Vol. 28, No. 22

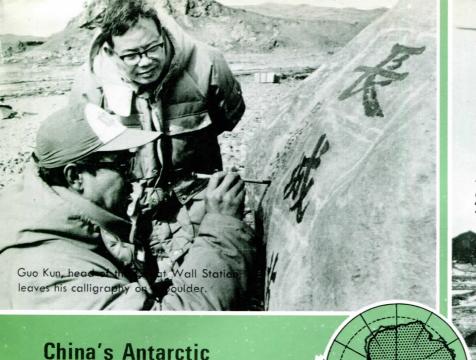
June 3, 1985

BEIJING REVIEW

此京周教

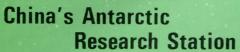
A CHINESE WEEKLY OF NEWS AND VIEWS

Zhao: Journey to Western Europe **Outlines** of the 7th Five-Year Plan China's Vocalists **Hit High Notes** Children's Paintings (centrefold)



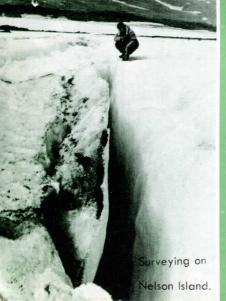
SPOTLIGHT

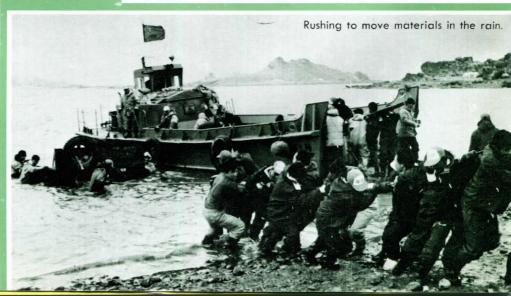
The helicopter ferried materials for the station.











BEIJING REVIEW

Vol. 28, No. 22

June 3, 1985

CONTENTS

NOTES FROM THE EDITORS China, Western Europe Speak Common Language	4
LETTERS	5
EVENTS & TRENDS	6-10
CPC Won't Force Its Will on Others China, Portugal to Talk on Macac	
Chinese Principles on Central America Soccer Match Riot Mars Image Sino-US Trade Relations Improve Tax Evaders Cut State Revenues Experts' Advice on Child Raising	i
INTERNATIONAL	0-14
India: Gandhi Makes Visit to Moscow	
Japan: Tokyo Draws Closer to Africa	
Togo: Agriculture Policies Reap Rewards	
Lebanon-Palestine: Beirut Camps Torn by Clashes	, •
China — Europe: Mutual Interests Promote Ties	15
From Ice Cream to Nuclear Power	16
A Projection of China's 7th 5-Year Plan	17
Paintings by Chinese Children	9-22
Bank of China Plays Key Role in Open Policy	23
Investment Crucial for Updating Industry	24
Brainpower Develops Xiangfan's Industry	26
China's Vocalists Hitting the High Notes	29
FROM THE CHINESE PRESS 3	2-33
BUSINESS & TRADE 3	4-35
CULTURE & SCIENCE 3	6-37
SPORTS	38

HIGHLIGHTS OF THE WEEK

Premier Zhao's Tour to Europe

Premier Zhao Ziyang has embarked upon an 18-day visit to Britain, the Federal Republic of Germany and the Netherlands. During his June 2-19 trip he will strive to improve trade and economic relations with the three nations. China and the West European countries agree on many international issues. The premier will seek to expand this common ground and benefit world peace (p. 4).

Seventh Five-Year Plan on the Way

At the recent international conference "China Faces the Future," Vice-Minister Gan Ziyu of the State Planning Commission told the delegates about the key points of the 1986-90 Seventh Five-Year Plan, which is currently being worked out. Under the new plan, the construction of power projects and the trenovation of existing enterprises will be speeded, and service trades and education will get more attention (p. 17).

Drawing a Lesson From Soccer Riot

Both China's sports commission and the Beijing municipal government have taken responsibility for the May 19 soccer riot that followed China's 2-1 loss to Hongkong in a World Cup elimination match. They said they underestimated the volatile nature of the spectators. Officials have promised that the rioters will be punished (p. 7).

China's Vocalists Hit the High Notes

This story describes the experiences of Zhou Xiaoyan, one of China's outstanding singers. Among the young Chinese vocalists who have won international awards in recent years, five have been trained under her guidance (p. 29).

Paintings by Chinese Children

In this issue we feature paintings by Chinese children as part of the activities to mark International Children's Day, June 1. Young artists in China are given many opportunities to study painting technique. Their works, mostly depicting events in their lives, have been shown in exhibitions and in interntaional contests, earning many awards (Centrefold).

Published every Monday by **BEIJING REVIEW**

24 Baiwanzhuang Road, Beijing The People's Republic of China Distribution and subscriptions handled by China International Book Trading Corporation (GUOJI SHUDIAN), P.O. Box 399, Beijing, China

Subscription prices (1 year):

USA...... US\$18.00 UK......£8.00

China, W Europe Speak Common Language

by MU YOULIN

Premier Zhao Ziyang embarked yesterday on an 18-day official visit to Britain, the Federal Republic of Germany and the Netherlands. The tour, Zhao's second to Western Europe, represents another major diplomatic action in China's efforts to seek peace and independence.

China and Britain established diplomatic relations in 1954. Over the past 31 years, the ties between the two countries have steadily grown stronger. In September 1982, Margaret Thatcher made her first visit to China as British prime minister. She returned again last December and joined Zhao in signing the joint declaration on the Hongkong issue, which will return the island to Chinese sovereignty in 1997. Zhao's trip to Britain is actually a return visit to Thatcher's visits. With the Hongkong agreement coming into effect last week, Zhao will use the occasion to give his regards to the British government and people. Talks with Thatcher at 10 Downing Street are expected to focus on how the two nations can enrich their already good political relationship.

The Hongkong agreement was applauded by observers around the world, and, since its signing, Hongkong has maintained its prosperity. The agreement has come to symbolize the co-operative attitude China and Britain have adopted.

Trade between the two countries has begun to take shape, and efforts have been made to increase it further. Economic and technological co-operation has advanced

in the fields of oil, coal, aviation, petroleum refining, building materials and machine manufacturing, and new ways of working together have been explored. British help in updating China's existing factories has become an important form of economic co-operation. And exchanges in science, education and culture are more widespread with each passing day.

Since China and Federal Germany forged diplomatic ties in 1972, both political and economic co-operation have developed rapidly. Federal Germany needs many raw materials that China produces, and Chinese handcrafts have traditionally sold well there. In recent years, that country has also begun to import Chinese light industry goods, texitles, medicine, machines and electrical appliances. In fact, Bonn is China's most active trading partner in Western Europe.

Federal Germany's industry is highly developed, but the country is resource poor. Its exports are crucial, but it does not have the kind of traditional markets which Britain and France enjoy. China has a huge potential market and rich mineral resources, but it is short of funds and technology. It is obvious that the two countries can help each other through trade and co-operation.

After returning from his October 1984 Beijing visit, Chancellor Helmut Kohl said that China is an attractive centre for world politics as well as an industry centre in the future. He proposed that the two nations work hand in hand into the 21st century.

The Netherlands has been a

friend of China since the early days of the People's Republic. After diplomatic ties were restored to the ambassadorial level in February 1984, ties have grown stronger.

As a result of joint efforts, trade and economic co-operation have progressed, and a good foundation for future projects has been laid. China imported 11 technical projects from the Netherlands last year, and the Dutch government has listed China as a potential mixed loan recipient.

China attaches great importance to the development of trade and economic relations with Britain, Federal Germany and the Netherlands in its modernization drive. Zhao's current tour is aimed at strengthening ties with the leaders of these countries, deepening mutual understanding and promoting friendship. By doing so, China can establish long-term, co-operative relations with these countries on the basis of mutual benefit. Zhao will also discuss several concrete projects that require investment and technical assistance.

Situated at opposite ends of the Euro-Asian continental land mass, Western Europe and China are key to maintaining peace in the world. The West European nations and China all hope to see East-West tensions reduced and peace reign throughout the world. China holds that a united, powerful Europe helps safeguard world peace. In China's view, one cannot place all the hopes for peace and security on the arms talks between the Soviet Union and the United States. All countries, large or small, have the right to take their own path



in the search for peace. China appreciates the West European efforts to mitigate East-West tensions and to push the superpowers to the negotiating table. China supports West European moves to develop better relations with Eastern Europe, and it is glad to see Western Europe playing a positive role in the international arena. Meanwhile, the West European countries support China's independent stance and its open policy. They understand China's role in defending world peace.

There is also agreement on the North-South question. The West European nations regard North-South co-operation as important and they support efforts towards third world development. They advocate an open market for the developing countries to enhance their level of economic progress. Many people contend that the developing world is fueling the developed world's economic growth. By co-operating with the third world, West European countries can accelerate the development of their own industry and technology so as to compete with the United States and Japan.

China and Western Europe speak a common language on the East-West and North-South issues. There is no conflict of interests. We believe that through Zhao's visit China and the West European countries will expand their common ground, thus making contribution towards safeguarding world peace and promoting international economic co-operation.

LETTERS

Strong China Good for World Peace

You published conversations by Chairman Deng Xiaoping (No. 11) in your magazine. Deng said, "The growing strength of the third world, and China in particular, is an important factor for world peace and stability." Deng said that China stands for peace, but its ability to check war is still too small and needs strengthening.

I express admiration for Chairman Deng and fully agree with his views. Leaders of each country expound their views in the press and over the radio. But the tense situation in the world is not relaxed. Therefore, I earnestly request that China use its force to appeal for a complete prohibition and thorough destruction of nuclear weapons. If the countries with nuclear weapons are not willing to accept this proposal for peace, China should establish the strongest military force in the world to check world war.

Ryuzo Mochizuki Fuji, Japan

Enjoy International Articles

I enjoy reading the articles in the "International" column. First, the articles are written in beautiful language and your editors and translators should be proud of their work. Second, you directly introduce the situation in other countries with a terse and lively language from the viewpoints of Chinese journalists. I am very glad that you have such objective and fair-minded views as compared with the news services that are controlled by the big powers in today's world.

Finally I suggest that you increase the comments about major events in the world.

Bernando de la Maza Santiago, Chile

Starvation in Africa

The article entitled "Working for an End to Famine" (No. 11) had a clear viewpoint and grasped the crux of the matter. I received much benefit from reading it.

The article said, "Foreign grain should be provided only when it is in great need, as is the case today in Ethiopia and the other famine-stricken countries. Long-term development should be the aid objective. The most fundamental problem of the famine is the neglect of agriculture by some African governments."

The people in the world should be pooling their efforts to develop African agriculture so as to help them on the way to self-sufficiency in grain.

> Takeshi Kozaki Sendai, Japan

Best Columns

I think the most useful part of Beijing Review is certainly that it offers an inside view into China's domestic events, like the series "What Deng Says," or "Why China Has Foreign Debt," or "Discussion: How to Deal With Losing Enterprises." Of particular interest are reports about places in China, I also find some in-"Events teresting items in and Trends" and "Culture and Science." May I add, your "Art Page" is a real gem of the Review. What I still miss is something more about book production (like in No. 10) and much more about the everyday life of the Chinese people (something like the "Notes From Shanxi"). If you try to give fewer official views and a more human touch to some of your articles and reports, Beijing Review will certainly benefit.

> Tomo Martelane Ljubljana, Yugoslavia

CPC Won't Force Its Will on Others

The Chinese Communist Party (CPC) will never impose its will on any other party, said CPC General Secretary Hu Yaobang in Beijing on May 23.

"It will not conclude secret agreements with other parties, nor will it provide them with anything that might bring harm to relations between states," he added.

Hu said this at a meeting with a delegation from the Central Committee of the Communist Party of the Netherlands led by President Elli Izeboud.

However, Hu continued, the CPC will give unswerving moral support and sympathy to all those communist and workers' parties which were willing to make friendly exchanges with it.

He pointed out that political parties, organizations and religious groups of similar types in many countries had international contacts. He described exchanges between them and mutual moral support and sympathy as "normal."

Hu also expounded the four principles of the CPC in handling relations between parties, namely, independence, complete equality, mutual respect and non-interference in each other's internal affairs.

In accordance with the historical materialist viewpoint, Hu said, the emergence or non-existence, the success or failure, and the evolution or withering away of a political party is not determined by the will of an individual, but by the environment and conditions of the country in question.

In the final analysis, he noted, these things are never determined

by a certain individual or organization, still less by a foreign party.

He stressed that the Chinese Communist Party is open and above-board in handling relations with parties of other countries.

Over the past three decades an increasing number of Communist parties and workers' parties, whether in power or not, had explored their own paths of advance, said Hu. He remarked that this is a very good phenomenon.

Hu paid tribute to the powerful peace movement emerging in Europe and other parts of the world. He also expressed his appreciation of the Dutch Communist Party's positive attitude of standing in the forefront of this mass movement.

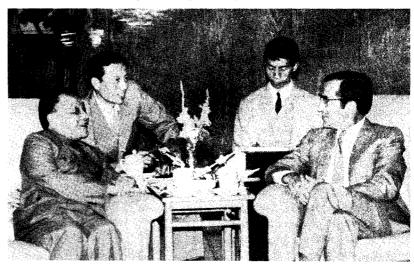
Hu and the Dutch delegation exchanged views on matters of mutual concern, including relations between parties, the international communist movement and the world peace movement. Both Hu and Izeboud expressed their pleasure over the growing friendly relations between the two parties. They agreed that the two parties will continue to develop their exchanges and mutual understanding.

