

BEIJING REVIEW

北京周报

A CHINESE WEEKLY OF
NEWS AND VIEWS

- China's Strategy on Energy Development
- A Discussion on Prices
- Family Planning



LETTERS

Articles on Marxism

The article "Dissemination of Marxism in China" in issue No. 11 is the one which I liked best. I still have the view that each issue of *Beijing Review* should carry an article on Marxism-Leninism and Mao Zedong Thought.

Issue No. 12 was very good. The best articles were "Centenary of Death of Karl Marx Marked" and the three articles about the research on juvenile delinquency. The one I enjoyed the most was "A Soldier Reforms a Thief," which reflects the noble character and high moral values of the Chinese soldiers. These articles should stress fully the fundamental role ideology plays in re-education.

The best article in issue No. 13 is "The Radiance of the Great Truth of Marxism Lights Our Way Forward" (English edition, issue No. 12). I liked the idea of publishing official documents in supplement form.

Another article which I liked very much in issue No. 13 is "Population and Employment" (one of the articles in the Chinese-Type Modernization series). Capitalist countries do not have large populations, and they have achieved industrialization. China is a young giant which is still developing. Yet the unemployment which is so acute in the capitalist countries does not trouble China. This

demonstrates the great strength of socialist China, in sharp contrast with the economic, political and moral decadence of capitalism.

Luis Jose Fernandez Ordonez
Pola de Laviana, Spain

Articles on Third World

As a reader of *Beijing Review*, I read with interest your articles on life in China and the situation in the third world.

It is a pity I have not seen articles on how China can help the people in third world countries.

The great achievements made by the Chinese people in the past several decades are extraordinary. They demonstrate that China can still successfully solve its most important problems through the hard work and will power of the Chinese people, without any external assistance. In the years when you made great achievements in building up your country, some countries that had received billions in foreign aid still could not solve their problems.

In my opinion, it is the task of the Chinese people to give their specialized knowledge and experience in construction to people of other countries.

I think that you should pay attention to this topic and discuss how to help the people of other third world countries to escape from poverty and hunger.

What the third world countries need is not highly technical industry, but a labour-intensive pro-

duction structure. On the basis of past experience, China can account for itself splendidly in passing on its agricultural and industrial knowledge and techniques.

I hope that my suggestions will benefit the third world.

Hugo F. Rother
Herzogenaurach, FRG

We have already published some articles on the topic you suggested, and will publish more. We hope you will read them. — Ed.

"Documents" in Supplement Form

The "Documents" published in your supplements since the beginning of this year are of great significance. In the past few years, I think there have been only a few documents and articles which help readers understand the basics of China's politics and economy. The "Documents" have remedied this. With an understanding of these documents, readers may gain a deeper insight into the content of your articles. I think this new feature is successful.

I hope your magazine will be important in guiding people to know China. It should comment on the reports about China made by Japanese newspapers. As for the erroneous propaganda or malicious and distorted reports, you should publish articles which will help readers to have a correct understanding.

Ryozo Kamtani
Aichi, Japan

More International News

Beijing Review is praiseworthy for its reports of events in China. However, it should carry more international news, especially news about Africa.

I am really interested in articles in the series "Chinese-Type Modernization." "Facts and Figures" makes it easier for readers to follow China both qualitatively and quantitatively. This is necessary information.

Because I am an inspector of education in Zaire, I like it when you tell us about China's education as you did in issue No. 22.

**Wundikwawwirwa
Mukumu-un-Vuno**
Gisenyi, Rwanda

The Travels of Lao Can

The Travels of Lao Can was written by Liu E, a brilliant intellectual born into a scholarly family at the end of the Qing Dynasty. By describing what Lao Can sees and hears on his travels, the author fiercely attacked the injustices he witnessed and exposed the so-called "honest and upright officials" as hypocrites who tried to rise to power at the expense of the people.

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HIGHLIGHTS OF THE WEEK

China's Energy Development Strategy

Two specialists say, energy shortages are a major problem facing China's modernization drive, despite the progress the country has made in developing its energy industry over the last three decades. Nevertheless, prospects are bright for China's energy development (p. 13).

Market Prices

An exclusive interview with the director of the State Price Bureau shows that despite some changes in prices, general price levels have remained stable in 1982 and 1983. Why are there different prices for farm products? How has the Chinese Government dealt with the disparity in prices between industrial and farm products since 1949? Two more articles address these questions (pp. 19, 21).

Family Planning

China's family planning programme is designed to keep the nation's population within 1,200 million by the year 2000. Our political editor explains the reasons for family planning and related policies and measures (p. 27).

Reforms at Provincial Level

Reforms of government institutions and reduction in the number of functionaries in 26 provinces and autonomous regions will raise work efficiency and promote economic development (p. 5).

Struggle Against Racism Continues

The second world conference held in Geneva to combat racism and racial discrimination has condemned South Africa as the last major bastion of racism and demonstrated that the third world countries are now the main force in the struggle against racism (p. 9).

Famous Composer He Luting

Once a simple country boy, now one of the most prominent composers, the octogenarian has devoted all his life to writing traditional Chinese music and songs. His works are popular with the people for their lively melodies and plain expression (p. 28).



One-child mothers of the No. 1 Cotton Mill in Zibo, Shandong Province, publicize the advantages of family planning.

Photo by Chen Yong

NOTES FROM THE EDITORS

Family planning

Family planning, a basic policy of China, is designed to keep population growth in correspondence with China's planned economic and social development.

Up to the end of 1982, China's mainland population was 1,015.41 million, an increase of 470 million persons since 1949. In the coming years, more than 20 million young couples will reach marriageable and child-bearing age each year. Even if each couple only give birth to two children, China's population will still exceed 1,300 million in the year 2000. This will be a heavy burden to China.

Thus, the control of population growth has become an imminent and demanding responsibility. China now encourages each couple to have only one child and advises young people to marry late and to have children late. This is the only way to keep our population under 1,200 million by the end of this century. (See "Controlling Population Growth" in our issue No. 7, 1983.)

Through prolonged efforts, we brought our natural population growth rate down from 26 per thousand in 1970 to 14.49 per thousand in 1982. This spring, the UN Population Award Committee chose Qian Xinzong, Minister in Charge of the State Family Planning Commission, to receive its first award. This is an encouragement to China's population control drive.

But some foreigners who lack understanding of our population policy have charged that our policy is one of "terror." Based on a few isolated cases, some even try to distort our

policy and smear us with fabricated charges.

In promoting family planning, we have always emphasized education and opposed coercion. Photo exhibitions, artistic performances, reward ceremonies and discussion forums always accompany family planning publicity campaigns. These are designed to help people understand the relationship between family planning and economic development and the seriousness of the population problem, so that they will support family planning measures.

Since different people have different levels of understanding, education alone, however, cannot fully solve this very urgent problem. Therefore, China plans to draft a family planning law. For the time being, the local governments in various places have introduced economic and administrative measures. For instance, couples who pledge to have only one child are awarded a monthly allowance and women who bear children late (after 25 years old) enjoy a longer maternity leave while those who refuse to practise family planning are fined. In practice, we stress rewarding and commending those who voluntarily accept family planning.

There are indeed some cadres who have used unreasonable means to promote family planning. But their practice does not represent state policy and is checked as soon as discovered. To raise the family planning cadres' understanding of the state policy and their professional level, many localities have set up training courses for them.

Today, we have greater difficulties promoting family planning in the rural areas. Influenced by the feudal idea of "more sons, more happiness," parents with only daughters worry that after their daughters get married they will have no one to support them. Actually, in China both sons and daughters have the duty to support their parents. Childless elderly people are looked after by the collectives and are guaranteed medical treatment and living and burial expenses. The state is planning to further improve social insurance for the aged. Some better-off rural areas have introduced retirement systems. More elderly people's homes (free of charge to the childless) are now under construction. The past year saw a 20 per cent increase in the number of such homes which now total 10,500 across the nation.

In promoting family planning, the state requests couples who already have one child to use contraceptives, including intra-uterine devices, which are free of charge in all parts of China. These measures, however, are not 100 per cent successful. When they fail, abortion has to be used as a remedial measure. Couples with two or more children are encouraged to seek voluntary sterilization.

The state also renders severe punishment to criminal activities in this field of work. A quack in Anhui Province's Liuan Prefecture was recently sentenced to death for injuring or raping many while removing intrauterine devices for 36 women with poor self-made equipment.

— Political Editor An Zhiguo

Reform of provincial institutions completed

China's reform of leading bodies at the provincial level has been completed except in the Beijing, Shanghai and Tianjin Municipalities.

The 26 provinces and autonomous regions have simplified their governmental institutions, reduced the number of functionaries and readjusted leading groups in an effort to raise work efficiency and promote economic development.

China's streamlining at the central governmental level began in the spring of 1982 and was completed at the end of last year. Now streamlining is under way at the prefectural and city levels and will begin at the county level this coming winter.

Countering the defects of overstaffing, the lack of clear-cut job responsibility, the aging of cadres and low work efficiency, the average number of leaders of provincial governments has been reduced from 12 to 6 with an average age of 54, and more than half of them are university graduates. The number of institutions directly under the provincial government has been reduced from some 70 to about 40 (35 for small provinces). Overlapping and dispensable agencies have been eliminated. Closely related departments have been merged and some government administrative functions have been turned over to enterprises where appropriate.

These provinces and autonomous regions also have set up specialized companies in charge of different undertak-

ings and these new bodies now have more power, a change from the former practice of concentrating power on the provincial administrations.

Furthermore, auditing offices have been founded in these provinces and autonomous regions.

Specialists note that streamlining has met the needs of current economic development, but the reforms of the economic system now under way will require still further streamlining.

Round up gangsters in Tangshan city

Public security police in Tangshan, Hebei Province, arrested 105 gangsters belonging to six gangs in late July.

Security officers of this north China industrial city, population 1.3 million, said that some of those arrested are ex-inmates from reform-through-labour centres who have engaged in repeated armed fights, robberies, assault and insulting women in public places. In 1983, they ransacked 13 homes and wounded 13 persons. A young worker was killed when he tried to stop five armed gangsters from assaulting a woman on a city bus.

These gangs posed a great danger to the city's security and to the life and property of the people. The people of the city have strongly urged the public security and judicial departments and the procuratorates to severely punish the gangs.

A *Renmin Ribao* commentary pointed out that the public security organs had done a good job in reducing criminal activities and making life safer for the people. The gangsters included "not only convicts who had violated the law, but also hostile elements who had sabotaged the socialist system." The public security and judicial departments and the procuratorates "should not be lenient, but should firmly strive to prosecute all criminal acts."

The commentary went on to say: The fundamental policy to improve social order requires a comprehensive programme, including direct action to stop criminals, as well as education. An important aspect of this comprehensive programme is severe and prompt punishment of serious offenders. Direct action against counter-revolutionaries and criminal offenders will help deter youngsters from committing crimes, will help educate those who have committed minor crimes, and will improve social order.

