

北京周报

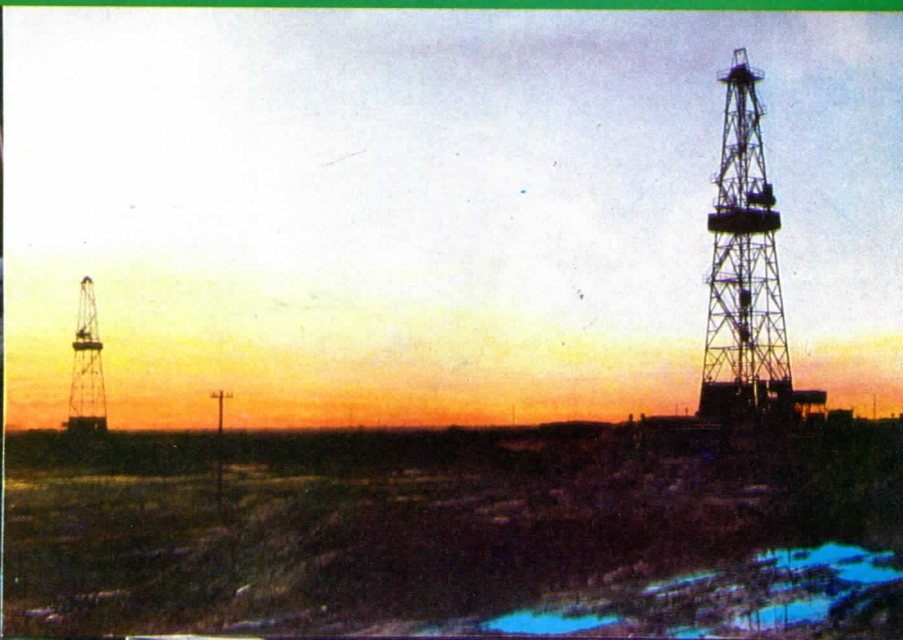
A CHINESE WEEKLY OF NEWS AND VIEWS

# Beijing Review

Vol. 29, No. 44

November 3, 1986

## GDR Leader in China



## Xinjiang Opens Up, the World Arrives



## SPOTLIGHT

### Tibet: Educating a New Generation

A Tibetan woman in Upper Chayu District in Chayu County sends her daughter to university.

The No. 1 Primary School in Lhasa pays attention to teaching science to its pupils.



Tibetan language class at a primary school in Naidong County. In 1985, 98 percent of its pupils went on to middle schools.





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**COVER:** Xinjiang: Upper left: an Uygur textile worker; upper right: derricks at the Karamay Oilfield; bottom left: sheep on the bank of Sayram Lake; bottom right: water-melon market in Turpan.

**Chen Zonglie**

## HIGHLIGHTS OF THE WEEK

### Honecker's Visit 'a Perfect Success'

■ GDR leader Erich Honecker wound up his successful visit to China on October 26. While in China, he was assured by his host Hu Yaobang of China's complete respect for his government's domestic and foreign policies as well as its measures for developing relations with China (p. 5).

### New System Improves Enterprise Leadership

■ China's decision to implement further the factory director responsibility system in state enterprises stresses the director's role, helps improve Party leadership and promotes democratic management in the enterprise (p. 4).

### Open Policy Spurs Xinjiang's Development

■ Lying on the ancient "Silk Road," Xinjiang hopes once more to become a "frontier area" to the West. To attract more foreign funds it has introduced a series of policies favourable to foreign investment and varied forms of co-operation. There are plans to turn Xinjiang, with its rich natural resources, into an important base for China's economic construction in the next century (p. 17).

### Better Agriculture With Guidance Planning

■ China's rural reforms are characterized by replacing the centralized production-by-decree with a guidance planning system. Their implementation has worked well (p. 26).

### Modern Mayors for Modern Cities

■ A training course for mayors may be one way to relieve China's shortage of good administrators. By putting mayors through courses in modern administration and urban economics, the government hopes to lay a firm foundation for the future development of China's cities (p. 7).

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# Improving Factory Leadership

by An Zhiguo

China's decision to further implement the factory director responsibility system in state-owned enterprises is an important component of the urban economic reform and an important aspect of the reform of the political system.

To press ahead with this reform, the Central Committee of the Communist Party of China and the State Council promulgated three regulations on September 15: Working Rules for Factory Directors of State-Owned Industrial Enterprises, Working Rules for Grass-Roots Organizations of the Party and Working Rules for Workers' Congresses. They also issued a circular calling on the relevant state-owned industrial enterprises to begin implementing these rules on October 1.

The new management system stresses the director's role in the enterprise. The director assumes responsibility for the enterprise's production, operation and management. He has the power to decide and direct production. The Party organization of the enterprise focuses its work on supervising and guaranteeing the implementation of the Party and state policies.

According to the regulations, the enterprise must set up a management committee to work with the director. It should include the director, deputy director, chief engineer, chief economist, chartered accountant, Party committee secretary, trade union president, secretary of the Communist Youth League committee and a representative elected by the worker's congress. The factory director serves as chairman of the committee.

In the past, factory management was under the leadership of the Party committee, which was good for the time. But it turned the enterprise's Party committee from a political organization into an industrial organization. The Party committee secretary had the final say on everything, major or minor, and the factory director had no power. Such a system fell short of scientific management of modern enterprises.

Meanwhile, the Party committee was burdened with the enterprise's routine production and administration. So its own role as a Party organization was weakened, creating a situation where the Party did not handle its own work.

Since 1984, China has experimented with the director responsibility system in some enterprises. After it was introduced in over 700 enterprises in Shanghai, the director began to take full responsibility. Effective command, quick decision making and high efficiency emerged in the enterprises. Similar results were achieved in other enterprises where the scheme was tried.

The institution of the director responsibility system does not mean abolishing the Party's leadership; instead, it helps improve it. The Party committee supervises and guarantees the implementation of the Central Committee's policies. The organization in charge of enterprises, and the departments which oversee cadres, are to appoint and remove factory directors and others in accordance with Party and government policies.

Factory directors are expected to run their enterprises effectively



and adhere to the socialist road of management. They should employ workers and staff in accordance with the Party's cadre policies.

After the director responsibility system was introduced, the Party committee was freed from the routine tasks of production and administration and could concentrate on building the enterprise's Party organization and on ideological and political work. It was in a better position to play its guaranteeing and supervising role and to assist the factory director in correctly implementing the Party's principles and policies.

Nor will the workers' position as masters of the country and of the enterprise and the democratic management of the enterprise be diminished. In a socialist enterprise the director and workers are not rivals. They differ only in their division of labour. The workers' congress is a power organ through which workers exercise democratic management. It has the power to examine its enterprise's major policy decisions, to supervise the work of its administrative leaders and protect the workers' legitimate rights and interests.

Introduction of the new management system overcomes the problem of lack of co-ordination in the current system and enables the enterprise administration, Party organization and workers' congress each to strengthen its own work. It also helps the development of modern socialist enterprises. ■



## Honecker's China Visit Fruitful

**E**rich Honecker described his China tour as a perfect success before leaving China on October 26.

The leader of German Democratic Republic (GDR) and General Secretary of the German Socialist Unity Party said this to a group of Chinese journalists at the Capital Airport, Beijing.

During his six-day official visit, Honecker exchanged views with Chinese leaders Deng Xiaoping, Hu Yaobang, Li Xiannian and Zhao Ziyang on bilateral relations and other international issues. They shared identical views in many fields, Honecker said.

"No doubt," he said, "the visit is of positive significance for developing relations between our two Parties and countries."

At a luncheon hosted by Chinese Party leader Hu Yaobang in his honour in Nanjing, Hu ensured Honecker China's complete respect for the guidelines for socialist construction the GDR government set in the light of its own conditions; the foreign policy

the GDR pursues in its own interests; and the considerations and specific measures it has taken in developing relations with China. "These constitute our basic policy towards the GDR and other socialist countries in Eastern Europe," Hu said.

"We admire the unremitting efforts made by the GDR in advocating a series of important proposals for safeguarding peace in Europe and the rest of the world," he added.

State-to-state relations should be established on the basis of the Five Principles of Peaceful Coexistence, Hu noted. Socialist countries should set an example for the world in this regard, he said.

Hu pointed out that actions to interfere in, invade or bully other countries are against the guidelines governing international relations. "China firmly opposes all these injustices," he stressed.

China fully understands the concern of the GDR people and

people of the other European countries over the situation in Europe. As it occupies a vital position in the world's political and economic life, with the highest concentration of armies and weapons and serious military confrontations in the world, the situation in Europe has a bearing on world peace, Hu said.

China's senior leader Deng Xiaoping expressed similar views in a meeting with the GDR guests on October 23. He said that both Parties had developed new points of view on their domestic and foreign policies and on handling party-to-party relations, which he said are "forward looking."

Deng said he shared Honecker's view that relations between the Chinese and the German Parties had never been severed. "So, there is no such thing as restoring ties. The two Parties should further promote their relations," he said.

The visit in Beijing, Nanjing and Shanghai, Honecker said, left him with an excellent impression.



Hu Yaobang and Erich Honecker discuss bilateral relations;

Li Xiannian greets the GDR leader at the welcoming ceremony.



## Marshal Ye Passes Away

Marshal Ye Jianying died in Beijing in the early morning of October 22 at the age of 90.

As a leader of the Party, the state and the army, Ye Jianying made extraordinary contributions to the Chinese revolution at critical junctures, particularly in the struggles to smash Zhang Guotao's plot to split the Party Central Committee in 1935 and to topple the Jiang Qing counter-revolutionary clique (the gang of four) in 1976.

During his early years, Ye

followed Dr. Sun Yat-sen and threw himself into China's democratic revolution, participating in the preparations for the setting up of the *Huangpu* (Whampoa) Military Academy. He was renowned as a leader of the Northern Expedition (1926-27).

In September 1927, Ye joined the Communist Party secretly and in December of that year led the Guangzhou Uprising.

During the Agrarian Revolutionary War (1927-37), Ye was concurrently a member of the Military Committee of the Party Central Committee, chief of the General Staff and head of the Red Army Institute. In October 1934,

Ye took part in the world-famous Long March, during which he fought bravely against Zhang Guotao's scheme against the Party Central Committee.

Shortly before the beginning of the War of Resistance Against Japan (1937-45), Ye assisted Zhou Enlai in bringing about the peaceful settlement of the Xian Incident which occurred on December 12, 1936 when two KMT generals—Zhang Xueliang and Yang Hucheng—arrested Chiang Kai-shek, and in bringing about the second round of co-operation between the Communist Party of China and the Kuomintang.

## Epic Long March Remembered

Neither facts nor figures, nor the names of a hundred rivers and mountains, can ever explain the historical significance of the Long March of the Red Army, nor can they describe the suffering of the hundred thousand men who took part in it."

So wrote American writer Agnes Smedley. On October 21, 3,000 young pioneers stood before the Monument to the People's Heroes in Tiananmen Square to honour the martyrs who left their revolutionary base at Jiangxi in southern China half a century ago in the great strategic retreat known to the Chinese as the "25,000-li *Chang Zheng*" (Long March).

Pursued from behind by the Kuomintang troops, whose intention was to wipe out the Red Army, 80,000 Workers' and Peasants' Red Army soldiers started out on a monumental journey across 8,000 miles of some of the world's most difficult and inaccessible terrain in a bitter battle with the elements which only 6,000 survived, the

great majority of them perishing in the snows of the mountains or dying of starvation on the barren steppes.

The Long March turned defeat into victory, triumphing over Chiang Kai-shek, maintaining revolutionary morale and taking the main forces of the Red Army to the front of the War Against Japan. It marked a crucial turning point in the Chinese revolution.

Forty newly-wed couples also assembled in Tiananmen Square to show their respect for those who died in the cause of China's liberation. "Now we are just beginning a new life we should remember those who brought us happiness and a good life," said one bridegroom.

At a rally of 6,000 people in the Great Hall of the People, chaired by Hu Yaobang, general secretary of the Communist Party, Yang Shangkun, vice-chairman of the Central Military Commission said, "The significance of the revolutionary heroism demonstrated during the Long March reaches beyond time and national

boundaries. It is an unparalleled monument to the heroic possibilities of mankind."

"The victory was one of superhuman willpower generated by faith in the cause and ideals of our revolution, by fearlessness in the face of self sacrifice and hardship, by the noble quality of pursuing the interest of the whole, observing discipline and analysing situations impartially, and in a spirit of comradeship to serve the people heart and soul," Yang said.

"We are reviewing the history of the Long March in order to honour the past and learn for the future," Yang said. "We must carry forward the spirit of the Long March and forge a new path by contributing to the ongoing economic reform and China's socialist construction," Yang added.

He urged Party members, soldiers in the people's Liberation Army and all other Chinese to carry forward the Long March, a spirit to make the entire Chinese nation prosper.

"In this endeavour," he said, "army officers and soldiers must take the lead in contributing to the country's material development and to the building of a socialist society with advanced culture and ideology."



Beijing was peacefully liberated in January 1949 and Ye became its first mayor. He later took part in commanding the campaigns to liberate Guangzhou and Hainan Island. He was made a marshal of the People's Republic of China in 1955 and made outstanding contributions to building the army into a modernized fighting force, especially in the fields of military training and scientific research work.

During the "cultural revolution" (1966-76), Ye waged indomitable struggles against the Lin Biao and Jiang Qing counter-revolutionary cliques. In October 1976, Ye and

some other members of the Political Bureau took resolute measures to overthrow the Jiang Qing clique. Ye played a pivotal role in this historic struggle.

From 1978 to 1983, Ye was chairman of the Standing Committee of the Fifth National People's Congress. In 1985, he resigned from the Standing Committee of the Political Bureau of the CPC Central Committee and other leading posts in the government and army.

