

A CHINESE WEEKLY OF NEWS AND VIEWS

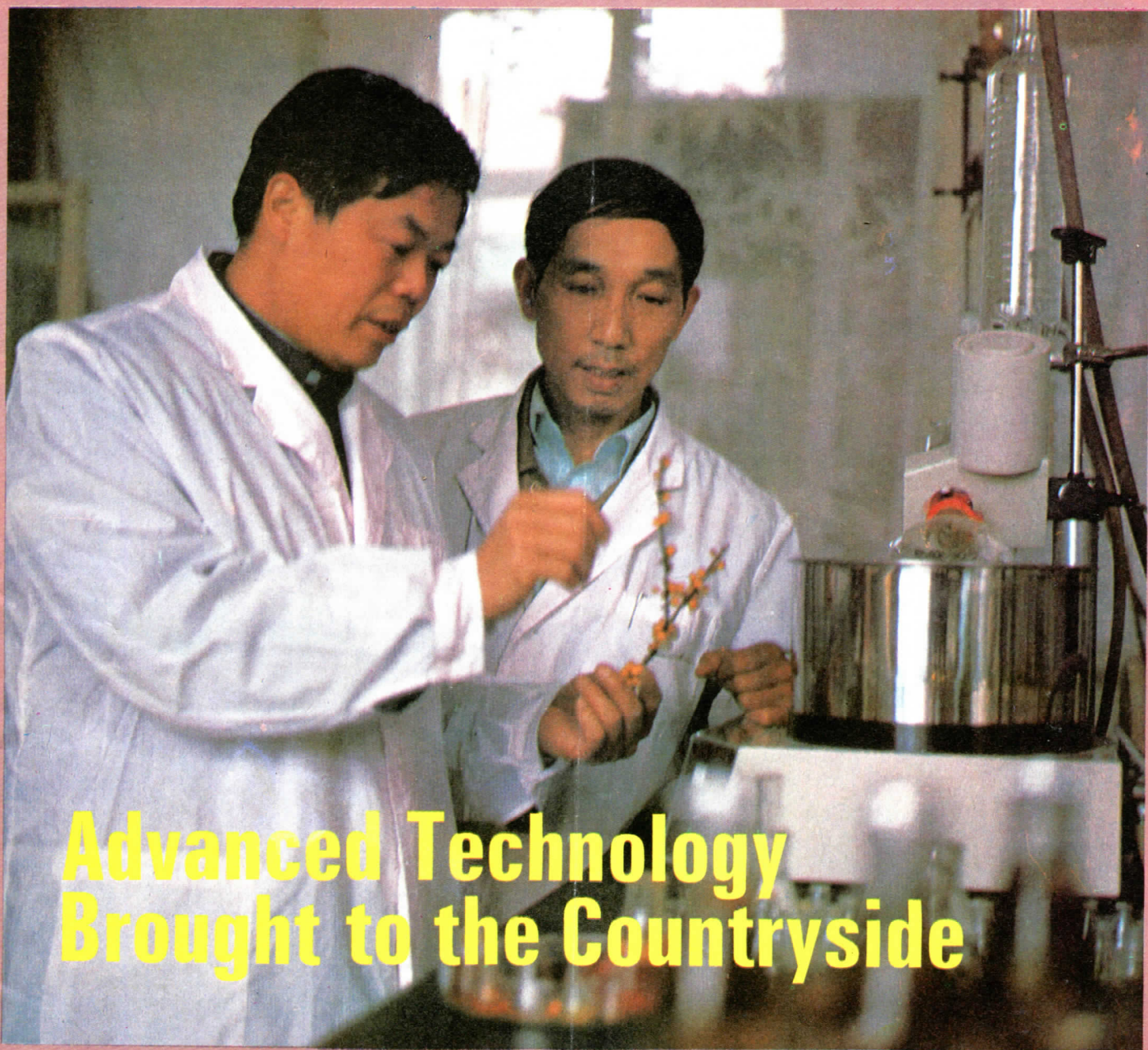
# Beijing Review

北京周報

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June 22, 1987

## Shanghai's International Art Festival



**Advanced Technology  
Brought to the Countryside**





A Dai nationality village in Yunnan Province.

