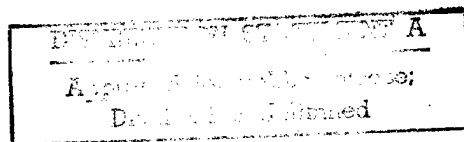


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JPRS 84584

21 October 1983



# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

No. 464

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GENERAL

BEIJING COMMENTS ON U.S.-USSR EUROMISSILE TALKS

OW011052 Beijing Domestic Service in Mandarin 1150 GMT 30 Sep 83

["International Current Events" program commentary by (Fu Yanfeng): "U.S.-Soviet Euromissile Talks--Endless Bickering and Stalemate"]

[Text] The U.S.-Soviet talks on limiting medium-range nuclear weapons in Europe began at the end of November 1981. Off and on for nearly 2 years, six rounds of talks and about 100 meetings have been held. The sixth round of talks began on 6 September. Because this is the final round of talks between the United States and the Soviet Union before U.S. Pershing-2 and cruise missiles are deployed in Western Europe beginning at the end of the year as planned by NATO, it is of pressing importance.

However, no progress has been made at the talks in the past more than 20 days. Both the U.S. and Soviet sides have held fast to their positions, made charges against each other, wrangled endlessly. The talks are at a stalemate.

Prior to the final round of talks, Soviet leader Andropov made a so-called new proposal which contained three main points: First, the United States must give up its plan to deploy new missiles in Western Europe; second, on this precondition, the Soviet Union will reduce the medium-range missiles it has deployed in Europe to equal the number of missiles possessed by Britain and France--that is, 162 missiles; third, the medium-range missiles to be reduced will not be moved to other regions but will all be destroyed.

The United States held that the crux of the Soviet proposal is to make the United States abandon its plan of deploying Pershing-2 and cruise missiles in Western Europe, while the Soviet Union will keep a considerable number of SS-20's to maintain its nuclear superiority in Europe. This is unacceptable to the United States. The United States clearly indicated its opposition to including British and French nuclear forces in U.S.-Soviet talks.

On 21 September U.S. President Reagan made a counterproposal which permits the Soviet Union to keep the number of its medium-range missiles already deployed in Asia but demands that it reduce the number of its missiles in Europe. The United States will then reduce the number of Pershing-2 and cruise missiles to be deployed in Western Europe to maintain a balance between the medium-range missiles possessed by the two sides.



The proposal was promptly rejected by the Soviet Union, who maintained that the proposal was hypocritical and was an attempt to legitimize the deployment of new U.S. missiles in Western Europe.

Since the beginning of the European nuclear arms talks, both the U.S. and Soviet sides have made several proposals and plans. Both sides have given much publicity to show the sincerity and reasonableness of each new proposal, but both have evaded the crucial points in their new proposals.

As far as the Soviet side is concerned, all its proposals--on tentative deployment, freeze, reduction and so forth--are aimed at preventing the United States from deploying new medium-range missiles in Western Europe. For this reason, the Soviet Union stresses that nuclear weapons in Europe are roughly balanced at present and that in reducing nuclear arms, British and French nuclear forces must be taken into consideration.

On the U.S. side, the zero option or compromise proposal are both aimed at reversing its present inferior position in medium-range missiles in Europe. If the Soviet Union will not dismantle all its SS-20 medium-range missiles as planned, the number to be deployed is negotiable, but a balance must be maintained between the two sides. For this reason, the United States vigorously opposes including British and French nuclear forces in the talks.

Thus it can be seen that the fundamental contradiction between the United States and the Soviet Union is that one wants to maintain its existing superiority in medium-range nuclear weapons while the other tries to reduce that superiority and achieve a balance in strength. In calculating the balance of nuclear strength, the question of whether or not to include British and French nuclear forces has become the focus of dispute between the two sides.

The Soviet Union holds that British and French nuclear weapons account for 1/4 of NATO's nuclear potential and that these weapons are targeted against the Soviet Union. If British and French nuclear forces are taken into account, then the nuclear arms of the two major military blocs are roughly balanced in Europe, and there is no justification for the United States to deploy new missiles in Western Europe.

The United States has continually rejected this Soviet position. It maintains that the present issue is that the Soviet Union has already deployed several hundred SS-20 medium-range missiles in Europe, while the United States has deployed none. The Soviet Union has an obvious advantage in medium-range nuclear weapons. The United States stresses that the U.S. and Soviet sides must maintain a balance in medium-range nuclear weapons, and that there is no reason to involve the British and French nuclear forces.

Britain and France also object to including their nuclear forces in U.S.-Soviet talks. They maintain that British and French nuclear forces are both national nuclear forces which are not controlled by NATO and which certainly are not subject to U.S. talks. France, which is not part of NATO's integrated military organization, is even more opposed to making France's independent nuclear forces a bargaining chip in U.S.-Soviet talks. France stresses that it pursues an

independent defense policy, and that its nuclear weapons are to defend its own independence and security and are an important means to break the superpowers' nuclear monopoly. Therefore, it is totally unreasonable to place France's limited nuclear forces on a par with the huge numbers of nuclear weapons possessed by the United States and the Soviet Union.

The dispute between the United States and the Soviet Union on the question of British and French nuclear forces shows no sign of easing up. This, of course, is not to say that the U.S.-Soviet talks on nuclear weapons in Europe have completely broken down. In fact, the factors that have forced both sides to seek a compromise in their negotiations still remain.

First, if no agreement is reached at the talks, the United States is bound to speed up implementing its plans to deploy new missiles in Western Europe. The Soviet Union certainly will not let this happen without doing something. It has repeatedly stated that it will take appropriate measures. This inevitably will lead to an intensification of the U.S.-Soviet nuclear arms race. A new large-scale nuclear race will have serious political and economic consequences for both the United States and the Soviet Union. These factors have forced the two sides to reconsider the rigid attitude they have adopted at the talks.

Second, the struggle between the United States and the Soviet Union on the deployment of medium-range nuclear weapons has placed Europe in an atmosphere of tension and confrontation. In the face of the threat by the large number of Soviet medium-range nuclear weapons, the West European countries have agreed to U.S. deployment of new missiles in Western Europe to counter the Soviet threat. But the West European countries also have their own considerations. They hope that agreement can be reached between the United States and the Soviet Union so that the nuclear confrontation in Europe can be reduced to the lowest possible level.

The nuclear arms race also threatens the security of east European countries. Romania has repeatedly called for the United States and the Soviet Union to reach an agreement. These circumstances will have an important bearing on the U.S.-Soviet talks.

Third, there is another factor that cannot be ignored: the mammoth peace movements that have arisen in many countries in recent years. This will also have some effect on the U.S.-Soviet talks.

The U.S.-Soviet talks on limiting medium-range nuclear weapons in Europe is now at a stalemate. How it will develop remains to be seen.

CSO: 4005/18

GENERAL

GUANGMING RIBAO VIEWS GROMYKO'S VISIT TO FRANCE

HK191016 Beijing GUANGMING RIBAO in Chinese 9 Sep 83 p 4

["International Commentary" by Wang Xianhua [3769 2009 5478], GUANGMING RIBAO reporter in Paris: "On Gromyko's Visit to France"]

[Text] Soviet Foreign Minister Andrey Gromyko, who is also vice chairman of USSR Council of Ministers, will pay a business visit to Paris on 9 September after attending the closing ceremony of the European Security Conference in Madrid. This will be the first visit by a Soviet leader in the past 2 years. Since the French Socialist Party assumed the reins of government in 1981, the political relationship between France and the Soviet Union has all along been in a tight corner as a result of the Soviet invasion of Afghanistan, the Poland incident, and the threat of Soviet SS-20 missiles to Europe. Regular meetings of the heads of state and exchange visits by the foreign ministers of the two countries were all suspended. Furthermore, in April this year, France deported 47 Soviet diplomats and journalists on the charge of espionage. The visit made by French Minister for External Relations Claude Cheysson to the Soviet Union in February this year was regarded as an attempt to repair the political relationship of the two countries, but the outcome was not as encouraging as anticipated due to the differences in principles between the two parties concerned. The coming Gromyko visit is believed to be a continuing effort to improve the political relationship of the two nations.

At present, the key problem in the relationship is the deployment of missiles in Europe. As is known to all, in the face of the threat of Soviet SS-20 missiles to Europe, French President Mitterrand has shown a resolute position on NATO's "dual resolution" of 1979. Earlier, the Soviet Union declared that the missiles of France and Britain should be included in the arsenal of the Western countries, and this was reiterated in a proposal raised recently by Yuriy Andropov. According to the Soviet proposal, if the West forgoes the deployment of cruise and Pershing-II missiles in Western Europe, the Soviet Union will destroy part of its SS-20's and retain only 162 such missiles, which are as much as the sum total of missiles possessed by France and Britain. The problem is now becoming more and more acute as the scheduled deployment of U.S. missiles in Western Europe is [word indistinct]. During his visit to Paris, Andrey Gromyko will not only hold talks with Claude Cheysson, he will also meet French Premier

Pierre Mauroy and President Mitterrand respectively. On the occasion, he will convey a letter from Andropov to President Mitterrand. French press circles believe that the prime purpose of Gromyko's visit is to persuade France to take a more moderate position on the deployment of missiles in Western Europe. In return, the Soviet Union is prepared to make certain concessions to France on the problem of whether French nuclear weapons should be included or not when the Geneva talks resume.

Up till now, France still believes that Soviet missiles are targeted at Western Europe and not at the United States. Therefore, it is somewhat inconceivable that France will make any concessions on such a matter of vital importance to Europe. France is not under NATO's military command, so it asserts that its nuclear weapons belong to the "central system" and should not be discussed in the Geneva talks because they are strategic weapons and not tactical ones. In addition, France pursues an independent defense policy, so it believes the nature of its nuclear weapons is different from that of the United States and the Soviet Union because these weapons are deterrents to aggressors. For this reason, France opposes other's interference in its nuclear arms affairs. Observers here believe that France will not change its position in view of Gromyko's visit. Of course, as a European country, France cannot say that it does not worry that the two superpowers might reach certain new accords between themselves by deserting Europe in the talks. Hence, France is also willing to listen to what Gromyko will say.

The French-Soviet talks will certainly cover the situation in Lebanon, Chad, and other areas which are directly or indirectly related to the interests of the two parties concerned, and the economic and trade relations between the two nations.