Individual retailers kept under control

The State Council recently issued a circular calling for tightened market and price controls. The government's action came in response to price gouging by a small number of individual retailers in Beijing, Shanghai, Shenyang, Wuhan and some other cities. By buying up goods which were in great demand and selling them at higher prices, these retailers had adversely affected the social order and the livelihood of the people.

The circular stipulated that no state, collective commercial enterprises or individual retailers are allowed to raise prices arbitrarily and banned unlicensed commercial activities and the resale for profit of goods purchased from state commercial enterprises. It also prohibited adulteration and giving short measures of goods. It called for severe penalties for violators of these principles.

Until a few years ago, China's individual economy was very limited and the cities had few self-employed retailers. Beginning in the latter half of 1982, their number increased considerably in Beijing. In the first four months of this year, 7,246 households were issued licenses for individual industrial and commercial activities in the capital, 93.2 per cent more than the total in 1982. In all, 15,008 individual retailers have been issued licenses in Beijing and the situation is similar in other cities.

However, while the number of individual retailers has greatly increased, the control measures have not been strengthened accordingly. Ac-

ording to a survey by the Beijing municipal government, only 56 people were given the responsibility to administer all of the individual retailers in the city. It found that 12 of the 19 individual street peddlers located near the Tiantan Bazaar in Beijing were not licensed, and that there were 279 individual retailers without licenses in the Chongwen District, 115 of whom were workers or public employees who are not entitled to conduct individual commercial businesses. Some had fraudulantly purchased large quantities of clothing from fashion fairs and sold them at higher prices on the streets. Inadequate supervision leaves room for numerous illegal activities, the government survey concluded.

Under socialism, individual enterprises are a necessary supplement to the state-owned and collective economy. They help develop production, stimulate the market, meet the needs of the people and provide more jobs. But, they also produce negative influences if they are not properly controlled.

For the sake of the economy

as a whole, it is necessary to strengthen control over individual retailers, particularly over prices. The government also must adopt effective measures to protect individuals' legitimate rights and eliminate illegal activities so as to enable the individual economy to better supplement the state and collective economy and make things convenient for the people.

Many cities have taken measures to strengthen market controls. They have examined and supervised the implementation of the pricing policy, halted illegal purchases and sales, banned unlicensed commercial activities and improved order on the market. These efforts have achieved fairly satisfactory results.

The Wuhan city government, for instance, has organized 1,400 cadres for market investigations, banned 1,200 unlicensed street peddlers, helped 14,500 individual retailers set up business stalls and issued licenses to a number of households engaged in individual industrial and commercial activities.

Shanghai recently conducted a concentrated investigation and uncovered more than 2,500 violations of the law. The violators were punished and the market order was greatly improved.



Good service attracts more customers for self-employed tailors in Changzhou.

Tianjin volunteers build Haihe Park

A Tianjin park built by volunteers on the Haihe River banks opened recently.

The Haihe River, which runs through downtown Tianjin from the northwest to the southeast, is straddled by tall buildings and streets are heavily traffick-

ed. In the past, makeshift shacks and open warehouses built sporadically by more than 80 units left the river banks a picture of dirt and mess.

Both the city's residents and visitors felt it was a pity that this bustling city had no green central park. Two years ago, a citizen wrote to the municipal government suggesting that the Haihe River banks be turned into a scenic spot.

In September last year, the municipal government decided

to build Haihe Park which was lauded by residents throughout the city. More than 30,000 volunteers, mostly Communist Youth League members, soldiers and students, with city and district leaders at their head, participated in dismantling the makeshift shacks and clearing away the debris on the grounds.

The units that worked on the project refused any payment and, furthermore, tried to minimize costs for the state. Many cadres, workers, students and

other residents also contributed money to the project. Their efforts to transform the city with their own hands were highly praised by the central authorities.

Haihe Park stretches 19.8 kilometres and covers 22.9 hectares. It has six gardens bedecked with flower beds, lawns, potted landscapes, pavilions and sculptures. It also has an afforested area. A group of fountains and other decorative items are expected to be completed before National Day, October 1.

Zimbabwe's President Banana in Beijing

"We in Zimbabwe do regard the People's Republic of China as a special friend and ally," said Zimbabwe's President Canaan S. Banana on August 15 in Beijing. President Banana was on his first visit to China.

President Li Xiannian of the People's Republic of China, in his speech at a banquet he gave in honour of President Banana, Lady Banana and their party, emphatically pointed to the profound friendship existing between the Chinese and Zimbabwean peoples which has been forged in their common struggles. He said he believed President Banana's visit will further strengthen and develop the friendship.

President Banana said that the relations of militant solidarity existing between the two countries and peoples have taken root through China's unflinching support of the cause of the Zimbabwean people for freedom and justice as they

fought the war of national liberation.

But when Banana expressed thanks to Hu Yaobang, General Secretary of the Chinese Communist Party Central Committee, for China's support and help to Zimbabwe when the two met, Hu said that it was not worth mentioning.

Hu listed three points as the reason for his reply: "First, we are very good friends and comrades-in-arms. Second, we have helped you and you have also helped us. Help and support are reciprocal. Your confidence and hope in us is an assistance to us. Third, our help and support to you is very little. Our country is not rich and still very backward. Our help and support to you is not worth mentioning. Of course, I be-



President Li Xiannian and his wife Lin Jiamei extend a warm welcome to President Banana and Lady Banana.

President Banana talks to 'Beijing Review'

BR: Would you please tell us about your impressions of the visit?

Banana: I feel it's a very great success. I was able to meet the Chinese leadership. We discussed a number of matters of mutual interest between our two countries and peoples. China and Zimbabwe have enjoyed very close relations, and it is our common desire that these relations should be consolidated and expanded.

Q: What areas of co-operation do you feel would be most significant for both countries?

A: We have had various agreements covering co-operation in technical, cultural and economic matters. Progress has already been made in a number of these areas. We've made a very good start. There is a vast region where we can co-operate to the mutual

benefit of our two countries and peoples. Naturally the economic field is the priority listed by our two governments.

Q: What is Zimbabwe's experience in developing its national economy, especially its agriculture?

A: In order to have a viable economic system you have to have stability in the country. So it is necessary to create a political climate that's conducive to economic development. After Zimbabwe achieved independence, my government announced a policy of national reconciliation intended to integrate all sections of the society, and we mobilized all available resources for productive purposes. We integrated various forces into one national army.

My government places emphasis on an integrated policy of agriculture, which gives attention to

the promotion of communal farming alongside commercial farming. We are glad that it is possible to come to some arrangement with China that the Chinese will undertake a project in the promotion of the rice industry in Zimbabwe, and we are looking forward to this co-operation very much.

Q: What position does Zimbabwe take on the issue of Namibia's independence?

A: Subscribing to the UN Resolution 435 that Namibia's independence must be instituted without delay, we support SWAPO (South-West Africa People's Organization) as the legitimate representative of the Namibian people. We reject the linkage of the Namibian issue with the withdrawal of Cuban troops from Angola. We feel this issue is irrelevant, it has nothing to do with Namibia. Namibia as a country can't be held as a hostage because of that. We condemn apartheid and South Africa's attacks on its peace-loving neighbours.

lieve that as time advances the prospects for our co-operation and mutual support will become broader and broader."

Hu also praised the Zimbabwean people for their many political and economic achievements since gaining independence in 1980.

During his stay in Beijing, President Banana kindly granted an interview with *Beijing Review* (see above).

China and US sign 2nd textile pact

Vice-Minister of Foreign Economic Relations and Trade Zheng Tuobin and US Ambassador to China Arthur W. Hummel Jr. signed the note for the second China-US Textile Trade Agreement on behalf of their

respective governments on August 19 in Beijing, officially putting the agreement into effect. The unilaterally imposed US restrictions on textile imports from China since last January will lose effect automatically.

The new agreement will remain valid for five years from January 1, 1983, to December 31, 1987.

The two sides had held seven rounds of talks since August 1982 to prepare for the signing of this agreement.

The first China-US textile trade agreement was signed in September 1980, it expired last December 31.

Danish parliamentary group visits China

President Li Xiannian said that Denmark's experience in agricultural production and live-

stock breeding is worth studying by China and that he was satisfied with Danish co-operation with China in these fields.

President Li said this on August 15 when he met with the Danish Parliamentary Delegation led by its chairman, Svend Jakobsen. The delegation, the first ever sent by the Danish Parliament, came to China at the invitation of the Chinese NPC Standing Committee. It includes four vice-chairmen and all members of the Presidium of the Parliament, who represent five major political parties of Denmark.

At the banquet he gave for the delegation on behalf of Chairman of the NPC Standing Committee Peng Zhen, Wang Renzhong, Vice-Chairman of NPC Standing Committee, said that Denmark has not only become China's biggest trade

(Continued on p. 30.)

Geneva

Struggle against racism continues

THE 13-day Second Conference to Combat Racism and Racial Discrimination sponsored by the United Nations concluded in Geneva on August 13 after adopting a declaration and a programme of action and announcing the start of a plan for a second decade in the struggle against racism.

Representatives from over 100 countries and international organizations at the conference condemned the racist regime of South Africa and supported the South African people's struggle for emancipation and the Namibian and Azanian people's right to self-determination.

In recent years, many significant victories have been achieved in the struggle against racism and racial discrimination. Mozambique, Angola and Zimbabwe, through long and valiant struggles, have shaken off the shackles of colonialism and racism and have won national liberation and independence. In Namibia and Azania, the struggle against racist rule and for national liberation has won new victories. The front-line states, despite all kinds of pressure, have continued their struggle against South Africa. All the anti-racist forces have joined hands and formed a powerful, irresistible current which is pounding the last major bastion of racism—South Africa.

However, the South African authorities still cling to their barbarous apartheid policies. They brutally repress the national democratic movement and unlawfully occupy Nami-

bia. They frequently launch military attacks on or armed intrusions into neighbouring countries, thus severely threatening peace and stability in southern Africa and the African continent as a whole.

The reason behind South Africa's arrogance, many representatives said, is mainly due to backing from the United States. The US Government has shielded the South African regime. Economic support in various forms by some 2,000 multinational corporations is another factor. Recognizing this, many third world countries at the conference called for comprehensive and mandatory sanctions against South Africa. This proposal, however, was opposed by some Western nations which pay only lip service to the struggle against racism. The United States went even further by its decision to boycott the conference.

On August 5, the head of the Chinese delegation to the conference, Li Luye, condemned the South African regime and called upon the United Nations to impose comprehensive and mandatory sanctions against it. He also criticized Israel for pursuing a policy of aggression and expansion in the Middle East and for co-operating closely with the South African racist regime in recent years.

The conference has proved that the third world countries are now the main force in the struggle against racism, racial discrimination and segregation, and that they are playing a

more and more important role in international affairs. They are aware that there are still many obstacles in the fight against racism, but they are convinced that the powerful tide against racism will eventually bury all forms of racism no matter what difficulties and obstacles may lie on the road ahead.