China, Portugal To Talk on Macao

China and Portugal will hold talks soon to resolve the future of Macao, Lisbon's 400-year old enclave on the South China coast.

The announcement came in a press conference held on May 23. during the recent visit to Beijing by Portuguese President Antonio Ramalho Eanes. There is no conflict between Portugal and China on the Macao issue, Eanes said following meetings in which he and top Chinese leaders reviewed understandings reached when the two countries established diplomatic relations in February 1979. Both Lisbon and Beijing recognized Macao's present situations as Chinese territory under Portuguese administration, he added, and shared

Chairman Deng Xiaoping meeting with President Eanes.



the aim of maintaining its stability and progress.

"We both think it is the right moment to negotiate the transfer of administration of Macao," Eanes said.

No starting date was announced for the talks, which are to be held through diplomatic channels.

The question of Macao should be easily resolved if both sides enter into friendly negotiations, Chinese Communist Party Central Advisory Commission Chairman Deng Xiaoping told Eanes in a meeting on May 24.

Chinese Principles On Central America

Chinese Foreign Minister Wu Xueqian on May 24 told visiting Colombian Minister of Foreign Relations Augusto Ramirez Ocampo that disputes among the Central American countries and those between the United States and Nicaragua should be settled through peaceful negotiations on the basis of equality and in accordance with the norms guiding international relations.

Wu reaffirmed China's stand that there should be no military threats or pressure in the form of a trade embargo.

Central America has become one of the world's hot-spots, and the situation there will affect peace and security throughout Latin America unless positive measures are adopted, he said.

Wu also reiterated China's principles on Central America, namely, opposing interference by external forces, especially opposing the power politics practised by the two superpowers in the area; the internal questions of every Central American country should be settled by its own people; and disputes and problems between the Central American countries should be solved fairly and reasonably through peaceful negotiations rather than use of force or threats of force.

He said China is very concerned about the development of the situation in Central America and firmly supports the Contadora Group in its peace efforts.

Ramirez said Colombia highly appreciates China's support for the Contadora Group. He stressed that the situation in Central America can only be stabilized through joint efforts of the Central American countries and by responding

to the Contadora Groups's proposal.

Soccer Match Riot Mars Image

An ugly incident following the Chinese national soccer team's 2-1 loss to Hongkong in a May 19 World Cup elimination match has tarnished the image of Beijing's soccer fans and the city as a whole.

Some 127 people were detained after an angry Workers' Stadium crowd pelted players with plastic soft drink bottles and debris and then poured out of the stadium to vandalize cars and buses.

According to the Beijing Public Security Bureau, 25 vehicles were damaged by the rioters, including 4 cars driven by foreign residents, 5 taxis, 11 buses and 5 other vehicles. During the bottle-throwing melee, one Hongkong player was hurt when he used his arm to block a bottle.

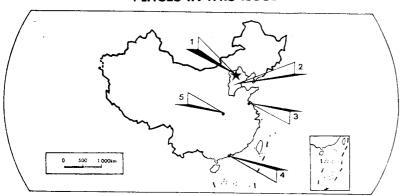
In addition, 30 policemen were beaten and four were seriously wounded when they tried to move the rioting fans away from the area.

"My commission bears great responsibility for the incident," confessed Li Menghua, chairman of the State Physical Culture and Sports Commission. "The top leaders had asked us before the match to arrange it well, but we let them and the masses down," he said.

Li said the commission underestimated the volatile nature of the crowd. "As a matter of fact, we did not make enough preparation," he said.

Most Chinese soccer fans had assumed that China would win the match and advance to the second round of World Cup qualifying competition. The Chinese national team was a heavy favourite over

PLACES IN THIS ISSUE



(1) Beijing (p. 7) (2) Hebei (p. 10) (3) Guanyun (p. 10) (4) Macao (p. 6) (5) Xiangfan (p. 26)

News in Brief

"Yun-8", the biggest transport plane manufactured in China so far, has been put into serial production in Shaanxi Province.

The plane's carrying capacity is 20 tons, its top speed 660 km, and flying altitude above 10.000 metres.

China's 188 cities face a daily shortage of 12.4 million tons of water despite the recent rain, according to a spokesman from the Ministry of Urban and Rural Construction and Environmental Protection.

Severe water shortage in some cities has forced many factories to reduce or stop production, the spokesman said.

Forty senior officials are now attending special courses in modern management given by Hongkong business specialists. The courses are given in the Shenzhen Special Economic Zone, Guangdong Province.

The students, department leaders in the Ministry of Commerce and other senior officials, will take a study tour in Hongkong at the completion of the two-month training session.

Subjects covered in the courses include commercial economics, commercial enterprise management, personnel management, marketing, international trade, banking and credit and data processing.

Asia Group 4A opponents Hongkong, Macao and Brunei. Officials speculated that the extreme disappointment over the upset helped spark the unexpected violent response.

A senior Beijing official said that the city is also taking responsibility for the incident. "This was the ugliest incident in our capital at a sports event during the past 35 years," said Jia Chunwang, the municipal Party vice-secretary. "It resulted obviously from the lack of education and discipline among a portion of the younger citizens."

Jia urged city officials to launch an education drive aimed at teaching young people ideals and discipline. He suggested using the lesson of the stadium riot as the subject of mass discussion.

Jia said city authorities will soon adopt a series of regulations to ensure order in Beijing's public places, including stadiums, theatres, parks, tourist centres and business areas.

Many capital residents wrote letters to newspapers and radio stations condemning the rioters' behaviour.

Hang Ming, who works for the Civil Aviation Administration of China, wrote, "As a soccer fan, I'm very indignant at this barbaric act caused by those 'black sheep.' When I watch a soccer match, I hope those who play on the field will turn in an excellent performance, while those who watch the match are fair, warm and civilized. Only in this way can I enjoy the match."

Hang pointed out that the violence not only blemished the good name of the capital, but also hurt the feelings of Hongkong people. "This is intolerable," he wrote.

An elderly woman told Beijing Review she did not understand why the young fans went crazy when the national team lost to

Hongkong. "The Hongkong players are our compatriots. They are also Chinese, aren't they? Why not be pleased? Why not take their victory as our own?" she asked. Even if Chinese team were eliminated by a foreign team, she said, the Chinese spectators should not fly into a rage and vent their anger upon innocent bus passengers and foreigners.

"These riots show no evidence of patriotism. Instead, they bring shame on our country," wrote Li Fengchen, a worker at the Capital Iron and Steel Co. Li, in a letter to Beijing Ribao (Beijing Daily). called for severe panishment for the instigators.

"We are investigating the incident," said Wei Fengying, an official of the Beijing Public Security Bureau. "It is too early to say how many people will be punished," she said. Wei did say that police expect to complete the investigation, prosecution and sentencing during the month of June.

Amidst the calls for improved education and severe punishment, there were some who urged officials not to overstate the problem. While most observers agreed that the disappointing loss sparked the rioting, they pointed out that there were other factors involved.

One witness noted that the 80.000 soccer fans left the stadium after braving the rain to watch the game. While a few hung around booing and venting their anger. most headed straight for the bus stops to make their way home. But there were very few buses and the ones that did come were already packed, he said. As the rabblerousing minority mixed with the frustrated crowd waiting to go home, the situation escalated. Municipal officials who failed to provide sufficient transportation must share part of the blame for the nasty scene that followed, said the fan.

Sino-US Trade Relations Improve

Recent high-level trade talks between China and the United States have helped improve commercial relations between the two nations, but some differences remain unresolved.

The talks gave birth to an accord that will allow American companies participate in upgrading outdated Chinese factories, one of the key programmes in China's Seventh Five-Year Plan (1986-1990).

The accord, signed May 15, came at the close of the third meeting of the Sino-US Joint Commission on Commerce and Trade, which was held in Beijing from May 13-14.

Though Chinese officials expressed satisfaction with the most recent negotiations, they continued to protest the "country-of-origin" textile import rules enacted by the United States last winter. They also told the US delegation they resent US attempts to include unacceptable provisions in an existing textile agreement and enforce unnegotiated quotas on other textiles that China exports to the United States.

US trade officials claim the restrictive "country-of-origin" rules are designed to prevent textile-exporting nations from evading US quotas by shippping partly completed garments to third countries for processing and re-export under unused quotas.

But China Foreign Trade Ministry spokesman Huang Wenjun argued that the rules violate a Sino-US trade agreement and unfairly limit China's exports.

Trade between China and the United States surged to a record US\$6.1 billion in 1984, but China



Panda Gold Coins Issued

A set of five gold coins commemorating the giant panda was issued by the People's Bank of China May 20. The obverse of the coins depicts the Qiniandian (Hall of Prayer for Good Harvests) of the Temple of Heaven in Beijing. The reverse shows a panda playing with his bamboo. The diameters of the coins are 32mm, 27mm, 22mm, 18mm and 14mm. Their gold content ranges from 0.05 ounce to one ounce, and the gold purity is 99.9 percent. Beijing residents may purchase the coins at No. 90 Chongwenmen. Selected coin dealers abroad will also sell the commemorative issue.

suffered a trade deficit of US\$1.5 billion.

"We hope the United States will give consideration to this unbalanced situation," Huang said.

Huang also complained about US restrictions on the import of petroleum, which he said will hurt China's petroleum sales in the United States. Petroleum and refined oil accounted for one-third of China's total export value to the United States last year.

Speaking at the opening session of the Beijing trade talks, Chinese Foreign Economic Relations and Trade Minister Zheng Tuobin said it is quite natural for problems to arise in the course of trade. He noted the historical differences in the political, cultural and economic systems of China and the United States. But, he added, the two countries are stepping up efforts to remove the obstacles to closer relations.

The Sino-US Joint Commission

on Trade and Commerce was established in 1982 to promote commercial ties. So far, the commission has held two plenary sessions.

China's trade total with the United States grew from US\$2.3 billion in 1979 to a record US\$6.1 billion in 1984, and it is expected to increase even more this year.

Tax Evaders Cut State Revenues

Enterprises should boost their income through increased efficiency and elimination of waste rather than tax cuts or evasion, declared a May 24 lead story in *Renmin Ribao* (People's Daily). Earlier on May 22, *Jingji Ribao* (Economic Daily), a nationally circulated newspaper, called on tax collecting departments to work harder and impose sanctions against serious tax evaders.

These comments pinpoint a new

unhealthy trend which is posing a threat to the success of the ongoing economic reform.

Tax evasion is rampant in many parts of the country, involving as many as 50 percent of the stateowned and collective enterprises and 70-80 percent of the individual workshops and stores in some areas. And the lost revenue is tremendous. Hebei enterprises, 52 percent of which are state-owned, withheld about 100 million yuan in taxes last year. The Guanyun County Cotton and Flax Corp. in Jiangsu Province earned some 3 million yuan net profit last year. but its board of directors decided to take its annual balance sheet to reflect profits only half that amount.

In the past, industrial enterprises simply turned over their products and profits to, and received allotments from the state. That system gave enterprises and workers little incentive to work hard, and so production suffered. Under the economic reforms, enterprises are free to use their profits to reinvest in new equipment and to reward workers, but they are supposed to earmark first of all a major part of those profits to pay their taxes.

The trend towards falsifying taxes or evading them altogether has the government worried, since 95 percent of the national revenue depends on taxes.

In total disregard of the nation's interest, many enterprises have lied about their income to avoid paying taxes. Some private workshops and stores have even sold blank invoices to help others carry out tax evasion scams.

The tax cheaters flagrantly violate the state law on tax payment. To guarantee government income, the State Tax Administration plans to work out more effective regulations to reinforce its tax collection methods.

Experts' Advice on Child Raising

Thousands of medical, educational and psychological experts in Beijing on May 27 turned out to give advice to worried young parents who have problems raising children under 14.

This was part of an extensive programme, the largest of its kind, set up by the women's federation and medical and educational institutions to mark June 1 — International Children's Day — in the Chinese capital.

"Why is my son growing so slowly?" "How to get my baby to eat more?" "What shall we do to prevent our daughter's hair from turning yellow?" "Must we force out child to stop painting ancient beauties and try something else?"

These were some of the questions anxious young couples brought to the more than 3,500 experts staffing the 323 booths scattered in and around Beijing City.

While advice on a wide variety of subjects was offered, films and video tapes about scientific methods of child rearing, relevant theatrical performances and sports demonstrations were presented in many parks, indoor stadia, palaces of culture and children's centres.

There were also stalls selling books on child care and booths teaching how to cut and make children's garments for young parents who were interested.

Hao Jianxiu, alternate member of the Chinese Communist Party Central Committee's Secretariat, described the activity as "of great significance." "Children's health and education is a matter vital to our country's modernization programme in the next century," she added.

Beijing's Vice-Mayor Chen Haosu said that the city planned to institutionalize such activity by establishing more regular advisory and consulting centres.

China & the World

China, HK Exchange Ratifications

The Chinese and British governments exchanged the instruments of ratification for the Joint Declaration on Hongkong in Beijing May 27.

Chinese, Fiji Premier Talk

Chinese Premier Zhao Ziyang, during May 20 talks with the visiting Prime Minister Kamisese K. T. Mara of Fiji, said that China hopes to strengthen its friendship and co-operation with the South Pacific countries and has no intention of competing with others for power in the region.

