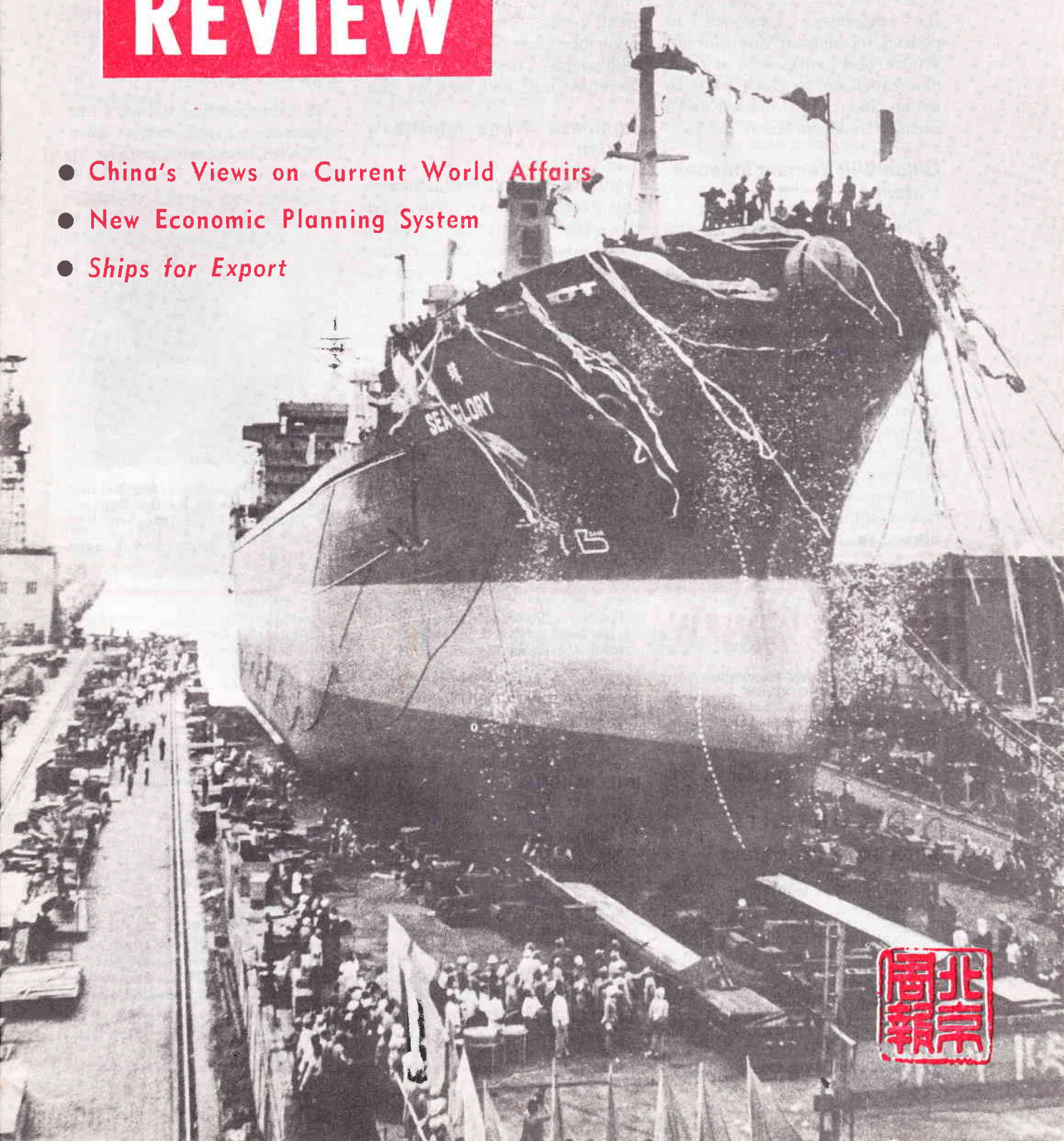


BEIJING REVIEW

A CHINESE WEEKLY OF
NEWS AND VIEWS

- *China's Views on Current World Affairs*
- *New Economic Planning System*
- *Ships for Export*



HIGHLIGHTS OF THE WEEK

Celebrating National Day

October 1, China's 33rd National Day anniversary, was marked by the people of the whole country with elation at the successes achieved in politics, economics and foreign affairs, and expressions of their determination to work hard to bring about the motherland's socialist modernization (p. 5).

China Will Remain Independent

Huang Hua's speech at the 37th UN General Assembly outlines China's basic position on present-day world issues (p. 14).

Taiwan People Support Reunification

The nine-point proposal for reunification with Taiwan put forward by Chairman of the NPC Standing Committee Ye Jianying a year ago has won widespread support from Chinese residing on the island and abroad (p. 19).

Position on Xianggang (Hongkong)

The three unequal treaties on Xianggang which were forced on China by the British Government in the 19th century have never been accepted by the Chinese people. They are illegal and therefore null and void (p. 10).

Japanese Prime Minister's Visit

During Suzuki's visit, Chinese and Japanese leaders reviewed the development of friendly Sino-Japanese relations and discussed ways and means to strengthen future ties (p. 8).

Principles for Planned Economy

Renmin Ribao Commentator elaborates on the leading role of the planned economy and the supplementary role of market regulation. Depending on its importance, each enterprise or product may be placed under mandatory planning, guidance

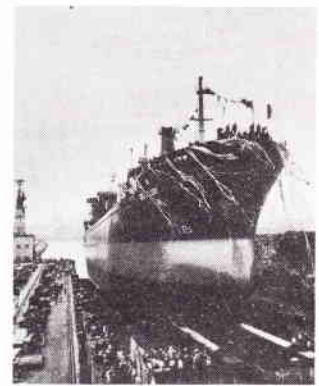
planning or market regulation (p. 21).

Continental Earthquake Indicators

A Chinese scientist presented her study of continental earthquake analysis and prediction to the recent international symposium held in Beijing (p. 29).

Ships for Export

The shipbuilding industry has witnessed a new boom since 1978 with stress on export (p. 6).



"Sea Glory," another big ocean-going vessel built by the Dalian Shipyard, being launched.

Photo by Yao Jianguo

BEIJING REVIEW

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road, Beijing
The People's Republic of China

Vol. 25, No. 41 October 11, 1982

CONTENTS

NOTES FROM THE EDITORS	3-4
Trials of Jiang Qing's Accomplices — Political Editor An Zhiguo	
Grain and Cash Crops — Economic Editor Jin Qi	
LETTERS	4
EVENTS & TRENDS	5-9
National Day Celebrated	
China to Launch Carrier Rocket	
Exporting Ocean-Going Vessels	
Coal Output Will Double	

Former Industrialists and Businessmen as Counsellors	
Japanese Prime Minister Visits China	
Celebrating 10th Anniversary of Normalization of Sino-Japanese Relations	
Zhao Ziyang on Sino-Indian Relations	
On Sino-US Relations	10-13
INTERNATIONAL	10-13
China's Solemn Stand on Xianggang (Hongkong) — Xinhua Commentator	
For Your Reference: Unequal Treaties on Xianggang	
Foreign Ministry Spokesman on Xianggang Issue	
Mrs. Gandhi's Soviet Visit — Liu Zhenxue	
Greece's "Arab Diplomacy" — Xin Shu	
France Adjusts Economic Policy — Zhai Xiangqian	
ARTICLES & DOCUMENTS	
China's Position on Current World Issues — Foreign Minister Huang Hua's	

address to UN General Assembly, October 4	14
The Nine-Point Proposal: One Year After	19
Facts on File: The Nine Principles	20
Institute an Economic Planning System Better Suited to China's Conditions — "Renmin Ribao" Commentator	21
PICTORIAL (Advancing Through Readjustment)	24-25
Urban Housing Rental	27
CULTURE & SCIENCE	29-30
ART PAGE	31

BEIJING REVIEW (USPS No. 658-110) is published weekly for US\$ 13.50 per year by Beijing Review, 24 Baiwanzhuang Road, Beijing, China. Second-class postage paid at San Francisco, CA. Postmaster: Send address changes to China Books & Periodicals, Inc., 2929 24th Street, San Francisco, CA 94110.

Trials of Jiang Qing's Accomplices

On the eve of the 12th National Congress of the Chinese Communist Party, eight more principal members of the Jiang Qing counter-revolutionary clique were tried in Shanghai. Was this an intentional coordination?

No. It was only a coincidence. Our Constitution and Law of Criminal Procedure clearly stipulate that our judicial organs exercise judicial authorities independently and are not subject to interference by any organs or individuals.

After the trials of the chief culprits of the Lin Biao and Jiang Qing counter-revolutionary cliques held at the end of 1980 and early 1981, our judicial organs decided to hear the cases of other principal members of the two counter-revolutionary cliques. Legal proceedings against them have been going on over the past year and more. In Shanghai, for instance, Hu Jinrong, one of the principal accomplices, was tried last year, before the trials of Xu Jingxian, Wang Xiuzhen and six others in August this year. Xu, Wang and the other six culprits played an active role in the Jiang Qing counter-revolutionary clique during the 10 years of turmoil, persecuted a large number of cadres and people in a planned way, and plotted to subvert the government and overthrow the people's democratic dictatorship.

Principal members of these cliques were also tried successively in Liaoning, Hunan, Yunnan, Sichuan and other provinces and municipalities last year or early this year. The military tribunal of the Peo-

ple's Liberation Army tried counter-revolutionary military members. For instance, Li Weixin, a former air force officer who took part in a counter-revolutionary coup d'etat plotted by Lin Biao, was convicted and sentenced last April. Li participated in drawing up the detailed plans for starting the coup d'etat and assassinating Chairman Mao. After the coup was aborted, he helped plot to flee to Guangzhou and set up another central committee, and he was captured while trying to flee abroad by helicopter. These trials were held publicly and were attended by the masses, and the defendants had lawyers. Just as in other countries, some of the trials were covered by the newspapers and some were not.

The crimes of the Jiang Qing and Lin Biao counter-revolutionary cliques were committed under very complicated circumstances during the decade-long "cultural revolution" and

involved a considerable number of people. Some of the defendants' acts violated the criminal law and some were just mistakes. To distinguish crimes from mistakes, and serious crimes from light offences, therefore, calls for a comparatively long time of preparations before the trials. As regards the specific time for the trials, it depends entirely on the specific circumstances of each case, including its investigation, pre-trial and case filing.

China does not rely on individual court procedures to coordinate with certain needs. It attaches greater attention to safeguarding the dignity of the law during the court proceedings. The trials of members of the two counter-revolutionary cliques will continue for some time, which will help people attain a better understanding of China's stable and independent legal proceedings.

—Political Editor
An Zhiguo

Grain and Cash Crops

Are Chinese peasants today so enthusiastic about growing high income cash crops that the country will need to prolong its dependence on grain imports?

Over the last few years China has adopted a series of flexible rural economic policies, such as expanding the peasants' decision-making power in farm production. It also has corrected a previous one-sided emphasis on grain production. As a result, farm production has greatly improved, with the output of cash crops rising measurably.

The total agricultural output value in 1981 was 17.9 per cent

more than in 1978 (calculated according to 1970 constant prices). Of this, the output of grain rose by 6.7 per cent and that of cotton, oil-bearing crops and beetroot increased by 37, 95.6 and 135.4 per cent, respectively.

The rapid increases in the output of cash crops can be partially attributed to the liberating effects of current policies on these crops. However, irrational pricing is more significant. Left behind by history, arbitrary pricing practices enable people to profit more from cash crops than from grain. Consequently,

LETTERS

USA and Israel

I particularly liked the article which appeared in issue No. 32 "The USA: Israel's Biggest Arms Supplier." The Chinese people are expressing their love for the innocent Lebanese who are facing the Israeli aggressors. All peace-loving countries including my motherland Uganda hope that the United States stops the supply of sophisticated weapons to Israel. This will halt the expansionist and hegemonist programme of the Israeli government, thus yielding peace in the Middle East.

Raphael Walusimbi Mpanga
Kishbi, Uganda

China Helps Palestinians

I read in issue No. 26 of *Beijing Review* that China had earmarked one million US dollars to help the PLO; this is indeed good. I appreciate China, for you use deeds, rather than empty words, to help the Palestinian people. The Israeli hegemonists are the most barbarous creatures in the world today. If they are allowed to continue having their way, they will surely attack all coun-

tries (including the United Nations) which have given refuge to the Palestinian people.