— Ren Zhende

Japan

Political trend causes concern

JAPANESE public opinion has recently warned that a regressive tendency has appeared in Japanese politics. This warning is based on the following facts:

Proposals to amend the constitution have been much talked of this year. The ruling Liberal-Democratic Party adopted a resolution on an "independent constitution" at its party congress. Later, the party's "Dietmen's League for an Independent Constitution" published a pamphlet, openly advocating an amendment to Article 9 of the Japanese Constitution which to some extent fetters a revival of militarism because it renounces war and denies the state the right to declare war.

Fifteen senior members of the Japanese cabinet paid homage at the Yasukuni Shrine on August 15 to those who died in World War II. The daily *Asahi Shimbun* reported that though the war ended almost 40 years ago, many monuments dedicated to the former armed

forces have been built recently "in the name of to 'comfort the souls,' 'make the spirits at ease,' 'illustrate the merits of the dead.' ..." The handful of people in Japan who are attempting to revive militarism have become much more active in Japanese politics than before.

Japan has for the first time made clear its intention to become a big political power as well as an economic power. This has aroused suspicion and anxiety in the Japanese press. *Mainichi Shimbun* asked in an editorial on July 31: Isn't it true that the argument that Japan should enlarge its say (in world politics) suits well the theory that Japan should become a political power backed by military might? This raises the possibility that Japan will become a military power, the paper said.

Disregarding Japan's constitutional commitment to peace and the principle of restricting arms exports, Japan decided this year to provide the United States with military technology. This has drawn protests from the opposition parties. It is reported that Japan's armaments industry has grown in recent years. Orders for arms exports in 1982 amounted to 1,100 billion Japanese yen, a sharp increase of 48.6 per cent over the previous year.

These trends have caused grave concern in the Japanese press. *Tokyo Shimbun* has pointed out that Japan's post-war politics is now at a cross-road, facing a major test both at home and abroad. Japanese politicians, including many in the ruling party, and the Japanese people still remember the disaster brought on the Japanese nation by Japanese militarism and have remained vigilant against a possible revival of militarism. They wish to con-

tinue building their country by peaceful means, developing good-neighbourly relations with neighbouring states and the other states in the Asia-Pacific region in order to contribute to peace and stability in Asia and the world as a whole.

The peoples in Asia and the Pacific region, including the Chinese, have not forgotten the sufferings brought by Japanese militarism in the past. They are closely following developments in Japan. They would be worried by any sign of a revival of militarism in Japan. They hope that Japan will contribute to the stability and prosperity of the region and avoid any return to militarism.

Past experience, if not forgotten, is a guide for the future. The peoples of China and Japan have established and developed relations of friendship and co-

operation since the end of World War II because they have not forgotten the historic lesson. The two peoples want to be friends for generations to come. This has struck root in the hearts of the people. A bright prospect is opening in the field of economic co-operation between the two countries. The fruits gained by the two peoples during their protracted and common struggle will brook no damage by those dreaming of reviving militarism. The cause of peace and friendship pioneered by the old generations will be carried forward by the coming generations. This is the current of history. A small regressive tendency in Japan's politics cannot block the main trend. But, since the tendency has appeared, people must all remain vigilant against it.

— *Xin Ping*

Chile

Protest movement grows in scale

PROTEST demonstrations were held in Santiago and other Chilean cities on August 11, the fourth "national protest" against the military government's labour laws and economic and social policies since last May. The Chilean Government announced that 24 demonstrators were killed and 53 wounded during clashes between demonstrators and police on August 11-12. The local press, however, reported that several hundred people were wounded and 1,200 arrested during the demonstrations.

Social Contradictions Sharpen

It is 10 years since the Chilean military took power in 1973. During its first years of rule the economy recovered, production increased rapidly

and the political situation remained stable. In the late 70s, when the Latin American democratic movement reached a crest, many military juntas announced their intention to hand over power to civilian governments. The Chilean military authorities approved a constitution in 1980, but the date for the restoration of the constitutional system is 1989.

In the last two years the Chilean economic situation has rapidly deteriorated. The gross domestic product of Chile fell 13 per cent last year, the sharpest drop in Latin America. Twelve banks and more than 800 enterprises were closed and unemployment reached 20.3 per cent, the highest on that continent. Although this was due in part to the world eco-

conomic crisis, the Chilean people are not satisfied with the present policy of the government. The demand of all the people for a change of economic policy and a return to democracy has led to widespread national turmoil.

The national protest activities started in May. The influential Copper Workers' Confederation of Chile launched protest activities on May 11 and received support from 18 other trade unions and from people of other social strata. Afterwards all the workers' trade unions formed a National Workers' Command to lead the protest struggle. Its leader announced that protest activities would be held every month until the military government accepts the workers' views.

On June 14 and July 12 Chilean people from all walks of life held national protest activities against the military rule. The largest protest activities were those in June. The trade unions stated their views to the government, demanding restoration of democracy, cancellation of the special powers of the government, reform of the labour law, freedom of press guarantees and permission for political exiles to return. The arrest on June 15 of Rodolfo Seguel, organizer of the national protest activities and Chairman of the National Workers' Command and the Copper Workers' Confederation, aroused the resentment of the workers and touched off the largest strike the country has ever known on June 23. This, the first national strike since the military government took power, was joined by copper workers, dockers, oil and mine

workers, and bus, truck and taxi drivers. Although the government muzzled the press, this strike was highly influential inside and outside Chile.

Situation Still Turbulent

The Chilean authorities have taken a strong stand against these activities. After the first and second national protest activities, President Augusto Pinochet made speeches attacking them. The Chilean authorities have arrested many trade union leaders, fired a thousand striking copper workers and declared martial law in some big copper mines. After the second national protest activities they also said that future protest activities would not be permitted and mobilized troops and police on the protest day. But this did not prevent the Chilean people from holding protest activities. On the contrary, more and more people including the opposition politicians have joined and supported the protest activities. Meanwhile, the Chilean protest activities have received support from political figures and workers in exile abroad. Chileans in exile in the United States, Europe and other Latin American countries have held demonstrations during the protest activities, pressing the Chilean authorities from all sides.

As yet the Chilean authorities have not made any attempt to change their policies, but under pressure from the nationwide protest and especially the copper miners' struggle the Chilean authorities have to make some slight compromises. For example, they have relaxed the restrictions on the publication of books, allowed a group

of political exiles to return and released some arrested trade union leaders and political figures and increased the number of civilian officials in a cabinet reshuffle on August 10. On August 14, they announced that the date for national elections would be advanced. However the press in Chile and abroad has pointed out that these measures have not cooled the resentment of the people. More protest activities will probably take place in the future and the situation in Chile will continue to be tense.

— Zhu Manting

Washington-Moscow

Is a thaw in relations likely?

SOME high-ranking US officials have been telling the press in the last few weeks that the "decline in Soviet-American relations has stopped" and that President Ronald Reagan and Soviet leader Yuri V. Andropov might possibly reach an agreement on comprehensive arms control by early summer next year. To support this optimistic view, they listed recent developments in Soviet-American relations they considered "encouraging," such as a new Soviet-American grain agreement in late July, a compromise at the East-West talks in Madrid, some easing of the differences in the strategic nuclear arms negotiations and the talks on conventional forces in Europe, and a go-ahead for the working-level talks on a

new Soviet-American cultural agreement and an exchange of consulates in Kiev and New York.

Reason for Doubt

However, will the agreements or compromises reached between the two countries on these issues lead to an agreement on comprehensive arms control? Evidence shows there is reason for doubts.

On August 2, when the fourth round of Soviet-US talks on limitation of strategic weapons ended in Geneva, Soviet representative Viktor P. Karpov accused the United States of "marking time" in the negotiations, while US representative Edward Rowny charged that the Soviet Union had shown "flexibility" only on minor issues. The United States requested that the Soviet Union make large-scale cuts in its land-based, multi-warhead intercontinental missiles, but the request was "very much opposed" by the Soviet Union. An agreement on this issue is still "a long way off."

As for the talks on medium-range nuclear weapons in Europe, the two countries were diametrically opposed to each other in their positions. The United States insists on large Soviet cuts in its SS-20 missiles and threatened to deploy Pershing-II and cruise missiles in Europe beginning December this year should the Soviet Union refuse to comply. The Soviet Union, on the other hand, insists on including the nuclear weapons of Britain and France in the negotiations and has repeatedly warned that it would take retaliatory measures should the United States deploy Pershing-II and cruise missiles in Europe.

It seems that Washington is more enthusiastic than Moscow in implying that there has been an improvement in US-Soviet relations and that the possibility exists for an arms control agreement and a summit.

In addition to the above-mentioned optimistic statements by senior US officials, US trade negotiator William E. Brock confirmed that Secretary of State George Shultz and Secretary of Commerce Malcolm Baldrige had suggested their government lift the ban on the export of oil and gas equipment to the Soviet Union after a US-Soviet long-term grain agreement was reached.

US disarmament negotiator Rowny has also indicated that the United States has put forward a draft treaty that caters to some Soviet demands and has also expressed willingness to consider any Soviet counter-proposals during the fourth round of strategic arms reduction talks.

Why US Optimism?

It is not accidental that Washington has recently shown optimism and enthusiasm about its relations with Moscow. Various internal and external considerations have prompted this new attitude.

First, the government hopes to pacify congressional opposition and the West European allies, and also reduce the resentment of the US and West European people against the US-Soviet arms race.

Second, President Reagan needs some diplomatic achievements to get re-elected in 1984. According to the US press, Reagan has asked the State Department and the Defence Department to present proposals on foreign issues. Since it

is difficult to solve the Lebanese crisis and the US gunboat policy in Central America has been condemned both at home and abroad, Washington has chosen to show interest in reaching some arms reduction agreements and in holding US-Soviet summit talks. Senior officials of the State Department and the White House reportedly hold that even if no disarmament agreement is reached at present, a summit meeting on cultural agreements and consular agreement can help Reagan establish himself as an "international statesman" and win more votes.

Third, even if the disarmament negotiations break down and the summit meeting cannot be held, the United States would then be able to put the responsibility on the Soviet Union.

Around the world, however, US-Soviet conflicts of interest in many regions and on many issues have increased rather than decreased. This is a strategic situation that will not change soon.

Some facts are clear. At present, massive US and Soviet forces confront each other in Europe. As the Middle East, Central America, Asia, Africa and other hot points are beset with crises, dangerous situations may arise at any time.

As the relations between the two countries develop in the near future, much will depend on the results of the US-Soviet foreign ministers' meetings during the UN General Assembly and on whether the next round of strategic arms reduction talks, particularly, the Euromissile talks, make any progress. It is thus too early for any final judgment.

— Chen Si

How Will China Solve Energy Problem?

by Wang Qingyi, Gu Jian

China is striving to solve the energy problem which is becoming increasingly significant for its modernization drive. The energy China needs to quadruple its total industrial and agricultural output value by the end of this century depends, roughly speaking, half on increasing production and half on practising economy. This article, contributed by deputy secretaries-general of the China Energy Research Society Wang Qingyi and Gu Jian, presents the views and estimates of Chinese energy development. Detailed reports on China's coal, petroleum and hydropower development will be presented in later articles. — Ed.

CHINA'S emerging energy problem is drawing worldwide attention.