China's Nuclear Safety Delegation Visits Europe

A Chinese nuclear safety delegation, composed of 10 nuclear energy experts, is currently visiting the Federal Republic of Germany and Switzerland to explore possibilities for co-operation in developing nuclear energy and safety devices. China plans to build four nuclear power plants in the next few years.

International Friendship Association Founded

The China Association for the Promotion of International Friendship, an unofficial organization formed by 48 scholars, social activists and other celebrities, was founded on May 18.

An official of the association said that it will work to promote mutual understanding and friendship between the people of China and other countries. It will work to develop international contacts: cultural, journalistic and academic exchanges; economic and technological co-operation; and tourism.

India

Gandhi Makes Visit to Moscow

Indian Prime Minister Rajiv Gandhi has attempted to better his country's relations with the Soviet Union, but there are still differences between the two nations.

by TANG XIUSHAN and XI SHUGUANG

I NDIAN Prime Minister Rajiv Gandhi had some success in renewing his country's friendship with the Soviet Union and in obtaining assistance during his six-day visit to Moscow.

Gandhi's choice of the Soviet Union as the country of his first foreign visit and his lengthy talks with new Soviet leader Mikhail Gorbachev indicate the importance both countries place on their relations.

Two days of political talks, including a closed-door session between Gandhi and Gorbachev. covered a wide range of bilateral and international issues.

The visit resulted in the signing of two major agreements. One called for the Soviet Union to provide 1 billion roubles (about US\$1.15 billion) in credit over the next 15 years to finance power, oil, coal and machine building projects. The two leaders also agreed on basic guidelines for economic, trade, scientific and technological co-operation until the year 2000.

India is now the Soviet Union's largest trading partner among the developing countries, while the USSR is India's second largest trading partner after the United States.

Indo-Soviet trade rose rapidly to more than US\$2.6 billion in 1983,

and it surpassed US\$3.2 billion in 1984. The figure is expected to reach US\$3.68 billion this year, a 20 percent increase.

About 60 Soviet assisted industrial and other projects have been completed in India, and 30 others are still under way.

It is reported that Moscow, already India's chief arms supplier, is now providing more advanced weapons including Mig-29 fighter planes and T-72 tanks. The Kremlin gave India military aid worth US\$1.6 billion in one deal in 1980.

The participation of Soviet Defence Minister Sergei Sokolov in the Indo-Soviet summit is seen as an indication that the discussions also covered those military ties which, Gandhi said at the Moscow press conference, "have improved substantially."

The Soviet Union received Gandhi's firm support on a wide range of foreign policy issues including criticism of the United States' "Star Wars" programme and its trade embargo on Nicaragua.

Meanwhile, Moscow lauded India's leading role in the non-aligned movement and repeated its support for India's proposal for a peace zone in the Indian Ocean.

However, the two countries apparently agreed to disagree on several key issues, including Afghanistan. While refusing to criti-

cize the USSR openly, Gandhi told the Moscow press conference that India was against any country intervening in the internal affairs of another.

Later, when asked how he reacted to Gorbachev's proposal for an "all-Asia forum," he declined twice to give a direct answer.

Gandhi also appeared cautious on questions concerning India's relations with the United States. He said that Indo-US relations had been good, bilateral trade had increased and that "today, the United States is our largest trading partner."

He reiterated his desire for improved relations with Washington, adding that he was "looking forward" to meeting President Reagan. Gandhi is scheduled to visit the United States early in June.

For its part, the United States has tried to improve relations with India in the last several years. It cancelled India's debt of US\$2 billion in 1974 and reached agreement in 1982 on offering nuclear fuel to India.

Just before Gandhi set off on his visit to Moscow, US Commerce Secretary Malcolm Baldrige rushed to New Delhi to sign a major agreement on transfers of high technology including computers, electronics and telecommunications equipment. The pact was described as a breakthrough in Indo-American relations, because the United States had been reluctant to offer such sensitive technology to India in the past.

Asked if the new accord with Washington would affect Indo-Soviet ties, Foreign Secretary Romesh Bhandari said that India's relationship with one superpower would not be strengthened at the expense of that with the other.

Both superpowers show great interest in better relations with

India, a situation which will no doubt benefit that country. But which of the two will get the upper hand still remains to be seen.

Japan

Tokyo Draws Closer to Africa

In an attempt to better its economic and political position, Japan has moved to develop trade, investment, finance, economic and technological aid, relief and bilateral exchanges with Africa.

by LU MIAOGENG

O VER the past decade, Japan has launched a positive diplomatic offensive towards Africa. Since the door of Africa was opened, bilateral relations—which were undeveloped in the past due to geographic and historical reasons—have grown rapidly.

In trade, Africa imported more commodities from Japan in 1973 than from Italy, Federal Germany or Britain. Only France sold more goods to Africa than Japan. The export volume to Black Africa, the area south of the Sahara, multiplied 12 times between 1961 and 1978. And Japan's trade volume with Africa doubled between 1978 and 1981. Altogether, Japan has established economic ties with more than 50 African countries and regions. Japan imports energy resources, minerals and industrial crops from Africa, while exporting automobiles, machines, electrical equipment and synthetic fibre. Japanese cars account for 70 percent of the African markets.

Japan's investment in Africa reached US\$2 billion in 1981, a 13-fold increase over the US\$150 million figure in 1977. Major iron and steel companies, architectural

firms and mining enterprises, as well as the huge financial groups of Mitsubishi and Mitsui, have all established subsidiaries or joint ventures in Africa.

Japanese businesses have signed a number of contracts with Nigeria. They are setting up a steel company in Algeria, which will produce 900,000 tons of steel annually. And Japanese concerns are building a cement plant in Libya that will produce 1 million tons of cement per year. Investors have also backed oil exploration and the mining of copper, uranium and cobalt in the region.

Japan's economic and technological aid to Africa multiplied almost 30 times during the 1970s. Aid to Black Africa reached US\$211 million in 1981, way up over the US\$5 million figure of 1972. Japan's aid package to Africa has grown much faster than those of other Western nations.

To boost financial co-operation, Japan joined the African Development Bank with an investment of more than US\$290 million, a figure surpassed only by the United States. Having invested more than US\$300 million in the Organization of African Development Fund, Japan is the organization's biggest supporter.

Japan donated US\$20 million to

Africa's drought victims during a 1981 international conference in Geneva, making it the third largest donator after the United States and Federal Germany. In 1984 Japan offered US\$165 million for food to Africa. And Japanese Prime Minister Yasuhiro Nakasone indicated that his government would help Africa solve the food shortage caused by the drought.

In addition to economic and aid exchanges, there has been an increase in political ties between Japan and Africa. Former Jap-Foreign Minister Sunao Sonoda visited Nigeria, the Ivory Coast, Senegal, Tanzania and Kenya in 1979. Tanzanian President Julius Kambarage Nyerere Kenyan President Daniel Arap Moi made visits to Japan in 1981 and 1982. Last year there were exchange visits with Mozambique and Cameroon, and the Japanese crown prince, foreign minister and several parliamentary vice-ministers visited some 10 African countries. Foreign Minister Shintaro Abe also convened a meeting in Madrid with Japan's ambassadors to African countries to discuss the situation on the continent.

The improving Japanese-African ties are a result of mutual needs. Japan is attracted to Africa because of its resources and potential as a consumer market. Africa, which has a population of more than 500 million, is seen by Japan as an indispensable trading partner. Africa is becoming more and more essential to Japan. It is reported that Japan imports 45 percent of its copper, 80 percent of its cobalt, 46 percent of its manganese and 40 percent of its cotton from Africa. Yet, due to the value of its commodities, Japan enjoys an enormous trade surplus.

According to a June 1984 report in Nippon Keizai Shimbun, Japan's diplomatic strategy is to

gain a stronger foothold in Africa as the Soviet Union's influence diminishes.

Because the United States is placing its emphasis on the Asian-Pacific Region, Nippon Keizai Shimbun also noted, Japan has strengthened its historically weak ties with Africa. With both the United States and Japan in strong positions in Asia and Africa, together they will be able to consolidate their gains.

For their part, the African countries are developing relations with Japan in an attempt to distance themselves from the superpowers and maintain their political independence. In addition, they desperately need Japan's economic and technological support to develop their economies, especially in the face of the current crisis. Favourable loans and generous aid packages from Japan are welcomed by African leaders.

Generally speaking, Japanese-African relations will continue to develop, but some problems remain unsolved. First, South Africa is Japan's biggest trading partner on the continent. Their trade volume reached US\$3.1 billion in 1981, representing more than a quarter of Japan's trade total in all of Africa. This fact must anger the African countries that have called for sanctions against the apartheid-practising Pretoria regime.

Second, Japan's decision to provide aid to only a few countries and its enormous trade surplus have irritated many African leaders.

Third, Britain, France and the other Western countries that have kept close, traditional relations with Africa are watching closely and will attempt to keep Japan from expanding its influence. So, while Japanese-African relations develop, friction between Japan and Britain and France will increase.

Togo

Agriculture Policies Reap Rewards

While many African countries suffer from drought and famine, Togo's agricultural situation looks promising.

by MA JUN

WHILE many drought-struck African countries are asking for international aid to feed their hungry people, Togo, located in West Africa, has so much grain it has actually seen the market price fall in the past year.

Togo has a population of nearly 3 million, 80 percent of whom are farmers. Of the total area of 56,000



square kilometres, 70 percent is arable land. As the cultivated area accounts for less than 15 percent of the total, the potential for further agricultural development is great.

Togo's government has, for many years, considered agriculture as the foundation of its national economy. President Gnassingbe Eyadema declared 1975 the "Year of the Farmers," abolishing the poll tax for farmers, encouraging them to enlarge their cultivated area and to increase agricultural output, and rewarding who had made remarkable achievements.

In March 1977 Eyadema called

on the people to carry out the "green revolution," which was aimed at realizing self-sufficiency in grain within five years.

To achieve that goal, the Togolese government adopted a series of innovative policies. First of all, the government increased agricultural investment. During Togo's third Five-Year Plan (1976-80), agricultural investment provided by the government constituted about one-third of the total spending. The state also exempted imported tractors and fuel from taxes. And farmers were given a 50 percent discount on fertilizer and pesticide. The programmes cost the government some US\$4.4 million annually in lost revenues and subsidies.

With the level of mechanization low, the government encouraged farmers to use oxen to pull ploughs. It even adopted a programme to supply oxen to farmers as a form of loan. New production practices spread quickly throughout the grassland region of northern Togo.

Training centres for agricultural technicians were established by the state. Young people with primary or middle school educations took courses there to learn about modern farming methods, and were able to manage a farm on their own. Some even set up small private farms, actively popularizing scientific agricultural techniques. To date, five training centres have been established throughout the country.

To support agricultural development, Togo's government established a credit bank for agriculture, which supplies farmers and farm investors with low-

interest loans. The state also set up a grain company, which can intervene in the grain market.

When grain is harvested, the company buys the surplus from farmers. It also imports some grain. It generally maintains a supply of about 10,000 tons. In May and June, when the new crop is not ready but the old crop is all consumed, the company sells its grain in the market or sends it to grain-short areas, thus avoiding shortages. The company's sales also play a role in steadying grain prices.

The grain-growing acreage and the grain output both increased 25 percent in the five years after the "green revolution" began in 1977, growing at a rate that outpaced the population growth. The total output of the potato and cereal crops reached 1.2 million tons, a level that comes close to grain self-sufficiency.

The government has also encouraged farmers to raise chickens, oxen and sheep. Some farmers are even raising fish in private ponds.

Togo's greatest obstacle to agricultural development is its weak economic foundation and its lack of revenue. Due to these problems, the country cannot afford to build large-scale irrigation projects. Without such projects, water supply will continue to be a problem. As a result, the state has encouraged farmers to develop drought-resistant plants.

Due to the government's continued efforts and sufficient rainfall, the 1984 harvest was the best in Togo's history. The harvest grew by more than 140,000 tons over 1983. This is seldom seen in Africa, where many countries are plagued with disasters and famine. Not only has Togo met its own food needs, it now supplies Niger with 1,000 tons of corn and Burkina-Faso with 500 tons of corn.

Lebanon-Palestine

Beirut Camps Torn by Clashes

Terror again stalks Lebanon's refugee camps as armed clashes break out between Palestinians and Shiite militiamen.

by REN YAN

TERROR again stalked the streets of Beirut as Shiite Amal militiamen battled Palestinian fighters for control of the Lebanese capital's teeming refugee camps.

The fraternal clashes broke out on May 19 as intense artillery, rocket and mortar barrages rocked the Sabra, Chatila and Bourj Braineh camps, which now hold some 120,000 Palestinian refs Fierce house-to-house ugees. fighting continued throughout the next week, taking a heavy toll of attackers and defenders alike. So far, more than 500 people have been killed and over 1,500 others wounded. Officials say the figures will rise once rescue workers are able to enter the camps to evacuate casualties trapped near the scene of the heaviest fighting.

As the combatants traded accusations over the tragedy, United Nations Secretary-General Javier Perez de Cuellar called on the Lebanese government and all parties involved to make efforts to halt the violence and provide aid for its civilian victims. Chedly Klibi, the General Secretary of the League of Arab States, the Palestine Liberation Organization Chairman Yasser Arafat and King Hussein of Jordan also appealed for international attention and an immediate end to the hostilities.

