

Vol. 26, No. 19

May 9, 1983

# BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF  
NEWS AND VIEWS

- Changing Balance of Power Between US and USSR
- Retirement Life
- 1982 Statistical Communique



## LETTERS

### Hu Na incident and others

It seems that vested interests who are intent on damaging Sino-US relations are behind the so-called Hu Na incident which has regrettably led to a temporary suspension of cultural (especially sporting) exchanges between the two countries. It is also most unfortunate that influential political circles here are also exploiting this for their own ends.

It should be noted that Sino-US relations contribute immensely to world peace.

I have been a reader of your journal for seven years. I have made it a point for *Beijing Review* to follow me wherever I go. I find the articles in your journal most stimulating and challenging. Recently I showed a copy of your journal to one of my professors who will be teaching Far Eastern politics this summer. He was impressed with the quality of information and analysis and commended it to the class for consultation.

Articles on third world countries will be most appreciated. Could you also include more articles on the Far East with emphasis on Korea, Japan, Viet Nam, the Philippines, Thailand, Malaysia, etc.,

as this will assist me invaluablely during the summer session.

**Stephen Isabirye**  
Waco, Texas, USA

### Employment system reform

I would like to comment on the article "Reform of the employment system" in your issue No. 14.

I think the people in China lack initiative in production. This is a concern I developed while observing China. In the past China advocated the slogan "Serve the people" but those who worked hard received the same wages as those who did their jobs poorly. I visited China in 1981 and learnt that employment was almost entirely arranged by the government. Now I'm very glad to read that China has adopted the production responsibility system and the contract employment system. If China persists with those reforms it will advance.

The capitalist countries including Japan use wages like sticks and carrots. This is increasingly serious, especially in Japan. I think this will not happen in China because the main enterprises belong to the state and are managed by the state and the collective. I hope China will adopt measures which are humane and also unleash the initiative of workers.

**Choei Ishikawa**  
Kyoto, Japan

### Discussion between readers

I agree with the suggestion of Mr. Gustavo Mora Calvo in issue

No. 9, 1983 that you shorten the documentary articles in your magazine as they often are very involved and drawn out and can be condensed without losing their obvious relevant points,

I'd like to say a little about your layout and presentation, something you have been criticized for lately. I receive your newspaper all the way from China, with interesting articles on China, something which is not exactly found at the local newspaper shop, and receive it at or within two days of the date of issue. I like it very much. US readers have to remember that it is a newspaper and not a colour magazine designed to attract with nice colour pictures and artistic layouts, the costs alone of such a venture would mean higher costs to readers. *Beijing Review* enables readers around the world to learn and understand the relationship between China and the world, and create greater cultural friendship throughout the peoples of the world, well done!

I must commend you on the enormous amount of news and current affairs that you manage to fit in every week. I particularly enjoy the sections called "Events and Trends" and "International"; your "Notes From the Editors" is also interesting.

**Keiron Carroll**  
Coventry, UK

### Opinions and suggestions

The foreign news articles are relatively unbiased, but the selection of those printed seems to be determined more by China's foreign policy interests than by the events in the outside world. Perhaps more coverage of developments in Western Europe or North America would help.

Your distribution seems to be quite efficient; issues which I read at the University of Minnesota are received about 1-2 weeks after the cover date.

I would be interested in reading more articles published by newspapers in other regions of China, such as Tibet. The form of the magazine seems more than adequate.

**Patrick Lanaghan**  
Minneapolis, Minn., USA

We will publish reports about Gansu, Yunnan and other provinces as well as autonomous regions in the near future. — Ed.

### Exciting new release

## DREAM JOURNEYS TO CHINA

Poems by Stephen S. N. Liu

This astounding collection of 56 poems chronicles a voyage in the mind of a Chinese man living abroad. To the author's lonely and exiled soul, both the memories of the past and the dream-world become soothing mirages in the remote North American deserts.

Written in English, this book is a must for poetry lovers everywhere.

Published by **New World Press**  
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## HIGHLIGHTS OF THE WEEK

### State Statistical Bureau Issues Communique

Official statistics verify China's fulfilment of the 1982 national economic plan. China's total product of society in 1982 was up 9 per cent over that in 1981, its total industrial and agricultural output increase 8.7 per cent over 1981, and the preliminary estimate for national income was up 7.4 per cent from 1981 (p. 6).

### Presidential Visits

Soon after Beijing sent off President France Albert Rene of Seychelles on April 30, it received French President Francois Mitterrand on May 3 (pp. 8 & 4).

### Tax Cuts for Joint Ventures

The Chinese Government has decided to grant tax cuts and other preferential treatment to joint ventures in China that use Chinese and foreign investment (p. 7).

### How They Live After Retirement

In recent years, China has begun to offer retirement benefits. This special feature details the mentality and life of some retired high-ranking government officials and others who have dedicated their working lives to public service (p. 20).

### Changing Balance of Power Between US and USSR

A signed article compares the United States and Soviet Union militarily and economically. The two superpowers will continue their scramble for power in the 1980s, which will remain the principal destabilizing factor in the world situation throughout the decade (p. 14).

### Artistic Flowers Of Various Nationalities

The prestigious Central Nationalities Song and Dance Ensemble celebrated its 30th birthday in Beijing by presenting a diverse programme (p. 25).



Passing on skills to a new generation.

Photo by Xin Hua

## NOTES FROM THE EDITORS

### Mitterrand's China visit

The people of China are looking forward to the official visit of French President Francois Mitterrand, arriving in the balmy late spring when flowers are blooming.

An important event in Sino-French relations, Mitterrand's visit will certainly strengthen the historical bonds between the two peoples and open up new and broader vistas for friendship and co-operation between the two countries.

France was the first West European country to establish full diplomatic relations at the ambassadorial level with the People's Republic of China. Sino-French friendship, nurtured by General Charles De Gaulle, Chairman Mao Zedong and Premier Zhou Enlai, has grown continuously over the past 20 years.

President Mitterrand, the third French President to visit China following Georges Pompidou in 1973 and Valery Giscard-D'estaing in 1980, has visited China twice before. In 1961, then a senator, Mitterrand came as a guest of the Chinese People's Institute of Foreign Affairs. Chairman Mao had an important conversation with him in Hangzhou, in the course of which Mitterrand strongly called for severing France's "diplomatic relations" with Taiwan, recognizing the People's Republic of China and restoring China's legitimate seat in the United Nations.

Twenty years later, in February of 1981, he paid a six-day visit to China as head of a large Socialist Party political delega-

tion. Deng Xiaoping discussed important international and bilateral issues with the French socialists. Mitterrand said then that only by closing ranks and becoming strong could the European countries deal with the challenges from the Soviet Union and build an equal partnership with the United States. During Mitterrand's 1981 stay in China, the French Socialist Party and the Chinese Communist Party decided through consultations to establish official party-to-party relations.

Returning the visits of President Pompidou and Giscard-D'estaing and other French leaders, Deng Xiaoping, Deng Yingchao and other Chinese leaders have gone to France. Premier Zhao Ziyang met with President Mitterrand during the Cancun Summit and exchanged views with him on many issues of common interest.

The two countries now regularly confer on major international issues which have helped to deepen mutual understanding.

They share converging views on many issues. Both governments follow independent foreign policies and oppose big-power hegemonism. They also hold similar views on global negotiations and on improving North-South relations.

China and France have set up a Joint Trade Committee and signed a long-term agreement on the development of economic relations and co-operation. They have also agreed on a total volume of trade of 60 billion francs for the period 1979-85.

Their ever-growing economic co-operation includes the joint exploration of China's offshore oil and other joint ventures. Possibilities also exist in telecommunications, technical transformation of small and medium-sized enterprises in China, and the utilization of nuclear power.

France was the first West European country to sign a governmental agreement on scientific and technical exchanges with China. Chinese and French scientists have completed a joint project for tectonic research in the Himalayas.

China and France have exchanged a great number of art troupes and students in recent years. China will soon start a television course in the French language.

Since coming to power, Mitterrand has stressed time and again that France follows an independent foreign and defence policy. While critical of the evil-doings of the two super-powers as factors behind the turbulence in the world, Mitterrand favours closer relations with the third world. The French Government under his leadership has a high regard for China's key role in international affairs and the strategic balance of forces in the world and especially for its important role in the Asia-Pacific Region. He has personally emphasized the development of friendship and co-operation with China.

We are sure that President Mitterrand's forthcoming visit will further strengthen the friendly ties between our two great peoples and usher in a new stage in Sino-French relations.

— *International Editor*  
Mu Youlin

## May Day celebrations show confidence

The Chinese people celebrated May 1, International Labour Day, in an atmosphere of unity, self-confidence and happiness.

Beijing was permeated in sunshine. Red flags fluttered along Changan Boulevard and a new scene was unveiled in front of Tian An Men Gate. The originally greyish reviewing stand area was covered with lawns, flower beds and manicured trees. Decorated with palace lanterns, the Tian An Men Gate looked magnificent and beautiful.

The populace of the capital was happy and festive. They spent the joyous occasion in parks, theatres and cinemas or watching sports games. Many families prepared sumptuous dishes to accommodate their relatives and friends, and discussed the improvements in

their lives and the country over the last few years.

Prior to May 1, the State Statistical Bureau issued a communique which shows that China's 1982 total agricultural output value grew 11 per cent over the previous year, its total industrial output value 7.7 per cent, both greatly surpassing the planned 4 per cent growth. The average per-capita income for peasants reached 270 yuan, twice the averaged 1978 figure.

On the evening of September 30, more than 20,000 people attended a big get-together in the Great Hall of the People. Among them were representatives taking part in the national conference of model workers and other advanced personages, members of visiting delegations of the minority nationalities, model workers of various fronts in the

capital as well as overseas Chinese, compatriots from Xianggang (Hongkong), Aomen (Macao) and Taiwan.

Present at the gathering were Party and state leaders Li Xian-nian, Deng Yingchao, Wan Li, Bainqen Erdini Qoigyil Gyaincain as well as some foreign guests visiting China.

*Renmin Ribao*, China's leading newspaper, carried an editorial on May 1 calling on every member of the working class, including intellectuals, to acquire a deeper understanding of the country's historical position and the tasks they are shouldering, and to stand in the forefront of the reforms now going on all over the country.

## Fewer Communists in CPPCC

The proportion of the Communist Party members in the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) will drop from 60 per cent in the fifth national committee to 40 per cent.

The change was announced by Yang Jingren, head of the United Front Work Department of the CPC Central Committee, at the 23rd standing committee meeting of the fifth CPPCC national committee opened on April 25. He made the announcement on behalf of the CPC Central Committee.

Yang said the CPC Central Committee has decided that its members, members of the Central Advisory Commission and the Central Commission for Discipline Inspection and CPC members in Party or government leadership positions will



In the Great Hall of the People.

no longer be eligible for election to the CPPCC national committee, with a very few exceptions.

The move is aimed at giving more representatives from democratic parties and more non-Party democratic personages, other non-Communist Party figures from all walks of life a voice in the national committee, Yang said. It will also enable younger people to enter the national committee, particularly the middle-aged intellectuals who have both ability and political integrity, and who have a higher level of scientific and cultural knowledge.

The 23rd standing committee decided that 2,000 committee members representing 31 organizations (including communist and democratic parties, people's organizations and religious bodies) will take part in the sixth national committee. The first session will be held in mid-June.

The CPPCC is a patriotic united front organization led by the Communist Party with participation by the democratic parties, non-Party democratic personages, people's organizations, national minority representatives and patriots of various circles including compatriots from Taiwan, Xianggang (Hongkong) and Aomen (Macao) and overseas Chinese. It is consulted about major policies of the state and major problems relating to people's lives, and it supervises the work of the state by giving suggestions and criticisms.

## Spokesmen appointed

Spokesmen for 12 Chinese government ministries and national people's organizations met on April 25 with more than

80 Chinese and foreign journalists. They discussed issues of interest to the journalists.

This was the first such meeting sponsored by the All-China Journalists Association. This development was noted by a foreign journalist as another sign of China's policy of opening to outside world.

Wang Yi, Standing Vice-Chairman of the association said that the appointment of spokesmen is new in China and will facilitate news reporting. It is aimed at better communication with Beijing-based foreign correspondents and visiting

journalists. The spokesmen will provide information, explain China's positions and policies and answer questions.

The spokesmen were selected from experts or responsible members who have engaged in policy studying or comprehensive planning. They will release news related to their fields of work and hold press conferences regularly or when events demand.

At present, 100 foreign correspondents from 78 news agencies, press offices and broadcasting corporations in 28 countries are in China.

## Economic and social achievements in 1982

China's total product of society in 1982 was 989.4 billion yuan, up 9 per cent over 1981. The total output value of industry and agriculture was 829.1 billion yuan, an increase of 8.7 per cent over that of 1981. The preliminary estimate for national income was 424.7 billion yuan, 7.4 per cent more than in 1981.

These figures were included in the Communiqué on the Fulfilment of China's 1982 Plan for Economic and Social Development released by the State Statistical Bureau on April 29.

The communiqué statistics show that China's agricultural production achieved excellent progress in 1982, with a total output value of 278.5 billion yuan, an 11 per cent increase over 1981.

Forestry increased 8.5 per cent and the output for farm crops, livestock breeding, fishery and sideline occupations all increased more than 10 per cent.

For the first time, total grain output surpassed 350 million

tons, 2.13 million tons more than the 1979 figure which also hit an all-time high.

The communiqué, released with the approval of the State Council, is divided into 10 parts (see "Documents" in this issue for full text).

It indicates that in 1982 China's market was brisk, its prices remained basically stable, its state revenue and expenditure were basically balanced, the living standards of the people continued to improve and new achievements were made in building up spiritual civilization.

The communiqué also points out major problems in developing the national economy: excessive increases in investment in fixed assets; irrational utilization of funds; lack of substantial improvements in many places which were characterized by poor economic results in production, construction and circulation; insufficient energy supplies and shortage of transport facilities.

Xu Gang, Deputy Director and spokesman for the State Statistical Bureau told Chinese and foreign correspondents at a reception on April 29 that China's economy had four characteristics in 1982:

(1) Overall increases in the national economy. Agriculture experienced a bumper harvest and some previously poor counties have undergone great changes. The total industrial output value increased 7.7 per cent and the output of most industrial products overfulfilled the state plan. Fairly large in-

creases were achieved over 1981.