Edouard Nicolini
Marseilles, France

Statistics

I've read issue No. 20 of your journal and found that the statistics released in the "Communique on Fulfilment of China's 1981 National Economic Plan" are indeed accurate. This enables your readers to assess the herculean efforts made by China in the last few years. This article released figures that tally with the actual economic situation in China.

It is my hope that you will publish more reports on the economy and the reforms of your basic systems as you did in recent issues. I read these articles to obtain news that is both objective and reliable.

Jose Luis Diaz Mira
Madrid, Spain

Understanding China's Foreign Policy

I have been reading *Beijing Review* since the beginning of this year. Your magazine has provided us with an objective analysis of world affairs. It is quite dif-

ferent from our Western press. The opinions in the Western press either side with the White House or the Kremlin, or take the stand of both. Although there is an ideologically impassable chasm between the two, there is no difference in their hegemonistic natures.

By reading your article entitled "On the Question of Human Rights in the International Realm" (issue No. 30), people who may have harboured a suspicious attitude in this respect will be fully convinced. "Human rights," a term invented by the Western countries, are used to cover up the true issue in the international arena, that is, support to the third world and peace and co-operation among various countries.

It is a pity that those who disseminate "human rights" are not interested in genuine history. They are only interested in the Anglo-Saxon colonialism. Yet, some people are disgusted with it.

I now further understand the general orientation of your country's foreign policy. Therefore, the anti-hegemonist struggle which constitutes the foundation of your foreign policy should be clearly manifested.

Jean Catherine Avre
Boulogne sur Seine, France

the acreage sown to grain in 1981 was reduced by 4.3 per cent as compared with that in 1979. This tendency has aroused the concern of the government.

In an effort to stabilize the grain acreage and encourage continued increases in per-unit grain output, the state has strengthened planning and administrative intervention. In addition, other economic measures are being considered to bridge the profit gap between the production of marketable grain and the production of cash crops. To name a few: the amount of grain purchased by the state in grain-producing areas at fixed parity (thus, lower prices) will not be increased, and the amount of grain in excess of the prescribed

amount purchased at fixed parity will be purchased by the state at preferential negotiated prices; grain-growers will be accorded preferential treatment in the supply of scarce industrial goods needed in production and daily life, such as chemical fertilizers, certain farm tools and machines and bicycles; and the profit for cash crops that encroach on the land sown to grain will be appropriately reduced.

It is true that China has increased grain imports in the last few years. But this stems from a too rapid growth in grain consumption rather than a decrease in domestic supplies (as a matter of fact, they are growing). Grain sales in 1981 were 27 per cent higher than in 1979. The popula-

tion growth accounts for some of the increased grain consumption. But the main reason is China's ongoing effort to develop the foodstuff and fodder industries. China imports only a small amount of grain, some of which is used to increase the varieties. Deducting the exports from the imports, the net grain imported in 1981 (the year with the largest amount of imported grain) was only 4 per cent of the nation's total grain output.

A populous country like ours cannot depend on imported grain. Our consistent policy has been to rely principally on domestic grain production, and to use the international market only to adjust our deficiencies and surpluses. This policy, I think, will never be changed.

—Economic Editor Jin Qi

POLITICAL**National Day Celebrated**

Jubilation and confidence characterized the 33rd anniversary of the founding of the People's Republic of China.

Throughout the National Day holiday (October 1-3), the Chinese people across the land joyously celebrated the nation's successes in the political and economic fields and in foreign affairs and were determined to work even harder to attain the new goals.

National Day this year coincided with the Mid-Autumn Festival (the fifteenth of the eighth moon in the Chinese lunar calendar), a day for family reunion, and this added warmth to the festive occasion. In the capital, all the theatres and cinemas were packed to capacity, while big crowds thronged Tian An Men Square where 12,000 pots of flowers formed 10 big flower beds and eight floral hoops. The parks were equally beautifully bedecked with flowers.

Supplies on the market during the holiday were plentiful, ranging from articles for daily use to foodstuffs and several dozen varieties of moon-cakes.

On September 30, Premier Zhao Ziyang gave a reception in Beijing's Great Hall of the People in celebration of the anniversary. It was attended by over 700 people including leaders of the Party, government and the army, people from various circles in Beijing, diplomatic envoys, visiting foreign guests, compatriots from Taiwan, Xianggang (Hongkong) and Aomen (Macao) and overseas Chinese.

In his toast at the reception, the Premier expressed his determination and confidence in accomplishing the early reunification of the motherland and creating a new situation in the socialist modernization drive.

The Great Hall of the People was also the site of two happy get-togethers, held in the evenings of October 1 and 2 and attended by Party and state leaders, model workers and outstanding representatives from the industrial, agricultural, financial and trade, medical and health, physical culture and sports and other fields, PLA combat heroes as well as overseas Chinese and minority peoples. Among the participants were also teachers from the capital's various middle and primary schools, street cleaners and streetcar conductors, as well as commune members.

**China to Launch Carrier Rocket**

China will launch a carrier rocket to the high seas in a round area with a radius of 35 nautical miles, centred at 28 degrees 13 minutes north latitude and 123 degrees 53 minutes east longitude between October 7 and October 26, 1982. For the safety of passing vessels and aircraft, the Chinese Government hereby requests the governments of other countries concerned to inform their vessels and aircraft not to enter that area and the space over it between 09:00 hours and 17:00 hours local time on those days.

Excellent Political and Economic Situation. The joyous atmosphere on National Day this year stemmed from the excellent situation in China's political and economic fields. The 12th National Congress of the Chinese Communist Party came to a triumphant end only a short time ago. The congress mapped out a programme for the creation of a new situation in socialist modernization, set forth the strategic goals for the national economy and the concrete measures for attaining them by the end of this century, and defined the fighting tasks for the people of the whole country.

Heartening news streamed in from the industrial and agricultural fields in these happy days. According to a State Economic Commission official, China's industrial output value in the January-August period this year totalled 362,200 million yuan, a 9.1 per cent increase over the corresponding period last year. Fresh progress was made in September, with almost all the major products fulfilling the output targets according to

state plan; and the management of state-owned industrial enterprises markedly improved.

It is estimated that the output of grain and cash crops will surpass that of last year. The total output of the summer crops and early rice this year reached an all-time high, while the autumn crops are growing well and a rich harvest is expected.

Giving Full Play to People's Enthusiasm. In an editorial marking the 33rd anniversary of the founding of the People's Republic, *Renmin Ribao* called on leading cadres at all levels to overcome bureaucratism and go among the masses to give full rein to their enthusiasm for socialism. The editorial pointed out: Efforts have been made to right earlier wrongs in the last six years, especially during the four years since the Third Plenum of the 11th Party Central Committee. The thriving situation today can be attributed to the correct policies and principles which the Party Central Committee has formulated in light of the specific conditions of China.

These policies and principles have won the respect of the entire people who have displayed immense creativeness, enthusiasm and devotion to building a prosperous and strong country. Therefore, the editorial continued, the leadership at all levels should go a step further to give full scope to this enthusiasm. While pressing ahead with the socialist modernization drive, major efforts should be made to improve the people's material well-being. The drive to build a full-fledged material civilization should go hand in hand with efforts to attain a high degree of socialist spiritual civilization and socialist democracy, so as to further boost the people's morale and fervour for socialist construction

with revolutionary ideas and spirit, the editorial concluded.

ECONOMIC

Exporting Ocean-Going Vessels

The first Chinese-made container ship was launched in Guangzhou just before National Day (October 1). Built by the Guangzhou Shipyard for the Plymouth Shipping Ltd. Co. of the United States, the ship is 134.45 metres long and 20.8 metres wide. It has a loading capacity of 11,000 tons and can carry 670 twenty-foot containers.

Another vessel built for export prior to this was China's first 36,000-ton class bulk-cargo ship the *Dongxing*, launched by the Hudong Shipyard in Shanghai.

By the end of September, China had exported seven vessels weighing more than 10,000 tons. Four more such ships and three offshore oil rigs will be handed over to the shipowners before the end of this year.

The total tonnage of the seven ships, including bulk-cargo and multi-purpose ships as well as container ships, exceeds 160,000 tons.

New China began building ships for export at the end of 1978. Before that year the Chinese shipbuilding industry built vessels for domestic use and only two were for foreign shipping companies.

As part of China's recent open foreign policy, the number of exported ships has steadily increased in the last few years, despite stagnation in the international shipbuilding industry.

To date, export contracts totalling 900,000 tons have been signed. The variety of ships

have widened from bulk-cargo ships alone to include container ships and others, and they have been sold in Asia, Europe and the Americas. Business contacts have been established with more than 100 firms in more than 20 countries and regions.

All these ships have met international construction standards and have been approved by shipowners and ship inspectors from numerous international shipping and seamen's organizations.

Coal Output Will Double

China plans to double its present annual coal output of 600 million tons by the end of this century, according to a new development programme worked out by the Ministry of Coal Industry.

China's energy resources include coal, petroleum, natural gas, electric power, biogas, solar and wind energy. The reserves of coal are the most abundant.

Despite tremendous developments since the founding of New China, problems still plague coal production, such as unstable output, an imbalanced scale of mine construction and poor economic results. Thus supplies fall short of the state's growing energy demands. The Ministry of Coal Industry has worked out a new development programme for coal production.

Under the new programme, the tasks for the next 18 years are:

— Replace hand operation with mechanized operation as the principal means of mining in the key mines and strive for a fundamental improvement in mine safety;

— Diversify coal products and

take adequate steps towards coal gasification and liquefaction, and raise the rate of utilization;

— Broaden the scope of business to include coal chemicals, coal-electric power joint enterprises and other operations;

— Transport coal mainly by railway, ship and pipelines and strive for automation in loading and unloading; and

— Raise coal output through enacting effective economic policies, establishing a scientific management system and introducing the responsibility system in production.

To achieve these goals, the Ministry of Coal Industry will adopt the following measures:

— Continue technical transformation of major mines in a planned way and achieve the goal of 56 per cent mechanized operations by the end of 1990.

— Strengthen coal mining, shorten the cycle of construction and see to it that the investments achieve the best results. The scale of projects was only 77 million tons in early 1981, this should be expanded to 120 million tons by the end of 1985 and up to 180 million tons by the end of 1990.

— Devote major attention to the building of the anthracite producing centre in southeast Shanxi Province, the coke centre in central Shanxi, the Huabei-Huainan coal producing centre in Anhui, the Handan coal producing centre in Hebei and the Liupanshui coal producing centre in Guizhou. The time limit for projects will be shortened from eight years in 1981 to six.

— Make great efforts to develop local small coal pits, especially in energy-short areas.

— Develop coal washing, processing and multi-purpose utilization. The percentage of washed coal will be raised from 34 per cent in 1982 to 56 per cent by the end of 1990.

— Boldly make use of foreign funds and raise internal funds for technical transformation and expansion projects.

— Establish the system of training workers and cadres by rotation.

Former Industrialists and Businessmen as Counsellors

A number of former industrialists and businessmen who have become socialist workers are acting as consultants for the modernization drive.

Most of them are members of the China Democratic National Construction Association (one of China's eight democratic parties) and the All-China Federation of Industry and Commerce.

Incomplete statistics from 27 provinces, municipalities and autonomous regions show that nearly 20,000 members of the two organizations are advising national construction in one form or another. One-fourth of them have recommended competent personnel for particular work or have made useful suggestions. They also have helped reorganize or set up 2,500 collective enterprises, employing 83,000 former job-waiting youth, and have helped train 40,000 workers in different professions.

Before liberation, these people were engaged in industry, commerce or service trades. Many are knowledgeable and proficient, and some are experts in specialized fields. Since liberation, they have worked in social-

ist enterprises, so are very familiar with the market and social and economic life of China.

In Shanghai, where the two organizations have large memberships, these former industrialists and businessmen made 291 effective suggestions to different factories, commercial establishments and service departments.

On the recommendation of Yang Shaozheng, the founder of the Zhengtai Rubber Factory in Shanghai, a new rubber factory was set up producing coloured boots for women. As Yang expected, the boots are enjoying brisk sales on the market.

Not long ago, about 200 former industrialists and businessmen attended a meeting to discuss economic consultation. Yang Jingren, head of the United Front Work Department of the CPC Central Committee, told the meeting that advising was an effective way for them to serve modernization, and he expressed the hope that they would bring their talents to full play.

FOREIGN RELATIONS

Japanese Prime Minister Visits China

On the occasion of the 10th anniversary of the normalization of diplomatic relations between China and Japan, Japanese Prime Minister Zenko Suzuki paid an official visit to China from September 26 to October 1. The Prime Minister received a warm welcome in China. Premier Zhao Ziyang and Prime Minister Suzuki held two rounds of talks. General

Secretary Hu Yaobang and Comrade Deng Xiaoping met with the Japanese Prime Minister on separate occasions.