*Photo by Liu Sigong*

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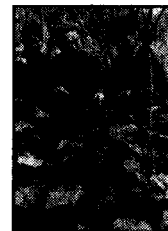


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## HIGHLIGHTS OF THE WEEK



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### Chinese Officials on Foreign Economic Ties

■ At the Third World Advertising Congress held in Beijing between June 16 and 20, three prominent Chinese specialists are speaking about foreign trade developments, the utilization of foreign capital and the role of the banks (p. 20).

### Shanghai International Arts Festival

■ Full coverage by our Shanghai correspondents of a major international cultural event in China's largest city. The participation of 600 artists—from both the East and West—makes it a most successful and enjoyable occasion (p. 23).

### Transfer Advanced Technology to Rural Areas

■ In a recent interview with *Beijing Review*, Yang Jun, in charge of the "sparking programme" at the State Science and Technology Commission, discussed the programme's purpose—to transfer advanced technology to the countryside so as to invigorate the rural economy, and its progress, prospects and international dimension. How the programme is implemented in Guangdong is examined on (p. 18).

### Basic Principles and General Policies

■ Some people, due to their lack of understanding of China's reality, misinterpreted Chinese policies of reform, opening to the outside world and invigorating the economy as "practising capitalism." But during recent period, when Chinese leaders stressed the importance of basic Marxist principles, the same people alleged that "China's policies have changed." This short essay tries to clear up these misunderstandings by explaining the two interrelated aspects of China's political line (p. 4).

### TO OUR NORTH AMERICAN READERS

Starting this week, *Beijing Review* is offering its North American readers something new: a biweekly eight-page supplement of news and feature stories on the many topics—political, economic, cultural, and personal—that reflect the growth of China's contacts with Canada and the United States.

Our plans call for making the North American Special a regular weekly feature, and we welcome your comments, criticisms, and suggestions for future issues.

The Editors

# Basic Principles & General Policies

by Geng Yuxin

**E**ight years have elapsed since late 1978 when China began the drive for socialist modernization. During this time, many positive changes have taken place, however, there are different views on the nature and impact of these changes. In the final analysis, it remains an old problem: whether China—socialism, or capitalism?

Some people are used to looking at the world through coloured glasses. When Chinese leaders stressed the policies of opening up, reform and economic invigoration, and when these people saw certain specific methods are similar to those in Western countries, they came to the conclusion: "China is practising capitalism." Although China has been stressing the need to uphold the socialist road, Marxism-Leninism and Mao Zedong Thought, these people insisted that the Chinese leaders were merely paying lip service to that to placate veteran revolutionaries.

When Chinese leaders emphasized opposing bourgeois liberalization (which negates socialism and advocates capitalism), and adopted practical steps to correct certain deviations in the implementation of policies (as in the case of doing something to calm down the disturbances created by a small number of students last winter), these people drew another conclusion: "China's policies have changed," and "China has drawn back!" In fact, China's current policies have remained unchanged.

To counter these views, Zhao Ziyang, acting general secretary of the Central Committee of the Chinese Communist Party, pointed out in a recent speech: "The CPC Central Committee maintains that the political line implemented since the Third Plenary Session of the 11th Party

Central Committee in late 1978 remains: in light of China's reality, build socialism with Chinese characteristics.

This line has two basic points: one is to uphold the four cardinal principles, that is, the Party's leadership, the socialist road, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought; the other is to persist in the policies of reform, opening up and invigorating the economy. These are the general principles and policies for socialist modernization. The two are interrelated and neither can be dispensed with."

The specifics of these two points can be seen in the official documents China has published over the last eight years and the numerous statements made by Chinese leaders, particularly by Deng Xiaoping. These statements have been compiled into two books which are being studied by cadres at all levels.

The books demonstrate that it is not China's policies and intentions that are unclear, but that the people who hold different views lack an adequate understanding of the dialectical relationship which unites these two points.

The four cardinal principles separately define the forces administering the state, the way forward, the basic system and guidelines. Of the four, the most important is taking the socialist road under the leadership of the Communist Party. These principles represent the choice made by China over a century; it is also a rallying ground for the unity of all the Chinese people. They have been written into the Constitution of the People's Republic of China. Although their implementation was affected by "leftist" thinking, and many serious mistakes were

made, generally, China has consistently adhered to these principles which themselves were the foundation for reform and opening up.