(2) Better proportionate relationships between the major branches of the national economy: Agriculture accounted for 33.6 per cent; light industry, 33.4 per cent; and heavy industry, 33 per cent.

(3) Foreign trade continued to develop. Last year, China's total value of imports and exports was 77.2 billion yuan, a 5 per cent increase over 1981, or a 3.4 per cent increase, excluding price and foreign exchange rate fluctuations.

(4) The living standards of urban and rural people continued to be improved. In 1982, 6.65 million people were added to the employment rolls and the total wage bill for workers and staff members rose by 7.6 per cent over the previous year. Collectively owned units and those owned by the whole people in cities and towns completed housing projects with a total of 117.9 million square metres in floor space, 20.21 million square metres more than in the previous year. The peasants built about 600 million square metres in housing.

## China grants tax cuts for joint ventures

The Chinese Government has decided to grant tax cuts and other preferential treatment to joint ventures now operating in China.

Import duties and commercial and industrial tax will be exempted for the following items: machinery, equipment and other materials imported by foreign investors as part of their share of capital; machinery and equipment and other materials imported by joint ventures with registered capital; and equipment and supplies which are not available in China and are imported as additional capital as covered by contracts.

Import duties and industrial and commercial taxes will also be exempted on raw materials, auxiliary materials, parts and components and packaging materials imported for manufacturing export products.

The current industrial and commercial tax will be exempted or reduced for joint ventures that suffer a loss from manufacturing export products under normal operations.

The decision also provides that income tax will be exempted for joint ventures in the first two profit-making years, and a 50 per cent reduction will be allowed in the third year. The original joint venture income tax law provided for income tax exemption for such enterprises in the first profit-making year and an allowance of a 50 per cent reduction in the second and third year.

The government has also decided to allow increases in the proportion for domestic sale of products urgently needed by the country and products that China has to import.

Raw and other materials for production, stationery and daily

necessities used by joint ventures in China will be purchased at the same price as for domestic manufacturers and will be paid for in Renminbi.

But, for precious metals used in manufacturing export products and petroleum, coal, timber and other materials which are sold at much lower price on the domestic than the international markets, the domestic prices will apply only to the portion that is used to produce products to be sold in China.

By the end of 1982, more than three years after the enactment of the 1979 "Law on Joint Ventures Using Chinese and Foreign Investment of the People's Republic of China," 48 joint ventures were operating in China, involving a total investment of US\$222.98 million including US\$102.54 million in foreign investment (excluding ventures in the four special economic zones). Today, 425 joint ventures or items are registered in China with a total investment of US\$1,800 million.

## Seychelles President pays visit to China

France Albert Rene, President of the Republic of Seychelles and President of the Seychelles People's Progressive Front, paid an official friendship visit (April 27 to 30) to China at the invitation of the Chinese Government.

At the banquet in honour of President Rene, Premier Zhao Ziyang said: "The peace-loving countries and peoples in the Indian Ocean region all desire to have a peaceful and secure international environment in which to build up their respective countries. But the rivalry between the super-powers and their expansion have rendered the region in-tranquil, directly threatening the independence, sovereignty and security of the countries in the region."

Premier Zhao expressed firm support for the Republic of Seychelles and other countries in the region who actively advocate the establishment of a zone of peace in the Indian Ocean and for their unremitting efforts towards this end.

President Rene said at the banquet: "We in Seychelles are preoccupied with the continued

military rivalry in the Indian Ocean by the world's great powers and its consequent effect upon stability in our region."

"I would like today to reiterate my plea that the Indian Ocean be turned into a zone of peace without further delay," he said.

During talks between Premier Zhao and President Rene, Premier Zhao said that China was satisfied with the development of bilateral relations between China and Seychelles.

He said: "Our two countries hold identical or similar views on many important current international issues. China appreciates Seychelles' non-aligned policy and its policy against imperialism, colonialism and racism." Zhao added that China pursues a foreign policy committed to independence and self-reliance, and firm opposition to hegemonism, to the preservation of world peace and strengthened unity with the other third world countries.

President Rene said: "China is a big and populous country and ours is a small country. In today's world where the super-

powers are contending for domination, our two countries are confronted with many common questions."

"Seychelles sticks to the non-aligned foreign policy and has been successful in withstanding the pressure from outside with determination and courage," he said. He pointed out that the friendly relations between Seychelles and China have grown rapidly in recent years.

On behalf of the two governments, Premier Zhao and President Rene signed in Beijing on April 29 an agreement on economic and technical co-operation and a protocol on cultural exchanges.

## Deng on the world communist movement

The revolution in a country calls for efforts of the Communists there to explore ways and resolve problems and outsiders will surely commit mistakes if they try to intervene and issue orders, said Deng Xiaoping on April 29.

Deng, Member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and Chairman of the Central Advisory Commission of CPC, said this during his meeting with a delegation from the Communist Party of India (Marxist) led by its General Secretary E.M.S. Namboodiripad.

"The victory of the Chinese revolution," Deng said, "was won because the Chinese Communists headed by Comrade Mao Zedong found the form, road and method for the Chinese revolution through thinking independently and integrating Marxism-Leninism with the

Premier Zhao welcomes President Rene.





practice of the Chinese revolution."

He said the path for the revolution in other countries should be chosen by the Communist Parties there in light of their own revolutionary practice.

"No party, no matter how big and old it is, can claim to be the supreme spokesman," he stressed.

Deng told Namboodiripad that the two Parties had good rela-

tions originally and they understood each other fairly well. The severance of Party relations in 1967 was the making of the gang of four and Kang Sheng.

"That was in the heyday of the 'cultural revolution,'" he said. "Our views on many things in the world were in a muddle, let alone relations between the two Parties. Now we have summed up our experience during that period."

Namboodiripad said that the struggle waged by his Party has enabled them to see that the revolution of a given country must follow a path in line with its specific conditions. "We have been inspired by the experience and achievements of our Chinese comrades and have watched closely what the Chinese Communist Party has been doing including what they have done to correct the errors of the 'cultural revolution,'" he said.

## Chinese leaders on Sino-Japanese relations

Deng Xiaoping, Chairman of the CPC Central Advisory Commission, and Zhao Ziyang, Premier of the State Council, separately met with Yoshio Sakurauchi, former Japanese Foreign Minister, and his party on April 28.

Deng Xiaoping said that he was satisfied with the healthy development of Sino-Japanese friendly relations and hoped the relations would continue to grow on a long and stable basis.

Zhao Ziyang said: "It is China's long-term national policy to develop Sino-Japanese friendly relations and ensure that the two peoples live in friendship from generation to generation."

He said he highly appreciated Japanese Prime Minister Yasuhiro Nakasone's remarks about further establishing an unshakable relationship of mutual trust between Japan and China. The Chinese Government, he said, sets high value on the Japanese Government's stand for developing Sino-Japanese friendly relations.

"China's economic relations with foreign countries will grow considerably. Great potential remains to be tapped in expanding Sino-Japanese economic and technological co-operation both in scale and in depth," Zhao added.

Sakurauchi and his party arrived in China on April 23.

## China has applied to join Asian Bank

The Chinese Government has officially applied for membership in the Asian Development Bank (ADB) and now awaits the ADB's response as to when initial negotiations on China's admission can be started. Qi Huaiyuan, Director of the Information Department of the Foreign Ministry, announced this at a press briefing on April 26.

He said that as some people abroad have recently expressed concern as to whether or not China has officially applied for admission into the ADB, he has

been instructed to announce that on February 10 Foreign Minister Wu Xueqian sent a telegram to Masao Fujioka, President of the ADB, informing him of China's decision to apply for membership and expressing the Chinese Government's readiness to discuss with the bank through appropriate channels the concrete steps for China's admission and other related matters.

"We are expecting a formal reply from the ADB to the Chinese Government's notification of its decision to apply for membership," Qi said.

It is necessary to point out, Qi said, that the concrete steps and related matters include as a matter of course the amount of China's subscription and mode of payment. The Chinese Government departments concerned are ready to start initial negotiations with the ADB management on these matters, he said.

"We have also made it clear to the ADB management that once China's lawful representation in the ADB is confirmed, it will not be difficult to find an appropriate solution to all the problems," Qi said.

*Latin America***Nine foreign ministers hold talks**

**T**HE foreign ministers of the Contadora Group of Colombia, Mexico, Panama and Venezuela held separate talks with each foreign minister of five Central American nations on April 20 and 21, in a bid to help the latter achieve an understanding among themselves and promote a constructive and effective dialogue for the settlement of Central American conflicts. This was an event of major importance in the continent's diplomatic history. The consultations of the nine foreign ministers have shown their determination to solve their own problems without foreign interference and have had a positive influence on reducing tensions in Central America.

**Seeking a Peaceful Solution**

In El Salvador, guerrillas have won the upper hand in fighting against the government troops since the beginning of this year. The Reagan administration has tried to support the Salvadoran government with increased military aid, while on the other hand, Washington has backed the infiltration of anti-government forces into Nicaragua. Military confrontations have taken place time and again between Nicaragua and Honduras. The situation in Central America has deteriorated further, and there is the danger of a regional war.

In view of the turbulent situation in Central America, the President of Colombia visited Venezuela, Mexico and Panama for urgent consultations with

the presidents of these countries as well as with the President of Costa Rica, who made a special trip to Panama. Following this, the four foreign ministers of the Contadora Group made two-day trips separately to five Central American nations. And finally, the Contadora Group foreign ministers' separate talks with each foreign minister of five Central American nations took place in Panama City on April 20 and 21.

A press communique issued by the four foreign ministers of the Contadora Group said that the major achievement of the consultations was the institution of direct dialogue among the Central American nations. It said that the meetings had enabled them to acquire a "more precise and deeper understanding of the points of view of each of the Central American countries, define the main aspects of the controversy, and work out the preliminary diagnosis of the nature of the issue."

**Dialogue Is the Best Way**

Because of their divergent and often conflicting views through the years, the parties to the conflict in Central America were unable to settle their differences. The consultations among the nine foreign ministers were a significant step which shows that the Central American nations wish to resolve their conflicts peacefully.

Though a concrete programme to solve their problems has not been worked out yet, the

foreign ministers agreed to hold talks again in Panama in May, and they will hold multilateral meetings to seek a settlement of the conflict between Nicaragua and Honduras.

A press communique issued by the foreign ministers of the five Central American nations also pointed out that dialogue is the best way to solve Central American problems.

The consultations among the nine foreign ministers took account of each nation's history and current realities and thus could promote mutual understanding among these countries. Although the foreign ministers of these five Central American nations did not meet directly, these talks have initiated a mechanism whereby the conflicts and problems existing in Central America can be settled through constructive dialogue and consultations.

But the foreign ministers of Costa Rica, Guatemala, El Salvador and Honduras felt that the recent consultations did not make much progress because the Nicaraguan foreign minister, while accepting bilateral meetings, rejected the possibility of holding multilateral meetings.

Observers pointed out that the meetings of the nine Latin American nations had made a good beginning. But as the causes of the Central American crisis are very complicated, the conflicts and problems can only be really settled through continuous consultations and unremitting efforts by the nine foreign ministers.

— Zheng Dingfeng, Cheng Zhiping

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## Iran-Iraq

# International efforts to end the war

**T**HE Iran-Iraq war, now in its 31st month, is not only causing the belligerent parties increasing difficulties, but also is endangering the livelihood of the peoples of the Gulf countries, as well as the stability of the Middle East.

It is reported that 10,000 barrels of crude oil from damaged oil wells are pouring into the Gulf daily. This has formed a huge oil slick that is a grave menace to the Gulf countries and to international navigation.

Several international organizations and countries have joined numerous efforts to mediate between the two countries. The Islamic Popular Conference recently established a mediation commission that called for an immediate ceasefire and for peaceful negotiations.

The Gulf Co-operation Council also decided to send an international delegation to Baghdad

and Teheran, seeking a solution to the increasingly serious problem of oil pollution.

The Kuwaiti Government sent a special envoy to the permanent members of the UN Security Council, urging the United Nations to adopt effective measures to stop the war.

Both Iran and Iraq belong to the third world and are Islamic countries that share more common interests than differences. It is unnecessary for them to vie with each other. Joining the world community's appeal for an end to the Iran-Iraq war, the Chinese people hope that both countries will take all interests into account, relinquish all previous suspicions and end the conflicts as quickly as possible to contribute towards peace in the Middle East and the world.

— Ren Yan

the largest party in Portugal, strengthening socialist influence in yet another southern European country.

## Iceland's Predicament

The main issue which brought down Iceland's Leftist coalition was its ineptitude in dealing with the economic crisis. Iceland's economy is heavily dependent on the fishery industry which registered a momentous drop in its catch last year with a total output value only about half that of 1981. This had negative effects on the whole economy and inflation skyrocketed to an annual rate of 80-100 per cent. The economic difficulties accentuated the contradictions among the parties and the government headed by Prime Minister Gunnar Thoroddsen lost support from a majority in parliament as of last autumn.

Thoroddsen had to dissolve the parliament on March 14 and advance the date of the elections. The voter turnout, partly hampered by snowstorms in some villages, was the lowest since 1949, a clear sign of despair among the populace.

## Change in Austria

The end of the Kreisky era marks the beginning of an uncertain period in Austrian politics. The voters' desire for change in this election is part of a current sweeping Western Europe. Austria has been noted for its unusually prosperous economy and stable government. The policies pursued by the Socialist Party have been referred to as the exemplary "Austrian road."

However, Austria has not escaped the economic crisis engulfing the West since 1980, and the governmental debt increased sharply, reaching about a quar-

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## Europe

# Three countries hold their elections

**A**PRIL witnessed clamorous election campaigns in Iceland, Austria and Portugal.

In Iceland's parliamentary election on April 23, the ruling coalition of the Independence Party minority, the Progress Party and the People's Alliance failed to get a majority in parliament and therefore resigned.

The one party rule in Austria by the Socialist Party for 13 years also was broken as it failed

to obtain an absolute majority in the April 24 general election for the country's 12th postwar national council. Austrian Chancellor Bruno Kreisky, who has served four consecutive terms since 1970, called the results "a clear, unambiguous defeat" and announced his resignation.

