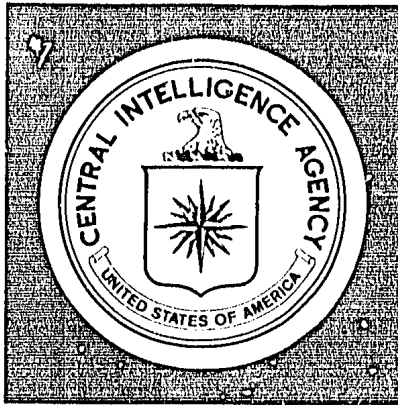


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The Chinese Economy at Mid-1974

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Intelligence Memorandum

The Chinese Economy at Mid-1974

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July 1974

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The Chinese Economy
at Mid-1974

KEY FINDINGS

A. At mid-1974, the Chinese economy is marked by below-average prospects in agriculture, moderate expansion in industrial capacity and output, booming foreign trade, and palpable improvements in the austere standard of living.

B. The anti-Confucius campaign and the retrenchment in the workplace of Premier Chou En-lai thus far have caused no appreciable slowdown in the pace of economic activity.

C. In agriculture, the erratic spring monsoon and unusually low temperatures have hurt early crops and disturbed acreage patterns for the important fall-harvested crops. Grain production for 1974 seemingly will fall short of the 2% growth trend, although future developments in the weather will determine final results for the year.

D. Purchases of grain will reach a new peak in 1974. Contracts for delivery this year now total 9.4 million metric tons -- nearly half from the United States -- compared with 7.5 million tons in 1973.

E. Growth in industrial production continues at a respectable 8% to 9% rate, with oil and chemical fertilizer among the front runners.

F. Production of military hardware in the past 18 months has been 25% below the peak levels of 1970-71, possibly the combined result of the priority of the agriculture-support program, the changeover to later model weapons, and the reassertion of Party control over the military.

G. As for foreign trade, soaring world prices and major currency revaluations, as well as substantial increases in physical volume, are accounting for sizable gains in both exports and imports. Exports probably will rise by 30% in 1974 to more than \$6 billion, and imports by about 35% to more than \$6.5 billion.

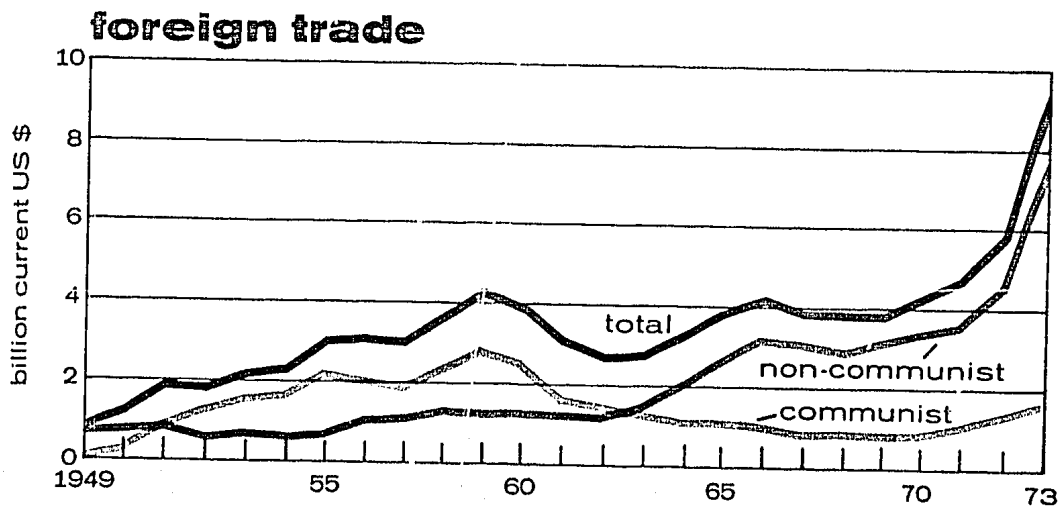
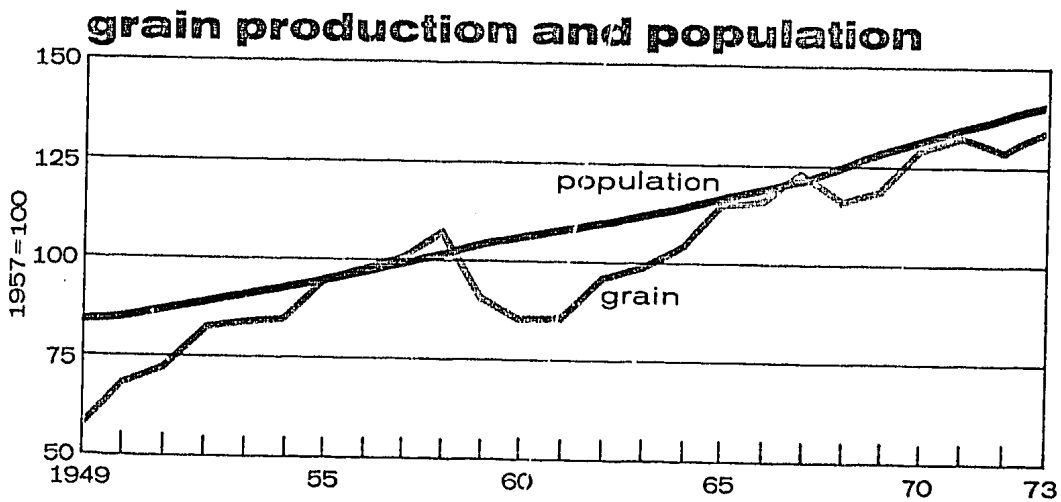
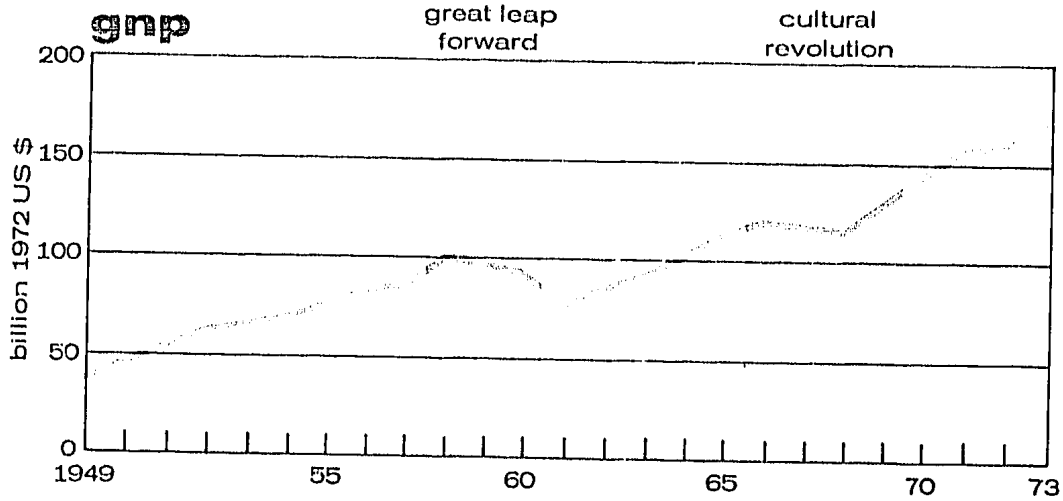
H. From the vantage point of mid-1974, the Chinese have good prospects for feeding the growing population at reasonable minimum levels, adding to capacity and output in industry, and strengthening military capabilities. These general indicators of short-term economic momentum must be weighed against deep-seated problems stemming from the low level of per capita output, the massive annual increments to population, the struggle to catch up technologically, and recurrent ideological flareups.