The general policies of reform, opening up and economic invigoration were put forward after the Third Plenary Session of the 11th Party Central Committee in late 1978. These policies drew on the experiences and lessons learnt from socialist construction over the last 30 years. They have linked China's development with that of the outside world, while firmly asserting China's reality as their point of departure.

The main task for the new historical period is to develop production, and the means of attaining the goals is to expand economic, technological and cultural exchanges with other countries, and revamp the fossilized economic and political structures so as to bring the vitality of the four cardinal principles and the superiority of socialism into full play.

Experience over the last eight years proves the correctness of this political line for building socialism with Chinese characteristics. This political line has brought noticeable benefits to the state and the people and is therefore supported by the overwhelming majority of the people. Implementation of it is, on the whole, smooth but it has also been subject to interference from both "leftist" and rightist mistakes.

Some people, due to their ossified ideas about the cardinal principles, look upon reform and opening up as "capitalist." They do not understand that without persisting in reforms and opening up so as to develop production rapidly, socialism will lose its appeal and the trend of bourgeois liberalization will not be eradicated.



## Deng: Giving Priority To Reform

They do not understand that reform is, in essence, the self-improvement of the socialist system and not deviation from the four cardinal principles. While upholding public ownership and practising distribution "to each according to his work," the adoption of diverse forms of ownership and methods of management (such as private enterprises, joint ventures, leasing and issuing shares) is necessary and beneficial in the primary stage of socialism.

These people do not comprehend that highly efficient management methods, even if they are used by capitalist enterprises, should be imported, analysed and utilized. The harm their "leftist" viewpoint could do should not be underestimated. In view of the fact that this "leftist" viewpoint held fairly long sway and exerted quite profound influence in the Party's history, it remains to this day the major danger on our way forward.

Some people look upon reforms and opening up from a bourgeois liberalizationist point of view. This inevitably leads to negating the four cardinal principles. They do not know that history has proved the impracticality of capitalism in China. Should capitalism be practised in China, the result could only be the minority getting rich and the overwhelming majority remaining shackled by poverty. Political turmoil would ensue, the basis for unity would be lost and nothing would be accomplished. They do not understand that China's economic and cultural backwardness is due to historical reasons and the mistakes made as a result of fossilized thought after the founding of the People's Republic; it is not the fault of socialism itself.

Therefore, to implement this distinctively Chinese socialist line to the letter, it is necessary to fight on two fronts—against "left" and right deviations, and to overcome the two erroneous trends—fossilized thought and bourgeois liberalization.

Chinese leader Deng Xiaoping has said it is time to put political reform on the order of the day. This will be one of the main topics at the Party's 13th Congress, scheduled to open in October.

The congress will work out details of the political reform and get it off the ground, Deng, chairman of the Chinese Communist Party Central Advisory Committee, told Stefan Korosec, a member of the Central Presidium of the League of Communists of Yugoslavia (LCY), on June 12.

Deng said, "The reform is total, including the economic and political fields and also others." The political reform, he said, is to invigorate the Party, government at all levels and other organs, and to get rid of bureaucracy and bring into play the initiative of the people. According to Deng, the political reform will solve the problem of ageing within the Party and government.

"Compared with your Yugoslav comrades," Deng said to the 49-year-old Korosec and other guests, "our leaders are too old; this is a big problem. Old people are apt to be conservative. We are going to solve the problem by efficient and steady steps."

When Korosec said to Deng, "You are a pioneer of reform," Deng replied, "I'm for reform. We have no other way to go. The old policies and methods, after being practised for many years, have turned out to be unsuccessful. In the past, we copied foreign models mechanically. This, together with our own mistakes, hindered the development of our productive forces, induced ideological ossification and restrained people from displaying their initiative."

The Party's history, said Deng, was mainly "leftist" -dominated from 1957 to 1976, including the ultra-leftism of the 1966-76

"cultural revolution" period. During the 1957-76 period, Deng said, China stagnated. Then we said to ourselves, "Can't we carry out reform?"