China has made tremendous strides in developing its energy industry since the founding of the People's Republic in 1949. Between 1949-82, it raised its coal output from 32 million tons to 666 million tons; petroleum, from 120,000 tons to 102 million tons; natural gas, to 11,900 million cubic metres; and electricity, from 4,300 million kwh to 327,700 million kwh (of which 74,400 million kwh were hydroelectricity).

The country produced the world's third largest output of commercial energy in 1982 (coal, petroleum, gas and hydropower), of 668 million tons (converted into standard coal).

China has also made headway in energy industry science, technology and equipment manufacturing and is now able to design and construct large coal mines, oilfields, oil refineries and hydropower and thermal power stations without outside help. These achieve-

ments are, undoubtedly, significant for the independent development of our economy. Judging by our gigantic objectives of modernization, however, energy is still insufficient.

Special Features of China's Energy Supply

The study of China's energy problem must proceed from China's own conditions, which should neither copy the patterns of the developed countries nor of other developing countries.

China abounds with energy resources. Current data show that its coal resources, which are 1,000 metres below the earth's surface, total 2,000,000 million tons. About 700,000 million tons of coal reserves already have been verified.

China has the world's largest water energy resources, with a potential reserve of 680 million kw, which can generate 5,900,000 million



The Huolinhe open-pit coal mine in Inner Mongolia now under construction. With a verified deposit of 12,900 million tons of brown coal, the mine will be completed by the end of the century with an annual output of 50 million tons.

kwh of electricity annually. It has 360 million kw of exploitable water energy resources, which can generate 1,800,000 million kwh of electricity a year.

China also is rich in oil and natural gas resources. It has approximately 30,000 million-60,000 million tons of oil resources. Although prospecting and exploitation are still in the initial stages, hundreds of millions of tons already have been verified.

In addition, a considerable amount of uranium reserves has been verified.

The country's economic structure is based on domestic energy production. Its energy technology and equipment are mainly China-made. Even prior to the development of Daqing Oilfield when China had to import oil, 97 per cent of China's energy was self-supplied.

In 1982, our country exported 20 million tons of crude oil and other oil products and 6.3 million tons of coal. Its energy export, however, only equalled about 5 per cent of the domestic consumption. Our future energy output will continue to mainly supply the domestic market and we are very unlikely to import large quantities of energy.

This policy of self-reliance on energy will free China's economic development from the fluctuations on the world market. In 1982, while the worldwide economic recession worsened, China increased its total industrial and agricultural output value by 8.7 per cent, much more than the state target of 4 per cent.

China is one of the few countries which use coal as their main energy resources. The country's 1982 consumption of commercial energy was equivalent to 630 million tons of standard coal, of which coal use was 73 per cent. China's coal consumption is expected to remain at this proportion to the end of this century.

Today, 75 per cent of our country's industrial fuel and power, 65 per cent of our chemical raw materials and 85 per cent of our urban civil energy consumption are provided by coal. This will remain true for a long time to come, as China will never make petroleum its main energy resource.

Throughout the world, coal is a bridge to a permanent energy system in the future and will once again become the world's principal energy resources until the era of that new energy system. Countries which mainly rely on petro-

leum today will pay huge costs to switch back to coal. Luckily, China will not.

But it will be difficult to substantially increase our capacity to exploit and transport coal and particularly to control air pollution. Our energy development will be greatly hindered if these factors are ignored.

Some 800 million Chinese people live in the countryside. At present, 80 per cent of the daily rural energy consumption relies on noncommercial energy resources. About 180 million tons of firewood and 230 million tons of vegetation waste are burnt every year which are equivalent to 220 million tons of standard coal.

In this century, the state cannot greatly increase the supply of commercial energy resources to the rural areas. As a result, each locality is encouraged to develop various small-scale energy techniques suitable to its own conditions. Today, China's small hydropower stations and biogas projects have roused world interest.

Furthermore, although China has the world's third largest output and consumption of energy, its per-capita energy consumption is fairly low. In 1982, its per-capita commercial energy consumption was only 630 kg standard coal, which was only one-fourth of the world's average per-capita consumption. By 2000, it is expected to climb to 1 ton per person.

However, the Chinese rural population's traditional frugality combined with life styles that do not require substantial energy consumption mean that the energy needed to raise the rural standard of living will be much smaller than is needed in Western countries.

Finally, due to multiple technological, economic and management problems, our energy utilization rate is very low and waste is huge. China's energy consumption for per-unit GNP is double the average consumption of other developing countries. Thus, effective energy saving measures could spur fairly rapid economic development with a relatively low increase in the rate of energy consumption.

Prospects for the Year 2000

Like many other developing countries, the energy shortage has become an important factor restricting our economic development. The largest problem is the insufficient supply of electricity for industrial and rural daily use.

An estimated 20 per cent of the industrial production capacity is idle because of insufficient electricity. Furthermore, the utilization rate for production capacity is low, which increases the energy consumption of per-unit output value. The rural areas need at least 20 per cent more than is currently available. Today, the peasants have had little choice but to fell too many trees and burn too much vegetation waste, causing ecological deterioration.



A recently completed high-output oil/gas well with a daily crude oil output of more than 1,000 tons in the Chinese-French co-operative area in the Beibu Gulf.

Our Party and government are well aware of the gravity of the energy problem. At the 12th National Congress of the Chinese Communist Party in September last year, energy was designated the most vital and strategic factor in developing our national economy.

How much energy do we need to quadruple our total industrial and agricultural output value by the year 2000? At the present level of consumption, we require 2,400 million tons of standard coal. But, in fact, we can produce only 1,200 million or twice the 1980 figure by then. Hence, the supply is still far from the demand.

If we double energy production, can we quadruple the total industrial and agricultural output value? It is both possible and impossible. Our objective will not be reached if we remain at the present technological level and fail to reform our present economic management system.

Our target can be attained if we effect a technological transformation in the existing enterprises and upgrade their equipment so that we can catch up with the present technological level of the developed countries by the end of this century.

Our goal also calls upon us to substantially reduce energy consumption; practise economy in energy use—from exploitation and transport to utilization; reform the management system; and greatly increase economic results.

The history of the developed countries indicates that the energy consumption elasticity (the ratio between the annual growth rate of energy consumption and the annual growth rate of the national economy) of the developing countries will be larger than 1 for a considerably long time to come, as these countries have a relatively low technological level but a rapid population growth rate and a tendency to urbanize.

During 1953-78, China's energy consumption elasticity was 1.24 which equalled the 1960-73 average level of other developing countries. But since the 1979 economic readjustment, the figure plummeted to around 0.4 in 1979, 1980 and 1982 (the figure was below zero in 1981).

In the coming period, our energy consumption elasticity can remain at a low level if we can rationally readjust the product mix of energy-intensive industries, close down those small enterprises which consume too much energy, accelerate the technological transformation of existing enterprises, develop technology-intensive new industries and improve management.

At the end of the 1980s and in the 1990s, we will mainly rely on technological progress to save energy. By that time, our energy output will have increased by a fairly big margin, which will ensure a relatively high economic growth rate.

It will be difficult for China, a populous developing country, to switch from a labour-intensive economy to a technology-intensive economy.

However, the fairly developed areas in east China such as Shanghai, Tianjin and other coastal cities already are capable of developing technology-intensive industry with low energy consumption and high output value.

These areas will gradually transfer their technology to relatively undeveloped areas, expedite their industrial and agricultural modernization and raise their energy utilization rate.

The energy-consuming industries will greatly reduce their energy use through technological transformation. As a result, China's energy consumption elasticity will be less than 1 for a fairly long time to come. Thus, the country must rely on energy savings to support its economic development.

Meanwhile, we will build up the energy industry so that the growth of our energy output will keep up with the expected rapid pace of economic development in the 1990s.

Energy Development Strategy

The general strategic targets for energy development by the year 2000 set by the China Energy Research Society are:

1. Strive to satisfy the demands of economic development and of raising the standard of living;

2. Establish an energy system in which energy resource development is coordinated and the productive capacity and utilization rate are high;

3. Initially solve the energy problem in the rural areas and end the deterioration of the ecological environment caused by the serious shortage of rural energy resources.

To accomplish these ends, the country will employ the following strategy in the exploitation and utilization of our energy resources.

Coal. We will concentrate efforts on developing coal. China wants to double its coal out-

put by the year 2000 to 1,200 million tons, not an easily attainable goal. The main source of increased coal production will be new mines in the region around Shanxi (including Inner Mongolia, Henan, west Hebei, Shaanxi and Ningxia), in east China (Jiangsu, Shandong and Anhui), in northeast China (including the eastern part of Inner Mongolia) and in Guizhou. These areas now produce 500 million tons of coal annually and their output at the turn of the century is expected to reach 1,000 million tons. In order to accelerate coal exploitation, we will build 5 large open-cast mines in Shanxi and Inner Mongolia and actively develop local mines as well as small mines which are run by people's communes and production brigades.

The principal restrictions on expanding coal production and utilization are investment, transport and environmental protection. The key problem is the funding. Hence, we are expanding the sources for funds through various channels.

The government has decided to greatly increase its investment in the coal industry. It also is encouraging the localities to pool funds to build coal mines and urges the coal-deficient areas to make investment in areas with rich coal resources.

In addition, it plans to attract foreign investments and to import advanced technology to step up the construction of coal mines, rail-



The Baishan hydropower station in Jilin Province now under construction. With a total installed capacity of 1.5 million kw, the station will ease the electricity shortage in northeast China's three provinces.

way lines, harbours and other infrastructural projects.

Petroleum. After more than a decade of rapid development, our petroleum production has, in recent years, remained at 100 million tons, a result of stressing exploitation and neglecting prospecting since 1965.

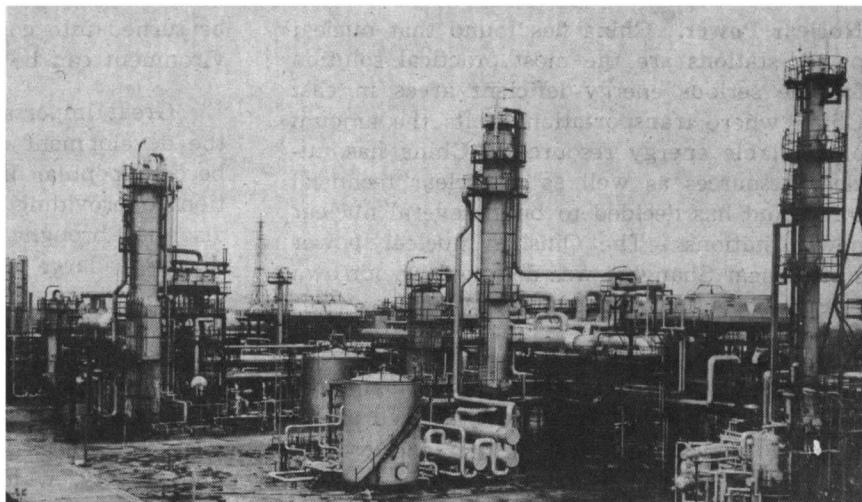
There are satisfactory indications that China has substantial oil and natural gas resources. A number of oil/gas fields are expected to be discovered in west China and the coastal continental shelf in the near future.