Note: Comments and queries regarding this memorandum are welcomed. They may be directed to [REDACTED], of the Office of Economic Research,

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China: major economic indicators



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DISCUSSION

Background: Long-Term Forces

1. In 1974, the fourth year of the Fourth Five-Year Plan, the Chinese economy reflects the experience of a quarter of a century of development under Communist rule. Approximate long-term economic growth rates have been as follows, calculated on the years 1952 and 1957:

	Average Annual Rates of Growth (Percent)	
	1953-73	1958-73
GNP	4.8	4.3
Population	2.2	2.1
GNP per capita	2.6	2.1
Grain production	2.3	1.9
Industrial output	9.1	7.5

2. Whereas the long-term rate of growth of GNP has been 4% to 5%, the short-term course of GNP has been highly erratic because of two great economic and political upheavals – the Great Leap Forward (1958-60) and the Cultural Revolution (1966-69). As shown in the first section of the chart, GNP plunged in the aftermath of the Leap Forward and dipped, less severely, when the Cultural Revolution interrupted industrial production.

3. The composition of GNP growth mirrors the fundamental economic priorities of the Communist leadership. Once a reasonable minimum amount of food has been provided for the growing population, the energies of the economy are to go to the expansion of industrial output and capacity. Thus agricultural production and population have been advancing over the long run at 2%, while industrial production has been growing at 8% to 9%. As shown in the second section of the chart, population has moved steadily upward whereas agricultural production has fluctuated widely. In particular, in the three disaster years of 1959-61, agricultural output dropped by one-fifth through a combination of man-made and natural disasters. Beginning in 1961, the PRC has imported several million tons of grain annually to supplement domestic production.

4. In absolute amount, China's foreign trade is small compared with domestic production. China is a huge continental nation with the domestic potential for practically all kinds of agricultural and industrial output and with an oft-stated aspiration for economic self-sufficiency. Trade is viewed as a temporary vehicle for obtaining foreign machinery, technology, and grain. As shown in the third section of the chart, China has made a critically important switch in trading partners

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after the Leap Forward. Whereas the PRC conducted two-thirds of its trade with other Communist countries in the late 1950s, it now conducts four-fifths of its trade with non-Communist countries.