Ye's monumental feats in the revolutionary struggles of the past half century earned him high prestige and respect among the Chinese people. ■

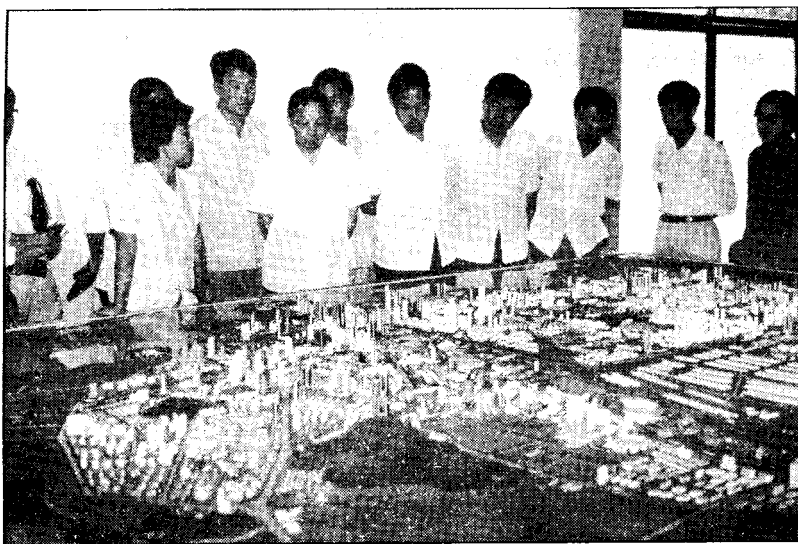
## News in Brief

In 1985, the output of each able-bodied farmer in China reached an average value of 1,706 yuan (about US\$461), 92 percent more than in 1978; and that of each hectare of cultivated land rose to 20,000 yuan (about US\$5,400), an increase of 48.8 percent. An official of the State Statistical Bureau attributed the growth in productivity to the rural household contract system and to the overall development of farming, forestry, animal husbandry, fishing, sideline occupations, and rural industrial enterprises and service trades.

The Natural Science Foundation of China is to give grants to younger scientists engaged in innovative research programmes from January 1987. Each grant will be up to 50,000 yuan (US\$13,500) in value. The recipients must be under 35 years old, have doctorates and experience in independent work.

China's first AIDS prevention team has been set up. Consisting of 13 medical experts on virology and epidemiology, the team will follow the development of research on AIDS around the world in the hope of preventing the disease from taking a hold in China.

So far, only one foreign visitor has died of AIDS in China, and four Chinese have been found to be carrying the AIDS virus as a result of being injected with imported medicine.



A group of mayors sharing their ideas for city planning.

## Modern Mayors for Modern Cities

While China's modernization drive reveals a serious shortage of modern administrators, a class for mayors seems to offer one way to solve this problem, at least at the city level.

At the Central Party School in Beijing, the highest training center for Party leaders and Marxist scholars, 52 mayors and deputy

mayors from the country's 28 provinces, municipalities and autonomous regions are studying the art of modern city administration. Over a period of four and a half months, they will take courses in Administration, Urban Economics, Economic Reform, Town Planning, etc. Their teachers are mostly specialists and professors from universities and research institutions. Mayors who have done an excellent job in economic reform or city construction will also give lectures.



TAO JUNFENG

## Special Phone Links Mayor With People

In order to make direct supervision by the people a reality, the Rizhao city government in Shandong Province has installed a special telephone for the mayor to listen to complaints and suggestions. Here suburban farmers call the mayor's attention to a shortage of chemical fertilizer for autumn sowing.

The current course is the fifth such study class for mayors sponsored by the Ministry of Urban and Rural Construction and Environmental Protection. The class will give training to all China's mayors and deputy mayors in charge of urban building programmes. So far, 308 mayors and deputy mayors from around the country have attended the training course.

China's mayors are not elected directly by the residents of a city, but appointed by local people's congresses and the authorities at a higher level. To be a candidate for office, one needs neither money nor knowledge of city affairs. Very often someone who had served in the army or worked as a Communist Party official was

appointed mayors in the past. He or she might be experienced in military work or Party politics, but knew little about town planning, environmental protection and urban administration.

Over the last few years, however, with the advance of the reform programme, the ranks of Chinese mayors have changed. Of the more than 300 mayors of China's big cities, 60 percent are from the professions and 40 percent are former Party and administrative workers. Nevertheless, mayors of both types find themselves facing many difficulties once they assume office. Party and administrative leaders need to know modern science and technology and to raise their standard of education as a whole.

Professionals need to acquire knowledge from outside their own fields in addition to administrative experience. They all come up against problems such as how exactly to put the reform programme into effect, how to adjust the relationship between urban industry and rural agriculture and how to protect the environment from pollution while developing the economy of their cities.

The course for mayors seems to be providing some of the answers to these problems and the mayors' enthusiasm for their work has been raised. "I've learnt a lot from the study class and I have got a better understanding of my duties," said Su Zhaolin, Director of the Beijing Municipal Urban and Rural Construction Commission, a student on the present course. "I always busied myself with routine administrative affairs before I came to this class. Now I know that I must concentrate on overall strategic decision making to develop the city." The director, who has visited many countries, said Washington D.C., the US capital, and Berne, capital of Switzerland, have set good examples for how to build a capital into a cultural and political centre, while the development of London and Tokyo seems to have taken place in an uncontrolled manner. He said he would redouble his efforts in building Beijing's three satellite towns—Shunyi, Changping and Huangcun.

Another student, Tian Changchun, a county magistrate and an engineer from Chongming, a Shanghai suburban island at the mouth of the Changjiang (Yangtze) River, feels more confident about developing his island into a paradise by the sea. "We often paid too much attention to economic development and neglected social activities in the past," he said. "I am lucky to realize before it's too late that education and the use of human resources are the key to modernization." He



said he would open up a science and technology "market" in his county to encourage the dissemination of scientific information and new technology, and to make better use of the talents of specialists.

As the study class attaches special importance to practice, a 10-day investigation trip will be organized for trainees. They will visit five cities—Chengdu, Chongqing, Wuhan, Shashi and Yichang—to spot problems and decide how they would go about solving them. To complete their training, the mayors will be required to write a paper analysing the problems of their cities, combining their own experience with what they have learnt.

Of the mayors or deputy mayors who have attended the previous classes, many have incorporated new ideas into their city plans. You Dexin, an engineer and mayor of Fuzhou, capital of east China's coastal province of Fujian, abandoned his old urban development plan and worked out a completely new one after he returned home. He was soon promoted to deputy governor of the province because of the good job he had done.

Of course, not all those who attend are lucky enough to realize ambitious plans. Luo Siliang, deputy mayor of Jiamusi, north-east China, shut himself in his office for three days after he returned from the course. When he re-opened the door, he had written 70,000 words suggesting changes in the work of the city. But unfortunately, before he had a chance to work on the plan, he was assigned to work as director of the city's office in Dalian, a sea port on the Liaodong peninsula.

The mayors know that they alone cannot build a modern city. Those who have attended the course recommend it to their colleagues, and they believe strongly that all Party secretaries should attend it. Party secretaries still have much power though a reform of the political

system is under way which will separate the work of Party leaders from that of administrators. Two secretaries of city Party committees are attending the fifth class.

The Ministry of Urban and Rural Construction and Environmental Protection has placed much hope on the training programme. "It's not only a cadres' training centre. It's also the starting point of the Chinese cities of the future," as one official put it.

by Shang Rongguang

## Way Out for City's Rubbish Disposal

Beijing plans to spend 300 million yuan on improving the city's present refuse disposal system. In order to render its rubbish useful and harmless, said Han Zhijia, deputy director of the Beijing Sanitation Management Bureau, Beijing will need to build seven new disposal sites during the Seventh Five-Year-Plan period, plus an incinerator, a 500-ton compostor and eight rubbish dumps in Tongxian, Daxing and Changping counties and in the Chaoyang and Fengtai districts.

Rubbish has become a big headache as the city has grown together with its population. Beijing generates about 6,000 tons of rubbish a day. "It's difficult to find places to stack garbage," Han complained.

Three of the seven dumping grounds and a 300-ton compostor will be ready for use by the end of next month. A rubbish container and transfer site has also just been finished in Shijingshan District, which uses a hermetically-sealed container to store and transport rubbish. It reduces both the labour intensity of cleaning work and pollution.

The cost of rubbish disposal is a big problem, Han said. "We often

## China & the World

■ **Sino-Portuguese Press Communique on Macao Talks.** A press communique was released on October 22 on the third round of talks on the Macao question. The communique announced that a working group has been set up by the Chinese and Portuguese governments for detailed discussions, and the revision of all the draft agreements put forward during the talks between China and Portugal.

■ **Machel's Death Mourned.** Premier Zhao Ziyang went to the Mozambican Embassy in Beijing on October 23 to tender his condolences on the death of Mozambican President Samora Machel. CPC General Secretary Hu Yaobang and Chinese President Li Xiannian also sent wreathes.

■ **China Expresses Indignation at US Congress Interference in China's Internal Affairs.** A Foreign Ministry spokesman accused the US Congress of interfering in China's internal affairs by listing Tibet as a separate country in a recent amendment to the US Export-Import Bank Act of 1945. "This constitutes a wanton interference in the internal affairs of China," he said.

The spokesman said that China has taken note of the statement made by President Reagan in signing the amendment that the United States recognises Tibet as part of the People's Republic of China.



Hu Xuming, a model worker and cleaner in Beijing, at work.

feel short of money." Getting rid of the city's waste costs Beijing about 50 million yuan a year, more than one third of its total maintenance bill of about 120 to 130 million a year.

Finding cleaners is another big problem, because of their low social status. The government has been trying since 1949 to fight the old prejudice that cleaners are people incapable of holding "decent" jobs. But few people are willing to do the work.

"The cleaners are the beauticians of our city. So they and their job should be respected by all of us," Han said.

Recently the Beijing municipal government issued certificates of honour to 2,119 retired cleaners for their work in keeping the capital clean and tidy.

"We are proud to have thousands of diligent and conscientious cleaners," said Mayor Chen Xitong. "Because of them, the people of the capital enjoy a clean and beautiful environment."

Deputy mayor Zhang Baifa has promised that the city's government will help cleaners to solve their immediate housing and other practical problems.

Several rooms have been built this year so that cleaners can have a cup of tea and a rest during working hours. "We will further improve the treatment and working conditions of cleaners," said Han Zhijia.

There are 16,000 cleaners in Beijing. Their wages are about 150 yuan a month. ■

## Technology Group To Boost Economy

China's technology trade has been moving into higher gear during the last two years. A sign of this is the inauguration, on October 6, of the China Technology Development Group.

This national technology marketing group, involving 48 companies and government institutions, is aimed at bridging the gaps between different professions and regions, and making full use of domestic or foreign inventions and discoveries in the economy through promoting transactions in technological commodities.

"It's the first enterprise in our country to be called a 'group,'" said Luo Qin, an executive official of the China Technology Market Development Centre.

Services the group provides include tackling key technological problems for the state, importing advanced know-how and adapting them for domestic use, helping develop the backward areas, and updating the managerial and technological level of factories.

The group also wishes to cooperate with foreigners in information exchange and personnel training.

China's economic and technological reform depends largely on the commercialization of technology, said Song Jian, State Councillor and Minister of the State Scientific and Technological Commission, adding that channels to incorporate the fruits of scientific research into the economy are badly needed.

For example, a device for the protection of electric motors was invented by a defence industrial department over a decade ago. It would have saved the country about 100 million yuan yearly if it had been applied in only 15 percent of the factories which need it. But in fact it has been made use of by only 0.3 percent of them.

Scientists were given tasks by state ministries without knowing



what they were doing research for before the reform. In some cases, the same problems were worked on a number of times by several institutes, wasting precious state funds and intellectual resources.

But things began to change for the better in May last year with the introduction of "technology markets," which make it possible for scientists to meet social needs directly.

So far about 40 percent of the country's institutes have introduced the reform, according to *Renmin Ribao* (People's Daily), and one out of five of these have become financially independent by marketing their inventions and research findings.

The total value of business transacted in the country's technology market last year reached 2.3 billion yuan, three times that of 1984, Minister Song said.

Hebei scientists have been helping impoverished farmers inhabiting the Taihang Mountain areas to become better off in the last five years by telling them about some easy techniques they could apply. As a result their annual per-capita average income jumped from 75 yuan in 1981 to more than 300 yuan last year. And the Chengdu branch of the Chinese Academy of Sciences saved a farm machinery factory from bankruptcy last year by inventing a new technology for it.

"The wall between technology and the economy is collapsing," commented Minister Song.

But the development of the technology market is not all "plain sailing." During the first half of this year, the value of transactions dropped by a large margin because some people are still insisting that new technology should be made available at no cost.

Besides, the markets belonging to different organizations and regions are isolated, and they find it hard to cope with some comprehensive projects, Luo Qin said. The marketing group is just an effort to join their forces.

"We shall be able to withstand difficult times more easily if we join hands," said Lin Zeren, the deputy director of the technology developing centre. ■

## Milk Price Goes Up in Beijing

**T**he news that milk will cost more in Beijing in November made an old woman cut down her monthly order.

Ding Yu, 73, one of the several million milk drinkers in the city, said that she would make rice porridge with water in the morning instead of milk.

The price of milk is to go up from 0.30 yuan to 0.42 yuan a half litre, according to the Beijing municipal government.

"Prices keep going up and up," she said, "I wonder when it will end."

Ding's complaints can be heard everywhere in Beijing following the announcement of the news.

But Liu Shibao, manager of Beijing Western Suburbs State Farm, believes there will no longer be any shortage of milk after the price increase.

Liu's farm is one of Beijing's main milk suppliers, providing 10 percent of the milk consumed in the capital.

