

北京周報

A CHINESE WEEKLY OF NEWS AND VIEWS

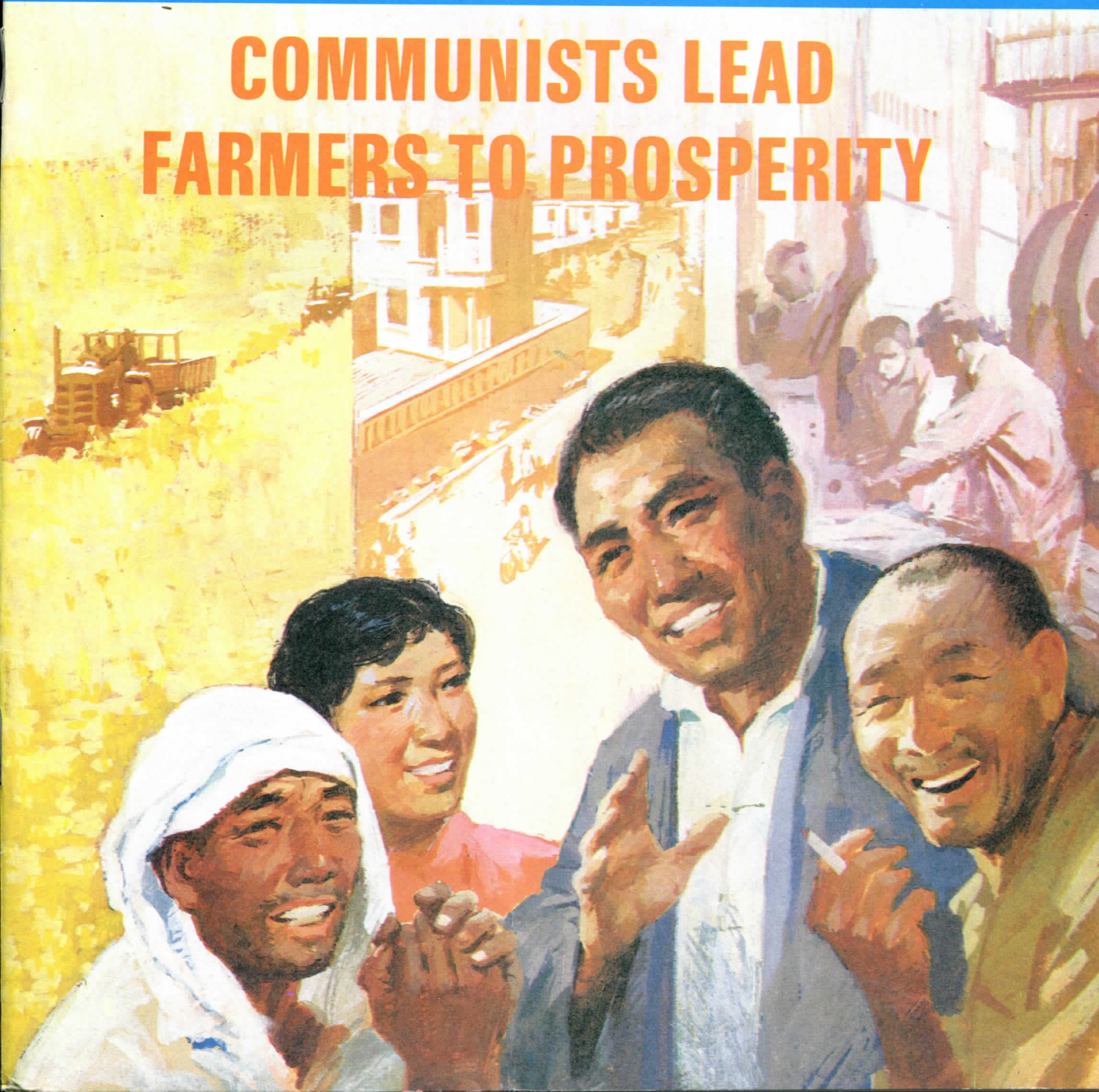
Beijing Review

Vol. 29, No. 26

June 30, 1986

HOW CHINA CARES FOR ITS ELDERLY

COMMUNISTS LEAD FARMERS TO PROSPERITY



Economic Reform Brings Prosperity to Pearl River Delta

Xinhui County's Polyester Fibre Factory has introduced technology and equipment from abroad to all its workshops, including this polyester filament shop.



The Nanhua Video and Computer Software Factory in Shunde County is a joint venture of a Shunde company and a Hong Kong firm. All its products, including those from this video tape workshop, are exported.

New houses have been built throughout the rural areas of the Pearl River Delta.



The Zhujiang (Pearl) River Delta in central-south Guangdong Province, traditionally a rich agricultural area, has become an important export production base as a result of the recent economic structural reform. The delta of 11,000 square kilometres consists of 13 counties and 3 cities.

Sugar-cane fields in Doumen County, one of Guangdong Province's main cane sugar producers.

SPOTLIGHT





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COVER: A Suzhou garden.	
photo by Xu Xiangjun	

HIGHLIGHTS OF THE WEEK

Communists Help Fellow Farmers Prosper

■ Though many Communist Party members in the countryside have worked hard for collective prosperity, others have sought their own fortunes at the expense of others. Criticized by the Party and the people, most of the self-interested members have begun mending their ways and are helping other villagers prosper (p. 14).

Hu Says Marxism Is Not Dogmatic

■ "Marxism is not an immutable, rigid dogma and it must be constantly enriched and developed in practice," CPC General Secretary Hu Yaobang said in a speech June 21 to Italian CP officials. Communists must be willing to reject or replace Marxist concepts that are either outdated or have proved to be inapplicable, he said (p. 6).

South African Emergency Law Will Backfire

■ The emergency law announced by the Pretoria regime on June 12 will do nothing to defuse the growing tension that engulfs South Africa. Such oppressive tactics can only spark more hatred for the nation's institutionalized racism (p. 10).

Export Production System In the Works

■ China is working to establish an export production system to increase the competitiveness of its exports, eliminate the trade deficit and boost foreign economic and technological exchanges (p. 4).

Life for the Elderly in Shanghai

■ Because of looming increases in its elderly population, China is now faced with the challenge of extended geriatric care. Shanghai has met that challenge with a special programme that combines attending to the needs of the elderly and aiding the city's economic growth (p. 18).

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

Distributed by China International Book
Trading Corporation (GUOJI SHUDIAN),
P.O. Box 399, Beijing, China

Subscription prices (1 year):
Australia..... A.S 22.00 USA US\$ 22.00
New Zealand... NZ. 530.00 UK £12.00
Canada..... Can. \$21.00

New Network Boosts Foreign Trade

by Zhang Zeyu

China is working to establish an export commodity producing system to increase the competitiveness of its exports and eliminate its trade deficits of the last two years.

During the Sixth Five-Year Plan period (1981-85), China's total value of imports and exports reached US\$229.4 billion, doubling the figure of the previous five-year plan period (1976-80). Imports and exports were well-balanced, with a surplus of US\$800 million. In 1985, however, as a result of a 54.2-percent increase in imports and only a 4.7-percent increase in exports, the trade deficit, which was negligible in 1984, grew to US\$14.9 billion (according to statistics provided by China's customs offices).

The factors accounting for the steep rise in imports are not hard to control, but much needs to be done to cope with sluggish increases in exports, which can be attributed to inadequate varieties of goods for export, poor quality and unstable supplies.

During the new five-year plan period, China will establish a network of production centres and factories each specializing in a single export commodity in coastal regions and other developed areas. These bases will also be capable of providing information and technical service and engaging in scientific research and transportation.

At a national symposium held recently in Qingdao, Shandong Province, specialists said that the export production network should have the following characteristics:

■ Its commodities must be competitive and geared to the world market.

■ Biddings will be called so as to decide, through careful examination and screening, what commodities and enterprises may participate in the export production network.

■ Those enterprises or units that join the production network must function under an independent accounting system and co-operate with each other according to a reasonable division of labour, free from restrictions of their original administrations.

■ Enterprises that join the association may retain their original form of ownership. The association can be loosely organized; it may also be established on a firmer basis by pooling funds and buying shares, or forming conglomerates.

The composition of China's export commodities has undergone considerable changes, with industrial goods outnumbering agricultural and sideline products. Of the total export value of US\$115.1 billion during the Sixth Five-Year Plan period, the value of heavy industrial goods accounted for 44 percent, a 180-percent increase over that of the Fifth Five-Year Plan period (1976-80); textiles and light industrial goods made up 39.4 percent, an 82.4 percent rise; agricultural and sideline products represented 16.6 percent, up 42.8 percent. It is expected that this trend will continue through the new five-year plan period.

According to a decision made by the State Council in August 1985, enterprises in China's export commodity production network will be divided into three categories according to their lines of production — mechanical and electrical products, textiles and

light industrial goods, and farm and sideline products. The State Economic Commission, the Ministry of Machine-Building Industry, the Ministry of Foreign Economic Relations and Trade and the Ministry of Agriculture, Animal Husbandry and Fishery will present developmental programmes for each category. Programmes for the production of mechanical and electrical products and for agricultural and sideline products have been approved for implementation by the State Council. A programme for textiles and light industrial goods is in the making.

In the past 10 years or so, China has set up 33 comprehensive export commodity production bases nearly 100 enterprises each producing a single agricultural or sideline product, more than 90 factories (workshops) specializing in the production of industrial export goods, and several hundred export production enterprises that integrate industry with trade or operate in co-operation with each other. In addition, the Ministry of Foreign Economic Relations and Trade has more than 800 production and processing enterprises under its own management. The export commodities produced by these bases and enterprises account for 20 percent of China's total volume of export commodities. The establishment of the export commodity production network will provide China's foreign trade with reliable sources of cheap and quality export goods, thereby sharpening the competitiveness of China's products on the international market and fortifying their abilities to make profits in foreign exchange, and help China balance its imports and exports.

Hu Continues West European Tour

Chinese Party leader Hu Yaobang said in Paris recently that Sino-French relations were bound to reach new heights and would continue to develop in a stable manner on a long-term basis.

Hu arrived in Paris on June 16 for a four-day official visit. In France, the first European nation to establish diplomatic relations with New China, Hu said there was a special relationship between China and France. The Chinese Party leader quoted from the late French President Charles de Gaulle: "It is imperative for France and China to develop their relations and expand their co-operation."

"The far-sighted decision of General de Gaulle and Chairman Mao to establish diplomatic relations has been very beneficial," Hu added.

Since China and France established diplomatic ties in January 1964, three French presidents have visited China and two Chinese premiers have gone to Paris on official visits.

Sino-French trade volume reached more than 11.4 billion French francs in 1985, increasing 29 times over 1964. Last year, more than 30 contracts on technological co-operation were signed between the two countries.

During his stay in Paris, Hu held talks with French President Francois Mitterrand, Prime Minister Jacques Chirac and other political party leaders, including French Socialist Party leader Lionel Hospin and French Communist Party General-Secretary George Marchais.

Their discussions included such subjects as Sino-Soviet relations, China's policies on nuclear arms

and nuclear energy and Sino-Vietnamese relations. Hu also held consultations with his hosts on major international issues.

On June 19, Hu arrived in Rome, for the last stop of his four-nation European trip. There Hu held talks with Italian Prime Minister Bettino Craxi.

Speaking at a welcoming banquet, the general secretary said Sino-Italian relations had witnessed rapid development in recent years.

"As an Asian country China is concerned about peace and stability in Asia. But it is also concerned with peace and stability in Europe and the Mediterranean, because they are linked with world peace," Hu told his hosts.