The Portuguese parliamentary general election, held on April 25, resulted in another victory for the Socialist Party,

ter of the country's gross national product. Numerous enterprises have closed down and the rate of unemployment is expected to reach 4.6 to 4.8 per cent this year. As signs of unrest developed, the Socialist Party leaders pledged repeatedly to promote employment at all cost. Kreisky said, "Better in debt than out of work." However, he still failed to extricate the country from its difficulties.

The reality in Western Europe is that neither the "Austrian road" nor retrenchment nor government spending can cure the chronic capitalist malady.

### Portuguese Crisis

Following the resignation of Prime Minister Francisco Pinto Balsemao last December 20, the Portuguese Government of the Democratic Alliance formed in 1980 principally by the Social Democrats and Centre Democrats collapsed. This was precipitated by the ailing economy and the failure of the ruling alliance in its three years in power to fulfil its promise to improve the economy. Their public rating has dropped. In the national local election last December, the Alliance suffered a setback which brought about splits in the coalition. The main issue in the first and second parliamentary election focused on politics, but this time the economic issue was most prominent. Thus Portugal, like other Western European countries, has turned its attention to the economic crisis.

Although the election resolved the four-month-long government crisis, the Socialist Party fell short of the overall parliamentary majority it needed to rule alone and again must form a coalition government. However, coalition governments, due to the tensions of inter-party politics, are usually fragile.

Therefore, the internal contradictions in the coalition will require careful handling.

The elections in these three countries show that the stubborn economic crisis of the West

has taken its toll and that although the economies in some Western countries are improving, recovery will not be quick or easy.

— Ren Wenhui

## Soviet Union

### Andropov's first 5 months in office

SINCE becoming General Secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU) last November, Yuri Andropov has reiterated the "continuity" of Soviet internal and external policies. The world press does not expect any major changes in Soviet policy in the immediate future. However, this does not rule out the possibility of gradual readjustments in certain areas.

Domestically, Andropov has stressed the necessity to reorganize personnel, strengthen discipline and agricultural production.

#### Personnel Reorganization

Since Andropov came to power, more than a dozen important personnel changes occurred. At the Plenary Session of the CPSU Central Committee in November 1982, 62-year-old Geidar Alijev, First Secretary of the Party Central Committee of the Azerbaijan Soviet Socialist Republic and KGB official for 28 years in Azerbaijan, was named a First Vice-Chairman of the Council of Ministers and promoted from alternate member to member of the Political Bureau of the CPSU Central Committee. Fedorchuk, Chairman of the Soviet State Security Committee, was transferred to be Minister of the Interior. At the same time, it was reported that Yuri, Brezh-

nev's eldest son, was relieved of his post as First Vice-Minister of Foreign Trade, and Churbanov, Brezhnev's son-in-law and Vice-Minister of the Interior, resigned. Falin, First Vice-Minister of the International Propaganda Department of the CPSU Central Committee, was removed from his post. It also was reported that Valentin Makeyev was also relieved of his position as Vice-Chairman of the Council of Ministers recently.

Andropov's personnel adjustments have brought in younger cadres. The 53-year-old Ryzhikov, First Vice-Chairman of the State Planning Committee, was elected Secretary of the CPSU Central Committee. The First Secretary of the Central Committee of the Leninist Young Communist League was replaced by Mishin, 39 years of age. The Chairman of the State Committee for Publishing, Printing and Bookselling was succeeded by 49-year-old Boris Pastukhov, former First Secretary of the Young Communist League. Danilenko, 46, succeeded Khitrov, 72, as Minister of Agricultural Construction. In addition, Kapitsa, Director of the First Far East Department, and Komplektov, Director of the US Department, of the Foreign Ministry were promoted to Vice-Foreign Ministers.

At last November's Plenary Session of the CPSU Central

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## Paris Conference

### Support Namibian Independence

**T**HE International Conference in Support of the Independence Struggle of the Namibian People held April 25-29 in Paris adopted a Paris Declaration on Namibia and a Programme of Action.

The declaration says: "The Namibian people in the exercise of their inherent right of self-defence are entitled to take all means at their disposal including armed struggle to repel South Africa's aggression and to achieve self-determination, freedom and national independence in a united Namibia."

The declaration condemns South Africa's attempt to strengthen its occupation of Namibia. It also censures "certain Western countries and Israel" for their military assistance as well as help in the nuclear field to South Africa.

The declaration calls for the full implementation of the UN plan in support of Namibia's independence as approved in the 1978 UN Security Council Resolution 435. It also "categorically rejects" the attempts of the United States and the South African regime to link Namibia's independence to the withdrawal of Cuban troops from Angola.

On the opening day of the conference, Chinese Premier Zhao Ziyang and Chinese National People's Congress Standing Committee Vice-Chairman Deng Yingchao respectively sent congratulatory messages. In his speech at the conference Wang Bingnan, President of the Chinese Association for Friendship With Foreign Countries, reaffirmed China's support for the determined struggle of the Namibian people for independence.

in lax discipline, and formulated and implemented concrete measures for strengthening discipline.

### Stress on Agriculture

The problems of agriculture have not been addressed properly for many years. Since 1979, the Soviet Union has experienced crop failures for four years running. Food is in particularly short supply; as a result of several years of bad harvests the Soviet Union has had to import more than 100 million tons of grain from 1979 to 1981, and more than 40 million tons in 1982.

After taking up his post, Andropov decided to implement the "Food Outline" which stresses the problems of agriculture.

"Food Outline," an extensive 10-year development food plan, was formulated and adopted last May in accordance with Brezhnev's proposal. Its aim is to tackle the food supply in the shortest possible time through the establishment of a comprehensive agricultural and industrial system which includes agriculture, industrial departments providing means of production for farming, as well as departments of farm product processing, transport and storage. Andropov repeatedly emphasized that implementation of the "Food Outline" must not be delayed.

According to the Soviet press, the implementation of "Food Outline" has not been managed well. Therefore, Andropov stressed again at the meeting in celebration of the 60th anniversary of the founding of the Soviet Union that implementation of the "Food Outline" is a most important and pressing task.

— Ji Wei

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Committee, Andropov said that any violations of party discipline, national law or labour discipline must be firmly opposed.

According to the Soviet press, corruption, theft and other unlawful practices have caused great losses to the state. Incidences of absenteeism, idling away time at work, coming late and leaving early are rather common. Bureaucratic waste and poor management are widespread. Some even falsify production reports.

### Strengthening Discipline

Upon assuming office, Andropov sternly criticized the communication and transportation enterprises, saying that the Political Bureau was worried about the present state of transportation, and that railway figures were getting worse year by year. He also criticized the increasing problems in the ferrous metal industry, problems in capital construction and so on.

Ivan Pavlovsky, Minister of Communications, was the first minister dismissed by Andropov. Early this year, the problem of large-scale wool and yarn waste in the Textile Industry Ministry of the Russian Soviet Federative Republic (RSFSR) required drastic measures. Vice-Minister of the All-Union Light Industry Ministry, Minister of Textile Industry Ministry of the RSFSR and the vice-ministers and directors concerned were discharged or punished.

In January this year, a meeting of the responsible members of various departments of the party and government, trade unions, Young Communist League and the People's Supervision Committee was called by the CPSU Central Committee to discuss questions of strengthening discipline in labour and production. The meeting urged the concerned departments to adopt measures for removing objective factors which resulted

# Changing Balance of Soviet-US Power

by Xing Shugang, Li Yunhua and Liu Yingna

- In the last 20 years or so, the Soviet Union has developed its economy and military at a faster pace than the United States. This has narrowed the disparity between Soviet economic strength and that of the United States. The Soviet and US military forces each have their strengths and are roughly equal.
- In the 1980s, the USSR and the USA will try still harder to change the balance of power. Their relations will remain strained.
- The two superpowers' economic difficulties will reduce their positions of strength and influence. The trend of the third world countries' desire to independently determine their own destiny will develop.

THE emergence of the two superpowers, the United States and the Soviet Union, and their fierce global struggle are a new historical phenomenon in world politics. Banking on the fact that they are stronger than other countries, the Soviet Union and the United States commit aggression and intervene in other countries while they themselves are locked in a wild scramble for power. The impact of these actions on the international situation is the main cause of world instability today. How will the balance of forces between them develop in the 1980s? What impact will this have on the international situation? These are major questions of common concern to the people of all countries.

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## Changes in Relative Strength

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Generally speaking, the change in the balance of power between the Soviet Union and the United States over the 30-plus years since World War II has been a process in which the United States' position of overwhelming superiority has steadily eroded while the Soviet Union, once in an absolutely inferior position, has been rising steadily, approaching, overtak-

ing and surpassing the United States in many fields, a process in which domination of the world by one overlord has given way to contention between the two hegemonists.

The United States was the only big power left undamaged by World War II. Moreover, taking advantage of its favourable position during the war, it made enormous profits from the war and not only became the leader of the capitalist world economically, but gained a dominant position militarily, thus making it the undisputed overlord of the capitalist world.

Although the Soviet Union was also one of the victors of World War II, it suffered serious war damage that greatly undermined its strength. Nevertheless, it remained a world power in strength and influence second only to the United States. Because of their different social systems and conflicting interests, the two countries became rivals shortly after the war. However, for many years Soviet strength remained far inferior to that of the United States. According to official Soviet statistics, in 1950 the Soviet Union's industrial output value and national income were only equivalent to 30 and 31 per cent respectively of those of the United

States. Soviet military strength was also clearly inferior to that of the United States. Its standing armed forces were roughly equal in number to those of the United States, but its weaponry and equipment were far inferior and its naval and air forces lagged behind the United States both quantitatively and qualitatively. Soviet strategic nuclear forces were no match for those of the United States.

Nevertheless, throughout the postwar period, the Soviet Union's economic growth outpaced that of the United States. In the 1951-79 period, the growth rates of major Soviet economic indices were twice as high as those of the United States. In the same period, while the Soviet Union's average annual growth rate of national income was 7.6 per cent, of industrial output value 8.9 per cent, of capital construction investment 8.4 per cent, of labour productivity 6.5 per cent, the United States' growth rates were 3.5 per cent, 4.3 per cent, 2.7 per cent and 3.1 per cent respectively. Thus, the economic gap between the two countries progressively narrowed.

The Soviet Union is quickly catching up with the United States in military strength. It first surpassed the United States in conventional military forces and early in the 1970s it overtook and then outstripped the United States in the number of strategic nuclear weapons. Then, it began to compete with the United States in raising targeting accuracy, in mobility and primarily in improving the quality of multiple independently targeted re-entry vehicles (MIRVs), and has made great progress in these areas.

Today the general view on the balance of power between the Soviet Union and the United States is: Soviet economic strength has made considerable progress since the war, greatly diminishing its gap with the United States, but Soviet economic strength as a whole is still clearly inferior to that of the United States. This conclusion is based mainly on a comparative analysis of the following major economic indicators.

•According to statistics provided by Moscow, the national income of the Soviet Union today is 67 per cent of that of the United States and industrial output value is equivalent to 80 per cent of that of the United States. According to Western estimates, however, the gross national product (GNP) of the Soviet Union is less than half that of the United States. It should be pointed out here that in calculating economic strength, the Soviet Union usually exaggerates

its strength while most Westerners, including Americans, tend to play down Soviet strength.

•Although the output of some major industrial products of the Soviet Union has surpassed that of the United States, the production of many other important products such as electricity, motor vehicles and natural gas has lagged far behind that of the United States.

•Backward agricultural production, the low level of intensive farming, vulnerability to natural disasters and unstable output have become seriously weak links in the Soviet economy.

•The Soviet Union lags far behind the United States in technical and managerial skills. General Western estimates are that Soviet science and technology are at least five years behind the United States. According to one Soviet statement, its industrial labour productivity is only 55 per cent that of the United States and its agricultural labour productivity, 20 per cent that of the United States.

However, the Soviet Union has some advantages the United States cannot match. It can provide itself with almost all strategic resources, has a strong ability to meet economic emergencies and can concentrate the utilization of financial, material and human resources.

As to the present balance of military forces between the Soviet Union and the United States, different views exist because the situation is rather complicated. Both the Soviet Union and the United States try hard to exaggerate the strength of the other side and understate their own strength.

Using materials collected from various sources, a comparison can be made between Soviet and US military forces in various areas as follows.

Moscow has gained numerical superiority in most types of conventional forces such as tanks, armoured cars, artillery, naval vessels and fighter planes while the United States has the upper hand in anti-tank weapons. In the quality of conventional weapons, both sides have strengths and weaknesses. Washington has the advantage in aircraft performance and large surface warships.

In strategic nuclear strength, Moscow has a greater number of missiles and strategic weapons than Washington. On the other hand, US warheads, MIRVs and long-range bombers outnumber those of the Soviet Union. In the qual-

ity of weapons, on the whole, the United States excels. The Soviet Union has larger warheads than the United States, but lags behind in targeting accuracy, in independently targeted technology and in bomber performance. In short, the Soviet Union holds a considerable numerical superiority whereas the United States has a definite qualitative superiority. The two sides are evenly matched and roughly balanced.

In theatre nuclear strength, the Soviet Union gained a considerable quantitative and qualitative superiority with its SS-20 missiles capable of carrying three warheads and the "Backfire" bomber deployed in the mid-1970s. The United States argues that it will be able to redress this imbalance only after the deployment of Pershing II and cruise missiles in Europe, to begin in 1983, is completed.

The United States outstrips the Soviet Union in long-distance air and sea transport ability. It has a bigger worldwide network of naval and air forces than the Soviet Union. The United States, however, has over-extended battle lines and is far removed from the centres of contention, presenting many logistic and supply problems. The Soviet Union has the advantage that its centres of contention with the United States lie mostly in its vicinity. This makes up for the Soviet Union's weaker strategic transport ability.

To sum up, the Soviet and US military forces each have their strengths and are roughly equal. These are the basic posture and characteristics of the military balance between the Soviet Union and the United States today.

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### **Future Balance of Forces**

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In the last 20 years or so, the Soviet Union has developed its economy and military at a faster pace than the United States. This has greatly narrowed the disparity between Soviet economic strength and that of the United States and has brought about a balance of military forces between the two. Will the Soviet Union continue in the 1980s to catch up with and surpass the United States, and thus outstrip the US in all spheres in the foreseeable future? Such a possibility does not seem very likely.