During their talks, both sides reviewed the development of friendly relations between the two countries over the past 10 years and exchanged views on their future relations.

Zhao Ziyang said that there are many favourable conditions for the development of Sino-Japanese relations. The expansion of good-neighbourly relations is in the fundamental interests of the two peoples and is also beneficial to peace and stability in Asia, the Pacific region and the rest of the world. The Chinese Government's policy for the development of Sino-Japanese relations of peace and friendship, equality and mutual benefit and prolonged stability remains unchanged.

Suzuki quoted the Japan-China Joint Statement which said that "the Japanese side is

keenly aware of Japan's responsibility for causing enormous damages in the past to the Chinese people through war and deeply reproaches itself." He stressed: "We have not slightly changed this awareness." Suzuki said that the Japanese side would listen fully to China's criticisms on the textbook matter. As to the phraseology on certain questions raised by China, the Japanese Government will be responsible for making the corrections as soon as possible, sincerely take concrete measures and solve the question well. He added that the overwhelming majority of the Japanese people are for a lasting peace, and that Japan has become an economic power, but it will never be a military power.

Premier Zhao Ziyang spoke highly of the determination expressed by Prime Minister Suzuki to conscientiously correct the mistakes in the textbooks in line with the principle

of developing friendly relations between the two countries.

Prime Minister Suzuki expressed the hope that the two countries will further increase their economic and technical co-operation. He predicted that the scale of economic co-operation between Japan and China would be larger than in the past 10 years.

The two leaders also exchanged views on international issues. They expressed satisfaction with the results of the talks.

Prime Minister Suzuki held a press conference in Beijing. When asked about the views of the leaders of the two countries on Sino-Soviet and Japanese-Soviet relations exchanged during their talks, Suzuki said that China's stand against hegemonism is unequivocal and that China is willing to develop its relations with all other countries on the basis of the Five Principles of Peaceful Coexistence. He said that the Japanese people will never tolerate the illegal occupation of Japan's four northern islands by the Soviet Union which is constantly increasing its military installations there. Suzuki emphasized that the territorial issue must be solved before a Japanese-Soviet peace treaty could be concluded.

At a rally attended by more than 1,000 people in Beijing, Prime Minister Suzuki delivered a speech entitled "Rich and Colourful Exchanges and Unshakable Friendship." He said: "I am firmly convinced that the friendship between the peoples of the two countries will for ever maintain its boundless vitality like the rivers, and the relations between the two countries will be unshakable."

The Japanese Prime Minister also visited Hangzhou and Shanghai.



Premier Zhao Ziyang presented Prime Minister Zenko Suzuki with pictures of the giant panda Fei Fei which was a gift from Premier Zhao to the Japanese Government and people when he visited Japan in June this year.

Celebrating 10th Anniversary of Normalization Of Sino-Japanese Relations

September 29 this year was the 10th anniversary of the normalization of Sino-Japanese relations. The people of China and Japan marked this day of historic significance with celebrations.

At the Great Hall of the People in Beijing, more than 1,000 people from all walks of life and Japanese friends attended a reception to celebrate the occasion. A huge banner hanging across the hall was inscribed with the words: "May the friendship between the Chinese and Japanese people last generation after generation!" This reflected the aspirations of the people of both countries. A Japanese delegation composed of representatives of the Japan-China Friendship Association and five other organizations, which have promoted Sino-Japanese friendship for many years, came specially to China on the occasion also attended this reception. The Chinese and Japanese friends expressed their determination to treasure the hard-won fruits of friendship and to be on guard against and oppose all plots aimed at sabotaging Sino-Japanese friendship. Japanese Prime Minister Zenko Suzuki also attended the reception.

A Chinese delegation headed by Wang Zhen, Member of the Political Bureau of the CPC Central Committee and former Vice-Premier of the State Council, went to Japan to take part in the celebration activities there.

The friendship organizations of both China and Japan organized many activities to mark the anniversary. For example, various kinds of exhibitions were held in the capitals of the two countries: the film *The Game Yet to Finish*, co-produced by China and Japan, was simultaneously shown in both countries, and 26 pairs of table tennis players of Japanese and Chinese sister-cities held a get-together in Tokyo.

Zhao Ziyang on Sino-Indian Relations

"The Chinese Government is willing to make positive efforts to settle the Sino-Indian border question. Meanwhile, the two countries should further develop their friendly relations and co-operation in the economic, technological, cultural and other fields," said Premier Zhao Ziyang on October 2 when he met with G.K. Reddy, chief reporter in New Delhi for the Indian newspaper *Hindu*, and Mrs. Kanta Reddy.

Noting that China and India had many points in common, Premier Zhao said: The two countries are both developing countries with huge populations. Their peoples had similar experiences in the past, and

now are confronted with common tasks of developing their national economies and raising their people's living standards. Both China and India are countries with influence in the world. The two countries should be friendly to each other and improve their relations.

The Premier said that there exists an age-old friendship between the two peoples, and the two nations had very good relations in the 1950s. The development of Sino-Indian friendship is the trend of the times, he added. This not only conforms to the fundamental interests of the peoples, but also will have an important impact on the peace and stability in Asia and the rest of the world.

On Sino-US Relations

Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party, and Premier of the State Council Zhao Ziyang on September 30 met with former US Secretary of State Dr. Henry Kissinger on separate occasions.

Deng Xiaoping said: Generally speaking, the development of Sino-US relations in the past 10 years has been good. But there have been some twists and turns in the last two years. We attach importance to developing our relationship with the United States and hold that such relationship can only be developed on the basis of mutual trust.

Zhao Ziyang said that China is closely watching the way in which the United States implements the recent Sino-US Joint Communique on resolving the question of US arms sales to Taiwan. He added that this is a crucial issue which will affect the development of the relations between the two countries.

The Premier said that China has always attached great importance to developing Sino-US relations. The two countries can surely develop economic and technical co-operation in accordance with the principles of learning from each other's strong points to overcome weaknesses and of mutual benefit and need. These conform with the interests of the people of the two countries. Though there has been a substantial increase in trade between the two countries in recent years, he said, in general, the progress of economic and technical co-operation is far from satisfactory.

China's Solemn Stand On Xianggang (Hongkong)

XIANGGANG (Hongkong) is part of China's territory. The treaties in relation to the Xianggang area concluded by the old British Government and the Chinese government in the Qing Dynasty were unequal ones which have never been accepted by the Chinese people. It is a sacred mission of the Chinese Government and people to claim sovereignty over Xianggang. This has consistently been the just stand of the Chinese people.

In her speech in Xianggang on September 27, British Prime Minister Mrs. Thatcher repeatedly stated that the three treaties involving the Xianggang area signed by Britain and China in the last century were not "invalid" and "Britain keeps her treaties." This statement is absolutely unacceptable to the Chinese people. These treaties which involve the Xianggang area were products of British imperialism's "gunboat diplomacy" and invasion of China in the 19th century. These unequal treaties, which were forced upon the Chinese people, testify to British imperialism's plunder of Chinese territory. The Chinese people have always held that these treaties are illegal and therefore null and void. Even when they were still in a powerless position, the Chinese people waged a protracted, unremitting and heroic struggle against imperialist humiliation and oppression and against the series of unequal treaties forced upon them by imperialism. It was not until the founding of the People's Republic of China in 1949 that the Chinese people finally

won independence and emancipation and stood up. It is only natural that they find these unequal treaties, which were imposed upon China by Britain, unacceptable.

The responsibility for the acts of aggression committed by the British Empire a century ago did not and does not rest with the British people. But whoever today tries to cling to these unequal treaties will arouse the memories of the British imperialist invasion of China in the

minds of the people in China, Britain and the whole world.

Mrs. Thatcher said Britain has a "moral responsibility and duty" to the people of Xianggang. We maintain that Xianggang is an issue involving the state sovereignty and national interests of the 1,000 million Chinese people including the Chinese residents in Xianggang. The Government of the People's Republic of China alone is in a position to state that, as the government of a sovereign country, it has a responsibility and duty to the Chinese residents in Xianggang.

Mrs. Thatcher made her statement in Xianggang after her

For Your Reference

Unequal Treaties On Xianggang

1. Treaty of Nanjing (Nanking):

In 1840, the British imperialists launched the Opium War against China. On August 29, 1842, the British Government forced the Chinese government of the Qing Dynasty to sign the Treaty of Nanjing on ending the Opium War. By this treaty, the Chinese island of Xianggang was ceded to Britain.

2. The Convention of Beijing (Peking):

It was originally called the supplementary protocols for the Treaty of Nanjing. Britain launched the Second Opium War in 1856 and forced the Qing government to sign the Convention of Beijing on October 24, 1860.

Under this convention, the Qing government was forced to cede the Chinese territory south of Boundary Street on Jiulong (Kowloon) Peninsula to Britain.

3. The Convention for the Extension of Xianggang:

Taking advantage of China's defeat in the Sino-Japanese War of 1894-95, Britain forced the Qing government to conclude this convention on June 9, 1898. Under the convention, the Chinese territories north of Boundary Street on Jiulong Peninsula up to the south of the Shenzhen River, and the adjacent islets (the so-called New Territories) were "leased" for 99 years to Britain.

The above-mentioned are unequal treaties Britain imposed on China in the 19th century. The first two treaties also include other articles infringing on China's sovereignty (see *Beijing Review*, No. 34, p. 16).

Foreign Ministry Spokesman on Xianggang Issue

A SPOKESMAN of the Information Department of the Chinese Ministry of Foreign Affairs made the following statement on September 30 concerning British Prime Minister Mrs. Margaret Thatcher's September 27 remarks on the Xianggang (Hongkong) issue in Xianggang.

"Xianggang is part of Chinese territory. The treaties concerning the Xianggang area signed between the British Government and the government of the Qing Dynasty of China in the past are unequal treaties which have never been accepted by the Chinese people. The consistent position of the Government of the People's Republic of China has been that China is not bound by these unequal treaties and that the whole Xianggang area will be recovered when conditions are ripe.

"Both the Chinese and British sides hope to maintain the prosperity and stability of Xianggang, and therefore will hold discussions through diplomatic channels."

visit to Beijing. During her stay in Beijing, she had discussions with Chinese leaders on the Xianggang issue, and both sides agreed that the consultations will be continued between the two countries through diplomatic channels in the light of bilateral desire to preserve the prosperity and stability of Xianggang.

Speaking at a dinner in honour of Mrs. Thatcher, Premier Zhao Ziyang pointed out that in the bilateral relations between China and Britain, there are problems left over from history that need to be solved through consultations. However, he stressed, problems of this kind are not difficult to solve so long as both sides approach and develop Sino-British

relations in a long-term strategic perspective and take the Five Principles of Peaceful Coexistence as the basis for dealing with

problems existing between the two countries.

— *Xinhua Commentator*
(September 30)

Mrs. Gandhi's Soviet Visit

INDIAN Prime Minister Indira Gandhi paid a week-long visit to the Soviet Union at the end of September. In the eyes of the Western world, the visit "seems to have produced more symbol than substance."

Apart from reaffirming the resolve "to continue to develop and strengthen friendship and co-operation," the Soviet-Indian summit produced no new agreements on economic co-operation or arms deals.

An Indian newspaper said that during the exchange of views on international issues, there was a "close identity of views between the two countries," but "the two sides also agreed to disagree on Afghanistan."

Differences

At a Moscow news conference the Indian Prime Minister said for the first time that she "would like Soviet troops to leave (Afghanistan)." Her host was not very happy about this remark which was deleted from the TASS reports.

Another difference, according to Indian sources, concerned China. Brezhnev severely attacked China during the talks. But speaking on September 21 to representatives from all circles at Tchaikovsky Hall, Indira Gandhi said, "With the People's Republic of China we are now engaged in a dialogue on outstanding questions which we earnestly hope will lead to normalization."

In the past year or more, some notable changes have appeared in Soviet-Indian rela-

tions. Western observers believe that India is showing signs of drifting away from Moscow.

Drifting Apart

The most obvious signal was on the 10th anniversary of the signing of the Soviet-Indian Peace, Friendship and Co-operation Treaty on August 9 last year. Mrs. Gandhi not only turned down two Soviet invitations to the grand celebrations in Moscow, but also excused herself from attending the celebrations in New Delhi.

In the past few years, India has taken steps in diplomatic and economic policies to play down the Indo-Soviet "special relationship."