Craxi said Hu's visit indicated the importance of consultation

CPC General Secretary Hu Yaobang meeting with French President Francois Mitterrand.

QI TIEYAN



between the European Community and China.

"Italy and China share encouraging similar views on all major international issues, especially on the questions of peace, stability and security," Craxi said.

While in Italy, Hu also paid a return visit to the Italian Communist Party General Secretary Alessandro Natta, who visited China last year. On June 20, Hu met with Italian President Francesco Cossiga.

Italy has been China's second major European trade partner, next only to West Germany, since



Chinese Party leader Hu Yaobang present at a red-carpet welcome given in his honour by Italian Prime Minister Bettino Craxi (right).

Hu: Marxism Not Dogmatic

Chinese Communist Party General Secretary Hu Yaobang says that to develop Marxism outdated theories must be rejected and the latest achievements of all humanity must be incorporated into it.

"Marxism is not an immutable rigid dogma and it must be constantly enriched and developed in the course of practice," he told a group of officials of the Italian Communist Party on the afternoon of June 21.

Hu said communists, while adhering to fundamental principles, must be good at rejecting or replacing individual Marxist concepts that are either outdated or proved through practice to be inapplicable.

He stressed that experience has shown there is no fixed formula for how different countries should adopt socialism and how they should build socialism. There are no ready answers in books, he said.

The general secretary said that it is no exaggeration to say that the sincere and friendly relations

between the Communist Party of China, the biggest in the world with a total of about 40 million members, and the Communist Party of Italy, the biggest in Western Europe with a membership of nearly 1.6 million, is a model of party-to-party relations.

The two Parties were founded coincidentally in the same year, 1921. Since then, they have been in constant contact most of the time. The visit by Enrico Berlinguer, then General Secretary of the Italian Communist Party, in 1980 is said to have raised ties between the two Parties to a new stage.

Hu said that there are three reasons why the two Parties have established such close relations.

"First, both adopt a scientific approach towards Marxism," he said. And second, both have staunchly represented the fundamental interests of the people of their countries and the world at large in international affairs.

"Both our Parties realize from our own experience that the interests of our peoples at home are fundamentally in conformity with those of the peoples of the rest of the world," he said, noting that safeguarding national independence, seeking social development and striving for world peace

are the common aspirations of mankind as well as the irresistible trend of history.

"We communists, proceeding from the fundamental interests of the people, must be in conformity with this trend. This is the only way to strengthen and expand our ranks," Hu said.

In international affairs, Hu emphasized, the two Parties have always decided their own positions independently.

His third reason for good relations between the two Parties is that both stick to the correct principles that should guide inter-party relations.

Hu pointed out that the Italian Communist Party was among the first to advocate that all parties be independent and that there should be no "centre" of the international communist movement.

He said that it is quite normal for parties to hold different views and take different actions on various questions.

"No party should use its own judgement as a criterion for judging the truth and impose it upon other parties," Hu said.

"Nor should any party take advantage of its relations with another party to oppose a third party," he added.

1985, when the total value of bilateral trade between the two countries exceeded US\$1.1 billion, an increase of 100 percent over the previous year. ■

NPC Examines Draft Land Law

A draft land management law has been submitted to the 16th meeting of the Standing Committee of the Sixth National People's Congress, which is now under way.

The law, which is China's first piece of land legislation and is meant to contribute to the nation's economic and agricultural development, is aimed at stopping indiscriminate use of precious farmland.

At present, land abuse in China is widespread. Some localities have even left land to waste. According to incomplete statistics, from 1949 to 1983, China's cultivated land area was reduced by about 800,000 hectares each year. In 1984, the figure jumped to about 1.2 million hectares. Most of the land was being used for non-agricultural purposes. During this time, some individuals and state land development companies were also found profiting illegally from land deals.

In addition, farmers in some of the more economically developed areas have gradually lost interest in farming and have turned to other occupations, leaving their once fertile farmland neglected. This not only lowers the country's grain output, but also poses a major hidden threat to the development of the national economy as a whole. Because of this, members of the Sixth National People's Congress Standing Committee have acted with urgency in trying to enact a land law that will strengthen land management.

At the meeting, Peng Dixian, vice-chairman of the Sichuan

Provincial People's Congress Standing Committee, said because agriculture is the foundation of China's economy, it is imperative that the nation reinforces its land management.

"Units that fail to cultivate farmland within six months should be fined for wasting land resources," he said. "The fines can be used for farm improvements or for water conservancy projects," he added.

Shen Hong, vice-chairman of the NPC Law Committee, suggested calling the new law the "land management law" rather than the "land law" to emphasize China's need to regulate the use of its land. The meeting accepted his suggestion.

The present NPC Standing Committee session has also examined a draft bankruptcy law as well as regulations on violations against public order and diplomatic privileges and immunity. The NPC Standing Committee members have also heard some reports, including a report by Finance Minister Wang Bingqian on the 1985 final state financial accounts and a report by Auditor-General Lu Peijian on the 1985 auditing work. ■

Water Conservancy Gets Urgent Review

Greater attention must be paid to the construction of water conservancy facilities in the countryside to help develop China's agriculture, Vice-Premier Tian Jiyun said recently.

Upon hearing the report on a meeting on water conservancy efforts in the countryside, Tian said that China's agricultural development in the future depended on its reserve strength. One of the significant features to the gain in reserve strength was to increase "input" in agriculture, he said. "More input in agriculture, in a sense, means more investment

News in Brief

The draft of China's first bankruptcy law was submitted to the Standing Committee of the 16th meeting of the Sixth NPC Standing Committee in Beijing on June 16. The law is intended to encourage competition, allowing enterprises to succeed or be eliminated, and serve as an incentive to improve management. It applies to state-owned firms as well as collective and individual enterprises.

■ ■ ■
Wang Xijue, the Taiwan pilot who flew a cargo jumbo jet back to the mainland last month, has been appointed deputy director and deputy chief pilot of the Beijing branch of the Civil Aviation Administration of China. Wang diverted his China Airlines Boeing 747 cargo jet to Guangzhou on May 3. Two other crewmen eventually returned to Taiwan following talks between Taiwan's China Airlines and the CAAC.

■ ■ ■
The government has urged all local officials to do their best to encourage farmers to sell grain and edible oil to the state. A State Council circular says local grain departments should launch a mass publicity drive advertising state purchasing policies. "All farmers and local officials must understand that in normal harvest years they should fulfil the grain contracts they have signed with the government," the circular says.

in rural water conservancy," he added.

China had achieved great progress in agriculture since 1979 as a result of the rural economic reforms and water conservancy projects built in the past 30 years, Tian said. "But the foundation of China's agriculture is still very weak and many areas have to depend on the weather for food," he noted. "Drought and floods still plague agricultural production."

To make things worse, Tian said, little investment has been put into water conservancy projects in the last few years, and maintenance and management of the existing projects have been poor.

Tian pointed out that while it was necessary to increase investment in new water conservancy projects, it was also very important to improve maintenance and management of the existing facilities, so as to bring into full play their potential.

Tian called for greater efforts among the grass-root organizations and authorities in charge of water conservancy.

After the founding of the People's Republic in 1949, great attention has been given to water conservancy. A large number of water conservancy facilities have been built, playing a positive role in combating floods and droughts. The recent slack of efforts in this field is due to the mistaken belief that the water conservancy problem has been solved and that agricultural development is no longer dependent on these projects. Maintenance, on top of management, has been neglected. Man-made damage has become a serious problem. Some towns or villages have built roads, opened mines and built factories at the expense of their water conservancy facilities. And some people have broken the law by stealing equipment and vandalizing the facilities.

These factors combined have caused a dramatic reduction of irrigated areas—a net decrease of 985,000 hectares from 1980 to 1985.

Chinese Leaders Honour the Rongs

Chinese leader Deng Xiaoping met with more than 200 members of the Rong family in Beijing on June 18, and praised their contributions to China.

"The Rong family has made great contributions to the development of our nation. You have rendered great services to the country," Deng told the relatives of Rong Yiren, chairman of the board of the China International Trust and Investment Corp. and vice-chairman of the Standing Committee of the Sixth National People's Congress.

Prior to the 1949 liberation, the Rongs owned flour and textile mills, and machinery plants in East China, and were an integral part of the development of China's modern industry.

The 200 Rong family members came to China for the reunion from Australia, Brazil, Canada, the Federal Republic of Germany and the United States, as well as Hong Kong and Macao.

Deng told the Rongs, some of whom left China after the liberation, "it is a happy event that your family has returned for a reunion. We hope someday the whole nation will reunite."

Deng invited the Rongs to return again in two or three years to see the changes in China and how it is progressing. "Our country is full of promise," Deng told the Rongs. He said he hoped all people of Chinese descent who live abroad will take part in China's development.

"Many of us wish to do our bit for China," Rong Erren, Rong Yiren's elder brother, told Deng.

When meeting with the Rong family on the same day, Peng Zhen, chairman of the Standing Committee of the Sixth National People's Congress, said their contributions to the national industry of China will go down in history. China's national economy has made great achievements over the past several decades, and it bears the influence of the Rong family, he said.

Both Deng and Peng encouraged the Rongs to tour China to see not only the achievements but also the problems, and to give their suggestions and comments.

Laurel Leaves With Support

This visit was indeed very successful," said Salvador H. Laurel, vice-president and foreign affairs minister of the Philippines, as he left Beijing for Manila on June 18 after his four-day visit to China.

As the first high-ranking official from the Philippines to visit China since the new government took power, Laurel and his party were given a warm welcome by the Chinese leaders. "I will bring with me not only the message of goodwill from the Chinese government and the Chinese people," Laurel said at a press conference before his departure, "but also their concrete expression of support and understanding of our current efforts for national economic recovery and growth."

During his trip, Laurel was assured by the Chinese leaders that they fully recognized the problem of the trade imbalance between the two countries, and that the Chinese government was taking positive steps towards solving the problem.

A 28-man Chinese trade mission has been sent to Manila for talks with the Philippine government on measures to expand the variety and to increase

the volume of current Chinese imports from the Philippines.

Laurel also reached an agreement with the Chinese government for formal discussions on the opening of a Philippine consulate in Xiamen and a Chinese consulate in Cebu City, the Philippines.

Laurel was assured of the firm support of the Chinese leaders for the Aquino government. When meeting with Laurel on June 16, Chinese Premier Zhao Ziyang said he believed the Philippines could look forward to domestic stability and economic development under the new government.

Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, said at a meeting with Laurel on June 17 that China was happy that the Philippine people had chosen as they did in February. He also added that President Corazon Aquino was welcome to visit China at any convenient date.

Deng said relations between the two countries had been almost problem-free, and that cooperation between China and the Philippines would continue to develop.

Laurel expressed his gratitude for China's timely sympathy, understanding and support for the new Philippine government, which was recognized by the Chinese government almost immediately after its formation. China sent a government cultural delegation to sign the first agreement with the new government one week after it came into power, Laurel said.

The Aquino administration is committed to developing relations between China and the Philippines, Vice-President Laurel said.

Laurel also briefed Chinese leaders on the domestic situation in the Philippines.

This was Laurel's third visit to China, the previous two being in 1972 and 1979.

Chairman Deng Xiaoping meets with Salvador H. Laurel, vice-president and foreign affairs minister of the Philippines.

PHOTO BY AP/WIDEWORLD



China & the World

■ **Date Set for Talks on Macao.** The Chinese Foreign Ministry on June 16 said in a press communique that the governments of China and Portugal have decided that the first round of talks on Macao will be held on June 30 and July 1, 1986 in Beijing. According to an earlier report, the delegations are to be headed by Chinese Vice-Minister of Foreign Affairs Zhou Nan and Portuguese Ambassador Rui Barbose Medina.