5. To summarize, in mid-1974 the status of the Chinese economy has been determined largely by the working out of four long-term factors:

- GNP growth that provides a substantial margin for building up the capacity of the economy;
- agricultural growth that, supplemented by imports, has sufficed to feed the growing population;
- industrial growth that, starting from a small base, has provided rapid increases in capacity and output of basic industrial materials, machinery, and military equipment; and
- expanded foreign trade that now is geared to acquiring advanced industrial equipment and grain from non-Communist trading partners.

Planning: Uncertainty at the Helm

6. The economic planning system, which was partly paralyzed during the Cultural Revolution, recovered much of its forcefulness in 1970-72, only to be subject to new political buffeting in the past 12 months. During the Cultural Revolution, a large slice of the ranking Party and government leaders lost their jobs. Heads of economic ministries and planning agencies dropped from sight, and in many cases their posts remained vacant for years. (Indeed, several top economic positions apparently still remain without a permanent occupant.) Farther down the hierarchy the disruptions of the Cultural Revolution were comparatively mild. The day-to-day activities of the economy – the collection and distribution of grain, the operation of factories and communes, and the carrying out of financial transactions – continued on the basis of institutional roots established over the first 17 years of Communist rule.

7. After the Cultural Revolution subsided, a certain amount of economic policy initiatives became possible at the top.

- In the fall of 1970, Premier Chou En-lai announced the Fourth Five-Year Plan for 1971-75;
- A number of formerly discredited bureaucrats began to reappear; and
- In 1972-73, agreement was reached within the top leadership on important changes in long-term economic strategy, as discussed later.

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8. In mid-1973, new political ferment began to raise questions regarding the balance in the continuing radical-versus-moderate confrontation. Attacks have been launched against undue reliance on material incentives, foreign technology, and the leadership of rehabilitated bureaucrats. Additional questions about the political future came to the fore in early May 1974 when Premier Chou En-lai reduced his grueling workpace, ostensibly because of advancing years and growing physical ailments. Despite the heightened political rhetoric, the PRC continues to push forward the economic policies adopted in 1972-73 and is currently preparing for a Fifth Five-Year Plan (1976-80).

Agriculture: Groundwork for Breakthrough

9. The agricultural sector is entering the third great stage of its development since the Communists came to power:

- In the 1950s, when the Soviets were the economic mentors of the PRC, the agricultural sector was left largely dependent on its own material resources. Tight control over production and distribution of agricultural output, collectivization, and use of rural labor to improve the soil and water control facilities were counted upon to provide needed food, raw materials for industry, and export products. The strategy became bankrupt in the Leap Forward when the leadership established the unwieldy communes, abolished the private plots, and wasted vast resources on ill-conceived programs.
- After having taken emergency measures to bring China back from the verge of mass starvation and political disintegration, the leadership in 1962 adopted a new agricultural policy, which provided substantial and growing support from the modern industrial sector. For more than a decade now, chemical fertilizer, pesticides, irrigation equipment, tractors, and improved seeds have been flowing to the agricultural sector in growing volume. This support has been supplemented by the output of a host of small plants established in outlying areas.
- Then in late 1972, in a third great policy decision, the leadership embarked on a long-term agricultural improvement program to free China of the necessity of importing grain and chemical fertilizers. In the past 18 months, Peking has contracted for 13 large urea plants from Japanese, West European, and US sources at a total cost of \$500 million. Output from these plants, if expeditiously supplemented by improved water control facilities and increased supplies of other types of fertilizer, gives the potential for substantially higher agricultural production by 1980. Production of grain in 1980 could be 30% above the 1973 level and could eliminate the need for imports of grain and nitrogen fertilizers.

10. In the meantime, Peking must continue to import sizable quantities of grain. In 1972, grain imports were prematurely reduced -- to 3.5 million tons from the previous 5 million to 6 million tons -- in a year when grain output fell 4% to a disappointing level of 236 millions tons.¹ Thus, in 1973, imports were a record 7.5 million tons while production recovered to the long-term trend line, at 250 million tons. Purchases of grain in 1974 will reach a new peak. Contracts for delivery this year now total 9.4 million tons, as follows:

Thousand Metric Tons			
Source	Wheat	Corn	Total
Total	7,650	1,730	9,380
United States	3,000	1,100	4,100
Canada	3,000	3,000
Australia	1,200	1,200
Argentina	250	630	880
France	200	200

11. As of mid-1974, the domestic crop seems to be falling in the "below average" range, although essentially unpredictable developments in the weather will ultimately determine the final results for the year. The 2% trend-line growth -- a 5 million ton increase over last year's 250 million tons -- probably will not be realized. Early-harvested grain crops -- which normally account for two-fifths of China's grain output -- have been set back by drought and unseasonable frost in the south. One high-level Chinese government official is reported to have said that the winter wheat crop this year will turn out to be less than the 1973 crop. The late and erratic behavior of the monsoons this spring, together with unusually low temperatures, has disturbed acreage patterns for the important fall-harvested crops. For example, in double-cropped rice areas where seed for the early rice crop did not germinate and had to be replanted, the planned second rice crop might have been replaced with a lower yielding dry crop in many instances.