CSO: 4005/23

GENERAL

RENMIN RIBAO REVIEWS UN GENERAL DEBATE

HK301528 Beijing RENMIN RIBAO in Chinese 30 Sep p 6

["Special Dispatch" by reporters Chen Yicun [7115 2011 2625] and Hong Lan [3163 5663]: "The Attention-Arresting 3-Day Debate at the UN General Assembly"]

[Text] United Nations, 28 Sep--The 38th UN General Assembly, which is being held in an ever-growing tense atmosphere in the international situation, has engaged in general debate for 3 days. Most of the heads of state, prime ministers, and foreign ministers focused their speeches on the topics of peace, disarmament, development (of the world economy), and other major international issues that the people of the world show concern for. All these topics are now very delicate. Therefore, many of these speeches have drawn a great deal of attention from people both inside and outside the United Nations, and have provoked wide comment.

It was the first time for Foreign Minister WuXueqian, after assuming his post, to deliver a speech on behalf of the Chinese Government at the UN General Assembly. His speech attracted wide-eyed attention from the meeting participants. When he finished his speech and stepped down from the floor, delegates of many countries shook hands with him one after another and expressed support for him. Some foreign journalists said that the stand and viewpoints in Wu Xueqian's speech are very clear and reflect the foreign policy of the Chinese Government. What people are deeply impressed within his speech is that China lays emphasis on an independent foreign policy. A diplomat of an ASEAN nation stated that the disarmament proposal put forward by China is good, yet it will be difficult for it to materialize because the two superpowers are continuing with the arms race, and both are not sincere in disarmament negotiations.

The speech by U.S. President Reagan also captured sufficient attention and evoked open comments because it was made at a time when the United States and the Soviet Union are busy with the arms race and the relations between the two countries are strained. Prior to this, Moscow had already begun to launch fierce attacks on the disarmament proposal that Reagan was expected to raise at the UN General Assembly. Now, people in the United Nations have a breathing spell because Reagan's speech was more "moderate" and "conciliatory" than anticipated. Informed sources revealed that Reagan had originally intended to repudiate the Soviet Union with more harsh and tough wording. Now, it is obvious that he used a moderate tone in an attempt to win over more countries

to support the U.S. stand. Some people believe that the absence of Soviet Foreign Minister Andrey Gromyko at the present UN General Assembly is helpful to the United States propaganda, and that it was an unwise move by the Soviet Union.

After Reagan gave his disarmament proposal at the UN General Assembly, Moscow's reaction to it has become much more strong. Andropov issued a statement denouncing Reagan for "intending to wreck the already-existing balance of medium-range nuclear weapons in Europe." This statement made people here think that Moscow does not believe Reagan will really make any concessions to the Soviet Union on the disarmament issue, but only wants to embarrass the Soviet Union. Thus, the United States will be able to attain its goal of deploying medium-range missiles in West Europe by the end of this year.

Some observers said that Reagan's pose of supporting and being willing to cooperate with the nonaligned movement was aimed solely at pleasing nonaligned nations by taking the advantage of the appearance of heads of state of many nonaligned nations at the current UN session.

The speech made by French President Mitterrand on 28 September also attracted wide attention. He strongly opposed the United States and the Soviet Union holding talks on the issue of France's missiles without its consent. He stressed that the French nuclear force is independent. As an independent nation, the French Republic puts its armed forces under the command of its president. Observers here believe that the speech by the French president represents the stand of some West European countries that West Europe, as an independent unit, will play its part in the international arena. Meanwhile, this also shows that today's international affairs are no longer controlled only by the two superpowers.

Under such circumstances, Indian Prime Minister Indira Gandhi took the floor of the UN General Assembly on behalf of more than 100 nonaligned countries. Her speech was very appealing, somewhat. She called for complete and thorough disarmament to ensure real and everlasting security. She also appealed for clearing away obstructions to holding world-wide talks in an effort to establish a new world economic order. She stressed that all these are the common aspirations of nonaligned countries.

Within 2 days, delegates of nonaligned countries held two meetings among themselves. Under the auspices of Indian Prime Minister Indira Gandhi, heads of state and government leaders of 16 nonaligned nations held their first meeting on the afternoon of 27 September. It is said that leaders of these countries exchanged views on the development of the world economy and the reform of the international monetary system. The second meeting will be held on the afternoon of 29 September with the participation of delegates from 22 countries, six countries more than the first meeting. They will discuss in detail the problems concerning peace and disarmament. It is disclosed that no resolutions will be passed and no statement issued at the second meeting. The aim of this meeting is to hold discussions and exchange views on the present major issues facing the world so as to enable them to take united action after the meeting.

CSO: 4005/18

GENERAL

FRENCH, CANADIAN PRESS ON KAL INCIDENT

HK131120 Beijing RENMIN RIBAO in Chinese 13 Sep 83 p 7

[Report: "The French Press Holds That Both the Soviet and U.S. Versions Regarding the Passenger Plane Incident Are Questionable; A Canadian Defense Expert Said That South Korea Has Often Used Passenger Planes as Intelligence Posts"]

[Text] The French paper LE MONDE carried on 7 September an article commenting on Soviet and U.S. statements on the KAL airliner incident. The Canadian paper GLOBE AND MAIL carried a report on the same day in which an electronic defense expert said that South Korea had always treated passenger airliners as flying espionage stations, placing passengers in a dangerous position.

The article in LE MONDE said: "Up to now Western countries have only disclosed part of the information they have obtained. They will, according to the needs of their squabble with the Soviet authorities, keep on releasing information to support their reasoning, whereas the Soviet authorities have had a reserved and hesitant attitude toward helping people find out the truth about the incident. This incident has put the Kremlin in trouble. As time has passed, Moscow has repeatedly changed its explanations, which are almost contradictory."

The article continued: "The Soviets have time and again announced that they gave repeated warnings to the Boeing airliner. If it was true that the Soviets had indeed given warnings, why did the relevant Japanese and U.S. installations not record all these warnings? These installations in northern Japan could record all telecommunication signals in this area. Meanwhile, the dialogue between the Soviet pilot who shot down the airliner and the ground base was recorded clearly and completely. Certainly it was easier to intercept and capture the Soviets' warnings than to intercept and obtain the telecommunications. If the Soviets really gave warnings, how could the crew members not hear them? The crew members went so far as to neglect the work of checking the flight course of the airliner for several hours in such a sensitive area. How is it that military radar in northern areas of Japan's Hokkaido failed to discover that the airliner had gone off course? If the above-mentioned radar could function only in an area of less than 1,000 km, then the actual position of the Boeing airliner (which means the position after it had entered the territorial air space

of the Soviet Union) should have been located by the radar immediately, or at least 1 hour before its shooting down. If the radar had discovered all this, why did the radar personnel not report it to the crew members?"

The article says: "According to what has been disclosed, at that time there was a U.S. RC-135 reconnaissance plane nearby." "The mission of this kind of reconnaissance plane is very delicate. All monitoring systems in the entire area, from the Aleutian Islands to Japan, spare no effort in tracking them. Under these circumstances, could these systems fail to find the Boeing plane of the South Korean Airlines? The U.S. silence on this question has made people feel ill at ease because it seems that the U.S. information departments today are entirely capable of having located the respective concrete positions of these two planes several hours before the tragedy occurred."

According to reports by the Canadian newspaper GLOBE AND MAIL, (Walkman), editor for national security issues of DEFENSE SCIENCE JOURNAL, said on 6 September: "Whenever there is a chance, airliners of the Korean Airlines will fly over Soviet territory." He said: "Airliners are the most ideal information stations you can imagine."

According to reports, all South Korean airliners are equipped with the best navigation devices. However, the airliner which was shot down had deviated over 1,000 kilometers from its course. "The mission of this plane was simply too clear to the Russians. The fate of Airliner 007 was inevitable."

(Walkman) said that judging from the source of the South Korean airliner's flight over Soviet territory, it is very difficult to believe that the pilot had only drifted off course.

CSO: 4005/23



GENERAL

OFFICIAL REVIEWS AID TO FOREIGN COUNTRIES

HK160402 Beijing BEIJING REVIEW in English No 36, 5 Sep 83 pp 14-18

[Article by Li Ke, representative of the minister of foreign economic relations and trade]

[Text] By the end of 1982, China had extended economic and technical aid to 76 countries, undertaking 1,319 projects (1,021 of them already completed) and dispatching 180,000 engineers and technicians and 6,500 medical workers. These aid programmes have not only helped those countries develop their national economies and maintain political independence, but have also promoted friendship between the peoples of China and recipient countries.

For the Good of Recipient Countries

In undertaking projects to aid foreign countries, China gives due consideration to the actual needs and conditions of the recipient countries, so as to achieve maximum economic returns with minimum investment.

This involves complex economic work which calls for meticulous efforts. In choosing a project to be built for a foreign country, the Chinese Government always studies its feasibility in the light of what the recipient country needs to develop its national economy. China will undertake only those projects which can help improve the material and cultural lives of the people it is assisting, and which are within China's abilities. If the recipient country lacks the conditions for building a project it has requested, or if the project is beyond China's abilities, we will suggest that the project be dropped or postponed and explain the reason to the recipient country.

The projects provided by China are mostly medium-sized and small ones designed to suit the levels of the productive forces of the recipient countries.

Once a construction project is decided on, China will send its engineers and technicians to make careful surveys and draw up a design. They will choose the location, search for a practical production plan, decide on the ideal technological processes and prepare the necessary equipment. To make the project economical and practical, they pay close attention to

balancing production, supply and marketing, and to ensuring that there will be ample supplies of energy and good facilities of transportation.

Once construction gets underway, the Chinese engineers and technicians will organize the engineering work and give technical guidance to local workers, strictly according to the requirements of the blueprints and the agreements reached between the two countries. Their aim is to ensure the quality of work done and see to it that construction and equipment installation are completed on schedule. No project will go into regular operation before a trial-production is conducted and acceptance tests are made by the recipient country.

After a project is completed, China will send, upon request, technical personnel to give guidance and help in management. It will also supply spare parts needed in maintenance work and take care of the overhaul and replacement of equipment.

#### Good Results

China has helped other Third World countries build a variety of projects, with notable results. They fall into the following categories:

--Helping a number of Asian and African countries construct farms and agro-technical centers, providing them with necessary farm machinery and insecticides and constructing farm implement plants and farm machinery repair factories.