Speaking of the period since 1978, Deng said it has turned out that we made a correct decision, and the reform and opening to the outside world are successful. Of course we have many problems that need to be solved. But the solution will not come from changing the reform and open policy or slowing them down. "Certainly we need steadiness, but that doesn't mean remaining at a standstill. Our economic reform policies and methods have been worked out. What we want now is to speed up their implementation," Deng stressed.

Deng said that the general purpose of the reforms is to further socialism, the consolidation of the Party's leadership and economic development.

**Bilateral Relations** It has been 10 years since Tito, the late leader of Yugoslavia, visited China. "Since then there has been a very good relationship between the two Parties and two countries," said Deng. In a cordial and friendly atmosphere, he recalled his meeting with Tito. Deng described Tito as a person who opened a new page in the history of relations between the two Parties.

"We and Tito reached an understanding then—forget the past, look forward," said Deng. "This is the same attitude we adopted when we resumed relations with other East European Parties and countries."

"We bear responsibility for the past," said Deng, referring to the unhappy period when China had frictions with some East European countries. "But that doesn't mean they bear no responsibility. So, it is best not to mention the past, taking today as a new beginning."

by LI Halbo

## China-GDR: On to the Autobahn

**R**elations between China and the German Democratic Republic (GDR) can be said to have moved on to the "autobahn" following Zhao Ziyang's short but fruitful visit to the GDR June 8-10.

"From now on, there will be a sustained and all-round development in our Party and state relations built on a long-term and stable basis," Zhao said in a GDR television interview on June 10.

Only eight months ago, Erich Honecker, general secretary of the German Socialist Unity Party and chairman of the GDR Council of State, was in China on an official visit. Zhao returned the visit in his capacity as acting general secretary of the Communist Party of China (CPC) and premier of the State Council. This shows the speed with which relations have warmed up.

An enthusiastic welcome greeted Zhao the moment he set foot on German soil. Thousands turned out at the Berlin Airport to applaud the Chinese leader and his party. Crowds gathered wherever he went. The grand welcome banquet at the magnificent palace of the Council of State was the occasion for expressions of mutual friendship and trust.

The quest for peace was the keynote of the visit. As the Zhao-Honecker talks indicated, both sides consider the maintenance of peace to be a cause of utmost importance. Honecker praised China's efforts to promote international co-operation and world peace; oppose the militarization of space; eliminate nuclear, chemical and biological weapons; and reduce conventional arms. Zhao lauded Honecker's peace initiatives and the GDR's efforts to ease international tensions and uphold European and world peace. He stressed that increased dialogue and improved relations between Eastern and Western

Europe, the GDR and the Federal Republic of Germany in particular, are in the interest of European and world peace and stability.

Zhao laid a wreath at the memorial to the victims of fascism and militarism in Berlin and spent a day sightseeing in Dresden, where many of the imposing buildings still have blackened walls. These reminders of the destruction and inhumanity of the fascist war which Hitler started in Europe in 1939 also made the visitors think of current military confrontation in this part of Europe—site of the world's heaviest concentration of arms and troops. No wonder there are so many emblems of Picasso's doves on the city streets of the GDR.

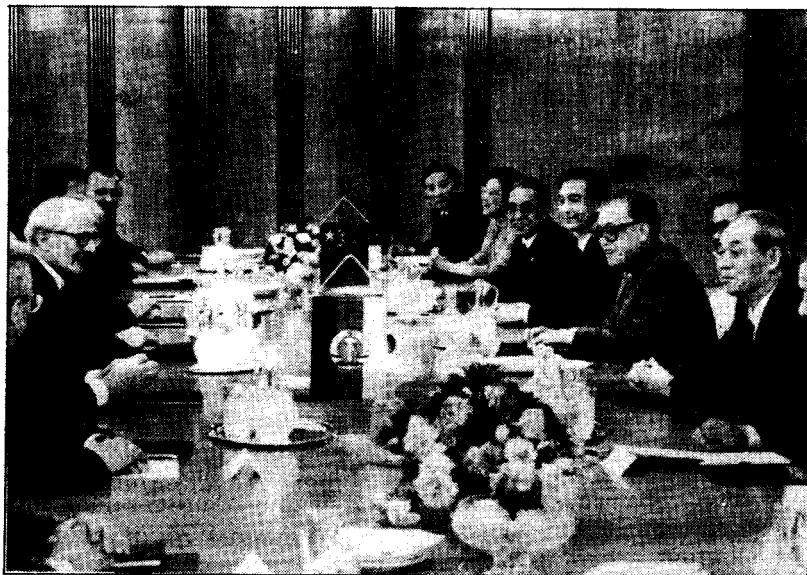
The exchange of experiences in socialist construction was another major theme of the visit. Zhao discussed this topic with Honecker and Willi Stoph, chairman of the GDR Council of Ministers. "We are for building socialism with Chinese characteristics. At the