He said the farm's costs have risen since 1984, including the costs on electricity, coal, water and feed. But the wholesale price of milk has remained the same. For example, said Liu, the income received from half a litre of milk could buy only one kilo of cow feed. "The more milk we produce, the more money we lose," Liu complained.

He said his farm had killed more than 100 cows to cut losses. But they had to continue to produce milk because it was the state policy.

Sun Yujun, 33, a member of the farm, sold her seven cows in 1983

to make a profit of 20,000 yuan. "I don't want a business yielding such small profits," she said.

Liu said that Beijing milk shortage would have lasted until 1988 had the government not increased the price.

He disclosed that Beijing needs 35 percent more milk to become self-sufficient. At present, the United Nations makes up the difference. But this will come to an end in 1988.

The new policy would encourage farmers to raise milk production, Liu continued. He would be opening another dairy farm with 300 head of cattle next year as a direct result of the price rise. Other farmers would also increase their herds because they are now assured of fair profits. This will remove any threat of milk shortage in the future. ■

by Zhang Wei

## China Improves Traffic Control

**P**ublic security departments will be held responsible for traffic rules on all roads throughout China, according to a government decision to improve efficiency in traffic control.

A circular issued recently by the State Council says that the reform of the country's road traffic management system is designed to end the "previous chaos in traffic control by various departments" in a bid to meet the needs of opening to the outside world while invigorating the domestic economy.

The State Council has empowered the Ministry of Public Security to draft the country's laws and regulations on traffic safety and management. Once they are approved by the National People's Congress, the circular says, "the ministry will be held responsible for implementing them." ■

## UN GENERAL ASSEMBLY

**Viet Nam. Hands off Kampuchea**

*The 41st session of the United Nations General Assembly called on Viet Nam to withdraw its troops from Kampuchea.*

The United Nations General Assembly adopted a resolution on October 21 calling on Viet Nam to pull its troops out of Kampuchea.

The resolution was drafted by 60 countries and adopted by 116 votes in favour, two more than last year, to 21 against.

The resolution condemned Viet Nam for its continued armed intervention in Kampuchea, which began in 1979, saying it is "seriously threatening international peace and security."

"To bring about lasting peace in Southeast Asia and reduce the threat to international peace and security," the resolution said, "there is an urgent need for the international community to find a comprehensive political solution to the Kampuchean issue." The document added that the solution must include the withdrawal of all foreign forces from Kampuchea; the restoration and preservation of its independence, sovereignty and territorial integrity, in recognition of the right of the Kampuchean people to determine their own destiny; and a commitment by all states to non-interference and non-intervention in the internal affairs of Kampuchea.

Speaking at the Assembly, Prince Norodom Sihanouk said that the Coalition Government of Democratic Kampuchea was more than ever determined to develop unity among its parties. "Whether Viet Nam likes it or not, we will succeed in building up an independent Kampuchea, united, peaceful, neutral and non-aligned,

within the framework of national reconciliation."

Sihanouk, president of Democratic Kampuchea, said the March 17, 1986 eight-point proposal for a political settlement of the problem of Kampuchea put forward by the Coalition Government of Democratic Kampuchea "constitutes our national charter at present as well as in the future." He added that the proposal testified to the coalition government's spirit of moderation and conciliation between all Kampuchean, irrespective of their political opinions, and also towards Viet Nam, Kampuchea's aggressor. He described the outright rejection of the peace plan by Viet Nam as fresh proof that Hanoi wants to absorb Kampuchea into an "Indochina federation" at all cost.

He refuted Viet Nam's state-

ment that there would be an annual partial withdrawal of its troops and the total withdrawal of its forces by 1990 as "mere propaganda which can no longer deceive anybody."

Sihanouk pointed out that Viet Nam could not persist in its aggression and occupation of Kampuchea without the huge amount of Soviet aid it receives, estimated at about US\$6 million a day.

Like 43 other speakers, the Chinese representative at the UN condemned Viet Nam's invasion of Kampuchea and voiced his support for the Coalition Government of Democratic Kampuchea in its effort to secure peace for the country. He said that the only reasonable choice for the Vietnamese regime was to end the war. He called on the "big power" backing Viet Nam to stop supporting aggression. He declared that China did not seek any sphere of influence in Southeast Asia and Kampuchea.

In its October 23 editorial, the radio of Democratic Kampuchea described the UN resolution as a great victory for the Kampuchean people, the Coalition Government and all resistance forces in Kampuchea. ■

by Xin Sheng

## AFGHANISTAN

**Soviet Troop Pullout Only a Gesture**

*Although Moscow began withdrawing six regiments from Afghanistan on October 15, this far from solves the Afghan problem.*

On October 15 the Soviet Union started to withdraw about 8,000 troops from Afghanistan—three artillery regiments, two motorized and one tank regiment. Although Colonel-General

Nikolai Chervov said at a press conference in Moscow on the same day that the partial pullout was a sign of goodwill aimed at encouraging a political settlement of the conflict in Afghanistan,

observers predict that the Afghan issue will not be settled in the near future.

Ever since Soviet leader Mikhail Gorbachev announced the Partial withdrawal in Vladivostok on July 28, Soviet officials have on various occasions said that this represented a new effort on the part of the Soviet Union to achieve a political settlement of the Afghan issue. Foreign journalists were invited to witness the beginning of the withdrawal. It is obvious the Kremlin wishes to blow this small event up into an important occasion.

However, the international community has not reacted as warmly as the Soviet Union would have liked. While some people gave the withdrawal a cautious welcome, most people felt that it is little more than a gesture and does not go to the heart of the problem.

First, the number of troops being withdrawn amounts to only 5 or 6 percent of the estimated total. Compared to the figure of 250,000 Soviet troops in Afghanistan given by new leader of the Kabul regime Mohammad Najibullah, it is insignificant. Moreover, it is reported that Moscow sent 15,000 combat troops to Afghanistan only a few months before the present withdrawal. Furthermore, the troops being withdrawn are armoured and anti-craft forces, of little use in the battle against the Afghan resistance forces, who have no aircraft, and are operating in the rugged mountainous terrain. Little wonder most people see withdrawal as merely a routine rotation of troops.

Secondly, while announcing a partial withdrawal, the Soviet Union at the same time refused to publish a timetable for the complete withdrawal of its troops. Moscow insisted that so long as intervention against the "Afghanistan government" continues, the Soviet Union "will not stand idly by."

Many people believe the Soviet Union lacks sincerity on the Afghan question. Since 1982 eight rounds of indirect talks in Geneva have yielded nothing, stalemated by the Soviet Union's refusal to come up with a definite timetable for troops withdrawal. US and Soviet leaders and specialists have also held many discussions on Afghanistan, but the Soviet side has always shown the same inflexibility.

Thirdly, the Soviet Union has not relaxed its military activities after the partial pullout announcement. On the contrary, Soviet offensives against the Afghan

guerrillas continue unabated. While Soviet troops continue to kill innocent Afghan people, border encroachment against Pakistan is just as frequent as before.

At a press conference in Peshawar on October 13, spokesman of the seven-party alliance of Afghan resistance forces Sibghatullah Mujaddidi pointed out that the Soviet withdrawal has been made for propaganda purposes only and is aimed at diverting the attention of world public opinion away from what is really going on in Afghanistan.

by Shi Zhongxing

GDR

## Progress in Economic Development

*The German Democratic Republic has become one of the leading industrial countries in the world after 37 years of hard work.*

The Germans, who only 37 years ago stood among the ruins of war, had good reason then to ask, "What future does our country have?" Today, the question has been answered by the Germans themselves.

In the period 1981-85 the annual growth rate of the national income of the German Democratic Republic (GDR) was 4.5%, about US\$3,300 per head—a growth rate that was not only higher than Western countries but also higher than other East European countries. In 1985 alone, the GDR's national income amounted to 230 billion DDR marks. In terms of industrial production per capita, the GDR is now one of the 10 leading industrial nations in the world.

These achievements, when placed in the context of a continual deterioration in the conditions of world trade in recent years, seem all the more remarkable. At its eighth congress in 1971, the Socialist Unity Party of Germany (SED) adopted a policy of combining economic development with improving social welfare, placing equal stress on industrial production and the living standards of the people. The first social welfare programme adopted at the congress included ambitious housing projects to better people's living conditions by 1990. So far, 7.2 million out of the population of 16.6 million have received better housing with an average 26 square metres of floor space each.



The cost of living has been stable since 1970 and has even declined slightly. Wages in 1985 were 20% higher than in 1980, averaging 1,102 DDR marks per month. Meat consumption per head now averages 96 kilogrammes annually, second only to the United States. The figures for other items such as dairy products, motor cars and domestic appliances are also among the highest in the world. These improvements have, of course, greatly stimulated people's working enthusiasm.

The importance of science and technology has never been underestimated in the GDR. The SED believes that scientific advance must go hand in hand with intensifying production if a sustainable growth rate is to be assured. The budget for scientific research has, therefore, been increased, now accounting for about 5% of the national income. The integration of research with production is being promoted especially in the areas of microelectronics, computer science, automatic control and biotechnology. Vocational training for workers and technicians is also given priority. More than 200,000 senior scientists and technicians are now engaged in research and the development of new products.

Another important factor in the GDR's success story is the form of management introduced in the late 1970s and early 1980s, in which industrial complexes, or Kombinate, are given a certain degree of autonomy, and research, development, production, sales and exports integrated. The integration of research with production has thus further strengthened.

Economic efficiency has increased because of the simplification of the system in leadership. The complexes are now supervised directly by central ministries or local authorities by means of a

contract system without any intermediary agencies. More than 90% of the people employed in state-owned industries are concentrated in Kombinate, whose output accounts for 96.7% of the country's total.

A new development plan for 1986-90 is already under way, which aims to increase national

income by 24-26%, with average annual growth of 4-5%. Industrial productivity is expected to grow by 49-51% and the net income of the people by 20-23%. Given favourable conditions at home and abroad, the GDR is likely to reach these goals.

by She Duanzhi

OPEC

## Bargaining Produces Compromise

*After more than two weeks of intense negotiations in Geneva, the 13 ministers of OPEC have finally hammered out a compromise agreement.*

In an attempt to transform August's interim accord on production ceilings into a lasting agreement on quotas and prices, oil ministers of the 13 members of the Organization of Petroleum Exporting Countries (OPEC) met again in Geneva on October 6.

This 79th conference of OPEC opened in a more optimistic mood than recent meetings. Since the 13-nation cartel agreed on August 5 to take about 4 million barrels a day off the world market, the price of oil has jumped to around US\$14 a barrel from less than US\$10 a barrel six months ago.

Saudi Arabia and Kuwait together made up cuts of 2.4 million barrels. Iran's output is restricted because its oil installations have suffered heavily from Iraqi air raids. And some non-OPEC countries such as Mexico, Malaysia, China, Norway and the Soviet Union have voluntarily reduced their oil exports to support OPEC's effort to stabilize oil prices. Western observers pointed out that if OPEC was not supported, both the developing

and the developed countries would be faced with a serious debt and financial crisis as a result of the impact of falling oil prices on world economic development.

The meeting, the longest since OPEC was set up in 1960, tackled three issues—the temporary accord, permanent quotas for member states and a long-term price structure, but bargaining for production shares got in the way of any agreement on permanent quotas.

OPEC's oil revenue this year is expected to decline to US\$60 billion from US\$280 billion in 1981. Every country, particularly poorer members, wanted a higher quota, so a majority of OPEC countries favoured a two-month extension of August's interim quota agreement, due to expire on October 31.

But Kuwait and Saudi Arabia, OPEC's two largest exporters and chief policy-makers, insisted on getting bigger shares for themselves together with a lasting agreement on quotas. Kuwait considered its quota under the

August accord as unfair while Saudi Arabia insisted OPEC should reward Riyadh for past sacrifices it has made on behalf of the group.

In spite of the conflicting demands, every member agreed that failure to maintain production restraints during the coming two months would send prices back below US\$10 a barrel.

To bring about a breakthrough in the deadlock after the conference had gone on for 16 days, the ministers agreed to Saudi Arabia's suggestion that output be curbed sufficiently to drive prices up to US\$18 per barrel by the end

of the year. Saudi Arabia in turn dropped its opposition to renewing the August accord and proposed raising the current daily ceiling by 200,000 to 17 million barrels. The intervention of Saudi King Fahd brought the conference to a satisfying conclusion, with a pledge to continue making sacrifices to help stabilize the world oil market and strengthen OPEC. While Saudi Arabia's quota remains unchanged, Kuwait was permitted an additional 90,000 barrels a day, with Ecuador 40,000 barrels, Gabon 25,000 and Qatar 10,000. ■

by Jiang Wandu

countries. The meeting of heads of State and government of the Organization of African Unity, the Conference of Foreign Ministers of the European Community, the Commonwealth mini-summit all passed resolutions on taking economic sanctions against South Africa, but little real action has resulted. For example, the volume of trade affected by the sanctions of the EC amounts to only US\$400 million, 4 percent of EC imports from South Africa and a mere 1.5 percent of South Africa's total exports.

The second reason is that South Africa enjoys an exceptional geographical position and the regime has a substantial economic base. At the meeting point of the Atlantic and Indian Oceans, it is at the intersection of international shipping lines. Its railways make up half those of all African countries and are principal means of communication between other southern African countries and the outside world. South Africa has vast mineral reserves. Its gold, platinum, chromium and manganese all occupy first place in the world, vanadium and diamonds rank second and coal fourth. There are more than 80 countries which import minerals from South Africa. The United States and Britain import large quantities of strategic materials. According to official statistics, total sales of minerals amounted to R19 billions in 1984.