China has undertaken more than 50 agricultural projects in African countries, and helped reclaim 50,000 hectares of land for which it has provided technical guidance. A good example is a farm built in Tanzania. Since its inauguration in 1977, the farm has reaped profits every year and has kept its annual yield of paddy-rice above 7.5 tons per hectare. In 1980, the harvest was 17,500 tons of rice, approximately one-fourth of the country's total market demand.

Another example is Upper Volta, a nation which seldom planted paddy-rice in the past. In 1980, with the help of Chinese agro-technicians, the country planted 1,600 hectares of paddy-rice, which yielded 7,000 tons of rice.

--Helping a number of countries construct with their own resources light industrial and textile factories and processing factories for farm and sideline produce. This has put an end to their dependence on imports. For instance, a match factory built with Chinese aid in Guinea in June 1964 has changed the country's dependence upon foreign countries for the supply of matches. The factory, making a profit every year, was given the honorary title of a "red flag" factory by the Guinean Government.

--Helping some African countries solve water supply problems. By the end of 1982, China had sunk 500 wells in various countries, which supplied 26,000 tons of water daily. When a Chinese-aided water supply project was

completed in the capital of Mauritania, Chairman Mohamed Khouna Ould Haidalla told the Chinese ambassador, "People in the West often say we are water-poor here, but you Chinese friends have helped us find the water which has made Nouakchott what it is today."

--Helping construct nearly 5,000 kilometers of highways and 2,500 kilometers of railways (including the famous Tanzanian-Zambian Railway), along with many bridges and harbours in a number of Asian and African countries.

--Building gymnasiums, stadiums, international meeting halls, people's palaces, hospitals, health centers and other cultural and welfare facilities. These projects are highly acclaimed by the recipient countries for their graceful designs and superb engineering quality.

The projects assisted by China also include many in power production, machine-building, metallurgical, chemical and building-material industries, post and telecommunication services, broadcasting and geological prospecting.

#### Medical Teams in Recipient Countries

Since April 1963 China has sent a total of 6,500 doctors to 43 Asian and African countries and regions. At present, 35 Chinese medical teams and a disease prevention group, totalling 1,100 members, are working in 80 medical centers in 35 countries and regions.

These medical teams have treated 70 million patients, some of them suffering from difficult and complicated cases of illness. For example, a patient contracting sciatica, rheumatic spinitis and cervicovertebral disease for many years, was cured by a Chinese medical team in Kuwait after only two sessions of treatment with acupuncture and massage. Previously, he had seen doctors in England, the United States and four other countries with no results.

A Chinese medical team in Algeria successfully rejoined a severed hand for a patient. This was hailed by the local press as a "wonder of Chinese medicine." In a year a Chinese medical team stationed in Sana succeeded in handling 30 cases of mitral dilation. Because of this the government of the Yemen Arab Republic declared that patients with heart diseases are not allowed to go abroad for treatment without first being diagnosed by the Chinese doctors.

While actively serving the people in countries which receive aid, Chinese doctors also go out of their way to pass on their knowledge and skills to their local colleagues. Their training classes have prepared 1,000 medical workers at the middle and lower levels in these countries. It is a small wonder that the local people call doctors in the Chinese medical teams "most popular people" and "best cooperators."

#### Ways and Means

In addition to technical assistance, the Chinese provided economic aid for foreign countries either as interest-free loans or outright gifts.

All loans have a grace-period of 5 years, with a 10-year extension if necessary, and they can be repaid in 10 years. If the recipient country is in financial difficulties, it can postpone the repayment through consultations. The Chinese Government never duns repayment from a country in financial difficulties.

The Chinese Government provides aid mainly through bilateral channels. Since China regained its lawful seat in the United Nations, the Chinese Government has donated to the UN Development Programme and the UN Industrial Development Organization. It has also been a partner in some multilateral projects in aid of foreign countries.

The Chinese usually provide aid projects with complete sets of equipment. This is designed to help the recipient countries develop their own national economies, train their own workers and technicians and manage the enterprises by their own efforts.

#### Eight Principles

China began providing foreign aid in 1950, and has since then gradually developed new programmes with the progress of construction at home and its expanding foreign relations. China assisted 17 countries in the 1950s, 35 in the 1960s and 70 in the 1970s. By the end of 1982 China had provided aid for 76 countries--19 in Asia, 46 in Africa, eight in Latin America and Oceania and three in Europe.

The Chinese Government always holds that aid is mutual. In helping other Third World countries, China is helped by them as well. In the last three decades, despite the erratic world situation in which some people are trying to isolate the Chinese, their Third World friends have always stood with them. The international prestige and world influence China enjoys today would be impossible without the support of other Third World countries.

On a tour of 14 Asian and African countries at the end of 1963 and the beginning of 1964, Premier Zhou Enlai announced eight principles governing China's economic and technical aid to other countries:

1. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alms but as something mutual.
2. In providing aid to other countries, the Chinese Government strictly respects the sovereignty of the recipient countries and never attaches any conditions or asks for any privileges.
3. The Chinese Government provides economic aid in the form of interest-free or low-interest loans and extends the time limit for the repayment when necessary so as to lighten the burden of the recipient countries as far as possible.

4. In providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China, but to help them embark step by step on the road of self-reliance and independent economic development.

5. The Chinese Government tries its best to help the recipient countries build projects which require less investment while yielding quicker results, so that the recipient governments may increase their income and accumulate capitals.

6. The Chinese Government provides the best-quality equipment and material of its own manufacture at international market prices. If the equipment and material provided by the Chinese Government are not up to the agreed specifications and quality, the Chinese Government undertakes to replace them.

7. In giving any particular technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master such technique.

8. The experts dispatched by the Chinese Government to help in construction in the recipient countries will have the same standard of living as the experts of those countries. The Chinese experts are not allowed to make any special demands or enjoy any special amenities.

These principles have won the praise of the Third World. This is because, in sharp contrast with the practice of using aid to interfere in the internal affairs of other countries and seek privileges, they have given expression to China's basic aims for aiding foreign countries. The eight principles fully embody the Chinese people's internationalism.

The eight principles formulated by the late Chinese premier remain China's guidelines for extending foreign aid.

#### Common Development

During his visit to 11 African countries at the end of 1982 and the beginning of 1983, Premier Zhao Ziyang declared that "equality and mutual benefit, stress on practical results, diversity in form and common progress" are the four principles for China's economic and technological cooperation with foreign countries. These principles are both a summary of China's experience in conducting economic and technical cooperation with African and other Third World countries [passage indistinct] cooperation.

Since World War II, the Third World countries have achieved tremendous progress in developing their own economies. But at their present economic levels, most of them are still poor and need China's help in construction and development. China sincerely supports the South-South cooperation.

The South-South cooperation is a two-way endeavour. On the one hand, the poor countries should, on the basis of equality and mutual benefit, engage in diverse forms of economic and technical cooperation. The emphasis must be on practical results, so as to seek common development. On the other hand, countries with relatively affluent economies should, as far as they can, help poorer countries. China is exerting its efforts in both these ways. The cooperation can be either bilateral or multilateral.

Practice shows that economic cooperation between poor countries cannot be sustained or popularized if it is limited to one-way aid. It is imperative, therefore, to seek new forms of cooperation which can benefit both partners by enabling them to give full play to their strong points. Only thus can the South-South cooperation enjoy broad prospects and tremendous vitality.

The four principles are aimed at [words indistinct] relations with other Third World countries from extending loans to developing cooperation which can benefit both partners. It is only natural for Third World countries, suffering poverty to varying degrees, to help each other. A careful analysis reveals the possibility and prospects for the development of such relations.

China is a developing socialist country that belongs to the Third World. Considering our country's characteristics and international position, it is no wonder that China feels obligated to help countries poorer than it is. In the days to come, China will continue to provide as much aid as it can to countries in extreme economic difficulties and will also continue to implement the eight principles formulated by Zhou Enlai.

CSO: 4000/19

GENERAL

NICARAGUA HITS U.S. AT UN ON ANTI-GOVERNMENT FORCES

OW140330 Beijing XINHUA in English 0104 GMT 14 Sep 83

[Text] United Nations, 13 Sep (XINHUA)--Nicaragua today accused the United States of supporting Nicaragua's anti-government forces in escalating aggression against Nicaragua.

Speaking at a Security Council meeting held this morning at the urgent request of Nicaragua, deputy foreign minister of Nicaragua, Victor Hugo Tinoco Fonseca, said counterrevolutionary forces had committed many acts of aggression in the past few weeks.

Displaying documents taken from a downed plane, he said that responsibility of the U.S. Government in these acts "is very clear."

He condemned the United States for sending war ships to the coasts of Nicaragua.

He said, "War continues to be at the heart of Reagan administration policy in Central America and Nicaragua." He noted that the U.S. fleet was in the Central American waters "to destroy the aspirations for justice and national independence of the Central American people."

He reiterated Nicaragua's "permanent openness to dialogue and understanding with the United States and with even greater reason, with our Central American sister nations."

He urged the United States to make its response to the Nicaraguan position with actions instead of words.

CSO: 4000/19

GENERAL

ILLUECA ELECTED UN GENERAL ASSEMBLY PRESIDENT

OW210227 Beijing XINHUA in English 0136 GMT 21 Sep 83

[Text] United Nations, 20 Sep (XINHUA)--Jorge E. Illueca, vice-president of Panama, was today elected president of the 38th session of the UN General Assembly.

He has served as vice-president of Panama from August 1982. From 1976 to 1981, he was Panama's permanent representative to the United Nations, and was foreign minister from 1981 to 1982.

Born in Panama City in 1918, Illueca was educated at the University of Panama, the Harvard Law School and the University of Chicago Law School. He received a doctor of law degree in 1955.

He had served as a member of the permanent court of arbitration at the Hague for two consecutive terms, from 1974 to 1982. Since 1982 he has been a member of the United Nations International Law Commission.

In 1964, Illueca was special ambassador of Panama to the United States to begin the negotiations for a new Panama Canal treaty and in 1972 was special envoy to Washington in connection with the negotiations.