same time, we fully respect the guidelines followed by other socialist countries in accordance with their own conditions. We wish them success; we shall study and learn from them," Zhao declared. He was deeply impressed by the GDR's achievements. In Berlin and Dresden, he watched and listened with close attention when he visited a school to train management personnel, an exhibition of the applications of modern technology and a highly automated factory producing electrical motors.

All-round development of bilateral relations was yet another subject discussed. The recent opening of direct air links between Berlin and Beijing and the initialling of an agreement to form friendship ties between the two cities are indicators of the trend. However, it was agreed during the talks to make economic, scientific and technological co-operation the key areas of bilateral relations, and efforts will be made to fully exploit opportunities in these fields. China, Zhao declared, has decided to increase its co-

**Zhao and Honecker: talks marked by friendliness and mutual respect.**

WU JIGUO



operation with the GDR and other socialist states in Eastern Europe.

Revolutionary ties between the two countries date back to the 1920s, when the late Chinese leaders Zhou Enlai and Zhu De studied Marxism and conducted revolutionary activities in Germany. Zhu actually joined the CPC during his four-year stay in Berlin. When he returned home he

and his comrades led the revolutionary war which eventually liberated China. In the 1930s, many Germans were in China to help the Chinese revolution. In the 1950s, many technicians and workers arrived to help China's socialist construction. For example, Beijing's planetarium and theatre were built with GDR assistance.

Host and guests recalled this

shining chapter of internationalism at a ceremony to name a Berlin technical school after Marshal Zhu De. Zhao thanked the representatives of German revolutionary veterans, some of whom were in their 80s, and invited them to revisit China when he met them at the ceremony

by Lin Wusun  
Our Special Correspondent

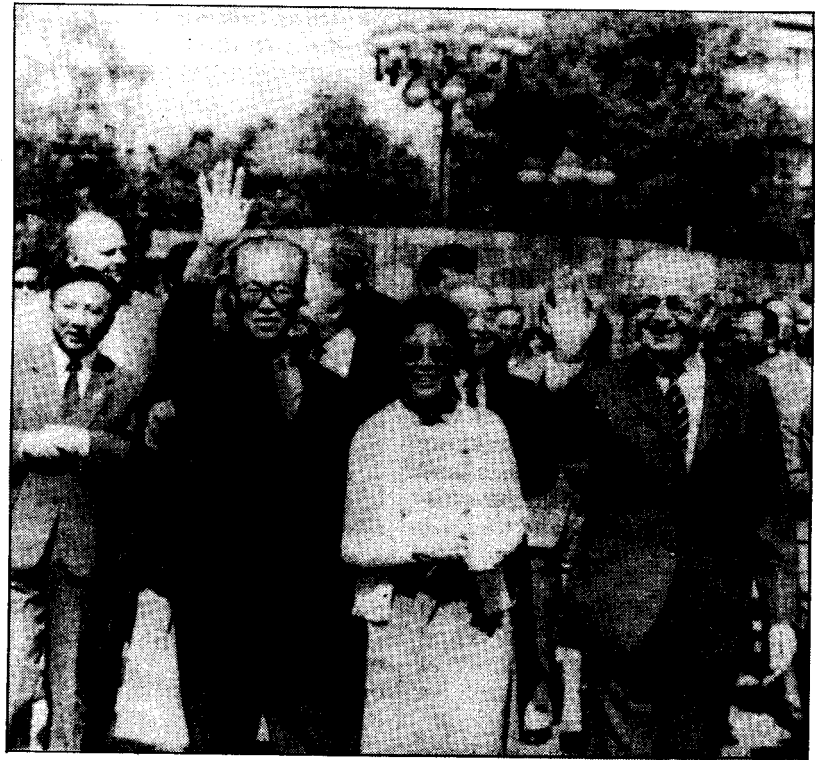
## Zhao Stresses Complete Equality

Independence, complete equality, mutual respect and non-interference in each other's internal affairs—these principles should govern relations between Parties, as well as between states.