Gratifying results have been achieved in our offshore oil prospecting. A seismographic survey has been completed in the South China Sea and the south Yellow Sea, and a number of exploratory wells already have yielded oil in the Bohai Sea and the Beibu Gulf.

China will expand its co-operation with foreign oil companies to accelerate its offshore oil exploitation. Thanks to all this, China's oil output will rise steadily in the late 1980s.

We can significantly improve our economy through effective use of our present annual 100 million tons of oil while increasing oil exploitation. At present, we burn one-third of the country's total output of crude oil each year. Our government has decided to gradually replace oil-fuelled boilers and kilns with coal-fuelled ones wherever it is plausible technically and rational economically. Simultaneously, it will enforce restructuring and technological transformation in refineries and other petrochemical enterprises so as to raise the amount of intensively processed oil products and develop comprehensive utilization of petrochemical products.

China also is studying the new technology of unconventional oil and coal-based synfuel. With half a century of production experience, China's shale oil industry now has an annual output of 300,000 tons and its production costs are lower than the price of natural oil on the international market. Hence it can become an important supplement to our natural oil.



The Chuandong natural gas field, the largest of its kind in China, supplies desulphurized gas to numerous households.

Electricity. To suit its economic development, China's electricity output must reach 1,200,000 million kwh by the year 2000 or quadruple the present level. At present, 60 per cent of the total electricity output is generated by coal-fuelled stations, 20 per cent by oil-fuelled power stations and another 20 per cent by hydropower stations.

Hydropower is seen as the main source of electricity development. The country will build large hydropower stations in southwest, northwest and central south China where water resources are abundant. A number of medium-scale hydropower stations will be built in the near future in the energy-deficient east, south and northeast China.

Small hydropower stations are effective solutions to the energy problem in the rural areas. At present, China has approximately 90,000 small hydropower stations in 70 per cent of the counties, with a total installed capacity of 8.01 million kw. These hydropower stations generated 16,300 million kwh of electricity in 1982 and provided one-third of the electricity used by the rural areas. This kind of power stations will be further developed on the basis of technological transformation and improved economic results.

Coal will be the main source for thermal power. China teems with coal resources. Large mining area thermal power stations will be constructed in such electricity-consuming centres as Shanxi, Inner Mongolia, Shaanxi, Ningxia, Henan, Shandong and Anhui.

Nuclear Power. China has found that nuclear power stations are the most practical solution for the serious energy-deficient areas in east China where transportation limits the amount of available energy resources. China has nuclear resources as well as a nuclear technical force, and has decided to build several nuclear power stations. The Qinshan nuclear power station near Shanghai was designed by our own forces and is now under construction.

Other Energy Resources. China also plans to develop solar, biomass, wind, geothermal, tidal and other new energy resources, as well as renewable energy resources in the energy-deficient areas, including the remote and rural areas. The government encourages localities to develop their own small-scale, economic and practical new energy technology depending upon local natural resources and climates.

China attaches particular importance to developing and exploiting biomass energy. It has pooled great efforts to build firewood forests. By the year 2000, the country's forest-covered area will have expanded from the present 120 million hectares to 190 million hectares and the percentage of its land covered with forests will have risen from the present 12.7 to 20 per cent.

By then, our firewood, if cut rationally, can supply one-third of the rural population's daily energy needs, the vegetation waste can

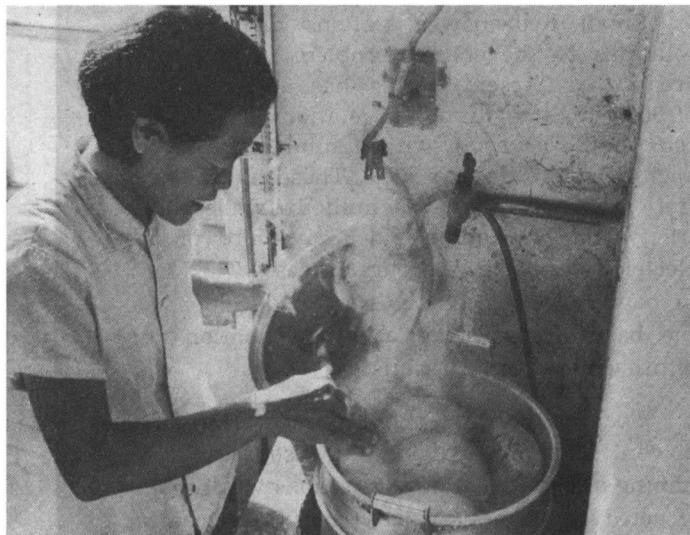
be turned into compost and our ecological environment can be improved.

Great importance also will be attached to the development of biogas, which has already become popular in the rural areas. In addition to providing energy for daily use, biogas also has brought other benefits such as producing a large quantity of organic fertilizer and improving rural sanitation. Today, China has more than 6 million biogas generating pits which can fulfil 20 million rural people's energy needs for about six months a year. The household biogas generating pits built in recent years have been improved in design, materials and quality, which, therefore, have increased the biogas generating rate and extended the gas supply cycle. The biogas produced by a 6-8 cubic metre biogas generating pit can meet the needs of a family of five for cooking and lighting. It is estimated that by 1990, the number of rural biogas generating pits may grow to 20 million.

We also have achieved initial successes in our study and experiments with other new energy resources. More than 30,000 rural households use solar cooking stoves and the light-absorbing surface of solar water heaters totals 120,000 square metres. Solar silicon cells have also been applied to navigation signals, railway semaphores, electric animal shed fences, telecommunications and other fields.

Some rural areas have started using small wind-driven generators under 10 kw for pumping water and generating electricity. A 7,000-kw experimental power station has been completed on the Yangbajain geothermal field adjacent to Lhasa in Tibet. The newly built Jiangxia tidal power station in Zhejiang Province with a designed capacity of 3,000 kw has been equipped with two 500-kw generating sets.

Today, energy has become a great challenge to our modernization drive. Fortunately, our country abounds with energy resources and, after more than 30 years of efforts, we have established a fairly comprehensive energy system. The government has given priority to solving energy shortage problems and is applying tremendous efforts to readjusting our energy policy and strengthening energy construction. Hence, we have every reason to be optimistic about the prospects for our energy development. □



Biogas is becoming a commonly used fuel source in the rural areas.

Basic Stability of Market Prices



Our correspondent Zhang Zeyu recently interviewed Cheng Zhiping, Director of the State Price Bureau, about the prices of the consumer goods in 1982 and the changes of market prices in 1983. The main points of their talks are as follows. — Ed.

Question: Would you please give a brief account of the 1982 market prices?

Answer: In 1982 China's total industrial output value was 7.7 per cent higher than the preceding year and total agricultural output value rose by 11 per cent. There were an ample supply of farm produce on the market and a fairly good supply of light industrial products. Commodity prices were stable for the most part.

The general retail price index rose by 1.9 per cent over the previous year. The retail list prices of the state-owned commerce (accounting for about 90 per cent of the total volume of retail sales) went up by 1.3 per cent. The main reason was that the prices for cigarettes and alcoholic beverages were raised in November 1981 and that the negotiated prices of commodities and urban and rural fair prices (free market prices), which were higher than the state list prices, rose by 0.5 and 3.5 per cent respectively (see table below).

Q: Why are prices basically stable?

A: There are five reasons.

Item \ Year	1980 (Taking the previous year as 100)	1981	1982
The general index of retail prices	106.0	102.4	101.9
The retail list price index of state-owned commerce	104.4	101.3	101.3
The negotiated price index	110.6	103.5	100.5
The index of urban and rural fair prices	102.0	106.6	103.5

1. The state has basically balanced the budget; the issuance of currency has been put under control; the market has had an adequate supply of such commodities as meat, poultry and eggs.

2. The prices of some commodities have been reduced. Since January 1982, the prices of a number of industrial products for daily use were lowered. Prices for wrist watches, for instance, went down by 20 per cent and for TV sets, 5 to 10 per cent.

In the second half of 1982, the retail prices for some industrial products were reduced. For example, the prices for 266 new brands of cigarettes were lowered in July by 0.05 to 0.08 yuan per packet. In October the prices for some alcoholic beverages dropped by an average of 0.30 yuan per bottle.

The price cuts were conducive to the stability of the general price level.

3. The purchasing prices for farm produce were relatively stable. Since December 1978, in order to rationally adjust the price ratio between farm produce and industrial products, the state has substantially raised the purchasing prices for farm produce. The prices were raised by 22.1 per cent in 1979, 7.1 per cent in 1980, 5.9 per cent in 1981 and 2.2 per cent in 1982.

Farm produce and its processed products account for about 70 per cent of the total volume of retail sales. Therefore, stabilizing the purchasing prices of farm produce is the foundation for the stable market prices.

4. The state has continually followed a policy of subsidizing prices of consumer goods. Subsidies for grain, edible oil, cotton, vegetables, fish, meat, eggs and coal for household use exceeded 20,000 million yuan in 1982, close to 10 per cent of the total volume of the retail sales.

Of course, continuous and huge subsidies are not the basic way to stabilize prices. But



Customers have a choice of fish at a Fujian rural fair.

the subsidies cannot be abolished for the time being. However, the scope and the amount of subsidies will be strictly controlled and will not be expanded. Appropriate measures will be taken to reduce gradually the amount of subsidies so as to concentrate adequate funds on key state projects.

5. In the past, vegetables were in short supply and prices were quite high in some cities.

Thanks to the favourable climate in 1982 and planned production and purchases, the vegetable supply has improved. The average retail list price of vegetables in 1982 went up only by 1.3 per cent over the previous year.

In Baotou, one of China's important iron and steel industrial bases, the average retail price for vegetables was 0.07 yuan per kilogramme, 3.8 per cent lower than the average retail price in the three years of 1979-1981.

In short, the 1982 retail prices were the most stable in recent years, and the people are satisfied.

Q: Can the commodity prices be kept stable this year?

A: Although this year the retail prices have been raised for some commodities and lowered for others, the general trend is stability. However, the urban and rural fair prices are not stable. Their fluctuations are determined by the harvest and affected by market supply and demand.

The general retail price index from January to June this year rose by 1 per cent compared with the corresponding period last year. Of these, the list prices rose by 0.6 per cent, the negotiated prices by 1.7 per cent and the prices at urban and rural fairs by 2.9 per cent.

The price for textiles was readjusted in January (the prices of chemical fibre textiles were reduced and the price for cotton textiles increased; the decrease was higher than the hikes). Therefore, in the list price index, the prices for clothing were down by 0.1 per cent and the price for food rose by 0.7 per cent.

Q: Some Beijing residents complained of increases in the retail prices for vegetables last spring. Could you comment?