The economy of South Africa developed quickly after World War II, especially its mining and manufacturing industries. In 1983 its per capita GDP reached US\$2450. South Africa accounts for only 40 percent of the population of all southern African countries, but its GDP is 80 percent and its food production about 70 percent. Its mining and manufacturing industries also provide jobs for millions of black people of other African countries.

The third factor is that Pretoria

## SOUTH AFRICA

### **Pretoria Clings obstinately to Racism**

*The South African regime continues to implement a policy of racial segregation, based on its substantial economic strength, despite the strong condemnation of the world.*

Recently the South African regime has intensified racial segregation at home and military provocation against neighbouring countries, creating a tense situation in southern Africa. Pretoria reimposed martial law on June 12 throughout the country, having previously lifted it on March 7 under pressure from the international community and the struggle of the South African people themselves.

Large numbers of police are now stationed in black townships and black people are forbidden to go on strike, hold rallies or even attend memorial meetings for murdered comrades. Blacks living in different towns are not allowed to communicate with one another.

The leaders of black people's liberation organizations, whether legal or underground, are harassed, and the regime refuses to lift the ban on the African National Congress or to negotiate with it. More than 14,000 black people have been arrested and hundreds killed since martial law was imposed.

Why does South Africa persist with its policies in defiance of world opinion and the economic sanctions now being imposed on it?

The first reason is that the sanctions are insufficient to hurt South Africa, which is threatening to retaliate with counter-sanctions of its own against bordering

is able to take advantage of mistakes made by the black people in their struggle against apartheid. This struggle has developed in both range and scope, but the forms it takes, except for certain non-violent actions, are still limited to bombings and surprise attacks in public places, which

have killed some innocent white workers, including women and children. Pretoria is exploiting this to stir up resentment among white people against the black guerrillas and also to cause dissension among black people. ■

by Zhang Aizhen

## BRITAIN

### Relations With Syria Severed

*The British decision to sever diplomatic relations with Syria causes a stir in international relations.*

**B**ritish Foreign Secretary Geoffrey Howe announced the break on October 24 because of "conclusive evidence" that Syria was involved in an attempt to blow up an Israeli jet liner carrying 376 passengers from Londong to Israel on April 17.

Nezar Hindawi, a Jordanian travelling with a forged Syrian passport, was sentenced to 45 years imprisonment after he was convicted of planting a bomb in the suitcase of his pregnant Irish girl friend who was to travel on the El Al Israeli airliner.

The Syrian ambassador to London, Allah Haydar was accused of helping of the British action.

Canada has also recalled its ambassador to Syria "for consultations." Canadian Foreign Minister Joe Clark said he fully supported the British government's decision.

Federal Germany has reportedly postponed a planned visit to Bonn by Syrian Foreign Minister Farouk al-Sharaa at Britain's request.

Syria severed relations with Britain, the United States and Federal Germany in 1976 over the Arab-Israeli war. Relations with

all three countries were restored in 1974.

France has not considered a similar move against Syria since there is no clear evidence that Syria was involved in a series of bombings in Paris in October which left 10 dead, according to Roland Dumas, current chairman of the French National Assembly's Foreign Committee.

He said that if Syria were indeed responsible for the bombings, France would break diplomatic relations with it.

Israeli officials were reportedly satisfied with the British move, which they considered as a backing for their long-held contention that Syria supports terrorism.

Egyptian Minister of State for Foreign Affairs Boutros Ghali said Egypt condemns international terrorism and wants to see international rules laid down to combat it. But he made no specific comment on the British move and the alleged Syrian involvement in the bomb plot.

The official Soviet news Agency TASS has reacted strongly, saying allegations of Syria's complicity in the bombing plot were "obviously

invented" and "were used as a pretext for this unfriendly and provocative act."

The British move was viewed by the Syrians as an attempt to isolate their country in the Arab world. Syria has allied itself with Iran in its six-year-old war with Iraq while most of the Arab states support Iraq.

Iran's official news agency described the British action as an "extreme measure" that "had not been anticipated," saying more appropriate measures should have been adopted.

In response to the British move, Syria closed down the British embassy and the British council cultural centre in Damascus and sealed off all sea waters and airspace to British planes and ships. British embassy and cultural centre staff had seven days to leave the country.

Britain originally had ordered the 21 staff members in the Syrian embassy to leave within 14 days. It has since demanded that they must go in seven days.

Syria has reportedly vowed to guarantee the safety of British embassy staff and some 250 British citizens living in Syria as well as to protect British property, despite the breakoff of relations.

British diplomatic personnel in Beirut had previously warned British citizens residing in Beirut that they should leave the Lebanese capital, whose Muslim western sector was under Syrian control, if there were no pressing reasons for them to stay.

Syria had repeatedly denied any links with the bombing plot. Its ambassador to London, Haydar, described Britain's accusation as "nonsense," saying the plot was orchestrated by Israel and the United States.

Earlier last month Syrian President Hafez Assad said it was Israel intelligence agents who had planned the bomb attempt to discredit Syria.

by Deng Shiwu



# Xinjiang Strides Ahead While Opening to the World

by Our Correspondent Dai Yannian

**Xinjiang, which lies on the ancient "Silk Road," hopes once more to be a "frontier area" on the road to the West. Its developing communications will expand the region's economic and technical potential. The region also plans to introduce a series of policies favourable to foreign investment.**



Tonur Dawamat.

CHEN ZONGLIE

**T**onur Dawamat is head of the government of the Xinjiang Uygur Autonomous Region. He wore a typical Uygur cap when he received us. "Since I began working at the People's Government of the Xinjiang Uygur Autonomous Region 22 years ago, I have visited all the eight prefectures, five autonomous prefectures, three cities, 68 counties, six autonomous counties and 70 to 80 percent of the region's townships," he said. "I have come to realize that Xinjiang is a beautiful place with enormous potential and I treasure it."

Born into a poor Uygur peasant family in 1927, Tonur Dawamat had worked in his native Toksun County and in Turpan Prefecture (about 150 kilometres to the southeast of the region's capital

city of Urumqi) until 1964 when he was promoted to the post of vice-chairman of the people's government of the Xinjiang Uygur Autonomous Region. This is

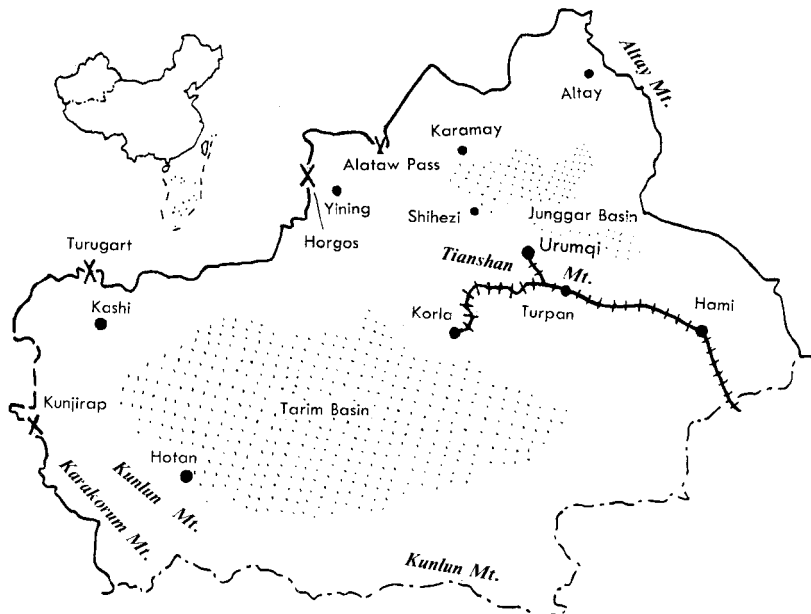
China's largest autonomous region and covers about one-sixth of its total territory. Last December Tonur Dawamat was appointed chairman of the region.

## Land of Enormous Potential

In films and TV programmes, Xinjiang is an endless stretch of deserts being crossed by caravans of bell-swinging camels. Our cameramen seem to be very fond of such scenes. True, Xinjiang's deserts make up almost half the region's total area of more than 1.6 million square kilometres. However, there are many oases, both natural and man-made. In 1949 when Xinjiang was peacefully liberated, the region had only

1.2 million hectares of farmland, now it has expanded to more than 3.3 million hectares. The reclaimed farmland, formerly deserts, is now the most popular dwelling place in the region. There are another 10.8 million hectares of arable land waiting to be reclaimed for crops.

Xinjiang has 80 million hectares of grassland which border the Kunlun and Karakorum moun-





The People's Square in Urumqi.

CHEN ZONGLIE

tains in the south, and the Altay Mountain in the northeast. The Tianshan Mountains, which cross it east to west, are endowed with forests, grassland, rich flora and fauna, glaciers and a wide variety of mineral deposits.

In an intense tone, Tonur said, "Tianshan has abundant resources which will never become exhausted. It is Tianshan that has nurtured Xinjiang's people. Aha, the Tianshan Mountains, mother of the Xinjiang people!" He added that in Xinjiang deposits of 120 minerals have been verified. The 320,000-square-kilometre Taklimakan Desert at the bottom of the Tarim Basin has a terrible reputation, not helped by its name which means "no exit." In fact, it has rich oil deposits. The Karamay Oilfield at the north-western brim of the Junggar Basin began pumping in the 1950s and has since been expanded. After several years of prospecting and exploring, the eastern part of the

basin has had much richer oil and gas deposits verified.

North China's Shanxi Province which has been considered the richest coal deposit in China now pales before Xinjiang, which is known to have coal deposits of 1,600 billion tons. "A few years ago, when we dug tunnels as air raid shelters in Urumqi," Tonur said, "we dug nothing but black anthracite." In addition, Xinjiang has abundant non-ferrous metal and jade resources.

Tonur informed us that Xinjiang seems to be short of water, but in fact has rich water resources. The Tarim River, the largest inland river in China, flows over 2,100 km across the northern brim of the Tarim Basin, and other rivers and streams can be found in almost every Xinjiang county. The region has surface water of more than 96 billion cubic metres and underground water of more than 26 billion cubic metres. It is estimated that Xinjiang has as

much water as the Huanghe (Yellow), Huai and Haihe rivers put together. Only one-third of the water is used, however. If the water were fully used, many more oases would be created, said Tonur.

Tonur treated us to two Xinjiang specialities, *Hami* and water melon. *Hami* melon grows extremely sweet and juicy in Xinjiang. In addition, Xinjiang also produces other fruits such as Turpan's grape in the east, Ili's apple in the west and Qarle's pear in the south. Xinjiang's climate is favourable also for the growing of cotton, sugar beet and other cash crops.

## Good Harvests and Unity

Tonur said that this year saw the ninth consecutive good harvests. Before 1983 the state shipped 150 million kg of food grains to aid Xinjiang every year. This year the region sold the state

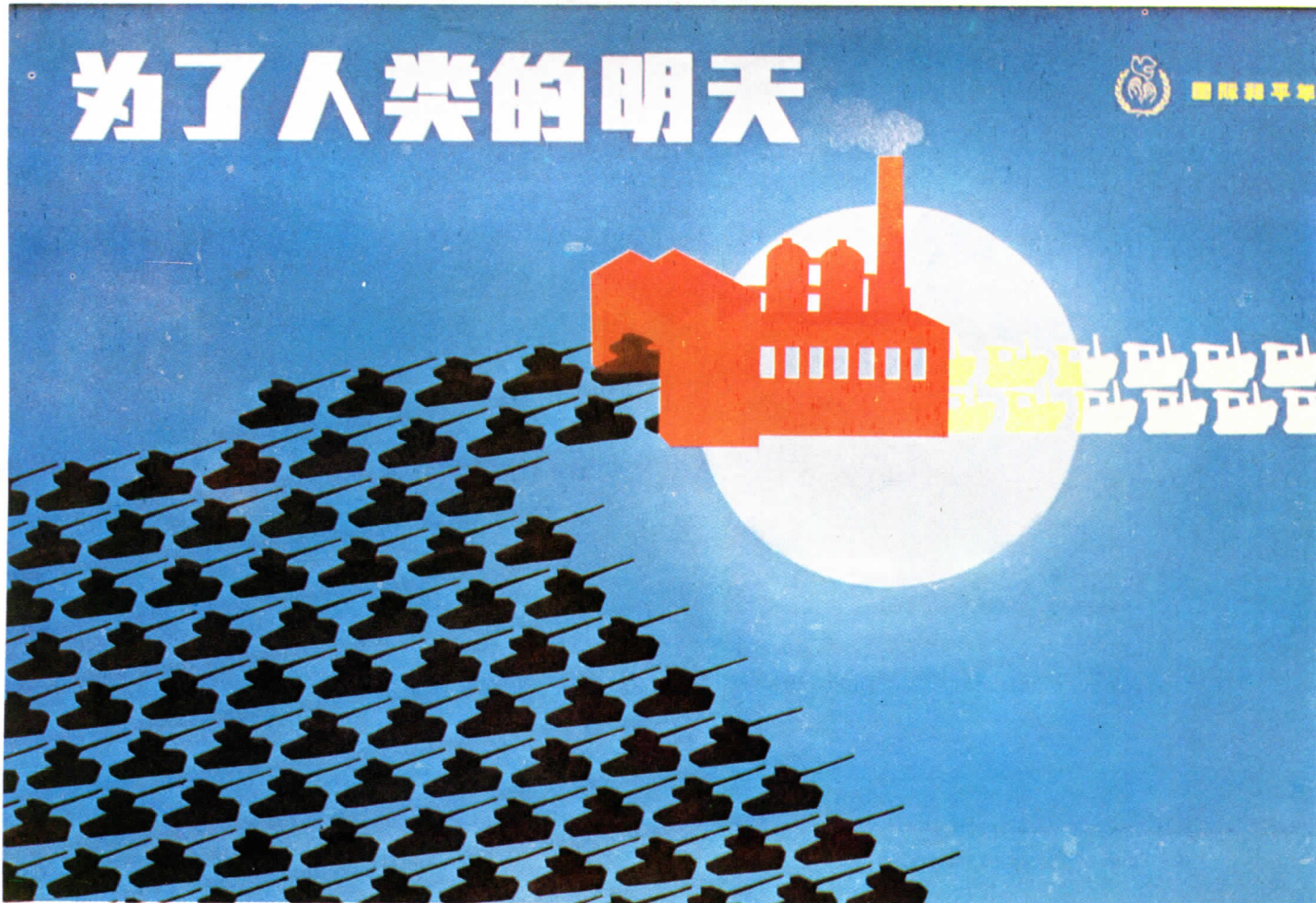


Works by Chinese artists  
on the theme of peace in  
commemoration of the Inter-  
national Year of Peace