First, the Soviet Union's economic growth rate is still declining and it is losing its superiority of rapid development. The annual growth rate of Soviet national income averaged 10.3 per cent in the 1950s; 6.85 per cent in the 60s; 4.9 per cent in the 70s; 3.2 per cent in 1981 and

2.6 per cent in 1982. Since the mid-1970s, no further progress has been made in narrowing the economic disparity between the Soviet Union and the United States.

Since the beginning of the 1970s, the growth rate of Soviet investment in capital construction has visibly slowed. The 10th Five-Year Plan period witnessed a noticeable decline not only in the growth rate of investment but also in the absolute growth value of investment. During the 11th Five-Year Plan period (1981-85), the absolute growth value of investment was only 76,000-96,000 million rubles, plummeting by 25 to 40.6 per cent compared with the 128,000 million rubles for the 10th Five-Year Plan period. The Soviet Union had placed its hopes for maintaining its economic growth rate in the 80s on raising economic efficiency, that is, on raising labour productivity by relying on scientific progress and improving its economic administration and management. However, Moscow's annual average growth rate of labour productivity was only 6.8 per cent during the Eighth Five-Year Plan period and 3.2 per cent during the 10th.

The Soviet Union's foreign income and payments balance sheet does not look promising for the 1980s. During the worldwide oil price hikes which began in 1974, the Soviet Union raked in large sums of hard currency income and then reaped huge profits by selling gold. During this period, Western countries competed with one another to offer loans to the Soviet Union, thus greatly developing the Soviet Union's economic relations and trade with the West. In the 1980s, the fall of oil and gold prices on the world market has caused a sharp reduction in Soviet hard currency income. This, plus successive crop failures, has compelled the Soviet Union to spend around US\$7,000-8,000 million annually on purchasing grain and thus consumed much of its dwindling hard currency reserves. The United States is pressuring other Western countries to decrease their loans to the Soviet Union. Furthermore, the Soviet Union's "foreign aid" burden resulting from its overseas expansion is getting increasingly heavy and there is no evidence this burden will lessen. Of course, beginning in the mid-1980s, the Soviet Union will rake in additional sums of hard currency income to the value of thousands of millions of dollars annually from its natural gas sales to West European countries. But it is still hard to say whether or not this will reverse the deteriorating balance between foreign payments and income.



In the past, the Soviet Union maintained a high economic growth rate by greatly increasing its labour force and investments, but further increases are already becoming difficult.

It is estimated that during the 1980s the Soviet economic growth rate will probably continue to drop to about 2 to 3 per cent. The US economy, on the other hand, has long been mired in "stagflation." The United States entered its eighth postwar economic recession in August 1981. The US Congress' adoption of Reagan's bill for tax increases demonstrates the failure of the supply-side theory which has formed the basis of the Reagan administration's economic policy. During the 1980s the US economic growth rate may be as low as 2.5 per cent, approximately the same as that of the Soviet Union. Therefore, the United States cannot expect a dramatic change in its economy. It would be unrealistic for the Soviet Union to count on any further significant reduction in the disparity between its economic strength and that of the United States during the 1980s.

In military strength, it will also be hard for the Soviet Union to gain an overall superiority over the United States during the 1980s. True, to this date, the Soviet Union is basically maintaining its advantage over the United States in military development. But the question of military superiority between the two superpowers is no longer one of quantity. For many years, leaders of both superpowers have repeatedly proclaimed that their nuclear forces could not only annihilate the other side many times over but could destroy the world as a whole. When their nuclear arsenals contain such a huge lethal and destructive capacity, the question of who possesses a few more pieces of hardware will no longer affect their practical relative strengths. To gain military superiority, one side would have to develop multiple systems of offensive and defensive weapons which are much more sophisticated than those of the other side and maintain its lead in both quantity and quality. This would require a much greater expenditure of material and financial resources than those committed so far. This would be hard for the Soviet Union to do, given its present economic and technical capabilities.

The declining growth rate of the Soviet economy limits Moscow's ability to freely engage in arms expansion. Since the beginning of the 1970s, Soviet military spending has been increasing at an annual rate of 4-5 per cent, approximately the same rate as its economic expansion in the same period. Soviet military

spending is now 12-14 per cent of its GNP. If Soviet military spending continues to expand at an annual rate of 4-5 per cent for very long, it will inevitably further curtail consumption and reduce capital accumulation. In a continued arms race with the United States, an opponent much stronger than itself, the Soviet Union would soon exhaust itself financially. Facing economic depression and growing complaints among the Soviet people about the shortage of consumer goods, the Soviet Union will find it increasingly difficult to maintain its rapid arms expansion at the expense of the civilian economy.

On the other hand, the conservative forces in the US have persistently tried to restore their past superiority as No. 1 overlord in the world. This conservative goal has been manifested in Reagan's domestic and foreign policies ever since he came to power. But the US economic improvement anticipated by the Reagan administration has failed to materialize. On the contrary, the US national debt has climbed to US\$ 1,000,000 million, the annual budget deficit now exceeds US\$100,000 million and the number of jobless has topped 10 million. Plagued by economic difficulties, the Reagan administration has had to repeatedly revise its arms expansion plan. Recently, Reagan renounced his proclaimed policy of first immensely building up US military muscle and then conducting disarmament talks with the Soviet Union, and began multi-channel disarmament talks between the United States and the Soviet Union. Clearly, like his predecessors, Reagan was restrained by declining US economic and military strength and forced to seek certain compromises with the Soviet Union to work out new "regulations" regarding the arms race between the two superpowers.

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### **Impact on the International Situation In the 1980s**

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The change in the postwar balance of Soviet and US forces has exerted a tremendous influence on the 30-odd years of Soviet-US relations, on East-West relations and on developments in the international situation. Shortly after World War II, the United States, banking on its superior forces, pursued a policy of containing and pushing back the Soviet Union, with the result that Soviet-US relations and East-West relations long remained in a state of "cold war." With the change in the balance of strength between the two countries, the United States was compelled to change its tactics to-

wards the Soviet Union. Between the late 1960s and early 1970s, while the US position of strength declined, the Soviet military forces grew and these constituted the major factors leading to the "detente" between the Soviet Union and the United States and between East and West. In the latter half of the 1970s, the Soviet Union, relying on its swelling military strength, stepped up its overseas expansion. The United States, keenly aware that the Soviet invasion of Afghanistan was a "grave challenge," began to extricate itself from the aftereffects of the Viet Nam war and declared that it would build up its strength to counter the Soviet Union, thus ushering in a new period of tension in the relations between the Soviet Union and the United States.

What major influence will the balance of power between the Soviet Union and the United States in the 1980s exert on their relations and on the international situation?

First, in the 1980s both the Soviet Union and United States will try hard to change the balance of power; their scramble for military superiority and for larger spheres of influence will intensify and their relations will continue to be strained in this period.

Throughout the 1970s, the Soviet Union aggressively pursued its global expansionist strategy. Since the beginning of the 1980s, the Soviet Union has encountered a series of difficulties at home and abroad and has been compelled to slow down the pace of expansion temporarily, but it has not slackened its efforts to contend for superiority and spheres of influence. To redress the unfavourable balance of military power, the United States is determined to refurbish its armaments. The proclamation of the "Carter doctrine" early in 1980 and then Reagan's election as president indicated that US conservative forces insisting on a hard line towards the Soviet Union had the upper hand. This inevitably led to strained relations between the Soviet Union and the United States for a long time to come.

After Reagan assumed office, the United States adopted a policy of rapidly expanding its military forces through a 7 per cent annual increase in military spending. In 1982, its military expenditures shot up to \$186,900 million and were estimated at 213,900 million in 1983. It planned to boost its total military spending to \$1,500,000 million and add 250,000 men to its total armed forces and 800 warships to its naval force in five years. The Soviet Union has re-

peatedly proclaimed that it would take measures to prevent the United States from achieving military superiority. It was reported that Soviet military spending reached \$175,000 million in 1980. Westerners estimated that Soviet military spending in 1985 would rise to 15 per cent of its GNP. By expanding their military forces on a large scale, both the Soviet Union and the United States will attain new systems of massive, sophisticated, lethal and destructive weapons in the 1980s, which will pose fresh threats to the other side and to peoples throughout the world. It is worth noting that the two superpowers are carrying out a fierce arms race in outer space. The Soviet Union took the lead in developing anti-satellite weapons and the United States has set up an outer space headquarters, announcing that it would establish an anti-satellite and warning system in outer space. It is quite conceivable that in the days to come the Soviet Union and the United States will press ahead with their arms race at an astonishing pace in many fields.

The struggle between the Soviet Union and the United States for spheres of influence will gain momentum. Since the beginning of the 1980s, both the Soviet Union and the United States have started a fierce struggle and trial of strength with Europe as the strategic focus. The Soviet Union has tried its utmost militarily to maintain and expand its numerical superiority in conventional and theatre nuclear forces in Europe and, at the same time, by economic and diplomatic means, has taken advantage of Western Europe's distrust of the United States, of policy differences between the United States and Europe and of the earnest desire of the West European people to defend peace and oppose war. The USSR has attempted to split the US-European alliance and prevent the United States from deploying Pershing II and cruise missiles in Western Europe. The US has made a big fuss about the question of the Soviet SS-20 missiles, and has gone out of its way to expose and lash out at the Soviet Union over the turmoil in Poland and the difficulties of East European countries. The Reagan administration, at the risk of potential damage to its relations with its West European allies, has clung to its economic sanctions against the Soviet Union, trying hard to limit the growth of Soviet strength and prevent the implementation of its West European policy. Clearly, both sides will do their utmost to exploit differences and difficulties within the ranks of the other side to create trouble and undermine the other side's

position. Following Palestine's withdrawal from Beirut, the Soviet-US scramble for the Middle East has become even more complex and fierce. Since the beginning of the 1980s, the rivalry between the two superpowers has become very acute in some of the world's hot spots such as the Persian Gulf, the Indian Ocean, Southwest Asia, Southeast Asia and Central-South America.

It appears almost certain that Soviet-US relations in the 1980s will be more tense than in the 1970s. Of course, in the face of mounting difficulties and responding to their respective needs, they will have to make certain compromises in their tense and fierce struggle. But no "detente" of the 1970s will reappear in their relations in the 1980s. The strained relations between the Soviet Union and the United States stem directly from the conflict of their hegemonist interests. As long as they do not abandon hegemonism and cease contention for world domination, there will be no genuine detente in their relations, nor will negotiations or summit meetings be of any help. Soviet-US relations in the 1980s may basically be characterized by tension but not head-on collision, by compromise but no longer a "detente honeymoon."

Secondly, the furious contention between the two superpowers in the 1980s will pose a grave threat to world peace and international security.

The armed invasion of Afghanistan is a demonstration of the escalation of Soviet aggressiveness and adventurism. The fact that the United States declared its readiness to consider more areas vital to its interests and to use armed force to defend the Persian Gulf demonstrates that it has changed its attitude of avoiding military involvement in regional conflicts. That is to say, the US rulers have demonstrated with their own deeds and statements that the possibility for their direct involvement in military conflicts has increased. Soviet and US participation in local wars or behind-the-scenes manipulation of proxy wars has continued unabated over the last decades. Obviously, such local wars will be unavoidable in the 1980s.

In the 1980s the Soviet-US arms race will reach a new and higher plane which will inevitably further accelerate arms development worldwide. At present, both the Soviet Union and the United States are the biggest merchants of death in the world and their exports of arms to the third world have been increasing ever

faster in recent years. This poses a potentially grave threat to world security.

Thirdly, in the 1980s the strength and influence of the two superpowers will be weakened in the world.

The gradual decline of the Soviet and US economic and political positions in the world was an important international trend in the 1970s. Entering the 1980s, the Soviet Union and the United States faced tremendous economic difficulties; their rates of economic development and their economic strengths as relative proportions of the world economy have been falling steadily. According to statistics from the Western press, the GNP of the United States and the Soviet Union as proportions of world GNP dropped from 26.7 and 13.2 per cent in 1970 to 24.4 and 9.8 per cent in 1980 respectively while in the same period the GNP of Western Europe, Japan and the third world countries as proportions of world GNP rose from 25.7, 7.4 and 14.2 per cent in 1970 to 28.2, 10.6 and 14.7 per cent respectively. It is estimated that by 1990 the GNP of the United States and the Soviet Union as proportions of world GNP will fall further to 22 and 8 per cent respectively while those of Western Europe, Japan and the third world countries will be 28, 13 and 16 per cent respectively. The weakening of US and Soviet relative economic strength will inevitably affect their political and military positions.

The weakening of the two superpowers' positions of strength will more prominently reduce their abilities to control and influence their allies. Western Europe and Japan have progressively become strong economic rivals of the United States and have increasingly freed themselves from US political manipulation. They have opposed the United States on a series of major policy issues, such as the Soviet natural gas pipe line, thus causing repeated difficulties and crises in the Western alliance and seriously restraining US actions. On the other hand, the Polish problem strikingly showed the weakening hegemonic position of the Soviet Union in Eastern Europe. Moscow has found it increasingly difficult to maintain the Soviet "model of socialism" in Eastern Europe by military force.

The Soviet Union and the United States will take advantage of third world turmoil and contradictions to pursue their own contest, but the position and influence of the superpowers in the third world will decline further. The third

*(Continued on p. 26.)*

# When Leaders or Professionals Retire

by Our Correspondent Li Rongxia

*Retirement is a relatively new concept in China, where before liberation people worked until they dropped because if they stopped working, they stopped eating.*

*Recent provisions for pensions and other retirement benefits for urban and rural citizens were the subject of a 1981 "Beijing Review" feature (issue No. 43).*

*Here we examine the retirement of some high ranking government officials and others who have dedicated their working lives to public service. — Ed.*

**A**LTHOUGH many senior citizens cannot continue to function at the pace required by daily work, they remain energetic and capable of making contributions.

## As Busy as Ever

Zhao Jiamin, 70, for example, was formerly a vice-minister in the Ministry of the Aviation Industry. As part of China's reform of its civil service system, the ministry recently retired 13 vice-ministers from active duty including Zhao. He

and two others were selected to continue work in less demanding advisory positions.