The Chinese Foreign Ministry on May 25 urged the Palestinians and Amal to lay down their weapons: "It is the fervent hope of the Chinese government and people that the two conflicting sides will, setting store by the overall interests of the cause of Palestine and the whole Arab nation, stop fighting immediately and resolve their differences through peaceful consultations."

There was little hope, however, that the appeals would succeed. Even as the besieged Palestinians were being forced back into a 900-square metre zone at the heart of the main battlefield, rocket barrages hit Shiite residential areas in southern Beirut. At the same time, two shells fell on Beirut International Airport, scattering arriving passengers and forcing flight controllers to divert incoming aircraft. A powerful car bomb also exploded in a Christian district of East Beirut, killing at least 37 people.

The spreading conflict brought new worries of continued instability in a region already torn by years of internecine feuds and further weakened by the Israeli invasion of south Lebanon. They also raised once again the spectre of Lebanon's dismemberment, and frustrated hopes for an early end to Arab disunity.



Mutual Interests Promote Ties

by CHEN AN

I N the 40 years since both Western Europe and China were ravaged by war, the nations have rebuilt their economies and have forged friendships that stretch halfway around the world.

As the West European nations have joined together in political unity, they have heightened the position of the European Community. Today Western Europe plays an important role in East-West relations and world affairs.

From the very beginning of the People's Republic, China has found many friends in Western Europe. Switzerland, Denmark, Finland, Norway and Sweden were among the nations that established relations with China in the early days after liberation. In the 60s France under de Gaulle officially recognized China. In the years that followed, almost every West European country forged diplomatic

ties with Beijing. Although they have different social systems and ideologies, there have been no major rifts between China and its West European friends.

Like China, the nations of Western Europe oppose hegemonism and strive to establish a peaceful international environment. They oppose intervention in the third world by the United States or the Soviet Union, and they hope to see more nations emerge as strong, independent forces so the superpowers will not be able to dominate world affairs.

Unity Efforts Backed

China has welcomed the West European efforts to build economic and political unity. And the foreign policy efforts of the European Community have received Chinese support.

At present, the Soviet Union and the United States are vying with each other to deploy mediumrange missiles in Europe. Their efforts are aggravating tension between East and West. The Chinese people are deeply concerned about this. China, like many West European countries, maintains that the two superpowers should end the arms race and negotiate sincerely to reduce or eliminate both nuclear and conventional weapons.

In view of the fact that Western Europe has suffered two catastrophic wars during this century, the Chinese people have sympathy with and support the European desire for peace. China appreciates the efforts made by West European governments to relax tension in Europe and throughout the world. In recent years Chinese leaders have met regularly with their counterparts in Western Europe to discuss political co-operation and to work together to strengthen world peace. Last year Chinese Premier Zhao Ziyang visited France, Belgium, Sweden, Denmark, Norway, Italy and the European Community's headquarters. And President Li Xiannian visited Spain, Portugal and Malta. Coming the other way, Federal German Chancellor Helmut Kohl, Norwegian Prime Minister Kare Willoch and British Prime Minister Margaret Thatcher travelled to China.

The joint declaration on the Hongkong issue signed by the Chinese and British governments not only paved the way for closer Sino-British relations, but also established an example for the peaceful solution of problems left over by history.

Zhao presented British Prime Minister Margaret Thatcher a porcelain plate with her portrait painted in glaze during her visit to Beijing last December.



The author is a member of the Institute of Western European Studies in the Chinese Academy of Social Sciences.

Many West Europeans believe that a strong, independent China contributes to the stability of the world. China's principled stand against hegemonism has impressed European leaders.

A report entitled "China and Europe's Safety," which was passed by the 29th session of Western European Union Assembly in June 1983, interpreted China's emergence as a strong nation as a hopeful sign of international stability in a balanced world. "Europe hopes that such a balance is dominated neither by a continental hegemony nor by the present two poles. The development of independent force in Asia will make Europe of more importance," said the report.

Another report passed by the Commission on Foreign Economic Relations of the European Parliament in January 1984 said that the European Community signs trade treaties with China not only for economic reasons, but for political reasons as well.

The strengthened co-operation between a united, strong Europe in the West and a prosperous China in the East will benefit both parties and will contribute much to world peace and stability.

From Ice Cream to Nuclear Power

by XIN FU

Lest anyone think trade between China and Western Europe still follows the old Silk Road pattern of textiles and tea, they can try tying an ice cream production line or a nuclear power plant onto the back of a camel. Since the open policy was adopted in 1979, trade has grown larger and more sophisticated, till by 1984 West European countries had invested US\$900 million in China and trade went on to the tune of US\$7 billion.

Second Largest Partner

Western Europe is now China's second largest trading partner, after Japan, and European countries had set up about 30 joint venture companies in China by the end of last year. These are not small sewing and handicraft workshops; a Sino-Belgian company produces, installs and repairs digital telephone switching equipment and the Shanghai Yao Hua-Pilkington Glass Co. makes 5.5 million cases of plate glass a year. Both are the largest enterprises of their kind in China.

Last May China and the European Economic Community (EEC) signed an agreement to enhance co-operation in industry, agriculture, science, technology, energy, communications, transportation and personnel training. It coincided with a visit by Foreign Economic Relations and Trade Minister Zheng Tuobin. Zheng's trip will be followed soon by Chinese Premier Zhao Ziyang's second visit to Europe in 12 months.

Zhao's first European tour in June 1984, which brought him to France, Belgium, Sweden, Denmark, Norway, Italy and EEC headquarters in Brussels, sent a clear message that China is willing to expand economic and technological exchanges with Western Europe and wants to see an increase in Western Europe's share of China's foreign trade.

This time Zhao will visit Federal Germany, currently China's biggest European trading partner (last year's bilateral trade reached US\$2.27 billion). He will also stop in Britain, which did US\$1 billion worth of business with China last year, and the Netherlands, whose business came to US\$500 million.

Since 1975, when formal relations were established with the EEC, economic co-operation has gone beyond ordinary bilateral trade to co-operative production, joint ventures, joint bidding and contract for labour services.

Regular meetings between members of the China Enterprise Management Association and the Geneva-based Management Forum, which has ties with 8,000 companies in 17 European countries, have been taking place since 1981. And since 1983 ministerial meetings have been going on every six months between China and the EEC Commission.

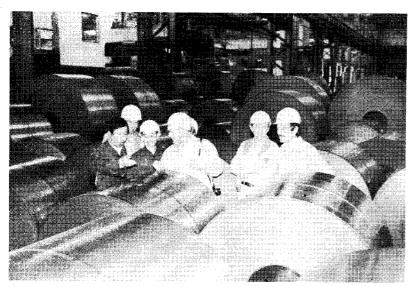
Several West European countries, including Denmark, Belgium, Italy and Switzerland, have agreed to extend soft loans, repayable in Chinese currency, to China.

Untapped Potential

However, behind all this activity is a tremendous untapped potential. While Western Europe has a 30 percent share of the world's trade, it accounts for only 14 percent of China's and just 0.4 percent of Western Europe's foreign trade. Of all the direct foreign investment in China, Western Europe has made only 10 percent.

Neither side believes there are any major obstacles or conflicts of interest to slow down trade development.

Chinese economic leaders believe further development of trade relations depends on increasing



A delegation headed by the director of the No. 2 Cold Rolling Mill of the Thyssen Iron and Steel Company of West Germany, which has helped in building the Wuhan Iron and Steel Complex, recently visited the cold rolling sheet mill in Wuhan. They were satisfied with the quality of the steel sheets.

exports, technology transfer and investments.

China's exports to Western Europe have not grown since 1982. This is partly because China's commodities offer limited variety and specifications, come in unattractive packages, do not have adequate post-purchase service and are priced too low.

But Chinese leaders expect Western Europe to make it more convenient for Chinese products to enter the market because China is a developing country.

Western Europe's exports to China have fluctuated for many years. The most persistent problem is that the prices of its products sometimes cannot compete with those of the United States and Japan.

But this is not always true. In recent months a company from

Federal Germany beat out fierce competition to sell China a hot strip rolling mill worth US\$100 million, and a French company offered a better price and better terms for the sale of 150 electric locomotives, also worth about US\$100 million.

Restrictions Should Be Lifted

Although Western Europe has been active and flexible in transferring technology to China, some restrictions remain. Chinese leaders hope their counterparts in Western Europe will continue their efforts to lift all restrictions which hold back mutual trade and development.

In a talk with business representatives from abroad, Deng Xiaoping said that investing in China requires patience, confidence and foresight.

Over the past few years China has been constantly improving its investment climate and strengthening its economic legislation, but there is still much to do. It is important for European investors to receive encouragement and support from their own governments.

Projection of China's 7th 5-Year Plan

by GAN ZIYU

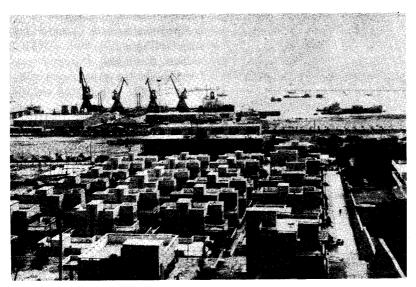
CURRENTLY, we are in the midst of working out the Seventh Five-Year Plan for 1986 to 1990. These are our preliminary projections and the key points of the new plan.

1. To bring the economy's weak links up to full strength, such as shortages of energy and transport and certain important raw materials, and to pave the way for the future development, we shall ar-

The author is vice-minister of the State Planning Commission.

range, in the period of the Seventh Five-Year Plan, the construction of some key projects as follows: As electric power is the key to basic infrastructure construction, we'll build a series of thermal power stations near coal mines and along railway lines as well as in harbour areas, and a number of large and medium-sized hydropower stations on the upper reaches of Huanghe (Yellow) River, Changjiang (Yangtze) River and Hongshui River. We will strive for an annual average increase of 5-6 million kws in installed capacity within five years. In the meanwhile, nuclear power stations are also in the

pipeline. In the coal industry, construction will be further intensified to increase average annual output by 30-40 million tons within five years. We will also boost our onshore and offshore oil exploration and exploitation, striving for new reserves and producing more crude oil and natural gas. We shall pay attention to the development of transport and telecommunications. While stressing railway construction, we should also grasp the development of highways, port facilities, inland/river shipping and civil aviation. In coastal cities, local telephone systems are to be extended and international tele-



The 20,000-ton-class deep-water wharf in Shenzhen's Chiwan Harbour.

communications networks to be properly expanded. Besides, there will be some growth in the steel, nonferrous metals, chemical and building materials industries, especially in some areas of raw material production.

2. We shall renovate our existing enterprises step by step. In industry, we should shift from construction of new factories to the technical transformation, reconstruction and expansion of existing factories. We shall not order capital construction if we can achieve our goals by technical transformation; and no new enterprises will be built if reconstruction and expansion projects can satisfy our needs. China now has 400,000 industrial and transport enterprises at varying technological levels. Some of them need to adopt the most advanced technologies, while some need only the intermediate technologies applicable to them. Therefore, we should take action to popularizing the achievements of domestic scientific and technological research, even as we introduce advanced foreign technologies. In the coming years, we'll increase, according to our ability, appropriations for technical transformation. By selecting some enter-

prises with good qualifications from the energy, transport, raw material, machinery, electronic, textile industries, we plan to set up a series of key projects for technical transformation. To correct their current defects, these enterprises are asked to arrange the necessary transformation, reconstruction and expansion to increase the variety of their products, upgrade their quality and economize on energy and raw material consumption. Certain key enterprises will go through an overall technical transformation before becoming models of technological progress in their fields.

We shall develop some new industries, but there is much room for further development of the traditional industries which will remain the main part of our national economy for a long time to come.

3. As buying habits change due to rising income following our economic adjustment, it is expected that Chinese consumers will gradually tend to be interested in diversified and middle- and highgrade commodities in the coming 10 and 20 years. In the period of the Seventh Five-Year Plan, we must intensify the development

of aquatic products, animal husbandry and forestry. Production of food, household electrical appliances, textiles, garments, furniture, and new building materials will be boosted. The merchandising of agricultural products and the development of urban and rural transport call for more rapid increases in the production of motor vehicles and motorcycles. During this period, commerce and service trades, which serve production and livelihoods but occupy a very low proportion of the national economy, shall have a higher speed of growth.

4. We must exert our utmost efforts to develop education, science and technology. From the viewpoint of socio-economic development, the most important factor is to win progress in science and technology which relies, however, on better personnel and advances in their training. We'll speed up the development of higher education, and expand the enrolment of universities and colleges. In addition, we will set up more secondary vocational schools and intensify on-the-job training.

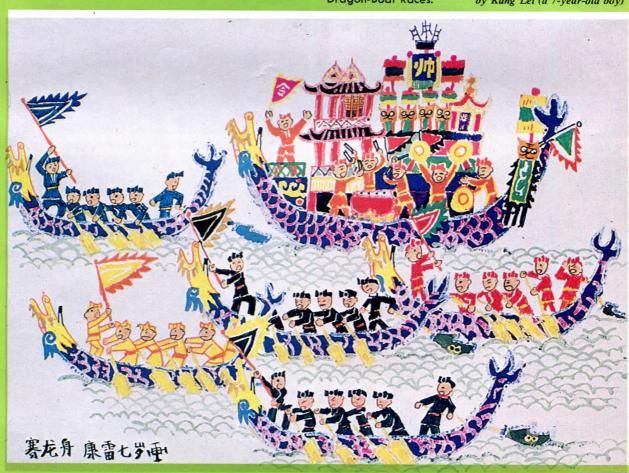
There are broad prospects for co-operation between international industrial and financial circles and China. To a certain extent, the investment environment in China is not ideal at present, but we are sure that it will be improved. The key projects in the basic facility construction for Seventh Five-Year Plan I've just mentioned will help in this respect. We have already entered into co-operation with some countries, and would welcome more largescale co-operation in the future. It's quite clear that creating a good environment through collaboration is far better than simply looking forward to the arrival of an "ideal" environment. There is a very broad area as well for cooperation in the technical transformation of China's various indus-



By Wang Wenjun (a 5-year-old girl)

Dragon-Boat Races.

by Kang Lei (a 7-year-old boy)

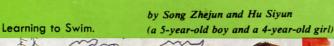


Paintings by Chinese Children



Building a Great Wall of Friendship.