Doves of Peace (a traditional Chinese painting).

by Sun Zhipu and Sun Yaru



For the Future of Mankind (a poster).

by Zhang Zhaonian



THE FACE OF YOUTH



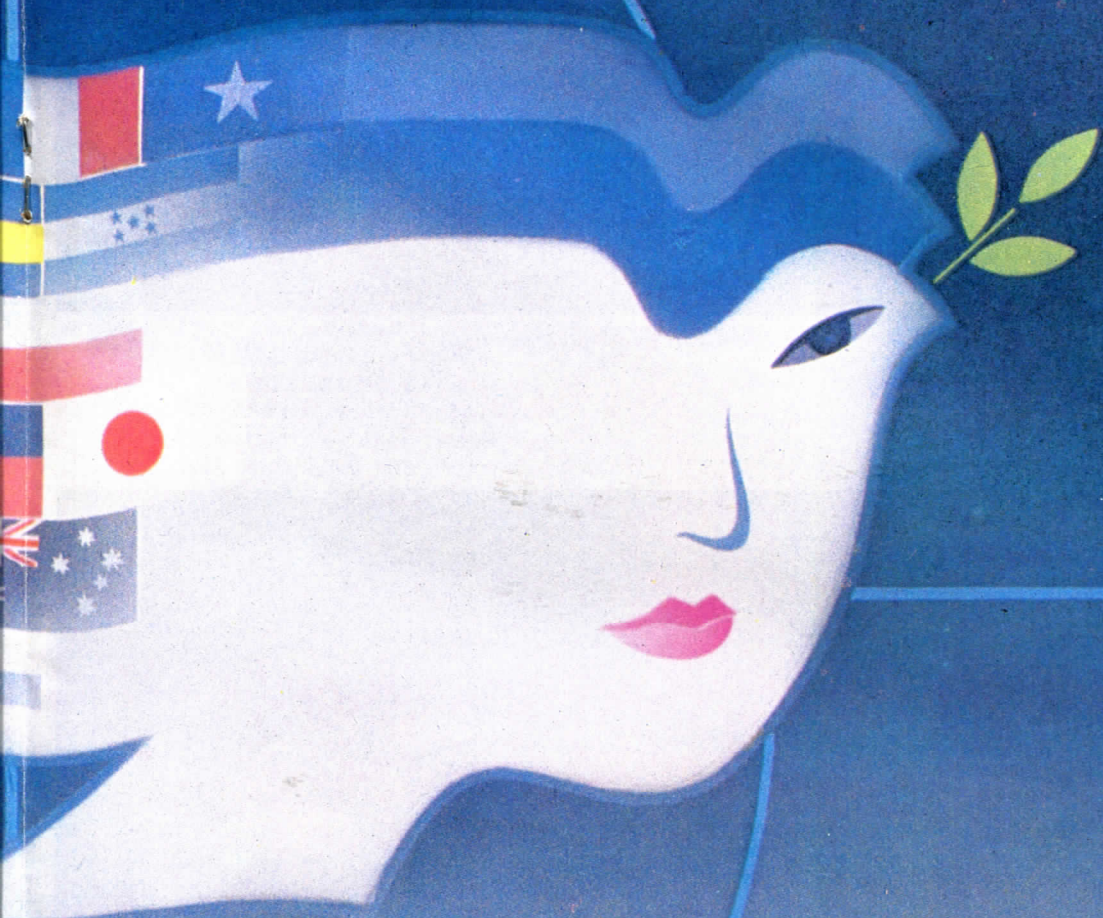
青春的面容

The Face of Peace (a poster).

by Li Yujun



THE FACE OF PEACE



和平的面容





Mountain Spring (a silk screen painting).

by Cong Ruri



Spring Rain (a decorative painting).

by Jia Guozhong



Evening Wind — Mother and Son (a sculpture).

by Cheng Yanan



500 million kg to support other areas. Before liberation, the poor could only afford corn and only the landlords could afford wheat flour. Nowadays wheat flour is part of an ordinary diet and corn has become fodder. The region has more than sufficient vegetable oil as it stores a surplus of 250 million kg.

The region has registered a marked development in cotton production, including the long-fibre good strain. This year the whole region is expected to produce 200 million kg of cotton, as against the five million kg it produced in 1949. Xinjiang now has more than 30 million head of fine-wool sheep, mutton-wool sheep and other kinds of livestock. This is nearly three times as many as in 1949, and represents 2.6 times the meat output. The whole region has more than 5,000 enterprises involved in oil, coal, cotton and wool production. The variety of products in the region has increased from a dozen or so before liberation to more than 2,000.

The farmers and herdsmen are also better off. Last year the region's per-capita net income averaged 394 yuan, only three yuan less than the national average.

**Uygur children.**



CHEN ZONGLIE



**Sunflowers are grown for oil.**

CHEN ZONGLIE

Since 1978, Tonur said, Xinjiang's economy has developed steadily as a result of a variety of factors. The most important is that the regional government has followed the central government's policies of invigorating the domestic economy while opening to the outside world and strengthening national unity. Tonur commented that during the "cultural revolution" (1966-76), mistaken

policies were pursued, people flagged and so did the crops.

More than 8 million of Xinjiang's 13 million people are of minority ethnic origin, including the Uygur, Kazak, Mongolian, Hui and Kirgiz. Tonur said that people of different ethnic groups in Xinjiang have mixed very well and have formed close and harmonious relations of mutual respect, help, understanding and learning. The leadership, he said, conscientiously adhered to the policies of treating different nationalities as equals and educating the people in the idea of "no one can go without the other, the Han or any other ethnic group."

Language is a barrier to communication and unity, said Tonur. The Han people are encouraged to study the languages of minority ethnic groups, as well as minority people being encouraged to study Mandarin. He stressed that in his opinion the study of Mandarin was more important. "For example, if a Uygur knows only his own language, he will be extremely limited in his communications and knowledge. However, if he knows Chinese, the scope for new

information is incomparable. That is why we encourage minority people to learn not only Chinese but also English, Russian, French, Arabic and whatever they are interested in."

Tonur said that the Xinjiang people are forthright, warm, hospitable and good at singing and dancing. Because of the stable social order and improved living standards, people's health has improved. Life expectancy has increased. The region now has more than 800 centenarians. "The aim of all our work is the people's happiness," he said.

## Difficulties and Problems

When asked what difficulties and problems Xinjiang is confronted with, Tonur said immediately: trained personnel, funds, transport and communications.

The 1,892-km-long Lanzhou-Urumqi Railway opened to traffic in 1962. Another railway designed to go southward from Urumqi already has 400 km in use. The region has a total highway mileage of more than 22,000 km and highways linking it to Pakistan and the Soviet Union. The region has air services from Urumqi to Beijing, Guangzhou, Shanghai, Xian and Lanzhou, and to Kashi, Yining, Karamay and Altay within its borders. One of China's international air routes goes through Urumqi, too.

The rapid development of agriculture, animal husbandry and industry in recent years has far outstripped these facilities, however. Many products cannot be shipped out even while overloading the major transportation artery, the Lanzhou-Urumqi Railway. This year, Xinjiang has shipped 250,000 tons of melons to other parts of the country; it still has many more to be shipped. The Middle East has shown great interest in Xinjiang's sheep and Xinjiang has 100,000 sheep ready to export there. Trade, however, is

being held back by the lack of transport.

Xinjiang has 14 institutes of higher learning and more than 2,000 secondary schools of various kinds, which have helped its economic construction, but further development requires these schools to train many more skilled people at a much higher speed. Tonur and his comrades have recently decided in their work for 1987 to put the stress on education, science and culture while continuing to keep an eye on the economy. "A good improvement in education," he said, "will secure a continuous growth for the economy."

Tonur said he had plans for updating the management of some factories. The region has 87 big factories, some of which are poorly managed. He plans to invite directors of some well-operated factories in other parts of the country to work one or two years in Xinjiang to improve the factories' performance. With that in mind he also plans to send local directors to work at well-managed inland factories.

Tonur said that the region yielded 900 million yuan in financial income last year and is expected to make 1 billion yuan this year. This is far short of the needs, however. The central government has given and will continue to give Xinjiang financial assistance. "Xinjiang should strive to develop its economy," he said. "It should increase its financial income by expanding its foreign trade and attracting foreign investment."

## Promising Economic Base

Speaking of Xinjiang's future programme, Tonur noted that the development of China's eastern coastal areas complements that of its central and western parts. In the years up to the 1990s, the state will accelerate the development of its east and stress energy and raw

materials in the central part to prepare for future development in the west. Xinjiang, located as it is in the west, will become an important base of China's economic construction in the 21st century. This well-considered strategy not only conforms with the objective reality of China's economic construction but reflects to the full the aspirations of the people of various nationalities in Xinjiang.

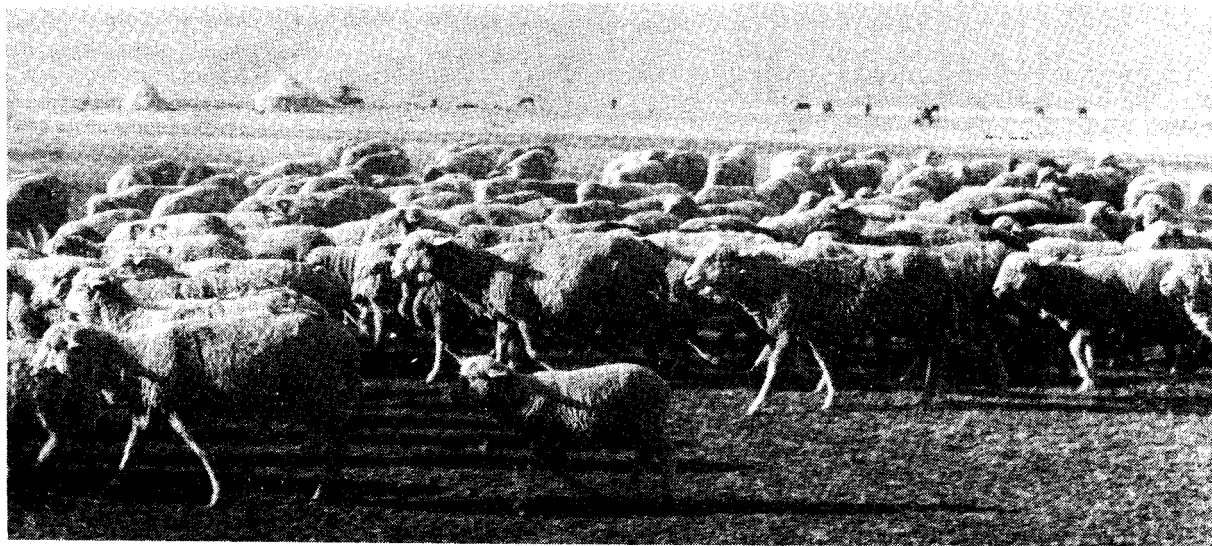
China has planned to quadruple its 1980 industrial and agricultural output value by the end of the century, while Xinjiang tries to multiply its total industrial and agricultural output value six times from 7 billion yuan in 1980 to 42 billion yuan, to keep up with China's economic development.

Xinjiang has a two-step plan. For the ten years from 1981 to 1990, it concentrates on doing the groundwork: prospecting and training. In the second ten years to 2000, it will develop the economy on a large scale, at a higher speed to be prepared for the growth in the 21st century.

Top priority will be given to agriculture and animal husbandry. Given food grain self-sufficiency, Xinjiang will more energetically develop the production of cotton, sugar beet, fruit, melon and other cash crops, and also textiles, food processing and related light industries, in order to turn itself, step by step, into a major base for animal by-products and cash crops in China.

Stressing the development of the oilfields at Junggar Basin and Karamay, Xinjiang will not exclude exploring and developing the Tarim Basin and expanding its petroleum refining capability, and building an oil pipeline, an ethylene factory and some other petrochemical complexes.

As well as oil, the region will build a group of thermal power plants, develop the water resources of the upper reaches of the Kashi and Kaidu rivers and tap



Sheep farming in northern Xinjiang.

CHEN ZONGLIE

local wind and solar energy. The building materials industry also needs expansion to catch up with the mounting demand for construction.

In transport, while continuing to develop the highways, Xinjiang will accelerate the renovation of the Lanzhou-Urumqi Railway. It plans to step up the construction of the 500-km-long railway linking Urumqi and the Sino-Soviet Pass of Alataw which began in May 1985 and is expected to be completed next year. Plans are to open more air services from Urumqi to South Asia, the Middle East and Western Europe.

## Foreign Investment

The development programme is long and hard, Tonur said. The key lies in economic reforms and opening to the outside world.

Xinjiang's opening to the outside world has a double meaning. One is to initiate economic and technological co-operation with other provinces,

municipalities and autonomous regions; the other is to attract investment, advanced technology and equipment from other countries. Xinjiang will continue to take advantage of the port cities along the eastern coast to expand its trade and economic and technological co-operation with Japan, the United States, Hong Kong, Macao and Western Europe. At the same time, it will use its border connections with the Soviet Union and Pakistan to expand its trade with them and some Middle East countries.