■ **China to Host World Religion and Peace Meeting.** China will host the first meeting of the International Council of the World Conference on Religion and Peace later this month in Beijing. More than 120 representatives of 11 religions from 30 countries and regions are expected to attend the meeting. The meeting will be the first held in China by an international religious group since the founding of the People's Republic in 1949.

■ **China's Party Delegation to attend Yugoslav Party Congress.** The Communist Party of China (CPC) will send a delegation led by Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, to the 13th Congress of the League of Communists of Yugoslavia (LCY), to be held June 25-28. In recent years, the CPC has sent delegations or representatives to attend the congresses of the Romanian Communist Party, the LCY, and the Italian and French Socialist Party and some progressive parties in Africa.

SOUTH AFRICA

The Emergency Law Condemned

Just prior to the 10th anniversary of the Soweto Massacre, South African authorities declared a nationwide state of emergency, arousing indignation of much of the world.

The South African authorities on June 12 declared a nationwide state of emergency in an attempt to quell violent black opposition. More than 1,000 anti-apartheid activists, priests and leaders of anti-apartheid organizations were detained in pre-dawn swoops by police on their homes or offices before the announcement.

The emergency law empowers police to arrest people without warrants, impose curfews, seize property, seal off areas and ban news reports of racial unrest. It also indemnifies police and troops against lawsuits.

Despite the state of emergency imposed by the Pretoria regime,

South Africa on June 16 saw the biggest-ever strike by blacks in history to commemorate the 10th anniversary of the Soweto uprising. Hundreds of thousands of blacks stayed away from their jobs in South Africa. Streets of black townships were reported deserted, with most residents staying in their homes. A black reporter who toured Soweto said: "It is the quietest June 16th since 1976. The whole of Soweto is like a graveyard. One could say Soweto is in deep mourning."

Before the announcement some anti-apartheid organizations called on South Africans of all races to attend mass rallies and

stay away from "any form of work" on June 16 to commemorate the Soweto student uprising. Many anti-apartheid activists have also vowed to defy an earlier government ban on commemorating the event.

On June 16, 1976, 15,000 black students in Soweto, a township near Johannesburg, protested against enforced use of Afrikaans as the language of instruction in black schools. This language of the country's dominating white minority was labeled "the language of the oppressor."

South African police fired on the protesters, and as protests spread across the country over the next year, about 600 blacks were killed by police.

Since then the day has been marked every year with gatherings and demonstrations, which have often turned violent because of police suppression.

As the day approached this year, the South African authorities tightened security and braced for a possible explosion of violence. A sweeping nationwide ban on indoor anti-apartheid meetings was imposed earlier this month after outdoor meetings were already banned.

In addition to those measures, the South African regime has been trying to push two laws through parliament before June 16 in order to get more extensive powers to curb black opposition.

One would give Law and Order Minister Louis le Grange sweeping powers in any district he declared an "unrest area" and indemnify security forces from civil or criminal suits. Another would allow senior police officers to detain people without charges for 180 days, compared with the current 14-day rule.

But Pretoria's white government failed to win approval from the tricameral parliament's two chambers for the coloureds and Indians.

Under such circumstances, South Africa again resorted to

South African police dispersing student demonstrators in Johannesburg.



emergency law. This is the second time within a year that South Africa has imposed emergency law to stamp down the black struggle against apartheid.

During the previous partial emergency law, which was imposed last July and lifted last March, more than 800 people were killed and thousands of the other wounded in police actions, while another 8,000 people were detained.

The government, however, failed to get the turmoil under control. In fact, resistance grew in scope and intensity while the law was in effect.

The South African regime has broad powers even without the emergency law, and the death toll among blacks from the bloody repression of the last two years has reached 1,600. The emergency laws are designed to legalize and further extend this crackdown on black opposition.

The new emergency law prompted strong condemnation and opposition at home and abroad.

Murphy Morobe, spokesman of the largest anti-apartheid organization, the United Democratic Front, said in a statement that the Botha government has lost all credibility, and he called for strong international action against Pretoria. Noble Peace Prize winner Bishop Desmond Tutu condemned the law as "the old heavy-handed, iron-fisted response." White opposition member Helen Suzman said the emergency rule "is bound to have a most adverse effect on South Africa's already parlous economic position."

The African National Congress and the Pan Africanist Congress of Azania on June 16 pledged to continue their struggle against South Africa's racist regime until apartheid is completely dismantled. The leaders, governments or the people of Egypt, Mauritania, Tanzania, the Congo, Kenya, Ghana and Tunis and Asian

countries such as China, Malaysia, Bangladesh and Democratic Kampuchea strongly condemned the South African authorities for its emergency law and expressed support to the South African people's struggle against the apartheid system. Some Latin American countries and European countries as well as

international organizations also condemned them, and most have stood for sanctions against the Pretoria regime. This shows that the people of various countries continue their efforts to bring about an end to the racist rule in South Africa. ■

by Wang Nengbiao

KOREA

A New Step Towards Easing Tension

North Korea is looking forward to positive responses from South Korea and the United States on the North's proposal for tripartite talks.

For the first time since the division of Korea in 1945, on June 17, North Korea proposed tripartite talks among officials of North and South Korea and the United States.

If held, the talks would concentrate on how to reduce the divided nation's current level of confrontation and any plans submitted by South Korea or the United States to relax tension on the peninsula.

The proposed talks would involve the minister of the People's Armed Forces of the Democratic People's Republic of Korea (DPRK), the commander in chief of UN forces in South Korea and the South Korean defense minister.

North Korea considers it urgent for the leaders of the armies of North and South to discuss all possible military measures for improving the strained relations and encouraging dialogue.

The tripartite talks were suggested as the two-year old discussions between North and South Korea had been suspended

because Seoul insisted on continuing the South Korean-US military exercises called "Team Spirit 86." Those exercises, which were held in February this year, are expected to continue each year until 1988. Moreover, the United States and South Korea have also launched joint military manoeuvres and South Korea has conducted other armed exercises alone.

Delegates to the proposed talks would be expected to seek ways to end the military exercises and reduce the North and South's armies and defence expenditures, both of which are in keeping with the original rules of the truce agreement.

The proposed talks would also be a possible lead to the reopening of economic talks, the Red Cross talks and a preliminary meeting for parliamentary talks between the North and the South.

North Korean leaders want the North-South discussion to continue, in order to improve chances for an eventual summit meeting.

In January of this year, North Korea announced that in Feb-

ruary it would stop its large-scale military exercises and that once the North-South talks got under way, it would discontinue all its military exercises.

A working session for the tripartite discussions was sug-

gested for June. During this meeting leaders were to take the first steps towards realizing the goal of frank and constructive discourse on the future of the Korean peninsula. ■

by Gao Haorong

CAPE VERDE

Promising Archipelago In the Works

Although only just into its second decade of independence from Portugal, the islands of Cape Verde have made remarkable progress.

Since its independence from Portugal in July 1975, Cape Verde, an archipelago of 18 islands about 500 miles off the coast of Senegal in West Africa, has demonstrated how strong politics and management can supply a country's needs.

Despite being an island group, Cape Verde suffers the same natural adversities as do most West African countries. Lack of rainfall has been a recurrent problem and famine has struck often with disastrous results. Successive famines in 1920, between 1940 and 1943 and between 1946 and 1948 left more than 75,000 dead and spurred such a migration that now, the Cape Verdians living outside the country outnumber those who remain.

Prime Minister Pedro Pires said in an interview that his people had "suffered much." "People," he said, "still remember the terrible scenes during the famines. It is something we do not want to experience again and which has mobilized us in our development efforts."

The government is most proud of the fact that, despite a 17-year drought, not one person has died of hunger in the country. Remembering the tragic images coming out of drought-stricken Africa, one realizes why the Cape

Verde leaders are concentrating their efforts on food production and the revitalization of agriculture.

But if Cape Verde has succeeded in beating hunger, it has done so partly with help from the rest of the world. According to a Food and Agriculture Organization report, last year the United States and the European Economic Community donated more than 45,000 tons of cereals. This aid allowed Cape Verde to satisfy half of its food needs, with the other half coming from imports paid for by the state. However, the government has never fully counted on international aid to feed its population of 300,000 scattered throughout some 12 islands where fresh water is scarce and where the cultivable land is barely 40,000 hectares. Revenue from the public sale of aid-related produce, which the government makes available at prices that are 20 percent below those on the international market, is used to finance public works projects, road construction and the building of reservoirs. This has greatly helped to relieve unemployment, which in the countryside had at times been as high as 30 percent.

After 1975, the government put most of its strength on developing agriculture in order to supply enough grain for the people. More than 15,000 dykes and dams have been built in Cape Verde in the

past decade. The government has also planted 23,000 hectares of trees, providing favourable conditions for agricultural development.

At the same time the government has worked to develop national industries. Native Cape Verdians living abroad are encouraged to invest in the country and a number of new factories and enterprises have been founded.

On the island of Sao Vicente there is a new shoe factory and one that specializes in motorized dinghies, as well as a shipyard. On the island of Santiago, where the capital Praia is situated and where a 14th-century Portuguese citadel still stands, there is a truck repair workshop, a tire factory, a paint manufacturing factory and one that produces pharmaceutical goods. State-run enterprises employ about 7,000 workers and contribute to 32 percent of the gross domestic product. During the last decade Cape Verde's GDP grew annually by 10 percent and its yearly per-capita income has today increased to US\$300 from only US\$170 in 1979.

Achievements are also apparent in the medical field. Cape Verde had only 12 doctors before 1975. But now the number has reached 104. The average lifespan has been raised from 45 in 1975 to 63 today. The infant mortality rate has decreased from 18 percent to 7 percent in the same period.

Of course, the country still faces great difficulties. It is still considered among the 36 least developed countries in the world and drought is still its major enemy. But with the support of the people, Cape Verde is making great strides in its development.

Prime Minister Pires now wants to consolidate his country's gains, and concentrate on a second development phase, "We must be more productive, have more efficient management and maybe do a little more." he said. ■

by Zhou Weibo

INDONESIA

Economy Cast in Gloom

Indonesia's economy may shrink by up to three percent in 1986 due to the current sharp collapse of oil and commodity prices.

Recent forecasts by economists and financial organizations in Indonesia have predicted that a drastic fall in revenues from oil and gas will push Indonesia's 1986 economic growth rate to its lowest level since President Suharto came to power 20 years ago. And, the country's economy is expected to face stagnant or stunted growth in the years to come.

Indonesia is the only member of the Organization of Petroleum Exporting Countries (OPEC) in the Southeast Asian region.

The export of crude oil and liquefied natural gas, which provides 70 percent of its total export earnings and 55 percent of the government's tax revenues, is the country's top money earner. In the last two decades, Indonesia maintained steady economic improvement, with the oil bonanza of the 1970s financing ambitious and largely successful development programmes.

Indonesia's real gross domestic product (GDP) in the past financial year grew 1.5 percent, the lowest since 1982 when the GDP plummeted from a 1980 high of 10 percent to 2 percent, as a result of the drop in oil prices.

But with its crude oil hovering at around US\$13 a barrel—half what it was six months ago—and depressed markets for its other commodities such as tin, rubber and plywood, Indonesia is now facing a more difficult period in its economic development.

Western economists have said that as a result of the price slump in recent years, Indonesia's oil and gas export earnings declined by 14

percent in 1985 and may fall another 15 percent in 1986. Some say its current deficit may grow from US\$2.1 billion in fiscal 1985 to US\$4 billion this year, while the drain of US\$10.5 billion in foreign reserves will be reduced by US\$6 billion at the end of this year.