This statement by Zhao Ziyang at the banquet given by Czechoslovak President and Communist Party General Secretary Gustav Husak in the Prague Presidential Palace is particularly significant because Zhao is currently touring socialist Eastern Europe in his capacity as acting general secretary of the Communist Party of China (CPC) and premier of the State Council. Czechoslovakia was the third stop in his five-nation marathon.

Flying in from Berlin on June 11, Zhao was met at the Prague Airport by Husak and other Czechoslovak Party and government leaders. More than 1,000 people cheered Zhao on his arrival at the city's outskirts. As a sign of honour and respect, he was given salt and bread, which he smilingly tasted, by two girls dressed in national costume.

Elaborating on bilateral Party and state relations, Zhao said in his banquet speech, "We have total respect for the domestic and foreign policies formulated by Czechoslovakia and other East European socialist states in tune with their own conditions." He added, "Since the situation is not the same in our respective



Gustav Husak welcomes Zhao at the Prague Airport.

LI SHENNAN

countries, it is only natural there should be some variations between us, and our views on certain questions also differ. But that does not prevent us from fostering friendly ties and co-operation. We are ready to develop our relations with Czechoslovakia and other socialist states in Eastern Europe in accordance with the principles of mutual respect, putting aside our differences while seeking

common ground, and equality and mutual benefit."

Within the span of one year, Party relations have been restored between the CPC and those in all five European countries covered in Zhao's current itinerary, while state relations have improved visibly.

In the case of Czechoslovakia, there has been a flurry of high-level exchanges, including the

## 3rd World Advertising Has Key Role

The economic growth and prosperity of the developed countries must not depend on the present world pattern of poverty and backwardness in the developing countries, said China's Acting Premier Wan Li.

"Whether the economy of the developing countries can be invigorated is fundamentally important not only to global economic development, but also to the maintenance of world peace and stability." Wan made these remarks at the opening ceremony of the Third World Advertising Congress held from June 16 to 20 at the Great Hall of the People in Beijing.

Co-sponsored by the China National Advertising Association for Foreign Economic Relations and Trade, and *South* magazine based in Britain, the congress is aimed to promote understanding and friendship between peoples of all countries, strengthen South-South co-operation, accelerate South-North dialogue and develop international trade. It was attended by 869 high-ranking foreign officials, specialists and representatives of world advertising, business, finance and trade, as

well as the media from 52 countries and regions, and 582 Chinese representatives.

In his speech, Wan said that peace and development are the two major issues that concern every country. "In terms of economic development, it is the task of the global community to help the developing countries, where three-quarters of the world population live, to prosper quickly

to change the situation of the growing gap between the rich North and poor South," he said.

Advertising, which links production and consumption, is an important means to spread information and promote ex-

Wan Li, China's acting premier, addressing the opening ceremony of the Third World Advertising Congress.

XU XIANGJUN



mutual visits of foreign, trade and other ministers, vice-premiers and the successful China visit of Premier Lubomir Strougal in April.

During the talks between Zhao and Husak, as well as those with Strougal, both sides emphasized their common political interests. Both countries are building socialism and striving for world peace: this alone provides a solid basis for cementing their ties, sources said.

Economic exchanges were high on the list of topics discussed. Trade between the countries has increased several times during the past few years, reaching a record high in 1986. Strougal proposed

power generation, machine making and food processing as three possible fields of technical co-operation between the two countries. Zhao stressed that since the two countries are at different stages of development, many opportunities exist for useful exchanges. By exploiting the strengths of each country both can open up new channels and forms of co-operation.

Czechoslovakia, he suggested, could help renovate some Chinese plants built during the 1950s. Czechoslovakia was one of the socialist countries which helped China lay the foundation for socialist industrialization. At the height of that co-operation, as

many as several thousand Czechoslovak technicians worked in China.