A: The retail prices for vegetables grown in Beijing last spring were more or less the same as in the spring of 1982. Because of natural adversity and reduced output, the prices rose for some vegetables that were shipped in from the south. Another reason for the increased vegetable expenses of the Beijing residents was the change of their consumption pattern. In the past, Beijing residents usually purchased inexpensive vegetables in the spring such as Chinese cabbage, rape and spinach. With the expansion of production and the improvement of the living standards, Beijing residents bought more expensive vegetables such as tomatoes, cucumbers and fresh kidney beans. The production costs of these vegetables are high.

Q: Did the prices of fish and fruit also go up?

A: The prices for these products have risen considerably because the prices of many such products are regulated by the market and because buyers and sellers are allowed to negotiate prices. As the output of these products is now limited, especially in the off seasons, their supply has frequently fallen short of demand. Moreover, the market control in some regions is slack and some individual or collective retailers and even



Price inspector of Nanchang, Jiangxi Province, at a market.

some state-owned shops have driven up negotiated prices.

Q: What measures are being taken to prevent this?

A: The Circular on Strengthening the Control of Market Prices issued by the State Council on May 20 this year demanded that all retail stores and catering and service trades safeguard the interests of the state and the customers and not arbitrarily raise prices beyond authority. To

increase income by driving up prices at will is strictly prohibited. In order to stabilize the urban and rural fair prices, the state-owned commerce and the supply and marketing co-operatives should actively improve their management and participate in the regulation by market.

Of course, maintaining the basic stability of market prices is, fundamentally speaking, a matter of keeping a basic balance in the fields of finance, credit and materials. At the same time, the price departments must perform their functions of co-ordination and supervision, and the principle

of the leading role of planned economy and the supplementary role of market regulation should be firmly implemented.

In accordance with the circular of the State Council, the various localities and departments concerned have worked out specific measures to stabilize prices. They are expected to carry out frequent price inspections so as to ensure the implementation of these measures. □

Different Prices for Farm Products

by Dai Yuanchen

THE shadows of inflation cover more than half of the globe. Many countries are now troubled by soaring prices and depreciating currencies. However, countless foreigners have observed that, despite a period of price hikes, for the past two years prices have been stable in China.

Now the prices for certain agricultural and sideline products on free markets at urban and rural fairs and in self-helping markets (supermarkets) are higher than those in other state-run stores. Do these indicate unstable prices or "inflation"?

The author is an associate research fellow at the Chinese Academy of Social Sciences.

The Multiple Price System

In China, industrial goods for household use are sold to consumers at standardized state prices. The sales of agricultural and sideline products are different. The "price scissors" (meaning the constantly expanding price disparity between industrial and agricultural products) left over by history has been narrowed through several price adjustments, but it still exists.

In order to keep prices stable, we have adopted a policy of unified state purchases of major agricultural and sideline products. The

state buys from the peasants at fixed purchasing prices and sells to urban dwellers at lower prices.

In addition, we have opened rural and urban free markets for farm products where peasants can sell their own surplus products. This caused the variation in prices.

At present, there are the following prices for agricultural products:

List Prices. They are planned and relatively low prices for commodities sold by state commercial enterprises and by supply and marketing co-operatives. These are widely consumed commodities and include such basic necessities as grain, edible oil, cotton and sugar. The major ones are rationed.

It has been a Chinese policy to keep wages low. Therefore, the state must ensure the supply of these commodities at low prices so as to stabilize the people's livelihood.

Negotiated Prices. After fulfilling the quotas the state sets for them, the peasants can sell their surplus agricultural and sideline products to the commercial departments at negotiated prices (usually slightly higher than the state purchasing prices). The commercial departments then sell these products to consumers at prices slightly higher than the list ones.

Prices on Free Markets. The peasants also can sell their surplus agricultural and sideline products directly to consumers through bargaining on the free markets. The prices are usually higher than the list prices. Sometimes they are lower.

Self-Helping Market Prices. After careful selection, processing and packaging, the state commercial departments sell some hard-to-get consumer goods such as live fish, fresh shrimps and tender vegetables at prices 15-30 per cent higher than list ones but lower than the free market ones. This is, in essence, the principle of better price for better quality.

Although the last three categories include a large variety

of goods and are of higher prices, they are limited in quantity. Therefore, they can only play a supplementary role to state-run commerce and do not seriously affect the urban living standards.

Two Factors

The fact that negotiated prices and free market prices are higher than list prices can be attributed to the following factors:

(1) Commodities in this category are regulated by the market and thus their prices are influenced by supply and demand.

In recent years, urban and rural incomes have increased fairly rapidly, with an accompanying rise in consumption. When list-price commodities fall short of demand, trade on free markets can make up the deficiency. For instance, many kinds of much-sought-after fresh agricultural and sideline products are for sale in the North Taipingzhuang Market in Beijing. Since the market opened in 1979, its annual volume of business has increased by one million yuan each year and the peasants have earned substantial additional income.

(2) The state policy of subsidizing urban household necessities that are sold at fixed prices also affects the price of commodities at free markets. The state has substantially raised the purchasing prices for 18 major agricultural and sideline products, including grain, cotton, edible oil, hemp, sugarcane, sugarbeet, pigs, cattle, sheep, fish, eggs and silk worm cocoon. Later, it also raised the purchasing



Co-operative vegetable market in Shanghai.

prices for other agricultural and sideline products, including lamb skin, raw lacquer and tung oil. Coupled with the enlargement of above-quota purchases of agricultural and sideline products at raised prices and negotiated prices, the general purchasing price index for these products has risen every year (see Table I).

Table I
Changes of Genreal Purchasing Price Index for Agricultural and Sideline Products

	Taking 1950 as 100	Taking the Previous Year as 100
1979	265.4	122.1
1980	284.4	107.1
1981	301.2	105.9

After the hikes in purchasing prices for agricultural and sideline products, the state raised the selling prices for only eight non-staple foods, including pork, beef, mutton, poultry and eggs, while the selling prices remained unchanged on such basic consumer goods as grain and edible oil. The result is that the purchasing prices are higher than selling prices and the state must provide price subsidies.

The state price subsidies for grain and edible oil alone amounted to 28,800 million yuan



Free market in Kunming.

(about US\$14,400 million) in three years since 1979. This means that the state must pay subsidies of 0.2 yuan for each kilogramme of grain and 1.6 yuan for each kilogramme of rapeseed oil sold to the consumers.

Therefore, the state cannot subsidize the portion of commodities that is greater than the amount they are rationed. Consumers must shoulder the burden themselves.

Influence on Price Index

Does the emergence of negotiated prices and free market prices mean that the prices are unstable? It depends on one's understanding of price stability.

During the "cultural revolution" (1966-76), the prices of various commodities remained unchanged because arbitrary administrative means were employed to freeze them.

Furthermore, at that time, negotiated purchases and sales as well as urban and rural fairs were criticized and banned as "capitalist" things. Thus, the "stability" of the prices was misleading. The markets in cities were in shambles, many shelves were empty, and some commodities had prices tags but no supplies. The price index decreased by 1.7 per cent in 1976 as against 1965. This, however, was devoid of practical meaning.

At that time, the variety of goods was extremely limited. An urban dweller could buy only 0.15 kilogramme of edible oil and 0.25 kilogramme of pork a month. Poultry, fish and shrimps were rarely seen. As the normal channels for commodity circulation were blocked, black markets and the practice of "back-doorism" ran rampant. Life for most people was fairly difficult.

Today, commodities are generally in ample supply. Of the commodities supplied at list prices, edible oil and eggs are rationed at higher amounts, pork is sup-

plied without any limitation and vegetables are available in great varieties.

The policies permit fluctuations of negotiated prices and free market prices within a certain range. This cannot be considered the working of a "black market." Although these commodities are higher priced, they meet the different consumption demands of the people, especially those with higher incomes.

About half of an ordinary Chinese family's budget goes to food, and the majority of expenditures are on edibles at list prices. Therefore, higher negotiated prices and free market prices do not seriously affect the general price level and the people's living standards. This is clearly manifested in the general price index of consumer goods, which is calculated by the weighted averages of list, negotiated and free market prices, and the index of living costs (see Table II).

The index changes include the factor of price rises since 1980 on eight kinds of non-staple food. This factor, however, has been offset by the five yuan in price subsidies (equivalent to 7 per cent of the average monthly wages) for non-staple food provided by the state to each worker and staff member. Therefore, the actual rises of general price index and general index of living costs for workers and staff members are lower than the table indicates.

For a period of time in 1980, prices on free markets rose rather quickly. Apart from the influence of purchasing price rises for agricultural and sideline products, the major reasons were the big financial deficits in 1979 and 1980

as well as excessive issuance of currency. During this period, the state controlled the list prices of major food and non-staple food products that were rationed.

Under these circumstances, commodities at negotiated prices and free market prices had to bear the brunt of the impact of the over-issuance of currency. The rises in these prices reflected the temporary inflation.

It should be pointed out here, however, that the social causes of inflation do not exist in socialist China. This inflation, like the one at the beginning of the 60s, was caused by errors in work. Therefore, when the errors are corrected, it will be brought under control. In the last two years, with diminution of the financial deficit, prices have been stabilized.

Trend of Development

Of course, negotiated prices and free market prices are regulated by the market and influenced to a large extent by supply and demand. Coupled with the fact that some units have arbitrarily enlarged the range of commodities covered by negotiated prices and raised the prices, both price stability on the market and the fulfilment of purchasing quotas set by the state have been adversely affected. These are not permitted by the state policies. Therefore, control must be strengthened over these two kinds of prices and efforts must be made to overcome their negative influences.

Multiple prices for the same goods are a product of special circumstances. If goods have only one price, no one will buy them when the price is too high and no one will sell when the price is too low. This should be the result brought about by the law of value. In the final analysis, multiple prices are not in accord with the law of value and will bring about some contradictions in economic life. Therefore, in a long-term view, the range of multiple prices will gradually diminish and finally be eliminated and a single-price system will be realized with the development of the economy and the increasing availability of commodities. The current policy of price subsidies will also vanish with it. □

Table II

Changes of General Retail Price Index of the Nation and General Index of Living Costs of Workers and Staff

Year	Nation's General Retail Price Index		General Index of Living Costs of Workers and Staff	
	Taking 1950 as 100	Taking the Previous Year as 100	Taking 1950 as 100	Taking the Previous Year as 100
1978	135.9	100.7	144.7	100.7
1979	138.6	102.0	147.4	101.9
1980	146.9	105.9	158.5	107.5
1981	150.4	102.4	162.5	102.5

Price Scissors

IN old China, industrial products became increasingly more expensive while the prices of agricultural products dwindled. The amount of industrial products that could be exchanged for a given amount of agricultural products shrank, thus causing a disparity in prices between industrial and agricultural products, a phenomenon known as the price scissors.

The price scissors arose from the exchange of unequal values between industrial and agricultural products and reflected the contradictions between industry and agriculture and between the town and the country. Its formation had numerous social and economic causes.

Historical Background

Old China was a semi-feudal and semi-colonial country. Imperialists, feudal forces, the bureaucrat-comprador bourgeoisie and speculators controlled its economy, monopolized its industrial production and markets, and manipulated the prices. They raked in exorbitant profits by using their economic and political ruling status to sell industrial products to the peasants at high prices while buying agricultural products at low prices. Through this exchange of unequal values they exploited the peasants.