"In the last few years," Tonur said, "I have invited some Arab friends and Muslim brothers to Xinjiang. We have many customs in common and have already co-operated and exchanged in the economic field. In December, I will visit the United Arab Emirates and Kuwait and attend the opening ceremony of the China Xinjiang Muslim Export Commodities Fair to be held in the United Arab Emirates. I hope my visit will help promote economic exchanges and co-operation be-

tween Xinjiang and these countries.

"We welcome people from the financial, industrial, commercial and intellectual fields abroad. We will create a good investment environment for foreign investors and offer them more preferential treatment," Tonur concluded.

**The first oil well at Karamay drilled in 1955 is still producing.**

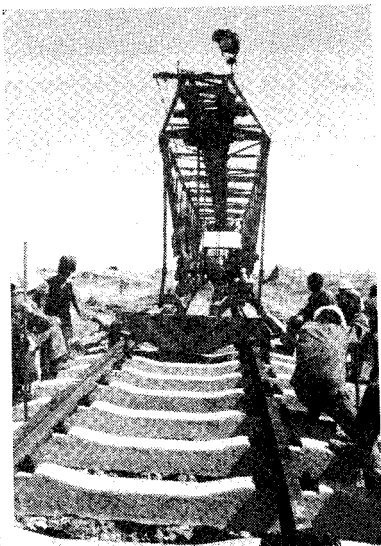
CHEN ZONGLIE



## Favourable Terms for Foreign Investors

**Xinjiang has rich resources to offer the investor but it is landlocked and has poor transport facilities. To ensure foreign investors a profit, the autonomous region has worked out its own preferential policies.**

■ Approved Sino-foreign joint ventures, co-operatively managed projects and wholly foreign-funded businesses are protected by Chinese laws and enjoy more autonomy than state-owned enterprises in personnel, financial



**Building the northern Xinjiang railway.**

CHEN ZONGLIE

and material affairs, production, marketing and supplies. All matters of consequence are to be decided by the enterprises themselves. These enterprises are also given priority in capital construction, transport, telecommunications, energy, raw materials and bank loans.

■ Prices of raw and semi-finished materials and of fuel used by these enterprises are to be set

according to the region's unified price system.

■ Enterprises involved in industrial production, purchasing farm produce, imports, retail sales, transport and services will work under the same industrial and commercial obligations as their Chinese counterparts. Products made for export by these enterprises will be exempt from industrial and commercial consolidated tax except where their export is controlled by the state. Joint ventures will enjoy exemption from the state income tax in the first two years and a 50 percent reduction in the following three years beginning from the first profit-making year. Local income tax will not be levied for these five years. Co-operatively managed enterprises in agriculture, forestry and animal husbandry which may earn only a marginal profit, and the Chinese partner in joint ventures in the less developed frontier areas will be able, after the above-mentioned exemption and reduction period expires, to apply to the Ministry of Finance for a 15 percent to 30 percent reduction of income tax for the following ten years. Solely foreign-funded enterprises in agriculture, forestry and animal husbandry making only a marginal profit over an operation period of more than 10 years will be given income tax exemption in the first profit-making year, a 50 percent reduction in the following two years, and a 15 percent to 30 percent reduction for seven years beginning from the fourth profit-making year. Foreign-funded enterprises in these fields with an annual profit of less than 1 million yuan will be given a 50 percent reduction in local income tax. Joint ventures, co-operative projects and solely foreign-funded

enterprises will enjoy a 50 percent reduction in real estate tax and vehicle licence tax for five years.

■ Foreigners and compatriots from Hong Kong, Macao and Taiwan who come to build their own enterprises or projects in co-operation with local partners will be granted Renminbi loans and foreign exchange loans at an interest rate lower than the world market's and they will be treated in the same way as state-owned enterprises in financial affairs. For those who come to start joint ventures, co-operative projects or for trade in compensatory form, the trust department of the Bank of China, Xinjiang branch will provide them with security and approval certificates or join their investment to share any possible risk. It will also offer them services and information on international finance at a reduced charge.

■ Joint ventures and exclusively foreign-funded enterprises will be charged for the land they use at a rate of between 1 and 30 yuan per square metre. Enterprises engaged in pioneering projects in agriculture, animal husbandry and water management, may enjoy a reduction in land use fees and labour service fees.

■ Products of joint ventures and foreign-owned enterprises are allowed to be partially sold within the region, depending on the amount of their original investment, how advanced the technology and equipment they provide are and on the local market's demand for the products. The percentage of domestic sale can be higher than in other parts of the country. In addition, the region's foreign trade departments will help them with export.

■ The time limit for co-operative operation of joint ventures can be 5 to 10 years longer than their counterparts on the coast or in other parts of the country, depending on what kind of enterprises they are. Foreign



partners in these enterprises will be preferentially treated in profit distribution.

■ Foreign and overseas Chinese businessmen are welcome to establish representative offices in

Xinjiang. The region will offer the best possible services in matters which are within its power and provide enthusiastic assistance in matters which need the attention of the central authorities.

While importing advanced technology, the venture also introduced management expertise from Japan and Hong Kong. At the suggestion of the Japanese technicians, the company's woollen mill has instituted a feedback system which helps managers to keep up with the production progress and strengthen quality control. With the system, faults can be eliminated during production.

The local government has granted the joint venture favourable terms in taxation and raw materials prices, while the Hong Kong and Japanese partners have used their influence abroad to open sale channels. At present, more than 60 percent of the venture's products are sold in the United States, Japan, West Germany, France, the Soviet Union, Hong Kong and Macao.

By October 1985, the company's profits had exceeded the total initial investment and the loan it borrowed had been repaid in foreign currency. Last year, the Hong Kong and Japanese partners decided to invest another US\$1 million to import equipment to expand production.

In the past six years, Xinjiang has signed 32 contracts on foreign-funded projects, and 26 have either been or are being fulfilled.

## Open to the World—Just the Beginning

Urumqi, the autonomous regional capital, stretches along the northern range of Tianshan Mountain. It has a population of 1.1 million. A charming tourist attraction skirted by the ancient "Silk Road", it also boasts coal, power, machine-building, metallurgical, chemical, textile, building materials and light industries. In addition, it is the autonomous region's largest commodity market and distribution centre. In recent years, trade and economic and technological co-operation with foreign and Hong Kong businesses has thrived.

known in industrial and business circles in Hong Kong, is the general manager.

Xinjiang has plenty of wool and cashmere for export. The venture is now able to process 1,200 tons of wool and 200 tons of cashmere into yarn and sweaters, and these are exported, greatly increasing the region's income.

The venture has imported the equipment for the processing from washing to dyeing, spinning and knitting from Japan. Japan and Hong Kong have sent more than 20 technicians to Xinjiang to help install and operate these machines, while the company itself has sent 60 technicians to receive training in Japan and Hong Kong, and some others to study in Shanghai. Foreign technicians were also asked to give lectures. Now the venture's own employees have mastered the techniques and can operate independently.

## First Joint Venture

The Tianshan Woollen Fabrics Co. Ltd., funded jointly by the Urumqi Woollen Mill, the Hong Kong Peninsula Co. Ltd., the Hong Kong Textiles Co. Ltd., and the Oriental Textile Industrial Co. Ltd. of Japan, is the first joint venture in the autonomous region. With 1,300 employees, the Urumqi-based venture has two knitwear plants and a branch in Hong Kong which handles the marketing abroad.

The venture started with a total registered capital of US\$8 million, the Chinese side contributing 51 percent and the Hong Kong and Japanese businesses the rest. Agreement on establishing the venture was reached in April 1980, and construction began in May that year. The project was completed in May 1981 and production began five months later. Tang Xiangqian, well-

The Tianshan Woollen Mill.

CHEN ZONGLIE



These projects take various forms, including joint ventures, co-operative businesses, compensatory trade and leasing.

## Imported Equipment

Co-operative projects have been set up elsewhere in Xinjiang too. Shihezi, an oasis on the desert is one. Before it was reclaimed by the construction corps in the early 1950s, Shihezi which means pebbled brook was a gully in the desert. Now a major cotton producer, it is a city of 130,000 residents and has over a dozen light industrial factories and textile mills.

The August 1 Textile Mill, built in 1960, has 6,400 spindles and 1,600 looms. The cloth produced by the mill with local long-fibre cotton is soft and even and some is exported to Europe, the United States, Japan and Hong Kong. The mill underwent a renovation in 1983 which has improved it by adding spacious, air-conditioned workshops. The mill has also imported a flat screen printing machine from Japan to print on cotton, silk and synthetic fabrics. The mill's printed cloth has found a ready market in the Soviet Union. Recently, however, the mill's designers learnt that Soviet women's fashion had shifted to cloth printed with large flower pattern, so they plan to import a rotary screen printing machine to make such cloth.

The Shihezi August 1 Sugar Refinery, completed in 1959, produces granulated sugar and sugar cubes from local sugar beet. With the capacity to process 1,500 tons of sugar beet a day, the refinery used to dump six-truck loads of beet dregs outside the refinery every day. The dregs grew into hills, polluted the environment, and the refinery was fined. In 1982, the refinery imported machines from the United States and Norway to process beet dregs

into high-quality animal feed which has been purchased by a Japanese company. The outlay for bringing in these machines was immediately recouped.

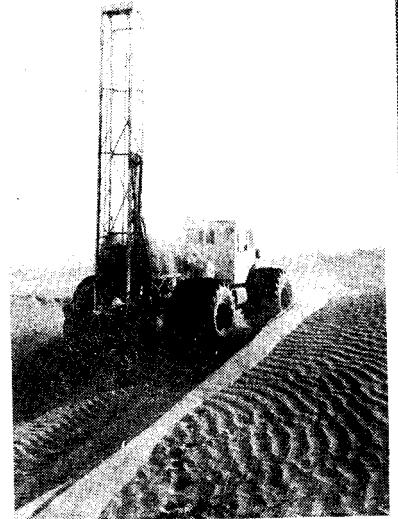
According to Shao Jiajun, director of the refinery, most of the factory's machines were made in the 1950s, and it needs funds to re-tool its equipment. If this can be achieved, the refinery will not only be able to double its current beet processing capacity but could also double the output of the animal feed.

## Oil Prospecting

About 150 km north of Shihezi, derricks and oil refining towers are visible in the desert. Further away lies the oil city Karamay on the northwestern edge of the Junggar Basin.

"Black oil" in Uygur, the name Karamay comes from a natural bitumen hill which was formed by oozing underground crude oil. The first oil well began production in October 1955. Construction of large-scale oilfields followed hard on its heels. With the discovery of the Daqing Oilfield in northeast China in the 1960s, the nation's oil focus shifted to Daqing and

development of Karamay slowed. The beginning of the 1980s has seen a rejuvenation of this Xinjiang oilfield, with new discoveries of its buried treasure.



LI GUANGKUAN

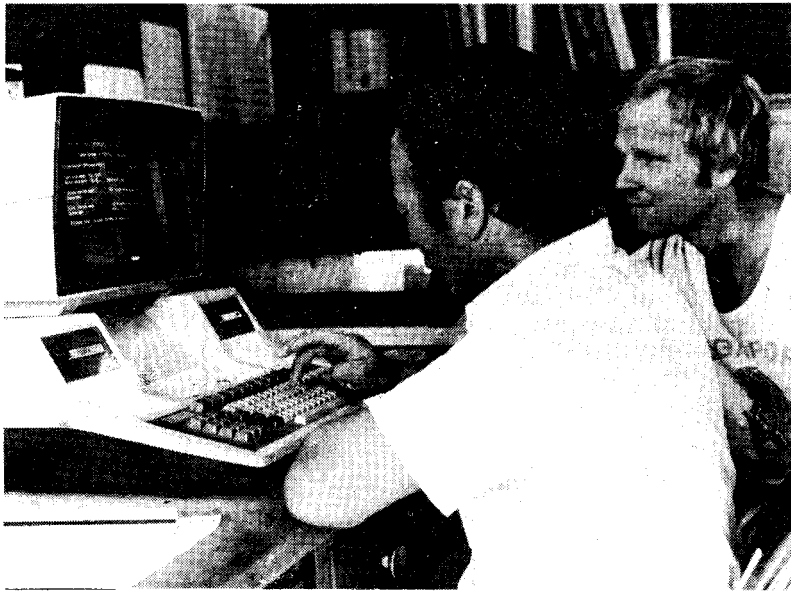
### Oil prospecting in the desert.

This year, the oilfield is expected to produce more than 5 million tons of crude oil and its oil refining capacity is expected to top 2 million tons. Some will be piped to the Urumqi Petrochemical General Plant to be refined and processed.

### Dynamiting as part of seismic prospecting for oil.

LI GUANGKUAN





LI GUANGKUAN

Chinese and American oil experts computerize their data. They began prospecting the Taklimakan Desert in 1984.

In addition to Karamay, a number of oil wells on the eastern edge of the Junggar Basin may have promising reserves of oil and gas; the area's potential will be verified in the near future. Many wells on the western and northern fringes of the Tarim Basin in southern Xinjiang have struck oil. Foreign specialists, therefore, predict Xinjiang will become a major world oil-producing area.

Since 1978, 70 companies from 17 countries including the United States, France, Britain, Italy, West Germany and Japan have sent over 200 teams to Karamay on fact-finding tours showing great interest in its oil. The oil field has since imported much equipment and technology for oil prospecting, well drilling, oil testing and well maintenance. It has also invited five seismic prospecting and well logging teams from the United States, France and other countries to work on the oilfield, who have been pleased with the results.