Cultural exchanges are only beginning. At the Charles University in Prague, there are only a few Chinese exchange students but they are harbingers of the future.

Aside from the talks, Zhao had a glimpse of beautiful Prague, which he jokingly told his hosts he knew only from calendar pictures. He visited Aero Vodochody, a plant that manufactures training planes, and saw a demonstration of the planes. He spent a day in Bratislava, capital of the Slovak Republic.

by Lin Wusun  
Our Special Correspondent



changes and co-operation, the acting premier said. He noted that its role should not be neglected in developing the economies of all countries, including those in the third world. Advertising as a medium to influence the expansion of international trade and economic development has grown in importance. Today, advertising is an indispensable element in the promotion of economic prosperity.

"Through this congress," Wan continued, "representatives of the advertising community and those from other fields will discuss and exchange their experiences to increase understanding, and improve relations, friendship and co-operation with each other, and accelerate the development of the international advertising business."

While the congress was designed for third world nations, some delegates from other countries were also invited. Xu Xin, the conference co-chairman and chairman of the China National Advertising Association for Foreign Economic Relations and Trade, said developing countries cannot rely only on their own strength to develop advertising and promote economic growth. The third world can benefit from the advanced technology and experience of the first and second worlds. Exchanges and co-operation must be strengthened. "Only in this way can we promote the world economy together," Xu said.

Topics to be discussed at the congress include: how advanced advertising, marketing and communications technology can be used to meet the needs of developing countries; how China can be helped to establish contacts with foreign advertising, marketing, media, communications and other companies; how the Chinese advertising industry can assist foreign companies with the promotion of their products in China; and how China can promote its exports. ■

## Weekly Chronicle (June 8-14)

### POLITICAL

June 8

■ Chinese Acting Premier Wan Li reaffirms that China will resolutely stand by the Thai people in their struggle to safeguard state sovereignty and security, and oppose foreign aggressors, Xinhua reports.

Wan meets Admiral Supa Gajasesi, supreme commander of the Thai armed forces and his party in Beijing.

June 10

■ *Renmin Ribao* (People's Daily) says in an editorial that the current reform in China is aimed at overcoming the deficiencies of the country's economic and political system, and that China's status as a socialist country will not consequently change.

June 11

■ The 21st meeting of the Sixth National People's Congress Standing Committee opens in Beijing, Xinhua reports.

Three draft laws on technology contracts, archives, and the prevention and control of air pollution are submitted to the meeting for discussion.

### ECONOMIC

June 8

■ China's industrial output value amounted to 399.6 billion yuan (about US\$ 1.077 billion) in the first five months this year, a rise of 14.6 percent over the same period last year, according to the State Statistical Bureau.

June 9

■ The Beijing Research Institute of Automated Machine Building has produced four more BJ-1 painting robots, Xinhua reports.

Used for all types of surface painting, the robot was first developed in 1985 and has been used successfully for nine months by the Beijing Jeep Co. Ltd.

### CULTURAL

June 9

■ The first class of Chinese and US students has graduated from the Sino-US Cultural Research Centre, jointly sponsored by Nanjing University in Jiangsu Province and Johns Hopkins University of the United States.

June 9

■ The People's Daily reports that about 374,000 students will graduate this year from universities and colleges across the country. They will be assigned jobs in July according to the state's plan.

### SOCIAL

June 12

■ About 23 million babies are expected to be born this year, the People's Daily reports. The estimate is based on a rise in the number of women of child-bearing age compared with last year.

The number of women between 15 and 49 has increased by 7.3 million over 1986 and the natural growth rate of population will be up to 14.95 per thousand, the paper says. It warns that control of the growth rate must be tightened.

### FOREIGN RELATIONS

June 9

■ Chinese Vice Foreign Minister Liu Shuqing says China wants friendly relations with India and wishes to settle the border issue through peaceful negotiations, the People's Daily reports.

June 10

■ A Chinese foreign ministry spokesman says the Chinese government once again calls on Iran and Iraq to put an early end to their seven-year conflict. He says China is very much concerned about the safety of international navigation in the Persian gulf.