Mrs. Gandhi had decided to visit the Soviet Union after her successful trip to the United States last spring, which improved India-US relations with "a new spirit of dialogue and co-operation." India also dispatched high-ranking military delegations to West Germany, France and Britain to buy submarines and aircraft with a view to diversifying its weapons sources. In addition, India has taken measures to strengthen its dialogue with China, Pakistan and other neighbours in a bid to resolve existing bilateral problems. Apparently all this is not to the liking of the Kremlin.

India became aware that standing with the Soviet Union internationally, especially on the Afghanistan issue, not only hurt its non-aligned image, but also aroused discontent at home.

Furthermore, the Soviet troops' long-term occupation of

Afghanistan as a forward base in the Soviet strategy of thrusting southwards also poses a great threat to India.

On another front, India needs more advanced technology and equipment to develop its industry. The Soviet Union so far has not been able to meet India's demands. Therefore India has had to seek new technology and weapons from the West.

Observers generally believe

Greece's "Arab Diplomacy"

WHEN he became premier last October, Andreas Papandreou, leader of Greece's Panhellenic Socialist Movement, told parliament that his government would strive to expand relations with the Arab states.

Today, the Greek Government can boast of some substantial results since undertaking its "Arab diplomacy" drive.

Support for the PLO

As the initial and important step in its plan to improve relations with Arab countries, Athens gave active support to the Palestine Liberation Organization (PLO). Last December, Papandreou invited Yasser Arafat, Chairman of the PLO Executive Committee, to visit Greece and accorded him a much warmer reception than the country usually offers foreign leaders. During Arafat's visit, Greece announced its recognition of the PLO as the sole legitimate representative of the Palestinian people and granted the PLO Press Office in Athens the status of a diplomatic mission.

After the Lebanon crisis broke out last June, the Greek Gov-

ernment became even more active in its support for the PLO. It denounced Israel for its fascist crimes in Lebanon, dispatched ships to help the PLO evacuate its military forces from Beirut, undertook the tasks of receiving and transferring the PLO wounded, and extended an invitation to Arafat to visit Greece again and to stay for a "relatively long period." When Arafat arrived in Greece on September 1 en-

route to Tunisia, Papandreou assured Arafat once again that his government would continue to support the Palestinian people in their struggle to return to their homeland.

route to Tunisia, Papandreou assured Arafat once again that his government would continue to support the Palestinian people in their struggle to return to their homeland.

Athens also has stepped up exchanges of visits with other Arab countries. Papandreou went to Algeria last May and plans to visit Kuwait and Saudi Arabia later this year. Several Arab leaders visited Greece in the past year.

— Liu Zhenxue

Economic Co-operation

The Greek Government considers the Arab countries not only a dynamic political force in the world, but also reliable and stable economic partners essential to Greek trade, investment and energy supply. It has signed economic, scientific and technological agreements with Iraq, Saudi Arabia and Algeria, helping them to build and repair ships, construct reservoirs and power plants and to maintain civil and military aircraft. Under these agreements, Greece

Arafat with Papandreou (centre, front) in Athens, September 1.



also exports farm products and building materials to these countries.

According to official Greek estimates, Greece's exports to the Arab countries will increase

to 30 per cent of its total exports this year. In addition, about 80 per cent of its oil imports will come from the Arab world under preferential prices.

— *Xin Shu*

and protect the position of the battered franc. The main policy shifts were:

Policy Changes

- Freezing wages and prices. The government announced that in the four months from July to October commodity prices would be frozen at the June 11 level, and all wages, except for a few of the lowest, also would remain unchanged.

- Reducing financial deficits and spending. A government regulation provides that budget deficits should not exceed 3 per cent of the total value of domestic products, with the 1983 budget deficit limited to 117.8 billion francs. Total governmental expenditure in 1983 will increase only 11.8 per cent, while social security will be cut by 8 billion francs. The budget deficit will remain huge, because the Socialist Party fears that a bigger slash of social welfare could adversely affect the municipal elections next March.

- Raising funds and stimulating investment. The government announced on August 30 that it would for the fourth time since June 1981 issue a 7-year-term public bond of 10 billion francs, bringing the total government bonds to 45 billion francs. The bulk of the sum will go to major projects. To encourage private investment and stimulate the economy, the government promised not to increase the employers' burden in social security before July 1983, but instead to help them make more profits.

In spite of these adjustments, the Socialist Party's economic policy is basically the same as it was, and no signs so far indicate that any changes of a fundamental nature will be made.

— *Zhai Xiangqian*

France Adjusts Economic Policy

CLIMBING unemployment and swelling red ink have forced the ruling French Socialist Party to make some changes in its economic policy. On September 5, Prime Minister Pierre Mauroy announced short-term measures intended to cope with the two problems.

After it came to power in June 1981, the Socialist Party adopted the policy of boosting the economy by stimulating consumption, coupled with vigorous efforts to carry out social-economic reforms and expand the scope of nationalization. The policy, aimed at solving the unemployment problem, was completely different from those of most other Western states and came to be known as the French Socialist Party's "experiment."

Ineffective "Experiment"

Now more than a year has passed, but the economy did not take an upturn, even worsened in some respects.

The number of the jobless increased from 1.825 million to 2.04 million in July, and inflation remains higher than 13 per cent. The current economic growth rate is estimated at 1.7 per cent, far short of the projected rate of 3.3 per cent, while the unfavourable external trade in the first half of this year resulted in a 43.2 billion French francs deficit, almost twice as large as that of the corresponding period last year. The franc was devalued last October and again this

June. The budget deficits for this fiscal year are estimated to run to 120 billion francs.

Observers say basically two factors have contributed to the French economic difficulties.

First, France underestimated the impact on its economy of the sustained, deep economic crisis in the West. With the Western countries becoming increasingly dependent on each other for their economic development, France cannot successfully follow a policy contrary to those of other countries with similar economic systems. The crisis France is facing, President Mitterrand said, can in no way be resolved in any single country. The French economy suffered from the differences in inflation rates, high interest rates, currency exchange rates and import-export trade because a quarter of its market is outside its territory.

Second, it is impossible to expand social welfare and curb unemployment amid recession. In the past year the French Government added 90 billion francs to its financial burden as it raised the minimum wage level and introduced a 5-week holiday with pay and 39-hour work week. Also, the government spent some 3 billion francs to maintain 125,000 newly created jobs in public agencies, most of them non-productive.

The sagging economy soon forced the government to adjust policy in order to stimulate investment, promote production

China's Position on Current World Issues

—Foreign Minister Huang Hua's address
to UN General Assembly, October 4

ON this occasion each year, we gather here to review major world issues of the day. We are all concerned about the changes in the world situation as a whole and we all follow the developments in various countries. Before I proceed to elaborate on China's views on current world affairs, I would like to say something about a recent event of major importance in the political life of the Chinese people.

As you know, the Communist Party of China held its 12th National Congress in Beijing earlier last month. This congress was an important milestone in the history of the People's Republic of China. It summed up our experience in achieving great successes over the past six years. A grand programme for China's socialist modernization was put forward and new central leading bodies of the Party were elected. China now enjoys political stability and unity, and her economy is growing steadily. She has entered a new era in her efforts to create a new situation in all fields of socialist modernization. Under the leadership of the Communist Party, the Chinese people are determined to make gigantic efforts on the basis of self-reliance in order to achieve, step by step, modernization in industry, agriculture, national defence and science and technology before the turn of the century, and transform China into a culturally advanced and highly democratic socialist country. We intend to blaze a path of our own and build socialism with Chinese characteristics. We know that this is going to be an arduous task and will be no plain-sailing. But we are fully confident of achieving our goal and of the bright future of our country.

In his report to the 12th National Congress of the Communist Party of China, the General Secretary of the Central Committee Comrade Hu Yaobang has given a comprehensive and profound explanation of China's foreign policy. We adhere to an independent foreign policy. In developing relations with other countries, we are always guided by the Five Principles,

namely, mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. More particularly, we will unite with countries of the third world and join hands with all other countries and forces working for peace to combat hegemonism and maintain world peace.

Our independent foreign policy proceeds from the fundamental interests of the people of China and the world as a whole. The founding of the People's Republic of China has removed the social causes of China's submission to foreign aggression and those of any possibility that China might commit aggression abroad. In the 33 years of the People's Republic, we have shown by deeds that China never attaches herself to any big power, or group of powers, nor yields to pressure from any big power. We Chinese people cherish our own independence and sovereign rights which we won only after protracted struggles. We are firmly opposed to hegemonism. At the same time we declare to the whole world that under no circumstances will China seek hegemony.

In our international relations we have always abided by the Five Principles of Peaceful Coexistence. Conforming to these principles, our government has established co-operative relations of peace and friendship with a great number of countries in the past three decades and more, and settled many boundary questions and other issues left over from history. In the future we will continue to be ready to solve outstanding issues in our relations with some countries on the basis of the same principles. The Chinese Government is willing to develop normal relations with any country as long as it truly respects China's independence, sovereignty and territorial integrity, abides by the principles of equality, mutual benefit and mutual respect, that it is not hostile to China and does not threaten China's security. Our

modernization programme is based on the principle of independence and self-reliance. At the same time we will continue to adhere firmly to our policy of opening to the outside world. We are ready to develop trade ties, economic co-operation and scientific-technological exchanges with all countries on the basis of equality and mutual benefit.

The people of all countries eagerly desire peace. China's modernization programme can be realized only in an international environment of enduring peace and stability. In the common interests of the people of the world, we are ready to work together with all peace-loving countries and peoples for the maintenance of world peace and international security and for the advancement of the cause of human progress.

There are many pressing issues of universal concern on our agenda. Allow me to state here the basic position and views of the Chinese Delegation.

I. The Question of Maintaining World Peace and International Security

The international scene is far from being relaxed, but has become more turbulent and tenser during the past year. While wars of aggression against Kampuchea and Afghanistan have not ceased in Asia, naked and savage aggression against the Lebanese and Palestinian peoples has been going on without letup in the Middle East. In southern Africa, the racists are wantonly carrying on brutal repression, military occupation and armed provocations. In Latin America, outside intervention has exacerbated the turmoil in the Caribbean region. Even the hitherto relatively calm South Atlantic has witnessed a war of the strong bullying the weak. Wranglings over the deployment of intermediate-range nuclear weapons have intensified the military confrontation in Europe. Faced with a continued economic recession, the developed countries are trying hard to shift the consequences of their economic crises on to others. This has badly hurt the developing countries and added to their economic woes. Stalemate on the question of global negotiations has seriously hampered the improvement of North-South relations. Disarmament is another issue of universal concern. Here again, no progress could be made owing to the intensified arms race between the superpowers. The recent second special session on disarmament has been a disappointment. In short, while the hitherto

unresolved old issues of the world have become more complicated, new problems keep cropping up on the horizon. One cannot but feel gravely concerned and disturbed about the present international situation.

The menace to the peace and security of the world today originates mainly from imperialism, hegemonism and colonialism. The quest for hegemony by the superpowers and the resultant global rivalry between them are the main source of the unrest and turmoil in the world. In their contention for spheres of influence and world supremacy, the superpowers have accelerated the expansion of their armaments and stepped up their strategic deployment. They have openly or covertly subjected other countries to their aggression, intervention or control by direct or indirect use or threat of force. While the focus of their global strategies remains in Europe, the developments in recent years indicate that the main sphere of contention between the superpowers is in the third world. This fierce rivalry has constantly rocked the world and increased the danger of a world war. Therefore, the overriding task of the people of the world is to combat hegemonism and maintain international peace. The heroic struggles waged by the peoples of Afghanistan, Kampuchea and southern Africa and by the Arab people against aggression demonstrate that the people can, by means of unremitting struggle, upset the superpowers' strategic plans and land the aggressors in deeper and deeper difficulties. We are convinced that so long as the people of the world are truly united and wage resolute struggles, world peace can be preserved.