A prospecting team from the General Geophysics Co. of France

came to work in Karamay between November 1980 and November 1983. The oilfield had only been able to make seismic prospecting along the fringes of the basin. With its advanced equipment and technology, the French team extended its prospecting to the bottom of the basin and completed prospecting in an

area of 8,686 km in three years, providing valuable data for determining the basin's geological structure.

For three years, the French team worked in co-operation with their Chinese colleagues. They left all their equipment with the Chinese when they departed. As well as the friendliness they experienced and their good pay, the French said they had the benefits of a climate, accommodation and food in Xinjiang which were much preferable to the virgin tropical forests and the freezing wastes of Siberia where they had worked before. Another French seismic prospecting team has been in Xinjiang since April 1985 and is expected to stay until April 1987.

Xinjiang plans to raise its annual crude oil output to 40 or 50 million tons and expects to verify another 2,000 million-30,000 million tons of oil reserves by the turn of this century. For this, said Dai Mingzi, chief economist of the Karamay Oilfield, Xinjiang will open its doors wider. What they have already done is only the beginning.



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ECONOMIC SURVEY

## Agriculture Fares Well With Guidance Planning

by Our Correspondent Han Baocheng

China's rural reforms are characterized by replacing the centralized production-by-decree with a guidance planning system, which relies on economic levers for its implementation.

At a recent symposium on agricultural policies in the Asian and Pacific Regions held in Huangxian County, Shandong Province, Yin Lexin, the official in charge of planning at the Ministry of Agriculture, Animal Husbandry and Fishery, explained the whys and wherefores of this change.

China's planning system was originally designed to meet the state's fixed unified purchasing plans, which stressed centralism and relied on quotas to regulate agricultural production. The farmers had to follow their leaders in what, how much and even in how they grew crops. They handed over their products to the state according to plan and received their share from the collective, into which the surplus had gone.

Flexible policies to stimulate the farmers' enthusiasm for production began in the rural areas at the end of the 1970s. This involved giving farmers autonomy on land they contracted and allowing them to sell some of their surplus on the market.

In 1985 China further improved farm products circulation by abandoning the fixed unified state purchasing system, and allowing prices for all farm and sideline products except cereals and cotton to float. The farmers can plan their production according to the needs of the market, and all farm produce (including food grains



Yin Lexin (second from right) at the agriculture symposium.

HAN BAOCHENG

and cotton that are surplus to contract) can be bought and sold freely, allowing the previous

planned management system to fade out progressively.

China has a rural population of 800 million, and agriculture is the most important element in its national economy. Given this, an agricultural production plan is crucial to the balanced development of the national economy. This makes it necessary to adopt flexible methods, suited to the rural commodity economy, and conducive to bringing the farmers' activities into the orbit of the new guidance planning system.

The state and provincial planning departments no longer set detailed quotas. Instead, they devote their main efforts to setting long- and medium-term economic plans (five or more years). The focus of their work has shifted on to market analyses and demand projections in order to formulate

strategic plans for the overall deployment of China's agricultural potential.

The state annual agricultural production plan now comes from the grass-roots. The county-level agricultural planning department first collects and synthesizes information on all the farming production in the county, and supply and demand on the surrounding markets. An annual plan which makes the best of the area's strong points is then drafted under the guidance of the state's five-year plan and is later submitted to the provincial agricultural planning departments. On the basis of the data and plans of all the provinces the state then makes necessary adjustments and formulates an annual state plan. This system avoids the problems of arbitrary decision making and administrative decree that distinguished the old management system.



Contract purchasing is an important element in agricultural guidance planning. The state planning department will break down the production and purchasing plans for principal farm products, such as cereals and cotton, into provinces, counties and townships. The grass-roots commercial departments will sign purchasing contracts with the farming households before production begins. The contract will

set the quantity, quality and prices of the products, the incentives, the quota for chemical fertilizer, farm chemicals, diesel oil and other necessities to be supplied at fixed prices, and the sum to be paid the farmer in advance.

While planning their own production, the farmers must, as their contracts state, first meet the state purchasing plans. Production for their own use and for

private sale must come later. Once given the power to produce and sell their products, farmers will sometimes favour items which yield quickly and with more profits. This may sometimes come into conflict with the state plan. Regulation through pricing, taxation, credit, loans and other economic levers can curb this tendency. Of these, the most effective is pricing. Cotton's output has increased greatly in recent years, exceeding demand. Early last year, the government cut the purchasing price for cotton slightly. Crop conversion immediately ensued and the country's total cotton output that year was one-third less than the output of 6 million tons the year before.

Over the last year or more, the flexible planning system has proceeded smoothly, as farmers dare not deviate from it for fear of running unnecessary risks, but also because many farmers believe that to follow the state plan conforms with their own interests. Many farmers now regard the state guidance plan as the most authoritative and reliable source of economic information for their own production plans. Also they can buy chemical fertilizer, diesel oil and other necessities at fixed prices only after they fulfil their contracts.

Although the new planning system has taken its basic shape, it still leaves much to be desired. In many places, the purchasing contract is hardly signed before the sowing season and the necessities supplied by the state at fixed prices are often insufficient. The most troublesome problem is the relatively low prices for cereals, which dampens the farmers' enthusiasm for growing them. This year the government has decided to increase the amount of cereals to be purchased at higher prices. The Seventh Five-Year Plan (1986-90) will add 5 billion yuan to the agriculture assistance funds for developing cereal production. ■

Shipping cereals from Sheyang County, Jiangsu Province.

Li Jin



## Beijing to Host Technical Co-op Meeting

A meeting on economic and technical co-operation with foreign countries will be held in Beijing on November 26-28. At the meeting about 200 co-operative projects will be offered to foreign investors, said Han Boping, deputy mayor of Beijing, at a recent press conference. This is the first meeting of its kind held by the municipal government.

According to Zhang Ming, vice-chairman of the Beijing Foreign Economic Relations and Trade Committee, the co-operative pro-

jects are in the food processing, building-materials, textiles, machinery, electronic and chemical industries as well as some for the production of light stuff, bathroom equipment and high-grade metals for construction. One major project is for turning needle bearings urgently needed on the domestic market. The biggest project needs an investment of US\$40 million while the smallest several hundred thousand US dollars.

In the last few years Beijing has

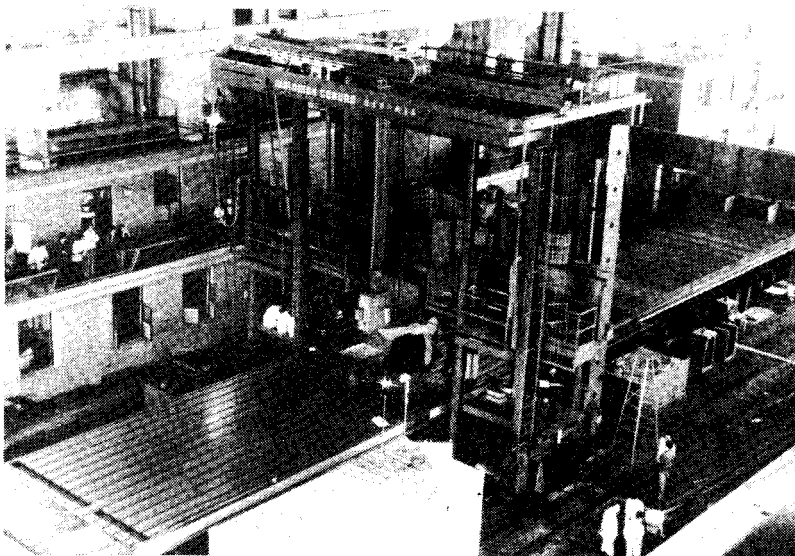
built housing of 8 million square metres annually and there is still great demand for building materials. Over the last 37 years Beijing has received the largest proportion of government investment, and has built a solid economic foundation, including a mighty force of scientists and technicians. It has established 168 Chinese-foreign joint ventures with a total investment of US\$2 billion. Of these 60 have begun operation and made profits.

Following are some of the projects for foreign co-operation:

Designation	Work	Form of Co-operation	Investment
High-quality fur coats	Manufacturing high-quality fur coats mainly for export, using partially imported raw materials	Joint venture, compensatory trade or processing with supplied raw materials	
Small household electric appliances	Manufacturing electric hair driers, ovens, cookers, razors for export	idem	
Telecommunications equipment	Manufacturing high-carbon steel pincers mainly for export	idem	
Toys	Manufacturing electronic toys, soft toys and educational toys for the domestic and world markets	idem	
Vitamin C	Importing a production line with a capacity a capacity of 1,000 tons of Vitamin C a year, including quality inspection and packaging equipment	idem	US\$7.5 million
Computer disc drives	Manufacturing computer disc drives for the domestic and world markets	idem	US\$3.7 million
Needle bearings	Manufacturing 10 million units of industrial needle bearings annually for the domestic and world markets	idem	US\$4 million
Chemical industry	Processing oil resin, production of adhesives	idem	
Resistors	Manufacturing mini carbon film resistors, thick plate resistors for home and abroad	Joint ventures or compensatory trade	
Inserters and mini switches	Manufacturing inserters, connectors, ultra-small buttons and wave switches to be sold on the domestic and world markets	Joint ventures, co-operative enterprises, compensatory trade or processing with supplied raw materials	
Granite	Processing granite mainly for export	Joint ventures or compensatory trade	

## China, W Germany Produce Machines

A super heavy digitally controlled planer-type milling and boring machine produced jointly by the Beijing No. 1 Machine Tool Plant and the Adolf Waldrich Coburg GMBH & Co. of the Federal Republic of Germany was assembled, debugged and checked in Beijing in October and is ready for delivery to its customer.



The first super-heavy planer-type milling and boring machine jointly produced by China and the FRG company.

Weighing 600 tons, this US\$5 million machine was produced under a 10-year contract signed in August 1984. The foreign company transfers the technology gratis for all the machines, which are sold in China.

The Chinese side has helped the German company to sell seven planer-type milling and boring machines, 12 slideway grinders and two special machine tools for 50 million West German marks in China over the last two years. There are also a second and third super heavy planer-type milling and boring machine tools under order from Chinese customers.

According to Manfred Drum-

mer, manager of the technological sales department of Adolf Waldrich Coburg, China is a major market for them. In the last two years the company has sold 30 percent of its products on the Chinese market. He estimated the Chinese demand for advanced machine tools will increase, so his company should do well. He believes if the 10-year co-operation is successful his company will renew the contract for another ten.

A co-operative technical service

centre in China is being prepared to sell machine tools and help customers solve the technical problems in their use. The centre will help the German company sell other products in China. Now the company is looking to expand its co-operation with China. ■

by Yao Jianguo



## Chinese Trichogen Cure Finds Market

An agreement between the Beijing Sanlu Factory and the Super Repute Co. Ltd. of Hong Kong was signed on October 4 in Beijing for the opening of a Dabao trichogen cure beauty shop in Hong Kong by the end of this year. Trichogen cure promotes hair growth. The Chinese side takes charge of the technical services while Hong Kong is responsible for the management. The shop is the second joint venture the factory has. The first was opened in Tokyo in June this year with the Ohasi Co. Ltd. of Japan.

The Dabao trichogen cure was invented by Wu Baobei, director of the factory, in 1980. Since going into production in 1985, 410,000 bottles of it have been sold. Clinical tests in the last year prove that the Dabao trichogen cure is effective in the treatment of baldness (seborrheic trichosis).

Before signing the agreement the Super Repute Company of Hong Kong tested the cure on 100 patients for nine months. Ninety-five percent of them saw some improvement, including the chairwoman of the board. After treatment her hair grew more thickly. She said the ointment is better than Swiss, German or French products. The company decided to sell the Dabao product in Hong Kong and the world. She believes there should be no problem in finding a market.

Quite a few companies from 40 places abroad have contacted the factory with a view to technical co-operation. Not long ago the factory exported 10,000 bottles to Japan and received orders from Thailand and Hong Kong for 10,000 bottles each. ■

by Yao Jianguo

# Joint Expedition: A Test of Mettle

**O**n September 13, the joint Sino-US Yangtze River expedition came to an unexpected end after two months battling with rapids and water-falls. Nevertheless the team's leaders believe the expedition was successful as far as it went. They acknowledge that the Yangtze is one of the fastest and most dangerous rivers in the world, demanding not only courage and stamina but extensive experience and the right equipment.

The Yangtze is 6,300 kilometres long, the third longest river in the world, and has its source at the foot of a snow-covered mountain 6,000 metres above sea level on the Tibet-Qinghai Plateau. Lack of oxygen at this altitude (only two-fifths of the oxygen at sea level) may cause breathing difficulties, heart trouble, headache, insomnia, vomiting, coma or even put life itself at risk. However, these dangers make up the challenge of the Yangtze.

Floating down torrential rivers became a sport in Europe and America in the 1940's. Those who take part in it get pleasure from steering their dinghy or raft down rapids between high gorges or dropping off water-falls. They claim it gives them a sense of being a part of nature and is a source of satisfaction and pride to them. This courageous sport is attracting more and more people today.

The Sino-US expedition to the upper reaches of the Yangtze arrived in Germu, Qinghai on July 8. The 27-member team, including 24 Americans and three Chinese, planned to ride yaks or horses to the source of the Yangtze and then to travel by dinghy through Qinghai and Yunnan to finish at

Yibing in Sichuan, covering 3,200 kilometres in about 60 days.

The base camp of the expedition was located on the west side of the Toto River Bridge, where there is short highland grass interspersed with purple and yellow flowers.

## At the Base Camp

The colourful tents reflect the sun. Seven 18-foot dinghies are set out in a row. Nearby is the quiet Toto River. Beyond it looms the Kunlun Mountain Range, its peaks shrouded in mists.