CSO: 4000/19



GENERAL

UN CHIEF REGRETS FORUM'S WEAKENED STATE

OW131138 Beijing XINHUA in English 1104 GMT 13 Sep 83

[Text] United Nations, 12 Sep (XINHUA)--UN Secretary General Javier Perez de Cuellar today complained about the "far-from-encouraging" performance of the United Nations in maintaining world peace and called for cooperation of its member countries to make it more effective.

In his annual report on the work of the United Nations, de Cuellar said the weakening of the commitment of all nations, especially the permanent members of the Security Council, in dealing with threats to international peace and security, led to a partial paralysis of the United Nations.

"We are at present in a period when the value of multilateral diplomacy is being questioned and international institutions are not functioning as they were intended to function," he said.

"We must find means to push the machinery into forward motion again," he said, adding, "if we do not do this, we run the risk of being caught, immobile and in the open, in a new international storm too great for us to weather."

On disarmament, he said the prevention of nuclear war "remains the unique challenge of our time." He said the key to a solution lies with the two major nuclear powers, the Soviet Union and the United States. He hoped that the two will give thought to possible interim measures that would keep open the possibility of negotiations.

His report also dealt with human rights issues, condemned apartheid and hoped for stronger support for the humanitarian endeavor of the United Nations from various governments and voluntary agencies.

Referring to the world economic situation, de Cuellar said recent trends and events had marked a "clear retreat" from the basis of strengthening the multilateral cooperation. He stressed the need to make additional finance available as part of concerted policies for world recovery and to examine basic reforms in international trade, money and finance.

CSO: 4000/19

GENERAL

38TH UN GENERAL ASSEMBLY SESSION BEGINS

OW210233 Beijing XINHUA in English 0132 GMT 21 Sep 83

[Text] United Nations, 20 Sep (XINHUA)--The 38th session of the United Nations General Assembly opened today with the representatives of 156 nations attending.

The most pressing issues of the over 140 items to be discussed at the General Assembly are the Middle East, Southern Africa, Kampuchea, Afghanistan, disarmament and the world economic situation. The explosive situation in Central America is likely to be dealt with during the session.

After the president of the 37th session of the General Assembly, Imre Hollai, delivered the opening speech, the session elected Jorge E. Illueca, vice-president of Panama, as its president.

In his speech, Illueca called for the launching of global negotiations and noted that the reverses in the North-South dialogue were due to the negative position of certain industrialized countries. He also pressed for a proper solution to the problems in Central America and eradication of apartheid, racism and racial discrimination in Southern Africa and in the rest of the world.

He said that efforts to bring independence to Namibia must be intensified and that a just and durable peace must be brought to the Middle East.

The General Assembly approved the appointment of a nine-member credentials committee, consisting of China, Colombia, Indonesia, Jamaica, Mali, Portugal, Uganda, the Soviet Union and the United States.

CSO: 4000/19

GENERAL

ENVOY URGES ECONOMIC COOPERATION AT UNGA

OW200954 Beijing XINHUA in English 0722 GMT 20 Sep 83

[Text] United Nations, 19 Sep (XINHUA)--Representatives of various countries called for the immediate launching of global negotiations on world economic cooperation for development at the closing session of the 37th session of the UN General Assembly today.

It is 4 years since the negotiations for a global meeting were deadlocked. More than 120 developing countries, with the "group of 77" as their representative, have made considerable efforts and showed flexibility in striving for its launching, which has so far been prevented by some developed countries, the United States in particular.

Farooq Sobhan of Bangladesh, chairman of the "group of 77," accused the developed countries of lacking political will "to engage in serious consultations to launch the negotiations."

He said the developed countries have given no response to a two-phased program on global negotiations, a program set out to meet the concerns voiced by some developed countries.

He also urged the coming session to address the task of global negotiations "with boldness, imagination, pragmatism and immediate priority," saying the assembly must not ignore the deteriorating economic and financial situation in developing countries.

U.S. Representative William C. Sherman said realism requires that remaining differences on global negotiations be recognized and discussed for a reconciliation. He expressed the willingness of his government "to continue to cooperate in the ongoing dialogue on global negotiations."

Ambassador Mi Guojun of China said his country would like to associate itself with the basic principles expressed by the "group of 77." He urged the developed countries to respond to the efforts of the developing countries on launching global negotiations. He declared China's support for the concept of the two-phased program starting with what is easy to negotiate and going to what is difficult.

CSO: 4000/19

GENERAL

FRANCE'S CHEYSSON OPPOSES PARTITIONING LEBANON

OW201038 Beijing XINHUA in English 0804 GMT 20 Sep 83

[Text] Paris, 19 Sep (XINHUA)--French External Relations Minister Claude Cheysson declared today that France would never approve of a partition of Lebanon between forces backed by the Soviet Union and Syria on the one side and those backed by the United States and Israel on the other.

In his national TV address in the wake of U.S. shelling of Lebanon's anti-government forces in al-Shuf mountains, Cheysson said that the interference of U.S. Marines in the conflict was not the best way to solve the Lebanese crisis.

He stressed that the Lebanese people should anew [as received] rally themselves round President Amin al-Jumayyil and claimed that France was trying hard to prevent a division of the Lebanese and Palestinian peoples.

Referring to the French role in Lebanon, Cheysson said that France and the United States worked together in the framework of the mission given to the multinational force in Beirut. "But we don't work together elsewhere," he noted.

"If it is not possible to reestablish unity and uphold the sovereignty of Lebanon and if Lebanon is split up, how can the Middle East regain its own balance outside the realm of the superpowers?" Cheysson said.

On the Chadian issue, he claimed that France had succeeded in ending the fighting and blocking Libyan advance there without a single shot.

The success was very important for other African countries, he said, adding, "Now it is the time to push forward the negotiations between the Chadian people and the peoples of other African states."

CSO: 4000/19

GENERAL

REAGAN, MUGABE DISCUSS NAMIBIA SITUATION

OW141008 Beijing XINHUA in English 0747 GMT 14 Sep 83

[Text] Washington, 13 Sep (XINHUA)--Prime Minister Robert Mugabe of Zimbabwe accused South Africa of continuing to "destabilize" the southern African region here today.

In a statement made after he met with President Reagan, Mugabe said that they discussed bilateral relations, U.S. economic aid to Zimbabwe, regional relations, Namibia, and the apartheid system in South Africa.

Mugabe, who started a 3-day visit here yesterday, said: "We have enjoyed excellent relations" with the United States. However, he said, "we have differences on the modality of bringing about Namibia's independence, the linkage with the Cuban question, but generally, we have looked at issues through the same glasses."

He said those are differences "in the respect of the method of bringing about change, positive change to the area."

The United States, a member of the "Contact Group" of five Western nations that seek to solve the Namibian issue, has linked a Namibian settlement with the withdrawal of Cuban troops from neighboring Angola.

But, Namibia, together with other frontline countries in the southern African region, refuses to accept linkage of those two issues.

A senior U.S. official, when briefing reporters today on the meeting of the two leaders, said that during the meeting, "there is an urgent request once again that we (the United States) separate these two issues."

When beginning his visit yesterday, Mugabe urged the United States to exert pressure on South Africa to cease its "intransigent" opposition to the independence of Namibia still ruled by South Africa despite vigorous worldwide objections. He said, "We feel that South Africa has been allowed to be intransigent and we naturally blame the contact group for not having exerted more pressure."

Mugabe has met U.S. Secretary of State George Shultz today. During his Washington stay which ends tomorrow, he will meet with Peter McPherson, administrator of the Agency for International Development, and members of Congress before leaving for Canada.

CSO: 4000/19

GENERAL

RECEPTION FOR IOC PRESIDENT GIVEN IN SHANGHAI

OW200013 Beijing XINHUA in English 1420 GMT 19 Sep 83

[Text] Shanghai, 19 Sep (XINHUA)--The All-China Sports Federation and the Chinese Olympic Committee gave a reception here this evening in honor of Mr Juan Antonio Samaranch, president of the International Olympic Committee, and other leading officials of international sports organizations.

Zhong Shitong, president of the host organizations, presided over the reception. In a toast, he extended a warm welcome to Samaranch and other distinguished guests in sports circles who have come to attend China's fifth national games. "The Chinese Olympic Committee will, as always, closely cooperate with the International Olympic Committee and make contributions to developing sports in Asia as well as in the world," the president of the Chinese Olympic Committee pledged.

In his reply, Samaranch said that his stay in Shanghai was enjoyable. The Chinese Government, he added, is fully aware of the social role of sports in modern life and pays great attention to the development of sports. This has left him a deep impression, Samaranch said.

Li Menghua, minister of the State Physical Culture and Sports Commission, and Rong Gaotang who was awarded an Olympic Silver Order the other day, attended the reception.

President Samaranch is leaving here tomorrow for the Democratic People's Republic of Korea via Beijing.

CSO: 4000/19

GENERAL

TUNISIAN PRESIDENT MEETS U.S. VICE PRESIDENT

OW161037 Beijing XINHUA in English 0739 GMT 16 Sep 83

[Text] Tunis, 15 Sep (XINHUA)--Tunisian President Habib Bourguiba told visiting U.S. Vice President George Bush today that Arab countries "expect from the United States a more explicit commitment to a just and durable solution to the Middle East conflict."

He added the commitment should mean recognition of the legitimate rights of the Palestinian people to determine their own future."

At a banquet welcoming Bush who arrived here this morning for a 1-day visit, the 80-year-old Tunisian president said: "Africa is engaged in the last battle to eradicate colonialism and racism."

The Arab world is now in a serious crisis and the problems of this region are threatening world peace, he warned.

On the reconciliation of Maghreb countries, he said "we shall devote our efforts to peace and the creation of an atmosphere of trust and friendship among these countries."

In reply, Bush said the United States will help the people of the Middle East to realize a just and lasting peace.

The only possible solution in Lebanon, he said, requires the withdrawal of all foreign forces from Lebanese territory." Only then can Lebanon return to the hands of the Lebanese people.

Bush is scheduled to leave here for Europe tomorrow.

CSO: 4000/19

GENERAL

PORTUGUESE PRESIDENT MEETS REAGAN IN U.S. VISIT

OW161025 Beijing XINHUA in English 0756 GMT 16 Sep 83

[Text] Washington, 15 Sep (XINHUA)--President Ronald Reagan today told visiting Portuguese President Antonio Ramalho Eanes that the United States "fully supports Portugal's efforts to enlarge its role in Western defense."