Meanwhile, Indonesia's population of 165 million is creating enormous social and economic dilemmas for the government, which must find jobs for an estimated 2 million workers joining the labour market every year. Indonesian economists say that with the nation's population increasing at a rate of more than 2 percent a year, stagnant economic conditions would likely result in depressing the job market even further.

The slacking domestic demand exacerbates the problem of an industrial sector already plagued with high costs and inefficiency. A US embassy economic report published in Jakarta said an industrial slump combined with big cuts in government development projects is likely to worsen the plight of the jobless and underemployed, now estimated at one-third of the entire work force. Tens of thousands of industrial workers, mostly in urban areas, have been laid off in the past year and greater fiscal austerity will reduce the government's ability to find new jobs, the report added.

The only bright spot on the economic horizon is the agricultural sector, which employs 55 percent of the work force and accounts for 25 percent of Indonesia's gross domestic product.

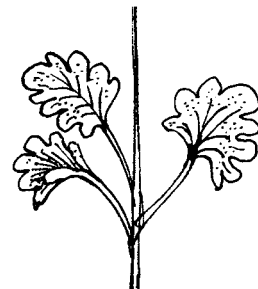
A 3 percent growth rate is expected in this sector in 1986. Rice production will reach 26.8 million tons compared with 26.3 million tons in 1985 and production of secondary and plantation crops such as palm oil, coffee, tea, copra, cocoa and spices will be expanded. The entire rural sector, including small-scale industries remains relatively prosperous and more insulated from the economic slump.

In view of the economic difficulties, the Indonesian government has already slashed its 1986-87 budget by 7 percent—reducing spending for the first time in Suharto's years—and Indonesian economists say further cuts may be needed unless there is a dramatic turnaround in the oil market.

Other initiatives the government has taken include severe restraints on public investment, sharp reductions in subsidies, structural reforms in the taxation and financial systems and a flexible foreign exchange policy. While increasing crude oil production from 1.3 million barrels to 1.5 million barrels a day in order to compensate for the decline of prices, the government has adopted more flexible oil pricing and taxation policies.

In May, the government also announced an elaborate package to lower barriers for export-oriented manufacturers and measures to encourage foreign investment. ■

by Zhao Jinchuan



Communists Work for Collective Prosperity

With the enforcement of the government policy allowing some farmers to become affluent first, a question arose as to whether Communist Party members in the rural areas should go their own way or rally the efforts of fellow farmers for common prosperity.

by Our Correspondent Lu Yun

After the founding of New China, Chinese farmers were tied to state-owned fields managed by production brigades for growing mainly food grain. Working hard the year round but for a meagre income distributed evenly by the brigade, the farmers, Party members and ordinary people alike, were poor.

This situation lasted until the late 1970s when the government decided to reform the rural economic system and contract fields out to individuals or groups of farmers under various responsibility systems. The people who work these fields have only to pay taxes to the state and a certain amount of funds to the brigade for public accumulation and welfare. Those who reap more, therefore,

earn more. In addition, farmers are also encouraged to engage in industry, sideline occupations, transportation and businesses. Under this plan, some of the formerly poor farmers have become better-off.

Party members usually have more connections and are comparatively more competent than ordinary farmers. Therefore, they have more chances than the others to make money. While working for village-owned industries and sideline occupation projects, many have kept with the Party's fine tradition of serving the people wholeheartedly, and endeavoured to wipe out their villages' poverty. Other Party members have combined their self-development programmes with aims to help

others. There are, however, a handful of Party members who have gone it alone for wealth at the expense of the interests of the masses. Criticized by Party branch organizations and fellow villagers, they have begun to mend their ways and help the masses to become rich together.

Collective Enterprises

Wenan and Baxian counties in Hebei Province adopted the contract responsibility system in 1982. Most of the comparatively rich villages there have benefited from the boom in industrial development.

A workshop of the Hongxing Street Plastic Printing Factory.

LU YUN



After a rainstorm dashed the hope for a good harvest in the town of Shengfang, the Party branch secretary started a collective steel rolling mill that soon made up for the crop failure and brought the first taste of affluence to the townspeople.

Guoxin Village in Wenan County, composed of 167 households, used to live on state loans, which snowballed to more than 200,000 yuan in the 1970s. The

debt remained unserved until 1980 when several workshops of the village had gained ground. When the household contract responsibility system was introduced to the village in 1982, the Party organization brought the villagers together to discuss how to apply the system to the industries. Finally they agreed to contract work to workshop sections, with the surplus amount of profit divided among the collective, the workshop and the workers. Then the village organized those who were left over into four new enterprises. Now more than 90 percent of the able-bodied villagers are involved in industry or sideline occupations, and the village's per-capita monthly pay has reached 200 yuan, equal the salary of an associate professor in a university. The village's per-capita annual average income has risen to 1,800 yuan.

With more money at hand, the village bought farm machinery to modernize farming and improve its power supply and irrigation systems. It even organized free trips to Beijing and other places twice a year. Common prosperity has indeed come to the village.

The town of Shengfang in Baxian County is only 60 kilometres from the industrial and commercial city of Tianjin. In the last few years, the small town, with 50,000 people, has redoubled efforts to develop enterprises as well as agriculture and businesses. Meanwhile, efforts were also made to boost individual businesses and co-operative enterprises among the farmers. Communist Party members have played a vital role in Shengfang's endeavour.

Soon after Wang Guangming was demobilized from the army to become secretary of the Dongsheng street Party committee, a storm destroyed two hectares of crops. This disaster brought home to Wang the importance of developing industrial enterprises and sideline projects over and above farming. In 1982, he

recruited some retired workers from the Tianjin Steel Rolling Mill to start a steel rolling mill with scrap iron and steel as raw materials. Wang then dispatched a score of technicians to run a steel shaping mill with an annual capacity of 3,000 tons in co-operation with an enterprise in Huazhou County, Guangdong Province. The Dongsheng street committee has also set up a metal tool factory and a plastic factory; 56 of their products are sold in 23 provinces, autonomous regions and municipalities across the nation. In 1984, the net value of industry and sideline production of the Dongsheng street committee topped 1.8 million yuan, a nine-fold increase from 1978.

Qi Wanzhong, Party secretary of the Hongxing street committee, has also started a factory where trademarks are printed. When the factory was first started, Qi's street committee had so little capital that it used barns as make-shift workshops, and the factory had to borrow money from individuals when it was necessary to send people out on business errands. Now, however, it has spick-and-span factory buildings, and Qi said his factory has accumulated close to 3 million yuan in fixed assets.

"We have business relations all over China," he said.

Prices at the Shengfang grocery market are higher than in Beijing, but it enjoys brisk sales all the same. Du Zhaoyu, Party committee secretary of Shengfang, said people in the town have comparatively high purchasing power. "In the last two months, their bank deposits increased by 4 million yuan," Du said. His town, he said, with one-sixth of Baxian's rural population of 390,000, contributed one-fourth of the output value of the county's rural enterprises.

In 1985, of the 383 villages and streets in Baxian, 18 had an annual enterprise income of more than 1 million yuan. At present, 53 percent of the county's rural labour power is engaged in industry, sideline occupations or businesses. The output value of industry and sideline occupations accounted for 80 percent of the county's total output value of industry and agriculture; and the collectively owned enterprises made up 64.6 percent of the output value of the county's industry and agriculture.

Kong Fanxi (first right) discussing his products with customers.

LU YUN



Helping the Poor

General Party branch secretary of Jinjiabao Village, Kong Fanxi, was one of the Farmer Entrepreneurs named by the Baxian County government. Kong has started 17 collective enterprises, which produced a profit of 2.75 million yuan in 1985. These enterprises have established business relations with 11 cities. Absorbing 70 percent of the village's labour power, they have trained 360 technicians and skilled workers. The village's ancient porcelain imitation painting factory has secured orders from foreign businesses and plans to increase its staff from the present 200 to 500.

When most of the villagers began to have more money to spare, Kong Fanxi and other Party members pitched in to help those who were still in need. For example, Liang Yinlin, who lost his wife several years ago, was having trouble making ends meet. He didn't even have enough money to pay for his daughter's medical care. Instead of working hard after the introduction of the contract responsibility system in his village, Liang sold two of his five rooms and turned to alcohol and gambling. Upon a proposal of Kong, the village authorities found a job for Liang's son, covered his daughter's medical expenses and, at the same time, talked Liang into giving up drinking and gambling. Liang is now a salesman of the village's toy factory, shuttling between his village and Beijing. His daughter has recovered from her illness and his son has married. In 1985, Liang's family of four earned 8,000 yuan, and they have set up a savings account.

Xu Helu, Party branch secretary of Lizhuang Village in Baxian County, is a graduate of the Central Agricultural Broadcasting School. His science and technological group has a library

and a lab. He has trained 50 agrotechnicians and 20 science and technology households to popularize their research findings. He has successfully developed a method for growing watermelon that can increase the per-mu (1/15 hectare) income to more than 1,000 yuan. Xu let all of the

Kong Fanxi, a farmer turned entrepreneur, remains a staunch friend for those having trouble making ends meet. With his help, the destitute family of a fellow villager found the key to prosperity and started a savings account....

villagers in on his secret, enabling the whole village to reap 200,000 more yuan from growing watermelons a year. He himself has engaged in more than 50 experiments. In four years, the village's per-mu grain, cotton and oil-bearing crop output increased by two, four-and three-fold respectively.

Wang Ziwen (right) and a fellow worker.



Three farmers in Suqiao Town in Wenan County, Wang Guifa, Mu Zihui and Guo Zhenian, started a metal-processing workshop in 1982, netting an income of close to 40,000 yuan in one year. Because they were always ready to help the others, the three were admitted into the Party together.

With their help, more than 80 similar workshops were set up in the 420-household Minzhu Street where they live. The three received more than 400 visitors who came to learn the ropes. They had also helped train 50 lathe turners and provided 30,000 yuan in interest-free loans to the individual households involved in the management of workshops. "During war, a Party member has to risk his life," Wang Guifa said. "Now we are just helping people become prosperous."

In the last few years, 2,300 Party members in Wenan County have been involved in an aid-the-poor programme. With their help, 1,300 out of 2,190 poor families in the county have moved out of poverty. The per-capita income of the 40 formerly poorest villages in the county has reached more than 360 yuan a year, higher than the state-defined per-capita annual average income for rural areas.

LU YUN

BEIJING REVIEW

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Attitudes Towards Money

Many model Party members have shown highly laudable attitudes towards money. Wang Ziwen, director of the Nonggong Village Plastics Factory in Suqiao, Wenan County, contracted for the management of the plastics factory. Under his leadership, the factory's output and profit have increased annually. The Nonggong Village authorities earmarked 14,400 yuan from the factory's profits as a bonus for Wang. Although he deserved the award according to the responsibility system, Wang did not accept the money, insisting that it be used to expand production in the factory.

Zhang Jianxiang, director of the Cuijiafang Wood and Metal Products Processing Factory in Wenan County, is also very famous. Because of his work, his factory has become a partner of the Beijing Beijiao Timber Factory. Thanks to the contract responsibility system and growing market demand for furniture, Zhang's factory is now doing roaring business. To honour his work, in 1983, the village gave him 16,000 yuan. With the money, however, Zhang had a 1,000-metre cement road paved and a club built. He also subscribed to more than 100 newspapers for the young and donated some money to the village Home of Respect for the Aged. In 1985, he received another bonus and says he plans to buy school desks and chairs for 500 children.

Ren Jincui, newly recruited into the Party, has carved out a career in slaughtering pigs and marketing pork. But the rich man still leads a simple life, and donates much money to the Home of Respect for the Aged or the village school children. He has even had a street repaved and has sponsored theatrical performances. In 1983 he was elected chairman of the 20,000-member county association of private workers. His

social activities have cut into his income, but he said, "Everything's beautiful for me. I do not set too much store by money."