Chairman Mao Zedong made detailed investigations on this question. In 1933, in *Pay Attention to Economic Work* he wrote, "(The merchants) bought unhusked rice from the peasants in Wanan and Taihe Counties (Jiangxi Province) at 50 cents a picul and sold it in Ganzhou for four yuan, making a sevenfold profit." He cited another case in which the merchants went to Meixian and bought salt at one yuan for seven catties (3.5 kilos), and then sold it in the liberated areas at one yuan for 12 ounces (0.38 kilos). "Is this not shocking profiteering?" he said.

The price scissors widened with the outbreak of the War of Resistance Against Japan (1937-45). A sample investigation of several rural local markets in Anhui's Liuan, Guangxi's Baise, Sichuan's Dazhu and Shaanxi's Ankang showed that if the exchange rate between industrial products and agricultural products was 100 in 1936, it rose to 165.1 in 1948. During this period it rose to 262.9 and 218.6 in 1944 and 1945. (See Chart 1.)

The widening of the price scissors deepened the contradictions between industry and agriculture and between the town and the country in old China, weakened the country's agricultural

production and caused abject poverty among the peasants.

Changes Over the Past 30 Years

In the early years after the founding of the People's Republic in 1949, the exploiting system was uprooted in China and the town-county and worker-peasant relations changed from confrontation to mutual help and co-operation.

The government has since then adopted a series of measures to narrow the price scissors, including:

— Gradually increasing the purchase prices for agricultural products. The purchase prices for agricultural and sideline products increased by 117.4 per cent from 1950 to 1978, with an average annual increase of 2.8 per cent.

The Third Plenary Session of the 11th Party Central Committee at the end of 1978 suggested that the State Council raise the average price for prescribed grain sales by the peasant by 20 per cent starting with the 1979 summer grain harvest, and that it raise the average price for the grain sold voluntarily by the peasants by an additional 50 per cent on the basis of the new price level.

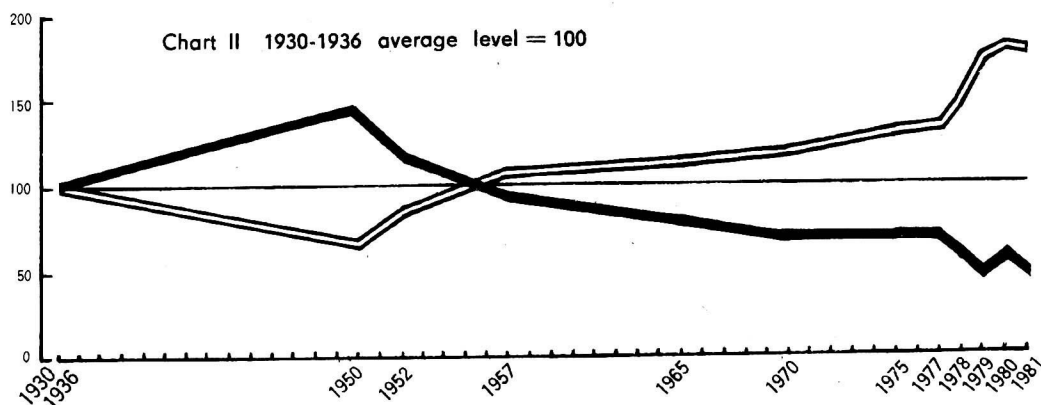
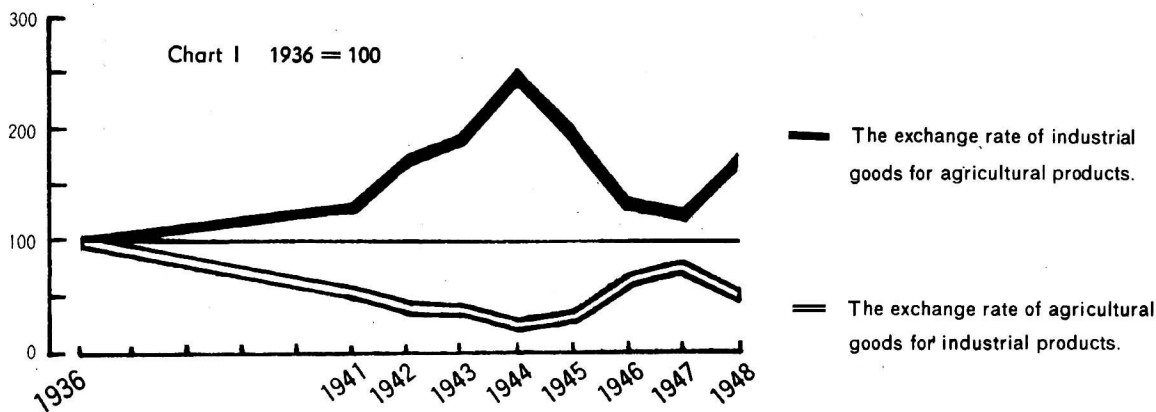
The purchase prices for other agricultural and sideline products also have been raised since 1979. This purchase price rise was four times the past average annual rise, increasing the peasants' 1981 income by 18,000 million yuan (equivalent to US\$9,000 million) over 1978.

This has also changed the price relationship of industrial and agricultural products. If the amount of industrial products that could be exchanged for a fixed amount of certain agricultural products was set at 100 in 1950, it rose to 198 in 1978 and 269.2 in 1981. Thus, a given amount of agricultural products in 1981 could buy more than 2.5 times as much industrial goods as in 1950.

— Reducing the selling prices of the means of production for farm use. Their selling prices dropped at an average annual rate of 4.8 per cent from 1952 to 1981. Of this, the prices of farm machinery had been cut 10 times; chemical fertilizer, 7 times; and insecticides, 6 times.

The prices of some products for farm use dropped by a big margin. For instance, the ex-factory price of model-75 *Dongfanghong* tractor dropped from 1958's 21,000 yuan to 13,000 yuan today, representing a cut of 38 per cent.

The government also offered low prices for electricity used by agricultural production and for diesel oil for farm and fishery use, with the differences made up by the state (the low-priced diesel oil for farm use was abolished recently).



— Basically stabilizing the retail prices of industrial goods for the countryside. The general retail price level of such goods in 1981 only rose 2 per cent over that of 1952, although individual items reported different changes. For instance, the prices of articles of daily use rose 10.8 per cent and clothes, 0.3 per cent. The prices of stationery dropped 19.7 per cent; and medicines, 46.2 per cent. The retail prices of salt, matches, kerosene and other daily necessities basically remained at the early 1950's level. Before the textile price adjustment of last January, the retail price of cotton cloth had also remained at the same level since the 1950s.

— Abolishing exorbitant taxes and levies as well as land rent and usury imposed on the peasants in old China, and levying a small agricultural tax (the proportion of agricultural tax to the state revenue dropped from 14.7 per cent in 1952 to 2.6 per cent in 1981).

Many kinds of sideline production are exempt from taxes. In recent years, agricultural tax has been reduced or exempted in many places.

To support agricultural and sideline production, the state also allocated a huge amount of funds each year to the rural areas through financial, credit and commercial channels. Special financial aid is available for poor communes and brigades to help them improve production conditions and develop enterprises. The government also directly allocates funds to build large reser-

voirs, power stations and farmland water conservancy projects.

These measures have gradually rationalized the relationship between the prices for industrial and agricultural products. The state purchasing prices for agricultural products rose 301.2 per cent between 1950 and 1981 while the retail prices for industrial goods sold in the rural areas rose only 11.9 per cent. The peasants exchanged 62.8 per cent fewer agricultural products in 1981 than in 1950 for a given amount of industrial products. The price scissors during this period greatly narrowed (see Chart II).

Despite all these efforts, the price scissors still exists because:

— The average price of industrial and agricultural products in 1936, the year which was taken as the base period, included a fairly big scissors gap.

— The price scissors also reflects the difference in technology and labour productivity of industry and agriculture. The price parity between industrial and agricultural products changes constantly. The changes are related to the change of the value of industrial and agricultural products, particularly the growth of industrial and agricultural labour productivity. Price, which is an expression of value in terms of money, should be ad-

justed in accordance with the changes of the magnitude of value. But in reality, price changes do not operate this way. Since 1952, industrial labour productivity rose more than 2.5-fold, while agricultural labour productivity rose only 1.5-fold. The prices of commodities, however, did not change according to the change of the magnitude of value. This resulted in a more irrational price disparity between industrial and agricultural products and became a factor for the widening of the price scissors.

Closing the Price Scissors

In order to narrow the price scissors, we must constantly raise the technological level and labour productivity of agriculture and lower the cost of production of agricultural produce. To cut the cost of production means the reduction of the value of each unit product, and when prices remain unchanged, it is possible for the peasants to exchange

fewer agricultural products for more industrial products.

While agricultural labour productivity is rising, the labour productivity of industry also is growing. If the growth rate of the two was equal, the decrease rate of the magnitude of value of agricultural and industrial products also would be equal, and the price scissors could not be narrowed. Only when the growth rate of agricultural labour productivity greatly exceeds that of industry can the difference be narrowed.

In view of the actual conditions of China, the growth rate of agricultural labour productivity will remain below that of industry for a fairly long time to come. Another channel to narrow the price scissors, therefore, is to continue to artificially adjust the prices of industrial and agricultural products. China's general trend is to continuously raise the prices of agricultural products and to gradually cut the prices of industrial products, particularly of chemical fibre textiles and durable consumer goods. □

Answer to Our Readers

China's Birth Rate

AFTER the State Statistical Bureau released the major statistics from the 1982 population census in the October 27, 1982 communique, some readers observed a discrepancy between several figures.

Although the figures for the total population is very close to the figure derived from household registration at the end of 1981, a tribute to household registration, the birth rates of the two do not coincide. The birth rate figure released in the communique was 20.91 per thousand, while the 1981 registration was 17.60 per thousand.

For instance the communique said that the 1981 birth rate in Henan Province was 14.63 per thousand, but the 1981 registration showed the rate at 10.39 per thousand.

Li Chengrui, vice-director of the national census leading group under the State Council and director of the State Statistical Bureau, attributed the difference to several factors:

During household registration, some residents did not report the birth of a baby if it had died soon after the birth. Some failed to report their newborns fearing they might be criticized

for having more babies than they are allowed to. Some local cadres tried to exaggerate the success in family planning by reporting the new births as babies who had moved in from another place. This resulted in lower reported birth and mortality rates while the total population was comparatively accurate.

China has a very limited number of immigrants and emigres, so the total number of people who move in and out of places (within China) should basically be the same. However from the figures reported by the provinces, municipalities and autonomous regions, the number of people who moved in far exceeded those who moved out. The balance is approximately the same as the total number of newborns who were not reported.

Thus, because some newborns were not registered, the annual communique released by the State Statistical Bureau did not include figures for birth rates, mortality rates and rates of natural increase for 1980 and 1981. To ascertain the actual figures, the 1982 national population census questionnaire included items on the number of births and deaths in the household in 1981. □

MUSIC

Famous composer *He Luting*

He Luting, vice-chairman of the Chinese Musicians' Association, has devoted all his life to the composition of traditional Chinese music and songs.

