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Why China Must Uphold Socialism



JOB OPPORTUNITIES FOR THE DISABLED



A Farmer Studying the Market.

Ma Xiaoqiang

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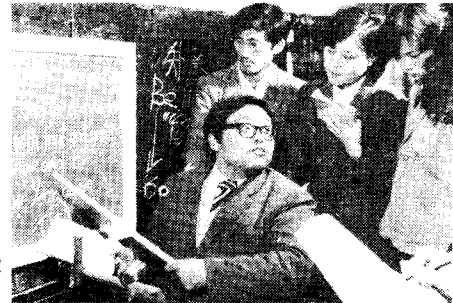
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HIGHLIGHTS OF THE WEEK



P. 23

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Zhao Replaces Hu as Acting General Secretary

■ An enlarged meeting of the Political Bureau of the CPC Central Committee on January 16 accepted Hu Yaobang's resignation as Party general secretary and unanimously elected Zhao Ziyang to take his place (p. 5).

Popular Support for Reform

■ According to a recent survey, China's economic structural reforms have popular support, with 87.4 percent of those polled saying the reform had benefited the majority of people (p. 4).

Why China Must Uphold Socialism

■ This article by Chen Junsheng, secretary-general of the State Council, first appeared in *Renmin Ribao* (People's Daily) on January 12. It is an important document in the Party's present move to counter "bourgeois liberalization" (p. 14)

Foreign Trade: Retrospect & Prospects

■ A high-ranking official from the Ministry of Foreign Economic Relations and Trade reports that last year China registered US\$27 billion worth of exports, which was 4.2 percent more than in 1985. To increase foreign exchange reserves, China will continue to encourage exports and maintain a controlled level of imports to meet the needs of its construction (p. 23).

More Job Opportunities to the Disabled

■ As the number of the disabled people is increasing in China, it is important to arrange proper jobs for them so that they can create social wealth to reduce the burden on their families and the state. Statistics show that during the Sixth Five-Year Plan period, China provided jobs for 344,889 disabled people (p. 19).

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Popular Support for Reform

by Xin Lin

A sample survey about China's economic structure reveals that the country's ongoing reform enjoys popular support among urban cadres, technicians and workers.

The study was co-sponsored by the fourth research section of the China Economic Structural Reform Research Institute and the Economics Department of *Gong-ren Ribao* (Workers' Daily). They received 49,278 survey responses and analyzed a sample of 3,347 of them. The results were published in *Workers' Daily* early this year. The survey was conducted among urban residents from the country's 29 provinces, municipalities and autonomous regions; 84.5 percent of them were ordinary enterprise cadres, technicians and workers. Of those who completed the questionnaire, 79.3 percent were under 40 years old, 74 percent had a junior or senior middle school education and secondary technical school education, and 24.2 percent had a college or higher education.

Just over 87 percent of the respondents had a high opinion of the reform being carried out over the last few years. Specifically, 84.9 percent of them said that reform had helped raise living standards; 83.6 percent said reform boosted production; 81.7 percent said markets now have better supplies of food, and 62 percent said they now have more opportunities to make money. These answers indicate that reform is perceived as beneficial by the majority of people represented in this survey.

Based on the characteristics of those involved in the survey, the questionnaire concentrated on reform of the enterprise labour system which the state began

implementing last year. As part of the reform measures, a labour contract system was instituted for new recruits. This system gave both the enterprises and labourers certain rights of mutual choice. Under the former labour system, government labour departments assigned labourers to enterprises. A worker, once assigned to a unit, would have a life-long job there. The traditional method by which

Economic reforms have strong popular backing. The survey shows people perceive that reforms have improved living standards, boosted production and promoted the quality and variety of goods.

the post of a retired worker would be taken over by his or her children was changed to a method under which an enterprise could select and hire the best qualified workers from among a group of applicants. Enterprises were also entrusted with the right to dismiss workers who violated rules and refused to mend their ways despite repeated admonition. A social insurance system was established to solve the problem of pensions for retired contract workers and labour protection for unemployed workers. The bankruptcy law promulgated last year has also been important to workers' employment situations.

Although China's former labour system played a positive

role in providing job opportunities for 98 percent of the labour force, the survey results indicate that today, most people are aware of the defects of the old system and welcome the new one. Eighty-five percent of the answers expressed a positive attitude towards the labour contract system. As for other views on the former labour system, 55.8 percent of the respondents said the old guarantee of a lifetime job, which encouraged eating from the "big pot" but discouraged people's enthusiasm for hard work, should be abolished. Overall, most responses indicated resentment of the former system which fixed one's job for a lifetime and welcomed the new contract system which gives a person the right to choose jobs.

Nearly 89 percent of those questioned said it was reasonable for enterprises to lay off workers who are not equal to their jobs, who often produce defective products, or who violate discipline yet refuse to mend their ways despite repeated counseling. Almost 100 percent of those surveyed said enterprises which suffered long-term losses, were unable to clear heavy debts and which had been reorganized but without results, should be declared bankrupt.

The survey also shows that people with a college or higher education have a stronger desire for free job choice than do people with a senior middle school education or lower, and 82.7 percent of them are unafraid of losing their jobs.

Also, while many of the better-educated respondents expressed the hope that reform would provide them with more opportunities to increase their incomes and to use their talents, a large portion of the less-educated respondents said they lacked the courage and ability to take risks and seize every possible chance. Some also said it was hard for



Zhao Replaces Hu as Acting Party General Secretary

them to adapt to the highly competitive environment, so although their present jobs are not to their satisfaction, they dare not resign and look for other jobs rashly.

The survey further indicates that while people called for reforming the original employment system, they did not lower their demand for social insurance and welfare. Expressing their views on the current welfare and insurance system, 22.9 percent of the respondents said free medical service ensured people's lives and demonstrated the superiority of socialism and therefore should be upheld; 70.9 percent said the medical service system had some defects (such as waste of medicine) and should be revised. Only 4.4 percent said the medical service system encouraged eating from the same "big pot" and discouraged people's enthusiasm for labour and should therefore be abolished. As for their views on pensions, 74.9 percent maintained that the pension system should be upheld and 21.1 percent proposed that it be revised. According to the ideas of those people, reforms of the employment system and the social welfare and insurance systems should progress in synchronization. Reform should be pushed ahead under the condition that social welfare, such as labour protection and pension, is guaranteed. China's current reform is progressing exactly in this way.

On January 16, Xinhua News Agency released the news of the Enlarged Meeting of the Political Bureau of the Central Committee of the Communist Party of China (CPC). The following is the full text of the communiqué of the meeting.

The Political Bureau of the CPC Central Committee held an enlarged meeting on January 16, 1987. At the meeting Comrade Hu Yaobang made a self-criticism of his mistakes on major issues of political principles in violation of the Party's principle of collective leadership during his tenure as the general secretary of the CPC Central Committee. He requested the Central Committee to approve his resignation as the general secretary.

Participants in the meeting gave Comrade Hu Yaobang a serious and comradely criticism and at the same time acknowledged his achievements in work as they were.

The enlarged meeting made the following decisions:

First, it unanimously agreed to accept Comrade Hu Yaobang's resignation as the general secretary of the Party Central Committee;

Second, it unanimously elected Comrade Zhao Ziyang acting general secretary of the Party Central Committee;

Third, the above two decisions shall be submitted to the next plenary session of the Central Committee for confirmation; and

Fourth, Comrade Hu Yaobang retains his posts as member of the Political Bureau and member of the Standing Committee of the

Political Bureau of the Party Central Committee.

The enlarged meeting urged the whole Party to continue implementing the political line, principles and various domestic and foreign policies formulated by the Party Central Committee since the Third Plenary Session of the 11th Central Committee, continue adhering to the four cardinal principles (the socialist road, the people's democratic dictatorship, the leadership of the Party, and Marxism-Leninism and Mao Zedong Thought—tr.) and combating bourgeois liberalization, continue taking economic construction as the central task and concentrating efforts on developing the social productive forces, continue the all-round reforms and the policies of opening to the rest of the world and invigorating the domestic economy, continue promoting socialist democracy, improving the socialist legal system, consolidating and enlarging the patriotic united front. All Party members and people of all nationalities in the country should be mobilized and organized to work hard and united as one to strive to fulfil all the tasks set in the Seventh Five-Year Plan.

Attending the enlarged meeting of the Political Bureau of the CPC Central Committee were 18 members and two alternate members of the Political Bureau and four members of the Secretariat of the CPC Central Committee, 17 leading members of the Central Advisory Commission, two leading members of the Central Commission for Discipline Inspection, and other comrades. ■

Zhao: China's Present Policies to Continue

Chinese Premier Zhao Ziyang, who is also acting general secretary of the Central Committee of the Chinese Communist Party, said on January 18 that the recent personnel change in the Party's leadership will not affect China's internal and external policies.

At a meeting with Havasi Ferenz, member of the political bureau and secretary of the Hungarian Socialist Workers' Party Central Committee, and his group, Zhao said China's policy for all-round reform will remain unchanged.

Briefing the visitors on the enlarged meeting of the Political Bureau of the CPC Central Committee, Zhao said criticism and self-criticism were made at the meeting in the spirit of the political line and principles formulated at the Third Plenary Session of the 11th Central Committee in 1978.

"The personnel change will not affect our line and policies, but will enable us to implement them more correctly," he stated.

Reform in China is on the whole proceeding quite well, Zhao said, adding that it will continue along the established goals and plan.

"We will continue the policy of opening to the outside world," Zhao continued. "We will expand, instead of reducing, our co-operation with foreign countries in trade, economic, technical, monetary and other fields. This co-operation will be expanded in width and depth."

He said, "We will continue our general plan with the modernization programme as its central task. We will concentrate on developing the productive forces and step up the efforts in promoting the development of socialist economy, culture and ideology."

He added, "We will not change our policy of respecting knowled-

ge, treasuring talented people and giving full play to the enthusiasm and creativeness of intellectuals in socialist construction."

Zhao said the line of the Party's Third Plenary Session boils down to two points: Adherence to the four cardinal principles and carrying out reform and the open policy and invigorating the economy.

China is building socialism with Chinese characteristics by relying on these two principles, he stressed.

Zhao pointed out that adherence to the four cardinal principles and the reform, the open policy and the economic invigoration complement each other. The former is the guarantee for the latter. Without reform and the open policy, there can be no socialism with Chinese characteristics.

He went on, "Pinpointing the rampancy of bourgeois liberalization for a time in China, we stress adherence to the four cardinal principles and wage a fight against bourgeois liberalization for the purpose of implementing the line of the Third Plenary Session in a correct and all-round way. And that will not affect our reform, the open policy or the economic invigoration."

In the fight against bourgeois liberalization, Zhao noted, China will not launch a political movement, still less resorting to the "leftist" practices in the past.

Havasi said that Zhao's briefing increased his confidence and hope. China's reform is of great importance to the international communist movement and greatly inspire the socialist cause. The Hungarian Party always holds that attention should be paid to avoiding two extremities on the road forward.

Zhao Ziyang also conferred with Havasi Ferenz on the relations of friendly co-operation and exchange of experience between the Chinese and Hungarian parties.

At the beginning of the meeting, Zhao asked Havasi to convey a letter to General Secretary Kadar, inviting him to visit China at a time convenient to him. Havasi conveyed to Zhao a letter from Kadar inviting Zhao to visit Hungary. Zhao accepted the invitation with pleasure.

Earlier on January 18, Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, exchanged views on bilateral ties with Havasi and his party. ■

Liberalization Advocates Expelled From CPC

The Shanghai municipal Party disciplinary inspection commission decided on January 13 to expell writer Wang Ruowang from the Chinese Communist Party.

Wang is a council member of the Chinese Writers' Association and of the Shanghai Writers' Association.

The decision said that since 1979, especially in the last two years, Wang Ruowang wrote articles and delivered speeches, advocating bourgeois liberalization and opposing the Party's four cardinal principles. (According to an official Party document, bourgeois liberalization means "negating socialism in favour of capitalism," and the four principles are adherence to the Party's leadership, to the socialist road, to the people's democratic dictatorship and to Marxism-Leninism and Mao Zedong Thought.)

The decision also said Wang Ruowang was expelled from the Party because he seriously violated the Party Constitution and the principles governing inner-Party life and refused to mend his ways despite repeated admonitions, thus completely lacking the qualities necessary to Party membership.

The decision listed Wang's major mistakes.

He attacked and defamed the socialist system while advocating a capitalist road. He described China's socialist system as an "illusion," something "feudal or semi-feudal in essence," "coated with Marxism-Leninism and socialism." He held that the capitalist mode of production is something "most badly needed in China," and called for going through a stage of capitalism which he said China had skipped, and copying capitalist theory and ideology.

He vilified the Party's leadership in an attempt to negate it, saying that the Party was keen on power struggles and that "Party secretaries know nothing but persecuting others." He opposed Party leadership over literature and art and tried to do away with it by saying "you (the Party) have nothing left to do now that people have freedom to write and pick whatever theatrical performances they like."

He opposed and distorted the Party's current policies under the guise of advocating reforms. According to him, "the foundations of ultra-Leftist culture and ideology still stand rock firm, for there has been no change in this regard since the overthrow of the gang of four in October 1976."

He described the Party's efforts to oppose ideological contamination and attack economic crimes as "a political movement in essence but not in name." He described taxes levied on private businesses as "extortion" and the Party's policy to encourage common prosperity and avoid a growing gap in wealth as "a fear of capitalism."