Correcting Mistakes

Misunderstanding the Party's policy, some farmer Party members once held that under the new policy, Party members and cadres should get rich first. In order that theirs be among the first households to earn 10,000-yuan annual incomes, they chose to paddle their own canoe, throwing overboard the Party rule that members should serve the people wholeheartedly.

Mao Junjie was engrossed in his lucrative private business while the village factory once in his charge was going downhill. But when he got back his moral sense as a Communist, he quit his own business and gave all his machines to the village.

Their selfishness aroused great concern from the Wenan County Party committee, which later began ideological education inside the Party in spring 1985, publicizing deeds of good Party members who helped the people develop production. In the beginning of the year, the county Party committee started consolidating Party organizations, and the Party members were called on to serve the people. The two campaigns have helped members better understand the current Party's economic policies. Those

who used to go it alone for riches began to work to help others.

When the contract responsibility system spread to Nanliuzhai Village in Wenan County in 1982, Miao Junjie, ex-Party branch secretary of the village electroplating factory, which had an annual income of 200,000 yuan, resigned his work in the factory, leaving the burden entirely on the inexperienced factory director. Joining hands with his relatives, Miao started his own electroplating workshop, earning more than 2,000 yuan for each participating families in the first year. While his workshop's business was booming, the village electroplating factory went downhill and eventually failed to meet its payroll in 1984. This naturally drew criticism from the people. A retired Party cadre living in Nanliuzhai said to Miao, "If a Communist Party member thinks of only himself, he is not one of the people. You should serve the people wholeheartedly and take care of the majority, not just yourself and your close relatives."

Once, Miao heard reports by Wang Ziwen and Zhang Jianxiang about their contributions, he regretted his selfishness. To mend his ways, he installed his private workshop equipment into the village factory and withdrew 1,000 yuan from his own savings account as travel expenses for people sent out for business talks. Before long, the village electroplating factory, formerly on the brink of bankruptcy, was rejuvenated, and did a very good work in 1985. Miao then suggested having a factory set up to manufacture outdoor TV antennas, which have sold like hot cakes. Seeing all these changes, people of the Nanliuzhai envisioned a bright future for themselves and their village.

According to incomplete statistics, 153 Party members like Miao Junjie in Wenan County have pulled out of private businesses to revive 130 village factories and sideline projects. ■

Living 'Twilight Years' in Shanghai

by Our Correspondent Ding Yaolin

Shanghai, China's largest industrial city, now has the largest population of older people in the country. According to 1982 statistics, Shanghai had 1.4 million people who are older than 60, or 11.7 percent of the city's total population. It is predicted that by the end of the century people 60 or older will make up 19.5 percent of the local population in Shanghai — one out of every five people.

China's elderly population has increased rapidly, from 42 million in the 1950s to 76 million in 1982 when China took its third census.

Will such a large population of older people create social problems? Will the figures influence

the national economy?

"No," said Zhang Ziang, the secretary-general of the Shanghai Gerontology Committee. "If the situation is handled properly, it won't create big problems."

Zhang said that the increase in the elderly population did bring about some problems, but that in the next 15 years the labour population would simultaneously expand. By the year 2040 China is expected to have a labour force of 730 million people. Therefore, in the next 55 years the country will not be short of labour resources.

With the growing population of elderly people, Zhang added, the country would have to allocate more money for pensions, and

more medical care, social services and welfare for the elderly — increasing the country's economic burden. To meet the special needs of the old, the medical, social service, light industry, housing, cultural and sports industries have their work cut out for them.

Since the late 1970s, the elderly population problem has held the government's attention. In 1983 the state established the National Gerontology Committee, with Marshal Nie Rongzhen as its honorary chairman. Since then, most provinces, autonomous regions and municipalities have set up their own committee branches. The Shanghai branch began its work in March 1984.

Elderly women of the Fuxiang Neighbourhood Committee in an exercise class.



Zhang Ziang, of the Shanghai Gerontology Committee, who himself is getting along in years, attributed the leading factor behind the increase of age in the population to low birth rate and the rise in life expectancy. In the 1950s the average child-bearing rate of each woman in Shanghai was 4.75. But it has gone down to 0.8 in the 1980s. Before 1949 China's average life expectancy was only 35 years while Shanghai's current expectancy age is 72.9 years.

Zhang concluded that the goal of his committee was to provide the old with material assistance, medical care and recreation, as well as the opportunity to work and learn, allowing them to live out their evening years happily."

Material Assistance

In China material assistance to old people comes mainly from the government, society and the family.

According to statistics, China had 16.37 million retirees at the end of 1985, accounting for 13.6 percent of the country's total population employed by the state. They usually receive 60 percent to 100 percent of their original salaries as their pension, enough to live on in most cases. In 1985 the government paid a total of 14,560 million yuan for these retirees, each person pulling in an average of 935 yuan a year.

According to a sample investigation in Shanghai, 60 percent of the retired people in the city are able to support themselves, 25 percent can partially support themselves, and the remaining 15 percent must rely on their children. In the outlying suburbs, 71 percent of the villages have established pension systems or retirement homes.

For the elderly who live in urban areas with little or no pension, the local street committees will provide them with proper jobs suitable for them, such as milk delivery, neighbourhood

telephone service, traffic control or watching out for those who litter. In Shanghai there are 300,000 elderly working.

On the Nanjing Road and Huaihai Road, two main shopping streets in Shanghai, there are many old people wearing red armbands who help keep the traffic and marketplaces in good order. On other streets there are many grocery stores or stands run by old folks.

For childless old people, the government will provide room and board for them in retirement homes. Up to now the country has set up 24,000 such facilities, holding 290,000 old people.

The Shanghai municipal government recently decided to build homes exclusively for veteran cadres, retired intellectuals and office workers and their families. The Shanghai Gerontology Committee has begun to pool money for a modern and well-equipped "Longevity and Health Centre" for the elderly from home and abroad.

Students in the photography class of Shanghai's Training College for the Elderly.





The College's Chinese-painting class.

Contributing to Society

Many retirees with expertise are not accustomed to a life of leisure. They don't want to just sit around the house. Therefore, if they are in good health, they tend to seek, and often get, the opportunities to contribute their share to the good of the community.

According to a 1984 survey conducted in Shanghai, there were 4,100 engineers, 4,400 doctors, 1,100 college teachers and 14,500 management personnel among the 1,285,000 retirees in the city. Of those, 700,000 men younger than 70 and women younger than 60 who are healthy and without family duties, make up 54 percent of all retirees in the city.

In China women office workers retire at 55 and women factory workers at 50; the age limit for their male counterparts is five years older. Shanghai has established associations for retired

scientific workers, teachers and medical workers. Organized by these associations, retired specialists, intellectuals and workers have made great contributions to the community. For example, 200 retired engineers in Shanghai's Jingan District have provided technical consultation, training programmes and designs for more than 80 cities and counties in 13 provinces in the last three years.

There are 70,000 to 80,000 retirees in Shanghai who participate in public welfare activities, such as running nurseries, eateries and inns, as well as household services. They play an important role in bringing convenience to people's daily life.

Special Needs

A survey conducted by the Population Research Institute under Shanghai's Huadong

Teachers' University reveals that medical care is the most pressing need facing the elderly. Shanghai medical authorities estimate that one-fourth of the elderly in the city have various diseases, 3 percent of whom are troubled by various levels of senility. However, there are not enough doctors and facilities to handle the medical and psychological problems of Shanghai's elderly.

To solve the problem, 22 hospitals in Shanghai have opened senility clinics, and the old are not required to stand in queues for registration, consultation and prescriptions in most hospitals of the city. The city has also opened 30,000 "household" hospital beds. Not long ago the city government decided to invest in the renovation of a district hospital into one that would be exclusively for the elderly. They also plan within five years to build a hospital for the aged with 300 to 500 beds.

Aimed at helping the old rid

themselves of loneliness, a programme for education of the elderly has been launched throughout the city. Today Shanghai has two training colleges for old people run by the educational department of the municipal government, one old folks' university run by a district government and 27 old people's schools run by neighbourhood committees. All together, these have about 5,000 students, offering courses such as calligraphy, painting, photography, literature, drama, gardening, cooking, dance and bridge. These activities provide the elderly with opportunities to meet new friends and live a more interesting and meaningful life.

Feeling Younger

Shanghai's 140 subdistrict offices and 2,684 neighbourhood committees offer a variety of cultural and sports activities for retirees. The Fuxiang neighbourhood committee, located in the downtown area, organizes sports activities for the old, such as *Taijiquan* (shadow boxing), *Qigong* (breathing exercises), and jogging. Many of the participants have reported better appetites and sounder sleep, not to mention the disappearing potbellies.

During summer vacations, many retirees choose to work with school children on their studies. In 1985 the Fuxiang neighbourhood

committee sponsored a trip to other places for the elderly.

The committee has also organized a chorus composed of 38 retired people. They practise once a week and have won many prizes in district singing contests. Fan, an 81-year-old retired teacher from Shanghai Foreign Languages Institute, told me he seldom sang when he was young. "I have worked at a desk for most of my life," he said. "I either read or do translations all day, even since I've retired. After I joined the chorus I became more and more interested in singing and have found some songs very beautiful. I'm grateful to the neighbourhood committee for having pulled me away from my studies." ■

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Delegated Authority Improves Efficiency

With power, benefits and responsibilities rationally divided, the government, enterprises and workers are all doing their best to ensure the development of the socialist commodity economy

by Our Correspondents Xia Zhen and Yue Haitao

While expanding economic cooperation between enterprises, government organizations at various levels in Changzhou are also simplifying administration and delegating their power to lower levels. This is designed to invigorate enterprises, particularly key enterprises, and to arouse employees' enthusiasm.

Mayor Chen Hongchang notes that the distribution of power, benefit and responsibility is the heart of the reform. If they were rationally divided, then the government, enterprises and workers would all do their best to ensure the development of Changzhou's socialist commodity economy.

retains its power as the owner of the state enterprises after the reform, but its economic power is

The reform will not make Chinese workers wage labourers again. On the contrary, it has given them the right to supervise the performance of factory directors. The workers' congress exercises such a right.

limited to policy guidance, planning, regulating, supervising and macro-economic control. Enterprises, which used to be appendices of government organizations and purely productive units, have now changed into relatively independent commodity producers and dealers, with management autonomy commensurate with this status. As juridical person of the enterprise, the factory director or manager exercises this autonomy not by arbitrary personal decision but through democratic methods.

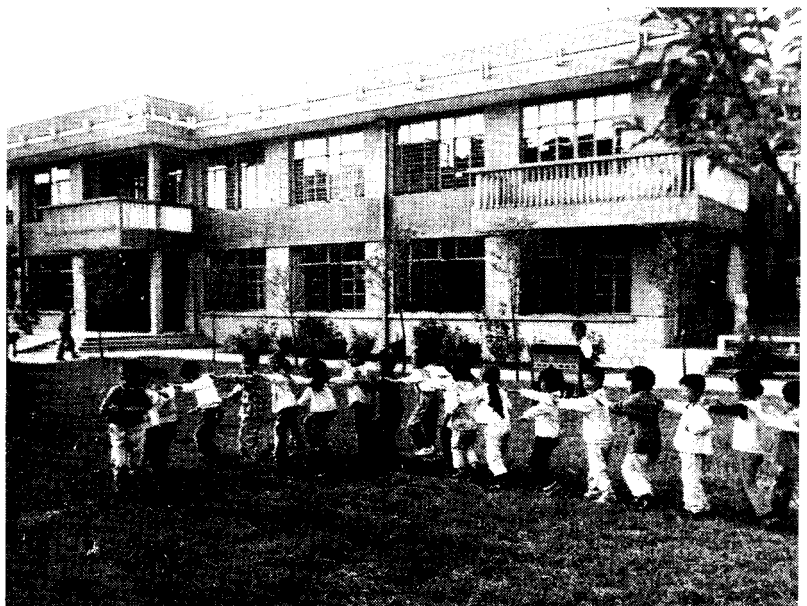
Facts prove that reform will not make Chinese workers wage labourers again. Furthermore, since the reform workers have the

Distribution of Power

Under the former administrative system, the government dominated ownership and management of enterprises. The drafting of plans, policies and principles, control the factors of production, the allocation of products and even the purchase of fixed asset items worth less than 1,000 yuan had to be approved by the government. As a result, the government assumed the role of general manager for all the enterprises, its organization thus becoming quite unwieldy.