In his welcoming remarks, Reagan said the U.S.-Portuguese relationship "is crucial to the NATO alliance and both our nations." He pledged that the U.S. will help Portugal modernize its armed forces.

In view of Portugal's strategic position, the U.S. has increased its military and economic assistance to the Mediterranean European country in recent years. The Reagan administration has asked Congress to approve a total aid of \$145 million for fiscal year 1984, more than \$30 million over the current year.

A senior U.S. official said the two presidents discussed the U.S. use of Portugal's military bases. An agreement on the issue expired in February and both countries are renegotiating a 5-year agreement on the use of U.S. air base at Lajes on the Azores Islands, which the United States believes is vital to the U.S. rapid deployment force (RDF) and the resupply of U.S. troops in Western Europe. The U.S. is also said to be seeking to establish new facilities on the Portuguese mainland.

During the negotiations that started last December, Portugal reportedly insisted that the U.S. should not have any permanent RDF facilities in Portugal and that the U.S. use of Portuguese bases must be subordinated to Portuguese national interests.

The official said both leaders stressed the importance of "moving ahead with the negotiations" to reach an agreement "as quickly as possible."

The two presidents also discussed NATO issues, the Geneva talks on intermediate nuclear forces and Southern Africa. The official said Portugal "strongly" supports the 1979 NATO "two-track" decision.

CSO: 4000/19



GENERAL

UNCTAD FAVORS STEPS TO HELP DEVELOPING COUNTRIES

OW221129 Beijing XINHUA in English 0832 GMT 22 Sep 83

[Text] Geneva, 21 Sep (XINHUA)--The United Nations Conference on Trade and Development (UNCTAD) called today in an annual report for special measures to help developing countries improve the "grim immediate outlook."

"Immediate international measures are required to allow a prompt acceleration of growth in developing countries," UNCTAD said in the report entitled "The Current World Economic Crisis" of which only the first part has been released.

The report gives no specific suggestions for action, but UNCTAD has campaigned for years in favor of better terms of trade for developing countries, mainly through commodity price agreements and technological aid.

"The incipient recovery might not be sustained beyond 12 to 18 months," warns the report. It rejects claims that the U.S. recovery will filter down rapidly to "either developed market-economy countries or the developing countries."

The U.S. dollar's high exchange rate, high U.S. interest rates and cutbacks in commercial lending to developing countries are described by the report as creating the greatest obstacles to growth.

"The persistence of high interest rates in the United States and their recent tendency to increase with an upturn in economic activity raises serious doubts about the durability of the American recovery," the report says. For other developed countries a rising dollar "is a source of imported inflation" so they are adopting cautious economic policies, it adds.

The slowdown in lending to Third World countries by commercial banks is alleged to be "forcing the majority of developing countries to adopt deflationary policies which can only dampen world recovery."

The report came after a world trade conference, held by UNCTAD in Belgrade last June and attended by nearly all the developing and developed countries, failed to agree on emergency measures to revive the world economy. Western industrialized nations led by the United States rejected proposals put forward by the UNCTAD Secretariat and developing countries for raising commodity prices and restructuring the world financial and banking systems.

CSO: 4000/19

GENERAL

BRIEFS

USSR 'SPY SHIP' WATCHES U.S. BUILDUP--Beijing, 14 Sep (XINHUA)--A Soviet spy ship watched from closeby today as United States Marines pilots, newly arrived to support the Marines in Lebanon, roared from the U.S. amphibious assault vessel "Tarawa" in British-built Harrier jump jets, according to a report from Lebanon. The "Tarawa" and two other assault ships, the "USS Duluth" and the "USS Frederick," arrived off the Lebanese coast on 12 September, carrying 1,800 Marines as emergency back-up for 1,200 U.S. Marines already in Beirut as part of the peacekeeping force. The Soviet ship, an antenna-packed converted trawler, is Tarawa's constant companion. According to an announcement issued by the U.S. Defence Department on Monday, the 45,000-ton battleship New Jersey had headed into the Atlantic. U.S. officials said it would be available in case Marines in Lebanon faced a serious threat. [Text] [OWL50222 Beijing XINHUA in English 1525 GMT 14 Sep 83]

ULANHU MEETS OLYMPIC CHAIRMAN--Shanghai, 16 Sep (XINHUA)--Ulanhu, vice-president of the People's Republic of China, met with Juan Antonio Samaranch, president of the International Olympic Committee, and J. Havelange, president of the International Football Federation, here today. On behalf of the Chinese Government and people, Ulanhu expressed warm welcome to Samaranch and Havelange for having come to China to attend the 5th National Games on invitation. In conversation, Samaranch said that he appreciated the accomplishments made by Chinese athletes in recent years. Li Menghua, minister of, and Rong Gaotang, adviser to, the State Physical Culture and Sports Commission, and Zhong Shitong, president of the Chinese Olympic Committee, were present. Samaranch and Havelange this morning attended the opening of a sports stamp exhibition sponsored by the workers' cultural palace of the Shanghai Trade Union Council. [Text] [OWL61103 Beijing XINHUA in English 0816 GMT 16 Sep 83]

WORLD ENERGY MEETING TECHNICAL SESSIONS--New Delhi, 19 Sep (XINHUA)--The 12th Congress of the World Energy Conference (WEC) today began its technical sessions and roundtable and working group discussions on various energy problems. Discussions are being organized under the subjects of innovative techniques and technologies for improved exploitation and development of resources, resources availability and strategic management of energy and economic resources, energy and quality of life, international collaboration and contribution to a global energy strategy. The delegates agreed that

both the industrialized and developing countries would depend for most of their energy needs on extensive exploitation of the existing reserves of coal, natural gas, hydro-electric potential and nuclear power. The Soviet delegate said natural gas had risen from providing a meager 7.9 percent of his country's energy in the early 60's to 27 percent last year. The United States is also confident in the potential of its natural gas supplies. Many delegates saw coal as a second option. A technical session studied all aspects of the coal mining-transportation-consumption cycle. Other delegates mentioned research in less conventional energy alternatives. A special session on "energy and society" was held as energy is extremely important to the world's social and economic development. [Text] [OW201032 Beijing XINHUA in English 0746 GMT 20 Sep 83]

PARTIES DISCUSS EUROMISSILES IN MOSCOW--Moscow, 20 Sep (XINHUA)--Top-ranking officials of 11 communist and worker's parties, meeting here today, discussed "urgent political, ideological and propaganda problems" in developing the movement against the deployment of U.S. medium-range missiles in Western Europe. The meeting warned that this deployment would greatly increase the nuclear threat to the people of the world and seriously worsen the international situation, according to a TASS report. It accused "the imperialist bloc, and the U.S. imperialist circles in particular" of committing provocations to poison the international atmosphere further and carry out its missile plan. They pointed up the importance of the Soviet Union and the United States reaching agreement in their Geneva talks. The participants are party secretaries in charge of international affairs and ideological matters from Bulgaria, Hungary, the Democratic Republic of Germany, Poland, Romania, Czechoslovakia, Mongolia, Vietnam, Laos, Cuba and the Soviet Union. [Text] [OW210752 Beijing XINHUA in English 0730 GMT 21 Sep 83]

ZHAO ZIYANG MEETS ENVOYS--Beijing, 20 Sep (XINHUA)--Chinese Premier Zhao Ziyang met here this afternoon with the Liberian Ambassador to China, G Toe Washington, and the Hungarian Ambassador to China, Ivan Laszlo, on separate occasions. [Text] [OW201310 Beijing XINHUA in English 1301 GMT 20 Sep 83]

SINGAPORE'S DHANABALAN ON KAMPUCHEA--Stockholm, 19 Sep (XINHUA)--The visiting Singapore Foreign Minister Suppiah Dhanabalan said today Vietnam should be made to know it will continue to pay dearly for its occupation of Kampuchea. Vietnam will remain in a state of political and economic isolation as a result of its occupation of the country, he said in an interview with the Swedish News Agency Telegraph Bureau here today. He said the independence of Kampuchea is of first importance and the Kampuchean people should be let to decide their own destiny. The foreign minister arrived here yesterday and is leaving for other countries tomorrow. [Text] [OW201030 Beijing XINHUA in English 0741 GMT 20 Sep 83]

KAMPUCHEAN, AFGHAN ISSUES FOR UN DISCUSSION--United Nations, 21 Sep (XINHUA)--The UN General Assembly's General Steering Committee today recommended for inclusion in the agenda of the current session the situation in Kampuchea and in Afghanistan despite Soviet opposition. The committee also recommended the current session to study the question of Antarctica,

overriding several nations' objections or reservations. Among these nations are the Soviet Union and the United States. The inscription of the question was proposed by Malaysia and Antigua and Barbuda. Malaysian Representative Tan Sri Zainal Abidin Bin Sulong said that the potential for exploitation of Antarctica's natural resources is huge. He urged the United Nations to make sure that Antarctica should be used only for peaceful purposes and should remain accessible to all. A total of 142 items in the agenda of the session approved by the General Steering Committee today will be submitted to the 38th plenary session for adoption. [Text] [OW221107 Beijing XINHUA in English 0724 GMT 22 Sep 83]

OLYMPIC PRESIDENT VISITS SHANGHAI--Shanghai, 17 Sep (XINHUA)--Juan Antonio Samaranch, president of the International Olympic Committee, and Yuan Zhangdu, chairman of the Shanghai Municipal Federation of Trade Unions, cut the ribbon to open a sports stamp show here yesterday. Samaranch is also president of the International Olympic Philately Association. Also present at the opening ceremony of the exhibition, sponsored by the municipal federation, were Joao Havelange, president of the International Football Federation, and Ma Renquan, vice-president of the All-China Philatelic Federation. Among over 7,000 exhibits by local collectors were Chinese stamps issued since the founding of new China in 1949, and stamps from more than 60 other countries including Japan, Poland and France. Among the most attractive was a 13-piece set commemorating the first modern olympic games in Athens in 1896, from the collection of an old worker in a synthetic leather factory. [Text] [OW171313 Beijing XINHUA in English 1246 GMT 17 Sep 83]