12. Other factors in agriculture are favorable or at least neutral. Once again, the volume of chemical fertilizer and machinery going into the agricultural sector will establish a new record. Improvements in flood control and irrigation facilities continue at a vigorous pace. These improvements still yield considerable returns in output in some areas because most water control projects are only partly finished, and major rivers and large tributaries remain to be harnessed. At the same time that new acreage is being reclaimed from the hillsides, the desert, and even the sea, farmland is being taken for factories, urban housing, and military installations. We have no data to determine the extent to which these forces are offsetting.

1. For figures on grain production and other important economic indicators, see the table. A second copy of the table, which may be detached and used on an unclassified basis, is provided following the text.

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In any case, the net change in total acreage is small. As for seeds, China is gradually taking advantage of the opportunities for combining improved seeds with advances in fertilization and water control.

13. The availability of manpower is another plus factor. Numbers are no problem, of course; indeed, average output would markedly rise if China had a more favorable labor/land ratio. The issues have been the level of skill, the disruption among various rural tasks, and motivation:

- Agriculture in mid-1974 is benefiting from the broadening of education and training in rural areas, the increased experience of the work force with fertilizers and machinery, the assignment to the countryside of thousands of educated people from urban areas, and programs for the systematic introduction of new seed varieties and production techniques.
- The leadership in mid-1974 is taking a moderate and reasonable approach toward the distribution of rural labor. The small plants program can absorb no more than 5% of the labor force of any county. The smaller rural units -- the production brigade and the production team -- apparently have leeway within this guideline to allocate man-power on the basis of local conditions.
- Significant changes in motivation in rural areas in mid-1974 are hard to identify. Motivation probably should be set down as a neutral factor. Rural living standards continue to edge up. Health care and educational standards are rising markedly if unevenly. The political rumblings of the past 12 months have not taken a great deal of extra time from work or leisure in the countryside. Of paramount importance, the political wrangling has not, so far as we can tell, had any effect on the pragmatic attitude toward the private plots and petty private trade. The most serious cases of disaffection continue to be among youth, notably the city youth transferred to the countryside for rural labor.

Industry: Swing Toward Support of Agriculture

14. Growth of industrial output in China continues at approximately the long-term rate of 8%-9%, with oil and chemical fertilizer among the front runners. This rate, although not so high as in the catch-up years following the Cultural Revolution, is entirely respectable and represents a doubling of output every decade. The shift in economic strategy of the past two years -- in which the groundwork for a long-term breakthrough in agriculture is being laid -- has important implications for the course of industrial development.

- Much of the tremendous increase in the contracts for Western industrial plants -- \$1.2 billion in contracts in 1973, compared with

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only \$60 million in 1972, with another billion plus year anticipated in 1974 - is not designed to increase the machine building capacity of the PRC but rather to expand severalfold the capacity to produce chemical fertilizer and artificial fibers.

- The pressures in mid-1974 on supplies of coal and electric power are the result of the failure to open large new coal mines in recent years. The attempt to raise production from existing mines by more intensive application of labor has increasingly run into diminishing returns. The skimping on investment in new capacity implicitly is tied to the priority of investment in industrial branches that directly support agriculture.
- Military production in the first half of 1974 has continued at about the same level as 1972-73 - about 25% below the peak of 1970-71. Although the explanation for curtailed military production is not clear, it probably stems from a combination of: the priority accorded the "agriculture first" policy, the cutting back of production of obsolescent aircraft models while new models are being readied, and the relative eclipse since 1971 of the political strength of the military.

15. A striking feature of the industrial scene in mid-1974 is the small plants program. As used in this memorandum, the term *small plants* refers to Chinese enterprises distinguished by (a) simple technology, (b) location in rural areas, (c) production in direct or indirect support of agriculture, (d) dependence on local resources, and (e) local (usually sub-provincial) administration. The program - as the following table indicates - is broadening the base of important industrial branches. The cost in resources is small compared with the benefits. The program makes maximum use of local labor, materials, and transport, whose contribution in other uses generally would be much less valuable. Difficulties with the program in the past have come mainly from overzealous implementation during periods of political upheaval - e.g., the Leap Forward. The current anti-Confucius campaign so far has not resulted in any hurried expansion of the program.

16. Another striking feature of the industrial scene is the great percentage increase in oil output from its small beginnings in the 1950s and early 1960s. Production of crude oil has advanced as follows:

	Million Metric Tons	Thousand Barrels per Day		Million Metric Tons	Thousand Barrels per Day
1957	1.46	29.2	1970	28.5	570.0
1960	5.3	106.0	1971	36.7	734.0
1965	10.8	216.0	1972	43	860.0
			1973	53	1,060.0
			1974 (proj.)	65	1,300.0

China: Contribution of Small Plants
to Industrial Output, Mid-1974

Agricultural machinery	Almost all the simple farm tools and a substantial portion of basic farm machinery.
Chemical fertilizers	More than 50% of nitrogen fertilizer output (by weight) and 75% of phosphate fertilizer output (by weight); vital to the agricultural sector, even if not top quality.
Cement	50% of national output; sufficient in quantity and quality for practically all local needs.
Hydroelectric power	About 5% of national electric power capacity and a large part of rural needs, especially for irrigation.
Coal	30% of national output; used mostly for local industry, cooking, and heating.
Iron and steel	20% and 15%, respectively, of national output; used in rural industry and construction.