Following the principle of separation of ownership and management, the city government

Kindergarten children at play.

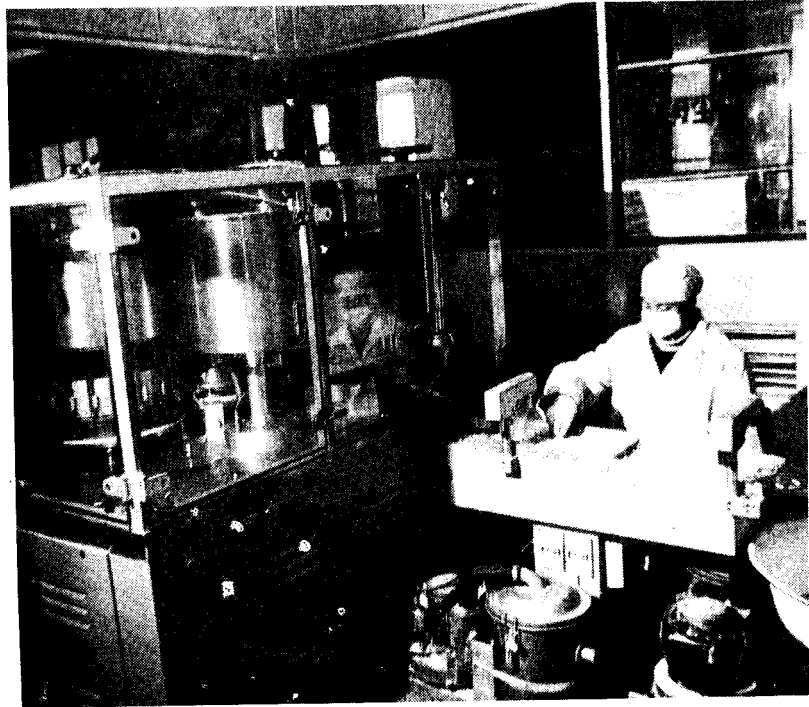


right to examine and discuss their directors' principles, management plans, reform programmes, budgets and final accounts. They also have the right to vote, supervise and appraise leaders at all levels as well as to make decisions on issues affecting their own vital interests, such as allocation of apartments, collective welfare and rewards and penalties.

The workers' congress, held twice a year, is the organization exercising these rights. Their permanent organization is the trade union. At present, this system of the workers' congress has been widely established in Changzhou's enterprises and is playing a positive role.

The managers of the Changzhou Tobacco and Sugar Co., for example, are elected at regular intervals. Last year the Party committee secretary of the company presided over the general election. An opinion poll was held during which 54 candidates were required to answer such questions as: What are the qualifications of a manager? And, how can he raise the company's economic benefits? After the poll, a workers' congress session was held, and the 25 candidates who had given the best answers were asked to air their views. Then members of the workers' congress presidium and middle-level cadres elected one manager and three deputy managers. Of the four, two had held the posts before and two were newly chosen. Finally, the four candidates were appointed by the higher leadership. Their performance finally proved that this method of selection was successful.

The Changzhou Tractor Factory is located outside the city. Its former kindergarten was housed in an old and ill-equipped building. In 1984 when the factory decided to construct an office building, an employee proposed that a new kindergarten be built first. Her proposal was supported



A production line at the Changzhou Pharmaceutical Factory.

CHEN ZONGLIE

by the workers' congress. In addition to a spacious and well-equipped building, the kindergarten also hired four more nurses, much to the satisfaction of workers.

Chen Guoyao, vice-chairman of the factory's trade union, said the rights of the workers' congress were respected by the director and the Party committee. In a work report made by the director in 1984, the congress found that the passages on awards left much to be desired. So the report was not adopted until it was revised twice. The workers' congress also supports the director by mobilizing workers to make numerous constructive proposals every year. With the development of production, the average per-capita annual wage in the factory increased from 665 yuan in 1979 to 1,500 yuan in 1985.

Division of Profits

Before the reform, the state was responsible for the profits and

losses of an enterprise, resulting in the enterprise's dependence on state subsidies. In recent years, enterprises began reforming the system of distributing profits and substituting tax payments for profit delivery.

The basic principle of the reform is to base the portion of profits to be retained by enterprise on its performance. For workers, it is more pay for more work done.

The basic principle of the reform is that the proportion of profit to be retained by an enterprise should be linked with its performance. Therefore enterprises that make more profit have



the right to retain more. Workers' incomes and bonuses should also be contingent on their contributions; those who do more get more.

The above principle is stipulated by the central government for the entire country. Changzhou's experiment in this respect has proved effective.

From 1983 to 1985, when enterprises implemented new methods of revenue distribution, the average annual rate of profit retention was 12 percent in 1983, 14 percent in 1984 and 23 percent in 1985. The rates of profits turned over to the state were 88 percent, 86 percent and 77 percent respectively. Although the percentage was decreasing, the absolute value still increased annually. Of the portion of profits in the hands of the state, central and provincial governments shared 88.4 percent and the municipal government 11.6 percent. Of the portion of profits retained by enterprises, 60 percent was used in production, 20 percent in collective welfare and 20 percent for bonuses. This method of distribution embodies the rule of letting the state get the largest share of profits, while the

enterprises get the lesser and the individuals the least. It also reflects the nature of a state-owned economy, because the largest share of profits will enter the national treasury, while the share retained by individuals goes to ordinary workers.

The introduction of reasonable distribution of economic benefits aroused enterprises' enthusiasm for increasing production and profits. During the Sixth Five-Year Plan period (1981-85), Changzhou's total industrial and agricultural output value increased at an average annual rate of 15.7 percent, topping the increased rate of any previous period. As a result of a rise in the price of raw materials, revenues increased at a somewhat lower rate, i.e. 8.4 percent annually. But in 1985, the figure was 17 percent, reaching an all-time high.

Responsibility System

Before the reform, the system of collective leadership under the Communist Party committee was generally instituted in enterprises. As one of the Party committee

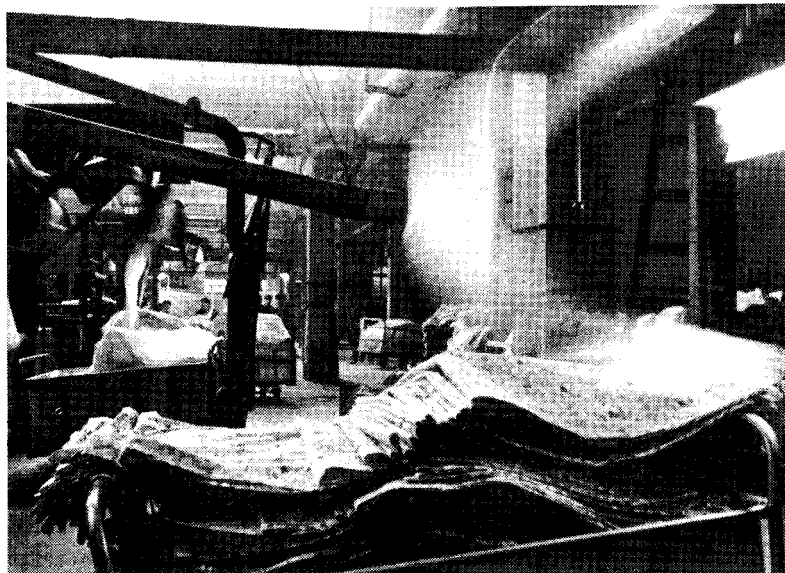
members, the director was in charge of only some of the administrative work. Under such a system, there was no distinction between Party and administrative leadership; directions were issued by many officials, policy decisions were made slowly, efficiency was low, and responsibility was undefined. With the gradual establishment of the socialist legal system, enterprises became legal economic entities, which required appropriate juridical persons representing the enterprises—directors or managers. In April 1984, the central authorities approved the trial implementation of a director or manager responsibility system in Changzhou and some other cities. In October 1984, the central authorities decided to popularize this system throughout the country.

The new leadership system gives the director the power to manage and administer his or her enterprise and assume legal responsibility for it. At the same time he or she is supervised by the Party committee and the workers' congress and maintains harmonious relations between the two. When a director accepts the post, he or she is required to state his or her goals and to be examined by the higher authorities and workers for performance. The Party committee is in charge of the ideological and political work. It organizes political study meetings, and criticism and self-criticism sessions in order to make the leading cadres who are Party members implement the Party and government principles, develop the spirit of serving the people and oppose unhealthy tendencies.

This system is now being implemented in most enterprises in Changzhou. The results indicate that the system has led to quick policy-making, better leadership and greater efficiency. In some Changzhou enterprises, however, the relationship between the Party and the government is not well co-ordinated, and

A workshop at the Changzhou Dongfeng Printing and Dyeing Mill

CHEN ZONGLIE



differences have arisen on the question of appointing cadres.

Now a contract system, similar to that adopted in the countryside, is being introduced among ordinary workers and staff. This system ensures more pay for more work. In most cases, however, a job is not contracted to individuals, but to shifts or groups, production units or even workshops. Because industrial production is carried out in continuance and requires close co-ordination, the contract responsibility system cannot be used on a household basis as was the case in the countryside.

In the Changzhou No.3 Pharmaceutical Factory, Dong Shula and his wife contracted a production line. Dong, 30, is a diligent and honest worker. The production line, where Dong worked, produced *Meixilu*, a medicine for cardiovascular disease. Because the 15 workers were lax and undisciplined, the line had a monthly output of only 200kg. to 250kg. and its profit rate (ratio between output and input) was only 30 percent. Yet every month bonuses were issued to the workers as usual. Dong noticed that the production line had great potential for development, and advanced his suggestions for improvement on many occasions, but nobody heeded what he said.

In August 1984, Dong suggested that if only he and his wife, who also worked in the factory, contracted the job, they would be able to fulfil the task equally well. So they signed a contract for a term of one year. The contract stipulated that if they failed to fulfil the production quota they would be penalized; if they overfulfilled the quota, they would be rewarded and the amount of bonuses depended on the amount of output and profit. The couple worked hard and transformed technology. Their efforts were rewarding. In the first month their output increased to 400 kg, and

profit rate to 32 percent. Their output and profit rate continued to grow. From August 1984 to December 1985, Dong and his wife received 4,370 yuan in bonuses. Though this amount represented only 0.56 percent of the cost of labour and materials he had saved, it raised a big uproar among the factory workers.

Dong perceived the problem and proposed revising the contract quota and reducing the bonus. The factory leadership, however, kept its good faith and did not revise the contract quota until after the one-year contract expired. At the same time, the leaders convinced the workers that Dong's contributions by far exceeded his bonus. Although the trouble was over, it reflected the conflict between old and new ideas which existed during the reform.