By Huang Huan (an 8-year-old girl)





Little Bird. by Pan Jing (a 9-year-old girl)



A Tale From History. by Wang Yantong (a 13-year-old boy)



Please Accept. by Wang Liju



Beijing Oper



6-year-old girl)

A Fairy Tale.
by Liu Xiaofeng (a 6-year-old boy)

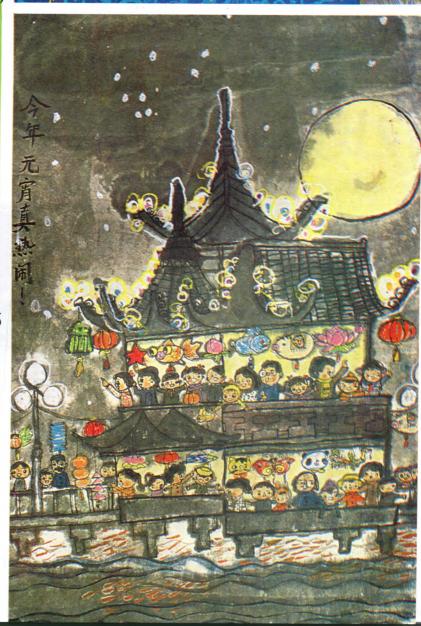


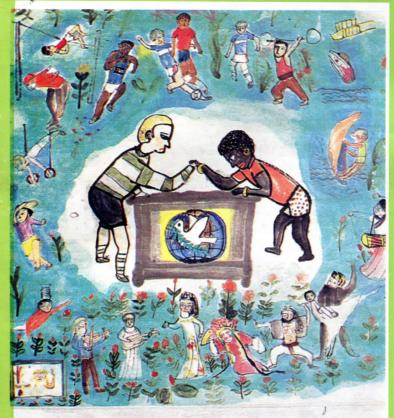
by Ma Ming (a 10-year-old boy)

Lantern Festival.
by Lu Juntao (a 9 year-old boy)









让竞赛代替战争

Competition Replaces War.

by Lin Tao (a 9-year-old boy)





Help the Little Ones.

by Wang Guoqian

(an 8-year-old girl)

Bank of China Plays Key Role in Open Policy

To date, the Bank of China has set up correspondent relationships with 3,301 head offices and branches of 1,185 banks scattered around 150 countries and regions.

by ZHAO BINGDE

A S China's bank devoted to handling foreign exchange, the Bank of China is a significant window for the implementation of the country's open policy and is bearing a heavy responsibility in the execution of that policy.

In the period from the end of 1978 to the end of 1984, the total assets of the bank increased from 38.7 billion yuan to 200.3 billion yuan; the number of domestic offices rose from 58 to 261 and the total domestic staff jumped from 4,000 to 16,000; and overseas offices grew from 184 to 286, with an expansion of staff from 6,000 to 10,000. To date, we have set up correspondent relationships with 3,301 head offices and branches of 1,185 banks scattered around 150 countries and regions.

The business functions of the Bank of China are as follows: Managing the state foreign exchange in a centralized manner; handling the state exchange incomes and expenditures; dealing in all kinds of foreign exchange business and banking transactions in Renminbi relating to foreign exchange, which mainly include settlement of trade and non-trade transactions, foreign trade credits, foreign currency loans and their related Renminbi financing, Chinese-foreign joint venture credits. export credits, international syndicated loans and commercial loans. international trust investments and leasing, buying and selling foreign exchange and gold on the international market, issuance of bonds and securities in foreign currency,

The author is acting president of the Bank of China.

and taking foregin currency deposits and Renminbi deposits relating to foreign exchange transactions; concluding agreements with foreign governments and central banks; and participating in international financial activities under authorization of the state and the mandate of the People's Bank of The bank's overseas branches and the member banks of the Bank of China Group in Hongkong and Macao also offer a full range of banking services as permitted by local laws and regulations.

The Bank of China, besides maintaining regular monetary relations with some 220 large foreign banks, is actively participating in consortium loans on international markets, financing domestic projects, using buyer's credits and mixed credits provided by some countries, and issuing public bonds. In these fields, especially in the sphere of financing domestic key projects, we would be very happy to establish more extensive cooperation in the future with our friends in international financial circles.

To improve our operation of funds, we have been carrying out reforms in our credit business, and we have started credit investments on a trial basis. The use of our funds is chiefly centred on supporting the production of export commodities, including such key projects as financing energy and transportation projects and the technological transformation of outdated enterprises. In our effort to support the development of foreign trade, the amount of Renminbi credit we provided to foreign trade enterprises for working capital in 1984 was more than double the amount in 1978. And the

various kinds of foreign exchange loans we granted to the central and local enterprises also increased many times. Last year alone, the loans we granted to key energy projects - such as the Guangdong Nuclear Power Station, Pingshuo Coal Mine in Shanxi Province, and Daqing and Zhongyuan oilfields amounted to about US\$600 million. Altogether, more than US\$1 billion was provided to about 6,000 local projects. Furthermore, we also gave financial support to the construction of tourist hotels, overseas construction projects contracted by Chinese companies and Chinese-foreign joint ventures. To date, more than 200 joint ventures in China have obtained credit from us.

China cannot develop in an international vacuum, and, conversely, the world's development needs China. The Bank of China has attached great importance to associating itself with foreign banks and enterprises as an investment partner in consortiums and joint ventures. Concerning joint investments, the comparatively big projects we have taken part in are: the Shanghai-Volkswagen Automotive Co. Ltd.; the Shanghai Yaohua Pilkington Glass Ltd.; the Hunan Yueyang Ramee Textile, Dying and Printing Mill; and the Beijing Kunlun Hotel. We have, with the participation of other Chinese economic departments, established a number of finance and leasing companies in association with banks in Japan, West Germany, Italy, France and the United States, as well as in Hongkong. Apart from the traditional interbank business co-operation, the Bank of China is hoping to achieve even more extensive collaboration with our international financial friends. Cooperation can take many forms. It may, for instance, assume the form of joint investments in China by means of taking up shares or consortium loans for the exploitation of certain key projects, or it may take the shape of an associated partnership for the development of raw material industries abroad. We are willing to take a positive attitude in seeking many ways of co-operation.

Investment Crucial for Updating Industry

Since the adoption of the open policy, China has absorbed US\$17.2 billion in foreign capital. Foreign capital is still in great demand and China continues to adopt a series of policies for encouraging foreign investment.

by WEI YUMING

VER the past six years since the adoption of the open policy. China has absorbed from abroad funds amounting US\$17.2 billion. Of that total, US\$4 billion was in direct investment, and the rest was related to the establishment of 900-odd joint ventures, more than 2,000 cooperative ventures, 31 joint development enterprises, 74 foreignowned enterprises and 1,200 compensation trade projects.

What is worth mentioning is that such investment grew quickly in 1984. Last year alone, more than 700 Chinese-foreign joint ventures were launched in China, representing a 3.5-fold increase in the number of joint ventures and a 2.2fold increase in the scale of investment over the previous few years.

The investors are now coming from all over the world. volume of investment coming from the United States, Wsetern Europe and Japan has been growing rapidly. Foreign investment has made its way into more Chinese industries and areas: the number of productive projects is increasing and we are seeing more and more major projects being financed by

technology from abroad. In the

overseas investors. A similar trend has emerged in China's introduction of advanced

past six years, in addition to the large volume of foreign technology purchased with foreign capital by local authorities and departments. more than 900 technological projects were financed using the state's exchange funds. The total amount of such imports in 1983 doubled the 1982 amount, and 1984 saw the total grow by 50 percent over 1983. This is eloquent proof of the fact that China is succeeding in introducing foreign funds and advanced technology.

All trades and professions in our country are confronting the tough task of technical transformation, and, at the same time, they need new construction projects, which require huge amounts of capital and advanced technology. Though we will rely chiefly on our own abilities, we must, with the assistance of international funds and advanced technology, surmount the difficulties arising from our underdeveloped technology and the lack of capital.

There are many kinds of advanced technology we need to import from other countries. We must purchase both complete sets of equipment and key items to update existing industries and newly emerged industries. Considering our present technical foundation, we should introduce from abroad a great volume of information concerning special technology and machine-building equipment. The methods we are presently using to import technology are diversified and flexible. Primarily, we are importing technology under patent or under technical license. In addition, the forms of co-operative production, hiring consultants and contracting for technical services are also widely used.

The fur sales exhibition China holds for the first time in Hongkong, Specialists from Denmark, Italy and Hongkong are invited to give help.



The author is vice-minister of Foreign Economic Relations and Trade.

Foreign traders needn't worry that China will become a competitive opponent in the international market as it imports technology. China is a developing country, and the nation's technical level is still far behind that of the developed world. The kinds of technology imported by China are those now in common use in Western countries. It will take a fairly long time for us to master and digest such technology. Furthermore, technological cycle in the industrialized countries is shorter than ever — new technology is outdated almost immediately. So, China has no easy task catching up with the world's advanced levels. In developing China's technology, we should devote ourselves to meeting the material and cultural demands of the people, because, as is known to all, there is a huge domestic market in China. Needless to say, competition is inevitable and technology exports to China will, themselves, encounter competition. But such competition will help the exporting countries push forward their own technical progress. Those who carry out an open policy will be the winners. Aggressive entrepreneurs are skilled at making progress amid severe competition.

There is a great demand in China for foreign capital. Every type of funds have their own advantage, which offers us the chance to select the most suitable type. Judging from our current level of management and our financial situation, we are presently seeking medium and long-term loans at lower interest rates granted by foreign governments and international financial institutions. And, at the same time, we want to utilize an appropriate portion of export credits and commercial bank loans from abroad.

In the field of international financial co-operation, loans from commercial banks constitute a major form of investment. These

commercial loans are generally used by developed countries and some developing countries with relatively advanced industries. With the upgrading of our management level and the increasing strength of our economic position, we plan to use more commercial bank loans and direct investments from other countries. At the same time, some advanced technology and managerial experience will be introduced into our country. This will be most conducive to the technical transformation of China's small and medium-sized enterprises.

As far as the scope of investment is concerned, all enterprises, apart from those whose operations involve state security or which might bring in social ills, are allowed to accept direct investment from abroad. According to China's economic strategy, priority in using foreign funds should be given to the following industries and sectors: energy and exploitation of natural resources; transportation; building materials; precision and large machinery; electronic components and devices; agriculture; education; and scientific research.

Foreign capital is mainly used for building productive projects, especially technology-rich projects and projects which will increase exports. We welcome foreign investment in large, medium or small projects.

Over the years, we have adopted a series of policies for encouraging investment in China. The rate of income tax plus local surcharges for Chinese-foreign joint ventures is 33 percent, and a longer tax-reduction or tax-exemption period is sometimes granted. This rate is lower than that levied by developed countries and even lower than the rates levied by some developing countries. If the investment is made in a large project in the priority industries or in a low-profit industry, the income tax may

be reduced or eliminated altogether, and the period of such preferential treatment may be prolonged. In such cases, equipment and materials imported with foreign investment will also be exempted from customs duties.

Many foreign investors are very concerned about legal protection for their investment and whether they will be able to sell goods to the domestic market. We believe that some of the goods produced in joint ventures and foreignowned enterprises should be sold in the country where the investment originates. This belief arises from the requirements of balancing payments. Otherwise, the enterprises will be unable to earn foreign funds to pay foreign partners' dividends and foreign staff members' salaries or purchase imported raw materials, spare parts and equipment essential to production. To determine whether imported advanced technology is making Chinese products competitive, it is necessary to put the products on the international market to compete with similar products. In dealing with any problem, we always stick to the principle of "seeking truth from facts, making a concrete analysis of concrete conditions, and dealing with each case on its merits." China is a huge market with a vast capacity for new technology and products. It is our sincere hope that foreign investors will co-operate with us in developing our domestic market. We are able to provide part or all of our market for foreign investors if they offer the technology we need. So, the extent to which our market can be open to Chineseforeign joint ventures and foreign enterprises in China is closely linked with our demand for the technology they supply and the products they manufacture. In other words, there is no government-set ratio for domestic and overseas sales of products manufactured with foreign investment.

Brainpower Develops Xiangfan's Industry

by HAN GUOQIANG

Our Correspondent

NEAR Xiangfan, a city on the Hanjiang River in Hubei Province, is a place called Longzhong. It was there that a famous story from history—"Making Three Calls at the Thatched Cottage"—took place.

At the end of the Eastern Han Dynasty (25-220) China was torn by civil wars among warlords. Eventually the nation was divided into three separate kingdoms— Wei, Shu and Wu.