17. Beginning in 1973, when 1 million tons (20,000 b/d) were exported to Japan, oil has become a major earner of hard currency. Shipments to Japan -- a nearby and insatiable market -- will reach 4 million tons (80,000 b/d) in 1974. Earnings from oil, only \$35 million in 1973, probably will exceed \$300 million in 1974 and will continue to mount through the remainder of the decade -- to as much as \$3 billion by 1980. The boom in oil production and exports can be viewed as supportive of the "agriculture first" strategy because oil earnings will help to pay for the new chemical fertilizer and artificial fiber plants.

18. In the steel industry, recent increases in output have not been sufficient to satisfy growing domestic requirements. Imports of finished steel may rise to 4 million tons in 1974, and sizable increases in imports of iron ore, pig iron, and steel scrap continue. After several years of tough negotiations, China recently signed contracts with Japanese and West German consortiums for a \$430 million sheet steel rolling and finishing mill to be built at Wu-han. The new facility, when commissioned in 1977, will boost annual production of finished steel by more than 3 million tons, still short of China's needs.

Foreign Trade: Off the Chart

19. Foreign trade in 1973 soared to more than \$9 billion, an increase in dollar value of some 60% over 1972. Revaluations of world currencies and worldwide inflation contributed heavily to the jump in the dollar figure; the gain in real terms was 20% to 25%. Scattered returns for the first quarter of 1974

show that another jump, of 30% to 40%, is likely again this year, and again more than half the increase probably will be attributable to monetary elements. The broad trend in trade is as follows:

	Billion US \$	
	Exports	Imports
1970	2.05	2.24
1971	2.41	2.31
1972	3.06	2.77
1973	4.64	4.74
1974 (prospective)	6+	6.5+

20. Other trends in China's foreign trade as seen at mid-1974 are²:

- Imports of grain, sugar, cotton, vegetable oils, and other agricultural products should increase from a record \$1.3 billion in 1973 to \$2 billion in 1974, roughly half coming from the United States.
- Orders for industrial plants and other machinery and equipment from non-Communist suppliers – which totaled almost \$2.5 billion in 1973 – continue strong in 1974 despite the growing internal debate over the reliance on foreign sources.
- The relaxation of Peking's conservative attitude toward debt carries over in 1974, with the trade deficit with non-Communist nations expected to reach \$1 billion (compared with \$425 million in 1973).
- Japan will remain the leading trading partner, with two-way trade approaching \$3 billion (\$2 billion in 1973). Exports to Japan will cover all but a small proportion of imports.
- Trade with the United States will likely total \$1.2 billion (\$870 million in 1973); China's trade deficit probably will exceed \$1 billion.
- Net hard currency earnings from Hong Kong of \$1.5 billion will provide the major offset to China's deficit with the developed West.
- Trade with the other Communist countries will consist largely of (a) the exchange of Chinese foodstuffs, textiles, and other consumer goods for Soviet and East European industrial equipment and (b) Chinese aid deliveries to North Vietnam, Albania, and North Korea.

2. For data on China's foreign trade by geographical area and commodity composition, see the Appendix.

Transportation: Squeezing in More Traffic

21. At mid-1974, the key transportation system for the modern portion of the economy remains the rail network, supplemented by waterways for the movement of bulk commodities. The rise in oil production is bringing the construction of pipelines and port facilities to center stage. Rural areas continue to make do with age-old water and road transport; some rural areas, however, are being suddenly transformed by the extension of rail routes into hitherto isolated regions.

22. In the past three years, the Chinese rail network has grown by 10%, to approximately twice the size of the pre-Communist network. Progress has included (a) the double-tracking of important segments of line in the populous East; (b) the completion of several trunklines; (c) fast-paced work on new segments now being pushed into the hinterland; (d) additional electrification of trackage, mainly in the mountainous areas of Szechwan and Shensi; and (e) construction of industrial spurs, new expanded rail yards and transfer facilities, and additional repair facilities.

23. For the past 18 months, growth in freight traffic has exceeded the growth in rail transport capacity. Railroad authorities are now contending with widespread - but not crippling - shortages of freight cars, especially tank cars.

24. So far in 1974, Chinese ports have been able to handle increasing shipments from Free World countries with only a relatively small amount of congestion. Some sources have reported numerous ships waiting for berths at Chinese harbors, but few ships have been reported waiting for long periods of time. Meanwhile, the Chinese have continued to improve their ports and harbors by dredging, construction of new facilities, purchases of additional materials handling equipment, and improved cargo loading and unloading procedures.