In April 1985, Dong's monthly output reached 500 kg, and its profit rate was up to 45 percent. His own bonuses were only slightly more than the average. Dong has been elected the city and provincial model worker.

Government's Role

After the power of management was delegated to enterprises, government functions also changed from direct to indirect control. In other words, the state influences enterprise performance by economic and legal means and necessary administrative means in order to help them advance along the socialist road and ensure a balanced development of the macroeconomy.

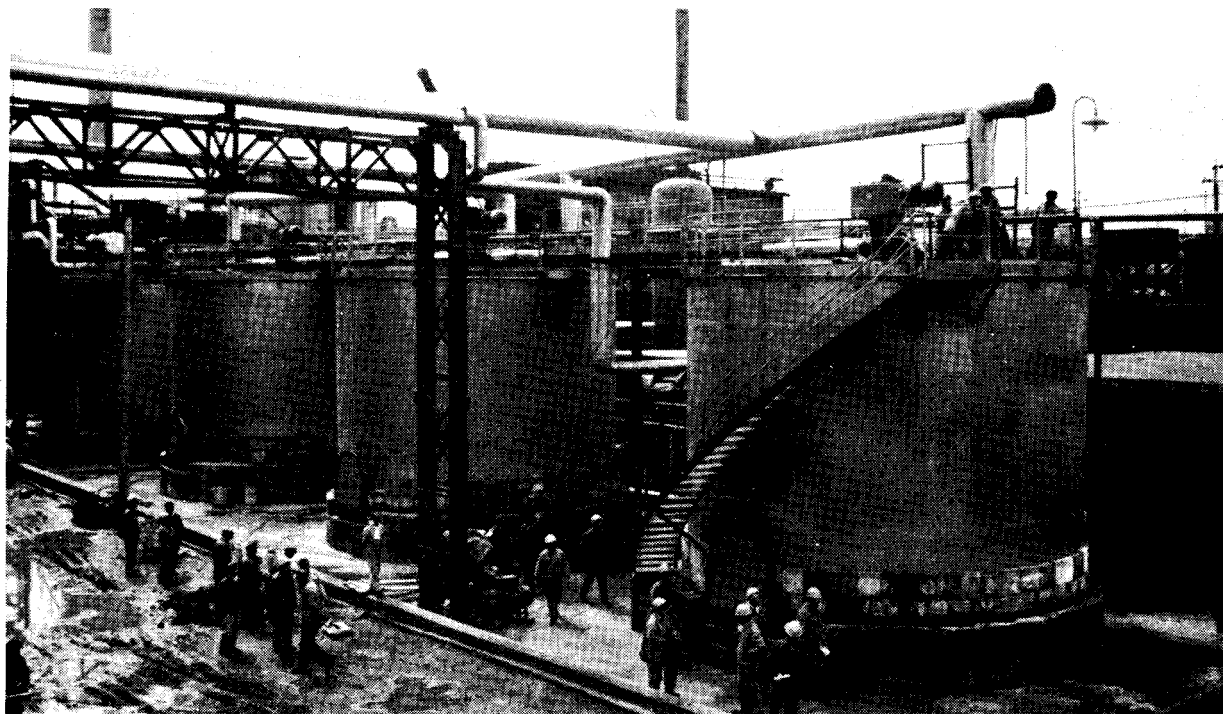
In the past, industrial bureaus exercised direct control over their respective enterprises. In recent years the bureaus have been turned into companies but they remain administrative units on the whole. This is one of the major reasons why the power of management has not been delegated to some enterprises.

Last year, the Changzhou government conducted a study of the Electronics Industry Company. The 98 functions of the company could be classified into four categories and each could be dealt with differently. Its political and administrative functions will be transferred to political and law departments. Its social functions, such as afforestation, environmental protection and public service, will be handed down to district government. Its economic functions coming within the scope of the enterprise's self-management will be delegated to enterprises; and those which had to be concentrated in the hands of the government, including planning, statistics, regulation, supervision and quality standard, will be merged into the departments concerned.

According to a tentative programme drawn up by the Changzhou Structural Reform Committee, the functions of the economic comprehension, regulation and supervision departments such as the City Planning Commission, Economic Commission, Foreign Economic Commission and departments handling finance, monetary, price, taxation and wages will be strengthened; the functions of companies will gradually be reduced and become departments affiliated to the City Economic Commission or enterprises' supply and marketing service companies. At the same time, the city government will establish all kinds of non-governmental trade associations responsible for information, technological consultancy and research on the development of new products.

Changzhou is working hard to bring about such a change.

When we visited Changzhou, we found that government and workers' roles had also changed. These changes were deep-seated and helped diversify the economy, without changing its socialist nature.



MIAO MING

Australian technology installed at the chemical plant of the Anshan Iron and Steel Co. for producing carbon products.

Anshan Steel Imports Technology

By 1995, the Anshan Iron and Steel Co. will raise its annual steel output from 7 million tons to 15 million tons. Feasibility studies of the expansion project have been listed on the Seventh Five-Year Plan (1986-90). The project will start in 1991. At present, Anshan is concentrating on preparing the feasibility report, said Li Hua-zhong, manager of the Anshan Iron and Steel Co., in a June interview with *Beijing Review*.

The funds needed for this expansion project will come to several billion US dollars.

Since its establishment in 1981, the import and export company of the Anshan Iron and Steel Co. has concluded many transactions with foreign countries:

*It has signed 120 contracts to export 440,000 tons of rolled steel and chemicals, earning US\$99.67 million.

*It has conducted economic co-operation, technical interflow, compensatory trade and financial leasing with enterprises in a dozen countries, including Japan, the United States, Britain, Federal Germany and Australia.

*It also signed a contract with Japan on April 22 to import US\$70 million worth of continuous slab casting line. The steel company has imported large equipment worth US\$100 million since 1984.

Built 70 years ago, the Anshan Iron and Steel Co., China's largest, is situated in the city of Anshan in the northeastern province of Liaoning. In 1985 it produced 24 million tons of iron ore, 8.9 million tons of iron ore concentrates, 6.6 million tons of pig iron, 4.1 million tons of coke, 7.2 million tons of steel and 5 million tons of rolled steel. The

total output value that year came to 4.15 billion yuan, approximately US\$1.38 billion.

by Yue Haitao

Symposium Slated for September

An international symposium on economic and technological co-operation and exports will be held from September 1 to 10 in Shijiazhuang under the sponsorship of the Hebei provincial department of foreign economic relations and trade.

Ninety-seven items will be displayed at the symposium, which will focus on updating old enterprises in the areas of light

industry, textiles, chemicals, building materials, machine tools, electric motors, electronics, ship-building, tourism and agriculture. Forms of co-operation include foreign exchange transactions, joint ventures, compensatory trade, co-operative production and leasing.

This will be the third symposium of its kind in Hebei Province since 1980. In 1985, Hebei introduced 201 contracted projects at a value of US\$140 million. Situated in the North China Plain, the province's yields of coal, crude oil and electricity rank third in the country. Its textile industry is also well developed, boasting two of the six national textile centres. Output of building materials, sanitation facilities, plate glass and cement are also among the highest in the nation. ■

China Says "Change It"

Visiting foreigners and Hong Kong and Macao compatriots in Beijing can now apply for and use a credit card, the Great Wall Credit Card.

The Great Wall Card can be issued to any resident foreigner with a foreign exchange account at the Bank of China Beijing Branch. It is honoured by 36 Beijing hotels, the Civil Aviation Administration booking office and large shopping centres.

The card is also available in two categories, personal and group. The personal card bears the words "Bank of China Beijing Branch Great Wall Card" printed against a red background on the upper half of the card. On the silver lower half is a profile of the Great Wall. On the back is the holder's signature and instructions.

Han Zhiyi, vice-president of the Bank of China Beijing Branch, said the Great Wall Card was issued with the approval of the

Bank of China. He said the card will in part take the place of Foreign Exchange Certificates. ■

Sino-German Aid to Mali

A contract was signed between China and the Federal Republic of Germany on May 20 in Beijing to provide Mali with another rice husk gas electric generator.

Under the contract, the two countries will deliver to Mali a 140kw gas generator before 1986. West Germany will furnish the funds while China will install the generator and train Malian technical personnel.

Fueled by rice husks, the China-made power generator is easy to operate, and inexpensive. It is ideal for a rice mill, particularly in developing countries where electricity is in short supply.

The first such generator was commissioned in January by Mali and has been operating smoothly. The two sides have expressed their willingness to provide another five such generators to other West African countries. ■

by Fan Guoqiang

Metallurgy Needs Foreign Capital

China's metallurgical industry is expected to make significant progress during the Seventh Five-Year Plan period (1986-90). In order to do so, however, foreign funds and advanced key equipment and software will be required. Industry experts say they will no longer rely on the introduction of complete sets of equipment.

Most of the foreign funds will be spent on building new plants and updating old ones, as well as on

other items that interest foreign businesses. The partnership forms include joint ventures, sole ventures, processing of imported materials and compensatory trade. Negotiations on 20 metallurgy projects are now under way with Britain, the United States and Australia. Feasibility reports have already been prepared for a number of them.

China's iron and steel market is stable, and has not been affected by the world metal crisis. China's metallurgical departments have co-operated with foreign firms to open mines and factories abroad. Preparation of the feasibility report on a joint venture iron mine with Australia has already been completed, while another one is under way on running iron mines and iron works with Brazil.

Over the past five years, China's metallurgical industry has used foreign capital on 22 projects, and it has imported specialized equipment, meters and instruments and component parts. ■





Publications Serving the Blind

About 1,100 blind people took our test, and most of them made good scores," said Zhang Xinyi, editor-in-chief of *The Blind Monthly*, a small magazine established 30 years ago and dedicated to informing and entertaining the blind in China. The test Zhang referred to had never been held before and involved such subjects as China's economic reform, the open policy, Chinese history, Chinese and foreign literature and demography. The test results were announced in this year's issue No. 2, and 62 participants were awarded cassette tape recorders, radios and other prizes for their high scores.

The Blind Monthly, which has four editors, and a circulation of only 3,000, reaches out to the blind and plays a role in their lives that no other publication can.

The magazine, which runs to 140 pages and costs 20 fen, or less than 10 US cents, is published in Braille. Since each magazine costs about 3.50 yuan, or about US\$1.10 to produce, not including the pay of the editorial workers, it is subsidized by the Chinese Blinds', Deaf-mutes' Association.

The following are the main contents of its issue No.3.

- Vice Premier Li Peng reports on China's current economic reform, and Party General Secretary Hu Yaobang tours the remote areas where the Red Army passed on its Long March 50 years ago.

- A commentary encouraging people to devote themselves to the four modernizations.

- Two reports on a 76-year-old retired teacher and a young masseuse, both of whom are blind.

- News in brief: the blinds' lives; the blinds' concern for others; a cultural attache at the Greek Embassy in Beijing com-

ments on a concert given by blind musicians.

- Information on welfare work for the blind: Beijing selected as an experimental site for a bus line indicator and sound monitoring devices at crossroads for the blind; list of winners of the annual scholarship bestowed by the National Blinds' Deaf-mutes' Association for cultural studies.

- How the lunar and solar calendar work; how snow influences future harvests.

- Massage therapy techniques; a blind's autobiography.

Journal for Blind Youths

The initial 400 copies of *Chinese Literature for Blind Children*, China's first and only literary magazine for the blind established in December 1985, and operated with public funds, will soon be distributed free to schools for the blind around the country.

The 100-page bi-monthly contains seven columns:

- *Trickling Stream* carries greetings from Kang Keqing, a founder of the Chinese children's welfare work, and Ba Jin, chairman of the Chinese Writers' Association, and other luminaries.