At that time a man named Zhuge Liang, a native of Shandong, arrived in Longzhong with his uncle. There he spent 10 years studying, farming and developing his talents. He became well-known as a respected scholar and statesman.

In 207 the king of the State of Shu Liu Bei called on Zhuge Liang to solicit his help. Twice the scholar would not see him. But on the third visit Zhuge Liang was so moved by his sincerity that he advised Liu Bei to join in an al-

liance with the king of the State of Wu. He also agreed to end his secluded life, and became Liu Bei's military adviser and prime minister.

The people of Xiangfan have learnt much from this story. As they work to develop their city, they have come to understand the importance of seeking talented people for key jobs. City authorities have travelled to Beijing, Tianjin, Xian and Shanghai, seeking modern Zhuge Liangs to develop Xiangfan.

Taking a Risk

Although leaders across the country are now encouraged to make better use of talented people and give intellectuals more responsible positions, this was not the case when Xiangfan began its search for talent in the 1970s. At that time well-educated people were still being persecuted under ultra-leftist policies. The city authorities took a great risk in promoting them.

Word quickly spread among the intellectuals in China's big cities

that Xiangfan was a place where they could show their abilities. Some asked for transfers to the city. Over the past 10 years 1,616 scientists and technicians have resettled in Xiangfan.

The risk paid off for the city officials. Working together with the workers, the new Xiangfan residents have transformed a number of backward industries into firm industrial base. Xiangfan now has five special industrial areas scattered throughout the city.

Most of Xiangfan's factories were built before 1978. Only 21 new factories have been set up since then. But despite this, the value of the city's total annual output has more than doubled since the late 70s because of new technology and management reforms.

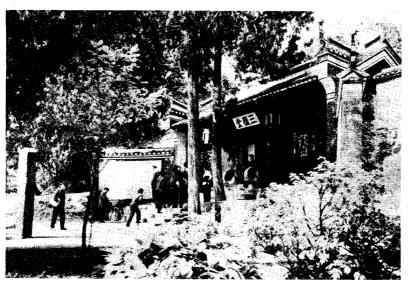
In 1983 the number of Xiangfan's factories increased to 307, turning out a total output value of 1.45 billion yuan, 582.3 times that of the 2.49 million yuan in 1949. By then, Xiangfan had become an industrial city encompassing more than 60 special branches, including radio, laser, automatic control, microbiology and chemicals.

Xiangfan's factories can now produce more than 4,000 industrial products, many of which are up to advanced world standards. Of its 125 major products, one received a gold medal recently and five were awarded silver medals by the state. Another 14 have received quality prizes from various ministries and 74 have received provincial quality awards.

Better Bricks

The Xiangfan Building Porcelain Factory used to be a brick and tile producing workshop. There were no scientists working to improve

Sangu (Three Visits) Hall.



production, and the factory suffered losses from 1975 to 1978.

But in 1978 Wang Qingzhen, an engineer with the Beijing Artificial Crystal Research Institute, was transferred to Xiangfan. The first change he made was to use silica as a raw material for production. When he heard silica had been discovered in the southeastern part of the province he rushed to place an order because he knew it would reduce production costs and produce high-quality porcelain.

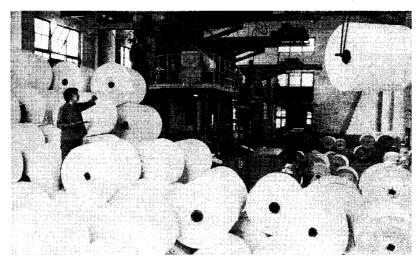
Using the new raw material, Wang led a research group through a long series of complicated experiments which finally yielded a high-quality facing brick available in more than 150 designs. The bricks sell well in 13 provinces and cities in China and have entered the international market. Between 1979 and 1983, the factory's output value increased at an average annual rate of 37.5 percent.

New Page for Paper Mill

Wang Derui, the deputy director and deputy chief engineer of the city's paper mill graduated from the chemical engineering department of Tianjin University in 1964. In 1978 he was transferred from the Tianjin Film Factory to the Xiangfan Art Paper Mill.

Wang asked to be transferred because he had learnt the factory wanted to begin producing photo sensitive film and paper. When he arrived he found a small collective mill producing only glazed paper. It lacked the ability and funds to switch to highly specialized film production. Wang saw that it would have no chance to compete with large, well-equipped factories.

In an alternative plan, Wangsuggested that the factory concentrate on producing special art paper. The factory leadership accepted his idea, and placed their hopes on his technical skills. But Wang had learnt nothing about manufacturing art paper.



Art paper produced in Xiangfan.

Notebook in hand, he went to a Shanghai art paper mill to learn the skill for three months in 1979. Working all day and reading all evening, Wang lost about a dozen kg. But the precious knowledge he brought back to Xiangfan earned his factory a gold medal for art paper in less than one year.

With increased sales the factory has expanded. New workshops, apartment complexes and office buildings are bringing a better life to everyone.

Support and Promotion

In Xiangfan intellectuals are really regarded as part of the working class. Those who apply to join the Communist Party have their applications considered promptly. Of the 2,770 scientists and engineers in workplaces under the city's authority, one-third are Party members.

About 180 have been elected or appointed factory directors or deputy directors and 223 have been promoted to leading posts at the bureau level. Still others have been elected delegates to Party congresses or deputies to people's congresses or committee members of the Chinese People's Political

Consultative Conference at various levels.

Xiangfan's leaders also show their support and respect for intellectuals in many ways. Under normal circumstances scientists and engineers have the final say in dealing with technical problems of production. Other suggestions of theirs are often adopted.

The city science and technology commission sponsors many forums on new technology, invites specialists from other parts of the country to lecture and shows videotapes on advanced industrial technology from abroad to help Xiangfan's scientists and engineers catch up with advanced world levels.

To make experiments and tests more convenient, the city has bought 6,250 pieces of lab equipment. Since 1983 it has also given scientists and technicians wage supplements to buy books.

Better Living Conditions

The city officials also care for the well-being of the intellectuals. Because of the rapid growth of China's urban population, the central authorities have been forced to strictly control migration to the cities. But despite this Xiangfan authorities have helped more than 1,000 scientists and technicians bring their families from the countryside to the city and have found jobs for 1,200 of their family members.

Every year the scientists and engineers above the rank of assistant engineer are given a complete physical check-up.

The city authorities have decided that engineers are entitled to the same consideration as the leaders of a workplace when it comes to assigning housing. Whenever a new apartment building is set up, a portion of it must be set aside for intellectuals, who traditionally have lived in very cramped quarters.

In 1981 a residential building was put up especially for scientists and engineers who had made major contributions to the development of the city. The building has 40 flats, each with 80 square metres of floor space. Now the average engineer's family has 7.11 square metres per person, 2.01 square metres more than the average Xiangfan citizen.

Concern Sparks Initiative

Xu Xiangdong is an engineer with the city's No. 2 Cement Works, where he was transferred from Beijing. When he arrived the cement works was a small commune-run factory with no technical personnel. Its cement was of low quality.

Xu helped the factory produce high-grade cement using phosphate gymsum, the waste product of a local chemical factory. He was named a model worker and in 1979 Xu joined the Communist Party.

In 1978, 1980 and 1983 Xu was put on a higher wage scale. Now he earns 98 yuan a month, plus a 20 yuan monthly bonus. Xu's wife and four children (two are already state working staff) also live in the city, and together the family earns more than 300 yuan a month. They live in a 48-square-metre flat with three rooms, a kitchen and bathroom and a large hallway.

Reflecting on his good life, Xu said, "Now the Party and the state show great concern for us. I will do my best for my country."

Fruitful Research

There are 40 institutes of science and technology in Xiangfan. In 1982 the city helped them to establish a loose affiliation with other research institutes run by the province and the state. These higher level institutes can usually do more advanced research, and

so the city offered them compensation in return for their co-operation.

More than 3,500 scientists and technicians above the rank of assistant engineer from 29 scientific research units are now part of Xiangfan's research complex. They have completed many projects and their results have been put into practice to advance the city's industry.

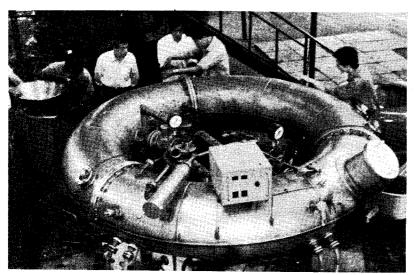
One beneficiary has been the machine tool and electric motor factory, built only a few years ago. It could only produce relatively simple devices such as an oil pressure gauge, which could not compete on the market.

But now the factory turns out powerful transistor pulse regulator systems, computers for industrial sewing machines and other advanced products. In 1979 it established a research office to improve the factory's products. Now the office can complete more than 20 research projects a year.

Narrowing the Gap

A deputy factory director said, "Our factory is the only one in China specializing in producing governor cabinets (a device which regulates the speed or power of an engine). Of course, there is still a large gap between us and the advanced world levels. For instance, the gear ratio (the number of times an engine revolves per revolution of the wheel it drives) of our products is 1 to 20, while that of products from West Germany is 1 to 100. Therefore, we should not be satisfied with what we have achieved.

"In February 1984 we signed a contract with the Siemens Company of West Germany to buy its technology. According to the contract, in the next eight years Siemens will sell its new technology to us 60 days after it is invented. In this way we will be able to quickly narrow the gap between us and the world's advanced technology."



Tyre-shaped high-temperature, high-pressure dyeing equipment developed by technicians in Xiangfan's No. 1 Knitwear Mill.

China's Vocalists Hitting the High Notes

by LING YANG Our Correspondent

A NUMBER of young Chinese singers have won international vocal competitions in recent years, and it is no surprise that five of them were trained at the Shanghai Conservatory of Music, where Professor Zhou Xiaoyan teaches.

An accomplished coloratura soprano, Zhou is the vice-president of the Chinese Musicians' Association. It is no exaggeration to say that Zhou is one of China's most outstanding vocal artists. Her coloratura soprano style earned her fame in the late 1940s, when she was known throughout Europe as "China's nightingale." Unfortunately, most recordings of her performances from the 1940s and 1950s were destroyed during the 1966-76 "cultural revolution." when Western music was rejected as "bourgeois."

In 1938, soon after the anti-Japanese war broke out, Zhou graduated from the Shanghai Music School and went to study in France. She was unable to return home after World War II broke out, so she used the time to travel in Europe and study Western vocal music.

In 1946, after the defeat of the Germans and the Japanese, Zhou performed her first concert in Luxembourg. In the following two years, she gave performances in London, Paris, Geneva, Berlin, Czechoslovakia and Poland. She was the first Chinese musician to attend the 1946 First Prague International Music Festival. Together with Chinese-American pianist Li Xianmin and Russian-American composer Alexander Tcherepnin, she introduced contemporary Chinese musical works to London. A London newspaper

once commented that her voice was "as solid as crystal and as brilliant as a diamond."

In 1948 she returned to China and gave her first concert in Shang-



hai that May. She sang classical European works, selected arias from operas and Chinese folk songs, and her performance convinced her countrymen of her immense talent. According to a press report at that time, she wished all Chinese musicians could have a chance to study and hoped that more people would include music as a part of their lives like Europeans. She noted that many Europeans were fond of Chinese melodies because of their strong sentimental appeal. Perhaps, she said, Chinese music will blaze a new trail in contemporary music.

A year after she started teaching at the music conservatory, she told her friends that there was no lack of talented singers in China. She was deeply moved by her students' sincere desire to learn.

In December 1949, soon after the founding of the People's Republic, Zhou was invited to attend the first national congress of cultural workers. She dared not go, because she felt she had made no contributions to the revolution. She had grown up in a well-to-do family and had left the country during the Japanese invasion. But her reservations gave way when her friends urged her to go to Beijing so as to learn how she might serve the revolution.

Never Too Late to Join

In Beijing, the young singer met Premier Zhou Enlai who, to her amazement, addressed her by her first name. After greeting her, the premier asked if a memorial tablet had been erected in front of her brother's tomb. It seems Zhou Enlai had come to know Zhou Xiaoyan's family in Wuhan during the late 1930s, when he was leading the anti-Japanese struggle there. Xiaoyan's father, an influential patriotic banker, supported his second son's decision to go to the war front soon after fighting broke out, and the young man died in battle. Many years had elapsed since then, but the premier still remembered the family. Moved by the premier's concern, the soprano confessed that she felt guilty for abandoning the country in time of need. Zhou Enlai listened and then chuckled: It's never too late to join the revolution, he told her. The premier then urged her to keep singing and pass along her talents to the younger generation.

During her month in Beijing, Zhou had a chance to see several new operas created by musicians in the revolutionary base of Yanan. They included *The White-Haired Girl*, an opera describing the peasants' struggle against the landlords; and *Liu Hulan*, an opera named after a heroine in the anti-Japanese war. The compelling

stories and local flavour of the works impressed the singer.

During the congress, Zhou was encouraged to serve the people with her brilliant talent. "Since then," she said, "I have done my best to become a people's singer."

In the ensuing years, Zhou took part in the rural land reform movement. She frequently pitched in to help at factories and water control projects, and when the work was done she entertained the workers with her songs. She also began to learn from the folk singers. She added the songs from *The White-Haired Girl* to her repertoire and worked on learning local dialects so she could sing the songs most loved by the countryfolk.

Zhou's efforts did not go unnoticed. She was elected a deputy to the National People's Congress, and soon afterwards she became a member of the Chinese Communist Party.