Consumer: Making It Gradually

25. The rank-and-file consumer so far in the Fourth Five-Year Plan has been benefitting from a series of small improvements in his austere living standards. The quality, variety, and availability of foods continue the slow but perceptible long-run rise. Although rationing of cotton cloth persists, clothing standards are generally perking up. Synthetic fabrics are becoming more widely available, for example, and adult garb is gradually departing from monotonic blue or gray. Housing also shows improvement, especially in rural areas; members of successful communes are moving up in large numbers to brick and stone houses through the use of local materials and their own labor. The pace of improvement is probably most noticeable in the ownership of consumer durables - bicycles especially, and watches, transistor radios, cameras, and sewing machines. Rudimentary health services are being extended to back areas through "barefoot doctors" (young medical corpsmen). The number of small freedoms of choice is gradually

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expanding, although the basic pattern of consumption continues to be closely regulated by a host of government and quasi-government bodies.

Population: No Surcease

26. Data on China's population and on the current population control program remain so fragmentary that precise numerical estimates are impossible. The figure of 920 million people, used in this memorandum for mid-1974, implies an annual average growth of 2.2% since 1952. To illustrate the wide range of uncertainty in population figures, Vice-Premier Li Hsien-nien's oft-quoted statement made in 1971 to a Cairo journalist is worth repeating:

...We have been racing against time to cope with the enormous increase in population. Some people estimate the population at 800 million and some at 750 million. Unfortunately, there are no accurate statistics in this connection. Nevertheless, the officials at the supply and grain department are saying confidently, "The number is 800 million people." Officials outside the grain department say the population is "750 million only" while the Ministry of Commerce affirms that the "number is 830 million." However, the planning department insists that the number is "less than 750 million." The Ministry of Commerce insists on the bigger number in order to be able to provide goods in large quantities. The planning men reduce the figure in order to strike a balance in the plans of the various state departments.

27. Strong factors favoring high fertility are at work in present-day China: improved nutrition; continued gains in public health, now aided and abetted by the legions of barefoot doctors; the large number of women already in or entering the younger child-bearing ages, a result of the baby boom of the 1950s and 1960s; the settled societal conditions of the Fourth Five-Year Plan period in comparison with, say, the Cultural Revolution and traditional attitudes favoring large families, which the immensely improved lot of children in contemporary China presumably has strengthened. The present population control program, the most determined effort to date to cut back the rate of growth, has been in effect only since the Cultural Revolution and has only begun to penetrate rural areas. We doubt that it has had appreciable effects on demographic rates. At the same time, we feel that the combination of a strong government program and a changed popular attitude toward large families could lead to marked demographic changes by the end of a decade. The account by Djerassi³ of the amazing progress made by the PRC in developing and distributing oral contraceptives suggests a considerable potential for central planning of population within the not-too-distant future. In similar vein, the accounts by author Han Suyin of the impact of "baby quotas" for low-level social units, while exaggerated, illuminate the possible future course of China's population control program.

3. Carl Djerassi, "Some Observations on Current Fertility Control in China," *China Quarterly*, No. 57, January-March 1974, pp. 40-62.

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28. Because of the short lifespan of past population control efforts in the PRC, the chances for survival of the current program should be viewed cautiously. The anti-Confucius spearhead could still be directed against the program or a radical post-Mao administration could find the program a ready target.

Prospects: Odds on the Technocrats

29. The immediate future for the economy will be largely determined by the conditions under which Chairman Mao Tse-tung and Premier Cheu En-lai disappear from the scene.⁴ Various issues are involved:

- radical versus moderate economic policy;
- civilian versus military use of resources;
- industry-first versus agriculture-first economic strategy;
- autarkic versus interdependent foreign economic policy; and
- centralized versus local control of production.

30. Some of the revolutionary impetus that presently shapes Chinese policies will inevitably be lost when the initial generation of Communist leaders is replaced. Most of the people in China today have a vested interest in working to improve their lot within existing institutions under existing rules of the game. Thus, while radical departures in policy or military juntas are possible, on balance the future probably belongs to the government bureaucrats, the technicians, the Party bureaucrats, and the professional military men -- i.e., the technocrats. This kind of succession fits in with China's economic problems of achieving the breakthrough in agriculture, moving ahead to petrochemicals and offshore oil, manufacturing and deploying sizable numbers of nuclear-armed missiles, and curbing the growth of population. Nonetheless, the past history of unexpected political upheavals in the People's Republic of China serves as a warning against basing predictions on straight-line assessments of economic rationality. Perhaps, a reasonably solid minimum argument may be made -- i.e., that economic institutions and vested interests are now so deeply rooted as to serve as a great counterweight to radical forces in the post-Mao era.

31. For the more distant future, the underlying problems of low per capita output, population pressure, and technological lag will keep China from greatly accelerating the present moderate pace of growth. Over the next decade, China will further outdistance the other large LDCs such as India, Pakistan, and Indonesia, yet will be hard put to gain ground on Japan and Western Europe. China will still be a *big poor nation* with the potential and ambition for -- but not the realization of -- economic superpower status.