Zhao, who had already handed in his resignation, fully supported the ministry reshuffle.

"Until recently, most of the people at the meetings I attended were grey-beards. Twelve of the 21 ministry leaders (including three advisers) were over 60, eight of whom were over 65 and a few were 70. By that age many of us are too weak to work

efficiently. But if we cling to our offices, what chance is there for younger people to take our places?" he said.

Zhao submitted his resignation in 1981 when he was asked to fill the vacant position left by the minister, who had transferred to a new post.

In consultation with the outgoing minister and other colleagues, Zhao instead suggested that a 59-year-old vice-minister be promoted to the minister's post and that two experienced officials in their 50s be promoted to vice-minister positions.

The ministry continued to reorganize through the following year and by June 1982, had reduced its leadership from 18 to 5 members — the minister and four vice-ministers (plus three advisers) — and the average age of the leadership had dropped from 62 to 56.

Zhao's prestige and ability were acknowledged by his subsequent appointment to the Party's Central Advisory Commission by the 12th Party Congress. The commission is a recently established organization consisting mostly of retired leaders that makes recommendations about various issues, conducts investigations and undertakes other projects assigned by the Central Committee.

Zhao is pleased with his advisory position. In his letter of resignation to the Aviation



A new sanatorium for veteran cadres in Tianjin.

Ministry he wrote that retirement would allow him to "give advice . . . and write my memoirs. These seem to me the best thing I can do to serve the Party and myself at this time."

As an adviser, Zhao says, he is "as busy as ever." He has been sent to Qinghai Province to help reorganize the provincial leadership and will soon lead a work team to Sichuan to help with similar reorganization by the provincial Party committee and local governments.

He is also collecting materials for his autobiographical chronicle of the revolution. He became involved in the revolution in 1932 when the Party had been seriously undermined by the Kuomintang reactionaries and he helped rebuild the fledgling underground organization. After liberation he became the Shandong provincial governor and later the secretary of the Yunnan provincial Party committee. He was transferred to the ministry in 1978.

During the "cultural revolution" he was framed as an anti-communist renegade by Jiang Qing and company and was thrown into prison for eight years.

He finally returned to work only four years ago and was so effective that many of his colleagues wanted him to stay on past retirement. But his letter of retirement said he wanted time to "reflect on my past achievements and failures," time he found hard to eke out of the pressured schedule of the ministry.

### Advising New Ministers

Zhao and other retired leaders feel an obligation to their successors — both to advise them and to get out of the way so that the new officials can gain

## No More Life Tenure

Not long ago, if someone was appointed to a leading position, he would remain in office until he died — illness, aging or just plain fatigue notwithstanding.

Dramatic changes have brought an end to lifetime tenure in the last few years. A large number of elder statesmen have retired or moved from active to advisory positions.

About 2.5 million of China's cadres joined the revolution before 1949 and so many are well past their most productive years. Nonetheless, it was not until last year that Party and government measures actively curtailed the tendency towards "gerontocracy."

Today, the retirement age for men is set at 60 and for women at 55. Those who hold positions at the ministerial level or higher may delay retirement until 65, in special cases even longer.

Many of these officials and leaders spent decades performing unstinting public service and as a result destroyed their health or contracted diseases associated with overwork. The state has decided to maintain their wages at the same level or slightly higher than before they retired (most retirees in China receive only a percentage of their pre-retirement wages), and to allow them to retain their political standing — access to the same documents and meetings as their positions before retirement warranted.

The purpose of this policy is to provide well for retired leaders while simultaneously allowing middle-aged and young successors an opportunity to take over the reigns of government. This is considered fundamental to the continuation and development of the revolutionary cause.

confidence in their own leadership abilities.

Some of the ministry's former vice-ministers deliberately left the capital on investigation tours so that their replacements could work independently.

An unexpected benefit of this move was that, while these advisers were conducting routine investigations, they were able to help solve problems that may not have come to their attention in Beijing.

In an extreme case, they found that two units under the ministry's jurisdiction in Hunan badly needed each other's services but had not been matched up. One, a research institute, had a strong technical staff but too little necessary equipment, while the other, a factory, had

the equipment but few people capable of conducting the research.

The advisers were successful in effecting a merger of the two units, approved by the new minister.

### Making New Contributions

A number of vice-ministers do not choose to continue in active public service but take up long-neglected projects or hobbies.

Former Vice-Minister Wang Zhenqian, 68, now devotes full time to writing his memoirs. A legend in his own time, he took part in the student movement in the 30s, first in the Hui Wen Middle School in Beijing and then in a university in the northeast. Later, as an underground Party member, he



Wang Zhenqian is writing revolutionary memoirs. He has read

more than 200 worked to win over the Kuo-mintang's Northeast Army and the provincial armies of Hunan and Yunnan.

These days he is involved in more peaceful pursuits — poring over historical documents in the Beijing Library or traipsing through the streets and narrow lanes of the capital seeking out old friends to amplify his own recollections.

This year he has been to the northeast twice to interview an old peasant who remembers the early days.

"The people who really know what happened are all aging. If we don't record the history they know, it will be lost for ever," he said.

He has read more than 200 reference books and has compiled literally over 1 million words of notes, often working past midnight. He expects his final memoirs will run to six volumes. He has already completed a one-million-word rough draft of the first four.

Newspaper accounts of his past revolutionary activities make up another 150,000-word chunk of his personal history.

"Writing revolutionary mem-

oirs," Wang said, "is a way to contribute to the Party."

Nearly all of the Aviation Ministry's former vice-ministers are working on a history of Chinese aviation under the leadership of former Vice-Minister Duan Zijun, which will be included in a hundred-volume *Contemporary China* series.

### A Time to Relax

Of course, many retirees welcome the opportunity to relax and enjoy the less hectic pace of their new lives.

An informal survey of the Aviation Ministry's retired leaders found them reading literature, listening to music, attending plays and operas, playing bridge and cultivating flowers.

"I'm making up for lost time," said former Vice-Minister Xu Changyu. "I enjoyed reading literature when I was in middle school but became preoccupied with other activities and never got back to it until now."

## Retired Engineers Geared to Help

MOST retired engineers in Tianjin can live fairly comfortably on their pensions — about 75 to 80 per cent of their original monthly pay. But the majority are still in good health and become restless and bored if they have nothing to do.

This was the impetus for the establishment of a retired engineers' association in October 1980, under the auspices of the Tianjin Science and Technology Association.

Any retired engineer can join, and although the organization is developing a comprehensive support and recreation pro-

gramme for its members, there is no membership fee.

Its operating funds come entirely from donations. The donations are made by organizations the association has helped. In the two years since its founding, the association has advised 51 projects, translated foreign technical materials for factories, mines, research institutes and libraries and sponsored 28 forums on technical subjects.

The association mainly serves small and medium-sized enterprises owned by the state, the collectives or the communes,

that tend to be shorthanded in technical fields.

One grateful recipient of the association's services was the Tianjin No. 1 Rug Factory, which makes the world-famous "Feng Fan" brand carpets. For many years the painstaking final clipping was done with hazardous electric scissors that weighed 0.6 kilogrammes and were injuriously noisy. The factory had made several unsuccessful attempts to improve the tools, but the problem was not solved until the factory requested assistance from the association. After consultation and redesign by a team of six retired engineers, the scissors now weigh 0.4 kilogrammes and are markedly quieter.



Retirees in Beijing's Tongxian County are playing Chinese chess.

for daily life — in short, a home for retired engineers.”

The donations are used for collective welfare, although most members still receive some support from their former work units. The association has opened a reading room that houses dictionaries and reference books and subscribes to more than a dozen engineering and scientific journals.

It organizes annual visits to new advanced enterprises, and annual sight-seeing tours.

A major area of concern is health services. When routine checkups discovered frequent cardio-vascular problems among the retired engineers, the association brought in a specialist from the Tianjin Research Institute of Traditional Chinese Medicine for free checkups and treatment every Wednesday.

It also invited a master of breathing exercises to lecture and teach this ancient art.

Another of its functions is to act as an advocate for its members when they have problems in housing, employment for their children and so on.

The association sometimes offers its services unsolicited, as it did for the Tianjin Seamless Steel Tube Mill. The mill had accumulated a huge quantity of toxic sodium cyanide residue from its operations, but had found no good way to dispose of it. The waste was kept under guard in a locked warehouse, but this was obviously not a permanent solution.

The engineers designed a detoxification system which is now in trial operation.

Recycling of industrial waste and scrap is a long-term project for the association.

Association members vastly prefer their current activities to the idleness of non-productive retirement.

“Our sense of pride when we finish a task is beyond words,” said member Yan Zhongdi. “I do not feel old or useless. I am experiencing the happiest moments of my life.”

Another member, Kang Songfan, contrasts his life style today with his youth in the 30s when jobs were scarce and even when he found one, the threat of losing it constantly hung over him. “In those days I had no way to

serve my country. Today's socialist modernization needs people with technical knowledge. At least I can do my bit.”

### A Home Away From Home

The association does more than provide its members a productive outlet for their skills. Song Hanmin, chairman of the association's board of directors said, “Our aim is to make the association a political study group, a technical consulting group and a mutual-aid team



Engineer Guan Encheng (middle) who retired from a food products factory in Jinan, Shandong Province, helps a commune set up its own foodstuffs factory.

## Former Army Doctor Volunteers Services

**T**HE tiny 10 square-metre room is decorated with a single silk banner bearing the words *miao shou hui chun* (meaning a good doctor who can bring the dying back to life).

An old doctor sits at a desk studying a case file.

This is the clinic of a neighbourhood committee near Beijing's Tiantan Park, not unlike the clinics in every other neighbourhood of the capital.

Dr. Yang Dexing, 59, is a full-time volunteer, and is half of the clinic's staff. He and the other doctor treat dozens of people a day.

He is well trained for his job — he was at one time the deputy director of Hospital 261 of the People's Liberation Army.

After his retirement at the age of 55 (as army regulations require) in February 1979, he furthered his study of traditional Chinese medicine as a supplement to his wealth of knowledge in Western medicine. Today he is a master of both schools of medicine and is a certified medical masseur.

He has successfully treated some people who were unable to get effective care at regular hospitals.

He refuses to accept any remuneration for his clinic work, saying that his pension from the army — equal to his pay before retirement — is all he needs.

All fees and gifts from grateful patients go into the clinic fund. Massage fees alone have earned the clinic more than 1,000 yuan since Dr. Yang arrived four years ago.

He also makes house calls when a patient is too ill to come



Dr. Yang Dexing administers acupuncture treatment.

to the clinic. One night he was awakened very late by insistent knocking. A woman in her 70s was very ill and her family thought she was dying — the doctor was their last hope. He rushed to her bedside, administered the necessary treatment and then sat with her for hours until the crisis has passed and she began to recover.

Last year, tales of his selfless deeds came to the attention of *Beijing Ribao* (Beijing Daily) and *Jiefangjun Bao* (Liberation Army Daily) which both ran stories praising his work. Following their publication, thousands of people sought him out at the clinic or wrote letters to ask his advice.

Although the pace has slowed some since then, his regular patients continue to heap praises on him.

One woman worker, 55, said: "I have pains in muscles and joints caused by rheumatic

arthritis. Everytime I suffer, I come to Dr. Yang for massage. I used to be chronically on sick leave. Now thanks to Dr. Yang's treatment, I never miss a day's work."

One young man said: "Dr. Yang is an old man and should be taking it easy. But he has volunteered to continue to help sick people. I see in him the sterling quality of a Communist."

One middle-aged woman said, "We once were worried that he might leave us. Now we are happy, knowing that he will not." She was referring to a time when Dr. Yang was given a spacious flat in an apartment house built by the army unit specially for retired officers. Dr. Yang of course wished to improve his living conditions, but he simply could not bear the thought of leaving the clinic and his good neighbours and patients. So he finally decided to stay in his old dwelling and continue to work for the people around him. He expects that his son will soon move out so that his present lodgings will be less crowded.

Yang Dexing joined the revolution in 1939. As a veteran cadre who has worked for the people for more than 40 years, he is fully entitled to any easy retirement. But he has, insisted, on leading a busy, hectic life. Why?

Here is his own answer. "When I left the army hospital, My friends and relatives suggested that I relax — cultivate flowers, keep birds or go to parks. But my only interest is treating the sick. I think I owe my professional skills to the Party and people and I should pay them back. As long as my heart beats, I am obligated to perform the duty of a Communist — serve the people." □



## SONG AND DANCE

### *Nationalities ensemble*

The Central Nationalities Song and Dance Ensemble celebrated its 30th anniversary in March by presenting a diverse programme in Beijing.

The performance opened with a chorus *56 Nationalities, 56 Flowers* by singers in national costumes. This 1983-prize-winning song heralds the prosperity and unity of China's nationalities.

Highlights of the programme were *Song of Herdsmen*, a Mongolian dance, and *Spring in Tianshan Mountains*, a Uygur instrumental. A dance of the Gaoshan people and a Korean plucked instrumental ensemble with singing were also noteworthy.

Each of China's 55 minority nationalities has its own cultural heritage and art. However, as recently as 30 years ago, many minority peoples in border and mountainous areas lived isolated existences. To preserve and develop their cultures and build nationwide understanding, a nationalities



A young Uygur singer.

literary and art troupe was set up 30 years ago under the Central Nationality Institute in Beijing. The troupe separated from the institute in 1954 and became known as the Central Nationalities Song and Dance Ensemble.

Since its birth, this ensemble has travelled to numerous counties, towns and minority residential areas in 28 provinces

and autonomous regions, giving some 5,200 performances for 13.8 million people. It has collected thousands of minority songs, instrumentals, dances, poems and legends. It has assisted local troupes, learnt traditional pieces and developed new cultural items.

"The creation of national songs and dances must be rooted in their nationalities' lives," said Liu Tieshan, composer and head of the ensemble.

When some members of the ensemble went to a Sani village in southwest China, the villagers entertained them in the Sani tradition — using songs to welcome and see friends off. A young composer was entranced with their music and wrote the song *Stay With Us, Guests From Afar*, a popular tune among the more than 100 outstanding items rich with minority nationality colour.

