational, health and publication departments, which turn out spiritual wealth, "quaternary industry" and separate it from the service trades. In this conceptualization, service trades are tertiary industry and quaternary industry includes those activities which prepare for production.

(Excerpts from "Jingjixue Dongtai" [Economic Trend])

The Taiping Movement and Equalitarianism

OVER the years people have been interested in equalitarianism, its theory and practice. It has often been confused with scientific socialism. The Taiping Movement which broke out in China during the mid-19th century came to a tragic end, but it left behind some valuable lessons about equalitarianism.

The equalitarianism of the Taiping Heavenly Kingdom was manifested in the "Regulations for the Treatment of Common People," promulgated after it made Tianjing (present-day Nanjing) its capital, and in the "Agrarian System of the Heavenly Dynasty." Their main contents were to ensure that "all the people shall enjoy the great happiness given by the Heavenly King." "Land shall be cultivated by all; rice, eaten by all; clothes, worn by all; money, spent by all. There shall be no inequality, and no one shall be without food or fuel."

The ideals of equalitarianism of the Taiping Heavenly Kingdom were implemented in some areas under its rule.

In feudal society, the peasants' economic status was very low. This filled them with a strong desire to alter the great disparity between the rich and the poor. They sought to change the world according to their small-peasant economic view. The equalitarianism of the Taiping Heavenly Kingdom developed on the basis of a small-peasant economy. It advocated equally dividing all wealth in an attempt to liquidate commodity exchange and per-

petuate the autarkic natural economy. The idea of distributing land according to the size of family was a positive one, but its equalitarianism did not conform to the process of historical progress nor correspond to the requirements for the further development of the productive forces.

The military supply system introduced in the army in the early stage of the Taiping Heavenly Kingdom was correct and effective. But extending this system to the whole society not only negated the ownership of the landlord class but also the ownership of the merchants and handicraftsmen. Even the meagre land and property of the small peasant producers were declared to be owned by the Heavenly King. This prac-

tice affected the whole spectrum of society. Blind faith was put in the administrative powers which were to manage all economic life. In payment based on labour, the Taiping government advocated equal distribution regardless of one's effort or skill. This dampened the enthusiasm of the labourers.

Equalitarianism was bound to give rise to universal poverty. This constituted one of the causes of the failure of the Taiping Heavenly Kingdom.

(Excerpts from "Renmin Ribao," July 6)



Residence of Heavenly King Hong Xiuquan.

Why Rice Ears on the National Emblem?

IN the winter of 1942 Zhou Enlai attended a tea party in Chongqing hosted by Soong Ching Ling. On the table, glittering in the light from the stove were two bouquets of rice ears which had been sent by some peasants from the outskirts of the city. The rice ears were admired by guests as "just like gold bars." Soong Ching Ling remarked: "They are even more precious than gold. Eighty per cent of China's population are peasants. If there is an abundant harvest every year, then the people

will have ample food and clothing." Hearing this, Zhou Enlai said: "When the nation is liberated, we will have the rice ears drawn on the national emblem."

After liberation, when the emblem of the People's Republic of China was being designed, Premier Zhou proposed including rice ears on the national emblem. His suggestion was accepted.

(Excerpts from "Hubei Ribao" [Hubei Daily], September 24)

CINEMA

"In-Laws"

The feature film *In-Laws*, written by Xin Xianling and directed by Zhao Huanzhang, tells of the disputes in an ordinary peasant family, especially those with in-laws and between generations. While the topic is serious the movie is in a light vein with plenty of humorous episodes.

When production team leader Chen Renwu marries Xue Shuilian, the Chen courtyard resounds with laughter. But disturbances soon emerge among the four generations. Wang Qiangying, Renwu's egotistical sister-in-law, always has a bone to pick with the others. She tries to incite Shuilian to fight their mother-in-law together over a piece of cloth, but the good-natured new bride refuses. After a fight with Renfang, her sister-in-law, Qiangying tries to persuade her husband that they should move out.

Qiangying is expected to take care of her grandfather-in-law, but she always discriminates against him.

One evening she prepares dumplings for her husband and children but hides them when grandpa comes home and only

offers him corn bread. After much provocation, he finally picks up his bedroll and leaves, walking out into the rainy night. Enraged and embarrassed, Renwen slaps his wife and also leaves. Qiangying after another fracas with Renwen walks out on him and their two children and goes to live with her own parents.

This upsets the whole Chen family. Shuilian, a compromiser even in the face of her sister-in-law's biting irony and satire, looks after Qiangying's household chores after her departure. She humbly goes to visit Qiangying and persuades her to return. All is forgiven and the family is happily reunited.

This film is filled with the joys and sorrows of real life. It shows the development and resolution of family conflicts and reinforces the social value of care and respect for the elderly. The moral lessons are not preached, but depicted through the unravelling of the plot and the characterizations. Shuilian is extolled as a good daughter-in-law with honest sentiments, but she is not a personification of abstract concepts. Her joys and sorrows, her strength and weaknesses are all revealed. Her loving care for the old and the

young is emphasized. But when her sister-in-law Qiangying arrogantly demands her wardrobe, she cries and angrily beats her good-natured husband.