II. The Question of Safeguarding the Independence and the Right to Existence of Nations

World peace and security can be maintained only if the rights to independence and existence of nations are firmly safeguarded. These two aspects cannot be separated. The question of Afghanistan and the question of Kampuchea have not yet been settled and have again been inscribed on the agenda of the current session. This is because the Soviet Union and Soviet-supported Viet Nam have continued to subject Afghanistan and Kampuchea under their respective military occupation and refused thus far to withdraw their aggressor troops therefrom. Not long ago, the three Kampuchean patriotic forces resisting Vietnamese aggression agreed

among themselves and formed the Coalition Government of Democratic Kampuchea headed by Prince Norodom Sihanouk. This government enjoys the support of the Kampuchean people as well as international recognition and endorsement. This is an encouraging major development in the Kampuchean situation. The Kampuchean people have persevered and won important victories in their war of resistance against Vietnamese aggression, thus landing the aggressors in a deepening quagmire. In order to extricate itself from this predicament, Hanoi has resorted to trickeries. It has launched a new "peace offensive" designed to soften and divide the international forces opposing Vietnamese aggression against Kampuchea. Viet Nam is the aggressor in Kampuchea and the menace to the peace and security of Southeast Asia, and yet it has fabricated a so-called China "threat" in an attempt to divert public attention and spread confusion. But this is completely futile. The five ASEAN countries and the great majority of the member states of the United Nations emphatically call for the implementation of the relevant resolutions of the General Assembly and the Declaration of the International Conference on Kampuchea, which demand the total withdrawal of Viet Nam's aggressor troops from Kampuchea so that the Kampuchean people may build a peaceful, democratic, neutral and non-aligned state of national union free from any outside interference. This demand is fully justified. Since the question of Kampuchea has resulted from Viet Nam's armed aggression, there can be no genuine settlement of this question until Viet Nam withdraws all its aggressor troops from Kampuchea. Any "political solution" that accepts the status quo created by Viet Nam's aggression at the expense of Kampuchea's independence and sovereignty would be contrary to the United Nations Charter and the norms of international relations and, therefore, is inadmissible.

The same applies to the question of Afghanistan. The Afghan people have not been cowed by their formidable enemy, but have fought valiantly under the sacred banner of safeguarding their national independence and have frustrated the aggressors' cherished plan of bringing the war to a quick conclusion. Soviet armed aggression against Afghanistan constitutes a gross violation of the Charter of the United Nations and a grave threat to peace in Asia and the world. None of the pretexts put forward by the Soviet Union to justify its continued presence in Afghanistan is tenable. We

maintain that the resolutions of three consecutive sessions of the General Assembly calling for the withdrawal of foreign troops from Afghanistan must be strictly implemented. The Soviet Union must unconditionally pull out all its troops from Afghanistan. The Afghan people should be allowed to determine their own destiny free from any outside interference. Afghanistan must regain the status of an independent and non-aligned state. That is the only feasible way to settle the question of Afghanistan.

The situation in Lebanon has aroused serious worldwide concern during the last few months. How the Lebanese situation and the Palestinian question are treated involves respect for a state's independence, sovereignty and territorial integrity and recognition of a nation's rights to existence and self-determination. This is also a question bearing on peace in the Middle East and international security as a whole. The Israeli aggressors have flagrantly invaded and occupied large tracts of Lebanese territory and attempted to wipe out the Palestinian revolutionary armed forces. They perfidiously entered Beirut again and savagely massacred Palestinian and Lebanese civilians. The United States cannot shirk its responsibility for this since it has always shielded and abetted the Israeli aggressors. China joins all other countries in voicing strong condemnation of the acts of aggression and the inhuman atrocities committed by the Israeli authorities. We firmly support the Palestinian, Lebanese and other Arab peoples in their struggle against Israeli aggression and expansion. The question of Palestine is at the core of the Middle East issue. Although the Palestinian people have suffered a temporary setback, their forces will never be wiped out because they are fighting for a just cause. The Palestine Liberation Organization is recognized by more than one hundred countries as the sole legitimate representative of the Palestinian people. Any proposal or formula designed to exclude the PLO from the settlement of the Middle East question would be wrong and unworkable. The plan put forward at the 12th Arab Summit Conference held recently in Fez, Morocco, provides a good basis for a fair and reasonable settlement of the questions of Palestine and the Middle East. In our view, to achieve peace in the Middle East, Israel must evacuate the Arab territories it has occupied since 1967, including Jerusalem; the Palestinian people must regain their national rights, includ-

ing the right to return to their homeland, the right to self-determination and the right to establish their own state; and the rights to independence and existence of all countries in the Middle East should be respected. The most urgent task now is to stop Israel's aggression against Lebanon. The United Nations organization and all the countries and peoples who cherish peace and uphold justice should act promptly and take effective measures to compel Israel to withdraw all its troops from Lebanon immediately and unconditionally.

In southern Africa, with the backing and connivance of a superpower, the South African authorities have intensified their racist policies. They have continued their illegal occupation of Namibia and made repeated armed provocations against and military incursions into neighbouring countries, thereby posing a direct threat to the security and stability of the region. People are deeply concerned about the situation in southern Africa and, in particular, about the independence of Namibia, which will affect the historical process of the final liberation of the entire African continent. We maintain that according to the relevant resolutions of the United Nations, Namibia should immediately achieve genuine national independence on the basis of territorial integrity and national unity; South Africa's apartheid system should be completely abolished; and the international community should apply effective comprehensive sanctions against the South African authorities. The Chinese people firmly support the just struggle of the African people, particularly the Namibian and South African people, until they win final victory.

The military conflict over the Malvinas Islands earlier this year also aroused general concern. The question of the Malvinas Islands remains unsolved despite the termination of the war. It is a reminder that although the cause of national liberation has won great victories throughout the world in the postwar period, the process of decolonization has not yet been completed. We support the request of Argentina and other Latin American countries for consideration of the question of the Malvinas Islands at the current session of the General Assembly. Argentina's claim to sovereignty over the Malvinas Islands should be respected by the international community. Together with other third world countries, we sincerely hope that the parties concerned will seek a just and reasonable solution to this question by peaceful negotiations.

I would now say a few words about the Korean question. The Democratic People's Republic of Korea has made important contributions towards a reasonable settlement of the Korean question and the maintenance of peace in East Asia and the Pacific region. The Chinese Government firmly supports the positive proposals put forward by the Government of the Democratic People's Republic of Korea for the independent and peaceful reunification of Korea. We firmly support President Kim Il Sung's proposal for establishing a Democratic Confederal Republic of Koryo. We always hold that in order to achieve a peaceful settlement of the Korean question, the "United Nations Command" must be dissolved immediately in accordance with resolution 3390B adopted at the 30th Session of the General Assembly, all US military forces must be withdrawn from south Korea, and the Korean Armistice Agreement should be replaced by a peace agreement through negotiations between the parties concerned.

III. The Economy and Development of The Third World Countries

At present, many third world countries are faced with deepening economic difficulties. Certain major developed countries have tried to shift their own economic difficulties on to the third world countries and have cut back their development assistance, thus further straining North-South economic relations. The developing countries have pressed for the launching of global negotiations with a view to improving North-South relations and establishing a new international economic order. The General Assembly has long since adopted a resolution pertaining to this question and the Group of 77 has also put forward a reasonable draft resolution. All this has provided a constructive basis for launching global negotiations as soon as possible. Last year's meeting at Cancun gave expression to the common desire of the great majority of nations for launching global negotiations. At the meeting, Chinese Premier Zhao Ziyang gave clear-cut support to the demand of the third world for the establishment of a new international economic order. Owing to obstruction by a major power, no agreement on the launching of global negotiations has yet been reached. This state of affairs has caused deep disappointment and resentment among developing countries and also among quite a few developed countries.

The international community faces the important task of improving North-South economic relations through global negotiations. The economies of all countries are closely inter-related. The developed countries cannot achieve economic growth without the rich resources, vast markets and economic prosperity of the developing countries. All countries, whether rich or poor, north or south, must abide by the principle of equality and mutual benefit if they are to carry out fruitful economic exchanges and co-operation. The existing unreasonable, unfair and outdated international economic order must be restructured. The developed countries' economic aid to the developing countries conforms to their own interest and is by no means a charity. This has been recognized by more and more far-sighted people in the West. We hope that the current session will surmount obstacles and make real progress towards the launching of global negotiations.

While striving to improve North-South relations, the third world countries also exert great efforts to promote "South-South co-operation" among themselves. The developing countries have industrious people, rich natural resources and a vast market. They share the common objective of developing their national economies. There are unlimited potentials for developing inner-third world co-operation. This will be highly beneficial. This kind of co-operation is an important means for the developing countries to strengthen their self-reliance both individually and collectively. It has also a vital strategic role of helping to break down the existing inequitable international economic relationship and replace it with a new international economic order.

The restructuring of the old international economic order is a demand of the times which the third world countries are bound to raise after they have won political independence. Political independence cannot be consolidated or sustained without economic independence. Regardless of all the obstructions from imperialism and hegemonism, the third world countries will persist in the just struggle to restructure the old international economic order until final victory.

The emergence of the third world on the international arena after World War II is an event of primary importance of our time. In recent years, the numerous countries of the third world, united in a common struggle, have

effectively defended their national independence and state sovereignty and made major contributions towards restructuring the old international economic order as well as maintaining international peace and security. Their joint struggle has, to a great extent, changed the situation in which the superpowers could arbitrarily manipulate the destiny of the world. Events show that unity means strength. We are convinced that so long as we third world countries can seek a reasonable settlement to our own differences and disputes through peaceful consultations in a spirit of mutual understanding and accommodation and of seeking common ground while reserving the differences and so long as we can close our ranks and work for our common cause, we will be better able to control our own destiny and promote progress of world history. As a member of the third world, China will continue to play her part by further expanding her friendly co-operation with other third world countries and peoples.

Faced with increasing troubles and turmoils in the world scene, one is entitled to expect that the United Nations will uphold justice and play a greater role in maintaining world peace and international security and in promoting the growth of world economy. However, events over a period of time indicate that the role of the United Nations has been eroding. This is chiefly because certain countries have abused their veto power, by-passed the United Nations on a number of issues or refused to implement its resolutions. In his report on the work of the organization, the Secretary-General has pointed to the problems and difficulties confronting the United Nations, and has made some suggestions to uphold the principles of the Charter which merit our consideration. We appreciate and support the efforts of the Secretary-General and also hope that certain permanent members of the Security Council will show a more co-operative approach. We believe that provided the overwhelming majority of the member states make common efforts to uphold the Charter and wage a resolute struggle against any force that jeopardizes world peace and international security, this organization will not disappoint the people of the world, but will perform its noble duty of maintaining world peace and promoting human progress, thereby fulfilling the historical mission entrusted to it. □

The Nine-Point Proposal: One Year After

Although people in Taiwan officially are still cut off from the mainland, the contents of the nine-point proposal have been widely publicized by private individuals. Their outcry for peace talks and reunification is a forceful opposition to the obstacles put up by the Taiwan authorities, that is, "no contacts, no negotiations and no compromise."

THE nine principles for the return of Taiwan to the motherland and peaceful reunification of the country put forward by Ye Jianying, Chairman of the Standing Committee of the National People's Congress, on September 30, 1981 have evoked widespread repercussions in Taiwan and throughout the world.

Over the past year, speeches by Taiwan compatriots who have been back to the mainland or gone abroad, numerous letters from Taiwan compatriots, Taiwan Province newspaper and magazine reports and overseas Chinese publications in other countries have all reflected appreciation and support for the nine-point proposal. Many people in Taiwan think that the nine principles and policies are generous and specific, are considerate of Taiwan's interests and represent the Communist Party's honest desire for a peaceful solution of the Taiwan problem. Someone said: "I felt reassured when I heard about the nine-point proposal."

Old men who left the mainland to live in Taiwan often urge each other to take care of themselves so that they can return to their hometowns and see their families and friends. Their descendants and other Taiwan compatriots who have never been to the mainland are curious about the real situation there, as is evidenced by the increasing popularity of mainland broadcasts. Earlier this year, large audiences watched foreign-made films and TV documentaries about the mainland.

Intellectual circles have been the most active since the announcement of the nine-point proposal. They have ignored all taboos,

actively discussed reunification through various channels and put forth all kinds of concrete suggestions.

In November last year, a magazine in Taiwan solicited articles on the theme of "How Should China Be Reunified." The response was "unprecedented" both in Taiwan and the rest of the world. By May this year, when awards were announced, the editorial department of the magazine had received more than 400 articles. The magazine said that the common theme in these articles was "obvious national feelings." Of the 20 articles selected, "there is not one opposing peaceful negotiations and making contacts."

Ye Jianying's nine-point proposal also received active response from many Taiwan compatriots residing abroad. Yu Aihua, a former senior Kuomintang official now residing in New York, recently published an article in *Peimei News*, saying: "All Chinese compatriots residing abroad are Chinese, and we all have relatives



Taiwan compatriots yearn
for reunification.

by Zhang Dimao (woodcut)

The Nine Principles

(1) The Communist Party of China and the Kuomintang of China hold talks on a reciprocal basis so that the two parties will co-operate for the third time to accomplish the great cause of national reunification.