Wang was also against the Party's policy of combating bourgeois liberalization. "It is necessary to defend bourgeois liberalization, and I want it," he once said. As a matter of fact, he openly called himself the "founder of bourgeois liberalization" and incited students and other young people to follow what he

termed the "road of liberalization."

The other liberalization advocate expelled from the CPC was Fang Lizhi, former vice-president of the Chinese Science and Technology University in Hefei. According to a January 17 decision of the Anhui provincial disciplinary commission, Fang was expelled because of the following mistakes:

- Openly stating that Marxism-Leninism was out of date and negating its guiding role in socialist China. He once said, "As a science, Marxism has completed its historical mission and now we must seek some new truth."

- Negating the socialist system and calling for totally "Westernizing" China. He said, "the orthodox socialism, from Marx and Lenin to Stalin and Mao Zedong, which has become what it is today, is a total failure." He called for "total Westernization," "including Westernizing China's political system and ownership."

- Openly inciting people to change the "true colour" of the Party and to negate its leading role.

- Trying to remove universities from Party leadership and drive a wedge between the party and intellectuals.

- Advocating bourgeois "democracy" and "freedom" and inciting students to make trouble. He said, "Students must rock society" and "there are many means to win democracy, and these, of course, include some which are fierce."

On January 13, the Chinese Communist Party's Central Commission for Discipline Inspection issued a circular to Party organizations throughout the country, calling on all Party members to wage a resolute struggle against any words and deeds that run counter to the Party's Constitution.

The circular pointed out that any Party member, no matter who

he is, how high his position, or how famous he is, should be punished if he violates Party discipline, deviates from the four cardinal principles, and advocates bourgeois liberalization.

On January 15, while meeting Chairman of the Finnish Communist Party Arvo Aalto in Beijing, Chinese senior leader Deng Xiaoping said, at present there is an ideological trend of advocating bourgeois liberalization. "China's Marxists will not agree to this," he said.

The trend will not affect China's stability and unity, nor will it affect the country's current reform and the policy of opening to the outside world, he added. ■

NPC Hears Report On Student Unrest

The 19th Meeting of the Standing Committee of the National People's Congress (NPC) heard a report on January 15 by He Dongchang, vice-minister of the State Education Commission, about recent student unrest, while examining a draft resolution on strengthening legal education and safeguarding stability and unity.

He Dongchang told legislators that the recent demonstrations by a small number of university students were not "accidental and independent" affairs; they were the result of bourgeois liberalization influences.

For some time, he said, some mistaken views advocating "complete Westernization," including unconditional acceptance of Western democracy and "emancipation of personality," while negating Chinese culture and discarding common ideals, moral values and discipline, have run rampant.

However, he said, it should be noted that most of the students who were involved or drawn into the recent unrest were concerned about China's reforms. They are

patriotic and willing to contribute to the process of revitalizing the country, he said.

Although they failed to do things in a proper way, they should not be lumped together with the handful of people who insist on bourgeois liberalization.

He thought another reason for the student unrest was that ideological and political work in the universities and colleges could not keep abreast of developing situations. Overloads in administrative and logistics work, resulting from excessively rapid enrolment expansion together with bureaucracy and poor management in some universities, also aroused dissatisfaction among the students, he said.

He added that shortcomings in procedures for electing deputies to grass-roots people's congresses, which started recently in some localities, may be another factor.

He said a clear-cut attitude should be adopted in regard to such problems among the students, and education and persuasion should be used to help the students distinguish right from wrong. He thought making full use of legal means was also an important form of education. ■

Intellectuals Urged To Modernize China

Chinese Premier Zhao Ziyang called on Chinese intellectuals and scientists to continue to display a pioneering spirit of hard work to achieve socialist modernization.

Zhao was speaking on January 12 in Beijing at a meeting with 19 prominent Chinese scientists and experts, who have made important contributions to the nation's economic development. Among them were Zhu Senyuan, an expert on liquid rocket fuel, and Lu Zai, designer of the *Xiangyanghong 10* scientific research vessel.

"China is still a developing country which has to rely on diligence and a pioneering spirit in all its efforts to build socialist modernization," Zhao told the scientists.

"China needs all kinds of expertise and attaches great importance to the development of various types of education in the nation's socialist construction, he said. The country will increase the number and expand the scale of universities and schools. "But

under the circumstances of limited school education in our country, we will encourage in-service training and self-study as a good approach," he added.

Some of the 19 scientists at the meeting had no chance to go to colleges in the past, but they have still achieved great success. They are good examples of how people can become experts through private study, Zhao said.

Since the Third Plenary Session of the 11th Party Central Committee in 1978, Zhao noted, the Party and the government have taken a series of measures to raise the social status of intellectuals and improve their working conditions, arouse their enthusiasm and enable their professional knowledge and skills to flourish.

Zhao praised the scientists present for having made outstanding achievements under not always ideal conditions. He said that they represented the pioneering spirit of hard work vitally needed in building up the country.

The past eight years witnessed the best period for the country's economic development, Zhao said. During this period, Chinese intellectuals were entirely free from worry and gave full play to their talent in serving the country.

The premier expected intellectuals across the country to treasure today's hard-earned excellent domestic situation and devote their wisdom and talent to the country's modernization drive.

Vice-Premier Wan Li told the scientists at the meeting that their pioneering spirit of hard work and their devotion to the country embodies the spirit of the Chinese people. "Chinese intellectuals are patriotic and hardworking," he said, "they can make even greater contributions to the country provided they have the spirit."

Nie Rongzhen, vice-chairman of the Party Central Military Commission, met on January 14 in Beijing with several leading

Premier Zhao Ziyang shakes hands with Li Zhensheng, a research fellow of Shaanxi Academy of Sciences, while meeting with 19 Chinese prominent scientists on January 12 in Beijing.



persons in charge of science and technology. He said he expected people in scientific and technological circles to work self-reliantly and in co-ordination with each other to upgrade the country's scientific and technological level and promote its modernization drive.

Nie called on China's scientists and technicians, especially the young ones, to treasure current opportunities to quietly immerse themselves in hard work and make contributions to the country's modernization. ■

No Change on Intellectual Policy

The Chinese Communist Party will not change its policy on intellectuals, member of the Political Bureau of the Party Central Committee Li Peng said on January 17.

Speaking to a group of engineers, Li, concurrently vice-premier, said that some people are trying to incite intellectuals against the Party, asserting that intellectuals are a target of the fight against bourgeois liberalization.

"This is sheer slander and calumny," he said.

Again he stressed the principle that in China, intellectuals are regarded as part of the working class and masters of the country. "The Party has full confidence in them," he said.

By fighting bourgeois liberalization, he continued, the Party means to defeat attempts to oppose the four cardinal principles, to stage a capitalist comeback in China and to wholly Westernize the country.

The Party's policies for intellectuals, pursued since the Third Plenary Session of the 11th Party Central Committee in December 1978, will not be affected by the current fight against bourgeois liberalization, he said. ■

Weekly Chronicle (Jan. 12-18)

POLITICAL

Jan. 13

Wang Daming, deputy head of the Propaganda Department of the Communist Party Central Committee, tells participants at a national meeting held to discuss book circulation, management and trans-regional co-operation that all publications must promote China's socialist modernization and resist bourgeois liberalization.

ECONOMIC

Jan. 12

Renmin Ribao (People's Daily) reports China now has 50 metallurgical enterprises each with an annual production capacity of more than 100,000 tons of steel, and 14 others that can produce more than 1 million tons a year.

Xinhua reports that China's programme to replace oil with coal has saved the country 173 million barrels of oil in the past six years.

Jan. 14

State Council issues a circular asking governments at various levels to strengthen control over market prices and keep the prices basically stable.

Jan. 17

Vice-Premier Li Peng reveals at a national conference on geological prospecting and design that the State Council has decided to launch a movement of cutting expenses and increasing production this year.

Renming Ribao reports that China's volume of exports in 1986 reached US\$27.03 billion, an increase of 4.2 percent over 1985, and the deficit was US\$5.75 billion, a reduction of 31.6 percent compared with the previous year.

CULTURAL

Jan. 12

Renmin Bibao says that China has worked out a basic programme for tumour prevention.

Jan. 15

Xinhua News Agency starts publishing *Chinese Journalist*, a monthly magazine describing new trends in Chinese and world journalism, experiences of famous journalists, news analysis and photo journalism.

FOREIGN RELATIONS

Jan. 12

A Chinese Foreign Ministry spokesman says that China supports a proposal put forward by the premier of the Administration Council and minister of the people's armed forces of the Democratic People's Republic of Korea for high level political and military talks between the north and south of Korea.

Jan. 13

Senior Chinese leader Deng Xiaoping meets Takeshita Noboru, secretary-general of the Japanese Liberal Democratic Party.

Chinese Premier Zhao Ziyang meets Syrian Vice-President Abdul Halim Khaddam and tells him that China respects the agreements reached by the Arab countries and Palestine Liberation Organization, which are in keeping with their interests and aimed at finding ways to solve the Middle East question.

Jan. 15

Deng Xiaoping meets Chairman of the Finnish Communist Party Arvo Aalto in Beijing and tells the guest that safeguarding world peace and expanding socialist productive forces are the two main tasks China faces.

Chinese President Li Xiannian meets in Shanghai D. N. Edwin Mutasa, speaker of Zimbabwe's House of Assembly.

KOREA

A Positive and Practical Proposal

A proposal put forward by Korean leader Kim Il Sung represents his long-standing efforts to unify the country peacefully and independently, and is of great importance in increasing trust between North and South Korea.

A proposal calling for high-level political and military talks between Pyongyang and Seoul was put forward by Democratic People's Republic of Korea (DPRK) leader Kim Il Sung in his policy statement, delivered when he was re-elected president of the DPRK at the end of last year.

The proposal also appealed for an end to the confrontation between the North and the South and for the relaxation of tension on the Korean Peninsula. On January 10, DPRK broadcast a letter from its Premier Li Gun Mo and its Minister of the People's Armed Forces O Jin U to South Korean Premier Ro Sin Yong and Minister of National Defence Li Gi Baek. The letter was to be received by South Korean officials in a pre-arranged meeting in Panmunjom, but South Korean officials failed to show up for the exchange.

The letter reiterated the objectives for the talks first outlined by Kim. They are to search for measures to relax political tension and military confrontation between the North and the South; end mutual slander campaigns and realize many-sided cooperation and exchanges between the two sides; reduce armed forces; suspend the North-South Korean arms race; transform the demilitarized zone into a peace zone; end large-scale military exercises; upgrade the functions and powers of the Neutral Nations Supervisory Commission made up of Czechoslovakia, Poland, Switzerland and Sweden, and set up a supervisory force with troops from those nations.

The letter also outlined the agenda, location and grade of the talks. It suggested that high-level political and military talks be held in Panmunjom on January 27 and that each delegation to the talks be made up of between seven and nine high ranking political and military leaders, led by the vice-premiers and the chiefs of the general staff. The letter ruled out preliminary meetings, but it said that if the South wished it, a meeting between a few officials from each side could be arranged to discuss the agenda and location of the talks.

Kim's latest proposal is part of a new effort by DPRK to resume talks between the two sides, after its decision last February to suspend large-scale military exercises, and its proposal last June for tripartite military talks with South Korea and the United States.

Peace talks and tension-relaxation efforts also reflect the

basic wishes of the Korean people. In 1985, Pyongyang and Seoul managed to reach agreement on some issues through repeated dialogues. Art ensembles from both sides exchanged visits and people were allowed to visit their home towns on opposite sides for the first time since Korea was divided into two parts 40 years ago.

However, tension has mounted and military confrontation has escalated since talks between the two sides broke down in early 1986. This strained situation has cast a shadow over the peninsula's stability and is detrimental not only to peace and security in Asia, but also to the economic construction and improvement in living standards of Korean people on both sides.

In presenting his new proposal, President Kim pointed out, "the realization of high-level political and military talks between the North and South will eliminate mutual distrust, achieve national reconciliation and unity, effectively promote talks in all fields in a good atmosphere, and thus pave the way for a North-South summit." This is a situation people would like to see.

by Li Li

AFGHANISTAN

More Behind the Ceasefire Proposal

The recent ceasefire offer made by the Kabul regime to Moslem guerrillas has evaded the crucial point of the Afghan issue — the Soviet military presence in Afghanistan.

Early in January, speaking at a plenary meeting of the Central Committee of the People's Democratic Party of Afghanistan, leader of the Kabul regime Najibullah issued a ceasefire proposal. This was the first call for a ceasefire since Soviet troops invaded the country on December

29, 1979 (an estimated 115,000 Soviet troops are in Afghanistan). The proposal calls on government troops and resistance forces to stop all hostile actions for six months starting on January 15, realizing "national reconciliation" and organizing a "government of national unity."

However, this proposal was immediately rejected by the Afghan resistance forces. Afghan Mujahideen Political Committee Vice-President Janbaz Sarfraz told a press conference in Kuala Lumpur on January 8 that the unilateral ceasefire announced by the Kabul regime leader was "pure propaganda," attempting to deceive the world public and the Afghan people. The Afghan resistance forces reiterated that as long as there is a Soviet soldier remaining on Afghan territory, the Mujahideen (holy war fighters) will never give up their weapons.