The ensemble's artists come from 32 nationalities. They keep their own national customs and habits separately and often go back to their home towns to get in touch with their own people so as to draw more artistic nourishment.



Left: "Song of Herdsmen." Right: Korean music.



Left: A Tibetan group dance. Right: "Fly, Young Peacock," a Dai dance.

Osmanjan from Xinjiang's Ili area is an outstanding instrumentalist and composer. His compositions reflect the labour and life of Xinjiang people. When Mongolian Dedema sings the flower-covered pastures of Inner Mongolia they seem closer. Jin Ou, a Miao, both

dances and plays the reed-pipe. He comes from a village in Guizhou where reed-pipe players annually gather to play and dance. Tibetan dancer Ngoimi Gyacan, 54-year-old, is deputy head of the ensemble. A poor youth when he joined the troupe 30 years ago, his Tibetan

dancing is renowned internationally today.

A younger generation of artists is being nurtured. Of note were the two young Dai women who performed the dance *Fly, Young Peacock*. They, like the young peacock, are learning the artistry of flight from the older generation.

(Continued from p. 19.)

world countries now realize more and more clearly the true nature of Soviet and US intentions, and are insisting ever more strongly on independent control over their own destinies and resources. US impotence in the face of the retention of Americans in Iran was clear to all. The Soviet Union, suffering increasing losses in its war in Afghanistan, finds itself mired in hopeless dilemma. On the other hand, the third world countries' international status has remarkably improved and they are playing an ever greater role in international affairs. This has been fully demonstrated in a series of major international issues, such as the UN discussions and votes on the Afghanistan and Kampuchea questions, on the conflict between the Arab countries and Israel, on North-South economic relations and on the election of the UN Secretary-General. The ability of the Soviet Union and the United States to use contradictions and conflicts in some third world regions and coun-

tries to manoeuvre for their hegemonist interests will further diminish.

In short, the 1980s will be a decade in which the two superpowers will continue their fierce struggle, their relations will remain strained, and the world will be full of crises. It will also be a decade during which the two hegemonists will offset and weaken each other's strength in their scrambles, in which their positions of strength and influence will continue to decline. This decade will witness the continuous growth of those world forces (including those of the Soviet and American peoples) which are struggling to combat hegemonism, safeguard national sovereignty, preserve peace and defend their own legitimate rights and interests, and of the struggle to contain and weaken the two superpowers, the Soviet Union and the United States.

(Abridged translation of an article originally appearing in "Journal of International Studies," issue No. 1, 1983.)



A scene from "Beside the Fenhe River."



"Wild Boar Woods," adapted from an episode of the classic Chinese novel "Outlaws of the Marshes."



Guan Yu, a hero of the Three Kingdoms Period, in "Chance-Encounter in an Ancient City."

## *Beijing opera under the brush of Wang Bingqian*

Wang Bingqian, a graduate of the Central Academy of Applied Arts, works on the staff of the Chinese Artists' Association.

The 41-year-old artist specializes in traditional Chinese figure painting characterized by bold, freehand brushwork, using stage images in classic costumes as his subjects.

His works, representing an effort towards new dimensions, focus on the most dramatic plots of Beijing operas.

A scene from "Undefended-City Stratagem," in which Zhuge Liang, Prime Minister of the Shu Kingdom, bewilders and drives away his enemy by opening the gate of his city in which he is actually totally defenceless.

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**Communique on Fulfilment of  
China's 1982 National  
Economic Plan**

Issued on April 29, 1983 by the State  
Statistical Bureau

# Communique on Fulfilment of China's 1982 National Economic Plan

—Issued on April 29, 1983, by the  
State Statistical Bureau

**T**HE people of all nationalities in China, under the leadership of the Chinese Communist Party and the people's government, continued to implement the policy of readjustment, restructuring, consolidation and improvement in 1982 and achieved new progress in economic and social development through a year's hard efforts. Total product of society reached 989.4 billion yuan, up 9 per cent from 1981. Total output value of industry and agriculture was 829.1 billion yuan, 8.7 per cent higher than 1981. The preliminary estimate of national income is 424.7 billion yuan, up 7.4 per cent from 1981. Growth in production brought a brisk market and prices were basically stable. State revenue and expenditure were in basic balance. The living standards of the people continued to improve. New progress was made in building spiritual civilization. The major problems in the development of the national economy were an excessive increase in investment in fixed assets and use of funds was not well concentrated; there was no marked improvement in economic results in production, construction and circulation; many places suffered shortages in energy supply and transportation fairly strained.

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Note: Total product of society is the sum of the total output value of industry, agriculture, the building trade, communications and transport and commerce, including the supply and marketing of materials and equipment and public catering trade. National income is the sum of the net output value of the five above-mentioned material producing departments. All figures for gross national product, total industrial output value, total agricultural output value and national income cited in the communique are calculated in terms of 1982 prices and the rate of growth over the previous year is calculated with the comparable prices.

## I. Agriculture

The rural areas continued in 1982 to institute and improve the job responsibility system which links output with economic benefits, thus continuing to mobilize the initiative of the vast number of peasants. The weather in most places was fairly good. All this contributed to the good harvest. Annual total output value of agriculture was 278.5 billion yuan, up 11 per cent from 1981, far exceeding the planned target of 4 per cent. After deducting the industrial output value of 30.4 billion yuan for enterprises run by production brigades and teams, the total value of agricultural output was 248.1 billion yuan, up 11.2 per cent from 1981.

Of this, farm crops brought 174.7 billion yuan, 10.1 per cent over 1981; the corresponding figure for forestry was 11 billion yuan, up 8.5 per cent; for animal husbandry, 45.6 billion yuan, up 13.2 per cent; for fishery, 5.1 billion yuan, up 12.1 per cent; and for sideline production, 42.1 billion yuan, up 12.8 per cent.

The output of nearly all major farm products hit all-time highs, reaching or surpassing planned figures. Total grain output was 353.43 million tons, topping the state plan by 6 per cent, or 8.7 per cent more than the previous year and 6.4 per cent over the previous peak figure of 332.12 million tons in 1979. Total output of cotton was 3,598,000 tons, topping the state plan by 19.9 per cent or 21.3 per cent more than in 1981. Total output of oil-bearing seeds was 11,817,000 tons, topping the state plan by 28.6 per cent or 15.8 per cent over 1981. Among grain and oil-bearing seeds, output of soybeans and sesame decreased somewhat due to natural disasters in major producing areas. The output of jute and ambar hemp was also less than in

1981 because the acreage of these crops was cut due to overstocking.

Output of major farm products follows:

	1982	Percentage increase over 1981
<b>Grain</b>	353,430,000 tons	8.7
<b>of which:</b>		
<b>Paddy</b>	161,240,000 tons	12.0
<b>Wheat</b>	68,420,000 tons	14.7
<b>Tubers (counted on the basis of 5 kilogrammes of tubers equivalent to 1 kilogramme of grain)</b>	26,680,000 tons	2.7
<b>Soybeans</b>	9,030,000 tons	-3.2
<b>Cotton</b>	3,598,000 tons	21.3
<b>Oil-bearing seeds</b>	11,817,000 tons	15.8
<b>of which:</b>		
<b>Peanuts</b>	3,916,000 tons	2.4
<b>Rapeseed</b>	5,656,000 tons	39.2
<b>Sesame</b>	342,000 tons	-32.9
<b>Sugar-bearing crops</b>	43,594,000 tons	21.0
<b>Sugar cane</b>	36,882,000 tons	24.3
<b>Beetroot</b>	6,712,000 tons	5.5
<b>Jute, ambary hemp</b>	1,060,000 tons	-15.9
<b>Silkworm cocoons</b>	314,000 tons	1.0
<b>Tea</b>	397,000 tons	16.0

The nationwide afforestation campaign developed vigorously. In all, 4.5 million hectares were afforested in 1982, a 9.4 per cent increase over 1981. The survival rate of saplings improved. The output of most forestry products showed increases to varying degrees. Among them, the output of rubber increased 19.5 per cent and chestnuts rose 7.2 per cent. The output of tung oil tree seeds and oil tea seeds dropped. In some areas, indiscriminate felling of trees still continued.

Animal by-products continued to rise. Increases to varying degrees were registered in the number of hogs and large animals (cattle, horses, mules and donkeys) in stock by the end of the year. But the number of sheep in stock at year end dropped.

Output of major animal by-products and the number of livestock at the end of the year follows:

	1982	Percentage increase over 1981
<b>Output of pork, beef and mutton</b>	13,508,000 tons	7.1
<b>of which:</b>		
<b>Pork</b>	12,718,000 tons	7.0
<b>Beef</b>	266,000 tons	6.9
<b>Mutton</b>	524,000 tons	10.1
<b>Milk</b>	1,618,000 tons	25.4
<b>Sheep wool and goat hair</b>	215,000 tons	6.4
<b>of which:</b>		
<b>Sheep wool</b>	202,000 tons	6.8
<b>Hogs slaughtered</b>	200,630,000 head	2.9
<b>Hogs in stock at year end</b>	300,780,000 head	2.4
<b>Large animals at year end</b>	101,130,000 head	3.8
<b>of which:</b>		
<b>Cattle</b>	76,070,000 head	3.8
<b>Sheep and goats at year end</b>	181,790,000 head	-3.2

There was a fairly rapid growth in fishery production. The output of aquatic products in 1982 was 5,155,000 tons, topping the state plan by 18.8 per cent or 11.9 per cent more than in 1981. The total catch of marine products increased 11.2 per cent while fresh-water products rose 13.6 per cent.

State farms built on reclaimed wasteland reported increases for output of most major farm products. Grain output rose 12 per cent; cotton, 19 per cent; sugar-bearing crops, 28 per cent; and milk, 12 per cent. But the output of oil-bearing seeds and pork, beef and mutton dropped. State farms produced profits in excess of 700 million yuan.

The number of farm machines in use continued to increase, especially of economical and practical small and medium-sized farm machines. Total power capacity of farm machines reached 226 million horsepower by the end of 1982, 6 per cent more than at the end of 1981. The number of medium-sized and large tractors was 812,000, up 2.5 per cent. The number of small-capacity and walking tractors was 2.29 million, up 12.3 per cent. The corresponding

figure for heavy-duty trucks was 206,000, up 17.7 per cent; for irrigation and drainage power equipment, 76,700,000 horsepower, up 2.3 per cent. A total of 15,130,000 tons of chemical fertilizer was applied during the year, an increase of 13.4 per cent. Of this figure, a 10.8 per cent increase was registered for nitrogenous fertilizer, 16.6 per cent for phosphate fertilizer, 39.6 per cent for potash and 21 per cent for compound fertilizers. The total consumption of electricity in the rural areas was 39.7 billion kilowatt-hours, an increase of 7.3 per cent over 1981.

Forecasts of bad weather by the meteorological departments were fairly accurate and prompt. Specialized weather services were strengthened, contributing to the efforts by the agricultural and other departments to take advantage of favourable weather conditions and prevent losses from natural disasters.

## 2. Industry

Industrial production continued to rise in the course of readjustment in 1982. Total industrial output value was 550.6 billion yuan, an increase of 7.7 per cent over 1981, topping the planned annual growth of 4 per cent. Output value of industry, which includes rural industry run by production brigades and teams, was 7.8 per cent over 1981.

The output of 91 of the 100 major industrial products met or topped the state plans. They included cotton yarn, cloth, sugar, machine-made paper and paper boards, bicycles, sewing machines, television sets, coal, crude oil, electricity, steel, rolled steel, cement, plate glass, sulphuric acid, soda ash, caustic soda, chemical fertilizer, power generating equipment, motor vehicles, walking tractors and locomotives. Nine products failed to meet planned quotas, including beer, household washing machines and tractors.

Light industry, which grew at an average annual rate of 14 per cent between 1979 and 1981, continued to rise in 1982. Total output value of light industry was 276.6 billion yuan, 5.7 per cent over 1981. Output value of the food processing industry increased 9.5 per cent; textile industry 1.3 per cent since the production of chemical fabrics was restricted; and the output of daily necessities increased 7.2 per cent. Many light and textile industrial enterprises paid attention to organizing production

according to the needs of society. Quality of products improved and variety increased.

Output of major light industrial products follows:

	1982	Percentage increase over 1981
<b>Cotton yarn</b>	3,354,000 tons	5.8
<b>Cloth</b>	15.35 billion metres (14.92 billion square metres)	7.6 (9.4)
<b>Chemical fibres</b>	517,000 tons	-1.9
<b>of which:</b>		
<b>Synthetic fibres</b>	375,000 tons	-2.6
<b>Woollen piece goods</b>	127 million metres	12.4
<b>Silk</b>	37,100 tons	-0.8
<b>Silk textiles</b>	914 million metres	9.5
<b>Gunny sacks</b>	500 million	16.8
<b>Machine-made paper and paper boards</b>	5.89 million tons	9.1
<b>Sugar</b>	3,384,000 tons	6.9
<b>Beer</b>	1.17 million tons	28.6
<b>Salt</b>	16.38 million tons	-10.6
<b>Chemical pharmaceuticals</b>	42,200 tons	13.1
<b>Detergents</b>	569,000 tons	19.0
<b>Bicycles</b>	24.2 million	38.0
<b>Sewing machines</b>	12.86 million	23.8
<b>Watches</b>	33.01 million	14.9
<b>Television sets</b>	5.92 million	9.8
<b>of which:</b>		
<b>Colour TV sets</b>	288,000	89.5
<b>Radio sets</b>	17.24 million	-57.5
<b>Cassette recorders</b>	3,471,000	124.5
<b>Cameras</b>	742,000	19.1
<b>Household washing machines</b>	2,533,000	97.7
<b>Household refrigerators</b>	99,900	79.7
<b>Light bulbs</b>	1.07 billion	10.3

Heavy industry total output value in 1982 was 274 billion yuan, 9.9 per cent over 1981. The upward turn in heavy industry production after two years of stagnation and decline was caused mainly by increased investment in fixed assets and a greater demand for the means of production in agriculture. Compared with 1981, output value of the machine-building industry



increased 15.2 per cent, that of the building materials industry rose 14.1 per cent, and chemical fertilizer and insecticides, 8.4 per cent. Thanks to the restructuring of the previous two years, heavy industry was able to increase the scope of its services, provide more energy-saving products and more products for export and to serve the needs of agriculture and light industry.