4. For an authoritative analysis of critical issues in the transitional period, see A. Doak Barnett, *Uncertain Passage: China's Transition to the Post-Mao Era*, Washington, Brookings Institution, 1974.

People's Republic of China: Economic Indicators

June 1974

1973 (Prelim)
1972
1971
1970
1969
1968
1967
1966
1965
1964
1963
1962
1961
1960
1959
1958
1957
1952

Indicator	1973 (Prelim)	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1952
GNP (billion 1972 US \$)	172	161	159	147	130	118	119	122	114	103	93	88	79	94	98	102	88	64
Population, mid-year (million persons)	899	878	857	837	817	798	780	763	747	731	716	704	695	685	672	657	641	570
GDP per capita GNP (1972 US \$)	191	184	185	176	159	147	152	160	153	141	131	125	113	137	146	156	138	112
Rain (million metric tons)	250	236	246	240	220	215	230	215	210	195	185	180	160	160	165	200	185	154
Iron (million metric tons)	2.3	1.9	2.2	2.0	1.9	2.0	2.2	1.8	1.9	1.6	1.3	1.2	1.0	0.9	1.2	1.7	1.6	1.3
Industrial production index (1957=100)	319	294	271	240	202	164	149	181	159	140	123	111	109	163	166	151	100	51
Crude steel (million metric tons)	26	23	21	18	15	12	10	13	11	10	9	8	8	13	10	8.0	5.35	1.35
Coal (million metric tons)	378	357	335	310	258	205	190	240	220	200	190	180	170	280	300	230	130.7	66.5
Electric power (billion kilowatt hours)	101	93	85	72	60	50	45	50	42	35	33	30	31	47	42	28	19.3	7.3
Crude oil (million metric tons)	53	43	36.7	28.5	20.3	15	14	14	10.8	8	6.4	5.8	5.2	5.3	3.7	2.3	1.46	0.44
Cement, modern plants (million metric tons)	15.4	14.8	13.8	13.3	13.0	11.3	11.0	12.9	11.2	9.0	6.9	5.6	6.0	9.0	10.6	9.3	6.86	2.86
Chemical fertilizers (million metric tons)	28.9	24.1	21.2	18.3	15.4	12.2	10.2	9.0	8.0	5.4	5.1	3.1	2.5	3.5	3.1	3.0	1.9	0.4
Supply (million metric tons)	24.8	19.9	16.9	14.0	11.3	8.2	5.9	7.4	5.7	4.2	3.1	2.1	1.5	2.5	1.9	1.4	0.8	0.2
Imports (million metric tons)	4.1	4.2	4.3	4.3	4.1	4.0	4.3	2.5	2.3	1.2	2.0	1.0	1.0	1.0	1.2	1.6	1.1	0.2
Machine tools (thousand units)	65	60	55	50	45	40	40	48	44	38	35	25	30	38	33	30	28.3	13.7
Trucks (thousand units)	110	100	86	70	60	31	34	47	34	26	16	14	1	15	19.4	16.0	7.5	0
Automotives (units)	240	220	200	280	260	240	200	140	50	25	25	25	100	600	500	350	167	20
Light cars (thousand units)	16	15	14	12	11	8.7	6.9	7.5	6.6	5.7	5.5	4.0	3	23	17	11	7.3	5.8
Textile cloth (billion meters)	7.5	7.5	7.5	7.5	6.5	4.8	4.8	6.0	5.4	4.9	4.5	4.2	4.0	5.8	7.5	5.7	5.05	3.83
Foreign trade (billion US \$)	9.38	5.83	4.72	4.29	3.86	3.76	3.90	4.24	3.88	3.22	2.77	2.68	3.02	3.99	4.29	3.76	3.06	1.89
Total Exports f.o.b.	4.64	3.06	2.41	2.05	2.03	1.94	1.95	2.21	2.04	1.75	1.57	1.53	1.53	1.96	2.23	1.94	1.62	0.88
Imports c.i.f.	4.74	2.77	2.31	2.24	1.83	1.82	1.95	2.03	1.84	1.47	1.20	1.15	1.49	2.03	2.06	1.82	1.44	1.01

APPENDIX

STATISTICAL TABLES

Table 1

China: Trade, by Area and Country¹

	Million US \$					
	1972			1973 ²		
	Total	Exports	Imports	Total	Exports	Imports
Total all countries	5,830	3,055	2,775	9,380	4,640	4,740
Non-Communist countries	4,560	2,305	2,255	7,805	3,690	4,115
Developed countries	2,735	1,065	1,670	5,200	1,780	3,420
Western Europe	1,060	460	600	1,690	660	1,030
Japan	1,110	470	640	2,015	920	1,095
Australia	105	55	50	220	85	135
United States	110	30	80	870	65	805
Canada	345	50	295	405	50	355
Less developed countries	1,295	715	580	1,795	1,110	685
Southeast Asia	375	285	90	720	590	130
Near East and South Asia	325	180	145	375	205	170
Africa	340	210	130	390	240	150
Latin America	240	25	215	280	50	230
Other	15	15	Negl.	30	25	5
Hong Kong and Macao	530	525	5	810	800	10
Communist countries	1,270	750	520	1,575	950	625
USSR	255	135	120	270	135	135
Eastern Europe	490	240	250	535	285	250
Yugoslavia	25	5	15	65	15	50
Other	505	370	135	705	515	190

1. Data are rounded to the nearest \$5 million. The statistics were adjusted to show China's imports c.i.f. and exports f.o.b.