Opinions about the Kabul's ceasefire proposal have been mixed. Some political analysts described it as a New Year "gift" which could bring fresh hope for a political settlement of the Afghan issue. However, most stated that this proposal evaded the crucial point of the Soviet military presence in Afghanistan, and it was therefore not surprising that resistance forces rejected it outright. In fact, only hours after the proposed ceasefire was supposed to start, Mujahideen rebels attacked government soldiers near Torkham, close to the Pakistani frontier.

Analysts also pointed out that the international community regards the Afghan issue as an example of large scale Soviet invasion. Any attempt to solve the issue should begin with a cessation of military action by Soviet troops, their complete withdrawal at the earliest possible date, and the restoration of Afghanistan's status as an independent, neutral and non-aligned state. The Kabul's ceasefire offer, however, contains no requirement for Soviet troops to end their aggression, still less for them to pull out entirely. On the contrary, it requests that resistance forces give up their weapons. The leaders of the resistance forces noted that acceptance of such an offer would be tantamount to a "surrender" to

the Soviets and their puppet regime.

Analysts further noted that Najibullah's ceasefire offer was made three weeks after he returned from a visit to Moscow, and that Soviet Foreign Minister Eduard Shevardnadze and Communist Party Foreign Affairs Secretary Anatoly Dobrynin arrived in Kabul less than a week after Najibullah announced his proposal for "national reconciliation" with the resistance forces.

The prospect for an end to eight years of bloodshed in war-torn Afghanistan appears no brighter than before. Evidence shows that Moscow and its client Kabul government have simply been stalling on peace initiatives since Mikhail Gorbachev announced his plan last July to withdraw six Soviet regiments from Afghanistan. Meanwhile, Eduard Shevardnadze announced in Kabul on January 7 that the Soviet withdrawal "depends in the first place on an end" to outside

support for the Afghan resistance forces. Najibullah also claimed that Soviet troops would only withdraw after a national unity government is set up and outside intervention ends.

A spokesman for the Pakistan foreign ministry said that in order to be of any real significance, the ceasefire offer must be accompanied by the immediate and unconditional withdrawal of Soviet troops, otherwise it could not be accepted. In response to a TASS report that the Soviet Union is now prepared to set a timetable for troop withdrawal from Afghanistan, US State Department spokeswoman Phyllis Oakley said, "We hope this is a serious proposal that will be tabled at the United Nations-sponsored proximity talks in Geneva in February." She also said, "We will judge the Soviets' policy towards Afghanistan by their actions at the peace talks rather than by what they say."

by Chang Qing

JAPAN

New Attempt to Seek Greater Role

Japanese Prime Minister Yasuhiro Nakasone recently visited four European nations in an effort to enhance Japan's role in the international arena.

Japanese Prime Minister Yasuhiro Nakasone visited four European nations—Finland, the German Democratic Republic, Yugoslavia and Poland—from January 10 to 17. The move was rather unusual because these four countries, one in Northern Europe and the rest in Eastern Europe, have not traditionally been of immediate interest to Japan. The main focus of the Nakasone administration's diplomacy has always been on the US and Western Europe.

Already a world economic power, Japan has been trying hard

in recent years to increase its international stature, especially in East-West relations. Nakasone's trip, according to a Japanese official, is an attempt to promote dialogue between East and West. Among the four nations, Finland, while maintaining an officially neutral foreign policy, has extensive ties, including a co-operation treaty, with Moscow. As for the other three East European countries, Poland and the German Democratic Republic are members of the Warsaw Pact and have close relations with Moscow, and Yugoslavia is an important

founder of the non-aligned movement, which plays a major role in promoting global dialogues.

As an ally of Western nations, Japan can play a major role in bringing US and Soviet negotiators to the summit table to work out effective disarmament agreements by strengthening its relations with countries that lie in between the East and the West. The visit also can enhance Japan's role not only as an economic power but also a political one. In this spirit, Nakasone had various rounds of talks on wide-ranging issues with leaders of the four nations, calling for joint efforts to push for an earlier US-Soviet summit.

There are also economic and cultural reasons behind the visit. The Japanese prime minister has invited a number of young people from each of the four nations to visit Japan, and he signed an agreement on cultural exchanges with the German Democratic Republic. The volume of trade between Japan and the four

countries is expected to expand greatly after the visit.

Observers also noted that the visit came at a time when Soviet leader Mikhail Gorbachev cancelled his scheduled trip to Japan in January. Nakasone's visit is therefore believed to be an attempt to attract Soviet attention and induce Gorbachev to reconsider the idea of visiting Japan this year. Tokyo's relations with Moscow are strained by a longstanding dispute over the four islands in the Kurile, occupied by the Soviet Union since World War II. Nakasone wants an improvement in Japan's relations with the Soviet Union to crown his term of office which ends in October. He hopes a visit from Gorbachev will begin the process.

There are no controversial issues between Japan and the four European nations that Nakasone visited. The trip was a pleasant one, symbolizing Japan's attempt to diversify its economic and diplomatic activities in the international arena.

by Hua Xin

UNITED STATES

Washington Woos Sub-Saharan Africa

The recent visit to six sub-Saharan African countries by US Secretary of State George Shultz is aimed at promoting Washington's influence in these countries.

Secretary of State George Shultz of the United States, ending his 8-day tour to six African countries—Senegal, Cameroon, Kenya, Nigeria, Ivory Coast and Liberia—on January 14, has brought home with him both criticism and appreciation of the recently modified US Africa policy.

This was Shultz's first visit to the continent since he took office four and half years ago, and his first visit since the Reagan

administration reassessed its Africa policy, particularly its policy towards South Africa, late last year.

Original US attempts to pacify the apartheid regime in South Africa, exemplified by its advocacy of "constructive engagement," were severely criticized by African countries, particularly the frontline states and were also rebuffed by the Pretoria regime, which responded with stepped-up suppression of the anti-apartheid struggle at home.

The recent Shultz visit indicates a new effort by the US to regain initiative and to play a positive role in Africa. Last year, President Reagan's opposition to sanctions against Pretoria placed the US in an awkward position amid international outcries against apartheid.

Though the countries visited by Shultz are far away from South Africa, their leaders all placed the apartheid issue at the top of their agendas in talks with the top US foreign affairs official.

Having noticed the recent change in US policies towards South Africa—manifested in its limited sanctions against Pretoria and its official contacts with South Africa's main anti-apartheid movement the African National Congress—state leaders of the six countries pressed hard for the US to take mandatory comprehensive sanction measures.

Another topic in the discussions was the 20-year-old Chadian conflicts, as the US has recently joined France in siding with the government of Hissen Habre in an offensive to drive Libyan soldiers out of northern Chad, and has supplied US\$15 million in military aid to the Chadian government forces.

The general African mood on the worsening situation in Chad was expressed in a statement made by Nigerian Foreign Minister Bolaji Akinymi, saying that the US and France should end their military support for the Habre government, and leave Chadians and other African countries to solve the Libyan problem as well as Chad's internal conflicts.

At every stop during his visit, Shultz preached a free market economy as the best means to help sub-Saharan Africa out of its deep economic morass. He expressed US support for Nigeria's structural adjustment programme and for other economic reforms on the continent.

However, deep in debts and trying to recover from a long

drought and famine, African countries would like more concrete assistance from the most developed Western power. They are disappointed to find the US foreign aid programme cut by 21 percent, with only US\$713 million allocated for the whole of black Africa, in 1987.

USA/EUROPE

New Trade War Under Way

Finding no way to settle their latest trade protectionism dispute, the European Economic Community and the United States may escalate the row to a general trade war.

On December 30 of last year, Washington announced new tariffs running as high as 200 percent on more than 10 kinds of agricultural products, including cheese, white wine, brandy and gin, that the European Economic Community (EEC) exports to the United States. In response to the move, which comes into force on January 30, the EEC decided on January 15 to impose a surtax of 42 to 55 European Currency Units per ton on US exports of rice and corn gluten if the US goes ahead with its threatened tariff increases.

This latest dispute, which is just one of a series of retaliatory trade actions between the US and Europe, bodes a gloomy future for trade as well as other negotiations between them in the new year.

Trade rows between the two partners, especially over agricultural products, have been brewing for some time. In recent years, agricultural production in the West has far exceeded demand. According to official statistics, by April 1, 1986, US stockpiles of maize, wheat and soybeans stood at more than 248 million tons, while the EEC's surplus of cereal grains was 16.4 million tons. As a result of the surplus-dumping war, United States agricultural exports—a major part of its foreign trade—have declined drastically. US officials estimate

A high official in Washington said that despite adjustment in US tactics, the goal of the Reagan administration's southern Africa policy remains unchanged; that is, to advance Western interests in that region and to erode the Soviet position there.

by Xiong Zhongqi

that the nation's favourable balance of trade in agricultural products dropped dramatically from US\$11.4 billion in 1985 to US\$7.5 billion in 1986.

Apart from quarrelling over the increasing need for farm produce subsidies, the US and the EEC have been disputing other issues as well. Although in August of last year tensions seemed to ease after the two sides signed a citrus fruits trade agreement, within four months they were again battling over US cereal exports, a dispute triggered after Spain and Portugal joined the EEC at the beginning of 1986.

In accordance with EEC policy, Spain and Portugal, traditional and important markets for US cereal grains, began to introduce quotas and higher tariffs on agricultural imports after joining the community. According to American estimates, the action by Spain and Portugal will cut US cereal exports by between US\$400 million and US\$500 million per year. Given this loss, the Reagan administration is demanding compensation from the EEC.

US trade representative Clayton Yeutter warned that the US would impose tariffs on a wide range of European imports if a solution could not be found to the row over US compensation for its loss in grain exports. Yeutter

dismissed the Europeans' view that the US loss was only a small amount of money in terms of the total US trade volume. He emphasized that, "principle is important to me and to President Reagan... We would feel the same way if it was US\$50 million, US\$500 million or US\$5 billion."

In response, the EEC describes US demands as "unreasonable," and maintains that after Spain and Portugal joined the community, import duties on industrial products fell, thus counterbalancing any US revenue losses from cereal exports. But Washington argues that the most recent European offer of compensation for between 20 percent and 30 percent of the lost American grain shipments is "inadequate," given the present sensitive political situation in the farm belt.

With the January 30 deadline drawing near, European agricultural exporters feel the tariff of up to 200 percent is like the sword of Damocles. Danish state radio said, the US measures would reduce exports of Danish ham and cheese by about 250 million krone (US\$33.85 million) a year. Dutch agriculture ministry spokesman Frito Stoel said Dutch farm exports will suffer greatly—its cheese exports to the US totalled 400 million guilder in 1985. Don Gregory, export director of the British gin distiller Beefeater, complained, "We're going to be taxed even more highly than Russian vodka."

At the end of this month, the two sides are scheduled to send their representatives to Geneva and then to Washington to continue searching for a negotiated solution to the problem. Total trade between the US and the EEC is US\$120 billion a year, and neither side wants an all-out trade war. Yet there is no sign so far of either side backing down.

The United States and the EEC may escalate their row to a general trade war.

by Jiang Wandu

Why China Must Stick to Socialism

This article by Chen Junsheng, secretary-general of the State Council, was published by "Renmin Ribao" (People's Daily) on January 12, 1987 under the title "Adhering to the Four Cardinal Principles in Reform and Opening to the Outside World."

Reform and opening to the outside world is an established and firm policy of China. So is upholding the four cardinal principles in these reforms and opening up.

There are a few people who say that socialism is inferior to capitalism, that nothing Chinese can be compared with its equivalent in the West, and that China must be completely Westernized. These people resent socialist China and come to the conclusion that the Party's leadership should be abolished.

In fact, this trend of thought is nothing new; it first appeared eight years ago. In his important speech entitled "Uphold the Four Cardinal Principles" on March 30, 1978, (see p.5) Comrade Deng Xiaoping said: "A handful of people are spreading ideas which are against the four principles or at least cast doubt on them ... individual Party comrades, instead of recognizing the danger of such ideas, have given them some direct or indirect support. Although the number of such persons both inside and outside the Party is very small, we must not overlook their impact."

Views doubting and opposing the four cardinal principles have been raised again today, the only difference is that these views are voiced under the pretext of "speeding up the political structural reform" and "winning democracy and freedom."

Many of these people's arguments involve a question of fundamental importance, whether or not China should take the socialist road. Premier Zhao Ziyang recently said that two

questions should be made clear to the young people: One is whether a developing country can be compared to a developed country; The second is what, after all, can save China, socialism or capitalism. These two points are major ideological problems for some young people. A clear understanding of them will be of great importance to adhering to the four cardinal principles.

China Must Keep to the Socialist Road

People who advocate capitalism in China have forgotten the modern history of China. Their ideas are divorced from China's reality.

When China was under the corrupt reign of the late Qing Dynasty (1644-1911), Western powers moved from the early stage of capitalism to the stage of imperialism. They invaded and carved up China. At that time, some Chinese who sought to save China wanted to learn from the West and practise capitalism. But the imperialist countries did not allow China to do so. They reduced China to a semi-feudal and semi-colonial country, deprived of the historical conditions for capitalism. As Comrade Mao Zedong said, this compelled far-sighted people in China to ponder why, since China had intended to take the Western countries as its teachers, did the teachers beat the student? After many years of groping painfully in the dark, the Chinese people finally found a way and understand one truth: only socialism practised under the leadership of the Communist Party of China can save China.