However, the times were bewildering for Zhou. Because "leftists" condemned Zhou's Western style of singing as bourgeois trash, she decided to abandon her coloratura soprano style. Meanwhile, China's traditional operas, ballads and

Prize-Winners at International Vocal Contests



From left to right: Liang Ning, Dilber and Fu Haijing

Ye Ying (soprano) and Liu Jie (tenor): Both won prizes at the 10th Rio de Janeiro International Singing Contest.

Luo Wei (tenor): Won a prize at the First Verdi International Music Contest in Milan, Italy, in 1981.

Hu Xiaoping and Wen Yanqing (sopranos): Won prizes at the 1982 20th International Music Competition in Budapest.

Fu Haijing (baritone) and Liang Ning (mezzo-soprano): Together they won the Benson and Hedges Gold Awards for Singers in London in 1983, and then won prizes at the First International Marjam Helin Vocal Competition in Helsinki last year. Also winning a prize in the Helsinki competition was Dilber (coloratura soprano).

Zhang Jianyi (tenor) and Zhan Manhua (mezzo-soprano): Won prizes at the 1984 International Competition for Opera Singers in Vienna.

folk songs, which require a completely different method of breath control, a different language and different aesthetic standards, had not been developed as they should. Both the singers and the public were confused. The public loved the old vocal styles, but, in the rush to reject the past, the "cultural elite" threw out almost everything. Young Chinese singers not only abandoned Western styles, they also abandoned China's rich music history. "Because of this confusion," Zhou said, "the gap between China's vocal music teaching and the advanced world level was widened."

Zhou Xiaoyan (middle) with Zhou Enlai and his wife, Deng Yingchao.



Continuous Efforts

In 1977, after the downfall of the gang of four, Zhou visited West Germany, the United States and Hongkong to survey the status of current Western vocal art. She found vocal music flourishing, and its free, natural, melodic and pleasing quality impressed her. "There is much in it that we can make use of to improve our own vocal music teaching and enrich and develop our own vocal art," she said.



Zhou Xiaoyan with her students who have returned from an international vocal competition. (From left to right behind Zhou) Liu Jie, Gao Manhua, Zhang Jianyi and Luo Wei.

The professor also discovered that many famous singers were able to combine their native tongues and other Western languages through their flawless voice production techniques. She noted the rise of the bel canto operatic style, a style which appeared in the 17th century with the rise of serious opera. Bel canto has now been adopted all over the world as a superior, scientific style of singing and a voice production system. "It has become a common wealth of mankind," Zhou said.

The bel canto style, said Zhou, is a whole set of methods for the physiological regulation and control of respiration, voice production, resonance and diction, which comply with the natural laws of singing and can give full play to vocal operatic effects and yield breadth, depth and resonance to the sound produced. Once a singer gets hold of this method, he may make his own artistic creation at will. Zhou added, "Why shouldn't our Chinese singers make use of this method?"

As more young Chinese singers have adopted Western styles, they have begun to win international vocal competitions with regularity, a sign that China's vocal art has reached the international level. In addition to the prevalence of natural talent and the efforts of the singers, China's strict training methods are to be credited for the success. By adopting such techniques as the bel canto style. Chinese singers are able to increase their vocal range in order to broaden their scope of expression.

At an international opera contest in Vienna last July, two Chinese singers — tenor Zhang Jianyi and coloratura mezzo soprano Zhan Manhua — finished first among 247 singers from more than 40 countries. Both are graduates of Zhou's music conservatory.

Zhang showed his full and deep timbre while Zhan captivated the audience with her elegant and gentle voice. Their arias overwhelmed the audience, as their superior vocal techniques and natural style showed through. Many music critics abroad rate Chinese singers as among the most natural, exquisite and enchanting vocalists in the world.

Zhou, while stressing China's poor Western music foundation, contends that the nation must strive to consolidate its position on the world opera stage. China's singers are often unfamiliar with foreign languages and many have actually never performed a whole opera.

"We have just done half of our job, which is to teach our students a good method of singing," said Zhou. "The other half of our job is to combine the Western sound-production techniques with the Chinese language in order to better present the image of the Chinese people and better express their feelings. This task is more arduous."

Zhou Xiaoyan (fourth from the left) in France in 1939.



Consumer Market Opened Up

from "SHI CHANG BAO" (Market)

N EW sectors of China's consumer market will be decontrolled this year to spark production so as to meet the needs of the nation's 1 billion consumers.

- The grain market will be opened up to increase the supply for rural households specialized in livestock breeding.
- Sales of sugar will be expanded to develop food processing.
- The urban housing market will be enlarged and sales of houses to individuals will be tried out in more than 70 large and medium-sized cities, including Beijing, Shanghai and Chongqing.
- Various service trades will be invigorated, including domestic tourism, beauty shops, fitness gymnasiums, recreation halls, consul-

tants, information services and household services. In open areas, foreign investment and imported advanced technology will be encouraged to promote the service trades.

- Sales of popular consumer goods will be expanded. More colour TV sets, washing machines, motorcycles and textiles will be available as a result of joint ventures, compensatory trade, processing according to provided samples and more imports. Sales of durables on credit will be boosted. Such sales have already been introduced in 10 cities.
- A remarkable increase in the sales of jewellery is expected. Jewellers are beginning to manufacture more products with high gold and silver content. The short supply of jewellery in Guangdong, Fujian, and Shanghai will be eased in the near future.

o'clock in the morning to make breakfast. About five I must leave my home to catch the bus with my baby. After work, I have to buy vegetables and prepare meals while taking care of my child. After dinner I have to do household chores before singing my baby to sleep. By the time I'm done, I'm too tired to study," one complained. worker Another worker said, "We are now the main force of production and the new situation demands that we master special knowledge. But in the evening I have to spend time helping my child with his home-This always hinders my own efforts to learn more." The survey shows that women workers with babies get less than six hours' sleep a night. The problem is even worse for women who work on three rotating shifts. If the situation does not change, it will not only affect their study and recreational activities, but also harm their health.

A married woman is her family's hostess, her child's first teacher and a labourer who creates social value just as men do. This means that her burden of work, study and household chores is heavier than a man's.

The emancipation of women is one indicator of how much progress a society has made. During China's economic reforms, all enterprises and trades must attach importance to women's interests and voice, and treat them like men in education, employment and study. It is also necessary to improve services in order to socialize household chores and free women from that heavy burden.

Free Women From Heavy Burden

from "RENMIN RIBAO" (People's Daily)

S INCE liberation in 1949 Chinese women, like men, have been politically emancipated and become the masters of the state. They can now earn their living and are protected by the law.

But many of them are heavily burdened with household chores and have no time to study or improve their professional skills.

The Tianjin Women's Federation made a survey of 1,000 women

workers, teachers and officials. Of those, 521 were middle-aged.

When asked what problems they wanted solved to lighten their chores, 330 women, or 63 percent, said they wanted more service centres. Some 79 percent, or 416 women, asked for more convenience in buying staple and non-staple food. And 294, about 56 percent of the total, asked for improvements in education to free them from the need to guide their children's studies.

"When I work on an early day shift, I have to get up at four

Luxury and Thrift in Banquets

from "GUANGMING RIBAO" (Guangming Daily)

A UTHOR Zhou Ti penned this article commenting on Chinese banquet standards. He writes:

In China, banquets given to foreign guests are often very sumptuous. More often than not a single guest is accompanied by eight or nine persons — the number needed to fill a round table.

Last September when I was visiting the University of Michigan in the United States, I was given a dinner of welcome by a famous professor of anatomy, a man whose name has been listed in Who's Who. He is quite wealthy, but to my surprise, the fare cooked up for his "foreign guest" was nothing more than roast pork chops, salad, French bean with dried shrimps, and some cakes and soft drinks.

During the dinner we talked about the Chinese way of entertaining guests. Often a dozen courses are served, but only part of each course is eaten, causing enormous waste Another American professor said she had a very good impression of China, but she thought too many dishes were served at banquets. She often worried about whether she could finish the food her host had put on her dish for her. "Your custom is much better," I said, "because it is simple, informal and serves the purpose."

It is said that Henry VIII of England went in for much ostentation and extravagance. Every day he provided 20 heads of cattle, 13 pigs, 12 sheep, 150 ducks, 50 geese, 13 swans, 8 cranes and 500 apples to entertain his royal kinsmen and friends.

In this respect at least, China's Empress Dowager Ci Xi was a good match for Henry. She often had more than 150 dishes at one meal which cost 100 taels of silver.

Obviously ostentation and extravagant banquets are a custom left over from the feudal emperors.

If we change our way of entertaining foreign guests by reducing the number of dishes to a reasonable amount and limiting the company to those directly concerned with the business at hand, we can change extravagant banquets into simple and practical meals. In this way, we can save a large amount of money for the country, and win the respect and understanding of our friends abroad.

Journalists to Pedal Around the World

from "ZHEJIANG RIBAO" (Zhejiang Daily)

Z HANG Jiansheng of the magazine *Popular Television* and Min Shuguang of the Zhejiang Television Station plan to set out on a two-year round-the-world bike trip in mid-June. Riding homemade

bikes, the two will ride west through Asia, Europe and North America, passing through 16 countries on their 32,000-km ride.

The journey will begin in Hangzhou, the provincial capital of Zhejiang. They will ride across China through Xinjiang and into Pakistan, cross the Arabian Sea to Oman, and travel through the United Arab Emirates, Qatar and Saudi Arabia. They will then cross the Red Sea to visit the Sudan and Egypt. After crossing the Mediterranean Sea, the two-bicyclists will pedal across Italy, Switzerland and France before traversing the English Channel to Great Britain. After flying over the Atlantic Ocean. they will make their way through the United States before crossing the Pacific Ocean to Japan. And, with two years and plenty of trials and triumphs behind them, they will board a boat to sail to Shanghai and home.

The journalists plan to use their cameras to record the scenery and the life and customs of the people they encounter along the way.



To celebrate winning the "thrift" award. Cartoon by Dou Zonggan

Japanese Banks Step Up Activity in China

A contract was signed in Shanghai recently between the Kogyo Bank and the Aoki Development Co. of Japan on the one hand and the Bank of China and the Minhang Hongqiao Development Co. in Shanghai on the other to build the Taipingyang (the Pacific) Hotel, a five-star lodging, with a total investment of US\$60 million.

This is just one example of the growing co-operation between the Bank of China and its Japanese counterparts. The Bank of China has now established business relations with 56 Japanese banks. Meanwhile, 23 Japanese banks and five insurance companies have established 50 representative offices in China.

More than 25 years ago the Bank of China established money order agreements with a dozen large Japanese banks. That relationship promoted the growth of Sino-Japanese trade. Trade between China and Japan reached US\$5.1 billion in 1978, and it shot up to US\$12.4 billion in 1984, a 240 percent increase. Financial co-operation between the two countries has also blossomed.

The record speaks for itself:

— Between 1979 and 1984, the Japanese government granted low-interest loans amounting to 300 billion Japanese yen (US\$1.2 billion) to China. The government also agreed in 1984 to extend low-interest loans totalling 474 billion Japanese yen (US\$1.9 billion) to China over the coming five years. These loans are to be used to upgrade and build harbours and rail-ways.

- The first group of loans totalling 420 billion Japanese yen (US\$1.68 billion) provided by the Export and Import Bank of Japan has yielded fruitful results. By the end of last year, the Export and Import Bank had signed another agreement to provide the Bank of China with loans totalling 580 billion yen (US\$2.32 billion).
- The Bank of China signed two agreements with non-governmental Japanese banks in 1979 and 1982. Loans totalling 70 billion yen (US\$280 million) have been used by the Baoshan Iron and Steel Complex in Shanghai and the Daqing Oilfield in northeast China.
- Over the past four years, China has issued five sets of bonds

totalling 85 billion yen (US\$340 million) on the Japanese capital market.

- From 1982 to 1983, the Export and Import Bank of Japan granted 5 billion yen loans (US\$20 million) each year to the Bank of China for the technical transformation of small and medium-sized enterprises.
- The Bank of China has imported Japanese equipment for small and medium-sized projects through compensatory trade and lease deals.

In addition, the Bank of China and some Japanese banks have pooled funds in establishing a number of joint ventures, such as the China Globe Leasing Co. Ltd., CCAC Finance Ltd. and the Kincheng Banking Corp.-Bank of Tokyo Finance Co.

Chemical Bank Expands Business



George W. Brain.

Chemical Bank, the sixth largest bank in the United States, recently granted a loan of US\$5 million for the construction of the Jingan Sheraton Hotel, a joint venture in Shanghai.

A representative office of the 160-year-old bank was established in Beijing in 1983. But prior to that date, the bank had business relations with several Chinese banks and had extended loans to China's shipbuilding industry.

The representative office, housed in the Jianguo Hotel in Beijing, is staffed with three Americans and one Chinese employee. According to George W. Brain, general manager of the Beijing office, the bank has three principles guilding its business in China:

• Chemical Bank is taking a long-range view. The bank under-

stands the cautious attitude taken by China in borrowing money from abroad, and it is confident that new, more open economic policies will gradually take hold.

- As a large overseas bank, Chemical Bank plans to play an important role in providing expertise and financial support to boost foreign trade and international investment in China.
- The bank seeks to have a better understanding of China's laws and regulations, economic structure and priority projects so as to assist clients who want to expand their business in China.