SHANGHAI CITY HOSTS RECEPTION--Shanghai, 17 Sep (XINHUA)--The Shanghai Municipal People's Government gave a reception here this evening to welcome the delegations from foreign cities which came here to watch the current 5th National Games. Mayor of Shanghai Wang Daohan greeted the guests at the reception. The delegations are from Hamhung City of Korea, Yokohama and Osaka of Japan, Rotterdam of the Netherlands, San Francisco of the U.S.A. and Metro Manila of the Philippines--all these cities have established friendly ties with Shanghai. In his speech Vice-Mayor Ruan Chongwu noted Shanghai has maintained frequent friendly exchanges in economic, trade, scientific, technical, cultural, sports and medical fields with these cities. He held this would be helpful to enhancing friendship and mutual understanding. Teachers of the Shanghai Conservatory of Music performed national music for the guests at the reception. [Text] [LD171827 Beijing XINHUA in English 1620 GMT 17 Sep 83]

SLOW ECONOMIC DEVELOPMENT WORLDWIDE--Washington, 16 Sep (XINHUA)--The current world economic crisis has slowed development in many developing countries, the World Bank said in an annual report yesterday. The report said the impetus toward development in many countries was "more sharply broken" than at any time since the founding of the bank in 1945, as the "deepest recession" since the 1930's continued to be felt in all parts of the world. Referring to the East Asia and Pacific (?region), the report said the developing countries there--with the exception of China--have experienced the "full force of the world recession" and their economic

policies have been preoccupied with the search for appropriate means to deal with the changing economic situation. The report also said the bank is having difficulty in meeting the needs of the poorest nations. The International Development Association, the bank's lending branch that depends on government contributions for funds, has had to scale back planned programs in recent years because the United States "stretched" its three-[word indistinct] contribution over 4 years. [Text] [OW161443 Beijing XINHUA in English 1233 GMT 16 Sep 83]

UK REQUESTS POSTPONEMENT OF SOVIET MINISTER'S VISIT--London, 17 Sep (XINHUA)--Britain has asked the Soviet Government to postpone Soviet First Deputy Foreign Minister Georgiy Korniyenko's visit to London. The newspaper, DAILY TELEGRAPH says his scheduled visit has been postponed. He was to be here for 3 days this week for talks at the British Foreign Office as part of a program of diplomatic contacts between London and Moscow which included the visit to the Soviet capital last April by Foreign Office Under-Secretary of State Malcolm Rifkind. The British Government's decision was apparently due to the deterioration of Anglo-Soviet relationships after the shooting down of the South Korean airliner by the Soviet Air Force 2 weeks ago. Now Korniyenko is not expected to visit Britain until next year. [Text] [OW171023 Beijing XINHUA in English 0745 GMT 17 Sep 83]

GROMYKO-ABE TALKS CALLED OFF--Tokyo, 20 Sep (XINHUA)--The Soviet Embassy here yesterday officially informed the Japanese Foreign Ministry that the scheduled Soviet-Japanese foreign minister talks were no longer possible as the Soviet foreign minister had decided not to attend the upcoming UN General Assembly session. Meeting with Japanese officials, Abdurazakov, a counsellor of the Soviet Embassy, said that the Soviet Union hopes to seek other chances to hold the talks in the nearest future. But "the nearest future" is only a relative time conception, he added. After the downing of a South Korean airliner, Japanese Prime Minister Yasuhiro Nakasone has expressed time and again that the matter would not affect the basic relationship between Japan and the Soviet Union. Learning that the foreign minister talks would not be possible, he said to reporters, "It makes people feel sad. Though some obstacles have arisen, we expected to meet (Soviet officials) at the UN General Assembly, a peaceful place." [Text] [OW200958 Beijing XINHUA in English 0736 GMT 20 Sep 83]

GROMYKO-HUN SEN MEETING--Moscow, 20 Sep (XINHUA)--Soviet Foreign Minister Andrey Gromyko today met with Hun Sen, "foreign minister" of the Vietnamese-installed Heng Samrin regime in Kampuchea, the Soviet News Agency TASS reported. According to the report, Gromyko "exchanged views" with Hun Sen, who is on a "working visit" here, on their bilateral relations and pressing international problems. At a breakfast given in Hun Sen's honor, Gromyko criticized the U.S. policy in various fields, describing it as creating "deadlock, dangerous confrontation and tension." On the issue of Kampuchea, which is under the Soviet-backed Vietnamese military occupation, he said "no one from the outside has the right to interfere in the Kampuchean affairs." Speaking at the breakfast, Hun Sen expressed gratitude to the Soviet "effective assistance" to the Heng Samrin regime. [Text] [OW210737 Beijing XINHUA in English 0724 GMT 21 Sep 83]

CSO: 4000/19

UNITED STATES

RENMIN RIBAO SAYS U.S. ECONOMIC RECOVERY 'FRAGILE'

HK260943 Beijing RENMIN RIBAO in Chinese 24 Sep 83 p 7

["Special Commentary" by Chen Baosen [7115 1405 2773] and Li Guoyou [2621 0948 0645] of the U.S. Studies Institute: "Recovery and Hidden Worries--Commenting on the U.S. Economic Outlook"]

[Text] The Western countries have long been looking forward to an economic recovery. Since the beginning of this year, economic vitality has finally appeared in the United States. The U.S. industrial production index has been rising for the past 7 months. It has risen from the lowest point of 134.8 in November last year to 145.9 in June this year. (This highest point before the crisis in July 1981 was 153.9.) The value of industrial production has increased by 8.2 percent, which is in the vicinity of the average growth rate of 8.5 percent in the first 7 months of recovery after each crisis since the war.

What Is as Expected and What Is Not

Moving in endless periodic cycles of crisis, depression, recovery and upsurge is originally the product of basic contradictions of capitalist society and is an unalterable objective law. Since July 1981, the economic crisis in the United States has lasted for 17 months. During these 17 months, economic conditions have gradually changed for the better. This is mainly manifested in:

1. Large quantities of goods overstocked by enterprises during the crisis or depression have been gradually cleared and the phenomenon of congested circulation is relaxing;
2. The drop in price of some goods in excessive supply, thus increasing the purchasing power of a portion of consumers. Particularly, the lowering of prices of petroleum and agricultural products has helped the U.S. Government's policy of curbing inflation;
3. Cutting down the number of persons employed, reducing wages and salaries, and controls on expenditure for wages and salaries have lowered production costs and increased profits;

4. Large numbers of enterprises with poor management and low competitive power have gone bankrupt, thus easing the problem of marketing.

All this has paved the way for revitalizing production. Therefore, leaving the trough and starting to recover was something to be expected.

However, what most Western economists did not expect was the sharp rise in U.S. production in the second quarter of this year. Calculated according to the gross output value of the national economy, the growth in the first quarter of this year, when converted into an annual rate was 2.6 percent, and that of the second quarter rose sharply to 9.2 percent. To date, the U.S. Government has three times changed the estimated annual growth rate of the gross output value of the national economy in 1983, changing it from 3.1 percent to 4.7 percent, and then to 5.5 percent.

The reason U.S. production rose sharply in the second quarter is that several favorable factors were brought into play under specific conditions and at specific times, whereas unfavorable factors were temporarily restrained. One of the most important favorable factors was that an upsurge of intense popular interest in purchasing appeared among consumers and the other was that owners of enterprises stopped reducing goods in stock.

The cause of the upsurge of intense popular interest in purchasing were: 1) the interest rates for consumption credit and mortgage loans dropped relatively, thus arousing the consumers' enthusiasm for buying houses and motor cars; 2) the stock market was brisk, values of share certificates and negotiable securities rose, and the monetary assets of shareholders increased by about 24 percent in 2 years; 3) the rate of inflation dropped, thus increasing actual purchasing power.

Reducing goods in stock was used by owners of enterprises for coping with the crisis and reducing losses. When the crisis was very serious in the United States in the fourth quarter of last year, owners of enterprises stopped replenishing their stocks and make great efforts to reduce goods in stock. In the second quarter of this year, there was a brisk market in buying and selling and owners of enterprises made an abrupt change in their activities in view of the situation. This gave a great impetus to increasing production. According to statistics, the output value increase resulting from stopping the reduction of goods in stock reached \$16 billion of the increase in gross output value of the national economy in the second quarter, exceeding one-third of the total increase in volume.

On the other hand, people fear that because economic development speeds up in a period of recovery, the intensified contradiction between the government and private enterprises in raising funds will finally bid up interest rates and bring the recovery to an early end. This worry has not become reality. According to the general analysis, the reasons for this are as follows:

1. Stock markets are brisk, so enterprises can build up their capital through the issuance of securities.

2. The utilization of enterprises' capacity is still low, and large quantities of equipment are still lying idle. The interest rates remain at a high level. All this has delayed the upsurge of investments in fixed assets.

3. Making use of goods in stock, lowering costs and increasing profits have all increased the amount of circulating capital and reduces the demand for loans.

4. The inflow of large quantities of foreign capital has also helped balance supply and demand on the money market.

Unfavorable factors were brought under control, while favorable factors were brought into play. This was the background against which the U.S. economic development could show such an unexpected good result in the second quarter.

#### The Bright Situation and the Potential Danger

Will the momentum of the U.S. economic recovery last for a long time? Will various unfavorable factors be eliminated? Western economists have different views on these questions.

Most major members of the Reagan administration hold an optimistic view. They hold that the constant economic policy carried out by Reagan has proved effective. An era of lasting economic upsurge without inflation is in the offing.

However, many economists do not agree with this optimistic view without reservation. They admit that the economic situation in the near future will be gratifying, but some potential dangers still exist from the long-term viewpoint. The reasons are as follows:

1) It is not easy to solve the problem of structural unemployment within a short time, and this will hinder consumers' purchasing power from further increasing; 2) interest rates remain at a high level. In particular, the actual interest rate, which has negated the influence of inflation, is still as high as 5 percent, and is far higher than the normal level; 3) industrialists are still taking a wait-and-see attitude toward investment in fixed assets. The last two problems are interrelated, and both are also related to the huge federal deficit.

In fact, even in the delightful atmosphere of the economic recovery, the contradictions in the U.S. financial and monetary policies are still casting gloomy shadows over domestic and international economic life.