Socialism enables the Chinese people to stand up. Gone for ever are the days when China was bullied, oppressed and exploited. This fills all Chinese patriots with the sense of pride and dignity. However, it is still impossible for China to rid itself of economic backwardness because it has a poor economic base, a huge population and limited farmland. The prolonged damage of imperialism, feudalism and bureaucrat-capitalism has made China a poor and backward country. After the founding of the People's Republic, although we have made great achievements in economic construction, and industry and agriculture have developed quickly, China, with its poor economic foundation, remains a developing country. Eighty percent of China's population are farmers. With production underdeveloped, China still finds it hard to solve the problems of feeding its 1 billion people and providing them with education and employment. But it is not socialism which is to blame for this.

It is not scientific to compare China, a developing country which went through many ordeals in the old days and has just started national reconstruction, with capitalist countries which have long been developed. It would be fairer to compare it with a capitalist country similar in population, in proportionate farmland and in semi-feudal and semi-colonial background. Some people compare China with the United States, but the fact is that the United States is a capitalist country with a history of just over 200 years and has its own advantageous conditions. Moreover, it gained

tremendously during the two world wars, while China in the last century suffered repeated foreign invasions, was forced to cede territory and to pay indemnities. China was also torn by warlord separatist rule and endless infighting. All these sapped China's vitality. In the 30 years or so since the founding of New China, China was forced to wage the War to Resist US Aggression and Aid Korea, was faced with a long-term imperialist blockade, and suffered from the perfidious actions of a super-power. Moreover, China lacks experience in national reconstruction with the result that it has made many mistakes. The road it has travelled is rugged indeed. China has been reforming and implementing the open policy for the past eight years since the Third Plenary Session of the 11th Party Central Committee in December 1978. Neither in the first 30 years nor in the last eight years, could anyone have been able to transform this extremely poor and weak country into a developed country. Some young people brag that they could do a better job if they were allowed to govern the country. This signifies nothing but their ignorance of Chinese history and society. Administering a country is no joke, and social development is often independent of the administrators' will.

We believe in making comparisons between countries with comparable social and historical conditions. If you compare China, which is poor and backward because of historical reasons, with the most developed countries in the capitalist world, you will feel inferior and in the end lose your pride and confidence.

Some people hold that if China took the capitalist road, it would be able to become highly developed and prosperous. They back their claim by saying that a few small countries and regions in Asia, including South Korea and Taiwan, which practise capital-

ism, have a faster economic growth rate and China could do the same if it also followed the capitalist road. These people have forgotten that the Kuomintang practised bureaucrat-capitalism on the mainland before they retreated to Taiwan. How well did they do then? They brought disaster to the Chinese nation! Under the leadership of the Communist Party of China, the Chinese people, imbued with socialist ideals, won revolutionary victory in 1949. If New China practised capitalism, it would not be supported by the Chinese people, nor would their great revolutionary enthusiasm have been aroused to build up China on the wreckage left behind by the Kuomintang regime. Internationally, the United States supported Chiang Kai-shek. If China had not followed the socialist road, New China would not have been able to gain a foothold in the international arena. So taking the socialist road is a historic choice made by the Chinese people.

There is one phenomenon which has aroused the interest of international scholars: The few small countries and regions in Asia, which have faster economic growth than China, generally lack democracy. For example, South Korea has an autocracy. Taiwan has in the last 30 years or so exercised dictatorship under "martial law." Taiwan special agents carry out assassination not only on the island but also in the United States. It is necessary to make a concrete analysis of their fast economic growth. In 1980, in his "The Present Situation and the Tasks Before Us," Comrade Deng Xiaoping said, "A few small low-wage countries and regions have found it relatively easy, for a limited time, to penetrate the world market with cheap products, because certain large developed countries, acting in their own interests, have assisted them with funds and technology. Here the capitalists have taken a

small part of their huge profits and used it to pay workers in these places, and their standard of living has apparently improved quite rapidly. For a large socialist country like China, however, no such short cut is possible." In the post-World War II years, some small countries and regions receive huge amount of loans from their occupying countries and developed very fast. But it would not be possible for China with 1 billion people to rely on the economic support of a big power in its development.

Shanghai, southern Jiangsu Province and some places in the Zhujiang River Delta which are blessed with better conditions and have contributed to the country's development, are comparable with some places overseas. Some foreigners hold that Taiwan should not be compared with the mainland as a whole; it should compare itself with areas like Shanghai, and factors such as the huge amount of US aid Taiwan has received and the financial aid Shanghai has given to other areas across the country should be taken into consideration. They are convinced that if comparison is made this way, Taiwan will lose. We think this point of view is reasonable. And there is a qualitative difference between administering a country with 1 billion people and a smaller country. Some foreign statesmen say that for skills in ruling a huge, populous country look to China.

In the world today, there is only one country which has conditions similar to China's. It is in Asia. When it won independence, it embarked on a capitalist road. Although it received aid from Britain, the United States and the Soviet Union, although international environment was in its favour and although its per-capita share of farmland is far greater than China's, it is still a developing country today, where large numbers of people are starving and which is plagued by social

disturbances and problems.

Comparing that country in Asia with China is fair, as both have similar conditions. That country follows a capitalist road, while China, a socialist road, such a comparison does not show that capitalism is superior to socialism. However, some people don't like making such comparisons. Instead, they compare China with the United States. Their way of thinking is unscientific.

There are more than 100 countries in the world which are capitalist. Among these only a score have become rich and developed. Most are not developed yet. For example, countries in Africa and Latin America which institute the capitalist system are known to all as developing countries, too.

In short, in the world today only a few countries are really building socialism, the overwhelming majority of countries are developing capitalism. In the capitalist world, countries that really have a developed economy are very few. The reason why these few countries are economically developed is not that their social systems are superior, but for various complicated historical reasons.

Although the level of China's economic development is not as high as that of some developed countries, there is no polarization between the rich and the poor. Except in a few regions, people have more than enough to feed and clothe themselves. Putting aside the fact that the Chinese people have become masters of their country, let us just take up the point that the Chinese people in general have enough food and clothing. This could not have been achieved by any other government in Chinese history in the last century.

Should China give up its efforts to build socialism, the emergence of serious social polarization would be unavoidable; money would line the pockets of a few

while the overwhelming majority would be suffering from poverty and hardship; some would roam the streets, our country would revert to a semi-feudal, semi-colonial society.

In his speech entitled "Uphold the Four Cardinal Principles," comrade Deng Xiaoping said: "Socialism and socialism alone can save China—this is the unshakable historical conclusion that the Chinese people have drawn from their own experience in the 60 years since the 1919 May 4th Movement. Deviate from socialism and China will inevitably retrogress to semi-feudalism and semi-colonialism. The overwhelming majority of the Chinese people will never allow such a retrogression."

This is no alarmist talk.

Precisely because China has a poor foundation to start with, a large population and a backward economy, if the socialist system were abandoned, developed capitalist economic entities would quickly enter the Chinese market, and China's national economy would be destroyed. If China were included in the capitalist system, it would inevitably be controlled by others economically and politically and would not be able to remain independent diplomatically. That is our historical experience. It is because we practise socialism in which the publicly owned economic sector occupies a leading position and a diversified economy is allowed to co-exist and develop alongside it that our country remains strong and independent politically and militarily. We can stand independently among the nations of the world, and have the respect of people all over the world. Although China's national income is low, everybody has enough to eat and enjoys a secure life. As we continue with the current reform, the situation will become better and better and our country will develop more rapidly. Many countries which practise

capitalism are poor and plagued with turmoil and coups d'etat that take place one after another. That is a well-known fact. If China should come under the control of developed capitalist countries, it would inevitably cause internal confusion. China is a large country which would not come under the exclusive occupation of any single capitalist country; because many capitalist countries would each try their hands and seek their agents in China and carve out a different sphere of influence. Now certain people are seeking publicity for their ideas and actions abroad so that foreign forces could come to show "concern" for China's "democracy and freedom." Should they succeed, they would collude with the foreign forces which would attempt to control our country, thus giving rise to groups collaborating with different foreign forces. Then China would once again be divided. This historical lesson is not without precedent in Chinese history, how can we forget it!

In short, the capitalist road is impractical in China, nor can the Soviet model be applied mechanically, nor should China return to the old path we travelled before the Third Plenary Session of the 11th Party Central Committee. China can only take the socialist road with Chinese characteristics.

Of course, we will learn all the experiences from the world, which are useful to China's construction. But we will never tolerate any attempt to turn the study of certain technology and management expertise into worship of capitalism and into a corrosion of our national pride and confidence. One foreign scholar of Chinese origin said he hoped the Chinese mainland would under no circumstances take the Taiwan road or go in for modernization as Taiwan does because Taiwan's economy is actually under foreign control.

In short, total Westernization

can only sap our national integrity and morale.

Hard Work: The Only Way to Rejuvenate China

Some people are anxious for more and quicker results from our construction and reform. Their feelings are understandable.

It must be noted that since the Third Plenary Session of the 11th Party Central Committee and after introducing reforms and implementing the open policy, China's economy has been invigorated, and the people have benefited. The 800 million farmers have basically solved the problem of feeding and clothing themselves. The living conditions of urban people as regards food, clothing, daily necessities and housing have much improved. Compared with eight years ago, the situation is much improved. People's real incomes have doubled or redoubled. Yet some people are not satisfied, they say the benefits the reform has brought them are not enough and the progress of the reform is too slow.

Here two points must be made clear:

First, China's four modernizations require working in a down-to-earth manner and in the spirit of building through strenuous efforts. The fact that China's economic foundation is weak, and that its education, science and technology are fairly backward means that we have a long process of hard work ahead of us. We also oppose the view that China should establish a welfare state today, because that is impossible. We can only improve living standards gradually with improved production. It is wrong to develop production and not improve people's lives; it is equally wrong and impossible, too, to improve living standards without developing production. More pay for more work, yes, but consideration

should be given to the country as a whole and to every field of endeavour. We must take steady steps. We must give proper guidance to the masses. Under no circumstances should one irresponsibly promise or agitate.

Many things in China, looked at in absolute terms, seem gigantic; but when calculated on an average per-capita basis, are much diminished. Take coal for example. In 1985, the United States produced 930 million tons, the Soviet Union 720 million tons and China 870 million tons—a lot in anyone's book, but average it out for the population and we in China have much less. Also steel, Japan has one ton of steel per person; the United States and the Soviet Union have one ton for every two people. Many European countries, such as France, Britain, and West Germany, also each have one ton of steel for every two people. Luxemburg has a population of just over 300,000 and has more than 3 million tons of steel, averaging at 10 tons of steel per person. If China set itself the goal of producing one ton of steel for every two people, then by the end of this century, if China had a population of 1.2 billion, it would have to produce 600 million tons of steel. That is impossible and not necessary. If, by then, China produced 100 million (or 200 million) tons of steel, it would still only have one ton of steel for every 12 people (or six people). On the other hand, although average per-capita output is small in China, each small output is significant to our national strength. This is what distinguishes a large country from a small one, and one should not make a simple comparison between the two. China has a population of 1 billion, if each person saves up or wastes a little, it will all added up. To narrow and bridge the gap created over the past century between China and other countries, we must make up our minds to work hard over the long term. For a long time to

come, we must encourage a spirit of building through strenuous efforts and translate it into reality.

Socialist China's current economic and technological level has not reached that of the developed capitalist countries. This is a fact. Just as I said above, this is not caused by the socialist system itself. On the contrary, socialist revolution and construction have helped narrow the economic gap between our country and developed capitalist countries. The world position of China in many respects has been constantly rising. For instance, China's steel output position has risen from 26th to 4th place in the world, and its crude oil output position, from 27th to 6th place. Even though we have made some mistakes, the progress we made in the past 30-odd years could not have been achieved by old China in several hundred or even several thousand years. We have made mistakes in our work. But, viewed from the high plane of history, there is nothing strange about it. Capitalist countries with a long history of feudalism, such as Britain, France, Germany, Italy and Japan, have also travelled a tortuous path and suffered grave setbacks in their development. Counter-revolutionary restoration appeared in Britain and France, and fascism reigned over Germany, Italy and Japan. Capitalism has already had a history of several hundred years. Anyway, it still cannot extricate itself from millionaires' greedy desire for super profit, exploitation and plunder, it cannot forge common ideals and ethics, or avoid serious crimes, degeneration and desperation. We should bring to our people, particularly the young, the progressive and the useful from the capitalist countries. We must boycott the reactionary and the decadent. There are some practices, such as high consumption, which suit their conditions but not ours and therefore should not be copied. Socialist construction in our

country calls for strenuous efforts. To attempt quickly to catch up with developed capitalist countries in daily consumption, and focussing oneself all the time on developing luxury goods instead of concentrating on practical work, is not realistic and is incompatible with China's current level of production.

Second, reform is quite a complicated process which should advance step by step and be conducted in a down-to-earth manner. People should not place unrealistic hopes in it. Certain other socialist countries began their reforms earlier than China and some of them believe that the tempo of ours is faster than theirs and the achievements we have made are also greater than theirs. We have resolved some problems which they have not solved yet. China has decided to take the socialist road with its own characteristics. We have made certain things clear and are still looking for the answers to others.

During the course of exploring our way forward we may make mistakes. Some measures we take are reasonable from an overall and long-term point of view. But they may also temporarily adversely affect the interests of some people. These people are dissatisfied and complain, which is understandable. To these people we should explain why things should be done in this way, what benefits they are expected to bring and what will happen if we do not adopt these measures. While explaining these matters we should have the situation as a whole in mind. Reform is a matter for the whole nation and must be understood by the whole nation. We have a lot of work to do in this field. Reform of the political structure, in particular, is a new challenge. How should it proceed? The method of reform calls for full discussions, and impetuosity will not do.