This film does not satirize Qiangying despite all her unsaintly behaviour. Though her extreme egotism is ridiculed in the film, she is still portrayed as hard-working and able. Thus she is a many-sided character. In this film, everyone has his (or her) idiosyncrasy but the characters, Chinese peasants, shine through as the salt of the earth.

This film is in the best Chinese film-making tradition. Structurally, it is simple and clear. It begins with Shuilian's marriage, followed by a series of quarrels and climaxing with the grandpa's leaving and the couple's separation. It ends in a happy reconciliation. Artistically, the film presents lifelike images in plain, natural lighting. Melodies from local dramas played by pipes and *huqin* (a Chinese stringed instrument) are utilized throughout.

In-Laws has been a hit since its release last June. Over 25 million people saw it in the first two months. In its premiere run in Beijing cinemas of 15 days,

Renwu and Shuilian getting married.



Shuilian persuading Qiangying.



more than 2.75 million people saw it, breaking all attendance records. Peasants often remark how similar the film is to happenings in their own villages. One peasant woman remarked, "This film tells what happened in my home. The actors and actresses must have visited my family. Otherwise how can they know us so well." The film has been well received in the rural areas. Some peasant audiences have even sat in the rain to see the film through to the end.

ARCHAEOLOGY

Underground Forests

Trees buried thousands of years ago have been discovered standing upright with their roots intact under three counties in the Zhujiang River (Pearl River) delta, Guangdong. The trees, mostly China cypress (*Glyptostrobus pensilis*), are found in different layers with various degrees of carbonization. The diameter of their trunks ranges from some 0.3 to 1.5 metres. After an extensive survey which included drilling for samples in over 800 places, scientists from the Guangzhou Geological Research Institute believe that the forests were formed during the periodic changes of climate and the movements of the sea since the late Pleistocene epoch.

In some areas trees are located just 0.5-2 metres underground. Their wood is well preserved though they have been buried for 1,000 to 2,000 years. At the depth of 8-10 metres trees dating back to around 4,000 B.C. were discovered. While the outer layers are often rotten, the core of the trunks are frequently still good and their fibres undecayed. At deeper depths the wood has been carbonized.

Forests 20 metres underground are estimated to be 11,000 years old; 25 metres underground, 24,000 to 37,000 years old.

These underground forests span either dozens or hundreds of *mu* (one *mu* equals one-fifteenth of a hectare) and are a potential source for valuable wood. It is estimated that the average timber output per *mu* will be 20,000 kilogrammes and in some areas could reach 210,000 kilogrammes. Gaoyao County alone could harvest 750 million kilogrammes.

The dean of the California State Polytechnic College has written to the Chinese Academy of Natural Sciences, thinking that the study of these buried forests in China in co-ordination with similar research in North America is of significance to the study of archaeology and climatology.

CULTURAL RELICS

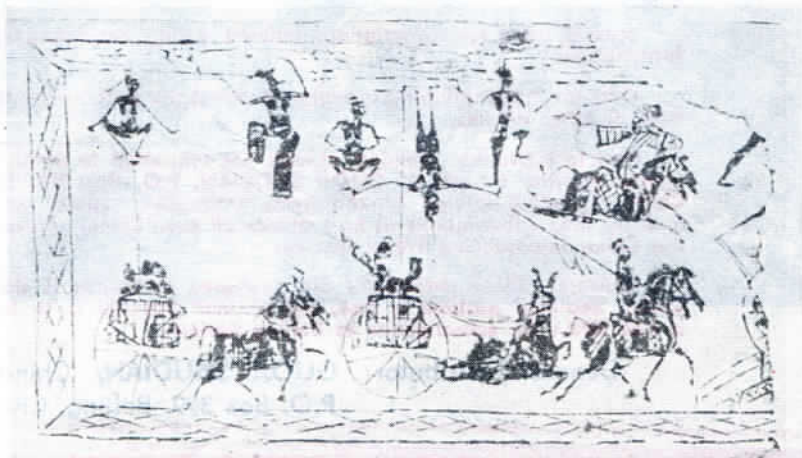
Acrobats in Relief

A brick embossed with acrobats was recently unearthed in Xinye County, Henan Province. Excavated from a tomb of the middle period of the Eastern Han Dynasty (25-220 A.D.), it is unique among sculptures in its theme.

The relief features a man on horseback carrying a staff leading a procession of two chariots laden with acrobats. A man is hanging by his feet from a horizontal bar fixed to the top of a tall pole supported by the first chariot. His arms outstretched, holding a small ball in each hand on which an acrobat is performing — a man squatting on the small ball in his left palm while another standing single-footed on that in his right palm.

A passenger in the first chariot grasps one end of a rope while the other end is held by a performer perched on top of a pole supported by people in the second chariot. The driver of this trailing chariot grips the reins tightly, controlling the speed to keep the slanted rope overhead taut. Balancing gracefully on this rope is a ropewalker.

The skill required to perform on a sloping rope from moving vehicles as opposed to a stationary location is far greater than what is displayed in our times by acrobats walking on slack horizontal ropes. This portrayal of the superb talent of Han acrobats had elicited the admiration of their present-day counterparts and is significant for the study of Han art and acrobatics.



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