Since the establishment of its Beijing office, Chemical Bank has dramatically expanded its business dealings in China. Last year, it extended loans to a number of financial enterprises, shipping firms and investment companies. For instance, it provided an 8-year, US\$50 million loan to a shipping company for the purchase of four vessels. By the end of last year, the bank had extended loans totalling US\$142 million to Chinese undertakings (not including loans amounting to US\$354 million that have not been drawn).

plants; the development and processing of various metals and non-metallic resources; and the exploitation and utilization of hydropower and coal. The area will also be further opened to tourists. Initial efforts will concentrate on the medicine industry, based mainly on locally grown ginseng and deer antlers, and the construction of a wine-producing centre.

The Changbai Mountains cover an area of 94,600 square kilometres. There are rich deposits of minerals including gold, nickel, silica and diatomite.

Netherlands Holds Exhibition in Beijing

An eight-day Netherlands agricultural exhibition, the biggest of its kind in China, was held in Beijing from May 16 to 23.

Ninety Dutch companies participated in the show. Displayed at the 4,000-square-metre exhibition centre were technology and equipment for land reclamation, drainage and irrigation, horticulture, crop cultivation, storage and pro-

cessing of agricultural products and livestock breeding. During the exhibition 30 technical seminars were also held.

Agricultural co-operation between China and Holland began in 1978 and 13 agricultural projects are currently under way.

NEWS IN BRIEF

• Twelve joint projects will be built in Xinjiang this year. Involving US\$50 million in foreign capital, they include a Xinjiang-US cotton mill with an annual output of 4.07 million metres of yarn; a livestock products processing venture financed with a Canadian firm in the southern part of the Junggar Basin; a medicinal materials company funded by two Japanese firms and Xinjiang; a Xinjiang-US factory processing 10,000 tons of potatoes a year and expanding a cement plant with equipment imported from Japan, which increases output by 700,000 tons annually.

The northwest China autonomous region has already completed 14 projects involving US\$60 million in overseas investments.

Development Plans For Mt Changbai

Jilin Province, in northeast China, has decided to co-operate with foreign investors in developing natural resources in the Changbai Mountains. The province has valuable reserves of timber, medicinal herbs, minerals and energy. It is also a potential tourist area.

The province's plans urge the protection, development and utilization of forests, animals and



Soprano Blends Korean, European Styles

Soprano Fang Chushan has long been more than the pride of her Korean ethnic group. By blending the Korean song styles with European vocal techniques, she has captured the imagination of music lovers across China.

During a recent concert at the Nationalities Cultural Palace in Beijing, her fans were so caught up in her emotional singing and folk dancing performance that they jumped up onto the stage to join in on the fun. Fang's rich, sweet voice produces song for just about everyone, as her Beijing concert included everything from Korean folk songs and modern creative works to classical arias and Japanese songs.

Fang, a member of New China's first generation of artists, joined an army song and dance troupe as a 14-year-old student during the Liberation War in 1947. She was

eager to display her singing, dancing and drama talents for the soldiers and civilians in the liberated areas.

In the early 1950s, Fang and her colleagues became members of the Yanbian Song and Dance Troupe. Yanbian Korean Autonomous Prefecture, located in northeast China, is home to half of China's 1.76 million minority Koreans. Korean performing arts were the focus of the troupe, and Fang helped the art forms develop and prosper.

Fang's masterpiece, Maiden's Song, depicts the story of a young man courting his girlfriend after a bumper harvest. Using her humorous style, the soprano reflects the boy's eagerness and the girl's coyness. Their youthful vigour and spirit are vividly portrayed.

Fang established her Beijing reputation with Maiden's Song in the early 1950s and won a silver medal at the 1957 Moscow International Vocal Competition, which had participants from more than 100 countries and regions. Thirty years have passed, but she continues to charm audiences with this simple love song.

Looking back on her long road to success, Fang said she owes her achievement to strict formal training, especially her years in the Central Conservatory of Music between 1959 and 1962 when she studied under Guo Shuzhen, an excellent soprano. From Guo, Fang learnt European vocal techniques, and thus improved her ability to express the emotions of her songs.

The other teacher Fang can never forget is her native land. By learning from the land and the people of the Korean prefecture. Fang has been able to convey the rich ethnic traditions through her art. In her 28 years of performing in Yanbian Prefecture, she has taken her songs to the villages, to the mountains and to the rivers. As she performed, she also stopped here and there to learn from the local minstrels and folk singers. During her travels she has collected some 100 pieces of folk music. She

Paintings by Children

China's ancient tradition of artistic creation lives anew each day in its children. Under the watchful eyes of professional artists and teachers, thousands of budding painters attend sparetime classes in schools and Children's Palaces throughout the country to learn the techniques they will need to make their visions reality.

The most promising see their works exhibited in the national contests and art shows that have been held annually since 1982. Many take part in international events such as the United Nationssponsored International Telecommunications Year Children's Painting Contest, or the 1984 International Olympic Children's Painting Contest.

The National Centre for Children's Activities in Beijing holds 10 to 15 shows a year of works by young people from schools throughout China and countries overseas. This May, the centre hosted an exhibition of paintings and calligraphy by children from Nanjing. (See centrefold).



has also developed a unique ethnic opera style in which she mixes spoken lines with singing. And by blending her native Korean music with European vocal techniques, she has come up with a unique performing style.

Over the past 10 years, Fang has been teaching young singers and performing solo with the China Broadcasting Art Troupe in Beijing. She occasionally travels back to her homeland to attend local festivals.

35th Anniversary Of 'El Popola Cinio'

The Esperanto Magazine El Popola Cinio celebrated its 35th birthday in Beijing in May.

The illustrated monthly is read in more than 80 countries.

In recent years, its staff have added some new columns including "5,000 Years of the Chinese Nation," "Ancient Cultural Cities in China," "Travel in China" and "My Life" to help introduce China's history, people, landscape and economic development to their readers. They have also covered Esperanto movements worldwide and published articles on topics of common concern such as energy, old age and environmental protection. For all this, El Popola Cinio has been considered one of the world's finest Esperanto magazines.

El Popola Cinio also publishes books in Esperanto. In 1981, its staff established the China Esperanto Press to release volumes written in or translated into Esperanto. Its publications have included works of literature, the "Phoenix Books" series on China, pictorials, children's books, Esperanto textbooks and dictionaries.

Espertanto was introduced into China in 1911. Since the founding of the People's Republic, Espe-

ranto associations have been founded in nearly all of China's provinces, municipalities and autonomous regions. The language is now being taught in 32 universities and 15 correspondence schools. Four local broadcasting stations have begun teaching Esperanto by radio, and an Esperanto programme is broadcast by Radio Peking. More than 200,000 Chinese are studying Esperanto.

The China Esperanto Association officially joined the Universal Esperanto Association in 1981. The universal association will hold its 71st International Esperanto Conference in Beijing in 1986.

Ballet Based on Ancient Drama

The Peony Pavilion, a dance based on a drama by the Ming Dynasty playwright Tang Xianzu (1550-1616), was recently staged in Beijing.

Adapted by artists of the Music and Dance Theatre of Guangdong Province, *The Peony Pavilion* depicts the love story of a girl who pursues happiness and opposes the feudal marriage system of ancient China.



Faithful to the 16th-century original, the dance depicts Du the peony Liniang's visit to pavilion, where she falls asleep and dreams of meeting and falling in love with a young scholar, Liu Mengmei. After she wakes up, she is reprimanded by her parents for going to the pavilion alone. Wanting to return to her dream but unable to do so, she becomes depressed and dies. At the same time, though, the young scholar has the same dream. Their pure love touches the heart of a god; with his help, the girl comes back to life and the couple marry happily.

Using innovative staging to describe the girl's sorrows, hopes and struggles, the dance vividly brings its ancient story to life. In her dream, for instance, she sees two young couples, both are actually herself and Liu Mengmei. One couple fervently pursues freedom and happiness, while the other remains obedient to feudal ethics. The contradiction is underlined in several pas de deux, especially the one in which the heroine and her father quarrel over her quest for happiness.

Chen Ailian, 45, a noted dancer in the China Opera and Dance Drama Theatre, is the choreogra-

pher. She also played the leading role in the Beijing performance.

The Peony Pavilion was written by Tang Xianzu, a contemporary of Shakespeare. It occupies an important position in the history of Chinese literature and has been translated into Japanese, German and English.

Shuttlecocks Gain Popularity in China

Wang Yongsheng, a 76-year-old former Beijing Jade-Carving Factory worker, is proud that he has never been bothered by the diseases and aches and pains that plague many elderly people. Despite his age, he is ruddy-faced, agile and forever a tower of strength. He attributes his good health to his hobby of 56 years — shuttlecock kicking.

Wang is only one of the thousands of shuttlecock fans in Beijing. They are often seen practising in parks, never failing to draw oohs and aahs from onlookers as they display dazzling footwork. They jump, squat and twist their bodies, volleying the shuttlecocks into the air in intricate patterns, never letting them touch the ground.

Shuttlecock kicking dates back

Hot competition among Army shuttlecock fans



to the Han Dynasty some 2,000 years ago. Over the centuries it has grown increasingly popular with the Chinese. Today it is a favourite pastime for primary and middle school students.

Last year the State Sports and Physical Culture Commission designated shuttlecock kicking as a formal contest sport, and in this April China held its first national championship.

The game calls for a combination of personal skill and well-orchestrated teamwork. Players generally propel the shuttlecock with kicks, although they can also use any part of the body except the hands and arms to deflect or project the shuttlecock. Two teams of three persons square off on a court 12 metres long by 6 metres wide divide by a net 1.5 metres high. Players must score 15 points to win a game and a match is the best out of three games, very much like a badminton match.

The shuttlecock is made of a spread of eagle feathers held together with a tiny tube protruding from a base made of two round metal pieces wrapped with three layers of goatskin. In the past, such shuttlecocks were handmade, but now machines do the task. Last year a Beijing factory made 50,000 shuttlecocks, all of which were snatched up shortly after they appeared on the market.

Parachutists Show Their Potential

Chinese parachutists Li Guangqiang and Li Rongrong took the men's and women's individual stunt jump titles at the 1985 Chengdu International Parachuting Tournament in April. Li Rongrong also came first in the individual accuracy jump to become the women's all-round champion, while sharing the women's group accuracy jump title with her teammates. The men's individual accuracy jump title was held by Li Hong.

The tournament drew 45 competitors from the Democratic People's Republic of Korea, Japan and three Chinese teams. The event was, after all, the continuation of a success streak for the Chinese athletes.

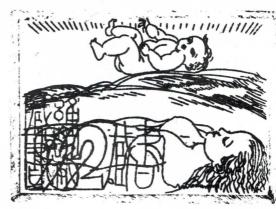
In June 1982, for example, Zhang Jianzhong of Sichuan Province set a world sky diving record by completing a set of required manoeuvres between 1,800 metres and 2,000 metres above the ground in 5.6 seconds in the individual stunt parachuting event. The event requires players to finish their compulsory movements in the shortest possible time after jumping out of the plane.

China has also come a long way in group stunt event. This event requires four participants to descend in a ladder-like formation, one on top of the other, switching places as often as possible within a three-minute limit. The Chinese team is capable of completing 21 patterns, and is now considered one of the best in the world.

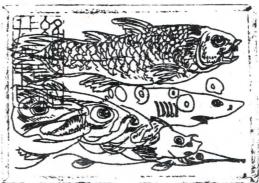
Chinese women parachutists earned a gold, a silver and three bronze medals in an international stunt parachuting tournament in France last year.

All these achievements have prompted China to include parachuting in its Sixth National Games in 1988. The sport has previously been featured in exhibitions, but only recently won-recognition as a regular event.





Bookplate Illustration.



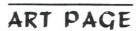
Bookplate.

Illustration for a Foreign Poetry Anthology.

Copperplate Engravings by Wang Weixin

Born in 1938 in Wenzhou, Zhejiang Province, Wang Weixin is now teaching at the Central Academy of Fine Arts in Beijing.

Wang studied traditional Chinese art since childhood, and its influence pervades all his work. He is now searching for the perfect blend of Western copperplate engraving and traditional Chinese painting.



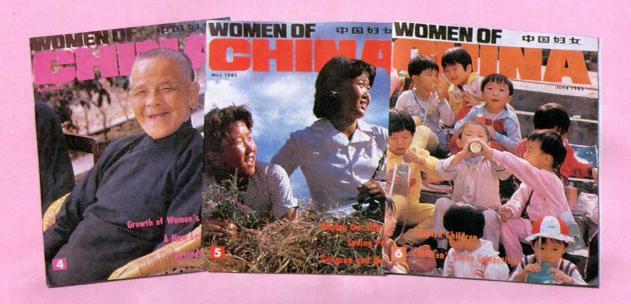


Swan.

Meet Chinese women through

WOMEN OF CHINA

(an English monthly)



Women's independence and emancipation — portrayal of women at various posts;

Marriage and family—husband and wife sharing ideals; respect for the elderly...care for the young;

Family planning — late marriage ... birth control ... one-child family;

Child education—stress on moral, intellectual, physical and aesthetic development;

Women in Chinese history and legends;

Short stories, paintings, handicraft, drama, film and dance. 18 pages of colour illustrations.

Good News!

All new subscribers to WOMEN OF CHINA will get a Chinese gift with compliments from the editorial board. Enter your subscription NOW!

WOMEN OF CHINA

Subscription Order

Please send this order and payment to your local dealer or to CHINA INTERNATIONAL BOOK TRADING CORPORATION (Guoji Shudian), P.O.Box 399, Beijing, China.