Similarly, democracy should be a steady process. Without democracy there will be no socialism, and

no socialist modernization. But, democracy and modernization should also advance step by step. The more socialism develops, the more democracy grows. This is beyond doubt. But to want to perfect the democratic system overnight is unrealistic.

Political Stability and Unity Is Essential to Reform

Comrade Deng Xiaoping said seven years ago: "Without political stability and unity, it will be impossible for us to settle down to construction. This has been borne out by our experiences in the more than 20 years since 1957.... This situation has not been easy to bring about, and with destabilizing factors still existing in different quarters, it is far from consolidated. Comrades everywhere must jointly take responsibility for preserving and developing it." (The "Present Situation and Our Tasks")

To preserve stability and unity the Party's leadership must be strengthened. Without the leadership of the Party the country would be fraught with upheavals and rent by disunity. Old China was called a sheet of loose sand. The warlords tangled themselves in ceaseless warfare, with each dominating one part of China, and none being able to interfere with the other's businesses. Under the rule of the Kuomintang, the country was never really unified. Places like Shanxi, Guangdong, Guangxi and Sichuan were each under separatist rule, and China could not have been really unified. Only after the Communist Party became the party in power did the divisions in China end. During the "cultural revolution," kicking aside the Party committees to make revolution prevailed for a while. Everybody now is clear about what the "revolution" resulted in. Today if people are allowed again to kick out the Party committees to make revolution, it will definitely ruin our four modernizations.

The nearly 70 years of Chinese

history since the May 4th Movement have proved that without the leadership of the Communist Party and without the socialist system there would be no unified state, no people's unity and no prosperity in the country. Some people have dished up "cultural revolution" stuff once more. If we ignore them and do not boycott and oppose them clearly but let them grow unchecked, the Party and government organizations at all levels would not be able to continue their work because of these people's disturbance, and stability and unity would be disrupted. How will it be possible for us to consider reform and four modernizations then?

Under the socialist system, stability and unity, and liveliness are one. Fundamentally speaking, the two have no contradictions and should promote each other's progress. If, under certain circumstances, the two conflict, the principle of achieving liveliness on the basis of stability and unity is not to be waived and letting everyone advance in an orderly manner should be enforced. Without stability and unity, economic construction, reform, the open policy, democracy and the "double hundred" policy would all be out of the question.

Over the several thousand years of human history, most of the time China led the world in many fields. Its falling behind is only a phenomenon of the last 100 years or so. Now we should resolve to undergo self-imposed hardships so as to catch up with the others. Under the leadership of the Communist Party, as long as we adhere to the socialist road and preserve stability and unity, the Chinese nation will certainly be able to catch up with the advanced countries of the world. By the year 2000, China will be better-off. If we look back then we will find that the superiority of the socialist system is more visible and that more people have a firmer confidence in socialism. ■

More Jobs Offered to the Disabled

The Chinese government cannot afford all the expenses of caring for China's 40 million disabled citizens. Efforts are being made to get as many as possible into productive work. This confidence and hope. China now has altogether 28,000 welfare enterprises, mostly in the bigger cities, which offer jobs to some 400,000 disabled people.

by Our Correspondent Li Ning

I didn't receive a job when I graduated from senior middle school because I cannot use my legs," said 28-year-old Zhang Tongjie. "But because I like to draw I was given egg shells to paint at home for a handicrafts workshop in Beijing. The work is decently paid, and I'm satisfied. My experience told me how important it is for people like me to get jobs that make use of their talents. My ambition is to cooperate with friends and start a workshop for the disabled so that more people like me can work and prove the extent of our abilities."

Zhang is one among the 40 million people in China who suffer from mental or physical disability. Their care is therefore a major concern. With the country's present low level of economic development, the government is unable to finance all the care. Backed by various social organizations, the government is working to create as many job opportunities for the handicapped as possible. It is hoped this will give them greater independence and self-confidence while lightening the financial burden on their families and the state.

According to the China Fund for the Welfare of the Disabled, there are altogether 28,000 welfare enterprises in China, mostly in the

larger cities. They offer jobs to over 1 million people, including some 400,000 disabled people, 70 percent of whom are employed locally.

In some advanced cities like Beijing, Dalian, Shanghai, Shijiazhuang, Changzhou and Shashi, all the disabled people who can work are employed. In the rural areas, only 20 percent of such people are working.

Welfare Enterprises

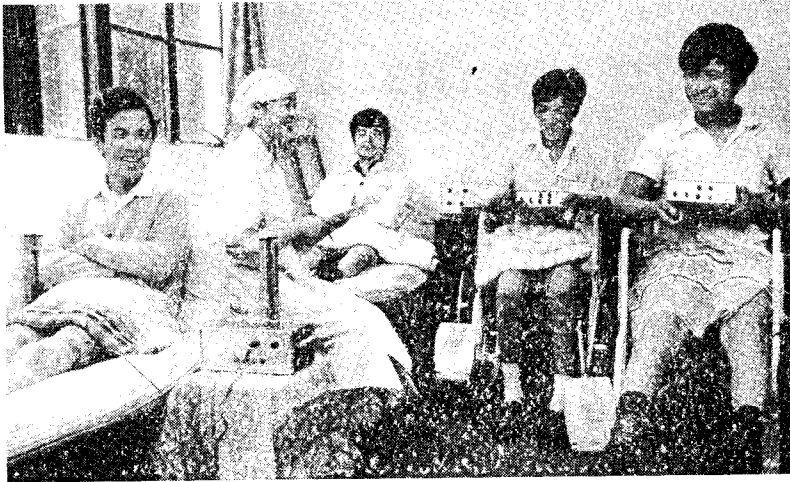
Welfare Factories. About 30-60 percent of the employees of the 2,000 or so welfare factories are disabled. These factories enjoy preferential treatment.

The Shanghai No. 1 Low-Voltage Electrical Appliances Factory employs many blind or deaf people. The factory makes

Disabled workers at a Dalian corporation receive the same treatment as their able-bodied counterparts. Pictured here is a manager with young disabled women at a ceramic-artifacts factory.

SUN LIANSHENG





Paraplegics receiving functional electrotherapy treatment.

XU YIGENG

switches for automobile head lights and meters and horn buttons. The deaf people work mainly in the punching workshops, their blind counterparts in assembling shops. The factory was set up soon after China's liberation in 1949. Right from the start it began employing blind and deaf people who had been beggars or street singers in the preliberation years. The factory now exports 1.3 million yuan's worth of goods a year.

Welfare Enterprises Run by Neighbourhood Committees and Factories. They number about 7,000 and vary in size, with the smallest employing only a dozen people. Those which are backed by factories or mines are well-equipped, and employ mainly from the sponsoring units.

The Fushun Steel Works in Liaoning Province has over 20,000 employees. In November 1984 it launched a services company to provide jobs for 80 percent of the

260 disabled children of its workers. The company provides 26 services such as laundry,

Liu Pingchange (second right), an armless rural postman in Liaoning Province, is praised for his excellent work—making no mistakes in delivering over 1.7 million pieces of mail over 15 years.

XU JINGBIN



The Handicapped Employed, 1981-85

Year	1981	1982	1983	1984	1985
Number	61,291	64,091	66,423	72,208	80,876
Percentage increase over the previous year	—	4.6	3.6	8.7	12

sewing, cleaning and selling. It made a profit of 50,000 yuan in the last two years.

A wool sweater factory was set up in 1984 in the neighbourhood of the workers at the Beijing Rail Research Institute. Among its workers are two mentally retarded girls, daughters of a professor. The younger had been kept at home for 13 years since she was 15 before she was employed. To enable her to work, the factory sent people to teach her how to speak and pick up the ends of the wool.

Welfare Enterprises Run by Social and Mass Organizations.

One such enterprise is the Beijing Co-operative Instrument Factory. Set up by the China Association for Industrial Co-operation in September 1985, the factory has

two workshops, of 100 square metres, and 20 workers, including 12 who are crippled. The factory makes radiation instruments and control instruments, some involving the most advanced technology around. It has supplied products to the Sino-West German electric furnace project and the second-phase project of the Baoshan Iron

Deng Pufang—Spokesman for the Disabled

Deng Pufang is the eldest son of the Chinese leader Deng Xiaoping. In 1966 when the "cultural revolution" began, he was a student of Beijing University majoring in nuclear physics. When his father was branded China's No.2 capitalist roader, he too was made to suffer and crippled in both legs.

Deng Pufang was sent to Canada for medical treatment in October 1980. In his four months there, he had two operations.

While recuperating in hospital Deng became acquainted with Western rehabilitation techniques. He was impressed by the effort made to overcome and achieve optimum ability which alleviates the devastation of disablement and helps people regain the ability to work and live on their own. He recalled that in China many disabled people could not work and live independently

because they had no help and training. Some die prematurely, he knew.

So when the Canadian doctor asked him to stay longer in their care, he declined, wanting to return home to set up a rehabilitation centre in China.

When the China Fund for the Welfare of the disabled was established in March 1984, Deng Pufang was elected its deputy director for his work in this field. One year later, he was elected director of the Fund. He has won wide recognition for his great energy and dedication in his work for the welfare of the handicapped.

Speaking of humanitarianism at a Fund meeting, Deng Pufang said, "We Communists have done much which is humane, yet strangely we give the impression that we dislike humanitarianism. Humanitarianism was proposed

by European thinker during the bourgeois revolution against feudalism. It is the product of the progress of the human society. We should adopt it. According to Marxism, when handling the relationship between people and society, we think in terms of people in the real sense, not something in the abstract. This makes humanitarianism more realistic. We also stand for solving people's problems in the interest of the masses. Our general goal is emancipating mankind. This gives humanitarianism a broader meaning. In all, socialist humanitarianism should be more advanced."

Deng Pufang holds that in China it is necessary to create a good social environment under the guidance of an advanced ideology to enable the handicapped to enjoy real equality, have equal opportunity to study, work, participate in society's life, and share the benefits available to everyone—able-bodied and disabled alike.

and Steel Complex in Shanghai. The 12 disabled workers are all educated, working as welders, bookkeepers or coil designers. They are all well paid, and have better working conditions.

Individual Labourers. More than 10,000 disabled people have become individual workers in the last few years. Most of them are involved in the service and repair trades.

Medical Massage Houses. Many blind people have been directed towards massage. In the 500-odd massage houses and clinics in China, they number some 4,000.

The Beijing Massage Hospital is a national centre where masseurs are trained. Of its 30-odd master masseurs, 23 are the blind. They age between 20 and 57. With their "cure-all" hands, they treat mainly comminuted fracture and physical aches and pains. Their



Lu Shiming (front, who is crippled), is employed as a translator in the Dalian No. 7 Petroleum Factory. He has college level English though he studied on his own.

WANG JIAN

massage is said to have curative effect on other internal diseases, gynaecological complaints and children's illness.

Sun has suffered from lumbago for four years. When massaged 13 times by Master Masseur Shi Ruihua, a 1961 graduate from the

Baoding Massage School, Sun recovered. In the words of Shi, blind masseurs can feel through their hands changes in the patients better than their seeing counterparts.

In 1984, the hospital started outpatient services for foreigners in Beijing.

During the Sixth Five-Year Plan period, various organizations under the Ministry of Civil Affairs provided jobs for 344,889 disabled people (see table on P.20).

To protect and foster the social welfare undertakings, the government enacted preferential policies in 1984 covering taxation, supply of raw materials and loans. For example, welfare enterprises who have 35 percent handicapped workers are exempt from income tax; those with over 50 percent are also exempt from product tax or value added tax.

Some localities have also worked out preferential treatment for the welfare enterprises in their

of the welfare enterprises at 30 yuan a month.

A Welfare Street

In July 1986 a welfare street took shape in Xicheng District of Beijing. Located north of a beautiful park, the 6-metre-wide and 160-metre-long street is flanked by houses and trees. The centre of the welfare street is a welfare factory run by a neighbourhood committee. With 72 employees, including 40 handicapped workers, its main business is making toy guns for the city's No. 2 Toy Factory. The welfare factory has opened an inn with 30 beds. Thanks to the huge influx of visitors to the city, its business is good. The inn charges only 3.50 yuan (less than US\$1) per bed for one day, but has brought in the equivalent of about 38,000 yuan a year.

Part of the income of the factory and inn are used to care for the old and the handicapped in the street. The welfare street is now complete with a Home of Respect for the Old (an old people's home), a special kindergarten for handicapped children, a club, a Match-Maker's Office and a clinic which provides medical treatment for people suffering from slight mental disorders.

"My 4-year-old daughter is mentally retarded," said a bookstore worker who lives in the street. "I sent her to the kindergarten last September, four months afterwards she could call me and her grandmother, and started to walk without difficulty. The teachers there are really very kind and patient. I feel I can serve the customers better—giving the service I receive from others."

Yan Rusong, a crippled man aged 28, married Liu Yuezhi, an able-bodied bus conductor, last December with the help of the Match-Maker's Office. "I stayed home for five years after graduating from the middle school, a burden on my family and

A Chinese-language teacher at the Beijing No. 4 School for the Deaf and Mute coaching students.