At home, in order to shake off the longest crisis in the postwar period and to prompt the recovery, the federal reserve system could not but relax money supply in the second half of last year. As a result, money supply rapidly increased by 14 percent and greatly exceeded the prescribed target of controlling the increase at the level of 4-8 percent. The secretary of the treasury immediately issued a warning, saying that an abnormally large level of money supply will possibly turn the economy white-hot and speed up inflation. Then, the federal reserve system resumed the tightening policy, and this resulted in the increase



in the prime rate of commercial banks in early August from 10.5 percent to 11 percent. The rise in the interest rate in turn caused the appreciation of the U.S. dollar and increased trade deficits. In early August, the Wall Street stock market began to show a declining trend. In that period, the Dow-Jones index lost nearly 50 points. The slowdown in economic growth will keep federal deficits high, but rapid economic growth will intensify the contradiction between the public and private sectors in raising funds. Before the general election, the Reagan administration will readjust its budgetary revenue and expenditure, but the budget deficit can only be cut to a very limited degree no matter whether the administration try to cut back on welfare and military spending or try to increase taxes. Under these circumstances, the federal reserve system may greatly increase the money supply and thus rekindle the flames of inflation, or may further raise interest rates and thus inflict a blow to the recovery. The situation of being caught in a dilemma has led to an abnormal state of mind: The White House, Wall Street and the federal reserve system all fear that the economy will grow at too fast a speed.

The huge deficits and high interest rates in the United States have deeply harmed its allies. Western European countries and Japan do not have a domestic market as big as that of the United States, and their recovery appeared later than that in the United States. So, they pinned their hopes on the recovery of world trade and on the economic recovery in the United States, which might play the role of a locomotive. They hoped that the U.S. economy would grow steadily, with the interest rates there being kept at a low level. Under pressure from its allies, the United States could not but admit the necessity of bringing down interest rates and reducing the structural deficits, and expressed its willingness to intervene in the foreign exchange market if necessary. However, facts in the past few months show that interest rates did not fall at all; conversely, they are now still adopting an upward tendency. The sharp rises in the U.S. dollar since late July have shocked Western Europe and Japan even more seriously.

Although the recent sharp rises in the U.S. dollar are related to the facts that the debtor countries, mired in the international debt crisis, are seeking U.S. dollars to pay their debts and that funds from the Middle East and South America, where there is political turbulence, are seeking ways out to some where safe, the high interest rates in the United States remain an important reason. High interest rates have not only raised the exchange rates of the U.S. dollar, but have also forced allies to raise their own interest rates in order to prevent their funds from flowing to the United States. This is unfavorable to stimulating consumption and investment in fixed assets, and is also unfavorable to economic recovery. Hence, the allies of the United States are also mired in a dilemma.

Moreover, dozens of Third World countries are also racked by the debt crisis. By the end of 1982, the total debts owed by developing countries amounted to \$626 billion. That is to say, whenever the interest rate is raised by 1 percent, these countries will have to pay more than \$6 billion of extra interest. At the moment, the developing countries have no ability to pay off the principal and interest. If interest rates are further increased, this will be a disaster for them. The stagnation of the Third World economy is never beneficial to the United States, because 37 percent of U.S. exports are directed to the Third

World. If the United States does not bring its credit and interest rates under control, the consequences will be harmful both to other countries and to the United States itself.

In short, the present high level of U.S. deficits and interest rates and the stagnation of investment in fixed assets indicate that the current economic recovery has only a fragile basis. The failure to solve these problems will weaken the momentum of the recovery. These problems constitute unfavorable factors which are adversely affecting the U.S. economy and the world economy.

CSO: 4005/20

UNITED STATES

RENMIN RIBAO VIEWS U.S. BUDGET DEFICIT DEBATE

HK260856 Beijing RENMIN RIBAO in Chinese 21 Sep 83 p 7

["Newsletter from America" [numbers indistinct] [1728 0081]: "Debate Around the Question of Budget Deficits"]

[Text] There have invariably been differing views on the question of whether or not the huge U.S. budget deficits can impede economic recovery within the U.S. Government and among the economic circles. The group represented by President Reagan's chief economic adviser Feldstein holds that the huge federal budget deficits which have caused interest rates to stay high have become a latent factor imperilling the sustained economic growth. However, the group headed by Regan, secretary of the treasury, maintains that deficits have nothing to do with interest rates and that, with turn for the better in economy, deficits will naturally recede. With the ever increasing budget deficits, now this debate is getting more and more actue.

This year, a turnaround in the American economy has been underway for 8 months. The annual growth rate of its GNP in the first quarter was 2.6 percent and that in the second quarter was 9.2 percent. The rate of unemployment decreased from 10.7 percent last December to 9.5 percent in August of this year. The inflation rate of the first half of this year dropped to 2.9 percent from 3.9 percent last year. There has been a relatively tangible recovery in the two major industries, motor and building, which were most seriously impeded by economic recession.

President Reagan attributed the recovery to his economic policy and showed optimism about the prospects of economic development. However, many economists are aware that the United States' present economic recovery, like the previous ones, is still stimulated chiefly by social consumption and that there is no conspicuous increase in the enterprise investment which is of vital importance. The previous situation was more often than not like this: when the social purchasing power reached a state of saturation and began to decline, the economic growth would accordingly slow down and at last the economy would come to a new recession again. As for the lack of investment drive in enterprises in the United States, this is because on the one hand, its productive forces have not yet been put into full use with the present utilization of capacity of enterprises being 75 percent, and on the other hand, with the high real interest rates of banks, the entrepreneurs dare not risk the danger of making long-term investments.

Feldstein and other economists hold that high interest rates are the result of high deficits. According to the government's estimate, this year's budget deficits will top U.S. \$200 billion and those of 1984 U.S. \$180 billion. It is estimated if no measures are taken, the budget deficits for 1983 to 1988 will reach U.S. \$1,200 billion, with the annual average deficits occupying 5 percent in the GNP. In the face of such huge deficits, the Federal Reserve dares not relax control of the money market because this will give rise to inflation and so it has to maintain high interest rates.

Feldstein and others also maintain that high interest rates have caused U.S. dollar exchange rates to rise constantly. Over the past 3 years, the real exchange rate of the U.S. dollar has increased by more than 46 percent. Although strong U.S. dollars can absorb large amounts of foreign capital and thus bring some advantages to the United States, the disadvantages of strong U.S. dollars are also evident, that is to say, the rise in the U.S. dollar exchange rate has done harm to the competitiveness of American goods in the international markets. It is estimated that U.S. deficits in foreign trade this year will amount to U.S. \$60 to \$70 billion, almost 200 percent higher than those last year, and the foreign trade deficit for 1984 will reach U.S. \$90 to \$100 billion.

Therefore, the group headed by Feldstein argues that in a short period of time, although the present budget deficits have not gone so far as to exert excessive influence on the economic recovery, in order to maintain the sustained economic development, it is necessary first to curtail budget deficits so that interest rates can be reduced and investment can be stimulated. The measure they put forward to solve the deficit problem is that of reducing the federal expenditure and increasing tax revenue.

However, the group headed by Regan holds that, with a turn for the better in the economy, deficits will naturally recede and therefore there is no need to adopt any additional measures. On 14 September he specially made a speech on this question, stressing that the rapid economic growth means increases in the profits of enterprises, which will in turn boost the government's tax revenue and reduce the federal deficits. He went on to say: The present inflation rate is the lowest one ever seen in the past 17 years. If the inflation rate continues to grow at low speed in the [word indistinct], the real interest rates will decrease accordingly. For this reason, the group headed by Regan resolutely opposed reducing the federal budget deficits by means of increasing tax revenue.

In this debate President Reagan agreed to the views of Regan. In particular, in a situation in which the election year is fast approaching, Reagan is unlikely to adopt policies of further slashing social welfare spending in a big way and of increasing tax revenue, and cutting military spending is precisely what Reagan is unwilling to do. Therefore he can do nothing but hope that the sustained economic growth can reduce the government's huge deficits. However, both Regan and Feldstein agree that deficits constitute a grave menace to the economy. It appears that with high interest rates and deficits, the recovery of the American economy will be a difficult one.

CSO: 4005/20

UNITED STATES

RENMIN RIBAO VIEWS SITUATION OF U.S. BLACKS

HK231002 Beijing RENMIN RIBAO in Chinese 20 Sep 83 p 7

["Newsletter From America" by Reporter Zhang Liang [1728 0081]: "American Blacks--'Dream' and Reality"]

[Text] On 27 August this year, more than 200,000 blacks and people of all circles in the United States staged a spectacular march in Washington, "a march for jobs, peace and freedom," to mark the black civil rights march of 20 years ago. At the civil rights gathering in 1963, black leader Martin Luther King Jr gave a well-known inspiring speech entitled "I Have a Dream" calling for the realization of "freedom and equality" for blacks. But 20 years have since passed. This "dream" is still far from being realized.

In the early 1960's, a civil rights movement that shocked the world broke out in the United States. After hard struggle and the sacrifice of lives, the masses of blacks forced the U.S. authorities to introduce the "Civil Rights Act" and the "Voting Rights Act" and achieved the status of being "equal" before the law like the whites. In the United States today, on the face of it, segregation no longer exists in shops, hotels, schools, public buses, movie theaters and so forth. The federal administration and the state governments have also hired some blacks. A small number of blacks have been elected to municipal governments and state legislatures and the U.S. Congress. Yet serious racial discrimination still exists. Blacks still rank very low in their political and economic status.

First, the family income of blacks is much lower than that of whites. The annual income of middle black families represented 55.4 percent of that of their white counterparts in 1960, and 56.4 percent in 1981. In total percentage of low-income black families with an annual income below \$5,000 continues at more than twice the percentage among whites.

In the labor market, black men remain to be the "first to be dismissed and the last to be employed." According to official statistics over many years, the unemployment rate among blacks since 1960 has remained more than twice that of whites. The unemployment problem among black youths is all the more serious. Though the U.S. economy is now recovering and the unemployment rate is also dropping, the unemployment rate among black youths has risen from

50 percent early this year to 56.8 percent in July. As to the nature of work, blacks still dominate such fields as construction, cleaning, outdoor labor, domestic help, and so forth as physical workers. Very few of them work in specialized and technical fields and in management departments, which is related to the racial discrimination against blacks with regard to education and employment.

Due to the low wages and the high unemployment rate among blacks, more and more blacks live below the poverty line. The percentage of blacks living below the poverty line is more than three times that of their counterparts of the white population. The Reagan administration's continuous reduction of social welfare spending has brought no improvement in the living standard of blacks in recent years but only more difficulties in life.