(2) The two sides make arrangements to facilitate the exchange of mail, trade, air and shipping services, family reunions and visits by relatives and tourists as well as academic, cultural and sports exchanges, and reach an agreement thereupon.

(3) After the country is reunified, Taiwan can enjoy a high degree of autonomy as

a special administrative region and it can retain its armed forces.

(4) Taiwan's current socio-economic system will remain unchanged, so will its way of life and its economic and cultural relations with foreign countries. There will be no encroachment on the proprietary rights over private property, or on foreign investments.

(5) People in authority and representative personages of various circles in Taiwan may take up posts of leadership in national political bodies and participate in running the state.

(6) When Taiwan's local finance is in difficulty, the Central Government may subsidize it as is appropriate to the circumstances.

(7) Proper arrangements are guaranteed for people of all nationalities and public figures of various circles in Taiwan who wish to come and settle on the mainland. There will be no discrimination against them and they will have the freedom of entry and exit.

(8) Industrialists and businessmen in Taiwan are welcome to invest and engage in various economic undertakings on the mainland, and their legal rights, interests and profits are guaranteed.

(9) People of all nationalities, public figures of all circles and all mass organizations in Taiwan are welcome to make proposals and suggestions regarding affairs of state through various channels and in various ways.

or friends in Taiwan or the mainland. For the sake of their personal interests we long for the peaceful reunification of the motherland. It is also our desire to free our compatriots residing abroad from racial discrimination and let them feel proud of their own country, so we eagerly hope for a peaceful reunification of the motherland at an early date and wish to have a genuinely independent, unified, stable, powerful and prosperous China."

Patriotic Chinese nationals residing in New York set up the Society for Promoting China's Peaceful Reunification with the aim of promoting exchanges, mutual understanding and peaceful talks between people from the two sides of the Taiwan Straits and striving for an all-round reunification of China.

The Western economic recession has brought great difficulties to Taiwan's economy, enhancing the desire among industrial and commercial circles in Taiwan to do business with the mainland. One Taiwan businessman said that shipping and trade between Taiwan and the mainland would be beneficial to the economic development of both sides, and to Taiwan in particular.

Many non-Kuomintang people have changed their attitudes towards Taiwan's future and the reunification of the motherland. One said that Taiwan belongs to the Chinese nation and cannot be separated from the mainland, the

"mother's body." Another wrote, "We believe that talks between the Chinese Communist Party and the Kuomintang on a reciprocal basis through peaceful means is a step towards the only way to resolve the contradictions between the two sides along the Taiwan Straits."

Not all members of the Kuomintang upper strata are sticking to the stand of "no contacts, no negotiations and no compromise." Some members of the Legislative Yuan (committee), some state policy advisors and leading members of the propaganda department in Taiwan have said openly that peaceful talks between the Chinese Communist Party and the Kuomintang should be regarded as a means for the reunification of the country and that there is no harm in trying them. Some think that the problem of reunification is facing a crucial moment and that the final resolution of the Chinese issue could come in the 1980s.

Guoshi Pinglun (Review of Affairs of the State), a Kuomintang biweekly, last July pointed out that it is not appropriate to refuse peaceful talks again and again. This does no good to either the country or the people, and, indeed, could harm them. The article added that turning pale at the mention of peaceful talks is only an admission of an expectation of failure in the talks with the Communist Party. "If we do not change our policies we will face the dangerous consequence of a complete collapse on this tiny island," it said. □

Institute an Economic Planning System Better Suited to China's Conditions

by "Renmin Ribao" Commentator

- Fundamentally, the leading role of the planned economy should be upheld and the capitalist market economy should not be adopted in both the state economy and collective economy.

- The two major drawbacks which should be overcome by the economic reform are the failure to recognize the necessity of partial existence of market regulation and the need of partial guidance plans in planned production and circulation.

- At present, the scope and limits of applying mandatory plans, guidance plans and market regulation should be correctly ascertained according to the importance of each product and enterprise to the national economy.

AN important principle in organizing socialist economy and guiding economic activities is that the planned economy plays the leading role and regulation by the market the supplementary role. The elucidation of this principle by Hu Yaobang in his report to the 12th National Congress of the Communist Party of China (see *Beijing Review*, No. 37, hereinafter referred to as "the report") is the basic foundation for improving China's planning system and establishing a new planning system better suited to the Chinese conditions.

The Leading Role of Planned Economy

Socialist public economy with state-owned economy as its leading sector has long occupied the predominant position in our country. Therefore, it is both necessary and possible to practise a planned economy. In a socialist country like ours, the capitalist market economy cannot be adopted. On the contrary, basic production and circulation, including the key products needed by production to increase fixed assets and expanded reproduction, must be brought under unified planning.

In other words, the main body of production and circulation must be put under planning. Capital construction, in particular, should be guided by planning more strictly. Many years of experience in China have proved that whenever we relax control through planning, there appears the phenomenon of arbitrary "repeated

construction" which causes big waste in the national economy.

The state-owned economy should for the most part be regulated by planning and, fundamentally speaking, so is the collectively owned co-operative economy (the major economic form in the rural areas). Otherwise, the unified state-owned economy will disintegrate and collapse, the collective economy will become alienated from the overall interests of the people and depart from the socialist orientation, and the entire social economy will develop under the spontaneous forces of the market.

Comrade Mao Zedong once said: "The development of mankind goes back hundreds of thousands of years, but here in China it is only today that conditions have been secured for the planned development of our economy and culture. Given these conditions, the face of our country will change from year to year. The change in each five years will be considerable and after several five-year periods very much bigger." (*Editor's Notes From "Socialist Upsurge in China's Countryside,"* 1955.)

In the past 30 years, although mistakes in our policy decisions cause serious disproportions in the economy on several occasions, China's national economy, as a whole, developed fairly quickly. Only by upholding a planned economy can we concentrate our limited funds on urgently needed construction projects and achieve much faster industrial and agricultural growth than in the old society.

To stress a planned economy does not mean that there are no shortcomings in our present system and planning work. There are many shortcomings. One of them is over-concentration, namely, the incorporation into state planning of those commodities which need not be included. For instance, the production and supply of some small consumer items and small metal products, which are produced in great varieties but have a low output value, should change from time to time and from one area to another. It is neither possible nor necessary for the state to control them through planning. They should be produced and supplied by industrial and commercial enterprises according to market demand. Arbitrary control will not only result in disjointed production and marketing and imbalance between supply and demand of these products, but also lead to reduction of their varieties and specifications and decline of quality. As a result, the livelihood of the people will become more and more monotonous.

Imbalances will occur either when those things which should be strictly controlled by planning are not controlled or when those which should not be controlled by planning are controlled. Therefore, the report pointed out: "The state ensures proportionate and co-ordinated growth of the national economy through overall balancing by economic planning and the supplementary role of market regulation."

The report also pointed out: "Planned production and circulation cover the main body of our national economy." This is an accurate description of the leading role of the planned economy. "At the same time," the report continued, "the production and circulation of some products are allowed to be regulated through the market without being planned, that is, by letting the law of value spontaneously play a regulatory role. . . . This serves as a supplement to planned production and circulation, subordinate and secondary to it but essential and useful nonetheless." This is an accurate explanation of the supplementary role of regulation by the market.

Can this affect the unified planned economy? No. Although great varieties of products



Directors of some enterprises in Chengdu often meet and discuss production and management problems.

are regulated by the market, their output value occupies a very small portion in the output value of all social products. Although they are necessary to production and the livelihood of the people, they are not important products to the national economy and the people's livelihood. Therefore, they are only secondary to products produced and circulated under economic planning. Their relationship with the latter is subordinate, not parallel. They exist only as a supplement to the latter. Their scope is determined by the overall state plan. Therefore, generally speaking, China's economy is a planned one.

Relations Between Planned Economy And Market Regulation

The main reason we allow the production and circulation of some products to be regulated through the market without being planned is that diverse economic forms still exist in our country and it is difficult for us to make precise estimates of the multifold and complex demands of society or of the productive capacity of a vast number of enterprises. This is because our productive forces are still at a relatively low level and unbalanced. These factors indicate the necessity for both mandatory plans and guidance plans for the products whose production and circulation are covered by the state plan.

Mandatory plans must be carried out. They are indispensable to the production and distribution of products which are vital to the national economy and the people's livelihood, as well as

the key enterprises that are vital to the whole economy. Mandatory planning is key to the principle of ensuring the leading role of the planned economy and the supplementary role of market regulation, and is the principal and basic form of the planned economy. This is not only because the output value of products and enterprises covered by mandatory plans account for the greater part of the total, but also because only when mandatory plans are applied to important products and enterprises can guidance plans play their roles effectively and market regulation serve as a beneficial supplement to planned production and circulation.

Enforcing mandatory plans for key products and enterprises means subjecting them to the direct control of the state. Production and management of these products and enterprises must proceed under the mandatory planning of the state. Only in this way will it be possible to stabilize the overall economic situation and to lead the economic activities covered by guidance plans and market regulation to develop along the path of unified planning. If we give up mandatory planning and stress only guidance planning and market regulation, the whole economy will become unstable and various economic levers will fail to play their roles effectively.

For instance, if the state does not directly control key enterprises and products, it will be unable to control the market. It will also fail to guide production and management of enterprises through planned price changes. Therefore, floating and free prices will break the state plan's framework and will hinder the fulfilment of the plan. Only by applying mandatory planning to key products and enterprises can our economy be truly a planned economy. Of course, when we define mandatory planning as the principal and basic form of planned management, we definitely do not mean that the scope of mandatory planning can be extended irrespective of needs and possibilities.

The report pointed out that mandatory planning is "a major manifestation of China's socialist ownership by the whole people in the organization and management of production." As we know, the relations of production are most important among the various relations established in connection with production. They decide the relations of exchange, distribution and consumption.

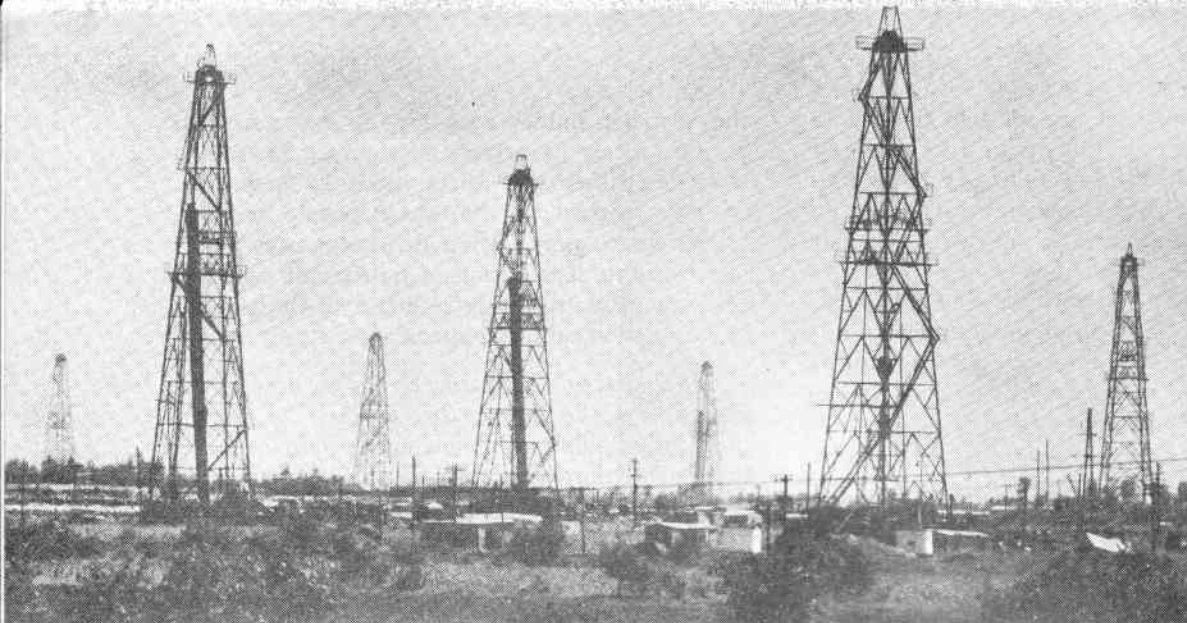
The economy owned by the whole people and the collective economy in China make up

the socialist public economy in contrast with various forms of private economy. There are both identities and differences between the economy owned by the whole people and the collective economy. Their differences are manifested in the distribution of profits and in other respects. But they chiefly differ in the control of production and management.