MA JUNTIAN



Preferential Policies

With the development of the commodity economy, the welfare enterprises are facing fiercer competition. Many of them are hampered by unreliable supplies of raw materials and outdated machinery. Their poor economic returns mean their workers are often poorly paid. Some welfare factories have managed to have their equipment upgraded, but the blind workers could not use them. Some factories then asked their blind workers to stay at home on living expenses, while others simply fired their blind workers.

areas, for example, Beijing's welfare enterprises will be exempt from bonus tax; welfare enterprises with more than 50 percent workers handicapped will be exempt from all taxes and interest rates on loans will be reduced by 20 percent. To encourage factories to form economic associations with troubled welfare enterprises in Beijing, such factories will be exempt from income tax on the profits they have received from the allied entities in the first two years, and enjoy a 50 percent reduction in the following three years. The capital city has also set a minimum wage for the handicapped workers

society," said Yan. "Now I'm working for the street welfare factory and leading a happy life. I'm happy to be contributing to society"

In spite of all this, an official from the Ministry of Civil Affairs is still concerned that the government couldn't do more for the disabled. "This is not our

goal," the official said, adding, "Our welfare undertakings should cover work, convalescence, education and special cares."

Foreign Trade: Review & Preview

by Wang Pinqing

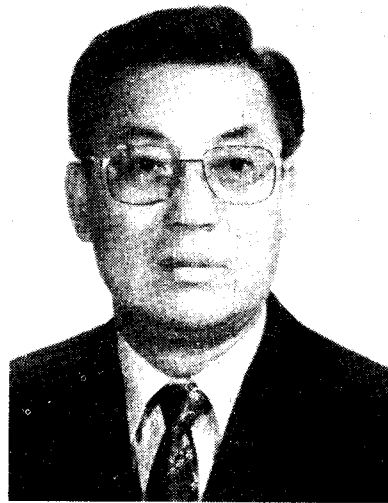
China's exports valued US\$27 billion in 1986, 4.2 percent more than in 1985, and imports decreased 4.6 percent to US\$32.76 billion. These achievements are hard-won, for 1986 was not an easy year for China's foreign trade. Increasing domestic demand made it difficult to find sources of goods for export. Internationally the West, especially the United States, experienced sluggish economic growth, the price of oil and other basic products dropped, and protectionism intensified. Despite these China still increased its exports with the support of various local governments.

Features in Trade

There are four dominant features to China's trade in 1986: **Deficit Decrease.** The deficit in 1986 was US\$5.76 billion, US\$2.66 billion or 31.6 percent less than the 1985 figure of US\$8.42 billion.

Change in Composition of Exports. China decreased its oil exports in 1986 to support OPEC and because of the price cut, and exported US\$3.08 billion worth of oil, US\$3.84 billion less than in 1985. To make up the losses in oil exports, China increased exports of other products, especially light and textile goods valued at US\$23.93 billion, US\$4.93 billion (26 percent) more than in 1985.

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



Change in Composition of Imports. compared with 1985, the imports of technology and key equipment increased while that of motor vehicles and other high-grade consumer goods dropped. **Changes in Trading Partners.** the 1986 export volume to Hong Kong, Macao, Japan and the United States reached US\$14.22

billion, accounting for more than 50 percent of total exports. Hong Kong and Macao received US\$7.44 billion worth, a 24.6 percent increase over 1985 and accounting for 27.6 percent of China's exports.

China's exports to Japan dropped by 23 percent to US\$4.34 billion owing to the oil price slump, and to the United States, US\$2.44 billion, 7.9 percent. Last year also saw an increase in exports to Western and Eastern Europe, Oceania and the Soviet Union.

According to the principle of equality, and mutual benefit and support, China has developed its trade relations with the other third world countries and has won great achievements.

Favourable Conditions

China attributes its steady growth in foreign trade to the following reasons:

Increases in exports of products in 1986 over 1985.

Goods	Increase (US\$ million)
Textiles	1,130
Edible oils and cereals	520
Light industrial goods	530
Native produce and animal by-products	440
Arts and crafts	380
Silk products	180
Chemicals	180
Nonferrous metals	130
Medicines and health products	100
Machinery	230
Coal	90
Hardware and minerals	140

Policies to encourage exports.

Enterprises are permitted to keep part of foreign exchanges earned from exporting their products. They are rewarded for exporting more. The fall in Renminbi of 15.8 percent against some major foreign currencies has encouraged enterprises to export goods, and therefore ensured the supply of export goods, improved the quality and increased the variety and competitiveness of their products.

Export work done under a unified state plan. In early 1986 China improved the system for issuing licences to export goods especially to Hong Kong and Macao. Last year China fixed the quotas and issued licences for the export of 235 kinds of goods. This helps block the export of shoddy goods. At the same time China issued regulations to control the excessive import of consumer durables.

Flexible methods. Owing to the

sharp drop in oil price, the devaluation of the US dollars and the revaluation of the Japanese yen, West German mark and Swiss franc, some countries especially the oil importers in the West used money saved from importing cheap oil to import other commodities. China took this opportunity to export more processed and finished goods to these countries. At the Guangzhou Export Commodities Fairs held in the spring and the autumn of 1986, China concluded business valued at a record US\$7.36 billion.

Bright Prospects

China will face a shortage of foreign exchange for some time to come. To increase its foreign exchanges reserves, China has to expand its exports and develop its foreign trade. This is the main task for this year. China will continue to implement the policies of

encouraging exports and develop export-goods production. It will endeavour to take every opportunity to increase exports and improve its trade promotion.

China will increase exports by using foreign investment, exporting technology, exporting equipment and construction material through contracting construction projects and providing labour services abroad. It will also prepare to resume its place in the General Agreement on Tariff and Trade (GATT) so as to create a favourable international economic environment for expanding China's exports and developing its economic and technical co-operation with other countries.

To meet the needs of domestic economic construction, China will continue to import on a considerable scale.

In 1987 China intends to continue the reform of its foreign trade system, but it will be carried out steadily. ■

Xinjiang: East-West Dialogue in Full Swing

This report on co-operation between Xinjiang and east China follows one on Xinjiang's development in issue No. 44, 1986.

by Our Correspondent Dai Yannian

The economic and cultural development in Xinjiang Uygur Autonomous Region, in west China, is relatively backward. To develop its natural resources, Xinjiang looks abroad to import advanced science and technology, while also seeking assistance from eastern provinces and municipalities. East China is way ahead of Xinjiang in technological development, but it is short of raw materials. The resulting co-operation is called "the dialogue between east and west China."

Fruit Processing Industry

The Turpan Basin is a plain surrounded by mountains in the east of Xinjiang. It covers 10,000 kilometres, and half of it is below sea level. In summer the Turpan Basin is the hottest place in China, and often has over 40 days a year where the temperature goes over 40C. But at night it is cold. This is ideal fruit growing weather.

There is a gorge at the bottom of the basin. Running through it is a river whose banks are lined with

trees and vineyards. It is the famous "grape gully" measuring 10 square km where 5,000 people make a living growing grapes. The grapes are sweet and seedless. In the past the grape's price was very low, only 0.1 yuan per kg, now the price has gone up to 0.3-0.5 yuan. In recent years, with the boom in fruit processing, the grapes have found a ready market.

The Turpan Fruit Company was set up in 1970 near the "grape gully." At the beginning, it had only a few shabby workshops



A girl from Grape Gully offers grapes to visitors.

CHEN ZONGLIE

producing candied fruit. In 1984 it built a winery where they have a production line swallowing grapes at one end and after fermentation producing the bottled wine at the other. Now it is able to turn out 5,000 tons of wine a year.

A fruit juice factory was built in 1985 using a loan from the government to bring in juice-making equipment from Sweden, plastic bottle-making equipment from West Germany, packing equipment from Switzerland and cold storage equipment from the United States. The factory, with an annual capacity of 3,000 tons, produces fruit juice concentrate in a centrifuge.

The same company has co-operated with several dozen enterprises in Beijing, Shanghai, Guangdong, Sichuan, Shaanxi and Inner Mongolia. It provides the co-operating partners with fruit juice concentrate and technical guidance for them to make soft drinks for their local markets. Turpan has an ambitious development plan. By the end of 1990, its grape-growing area will expand to 20,000 hectares and grape output 135 million kg; melon-growing land should be 16 million hectares and output 120 million kg. This is

double the 1985 figures.

In Turpan city, grape trellises are being built on the streets. The local people expect that in a few years all the city will have grape archways or passageways and be a real "grape city."

Car Plant in Gear

Xinjiang Automobile Factory is located in northern Urumqi, capital of the autonomous region. It used to be a machine tool factory. In 1966, it became an automobile parts factory producing for the Changchun No. 1 Motor Vehicle Plant. Its backward technology and poor management combined to make the factory's production unsatisfactory. In 1980, many of its products were rejects and 400,000 yuan were lost.

In 1981, the factory began to co-operate with China's No. 2 Motor Vehicle Plant in Hubei Province. A big advanced enterprise established in the 1970s, it produces Dongfeng automobiles, and currently it is co-operating with its counterparts in other parts of China to form the Dongfeng Automobile Integrated Company.

The Xinjiang Automobile Factory will also be a member of the integrated company.

In a large bright assembly hall of the Xinjiang Automobile Factory long lines of Dongfeng trucks are turned out at great speed. This workshop was built in 1983 and designed by technicians of the No. 2 Motor Vehicle Plant which also invested 1.03 million yuan in Xinjiang through equipment transfer. The factory can now assemble 2,000-3,000 trucks every year. In 1985 it turned out 1,880 trucks.

The No. 2 Motor Vehicle Plant also improved the Xinjiang factory's assembly line, gave funds and 14 sets of equipment, and helped establish a service centre, providing consulting and technical services.

If a client in Xinjiang now wants to buy a truck from the No. 2 Motor Vehicle Plant, the factory just sends the parts to Xinjiang where they are assembled. Costs are cut as today parts for five trucks can be put on one train carrier, where only two complete trucks could go.

In the summer of 1986, the Xinjiang Automobile Factory used equipment from the No. 2 Motor Vehicle Plant to refit 59 field vehicles for an expedition into the desert. Ten vehicles formed a motorcade including a command, production, experiment, refrigeration, dining, sleeping, club and air-conditioning vehicle, the most important since it regulated the motorcade temperature: in the cars, the temperature was only 20 degrees. The factory also refitted large trucks for transporting petroleum pipelines and wire poles.

In recent years, 16 employees in the Xinjiang Automobile Factory were sent to study in the Automobile College affiliated to the No. 2 Motor Vehicle Plant, 200 people were trained locally. Now the economic responsibility system has been implemented in the factory. Its gear and crank axle won good quality awards four

years in a row in Xinjiang. Since 1982, the factory has netted 10.139 million yuan in profit.

Mu Zhongzhi, deputy director of the Xinjiang Automobile Factory, said: "Co-operation with advanced enterprises on the coast and inland brings us a bright future." The factory plans to expand its capacity and assemble 3,000-5,000 trucks, refit 500 trucks and produce 5,000 automobile engines by the end of 1990. Its annual profit is expected to top 6 million yuan.

Beijing Engineer

A big new knitting mill has been built in Kuytun, a new city in west Xinjiang. The predecessor of the factory was founded in 1921 in Shanghai, and known for its high-grade underwear. In July 1962, over 70 people at the factory volunteered to move to Xinjiang to help the border region's construction. They brought the machines and began producing some knitted goods three months later in several simple rooms.

In the past, Uygur women's knitted stockings had to be

imported from coastal and inland cities or from the Soviet Union. Now Kuytun Knitting Mill can produce high-quality stockings and polyamide fibre scarves at low cost.

The factory's shabby workshops have given way to a modern building and its out-dated machinery has also been replaced. In 1985, the factory imported new knitting equipment and multi-purpose sewing machines from Japan. But it lacks technicians. There are 1,100 people in the factory, most of them are local youngsters. Only 3 have university degrees, the factory director is one of those.

Li Shuhua, 49, assistant chief engineer, is part Uygur-part Han. When he was six, his family moved to Beijing. He graduated from Beijing Industry School as a technician, was head of a workshop and then assistant chief engineer in the Beijing No. 3 Knitting Mill. In March 1986, he asked to be transferred to Xinjiang. "Xinjiang needs me and I can contribute my share," he said.

Li said the factory had intended to produce chemical fibre goods

before it imported the knitting equipment from Japan. But now there are so many chemical fibre products on the markets that nobody will come the Xinjiang to order them. With so much cotton, wool, flax and silk in Xinjiang, Li suggested the factory produce blended fabrics using materials close at hand. His suggestion was taken up and now the factory produces polyester coats lined with cotton cloth and wool-cotton blended grey cloth which finds a ready market at home and abroad.

On Li's suggestion the factory has hired four new designers, now it has ten. The factory has also invited some noted local designers to contribute their designs. It has set up contacts for informations with Beijing, Shanghai and Guangzhou and established Kuytun special counters in Beijing and other places.

Li is a workaholic. His wife and children are still in Beijing, but he said: "I have decided to work here for another ten years and do my best to change the factory's direction for the second time." In a sense Xinjiang needs talent more urgently than funds and equipment. It is out to recruit qualified personnel. In 1985, 700 college students on top of those assigned by the state asked to come and work in Xinjiang instead of working in inland cities. In 1986, 2,000 applied, some are still waiting to be approved.

According to Shao Baihuan, deputy head of the co-operative office of the regional government, Xinjiang undertook 2,600 co-operative projects with Beijing, Shanghai and other provinces from 1983 to 1985. These projects, which cover a wide range of production, service and technological fields, involve 1,000 new products, training 3,300 people in special fields, and the total output value should equal 300 million yuan. In the first eight months of this year, Xinjiang took on another 1,000 co-operative projects with other places in China.