Recently, the Chinese Musicians' Association and the Shanghai Conservatory of Music held special concerts in Beijing and Shanghai respectively to celebrate the octogenarian's birthday and his achievements in music composition and education.

Fifty years ago, a shy and lanky young man, He Luting wrote his first piano piece, *The Cowherd and the Flute*, little dreaming it would win first prize in a 1934 competition sponsored by Alexander Tcherepnin in the Soviet Union. As one critic put it at the time, the music pictured the simple and plain life of rural China. This success not only made him famous but also helped him to choose his later career of music composition.

Born into a peasant family in Hunan Province in 1903, He Luting had to help his family

with all kinds of chores. He liked to ride through the woods on a water buffalo and listen to birds singing and streams murmuring. He would often pick a reed leaf and make it into a whistle to join the chorus of nature. The melodies of nature and folk songs of his home village provided constant inspiration for his later compositions.

Later, he enrolled in the Changsha Art School in Hunan Province and then the Shanghai National Music School and majored in music composition and piano. There his musical talent flowered. But, he did not forget his native music.

After the success of his *The Cowherd and the Flute* and *Lullaby*, in the mid-30s he composed a series of works with a unique style of his own that greatly influenced Chinese society. His scores for progressive films such as *Young People in War Years*, *Crossroad* and *Mission on Streets* signaled the first use of Western instruments to play traditional Chinese music and were very popular.

He Luting was a composer. But he did not stand aloof from the social turmoil and war of that time. Like many upright men and women, he joined the

Chinese people's revolution with vigour and enthusiasm. During the War of Resistance Against Japan (1937-45), he took part in a Shanghai patriotic performing troupe. Later, he joined the New Fourth Army led by the Chinese Communist Party, and lived for a while in Yanan, then centre of the Chinese revolution. These revolutionary activities further enriched the content of his music.

Song of the Guerrillas was one of his best known works



He Luting at work.

composed during the War of Resistance. Written one day when he was in a shelter during a Japanese air raid, the song inspired millions to go to the front to fight against the enemy. A perfect integration of music, verse, rhythm and theme and filled with pride, the song vividly depicted the fighting life of the guerrillas who came out to attack and then disappeared into the mountains.

Evening Party, a string piece He Luting revised several times, was based on traditional Chinese folk music with a drum rhythm, and expressed the happiness of



At a concert to play He's works.

the peasants at an evening party celebrating liberation.

Senjidema, an instrumental piece written in the liberated areas, was based on Inner Mongolian melodies and named after a Mongolian girl. The work portrayed both the vastness of the pastures and the bold and uninhibited character of the Mongolian people.

"Lively melodies, tightly knit structures and plain expression are the major features of He Luting's music and the reason his works are readily accepted by the people," said Sun Shen, vice-chairman of the Chinese Musicians' Association.

He Luting became the president of the Shanghai Conservatory of Music after the founding of the People's Republic in 1949 and has devoted himself to music education.

He Luting is also a writer of musical theory. He has written more than 70 articles, including *On Traditional Chinese Musical Scale and National Musical Mode*, which are considered of high academic value by the Chinese music circles.

In 1963, He Luting wrote an essay criticizing Yao Wenyuan, one of the gang of four, for his distorted interpretation of Debussy and of a book by Debussy on impressionist music. For this, he was criticized as a "bourgeois representative in music circles." During the "cultural revolution," he was persecuted even more severely. He spent seven years in prison but never gave in.

After the downfall of the gang of four, he returned to the conservatory where he continued to teach and compose music. In total, He Luting has written three choral symphonies, 24 compositions for chorus, 100 songs, 12 piano and orchestral

pieces as well as many instrumental solo works and songs for films.

Folk songs collection

Chinese musicians have collected 300,000 folk songs from the country's 56 nationalities since 1979, according to the Chinese Musicians' Association.

Thirty thousand representative pieces will go into a 30-volume "Collection of Chinese Folk Songs," scheduled for completion by 1985.

Each of China's nationalities has developed a unique musical culture over the centuries, with 360 varieties of local operas throughout the country.

Chairman of the association Lu Ji said that the collection is intended to provide a systematic study of China's national folk music, but it is only "our first step." He expects more collections to be finished before the end of the century, covering music for national instruments, traditional operas and local ballads.

China's tradition of gathering folk songs may be traced to Confucius (551-479 B.C.) and his disciples who compiled China's first anthology of poems, *The Book of Songs*, taken from folk music.

However, Lu Ji said, most of the past collections did not include music, since the collectors concentrated on words to provide a study of the people's minds, and did not have a unified musical notation system.

"Therefore, how to sing those ancient songs has become a mystery," Lu Ji said. But some folk songs, passed down orally from generation to generation,

"sound very old and are probably related to ancient singing."

The government has sponsored several local collections since the founding of New China in 1949, Lu Ji said, but this is the first nationwide collection.

Collectors visited folk singers everywhere — in villages, fields, mountains and on islands — and recorded their songs. The collections include love songs, labour songs, ritual songs, genre songs, and songs about people's struggle against the oppression by feudal rulers.

Lu Ji said the work has been conducted with assistance from the central and local governments. He hopes to find opportunities to share these experiences and materials with other countries.

PUBLICATION

Prints of ancient Paintings

The third volume of art books containing works from Beijing's Palace Museum painting collection will soon be published by the People's Fine Arts Publishing House.

The de luxe edition contains 98 colour reproductions of masterpieces by 17 painters of the Southern Song Dynasty (1127-1279).

It includes representative works by Li Tang, a court painter famous for landscapes and figures, as well as by Mi Youren, son of another famous painter, Mi Fei. Many imperial princes and nobles collected the son's calligraphy.

Another Song painter of note, Liu Songnian, was once bestow-

ed a gilded belt by the emperor for his painting of farming and weaving which appears in the volume.

Yang Wujiu, poet, calligrapher and painter, is represented by a plum blossom painting. His works fetched a huge sum even in his own day. He also was known for figures, bamboos, pines, rocks and daffodils.

This volume is the third in a series called *Chinese Paintings of Different Dynasties*. The first and second volumes, published in 1979 and 1981 respectively, include works from Eastern Jin (317-420), Sui (581-618), Tang (618-907), Five Dynasties (907-960) and Northern Song (960-1127) periods. The fourth volume of works by painters from the Yuan Dynasty (1271-1368) is expected to be published before the end of this year.

The Palace Museum, formerly the imperial palace for the Ming and Qing Dynasties, was built in the 15th century. It now houses numerous relics including a collection of several hundred thousand paintings from China's successive dynasties in 2,000 years.

Selected literature on Ling Canal

Selected historical materials on the Ling Canal were recently published by the Zhong Hua Book Store.

The Ling Canal, also called the Qin Zao Canal, one of the greatest water conservancy projects in Chinese history, was completed during the Qin Dynasty, over 2,100 years ago. Situated in Xingan County in the southwestern part of China, the canal is about 34 kilometres long.

Qin Shi Huang, the emperor who founded the Qin Dynasty,

needed the canal to transport food grain to his army. His troops began to dig the waterway along the Xiang-Gui Corridor in 219 B.C. and completed it in 214 B.C. Later, he sent reinforcements through the canal to south of the Five Ridges, an area which covers Guangdong and Guangxi, and finally succeeded in uniting them.

The Ling Canal was repeatedly repaired by successive dynasties and was still used for navigation as late as the Ming and Qing Dynasties. Only towards modern times was its function replaced by highways and railways.

The book consists of four parts: source, construction, repair and use of the canal. It totals 240,000 words and has 18 charts and pictures.

Uygur classical poem

A classical Uygur poem *Knowledge of Happiness, Enjoyment and Wisdom* has been annotated in modern Uygur language and will be published by the Nationality Publishing House at the end of this year.

The book was written during the 11th century by Jusup Has Hajjip, a great philosopher, thinker and poet. The poem enjoys equal popularity with *Great Turkic Dictionary* compiled by the Uygur scholar Mahmut Kashgar in 1074. Both of them are considered milestones in the history of culture of the Uygur nationality and precious heritages of Chinese culture.

The poem has 85 chapters totalling 13,290 lines and deals with politics, economics, philosophy, literature and other fields. The book offers valuable

materials for the study of Uygur history.

The book was discovered in the 19th century and has been translated into Turkic, Uzbek, Russian and German.

The Nationality Culture Research Institute of the Xinjiang Academy of Social Sciences will publish the book in prose with a complete index. This is the first annotation of the book in modern Uygur.

(Continued from p. 8.)

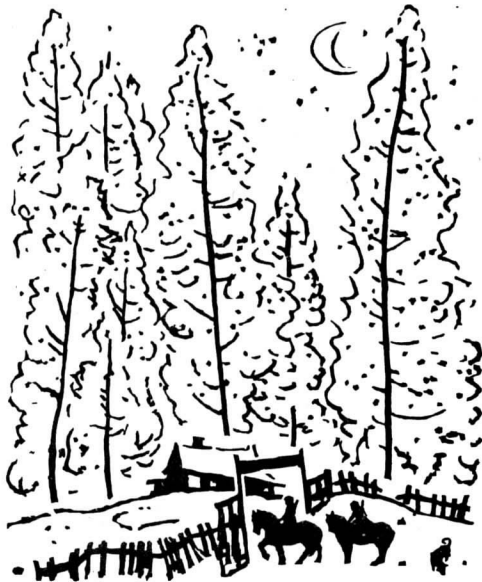
partner in Northern Europe, but has also achieved gratifying results in economic and technological co-operation with China.

Chairman Jakobsen said that relations between Denmark and China has entered an active stage. Economic and commercial co-operation has been strengthened which will benefit both sides. We hope to see more progress in the co-operation between China and Denmark and between Chinese and Danish enterprises, established to develop China's agriculture, he said.

Foreign Minister Wu Xueqian met the Danish guests and briefed them on China's position on the international situation and the general principle of China's foreign policy.

Jakobsen said that Denmark and China share similar views on international issues and that he appreciated China's position of not seeking hegemonism and of not yielding to the big powers in the international arena.

NPC Standing Committee Chairman Peng Zhen met the delegation in Beijing after it visited Kunming, Guilin and Shanghai. He told his guests that the policy of opening to the outside world is a basic strategy of China.



Border Scene.



Young Tibetan Women.

Woodcuts by Xu Kuang

Born in Yingcheng County, Hubei Province, Xu Kuang is a staff member of the Sichuan Artists' Association. His woodcuts mostly depict the life of the national minorities in southwest China. He employs different styles to depict different themes. Some of his woodcuts are rich in fine detail bringing his human figures alive. Others are simple and bold like lovely poems.



Woman Cyclist.



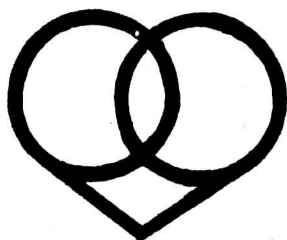
Girl of the Grasslands.

ANNOUNCEMENT

June 2, 1983

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