- *Song of the Strong* introduces readers to Wu Yunduo who manufactured arms for the army during the 1930s and 1940s and suffered from serious wounds and lost one of his eyes while testing one of his weapons, and Huang Nai, who invented Chinese Braille after he was blinded from a disease.

- *Colourful Dreams* contains the fairy tale *Pipilu Is Out* by Zheng Yuanjie, Beijing's "prince of fairy tales," who wrote the story about an imaginative boy especially for the magazine.

- *Spring Wind* is for poetry and prose.

- *Fragrant Flowers* carries stories and legends by three young amateur writers. Included here is a short story entitled *I Have Such a Home* by a student from the Shanghai Blind School.

- *A Boat in the Sea of Songs* contains a song composed by Diao Jinfu that won first prize at the 1985 National Music Contest for the Blind.

- *Letters Deliver Affection* has a letter *Sports Are Great* by a blind worker Ping Yali, in which she tells of her experience at the 1983 World's Handicapped Olympics. Hers was the first gold medal Chinese athletes have won in the games.

- Xu Bailun, editor-in-chief of the magazine, said he has given another title *Ode to Joy* to the journal and that it will be printed on the cover. These are the words Beethoven used to portray life when he had lost his hearing, Xu said.

- Xu was an architect, but lost his sight in 1971 after an unsuccessful operation for a detached retina. Later, while he tried to earn his living by writing science fiction, his wife, Zhu Yitao, a researcher at the Beijing Zoological Institute under the Chinese Academy of Sciences, supported him with her love and care. She died of lung cancer, however, soon after he published his first story.

- "Somehow, in my sorrow," Xu said, "my heart went out to others who were suffering, those to whom I had given so little thought before." He said it was then that the idea of publishing a journal in Braille for children came to him.

- With the help of a cane and partial vision in one eye, Xu walked the streets of Beijing and Shanghai contacting people and soliciting help for the blind

youngsters to whom he is dedicating his life. His co-editor, Zheng Yuanjie, a promising author of fairy tales, is planning a trip on his motorcycle around the country soliciting for the journal. Three other young writers have volunteered to work as editors. Xu says he is proud of and inspired by these young people who, he says, surpass the older generation in their original ideas, practical spirit and insights.

"The work revived me," Xu said. "Never before have I felt life to be so full and rewarding."

The Blind Monthly is published in Beijing and *Chinese Literature for Blind Children* in Shanghai, at China's only two Braille publishing houses. Since 1978 the Beijing house has published about 1.7 million copies of books in Braille. The Shanghai publishing company focuses on text books and adds 30 to 40 titles a year. ■

Husband-Wife Team Develops Air Purifier

Why does a city dweller seem so much less healthy than his rural counterpart? The answer is simple: He breathes in two spoonfuls of dirt each day.

But now two researchers at Suzhou Medical College have developed a new air purifier, SM-1 Negative Ion Source (NIS), which was shown in Yugoslavia in April and the United States in May.

The NIS produces invigorating refreshing negative ions and cleans off ozone, a harmful gas, through anionizing and deozone system patented in China, Japan, the United States and the Federal Republic of Germany.

For half a century, scientists have tried to eliminate ozone in the production of negative ions. They ended up with either a low ion output or higher output but more ozone.

"Our product is different, for it produces 10 times more negative

ions than other products and less ozone than in sunshine," said inventor Huang Zhenjun.

He and his wife-assistant Wang Jianzhen spent five years inventing the ozone-cleaning device. It soon found a practical and vital use when the college's rabbits were hit by an epidemic. Some 20 per cent died overnight. An improvised vaccination was expected to take effect only after five to 10 days, but the rabbits were dropping dead every hour.

As a last resort, the NIS system was installed—and only one rabbit died. All the other sick animals recovered in the ionized air.

A 55-year-old asthma patient said he felt comfortable with the NIS. Before taking the NIS, the asthma sufferer could not walk long and every now and then he would fall into spasmodic struggle for breath.

After inhaling the NIS air for seven months, the patient fully recovered.

"Eight hospitals have confirmed that NIS is effective in treating heart trouble, insomnia and allergies, besides respiratory ailments," said Huang.

In 1983, the NIS passed state appraisal and won two prizes at 1985 national technological product fair.

At the First National Invention Exhibition Trade Fair last year, Bo Goran Wallin, president of International Federation of Inventors' Association, wrote: "I congratulate you on your good invention and hope that you will be able to sell it worldwide."

Eight domestic factories have signed manufacturing contracts with the inventors. ■



International Studies

(Formerly known as Journal of International Studies)

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Subscription from China International Book Trading Corporation (Guoji Shudian)

Annual rate: RMB 3.20 (at

RMB 0.80 per copy) plus

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Women's Volleyball Faces Stiff Challenge

The two recent warm-up tournaments between the women's volleyball teams from China, Cuba, the Soviet Union and Japan — the top four in the World Cup Championship last year — revealed a lot to volleyball fans and critics the world over.

During the Seagull Cup held from May 22 to 26 in Shenyang, China, the championship team, which brought off a grand slam winning the World Cup in 1981, the World Championship in 1983 and the 1984 Olympic title, lost to the Cubans 3-0. Though the Chinese came back to take the Huanghe (Yellow River) Cup two days later in Xian, conquering Cuba by 3-1, play-by-play statistics showed that they were less competitive in many regards than a couple of years ago.

After years of effort, Soviet coach Vladimir Patkin has molded a strong squad, with an average height of 1.85 metres and average age of 22, which can block as well

as attack. Though his team placed third and fourth in the two invitational tournaments and still needs work, experts have predicted a strong showing for them in the World Championship in Prague this September.

As for the Cuban team, returning spiker Lazara Gonzalez strengthens the team's ability in attack. Besides, the team's ability in defence and the players' team work have improved considerably since the last World Cup in 1985. Its players are more experienced and able to remain calm in major tournaments and minimize their errors.

The Japanese team's big shuffle last May also caught the people's attention. Although the team still retains its style of stubborn defence and quick attack, and has added some new tactics to its credit, it may not pose a serious threat in competing for the title in the coming World Championship

due to the members' obvious disadvantage in stature.

At the last World Cup tournament, China was not convincingly better than Cuba or the Soviet Union, though it won the title. Today, as world volleyball competition stiffens, if China doesn't come up with more powerful spikers like Lang Ping and improve its tactics and strategies, it will not be able to withstand Cuba and the Soviet Union in the September World Championship.

Today, some of China's veteran players, like Yang Xilan and Liang Yan suffer from injuries and are no longer in their prime playing years, even though they can still play. On the other hand, the newly recruited younger members cannot, for the time being, be given more responsible positions in playing. In addition, because China has won in the previous four major international tournaments, the team may be daunted by the pressure from fans and the media to keep on winning. Adding to the pressure, their familiar head coach Deng Ruozeng is now being replaced by former team spiker Zhang Rongfang. Ace spiker Lang Ping is also retreating to act as a team coach.

According to *China Daily*, the Chinese Volleyball Association did not give any reason for Deng's departure. But Deng said it was because of high blood pressure.

Now, less than three months from the next World Championship, China's women's volleyball team has three areas to work on.

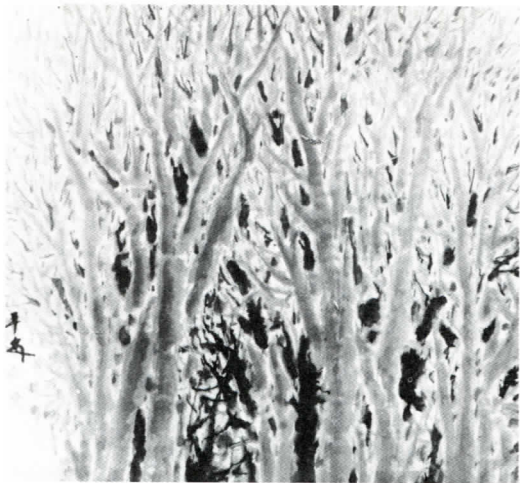
First, the players have to build up their confidence. Second, they should make the best of their talent and style. Third, intensive training is needed for the younger players, some of whom are inconsistent, and might not be able to sustain a high level of play at the 10-day World Championship tournament.

The Chinese Women's Volleyball Team competing against the South Korean team at the Fourth World Cup in 1985.

GUAN TIANYI



ART PAGE

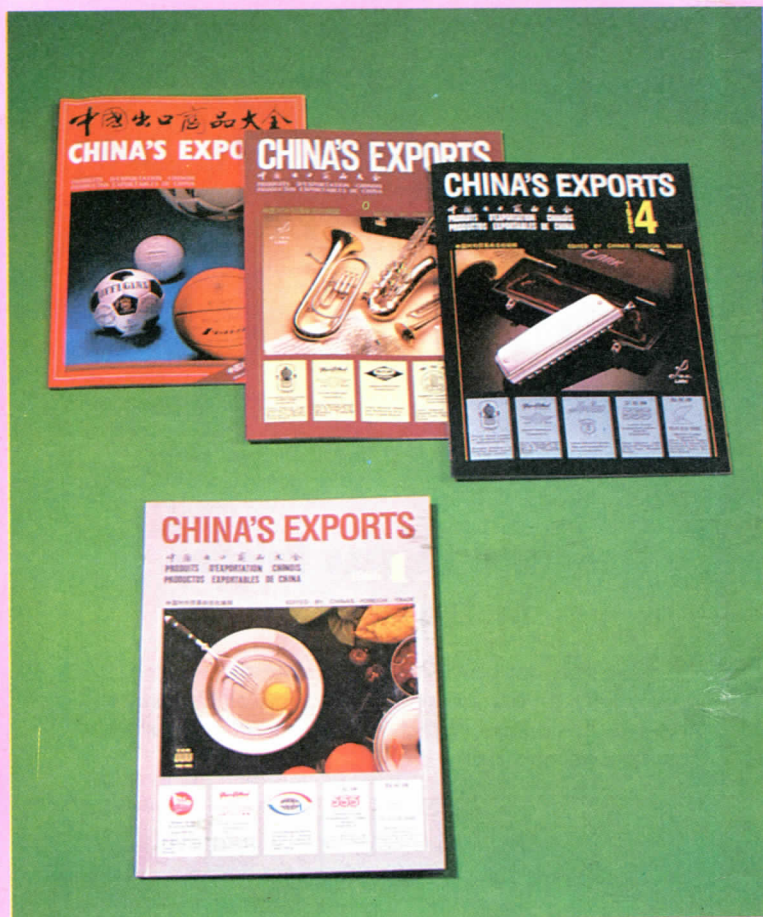


Traditional Chinese Painting by Luo Pingan

Luo Pingan, born in 1945, in Hubei Province, now works at the Artists' Association of Shaanxi Province. His pieces depict the beauty of Shaanxi's countryside and daily life.



CHINA'S EXPORTS



CHINA'S EXPORTS, a trade magazine sponsored by the Ministry of Foreign Economic Relations and Trade of the People's Republic of China and the China Council for the Promotion of International Trade, is edited by CHINA'S FOREIGN TRADE and co-published by CHINA'S FOREIGN TRADE, Beijing and Grossource Ltd., Hongkong. It is distributed through the circulation network of CHINA'S FOREIGN TRADE and at economic and trade exhibitions held abroad by the People's Republic of China. Each issue is distributed to importers and China's export commodity sales agents in more than 160 countries and regions, with a circulation of 45,000 copies.

Published in four issues about China's commodities each year, CHINA'S EXPORTS contains mainly colour pictures, supplemented by simple descriptions. The descriptions are mainly in English, with the names of commodities in Chinese, French and Spanish.

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