Primary energy produced in 1982 was equivalent to 668 million tons of standard coal, 5.7 per cent higher than the 1981 figure. Despite the increase, energy production still could not meet the needs for the development of the national economy.

Output of major heavy industrial products follows:

	1982	Percentage increase over 1981
Coal	666 million tons	7.1
Crude oil	102.12 million tons	0.9
Natural gas	11,930 million cubic metres	-6.4
Electricity	327.7 billion kwh	5.9
of which:		
Hydroelectricity	74.4 billion kwh	13.5
Pig iron	35.51 million tons	3.9
Steel	37.16 million tons	4.4
Rolled steel	29.02 million tons	8.7
Coke (machine-made)	33.11 million tons	4.4
Timber	50.41 million cubic metres	2.0
Cement	95.2 million tons	14.8
Plate glass	35.46 million standard cases	15.7
Sulphuric acid	8.17 million tons	4.6
Soda ash	1,735,000 tons	5.0
Caustic soda	2,073,000 tons	7.8
Chemical fertilizer	12,781,000 tons	3.2
of which:		
Nitrogenous fertilizer	10,219,000 tons	3.7
Phosphate	2,537,000 tons	1.2
Potash	25,000 tons	-3.8
Chemical insecticides	457,000 tons	-5.6

Ethylene	560,000 tons	12.0
Plastics	1,003,000 tons	9.5
Calcium carbide	1.67 million tons	10.6
Outer rubber tyres	8.64 million	18.5
Mining equipment	158,000 tons	37.4
Power generating equipment	1,645,000 kw	17.9
Machine tools	100,000	-2.9
Motor vehicles	196,000	11.4
Tractors	40,000	-24.5
Walking tractors	298,000	49.7
Internal combustion engines (sold as commodities)	22.96 million hp	14.6
Locomotives	486	22.1
Railway passenger coaches	1,153	-0.5
Railway freight cars	10,561	20.3
Steel ships for civilian use	1,025,000 tons	11.9

As a whole industrial economic results were relatively poor although improvements were made in some aspects. Per-capita productivity for state-owned enterprises designated to undertake independent accounting rose 2.3 per cent over 1981. Turnover period for working funds averaged 2.4 days less. Twenty-two of the 67 major quality indices for industrial products rose, and 30 maintained the 1981 level, while the remaining 15 dipped. Forty-three of the 99 major indices for unit consumption of materials fell, 26 maintained the 1981 level and the remaining 30 rose. Forty-five of these indices are for unit consumption of energy, of which 25 dropped, 7 maintained the 1981 level and the 13 others rose. Total cost of comparable products dropped only 0.04 per cent, far from meeting the originally scheduled target of 2 to 3 per cent. Turnover in the forms of profit and taxes for each 100 yuan of industrial output value dropped from 25.5 yuan to 24.6 yuan. Some enterprises suffered losses, which totalled 4.2 billion yuan. Warehouse overstocking of some light and textile industrial goods increased. Many enterprises continued to put one-sided emphasis on output value to the neglect of economic results.

### 3. Investment in Fixed Assets

Total investment in fixed assets of state-owned units came to 84.5 billion yuan in 1982, and of urban and rural collectively owned units

17.4 billion yuan. Individual housing construction investment was 18.1 billion yuan.

Of the total investment in fixed assets of state-owned units, investment in capital construction accounted for 55.5 billion yuan, 11.2 billion yuan more than in 1981, a 25.4 per cent increase. This outstripped the readjusted planned figure of 44.5 billion yuan by 11 billion yuan. Of this, the investment in capital construction from funds raised by localities topped the planned figure by 5.2 billion yuan; and that from domestic loans, by 3.7 billion yuan. Investment covered by the state budget was 27.7 billion yuan, accounting for 49.8 per cent of all investment in capital construction, compared with 56.8 per cent for 1981.

Of the investment in capital construction, 54.5 per cent or 30.3 billion yuan was for productive projects, and 45.5 per cent or 25.2 billion yuan for housing, schools, hospitals, urban public facilities and other non-productive projects. Investment in housing amounted to 14.1 billion yuan, 25.4 per cent of the total.

This capital construction investment helped add the following major industrial capacities: 8.2 million tons of coal, 3.17 million tons of oil, 2.94 million kilowatts of power generating capacities, 510,000 cotton spindles, 29,000 tons of chemical fibres, 346,000 tons of sugar, 306,000 tons of salt, 59,000 tons of machine-made paper and paperboard, 3.1 million tons of iron ore, 180,000 tons of steel, 725,000 tons of synthetic ammonia, 653,000 tons of chemical fertilizer, 333,000 cubic metres of logs, 2.37 million tons of cement, 1.2 million standard cases of plate glass, 1.68 million kinescopes, and 751 kilometres of highway. Annual cargo handling capacity added at ports was 21.82 million tons.

A total of 116 large and medium-sized projects and 145 single items of large and medium-sized projects were completed and put into operation.

Completed energy projects that were put into operation included the Wujiangdu Hydroelectric Power Station in Guizhou with a combined generating capacity of 630,000 kilowatts, and the third stage project of the Suixi Power Plant in Huaibei, Anhui Province, with a generating capacity of 400,000 kilowatts. Single items that were completed and put into operation included three power generating units each with a capacity of 125,000 kilowatts at the Gezhouba Hydroelectric Power Station in Hubei

Province, the No. 1 power generating unit of 350,000 kilowatts at the Baoshan General Iron and Steel Plant, the No. 1 power generating unit of 200,000 kilowatts at the Qinling Power Plant in Shaanxi Province, the Gencun inclined shaft with an annual production capacity of 1.2 million tons at the Yima Coalfield in Henan Province, as well as three other coal projects each with a designed annual production capacity of 900,000 tons — the Taozhuang No. 2 vertical shaft at the Handan Coal Mining Area and the Xiandewang inclined shaft at the Xingtai Coal Mining Area in Hebei Province, and Shihao shaft in the Songzao Coal Mining Area in Sichuan Province.

Complete projects and single items undertaken by transport and communications departments that went into operation included: electrification of the 116-kilometre railway from Yangquan to the northern station of Taiyuan, 258 kilometres of double-track sections of eight railways including Jinan-Qingdao, Longhai, Beijing-Baotou and Shijiazhuang-Dezhou, and an added annual capacity of 20 million tons of ore at a deep-water wharf at Beilun Port, Zhejiang Province.

Complete imported plants that went into operation included: the Pingdingshan Cord Fabric Plant in Henan designed to produce 13,000 tons of nylon cord fabrics a year, the Anqing Petrochemical Works in Anhui and the Guangzhou General Petrochemical Works each designed to produce an annual average of 240,000 tons of synthetic ammonia and 420,000 tons of urea, and a colour kinescope factory with a designed annual capacity of 960,000 tubes in Xianyang, Shaanxi Province.

Financial resources for capital construction were not used in a concentrated way. Control of funds not covered by the national budget was inadequate and construction funds for some key departments were not guaranteed. Investment in agriculture was 3.4 billion yuan, 500 million yuan more than the 1981 figure, but the proportion of such investment in the nation's total capital construction investment dropped from 6.6 per cent to 6.1 per cent. Investment in the energy industry was 10.1 billion yuan, one billion yuan more than in 1981, but the proportion dropped from 20.6 per cent to 18.3 per cent. Investment in transport and posts and telecommunications was 5.7 billion yuan, 1.7 billion yuan more, and the proportion rose from 9.1 per cent to 10.3 per

cent. Investment in education was 2.5 billion yuan, 300 million yuan more, but the proportion dropped from 5 per cent to 4.5 per cent. Investment in scientific research was one billion yuan, 100 million yuan more, but the proportion dropped from 2.1 per cent to 1.8 per cent. Investment in heavy industry (excluding the energy industry), commerce and foreign trade registered varying increases.

The scale of capital construction was over-extended and investment excessive, and there were cases of projects not covered by the national budget that were undertaken at the expense of projects covered. A total of 71,000 projects were under construction, 11,000 more than the previous year. Of this, 34,000 were newly started projects, including some duplicates. Of the 80 large and medium-sized projects that were to be completed and put into operation in 1982, 33 remained unfinished at the end of the year. Twenty-four of the 80 single items planned for completion and operation in 1982 were not completed on schedule. Thus capital construction investment yielded less than satisfactory results. Fixed assets worth 41.3 billion yuan were added in 1982, but only 74.4 per cent of the assets went into operation as against 86.6 per cent in 1981. The year 1982 saw the completion of a combined housing floor space of 143.57 million square metres, and the proportion of housing completed to the total under construction dropped to 50.5 per cent from 52 per cent in 1981.

Efforts were stepped up to revamp existing enterprises. A total of 29 billion yuan was invested for renewal of equipment, technical transformation and other measures in state-owned units, 6.5 billion yuan more than in 1981, a 29 per cent increase. As regards breakdown figures for investment by major economic departments, light industry accounted for 22.1 per cent, compared to 23.1 per cent in 1981; the energy industry rose from 23.9 per cent to 24.7 per cent; other branches of heavy industry dropped from 26.2 per cent to 24.6 per cent; transport, posts and telecommunications dropped from 11.2 per cent to 10.9 per cent; and commerce and foreign trade rose from 3.8 per cent to 4.7 per cent.

A total of 90,000 projects involving renewal of equipment and other technical transformation measures each requiring a total investment of no less than 50,000 yuan were undertaken in 1982, 24,000 more than in 1981. Forty-eight

thousand were completed, 13,000 more than the previous year. These projects played a positive role for increasing production, practising economy, upgrading techniques and improving transportation. Nevertheless, a fairly large part of this investment was not used for technical transformation, improved quality of products, and conservation of energy and raw materials. Around 40 per cent went for building or expanding projects.

Geological work was intensified in 1982. A number of oil and gas fields and 300 mineral-bearing areas were discovered and assessed. The known area of oilfields in the eastern regions grew as a result, and progress was made in general surveying and prospecting for oil and gas in the western regions. Fairly good results were achieved in oil prospecting on the continental shelf in the Beibu Gulf and the Bohai Sea. Newly verified reserves of 14 minerals including coal, petroleum, iron, copper, aluminium, gold, phosphorus and pyrites outstripped the planned figures. Of these, coal amounted to 71.16 billion tons, and iron ore, 1.48 billion tons. New reserves were verified also for 54 other minerals including chromium, tungsten, tin, molybdenum, bismuth, silver, niobium-tantalum, blue asbestos, gypsum, graphite, kaolinite and natural stone building materials. The total drilling footage was 9.3 million metres, exceeding the 1981 figure by 458,000 metres.

#### **4. Transportation, Posts and Telecommunications**

The total volume of goods transported by all means of transportation was 1,304.9 billion ton-kilometres, up 7.5 per cent from 1981. Of this, the volume of railway freight was 612 billion ton-kilometres, an increase of 7.1 per cent; that of road goods was 94.9 billion ton-kilometres, up 21.7 per cent; that of waterway cargo was 547.7 billion ton-kilometres, up 6.3 per cent; and that of air freight was 200 million ton-kilometres, up 17.6 per cent. The volume of oil and gas carried through pipelines was 50.1 billion ton-kilometres, up 0.4 per cent. The volume of cargo handled at major sea ports was 237.64 million tons, 8.4 per cent more than the previous year.

The volume of passenger travel handled by all means of transportation was 274.4 billion person-kilometres, a 9.8 per cent increase over

1981. Of this, the volume of railway carriage was 157.5 billion person-kilometres, up 6.9 per cent; the volume of road passengers was 96.4 billion person-kilometres, an increase of 14.9 per cent; the volume of waterway passengers was 14.5 billion person-kilometres, up 5.1 per cent; and the volume of passengers by air was 6 billion person-kilometres, a 20 per cent increase.

Posts and telecommunications transactions throughout China amounted to 2.04 billion yuan in 1982, topping 1981 by 4.6 per cent. Letters increased 0.2 per cent, combined circulation of newspapers and magazines, 8.1 per cent more, telegrams, up 0.8 per cent, and long-distance telephone calls, 6.9 per cent more. The number of telephones in urban use increased by 7.9 per cent over that at the end of 1981.

Departments of transportation, posts and telecommunications made real efforts to improve economic results. Per-capita productivity for railway transport enterprises registered a 3.3 per cent increase. The daily volume of freight hauled by locomotives averaged 0.3 per cent more than in 1981. Oil consumption by diesel locomotives per 10,000 ton-kilometres of freight volume dropped by 2.9 per cent. But consumption of coal by steam locomotives per 10,000 ton-kilometres of freight rose 0.7 per cent due to internal readjustments. A 22.1 per cent increase was achieved in the annual profit made by the entire railway system. Per-capita productivity of waterway transportation enterprises under the Ministry of Communications rose 3.8 per cent. The annual volume of cargo carried by ships per ton of loading capacity grew 4.6 per cent. Time in port for foreign trade shipping was shortened from 10.4 days on the average in 1981 to 8.8 days in 1982. Posts and telecommunications enterprises yielded 31.1 per cent more profit than in 1981.

Railway transportation, cargo-handling capacity at ports and posts and telecommunications still cannot keep pace with the development of the national economy. Serious accidents happened in railway, water and civil air transport, indicating that safety was inadequate.

## 5. Domestic Trade

The total value of commodities purchased by state-owned commercial departments reached 262.25 billion yuan in 1982, topping 1981 by 6.2 per cent. This included 85.56 billion yuan of

farm and sideline produce, up 11.9 per cent over 1981 (or 9.5 per cent if the rise in prices is excluded), and 174.62 billion yuan worth of manufactured goods, up 3.6 per cent. Purchases of the major commodities surpassed 1981. Among them, the purchases of grain reached 72.085 million tons, a 14 per cent increase; cotton, 3.413 million tons, up 18.9 per cent; edible plant oil, 2.93 million tons, up 10.4 per cent; hogs, up 3.7 per cent; eggs, up 5.3 per cent; aquatic products, up 16.2 per cent; cured tobacco, up 40.8 per cent; sugar, up 10.5 per cent; cloth, up 1.8 per cent; knitted underwear, up 4.4 per cent; sewing machines, up 23.8 per cent; television sets, up 32.7 per cent; watches, up 35.2 per cent; bicycles, up 35.7 per cent; and cassette recorders, 100 per cent.