Here dawn breaks at 8 o'clock and the sun sets at 10 at night. Perhaps because of the high altitude, the small number of trees and the absence of dust and smoke, the sun's ultraviolet rays are strong, everyone is tanned, some peeling. However it is also so cold that coats have to be worn morning and evening. The rain

pours down at night. The howls of wolves are unnerving; those which stray by the tents at the dead of night can be heard breathing heavily. On the first night, no one can sleep because of the cries of the hungry wolves. Everybody is ready for possible attack, dagger and torch in hand. But two days later, feeling secure inside their tents, they are able to sleep soundly.

The expedition is about to start. The cameramen are busy. Whenever a lone herdsman passes by with horses, yaks or sheep, they focus their cameras on him to record his broad smile and traditional costume.

The landscape is attractive, even romantic, but mountain sickness is a hazard for everyone at 4,300 metres above sea level. Two or three Americans had a serious bout of it when they first arrived. One, a photographer, had to hurry back to Germu, 2,800 metres above sea level. Mountain sick-

**A welcome respite from the danger and hardship of the Sino-US joint adventure.**

ZHANG XIAOZHU





## The Care of the Elderly Must Be Changed

"YANGCHENG WANBAO"  
(Guangzhou Evening News)

Traditionally the Chinese have shown great respect for elderly people. Children are brought up to look after their parents and to see that they spend their remaining years in happiness. But the problem is how to decide what is meant by "elderly." In China

women office workers retire at 55, and women factory workers at 50; men retire at 60. Beyond these ages, people became "old."

At one time life expectancy in the world as a whole, China included, was about 40. Now with the rapid advance of science and medicine, life expectancy in the advanced countries is over 70 for both men and women. People aged 60 or over make up more than 20 percent of their popul-

ations. In China the figure is over 10 percent.

People between 55 and 60, although many of them still have strong constitutions and active minds, are now treated as "elderly" and asked to retire. It is necessary to abandon this approach as it has produced a number of negative results. These are:

1. The total pensions bill has escalated dramatically, from less than 10 million yuan for 20,000 retired people in 1952 to 14.56 billion yuan for 16.37 million people in 1985. If the trend continues, China will have over 30 million pensioners by the end of this century and the government will ladle out more than 30 billion

ness slows down the brain. No one is eager to think or write, only to rest. The local guide says it is normal for low-landers to make three mistakes a day at this altitude.... When they want to take a picture, they go for their notebook, and when they want to write a letter, they pick up a thermos flask.... But people soon stop laughing at each others' mistakes. Even if one makes a good suggestion, no one takes him up on it. There seems to be no sense of right and wrong there. The high altitudes is to blame.

### Exploring Starts

The explorers have to rise another 1,500 metres to the source of the Yangtze at the foot of Gelandandong. Only a four-day ride in a truck through the wilderness....

When they arrive at the source of the Yangtze on July 18 the explorers are fascinated by the world of white transparency.... The 59 glaciers collected at the foot of the snow-covered Gelandandong slowly melt to form the great river.

They place their dinghies on the Yangtze on July 19, and have

returned to their base camp at the Toto River Bridge nine days later. The only problem is the shortage of food, because yaks cannot carry much and preparation is difficult. They could only have one meal a day and go to bed on with empty stomach.

A 39-year-old American woman is the only female on the expedition. During the nine days, drifting alone in a dinghy for the first time, her face peels four times. She plans to start a class on dinghy floating for women when she returns to America.

About 370 kilometres down the Toto River, where the tributary river Dangju joins it, the Yangtze becomes the Tongtian River, and here, on August 3rd, a 28-year-old American photographer dies of emphysema after a heavy snowfall in the last afternoon. In a speech at his burial, one of his compatriots describes him as a dreamer, all of them are dreamers, and that he dies for his dream. The next day the team continues in a sombre mood.

Between Shimenda and Dege, the Yangtze is known as the Jinsha River—the river of golden sand. Despite the name, the river has no romantic effect on the explorers. The first Chinese would-be Yangtze conqueror, Rao Maoshu,

was engulfed at the mouth of the river last year. Three days later the Jinsha narrows from about 100 metres wide to 30 metres. The river roars past rocks that have fallen into the middle of the stream. One of the Americans suddenly disappears beneath the torrent but seconds later is thrown up again by a wave four metres high.

Late on the night of August 31 an urgent telephone call from Batang County in the west of Sichuan Province reaches Beijing to say all communications with the exploration team has been lost since August 25. But on September 2 a telegram from Baiyu County reports the team has stopped off at a riverside village called Jiayeba because their quipment is badly damaged.

A rescue party is formed. It sets out on horseback 70 kilometres away from Baiyu County. It takes six days, passing through virgin forest and over a mountain 5,000 metres above sea level to find all the explorers. The captain of the team calls off the expedition. As China's *Sports News* commented, "In challenging nature the explorers have either suffered setbacks or won glorious victories. Win or lose, their courage and fortitude deserve our respect." ■

yuan in pensions. This hefty expenditure will add to the state's financial burden.

2. There is tremendous waste of talents. Take a woman who lives to be 75 years old for example. She perhaps begins work at the age of 23 after graduating from university, and retires at 55. Only 32 years of her life are spent contributing to the wealth of society. For another 43 years she is carried by society.

3. The intelligence and experience of older people is ignored. Younger people may be more active and innovative but they lack experience. Any creative activity requires both new ideas and experience. Under the present

retirement policy, society as a whole is the loser.

The negative effects call for deep thought. Even at this late hour ideas about the aged must be changed. The age at which one becomes old should not be determined by age alone. People of any age are in different states of health. The state must lay down retirement ages for mental and manual workers according to their physical condition and intelligence. That will be in the best interests of society.

Many pensioners are not accustomed to a life of leisure. They don't want just to sit around the house. Therefore, if they are in good health, they try to find work.

Departments concerned should encourage retired people in good health to seek suitable jobs by themselves or provide opportunities for them to contribute to the community. Regulations preventing pensioners from finding employment must be amended. Those who volunteer to take part in scientific research or to compile a work of scholarship, for example, should be encouraged to do so and rewarded. People who do not wish to retire should be allowed to continue working with the agreement of their doctor.

These and other measures would help solve some of the problems of older members of society. ■

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## Preservation of Land a Must

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### "LIAOWANG"

(Outlook Weekly)

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It is a well-known fact that there is a shortage of arable land in China. Worse still, the land has been shrinking in quantity and deteriorating in quality in recent years.

The state has formulated a series of policies to prevent the reduction in arable land. Even so, arable land throughout the country is being recklessly taken away for other uses and it has been diminishing at an annual rate of 0.5 to 1 percent. The present arable land area amounts to about 100 million hectares.

As the tempo of China's economy quickens, a growing number of urban and rural enterprises have been appearing and more farmers are building bigger houses.

In Shanxi Province alone, the area of arable land has dropped from more than 4.7 million hectares in the 1950s to a little over

3.7 million hectares now.

What's more, farmers neglect the quality of land and their investment in land has dropped. Soil fertility has suffered as a result.

One agricultural expert analyzed the problem. He said the reason for it was that government policies on lengthening land contract terms have not been carried out properly in the countryside. Some village leaders have only paid lip-service to state decisions and farmers have no established regulations to abide by. Unconvinced, they have the mistaken notion that it is not profitable to invest in their contracted land since they cannot possibly benefit from it.

A recent national survey on soil fertility shows that there is a general lack of organic matter in the arable land that remains.

In the 50s and 60s, farmers used to apply organic manure and the level of fertility increased. However, farmers are now using more and more chemical fertilizers, which are convenient and clean.

The imbalanced use of chemical fertilizers has resulted in serious waste and a lack of other elements in the land.

In Wuxi County, Jiangsu Province, the lack of organic matter in the soil has led to a drop in grain production in recent years.

Nowadays, with the help of the economic reforms, farmers' incomes have increased greatly. But many spend their money on food, clothes and houses, ignoring investment in the land.

To ensure the rate of agricultural development set by the Seventh Five-Year Plan, some experts say, farmers should be educated in more scientific ways of using manure and fertilizers, saving them money, yet producing good results.

Experts think that organic manure should be used along with chemical fertilizers to enhance soil fertility.

They also suggest that laws be worked out to ensure the quality of land. Not only the cultivation but also the preservation of land should become the duty of farmers who contract the land. Penalty and reward will be meted out to encourage farmers' initiative. ■

## China's Oil Painting Matures

More than 100 modern oil paintings by 60 artists were exhibited at the China Art Gallery, giving Beijing viewers a

ditional Chinese techniques with Western elements. Liu was one of the first artists in China to study Western painting. In 1929, he ran

Western painting skills, and says he too has tried to combine the two.

Zhan Jianjun in his work *Rocks* gives an imposing and powerful view of craggy mountains. Jin Shangyi, vice-president of the Central Academy of Fine Arts, contributed a strikingly realistic portrait of a Uygur girl in his work *Affection From the Plateau*. *Beyond the Gaochang City Wall*, by Wang Zhijie, shows a vivid desert scene outside Gaochang city, a famous ancient capital in northwest Xinjiang, and is done in acrylics mixed with fine sand.

One prominent feature of the works exhibited is the efforts of many young artists to find new subjects for, and new approaches to, their art. Kong Boji's work, *Misty Stream*, an oil painting mounted in the traditional Chinese manner shows another trend in Chinese oil painting. Kong painted a hazy view of fog over streams in small, broken and blurred strokes, in the Chinese tradition.



**Affection From the Plateau.**

BY JIN SHANGYI

chance to see the magic, power, and growth in Chinese oil painting.

Well-known painter Liu Haisu, 90, presented his new work *Site of the Zunyi Meeting*, a significant event in the history of the Chinese Communist Party. Liu said he always seeks new means of expression by combining tra-

an art school, the first in China, to train students in Western oil painting. In the school, he opened a portrait course in which live models were used, challenging the feudal ethical codes.

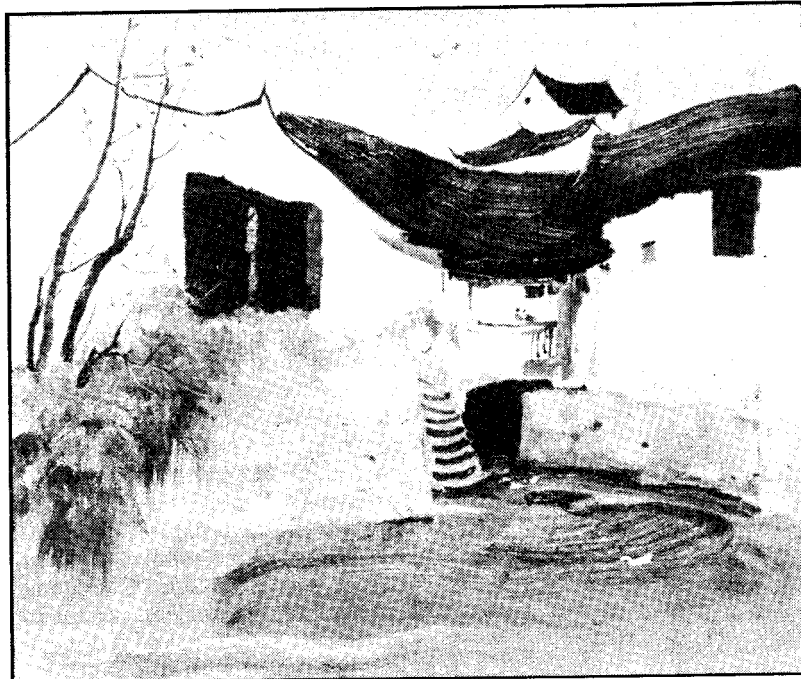
Wu Guanzhong's *Home* was also impressive despite its simple, everyday subject. Wu, 61, is accomplished in both Chinese and



**Old Houses Along a River.**

YAN ZHENDUO

*The Bridal Chamber* by Mao Lizhi is a realistic piece so lifelike many thought it a photograph.



Home.

WU GUANZHONG

"The exhibition is a review of modern Chinese oil painting," said Zhan Jianjun, chairman of the Oil Painting Art Committee of

the China Artists' Association. "It shows that Chinese oil works have evolved in a number of directions and are very individualistic. Some

**Returning to Their Nests.**

BY ZHU NEIZHENG



are of the classic tradition, while others are realistic and some abstract."

Wen Lipeng, head of the oil painting department of the Central Academy of Fine Arts, said the exhibit showed a boldness and freshness in China's recent art. Although some works were immature, on the whole, he said, they show that artists are now trying to create new dimensions in oil painting.

In recent years, oil painting and other art forms are showing encouraging signs of growth. However, in the first few years after the "cultural revolution," though some artists did seek new subjects and approaches to art, they remained confused by "Leftist" thought. The influence of such thought was in evidence at the Sixth National Fine Arts Exhibition in Beijing in 1984, when most of the works displayed showed fewer signs of individuality or creative thinking.

The oils on display at the exhibition, however, demonstrated that many artists have freed themselves from the mental shackles imposed by the "cultural revolution" and have begun to develop individual styles.

Some of the artists show they have been influenced by West European classics. Many of the artists who have studied the popular art of Europe and the United States have produced pieces seldom seen before in China. The exhibit shows, therefore, that the art of oil painting, introduced to China early this century from Europe, is now beginning to bloom here. ■







Flute-Player.



Veteran Beijing Local.

## Sculpture by Sun Jiabo

Born in Beijing in 1939, Sun Jiabo is a teacher at the Central Academy of Fine Arts. Here are some of his wood carvings.



Mother.



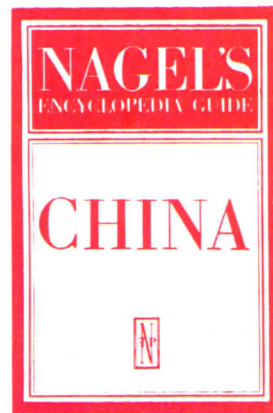
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