2. Preliminary.

Confidential

Table 2

China: Commodity Composition of Trade¹

Commodity Group	Million US \$	
	1972	1973 ²
Total imports	2,775	4,740
Foodstuffs	450	1,080
Crude materials, fuels, and edible oils	520	860
Chemicals	355	490
Manufactures	1,435	2,270
Of which:		
Machinery and equipment	525	730
Metals	730	1,270
Other	15	40
Total exports	3,055	4,640
Foodstuffs	950	1,450
Crude materials, fuels, and edible oils	610	925
Chemicals	155	230
Manufactures	1,315	1,990
Other	25	45

1. Data are rounded to the nearest \$5 million. The statistics were adjusted to show China's imports c.i.f. and exports f.o.b.

2. Preliminary.

Confidential

People's Republic of China: Economic Indicators

June 1974

	1952	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973 (Prelim)
GNP (billion 1972 US \$)	64	88	102	98	74	79	88	93	103	114	122	119	118	130	147	159	161	172
Population, mid-year (million persons)	570	641	657	672	685	695	704	716	731	747	763	780	798	817	837	857	878	899
GDP per capita (1972 US \$)	112	138	156	146	137	113	125	131	141	153	160	152	147	159	176	185	184	191
Grain (million metric tons)	154	185	200	165	160	160	180	185	195	210	215	230	215	220	240	246	236	250
Cotton (million metric tons)	1.3	1.6	1.7	1.2	0.9	1.0	1.2	1.3	1.6	1.9	1.8	2.2	2.0	1.9	2.0	2.2	1.9	2.3
Industrial production index (1957=100)	51	100	131	166	163	109	111	123	140	159	181	149	164	202	240	271	294	319
Crude steel (million metric tons)	1.35	5.35	8.0	10	13	8	8	9	10	11	13	10	12	15	18	21	23	26
Coal (million metric tons)	66.5	130.7	230	300	280	170	180	190	200	220	240	190	205	258	310	335	357	378
Electric power (billion kilowatt hours)	7.3	19.3	28	42	47	31	30	33	36	42	50	45	50	60	72	85	93	101
Crude oil (million metric tons)	0.44	1.46	2.3	3.7	5.3	5.2	5.8	6.4	8	10.8	14	14	15	20.3	28.5	36.7	43	53
Plant, modern (million metric tons)	2.86	6.86	9.3	10.6	9.0	6.0	5.6	6.9	9.0	11.2	12.9	11.0	11.3	13.0	13.3	13.8	14.8	15.4
Chemical fertilizers (million metric tons)	0.4	1.9	3.0	3.1	3.5	2.5	3.1	5.1	5.4	8.0	9.9	10.2	12.2	15.4	18.3	21.2	24.1	28.9
Supply	0.2	0.8	1.4	1.9	2.5	1.5	2.1	3.1	4.2	5.7	7.4	5.9	8.2	11.3	14.0	16.9	19.9	24.8
Production	0.2	1.1	1.6	1.2	1.0	1.0	1.0	2.0	1.2	2.3	2.5	4.3	4.0	4.1	4.3	4.3	4.2	4.1
Imports	13.7	28.3	30	33	38	30	25	35	38	44	48	40	40	45	50	50	60	65
Machine tools (thousand units)	0	7.5	16.0	19.4	15	1	14	16	26	34	47	34	31	60	70	86	100	110
Trucks (thousand units)	20	167	350	500	600	100	25	25	25	50	140	200	240	260	280	200	220	240
Automobiles (units)	5.8	7.3	11	17	23	3	4.0	5.9	5.7	6.6	7.5	6.9	8.7	11	12	14	15	16
Tractors (thousand units)	3.83	5.05	5.7	7.5	5.8	4.0	4.2	4.5	4.9	5.4	6.0	4.8	4.8	6.5	7.5	7.5	7.5	7.5
Textile cloth (billion linear meters)	1.89	3.06	3.76	4.29	3.99	3.02	2.68	2.77	3.22	3.88	4.24	3.90	3.76	3.86	4.29	4.72	5.83	9.38
Foreign trade (billion current US \$)	0.88	1.62	1.94	2.23	1.96	1.53	1.53	1.57	1.75	2.04	2.21	1.95	1.94	2.03	2.05	2.41	3.96	4.64
Total	1.01	1.44	1.82	2.06	2.03	1.49	1.15	1.20	1.47	1.84	2.03	1.95	1.82	1.83	2.24	2.31	2.77	4.74
Exports f.o.b.																		
Imports c.i.f.																		