The total value of retail sales in 1982 was 257 billion yuan, a 9.4 per cent increase over 1981 (or 7.3 per cent if the rise in retail prices is excluded). Total value of retail sales by state-owned commercial units was 196.86 billion yuan, up 4.7 per cent; the corresponding figure for co-operative commercial units was 41.44 billion yuan, up 21.3 per cent; and that for individual commercial units, 7.46 billion yuan, up 99.5 per cent. The total value of retail sales by peasants to the non-agricultural population was 11.08 billion yuan, topping the 1981 figure by 23.9 per cent. The value of retail sales by state-owned commercial departments accounted for 76.6 per cent of the nation's total, compared to 80 per cent in 1981. The value of retail sales by co-operative units, however, rose from 14.5 per cent to 16.1 per cent; that by individual commercial units, from 1.6 per cent to 2.9 per cent; and that by peasants to the non-agricultural population, from 3.8 per cent to 4.3 per cent.

The volume of retail sales for the majority of the major consumer goods went up in 1982. The increase over 1981 for grain was 10.2 per cent; for edible vegetable oil, 28.4 per cent; for pork, 6 per cent; for eggs, 9.9 per cent; for aquatic products, 13.1 per cent; for sugar, 8.9 per cent; for knitted underwear, 8.3 per cent; for woollen fabrics, 5.9 per cent; for cameras, 17.5 per cent; for radio sets, 17.9 per cent; for television sets, 18.3 per cent; for sewing machines, 23 per cent; for watches, 23.7 per cent; for electric fans, 23.9 per cent; for bicycles, 39.9 per cent and for cassette recorders, 65.8 per cent. Retail sales of cloth were 1.7 per cent below 1981. By the end of 1982, the state-owned commercial units had 8 per cent more goods in stock than at the end of 1981.

The domestic market had a fairly ample supply of goods and greater variety. But owing to changes in market demand and consumers' demand for greater choice, some high-priced goods of inferior quality and other goods that could not find a ready market were overstocked.

In 1982, market prices remained basically stable. The purchasing prices of farm and sideline produce by and large remained the same as in 1981. But as more farm and sideline produce was purchased at negotiated prices or at higher-than-normal prices for produce purchased beyond state quotas, the total purchasing price index for farm and sideline produce went up 2.2 per cent over 1981. The 1982 overall level of retail prices went up 1.9 per cent. The index for the cost of living of the non-agricultural population rose 2 per cent over 1981. Retail prices of daily consumer goods rose by 2.1 per cent, and the prices of services 1.4 per cent.

In 1982 retail prices rose 2.1 per cent in the cities and 1.7 per cent in the rural areas. Among the retail prices for various consumer goods, the price of foodstuff went up 2.8 per cent (the price for tobacco, alcoholic drinks and tea, up 16.4 per cent), that of goods for cultural and recreational purposes, up 0.2 per cent, pharmaceuticals, up 1.3 per cent, fuel, up 0.8 per cent. But the price of clothing dropped 2.1 per cent and goods of daily use, 1 per cent. There was a 1.9 per cent increase in the retail price of means of farm production. There were still cases of disguised price hikes and of commodity and service prices raised at will.

The cost in commodity circulation of enterprises formerly under the Ministry of Commerce went up 9 per cent in 1982 from 7.8 per cent in 1981. The turnover period for circulating funds in 1982 was 15 days longer than in 1981 and profit decreased 34.2 per cent. The expenses involved in commodity circulation in enterprises under the All-China Federation of Supply and Marketing Co-operatives rose to 10.5 per cent in 1982 from 9.9 per cent in 1981. The turnover period of circulating funds was five days longer and profit decreased 14.2 per cent. This was due to poor management in quite a number of commercial enterprises and the drop in retail price of some manufactured goods.

Sales of most of the means of production under state control rose in 1982. Rolled steel

rose 13.3 per cent, coal 7.4 per cent, caustic soda 8 per cent, soda ash 6.4 per cent, timber 10.9 per cent and cement 13.1 per cent. Departments in charge of distributing state-controlled materials and equipment improved economic results. Costs for distributing such materials and equipment dropped to 8.2 per cent of their cost in 1982 from 8.9 per cent in 1981 and the turnover period for circulating funds was 31 days less. But some materials and equipment were overstocked and the problem of slow turnover remains to be solved.

## 6. Foreign Trade, Tourism

Customs statistics show that the 1982 total value of imports and exports came to 77.2 billion yuan, a 5 per cent increase over 1981, or a 3.4 per cent increase if price and foreign exchange rate fluctuations are excluded. Total value of exports in 1982 was 41.43 billion yuan, a 12.7 per cent increase over 1981, or a 6.5 per cent increase if price and foreign exchange rate fluctuations are excluded; total value of imports in 1982 came to 35.77 billion yuan, a 2.7 per cent decrease from the 1981 figure, or a 0.3 per cent increase if price and foreign exchange rate fluctuations are excluded. The value of exports was 5.66 billion yuan more than imports.

The proportion of manufactured goods exported rose to 55 per cent in 1982 from 53.4 per cent in 1981; and the proportion of primary products dropped to 45 per cent in 1982 from 46.6 per cent in 1981.

The proportion of manufactured goods imported dropped to 60.4 per cent in 1982 from 63.4 per cent in 1981; and the proportion of primary products rose to 39.6 per cent in 1982 from 36.6 per cent in 1981.

A total of 7,924,000 people from 164 countries and regions came to China in 1982 on tours and visits and for trade, sports, scientific and cultural exchanges. There were 764,000 foreigners, a 13.2 per cent increase over 1981; and 7,160,000 overseas Chinese and Chinese compatriots from Xianggang (Hongkong) and Aomen (Macao), up 1 per cent. The foreign exchange income from these sources was valued at 1.57 billion yuan Renminbi, a 14 per cent increase over 1981.

## 7. Science, Technology, Education And Culture

In 1982, 6,264,000 scientists and technicians were working in state-owned units, 9.6 per cent more than in 1981. The number of major research results in science and technology came to 4,100 items, 32 per cent more than in 1981. This included 149 inventions and discoveries approved by the state, a 24 per cent increase over 1981. The national defence scientific research departments successfully conducted tests in launching carrier rockets from submarines. Industrial and transport departments conducted research, manufacture or development of new products, new technologies and techniques. Agricultural departments succeeded in breeding and popularizing a number of good strains of crops. All this illustrated the new progress in China's science and technology. Research work in social sciences also made headway and contributed to socialist modernization.

Institutions of higher learning enrolled 315,000 students in 1982, or 36,000 more than in 1981; 457,000 students graduated from these institutions, 317,000 more than the previous year. These institutions had a total enrolment in 1982 of 1,154,000 students, 125,000 fewer than in 1981. This was because the students who entered college in the spring and autumn of 1978 all completed their four-year courses in 1982. Work was done to improve higher educational programmes for adults (including TV college courses, correspondence schools, evening schools and colleges for workers and peasants). A total of 291,000 new students were enrolled in such institutions in 1982 and 204,000 graduated. These institutions had 644,000 students in 1982, or 108,000 more than in 1981.

Readjustment and restructuring were continued in secondary schools. The level of the teachers and educational quality as a whole improved, but the number of students in some schools decreased. Middle schools, secondary technical schools and apprentice schools had 46,844,000 students, 3.5 million less than in 1981. Agricultural middle schools and vocational middle schools had 704,000 students, 223,000 more than in 1981. The total number of students in all kinds of middle schools was 47,548,000, or 3,277,000 less than in 1981. The major cause of the decline was the curtailment of regular middle schools while secondary vocational and technical education did not develop

fast enough to fill the gap. Some 10,804,000 people were receiving adult secondary education, 2,597,000 more than in 1981. This was because more training courses were arranged for workers and staff members in enterprises.

In 1982, there were 139.72 million pupils in primary schools, 3,608,000 fewer than the previous year. The reduction was due mainly to a drop in the number of school-age children because of birth control. The number of adults receiving primary education was 7,566,000 in 1982, 2.17 million less than in 1981.

New achievements were made in the building of socialist spiritual civilization by cultural undertakings including literature, the arts, films, the press, radio, television, cultural relics and publications, and a number of good works well received by readers and audiences appeared. One hundred and twelve feature films were produced in 1982, seven more than the previous year. One hundred and fifty-five full-length new films were distributed, 12 more than in 1981. The country had 140,000 cinemas and other film projecting units, 3,460 performing art troupes, 2,925 cultural centres, 1,889 public libraries and 409 museums. There were 118 radio stations throughout the country, 506 transmitting and relay stations, 47 TV centres and 328 TV transmitting and relay stations each with a capacity above 1,000 watts. A total of 14 billion copies of national and provincial newspapers, 1.51 billion copies of magazines of all kinds and 5.88 billion copies of books and pictures were published in 1982.

## 8. Public Health and Sports

New progress was made in public health undertakings after the health departments restructured both urban and rural health organizations. The total number of hospital beds for the country reached 2,054,000 at the end of 1982, an increase of 1.8 per cent compared with the end of 1981. The number of professional health workers totalled 3,143,000, a 4.4 per cent increase. This included 1,307,000 doctors, an increase of 5.1 per cent, and 564,000 senior nurses and nurses, an increase of 7.4 per cent. The patriotic health campaign and prevention and treatment of diseases were strengthened.

News of victory with important breakthroughs kept pouring in from the sports field in 1982. Chinese contestants at the Ninth Asian Games won 61 gold medals and China came first

in the number of gold medals and in the total score. Chinese women's volleyball team and sportsmen in gymnastics, diving, table tennis and badminton won honour for the motherland in international competitions. A total of 13 world championships were won during the year. Chinese sportsmen broke 11 world records and 120 national records. A total of 26,000 sports meets were held at the county level and above. As many as 8,450,000 people reached the "state standards for physical training." Mass sports activities were extensive.

## 9. People's Livelihood

1982 saw a continued improvement in the people's living standards in both cities and countryside. A sample survey of 22,775 peasant households in 589 counties of 28 provinces, municipalities and autonomous regions showed an average annual net income per capita of 270 yuan, an increase of 15.2 per cent over the previous year after deducting incomparable factors (see note at the end of this part). Of those surveyed, the percentage of households with an average 500 yuan of net income per capita rose to 6.7 per cent from 3.2 per cent in the previous year. A sample survey of 9,020 households of workers and staff members in 47 cities of 29 provinces, municipalities and autonomous regions showed an average annual income per capita of 500 yuan which can be used for living expenses, a 7.9 per cent increase over the previous year which was 463 yuan. Deducting the rise in the cost of living index, real income rose by 5.8 per cent.

In 1982, a total of 6,650,000 people were given jobs, including young people waiting for jobs in cities and towns, other categories of people and the year's graduates from colleges, secondary technical schools and apprentice schools who are covered by the state job assignment programme. By the end of the year, the number of workers and staff members in state-run and urban collective units came to 112,810,000, this being 3,410,000 more than at the end of 1981. Of these, 86,300,000 were in state-run establishments, an increase of 2,580,000; 26,510,000 were in collective establishments in cities and towns, an increase of 830,000. The number of individual labourers in cities and towns reached 1,470,000, 340,000 more than at the end of 1981.

In 1982, the annual wages of workers and staff members in the country totalled 88.2 billion yuan, a rise of 7.6 per cent over 1981. The total for state-employed workers was 70.9 billion yuan, 7.4 per cent more, and for collectively employed workers in cities and towns, 17.3 billion yuan, an increase of 8.1 per cent. Of the total annual wages of workers and staff members in the country, bonuses and payments for work above quotas totalled 10.9 billion yuan, an increase of 19.8 per cent over the previous year.

The average annual monetary wage for workers and staff members in the country was 798 yuan, an increase of 3.4 per cent over 1981. Of this, the average annual monetary wage for workers and staff members in state-owned units was 836 yuan, 3 per cent above the previous year; that for workers and staff members of collective units in cities and towns was 671 yuan, up 4.5 per cent.

Labour safety work was strengthened in 1982. The number of deaths of workers and staff members on duty decreased 4.1 per cent from 1981 and the number of seriously injured workers and staff members dropped 3.5 per cent.

The total amount of savings deposits in the urban and rural areas was 67.54 billion yuan by the end of 1982, or 29 per cent more than at the end of the previous year. About half of the total savings deposits was long-term deposits of three years and more.

In 1982, housing projects completed by state-run and collective units in cities and towns totalled 117.9 million square metres, 20.21 million square metres more than in the previous year. Houses built by rural commune members were about 600 million square metres, the same as the previous year. In many rural areas, because of a lack of overall planning and strict control of housing construction there was still a serious excessive use of cultivated land.

With the development of the national economy, work was strengthened to support the aged, disabled, widowed and orphaned whose livelihood were not assured. The number of those supported by rural collective economy reached 2,688,000, a 3.6 per cent increase over the previous year. Of these, old people in homes for the aged was 138,000, an increase of 20 per cent over 1981. There were 864 social welfare

institutes and children's welfare institutes in cities and towns, taking care of 62,000 people.

The main problems for people's living standards are: Some enterprises still issued excessive bonuses and subsidies; some people with low income still have a rather difficult life; housing for part of the workers and staff members is still fairly crowded. (Note: In the past, farm produce allotted to commune members by production teams was calculated at low rates for internal distribution. Recently, since most parts of China adopt a contract system with the household as the unit, farm produce turned out by commune members was all calculated at 1982 state purchasing prices. The factor of price fluctuations has been excluded in the above listed rates of growth.)

## 10. Population

Population by the end of 1982 was 1,015,410,000, which was 14,690,000 more than the previous year's figure of 1,000,720,000. (Note: Figures for the population of 1981 and 1982 include that for servicemen.)

According to a sample survey of 556,188 people drawn at random from 3,503 production teams (residence groups) in 1,057 people's communes (streets) of 312 counties (cities) of 29 provinces, municipalities and autonomous regions, the birth rate was 21.09 per thousand, the mortality rate was 6.60 per thousand and the natural growth rate 14.49 per thousand. (Note: None of the figures in the communique include those for Taiwan Province.) □