The Xinjiang Automobile Factory assembly line.

CHEN ZONGLIE



Good Service: Key to Flourishing Tourism

The State General Administration for Travel and Tourism recently called on all local branches to use the slack winter season to give their employees ideological and professional training.

The call requires them to evaluate their experiences and retain good practices, overcome mistakes, learn from advanced practice, criticize and punish those who have ruined the reputation of China's tourism, and prepare their services for 1987.

In 1986 Premier Zhao Ziyang demanded that the quality of tourism workers be given first priority and an international reputation be established on the basis of good service.

In the past few years, the shortage of hotels in Guangzhou, Shanghai, Nanjing, Guilin and other tourist cities in China has been eased. Competition in domestic tourism has already begun and will become more intense in the next two years. Enhancing the quality and improving the management of travel services are vital for tourism to flourish.

According to a General Administration survey of 7,000

foreign tourists in 1985, 67.7 percent were satisfied with Chinese service, 20.5 percent thought the service was so so, and 11.8 percent were dissatisfied.

In early 1986 China launched a campaign for better service and competition in tourism and has seen good results. Foreign criticisms have decreased dramatically.

by Han Guojian

Acupuncture for Travellers

Recently, four tour groups of Chinese traditional acupuncture, under the Japan the Cultural Exchange Association, came to Xiamen for treatment. Their host organization is China International Travel Service Xiamen Branch.

There were 47 people involved, most of whom old and frail. The host organization co-operated with Xiamen Hospital of Chinese Medicine and set up a medical team, composed of experienced doctors and masseurs. After diagnosis the patients were given comprehensive medical treatment including acupuncture, massage and cupping glass treatment.

Mrs. Michiko Kinjo had a chronic case of naso-sinusitis and lost her sense of smell. She had been undergoing treatment for five years with no real result. After four acupuncture sessions in Xiamen, she was able to smell dinner when she returned to the hotel. She was so happy that she cried: "I can smell! I can smell! What fragrant odours!"

Mrs. Nami Kingo, her mother-in-law, had asthma. After the treatment in Xiamen, she wrote a letter back to Xiamen. It said: "I am 83 now and have suffered from asthma for 16 years. I've spent a lot of money on it. I didn't think you could cure me of my illness within five or six days. Now I am happy to tell you that I am completely well."

Another old man called Saburo Teruya had been suffering from paralysis and could not move without his wheelchair. He had been looking forward to being treated in Xiamen, and received special care and attention throughout his stay, so that he too reached the top of the Rock of Sunshine on Gulangyu Island when they visited it. His wife said: "We are very grateful. You enable my husband to go everywhere all the tourists go. We expect to come back again even if there is just a slim chance of a cure."

Tailpieces

■ In the drawer of every room in the Jinling Hotel in Nanjing, there is a piece of paper asking for criticisms and suggestions. Over the last three years, the hotel has retrieved more than 5,000 filled questionnaires, 80 percent praising its service, 7 percent criticizing and 8 percent offering suggestions.

■ At a seminar of the American Express Card it was announced that thanks to the support of Bank of China, nearly 700 units in over 50 tourist cities in China can purchase directly with the card.

On a tourist boat in Guilin.



Friendship Remains Strong Forever

"RENMIN RIBAO"

(People's Daily)

Since 1960 more than 2,100 students from 44 African countries have come to study in China. Of this number, more than 1,100 have returned to their own countries after finishing their studies, and 995 students from 42 African countries are still studying in Chinese universities.

The returned students have played various roles in their own countries' economic development. For instance, a student from the Republic of Burundi, who graduated from the Huadong (Eastern China) Textile Engineering Institute (now the China Textile University) in Shanghai in 1984, works at the Bujumbura Integrated Textile Mill and has been promoted to the position of general engineer there. An Ethiopian student, who graduated from Zhejiang Agricultural University, is now the general manager of the Soybean Company of the Ethiopian Ministry of Agriculture. Another student, who returned to the United Republic of Cameroon, has become a hospital president after finishing his studies at the Shanghai No. 2 Medical University. Even in his role as a top-level hospital administrator, he still finds time to use his fine medical skills to offer free medical care to poor people from outlying areas of the country.

Many African students continue to keep in touch with their Chinese teachers and classmates long after they returned to their homelands. On festivals and similar occasions, they often send congratulatory letters and greeting cards, as well as marriage pictures and pictures of their babies. One Togolese returned student wrote to his Chinese

teacher in Shanghai: "I will always remember your sincere advice in my heart and I will always be your good friend and student." Several students of the Democratic Republic of Sudan jointly wrote to their old school in China, praising the great achievements made by Chinese athletes at the 10th Asia Games. One student from the Republic of Senegal said in his letter that he and other returned African students were determined to spread Chinese culture throughout the African continent. Some of them have even established organizations to promote friendship and understanding between African and Chinese people.

China and Africa differ greatly in cultural tradition, habits and customs, but they share the same experience of having been oppressed by imperialism for a long period of time in the past. China is a developing country and belongs to the third world. Chinese, Africans and the people of other third world countries have a common destiny and have supported each other through the ages. Based on these factors, the Chinese have always regarded the training of African students as their international duty, and have viewed the development of friendship between Chinese and

African people as an important mission.

At present, African students are enrolled in 42 Chinese universities and colleges, located in 12 provinces. Chinese university officials have gone to great trouble to ensure that the foreign students' dormitories and canteens are comfortable and well maintained. In order to help African students overcome language barriers, Chinese teachers have even given up their rest time to offer extra tutoring in small, friendly groups. In addition, university authorities pay great attention to the health of foreign students. Take the case of a student from the United Republic of Tanzania for example. Two years ago, teachers at Tongji University in Shanghai noticed he was growing thinner every day, so a cadre accompanied him to a hospital eight times for treatment until he recovered.

At the same time, Chinese people cherish the friendship shown by African students. For instance, an African student who came across a seriously ill Chinese worker late at night, immediately rushed him to hospital for emergency care, possibly saving his life. Moreover, several African students at Beifang Jiaotong University (Northern China Communications University) have been honoured for their bravery in fighting a fire which broke out in a research laboratory. ■

Why Entrepreneurs Cold-Shouldered?

"JINGJI RIBAO"

(Economic Daily)

Not long ago, 8,000 young people in Beijing were asked by the Beijing Research Institute to name favorite famous persons in China and abroad. The poll's results indicated that Deng Xiaoping, chairman of the Central

Advisory Commission and member of the Standing Committee of the Political Bureau of the CPC Central Committee, ranked far ahead of other nominees in the statesmen category, accounting for 71.78 percent of the total votes for famous political figures. Other categories for nominees included reformers, soldiers, writers, movie stars, sports stars and entrepre-

neers. Among all the groups, statesmen received the most nominations—about 41 percent—while entrepreneurs took last place, with only about 1 percent of all the nominations.

Deng Xiaoping is a great leader who enjoys the love and esteem of the Chinese people. Indeed, he is internationally regarded as one of the most famous people of the present age. He was made Man of the Year for 1985 by *Time*, the weekly news magazine of the United States.

But why do entrepreneurs account for only 1 percent of the total votes for famous people? Why have they been given the cold shoulder by the Chinese young people? There are possibly three reasons.

First is the deep-rooted sense of feudalism, which is out of tune with a commodity economy and still obstructs people from correctly judging various aspects of their present social lives. It is virtually impossible for entrepreneurs to be revered by people who have only the most simplistic understanding of a commodity economy. Also, since China's socialist commodity economy only began to develop in recent years, the term "entrepreneur" is a new one for many Chinese people. In addition, the work of dismantling the foundations of feudalism is just starting, so it will be some time before people's perceptions of entrepreneurs will rise.

Secondly, the social climate for entrepreneurs is not always favourable, entrepreneurs still encounter bureaucratic difficulties from time to time. The relative popularity of an independent factory director or manager is hard to judge, since it is rare that an entrepreneur is known or acclaimed by people beyond just the local community.

Thirdly, it is difficult to be an entrepreneur, and it is even more difficult to be an accomplished entrepreneur. There is no denying that many Chinese entrepreneurs

need to improve their knowledge of science and technology, their management and administration skills, their working styles, and

their abilities to make policy decisions.

Nevertheless, the whole nation should begin to develop a correct understanding of the important role Chinese entrepreneurs have played in the development of the country's socialist commodity economy. ■

More Students Suffer Bad Eyesight

"JIANKANG BAO"

(Health Newspaper)

According to a recent survey, 34.26 percent of Han students in the 7-22 age group suffer from bad eyesight, and nearly 22 percent more Han students than minority students have vision problems.

In city primary and secondary schools, poor eyesight affects 46.6 percent of male students and 44.67 of female students. In rural schools, the percentages are 25.20 for male students and 24.83 for female students.

The survey indicated that the highest proportion of poor-sighted students is in Shanghai, accounting for 55.33 percent of the

total; the lowest is in Jilin Province, with 21.38 percent of the total. The survey also showed that students in the 13-17 age group are most likely to develop bad-eyesight, at a rate of nearly one out of every three students.

There are many reasons why students develop poor vision. Sometimes it is because parents and schools place too much emphasis on students' examination scores at the expense of their physical training. As a result, the students are often overloaded with lessons and homework and don't have enough time for sleeping, sports and other recreational activities. In addition, the students don't know how to correctly apportion their time among studies and leisure pursuits. ■

Doing their best to meet the "little emperor's demands."

Cartoon by Wang Letian



Launching Satellites for Foreign Firms

China has agreed to launch satellites for the Telesat Co., Western Union Telegraph Co., Pan American World Airway Inc., Space Co. of Sweden and Domenon Video Television Co. Follow-up negotiations have already been held with the first two companies, according to Wu Keli, assistant general manager of the Great Wall Industry Company.

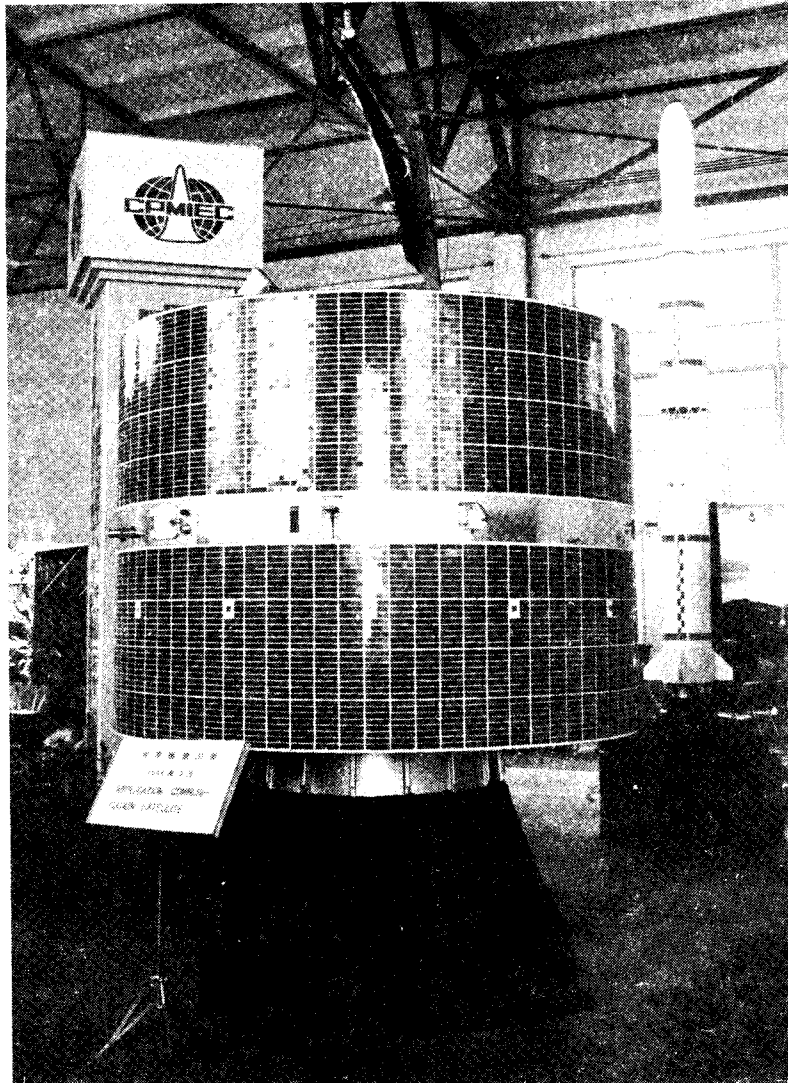
Not long ago, Wu led a delegation to the United States. There they held talks with the

Space Transportation Co., ICA, Huse Communication Co., Federal Express and the Canadian Telesat Co.

China has also held advance talks with Canada, the Federal Republic of Germany and Belgium and will sign contracts with them. In addition, China has negotiated with Pakistan, Thailand, Iran, Brazil, Argentina, Nigeria, Gabon, the Central African Republic, the Republic of Equatorial Guinea and Cameroon

A Chinese-built communications satellite at a Beijing international exhibition.

CHEN ZONGLIE



on launching satellites for them. Relevant contacts have been made with Middle East countries too.

The foreign businessmen's main concerns are insurance and security, said Wu. The insurance world is depressed after failures in the US and French satellite programmes. Although the insurance premium increased by 30 percent, foreign insurance companies are reluctant to provide policies for satellites. The People's Insurance Company of China not only handles the insurance for the satellite launching but also charges less, due to China's record of success in satellite launching. According to the contracts China is responsible for the safety of the satellites from the moment they enter China.