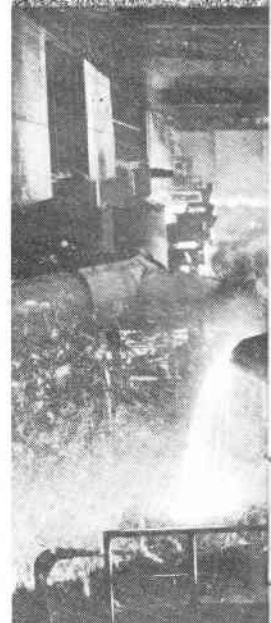
If the state simply receives a portion of the profits and the enterprises are left to decide their production and management completely on their own, the ownership by the whole people is not embodied in the organization and management of production. Thus it would be hard to call the state the owner of these enterprises and, vice versa, it would be difficult to assume that these enterprises were still owned by the state. The state has multiple channels to control the production and management of the state-owned enterprises. Enforcing mandatory plans is a principal one.

To give better play to their role in the proportionate distribution of the social labour force and the co-ordinated development of the various sectors of the national economy, mandatory plans must be scientific and conform to objective reality. This is a difficult and complicated task. But, China has the necessary conditions to do so. The state-owned economy has already formed a unified entity, and its owner, the socialist state, is now able to guide the economic activities of all its productive units through unified planning. As direct ties have already been established between production and demand for important products, the state can, in the main aspects, appropriately arrange social production and social needs in a planned way.

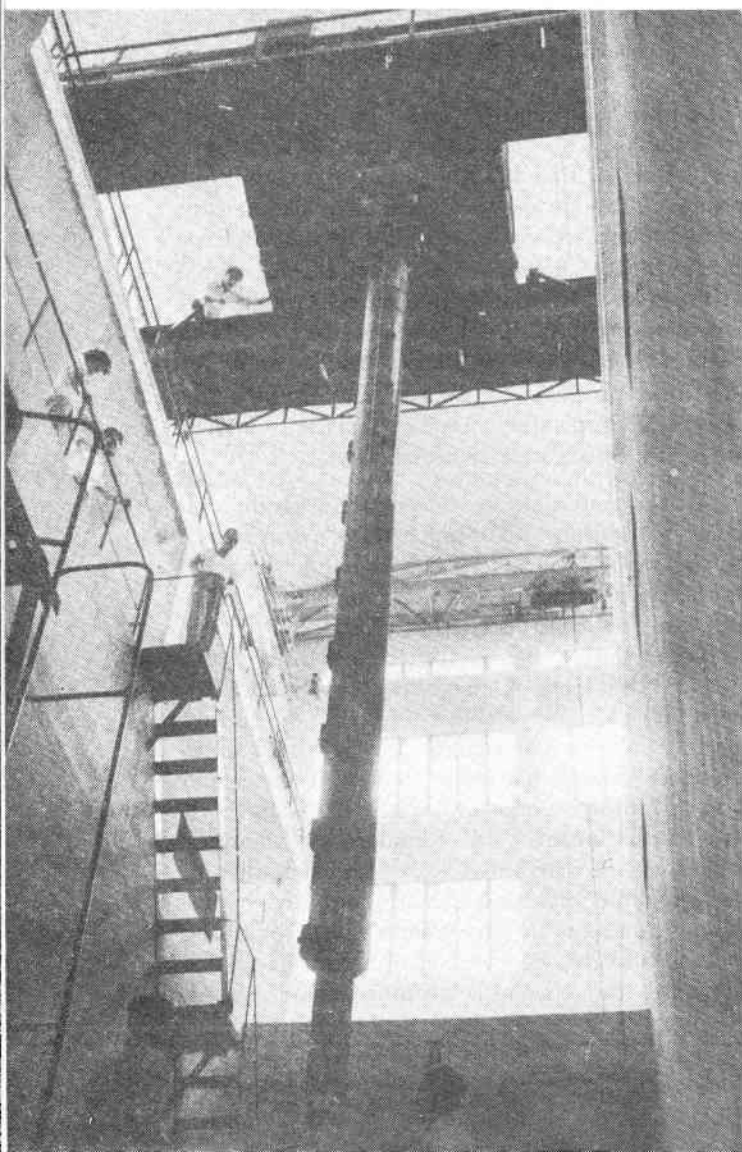
It is groundless to assert that production under mandatory planning always results in a gap between production and demand, waste of resources, poor quality and less variety of products and low microeconomic efficiency. These problems should be attributed to other causes such as the lack of necessary power and interests on the part of the enterprises, the failure to carry out in real earnest the principle of to each according to his work, irrational prices and rigid planning. Some of these defects have no direct relationship to mandatory planning. Others can be attributed to the shortcomings of the economic planning system, but are by no means inherent in the "centralized planning system" and can be overcome in the process of reforming the economic administration system without giving up mandatory planning.



New wells sunk in the old Daqing Oilfield in order to increase yield.



Construction of China's first nuclear power station near Shanghai is advancing. It is designed by China with an installed capacity of 300,000 kilowatts.



Advancing Through

The "learn-from-Lei Feng" group of the Beijing Knitwear Industry Company has organized a volunteer youth service team to mend clothes for the masses.





Slumping heavy industrial output is picking up. The Shoudu Iron and Steel Company registered a 20.78 per cent increase in profits over last year for the period January to August.



New apartment buildings near Fucheng Gate in Beijing.

Readjustment

Goods were plentiful on Beijing markets during the National Day holidays. More than 4 million kilogrammes of aquatic products were available.



Fourteen peasant households in the Longkeng commune of Zunyi County, Guizhou Province, have bought small heavy-duty trucks for farm use. Zhang Zhixiang cleaning his recently acquired truck.



In fact, during the First Five-Year Plan period (1953-57), we adhered to mandatory planning and basically avoided the shortcomings mentioned above.

For many products and enterprises not included in mandatory planning, it is necessary to enforce guidance planning. Guidance plans are fulfilled mainly through economic levers. Guidance planning does not exclude the state's direct interference when necessary. If our failure to recognize the necessity of limited market regulation was a big defect in our past economic planning system, our failure to recognize the necessity of partial guidance planning within planned production and circulation was a still bigger defect. Doing away with these two defects is a major topic of our future reform of the economic planning system.

These two defects have been accompanied by our ignoring the roles of the law of value and economic levers, and our failure to make good use of the market and to activate the economy. Over a fairly long historical period to come, China will need to exert great efforts to develop commodity production and exchange. The law of value, the fundamental law guiding commodity production, will continue to play its role under different conditions and in all economic sectors — state-owned, co-operative and individual.

Our commodity production and exchange are basically planned, not anarchical; the law of value is applied consciously and is not spontaneously dominating production and circulation. Even that part of production and circulation which is spontaneously regulated by the law of value must be restricted by state policies and decrees and influenced by the state plan. Both mandatory and guidance planning must conform to objective reality, constantly study changes in market supply and demand, consciously make use of the law of value and use such economic levers as pricing, taxation and credit to guide the enterprises in fulfilling state plans.

To achieve all this, it is necessary to grant the enterprises varying degrees of decision-making powers and different benefits. Could this affect the fulfilment of the state plan? Not only will it not obstruct the state plan, it will, on the contrary, greatly promote the fulfilment of the state plan and supplement and improve it in the course of its implementation.

Using the market is not the same as market regulation. Here, regulation means to regulate

what and how much we produce. The variety and quantity of that part of production and circulation regulated by the market are determined by the rise and fall of prices caused by the changes in market supply and demand. People involved in the production and management of these products carry out their activities dominated by the spontaneous force of the market. Although the enterprises guided by mandatory plans or guidance plans are also affected by the changes in prices, taxation and credit, they are dominated by the state plan and are not regulated by the market because the state makes planned use of these economic levers.

Principles and Steps

Ensuring the leading role of the planned economy and the supplementary role of market regulation has been our Party's consistent position. As early as 1956 when our country's socialist transformation of the private ownership of the means of production was basically completed, Comrade Chen Yun put forward this important principle. Unfortunately, under the influence of the "Left" guiding principle, for a long time we failed to carry it out. Since the Third Plenary Session of the 11th Party Central Committee, this principle has been reaffirmed in many documents adopted by the Party Central Committee and in the speeches of many Party Central Committee leaders.

Our experience proves that this principle conforms to Marxist theories and to the reality of our country's present stage. The report made an important exposition of this principle and has further supplemented and perfected it. Our present task is to strive to embody this principle in our practical work and pay particular attention to correctly defining the respective scope and limits of mandatory plans, guidance plans and market regulation. Correct application of this principle is an important reform of our planning system and is also a fundamental question in the reform of our entire system of economic administration.

A reform of any aspect of the economic administration system cannot proceed in isolation and must be co-ordinated with other aspects of reform. The reform of the planning system requires corresponding reforms in the pricing system, price control measures and the labour and wage systems. Through the all-round reform of our economic administration system which is centred round the reform of

the planning system, we will confirm and improve the aspects of our present economic system that suit the growth of the productive forces and do away with those aspects that do not suit their growth, so as to ensure the healthy progress of our national economy and the successful realization of the goal of four modernizations.

Reforming our system of economic administration is an extremely complicated issue which calls for both enthusiasm and prudence. The report proposed that we work out at an early date the overall plan for reform and the

measures for its implementation during the Sixth Five-Year Plan (1981-85) and gradually carry them out during the Seventh Five-Year Plan. So long as we follow the correct direction, proceed from the reality of our country, explore boldly and advance steadily, we will, after a period of effort, eliminate the drawbacks in our present economic administration system and establish a system which better suits our country's actual conditions.

(An abridged translation of an article published in "Renmin Ribao," September 21. Subheads are ours.)

Urban Housing Rental

Chinese urban dwellers pay exceptionally low rents — some think too low. To get a better understanding of this, our correspondent Zhang Zeyu interviewed a responsible member from the Bureau of City Housing under the Ministry of Urban and Rural Construction and Environmental Protection. — Ed.

Question: Would you explain the system of housing rental in the cities?

Answer: Most urban housing is owned by the state, factories or mines. I suspect our country's rents are among the lowest in the world. Tianjin charges the highest monthly rents among Chi-

na's larger cities — 0.279 yuan per square metre. Guiyang in southwest China has the lowest, 0.067 yuan per square metre, roughly the cost of three boxes of matches.

Rent is such a small portion of people's income that literally no one worries about inability to pay the rent. A survey of 200 cities shows that average monthly rent is 0.11-0.12 yuan per square metre, about 2-3 per cent of a family's monthly income.

Table 1 shows the average rents in 13 major cities.

Q: Who is entitled to rent out housing?

A: The main agencies responsible for administering housing are the bureaus of housing administration, government organizations and enterprises. A small amount of rental property is owned by individuals.

Table 2 shows the breakdown for the 709.5 million square metres in the 200 surveyed cities.

Q: What is China's policy for rents?

A: China is a developing socialist country that has a relatively equal distribution of daily necessities. Our policy is to maintain low prices on basic items, including rent. I think this is correct.

Table 1

Cities	Monthly rents (yuan per sq. m.)	Percentage of family's income	Remarks
Tianjin	0.279	4.73	
Guangzhou	0.25	5.36	
Urumqi	0.25	4.08	80 per cent are subsidized by the state.
Qingdao	0.197	2.8	
Shanghai	0.208	2.8	
Changchun	0.19	3.36	One-third are subsidized by the state.
Wuhan	0.15	4.1	ibid.
Kunming	0.148	4	The state gives a 2.18 yuan monthly subsidy to each family.
Beijing	0.126	2.26	
Nanjing	0.121	3.7	
Nanchang	0.11	2.2	
Lanzhou	0.069	1.4	
Guiyang	0.067	1.4	

Table 2

Housing rented out by	Floor space (sq. m.)	Monthly rent per sq. m. (yuan)
Bureaus of housing administration	203.4 million	0.08-0.12
Government organizations, factories and mines	380.33 million	less than 0.08
Individuals	125.78 million	20-30 per cent higher than those collected by the bureaus of housing administration

There are a few problems with historical roots. In the early 50s, the policy was to rent housing for exactly the cost of regular maintenance plus enough to build new houses to replace the old ones which were no longer habitable. At that time urban houses rented for an average of 0.30 yuan per sq. m., 6-7 per cent of the family income.

In 1955, the State Council worked out a temporary measure to lower the rent collected from state functionaries in Beijing to 0.11 yuan per sq. m. Other cities followed suit and rents were universally cut.