Poverty and unemployment have brought a series of serious consequences for the blacks. According to statistics, of the prisoners kept in various jails throughout the country, blacks account for about 50 percent, while representing only 12 percent of the total U.S. population. The infant mortality rate among blacks in the past 20 years has all along been twice that of whites. The life span of blacks is on the average 5 years shorter than that of whites.

In the past 20 years, there has been no marked improvement in the political status of American blacks. Despite the passing of the Voting Rights Act, some states still put various obstacles in the way of blacks voting in elections. As a result, in some predominantly black southern states, the number of elected black officials accounts for only 1 percent. What's worse, organizations representing extreme racism like the "KKK party" have in recent years again made a comeback, continuously carrying out criminal activities to persecute the blacks. In 1980, in Atlanta, more than 20 black children were ruthlessly killed by racists, causing nationwide shock.

In a statement issued at the "national black leaders' caucus" not long ago, it was pointed out: "We were poor 20 years ago; we are still poor today. Our social status was low 20 years ago; we remain so today." Many black leaders also charge that the administration has failed to strengthen the implementation of the Civil Rights Act and the Voting Rights Act won by blacks in the 1960's through struggle. On the contrary, there has been a trend toward further weakness in their implementation. They hold that in the years ahead, the U.S. blacks will face a more drastic challenge.

CSO: 4005/27

UNITED STATES

BRIEFS

SOVIET ATTACHES EXPELLED--According to a XINHUA dispatch from Washington, U.S. State Department spokesman Romberg announced on 12 September that two military attaches of the Soviet Embassy in Washington were expelled by the United States in August for engaging in espionage activities. Romberg said that because of their espionage activities the two were declared personae non grata. Over the past year, the United States has expelled Soviet diplomats on five occasions. According to another report, the Soviet Committee on State Security recently issued an announcement saying that U.S. vice consul in Leningrad, Augustenborg, was declared persona non grata for engaging in illegal espionage activities. The announcement added that Augustenborg and his wife were seized while conducting espionage activities in Leningrad on 11 September [Text] [OW151354 Beijing Domestic Service in Mandarin 2230 GMT 13 Sep 83]

CSO: 4005/27

NORTHEAST ASIA

RENMIN RIBAO ON DPRK ACHIEVEMENTS IN PAST 35 YEARS

HK100800 Beijing RENMIN RIBAO in Chinese 9 Sep 83 p 6

["Newsletter From Korea" by correspondent Zhou Bizhong: "Advancing Along the Path of Acting Independently With the Initiative in One's Own Hands"]

[Text] Today marks the glorious festival of the 35th anniversary of the founding of the DPRK. The entire Korean land is astir with jubilation. In the past 35 years, under the leadership of their great leader, President Kim Il-sung, the fraternal Korean people have attained glorious achievements in the practice of socialist revolution and construction.

Those familiar with Korean history know that the feudal society, which lasted a long time, and cruel colonial rule left only poverty and backwardness to the Korean people. Soon after the founding of the DPRK, the U.S. imperialists started a war of aggression against Korea, again practically destroying the Korean economy which had just started to take off. After the armistice the Korean people started practically from scratch in building socialism. However beginning from 1954, following the fulfillment of the 3-year, 5-year, 7-year, and 6-year plans and the implementation of the second 7-year plan, which is still under way, they not only healed old war wounds but also placed the national economy on the path of sound development. It has been reported that during the entire period of 1957 to 1970, in which Korea strived to achieve industrialization, its industrial production increased by an average of 19.1 percent annually, and from 1970 to 1979 it increased by an average of 15.9 percent. In 1982 it increased by 16.8 percent over 1981. Financial revenues for 1982 reached 22.68 billion won, an increase of 700 percent over 1962. From 1971 to 1975 alone, 1,055 modern industrial enterprises went into production on the industrial front. In 1981, 2,470 productive construction projects were completed.

Korea is rich in hydroelectric resources. After liberation, while paying special attention to the construction of such key projects as big hydroelectric power stations, the state also built a large number of small and medium-sized hydroelectric power stations. Since the 1970's it has also vigorously developed the construction of thermal power plants. In 1982 it had an installed capacity of 80 million kilowatts with generated energy of more than 35 billion kilowatt-hours. In addition to electricity for industrial and agricultural use, it has also achieved the electrification of all trunk railways and major



feeder railways. With the development of the national economy, the rich natural resources have also been exploited extensively. At present, coal output has reached 600 million tons, an increase of more than 100 percent over 1970. Also, cement output reached 80 million tons in 1976. The most notable achievement in light and chemical industries is, with the utilization of raw material in the country, the successful solution of the longstanding and most difficult problem of clothing. At present, Korea has the capacity to manufacture 600 million meters of cloth annually. In addition to fully ensuring domestic construction needs, Korea has produced anthracite, cement, iron sand, and lathes for export purposes.

The Korean agriculture situation is even more gratifying. Up to the early 1970's, all farmland had been brought under irrigation and all the rural areas had been electrified. Now annual electric consumption in rural areas has reached 2.2 billion kilowatt-hours. The large, medium-sized, and small irrigation systems of Pyongnam, Kiyang, Kankitun, and the Yalujiang River--composed of more than 1,500 reservoirs, more than 16,000 pumping stations, and a total length of 40,000 kilometers of canals--have not only ensured the use of water in paddy fields but has also irrigated a major portion of the fields on hills, thus substantially increasing Korea's ability to resist natural disasters. In 1979, the plains areas had an average of seven tractors for 100 hectares of cultivated land, and the mountain or semi-mountain areas had six. In quite a few places, the various links of agricultural production, such as plowing, raking, weeding, applying fertilizer, harvesting, and threshing, have been mechanized. In 1980 an average of 1.6 tons of chemical fertilizer was applied on each hectare of paddy field and, in 1979 the acreage of paddy fields on which chemical methods in weeding were used accounted for 97 percent of the total. With the extensive promotion of scientific farming and management methods, the level of agricultural intensification has been raised higher, thus achieving high and stable yields. The average rice output on 700,000 hectares of paddy fields has reached 7.2 tons per hectare and the average maize output on 700,000 hectares of dry land has reached 5.3 tons per hectare. Total grain output reached 9.5 million tons in 1982, an increase of about 100 percent over 1962. In the meantime, quite considerable achievements have also been attained in the production of fruit, silkworm cocoons, and vegetables and in the aquatic products industry.

In the past 35 years Korea has also attained quite startling achievements in science, education, culture, and other fields. There was not a single university in Korea before liberation. Since liberation, the Korean Workers Party [WPK] and the DPRK Government have always attached great importance to the development of the educational undertaking. Compulsory primary education was effected in 1956. There are now 170 universities and colleges, more than 500 colleges for professional training, and more than 60,000 nursery schools and kindergartens. The state investment in education also increases year by year. In addition to regular universities and colleges, the state has also set up universities in factories, at fishing grounds, and on farms based on the work-study program and has extensively promoted education by correspondence. Last year the state set up a television university. Workers' cultural palaces, youth palaces, children's palace libraries, theaters, and cinemas have spread all over the country and town.

In the past 35 years the living standards of the broad masses of people have been improved continuously. The state gradually reduces the difference in the livelihood of the people in accordance with the principle of proportionately improving the people's living standards. Since the 1960s, the state has built a large amount of housing and has installed central heating in various big cities. The rent, the charges for electricity and water, and the charges for heating account for only 3 percent of the monthly salaries of the workers and staff members. The state charges only 8 chon for every kg of rice supplied according to the plan. Workers and staff members may go to sanatoriums or convalescent hospitals to rest and recuperate every year and enjoy vacation treatment. Because people are living a life of plenty while enjoying free medical treatment, the people's average live span has been extended from 38 years before liberation to 74 now.

In 1980, at the Sixth WPK National Congress, President Kim Il-song put forward the 10 long-range objectives of socialist construction for the 1980's. At present, the Korean people are vigorously throwing themselves into the struggle for creating "the speed of the 1980's" in an effort to overfulfill the Second 7-Year Plan next year and to turn the long-range objectives into reality in the not-too-distant future.

CSO: 4005/28

NORTHEAST ASIA

PRC GROUP'S VISIT TO DPRK PROMOTES FRIENDSHIP

HK210420 Beijing RENMIN RIBAO in Chinese 18 Sep 83 p 6

["Newsletter from Korea" by XINHUA reporter Wu Xuewen [0702 1331 2429] and RENMIN RIBAO reporter Zhou Bizhong [0719 1801 1813]: "Sino-Korean Friendship Is Passed Down From Generation to Generation"]

[Text] From 7 to 15 September, at the invitation of DPRK, the Chinese party and government delegation, led by Comrade Peng Zhen and with Comrade Hu Qili as its deputy head, visited the country and attended the celebration of the 35th anniversary of the DPRK. Since its arrival in Sinuijiu, the delegation has been immersed in a joyous and friendly atmosphere.

President Kim Il-song, the great leader of the Korean people and a close friend of the Chinese people, received the Chinese party and government delegation as if he was receiving his brother and was so good as to hold a banquet to entertain the delegation. Secretary Kim Chong-il personally made arrangements for and accompanied the delegation on their visits to various places. In both the callisthenic performance entitled "The People Sing the Praises of the Leader" and the musical dance epic "The Song of Glory," which were specially prepared by Pyongyang's artists to entertain the delegation, special performances in praise of Sino-Korean friendship were included. The 100,000 Wonsan citizens braved the rain and lined the street to welcome the delegation. The Chinese comrades were deeply moved by this and, in particular, the Wonsan citizens, who had been waiting for the delegation since early morning. Their clothes were soaked by the rain, yet the people who were there to welcome the delegation stood in orderly lines 10 li long and the singing and dancing went on as usual in Kaishuan [triumph] Square. The smiling faces of the people were like thousands of swaying Jin Da Lai [6855 6671 5490] wet with morning dew. Later, talking about the scene, Comrade Peng Zhen said movingly: The warm welcome the Korean people gave us was warmed our hearts!

The Chinese comrades were immeasurably happy about the great achievements made by the Korean people under the correct leadership of the Korean Workers' Party and President Kim. The past 35 years constitute the most glorious period in the history of Korea. On 8 September, at a report meeting held in Pyongyang to mark the 35th anniversary of the founding of the country, Vice Chairman Pak Song-chol reported to the 270 delegations from 116 countries on the great achievements made by the Korean people on all fronts. The Chinese comrades understood well that such achievements were never made easily, but the