To meet the needs of the world market, China is experimenting with rockets which can launch satellites 2.5-ton or 3-ton in weight. China will soon bring the new *Changzheng* (Long March) carrying rockets into use.

China's two launching sites in Sichuan's Xichang district and Gansu's Jiuquan district will be used to launch stationary or low orbit satellites for foreign clients.

by Liu Jianjun

Nonferrous Metal Export Increased

The China National Nonferrous Metals Import and Export Corp. increased its trade value to US\$1 billion in 1986, with exports up 87 percent over 1985.

These achievements are hard-won, said the corporation's general manager Zheng Rugui, since the prices of Chinese traditional mineral products dropped last year on the international market. To increase nonferrous metals exports the corporation readjusted the composition of export products. In November 1986 the corporation held trade talks in Essen, the

Federal Republic of Germany. The corporation concluded US\$100 million worth of contracts there. Seventy-five factories, firms and trade companies from 23 countries, including the United States, Japan and West European countries, attended the talks. This year the corporation will hold or participate in trade talks and exhibitions in the United States, Japan, Australia and other places.

The export of mineral products is estimated to go up this year as the prices of some minerals have started to rise again. Zheng said he is also confident of growth in processed products exports. He said China has enterprises with strong technical forces and enough production capacity to process products in international demand competitively. At present the export of processed products is only a small proportion of China's total mineral exports.

The corporation imports technology and equipment for several hundred enterprises affiliated to the China Nonferrous Industrial Corp. and negotiates with foreign companies on running Sino-foreign joint ventures. At present a number of joint ventures have been agreed upon or are under discussion, including the copper foil mangling project and the bus water tank strip production project. Zheng said China needs to import a lot of advanced technology and equipment, especially for mining and smelting.

by Han Baocheng

Beijing's Terms for Joint Ventures

To implement the "Provisions for the Encouragement of Foreign Investment" promulgated by the State Council in October 1986, the Beijing people's government has just issued certificates to the second group of 11 Sino-foreign joint ventures

producing export goods and having advanced technology. These ventures enjoy preferential treatment in five areas including taxes and land-use fee in the same way as the first group of 24 ventures which received their certificates at the end of last year. The third such group of joint ventures is being checked.

Since the publication of the provisions, the Beijing authorities have endeavoured to improve the environment for foreign investors. They have helped with the provision of US\$7.5 million in foreign exchange among the joint ventures and helped a dozen others solve problems. They have also eased the way for the enterprises in matters of material supply, electricity, funds and loans.

Thus far, Beijing has established 190 joint ventures with a total investment of US\$2.2 billion, one billion of which came from foreign firms, US\$420 million coming last year, 9 percent more than in 1985. In 1986 the investment in productive projects increased by 66 percent over 1985 and the increase in the rate of investment in production was greater than in non-productive projects.

by Yao Jianguo

China to Double Its Aluminium Output

Attracting foreign investment is one of the major means by which China develops its aluminium production in the hope of doubling the 1985 output by 1990, according to Fei Ziwen, general manager of the China Nonferrous Industrial Corp.

Foreign investment has been absorbed to construct an aluminium factory in southwest Guangxi Zhuang Autonomous Region, the largest of its kind built with foreign investment in China. Some other mining and smelting

factories are also being chosen and planned.

Fei said China is in a "golden age" for developing its nonferrous metal production. Many mines with rich ore reserves are waiting to be exploited and a number of old mines and enterprises need to be reformed. China needs co-operation in various forms from banks and other businesses abroad.

China is one of the few countries in the world with rich bauxite and energy reserves. Through efforts over the last 30-odd years, China has a complete research and production capability: from prospecting and designing to mining, smelting and processing.

by Han Baocheng

Foreign-Funded Firms Log Profits in Tianjin

Seventy-one Sino-foreign joint ventures in Tianjin sold 300 million yuan worth of products in 1986 and made a profit of 55 million yuan. Their exports were worth 6.5 million yuan and the profit from sales to foreign countries was 19.1 percent.

Eleven of these ventures made a profit of more than 1 million yuan, with the China Tianjin Otis Elevator Co. Ltd. making the most: 36 million yuan.

Up to now Tianjin has established 187 joint ventures, 55 of them, with a total investment of US\$180 million, were set up in last year. These ventures produce mainly drinks, programme-controlled switchboards, multi-layer printed circuit boards, fish and shrimp feed, brandy and perfusion tubes. ■



Craftsman Creates Virtuoso Violin

Like Beethoven, who produced his symphonic masterpieces after losing his hearing, Dai Hongxiang, a master violin maker in Beijing, has become famous despite partial deafness.

In October 1983, Dai won the highest honour given to violin makers by being awarded the gold medal in the international violin-making competition in Kassel, Federal Germany.

Before winning the Kassel competition, Dai, 58, and other violin makers in China had been only onlookers in such international competitions. Between the 1950s and the 1970s, the gold medals were all won by Austrians, Americans or Germans. Yet, in the 1980s, Dai Hongxiang became the first Asian to be recognized for excellence in crafting violins.

Born into a farmer's family in north China, Dai was fascinated early on by the echoes in the valleys near his relative's home and later developed his interest in music after hearing church music as a teenager.

In 1951, Dai began working in a musical instrument factory in Beijing. There he accumulated various skills pertaining to violin making, from sawing, sandpapering, polishing, painting, tuning to selecting the best kind of wood. Dai's sensitive ears helped a lot in discerning the wood's future timbre by tapping on it. His talent, and more important his diligence, led him to become a good violin craftsman.

By 1954, Dai went to the Shanghai Violin Factory to further his career. There he learnt how to play the violin, and he studied foreign languages, the theory of violin making in various countries, and theories of harmony and acoustics. He also made

friends with well-known violinists.

One day back in Beijing, a violinist gave Dai a photo of violins made by four famous Italian Renaissance artisans. The colour, grain and cut of the violins bewitched Dai. When he compared his own violins with them, he found that the ancient Italian instruments were like fine race horses and his own were scraggly mules.

In 1959, Dai spent three days waiting in line for a ticket for a performance by an ensemble from the Soviet Union. Why the sacrifice for such a ticket? Because Dai had discovered that a violinist in the group played with a violin

made by Antonis Stradivari — one of the four renowned Italian violin makers and probably the greatest ever. Since then, Dai was determined to try to achieve the timbre of the Stradivari violin with his own creations.

Next year, Dai had the opportunity to repair a Stradivari violin owned by Situ Huacheng, the first violinist of the Central Philharmonic Society. He plucked the strings to record all their sounds. He asked his apprentice to play the violin, and he himself listened to it in different parts of the room. No, he was not merely listening. He says he was engraving the sounds in his mind.

Dai tuning his violins.

ZHANG MINGQING



He also recorded all the pertinent data he could of that violin. More important, he repaired the violin to Situ's great satisfaction, which led to his recognition as a capable and talented craftsman. And soon many people were sending him ancient violins to be repaired.

The repairing of all these ancient violins, most of which were copies of Italian ones, enhanced Dai's understanding of the structure and the technique behind their manufacture. In the meantime, he came to understand that the sound quality of a violin is determined mostly by the quality of the wood. Many violin makers in various countries use China fir to make the front board and Acer to make the back of the instruments. The Acer grown in dry and cold northwest China is compact and produces much volume, but little elasticity. Acer grown in wet south China, however, is loosely constructed and produces a soft, unsteady sound. The grain of the wood also has a lot to do with the sound of the violin.

Dai then set out to find the best wood in China to make a Chinese violin modelled after the ancient Italian ones and he succeeded.

At that critical moment, that is, in 1965, Dai lost his hearing in the right ear from an infection. He was not daunted, however. "Beethoven didn't stop composing and conducting despite a complete loss of hearing," Dai said. "I decided that the less I heard, the more I could concentrate."

He developed a unique skill of using his remaining hearing in his left ear to tune his violins. He says he seldom uses a hearing aid because he thinks they distort sound.

Dai now gets up at dawn to tune his violins because it is quietest then. At present, though he cannot make out human voice, he can hear a note from a violin that is only one-tenth of a decibel. He says he can also distinguish between the tones of four violins being played together 100 metres

away. This is because he uses his heart to listen, to feel.

It is no wonder that one of the violins crafted by Dai won the gold medal for its acoustic fidelity at the Kassel competition. The biggest of its kind in this century, the Kassel International Violin-Making Competition drew 400 violins from some 30 countries. Dai's honoured violin was put in a glass showcase for people to appreciate, and it stands at the forefront of the world's violin making.

Last November, when the newly established orchestra of chamber music of the Central Philharmonic Society gave its first performance in Beijing Concert Hall, all the violins the orchestra used were made by Dai the virtuoso craftsman. ■

Origins of China's Civilization Debated

Most of China's leading archaeologists say that China's civilization can be traced back 5,000 years, 1,000 years earlier than previously thought.

They base their view on a 5,000-year-old sacrificial altar, a temple to a goddess, and stone tombs unearthed recently in the western part of Liaoning Province (see *Beijing Review* No. 33, 1986).

Discussing the development of the culture of north China at an annual meeting in Shenyang, capital of Liaoning Province, in the latter half of last September, archaeologists reported new discoveries which are believed to provide evidence of the origin of the country's civilization. These include the Xinglongwa and Nanshan Cultures in Inner Mongolia and the Houwa Culture in Liaoning.

Some advanced the idea that there were four cultures in China in ancient times. These were:

1). The culture of the Yellow

River basin area—including the Yangshao and Longshan Cultures. People living there were likely to have reached the stage of civilization about 5,000 years ago.

2). The culture of the Yangtze River basin area, represented by the Qujialing and Liangzhu Cultures believed to have appeared between 4,000 and 5,000 years ago, involving private ownership and family life.

3). The culture of the Pearl River basin area. Sites of the old and new stone ages have been discovered there and these clearly represent one of the cradles of Chinese civilization.

4). The culture of north China. Sites of primitive culture unearthed there and the latest discoveries in the western part of Liaoning Province prove its existence and significance.

"China's territory is so vast that it is very hard to say in which particular place Chinese civilization originated," noted archaeologist Su Bingqi said.

Some participants expressed the view that all areas exercised important influences on the origin of China's civilization. Yet the development of ancient culture in the various parts of the country was uneven. They nevertheless influenced each other and finally merged to form the common culture of the Chinese nation. ■

Cameos

■ The Guangzhou city government has built a ground station to receive TV programmes transmitted by satellite and 40 study centres enabling more than 2,700 school teachers to take TV courses.

■ A fan, 13cm wide and with 500 kinds of tiny "Longevity" seal characters, has been created in Hangzhou City, Zhejiang Province. When opened, the fan takes the shape of a peacock.

Available in English

Making Good: Private Business In China

Written by: Marcia Yudkin

Published by: Foreign Languages Press

Distributed by: China International Book Trading Corporation (Guoji Shudian) P.O. Box 399, Beijing, China

First edition: 1986

143 pages.

Paper. 18 x 18.4cm

This journalistic report on the circumstances, problems and significance of individual business in China's cities in mid-1984 presents both a rosy and somewhat less rosy picture. It is based on interviews with more than 70 individual businesspeople and officials in Beijing, Tianjin, Zhengzhou, Kaifeng, Shijiazhuang and Jinan plus facts obtained from Chinese economists and sociologists.

CHINA'S SOCIALIST ECONOMY

An Outline History

Edited by: Liu Suinian & Wu Qungan

Published by: Beijing Review

Distributed by: China International Book Trading Corporation (Guoji Shudian), P.O. box 399, Beijing, China

First edition 1986

700 pages

- A New Plan for Socialist Modernization (1976-84)

Tracing the course of developments through the ups and downs of each period, the authors sum up basic achievements and analyse shortcomings and mistakes in each period since 1949.

The book is also available in French, German, Japanese and Spanish.

Incorporating the results of research by well-known Chinese

economists, this work is a first attempt to give an account of the development of China's socialist economy. It includes many previously unpublished details of events and figures which have emerged through the sifting of a large quantity of historical documents. Readers interested in China, especially students of China's economic history, will find the book invaluable.

The outline history is divided into five parts:

- Rehabilitation (1949-52);
- The First Five-Year Plan (1953-57);
- The "Great Leap Forward" and Readjustment (1958-65);
- The "Cultural Revolution" (1966-76);

Investor's Guide to China's Coastal Cities

Written by: Zheng Yiyong

Published by: Foreign Languages Press

Distributed by: China International Book Trading Corporation (Guoji Shudian) P.O. Box 399, Beijing, China

First edition: Winter 1986

About 300 pages.

Paper. 11.9 x 18.5cm

The book is a comprehensive, practical manual for businesspeople interested in investing in China. It gives systematic information on the 14 coastal cities, where, by a Chinese government decision of April 1984, flexible policies are being carried out and preferential treatment offered to investors from overseas. The volume covers port facilities, infrastructure economic features, investment opportunities, and even specific projects sought after by local companies and their addresses, telex and phone numbers. The most important Chinese laws and regulations and a map is provided for each of the cities. The author, Zheng Yiyong, is an expert on international trade trained at the University of Wisconsin and Columbia Univer-

sity in the United States. He has held responsible foreign trade posts in China for many years, and was at one time head of the Overseas Investment Department of CITIC (China International Trust and Investment Corporation).

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According to the traditional Chinese calendar, 1987 is the year of the rabbit.

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