Later, the state decided that rents of workers and staff in state-owned houses should cover depreciation, maintenance and management, and planned to raise rents accordingly. Rents would have been 6-10 per cent of the workers' incomes, still very low compared with many other countries. But the higher rents were never instituted owing to the influence of the "Left" view which regarded low rents as pure benefits to the people. During the "cultural revolution" rents were reduced again to the present rate.

I should say the rents are really too low.

Housing in Rural Areas

Generally, peasants in rural areas build and own their own homes. The flexible rural economic policies of recent years have improved peasants' living standards and inspired a spate of new housing construction, a total of 1,400 million sq. m. of floor space since 1978.

In some areas, houses built with collective welfare funds are rented to peasants at very low rents.

Q: But isn't that desirable?

A: I don't think so. First of all, low rents are an added burden on state revenues. In 1979, for instance, the average monthly rent was 0.10 yuan per sq. m., while the monthly costs of depreciation, maintenance and management were 0.38 yuan per sq. m. The remaining 0.28 yuan had to be covered by state and enterprise funds.

Low rents also intensify conflicts over the allocation of housing. All housing except that

owned by individuals is subsidized by the state on a per-square-metre basis. Therefore, for a family, increased living area requires a relatively small increase in payment, since the bulk of the bill is picked up by the state. This is irrational and motivates some people to scheme to acquire more and better housing. In times of severe housing shortages, this sometimes causes unfair housing allocations that in turn adversely affects unity among workers.

Furthermore, low rents discourage people from buying homes. The cost of a 50-square-metre house is roughly 6,000 yuan. The same sum deposited in the bank collects a monthly interest of 28.8 yuan. The monthly rent for a flat of the same area is less than 5 yuan. Moreover, a home-owner must pay taxes and regular maintenance fees. Clearly, it is much less costly to rent than to buy. Some people actually have sold their homes to live in rented flats.

Q: What measures would you recommend to improve the situation?

A: I think workers are entitled to low-rent housing as part of their benefits package, and housing is an important component of the country's economy. But it should be administered efficiently and rents should be determined according to business accounting methods.

The housing administration bureau is tackling the problems and developing solutions such as rational allocation methods and graduated rents in line with the floor space per capita and the quality of the housing, i.e., people who have more space than others should pay more and better housing with better facilities should cost more.

The reorganization of rents is vital to workers' interests and must be conducted with great care. □

SEISMOLOGY

Earthquake Indicators

Research fellow Mei Shirong of the Chinese State Seismological Bureau reported 10 indicators suggesting an imminent continental quake to the international symposium on continental seismicity and earthquake prediction held in Beijing last month.

1) There are usually numerous minor tremors that occur from several days to several months before a large earthquake. The 1975 Haicheng quake was preceded by 600 tremors in one year. However, another entirely opposite indicator is abnormal tranquillity. In the case of the 1976 disastrous Tangshan earthquake, only three small tremors occurred in the three months preceding it.

2) There is a growing incidence of faulting of the land.

3) The level of underground water drops and very often rises again.

4) The chemical components of underground water change. There are abnormal quantities of radon and carbon dioxide, as well as ions of fluoride and chloride.

5) The natural electric field in the quake area registers drastic changes a few days before a major quake. Drops or rises in the resistivity of the earth occur a few days to a few weeks before the quake.

6) There is a drop in earth's magnetic field one to two months preceding the quake and a speedy rise again a few days before it.

7) Several dozen kinds of animals display abnormal behaviour about a day or so before a quake, such abnormality

reaches a climax about two to three hours beforehand. This is attributed to the noise of the cracking of underground rocks which is undetected by human ears but audible to the animals' sensitive hearing, the letting out of hydrogen sulphide gas and the rise of underground temperature which brings hibernating animals out, and to low-frequency vibration of the air.

8) There is unusual underground sound which increases in frequency and then stops suddenly just before the quake.

9) The records of many quake detecting instruments often fluctuate greatly in a cyclical way a few days before an earthquake.

10) Because of abnormal electromagnetic waves, there is radio jamming, especially of short wave radio communications.

Mei Shirong stressed that earthquake prediction is a difficult field and that although the 10 indicators are helpful, other factors complicate the matter. She stated that these 10 indicators are only gauges of quake possibility and not determining factors. Further study of the physical processes of seismic source is necessary.

China is one of the major victims of earthquakes. According to Prof. Ma Xingyuan, deputy director of the Chinese Seismological Association, over 3,200 destructive earthquakes have taken place in China since 1177 B.C. From October 1949 to June 1981, 771 comparatively strong quakes shook the mainland of China, of which 95 caused losses. Eleven were of a magnitude over 7 on the Richter scale. They caused serious damage to a total area of 299,299 square kilo-

metres, including the death of 272,576 persons, injury of 223,854 and collapse of buildings totalling 6,437,485 rooms.

China is rich in historical materials on earthquake; its earliest recorded earthquake was 4,000 years ago. However, extensive study of seismology began only in 1966, following the successive quakes in Hebei's Xingtai Prefecture. Much progress has been made, but Chinese scientists still has much to learn.

Altogether 72 papers by scientists of 23 countries and regions were read at the symposium.

EXHIBITION

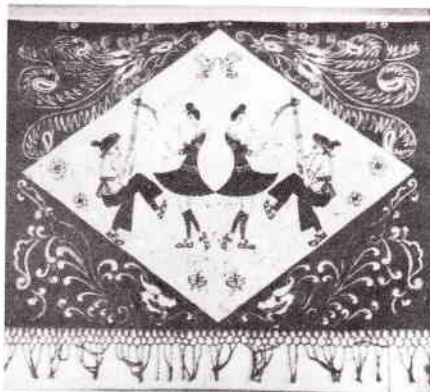
Minorities' Handicrafts

The first exhibition of handicraft objects used in daily life by China's 55 minority nationalities is being held in Beijing's Cultural Palace of Nationalities.

The exhibit, open to the public, also provides an opportunity for the nationalities to exchange craft techniques.

Among the display is a small snuff bottle from Shandong's Boshan town with a fine picture drawn on the inside. Such handiwork which originated in 1905 uses a fine bamboo stick to paint landscapes, birds, animals, flowers and figures on the interior of the milky translucent bottle. These snuff bottles are popular with Mongolians and Tibetans.

Pottery and porcelain of Liaoning Province were first developed by the Qidan nationality. In the 10th century they learnt pottery techniques from the Han nationality and then using local materials made objects reflecting their own culture. On display are pottery



Left: A pottery jug in the shape of a rooster from Liaoning Province. Right: Batik fabric from Guizhou Province.

pieces from the Silicate Research Institute of Liaoning Province. They include a jug in the shape of a rooster, a bottle shaped like a chicken leg and a dish in a shape of a begonia flower. All retain a traditional style and are being used in present-day life.

The stone pieces from Ningxia Hui Autonomous Region are also noteworthy. Ink slabs made of Helan stone, which is dark-purple or blue-green and comes from Helan Mountain, are renowned. A stone screen, a brush pot, a smoking set and jewelry are exhibited.

Guizhou Province's batik technique began in the 7th century. A special knife is used to draw designs with wax. When the wax is cold and the dyeing is done, dye will seep into the cloth through cracks in the wax. Batik prints thus have a unique style. The Miao and Bouyei nationalities specialize in batik printing. Among their products are tablecloths, cushion covers and clothes.

MUSIC

Ethnomusicology Studies

Ancient musical notations for *Fan Jia Chong*, a Buddhist melody that was passed to Japan 1,200 years ago has been translated into a modern score by a Chinese ethnomusicologist.

He Changlin, a teacher of music theory at the China Conservatory of Music, reported his trial translation in a paper to the second national symposium on ethnomusicology held last August. He deciphered the ancient melody, noted in heretofore indecipherable symbols, through painstaking perusal of historical records, Buddhist scriptures and other materials, both Chinese and Japanese. He decided that the notation was an ode to Mahamaya, mother of Sakyamuni with *pipa* accompaniment — reportedly the earliest *pipa* music ever discovered. The song was supposedly sung by Sakyamuni upon achieving nirvana.

He Changlin's was one of the 140 papers read at the symposium attended by 150 musicologists from across the country. The 10-day annual meeting was co-sponsored by the China Conservatory of Music and the Chinese Musicians' Association.

Du Yaxiong, also from the China Conservatory of Music, presented an essay, arguing that Hungarian folk music originated partially from Xiongnu (Hun), an ancient Chinese nationality. Du compared and analysed folk songs of Hungary and the Altaic-speaking nationalities with those of Yugur, a national minority residing in northwest China. He found many similarities between the

folk songs of the Yugur and those of Hungary. The Yugurs are considered descendants of Huihe (Uigour), an ancient nationality closely related to Xiongnu.

Chinese study of ethnomusicology began in the 1920s. In the late 1930s and early 40s, it made some progress in Yanan, the revolutionary base, but was limited to collection and study of folk songs and melodies of north Shaanxi. Following the founding of New China in 1949, research institutions were established in each major administrative area accompanied with a nationwide exploration and collection of folk music. The present ethnomusicology covers not only Han music but also vocal, instrumental and operatic music of the 55 national minorities.

The meeting concluded that China's ancestors produced a tremendous amount of musical work, but most were lost. However, some of the lost works have been preserved by nations outside China who absorbed Chinese culture in history. For instance, traces of music of the Tang Dynasty (618-907) can be found in Japan, while those of ancient Xinjiang in Central Asia. Chinese ethnomusicologists expected to have more exchanges with their foreign counterparts in this field.

*Chen Tianran's
Woodcuts*

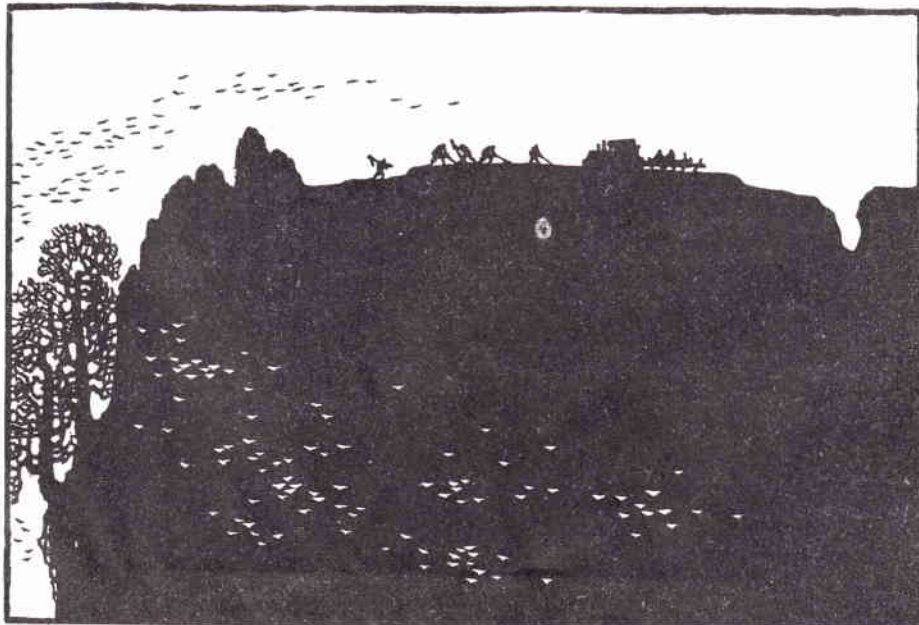


Peasants relaxing by a new irrigation canal on a hot summer evening.



A timely snow.

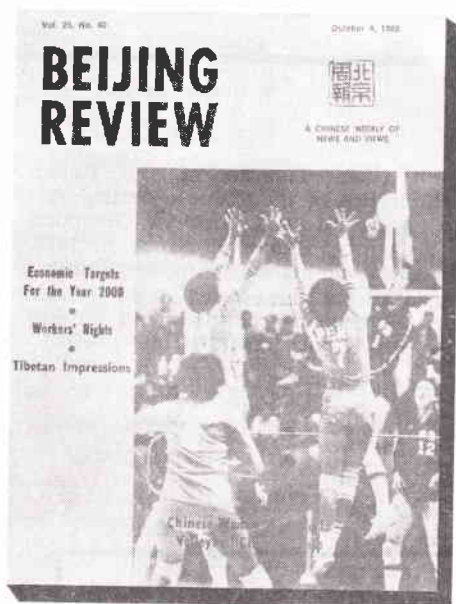
Chen Tianran of the Henan branch of the Chinese Artists' Association was born in Gongxian County, Henan Province in 1926. Most of his woodcuts depict rural life on the scenic west Henan plateau. His simple, bold strokes are at once reserved and poetic.



On the plateau.

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