VENICE SUMMIT

## West Seeks Greater Co-operation

*The recent Venice Summit of the seven major industrial nations discussed wide-ranging political and economic issues including closer economic co-ordination and joint efforts to secure free navigation in the Persian Gulf and to fight terrorism.*

The 13th annual summit of the West's major industrial nations ended on June 10 with the call for closer co-ordination on global political and economic issues. Seven countries—the United States, Japan, Federal Republic of Germany, Britain, France, Canada and Italy—participated in the three-day meeting in Venice.

On June 9, after a tense three-hour discussion, leaders of the seven nations released three declarations calling for an end to the Iran-Iraq war, continued attempts to ease East-West tensions and further co-operation in fighting terrorism.

The leaders agreed that concerted international efforts are urgently required to help bring the nearly seven-year Iran-Iraq war to an end. They expressed their appreciation for the United Nations' attempts to mediate between the two warring states for a negotiated peace, stressing in their joint statement their solidarity in upholding the "principle of freedom of navigation" in the Gulf, which is "of paramount importance for us and others."

On East-West relations, the leaders said they have recognized "new opportunities" for progress and are "encouraged by these developments." The statement said, "We note with satisfaction that dialogue on arms control has intensified and that more favourable prospects have emerged for the reduction of nuclear forces." But they reaffirmed the "continuing importance of nuclear deterrence in preserving peace." The leaders also stressed their determination to improve the balance of conventional forces at a lower

level and to eliminate all chemical weapons. However, they made no specific mention of the "double zero" option to eliminate all nuclear missiles in Europe.

Reiterating their commitment to fight terrorism, they appealed to "all like-minded countries to consolidate and extend international co-operation in all appropriate forums." For the first time, they committed themselves to the "principle of making no concessions to terrorists or their sponsors."

On the last day, the leaders released a nine-page joint economic declaration. The declaration noted that the world economy faces many thorny problems, including huge trade imbalances, persistently high rates of unemployment, large public sector deficits, high interest rates, and reduced prospects for devel-

oping countries to grow, find the markets they need and service their foreign debt.

According to reports, the rate of expansion of world trade is expected to slow to 2.5 percent this year from about 3.5 percent in 1986. Trade imbalances are playing a decisive role in the slowdown. Last year, the US trade deficit was US\$170 billion, compared with US\$149 billion in 1985 and US\$9.5 billion a decade ago. Japan and Federal Germany, on the other hand, piled up surpluses of US\$101 billion and US\$63 billion respectively. The huge budget deficit of the United States, which hit US\$221 billion last year, also worked against the growth of world trade.

The declaration said that economic indicators, including exchange rates, should be used for multilateral surveillance of the seven countries' economies to guarantee sustained, non-inflationary global growth and greater currency stability.

Regarding trade imbalances, the statement had separate prescriptions for the surplus and deficit countries, noting that the problem cannot be solved simply through exchange rate adjustments. Surplus countries must devise policies to strengthen

The seven summit leaders dining together.



domestic demand and reduce external surpluses while maintaining price stability. Deficit countries must follow policies designed to encourage steady low-inflation growth, thus reducing their fiscal and external imbalances. The summit condemned trade protectionism and called for a gradual reduction of agricultural subsidies by the participating nations.

Debt problems of the third world also received attention at the meeting. The declaration prescribed different remedies for two kinds of debtors: the major middle-income debtors and the poorest countries in sub-Saharan Africa. For the first group, there must be macroeconomic and structural reforms, increased lending by international financial institutions and adequate commercial bank lending. As for the poorest countries, international banks must apply low interest rates to their existing debt and offer longer repayment and grace periods.

Leaders of the summit nations were apparently seeking common

ground while preserving their differences. The statement on the Gulf is an example. The United States originally asked its allies to give military and logistic support for the military action it threatened to take to protect oil sea lanes in the Gulf. The threats followed the May 17 incident in which a US frigate, USS *Stark*, was hit by two missiles mistakenly fired by an Iraqi aircraft. The summit statement, however, did not mention the response of the US allies to its request for support.

There were predictions before the summit that little headway would be made at the meeting since several of the leaders are lame ducks, facing elections at home. To some extent, it is true. The summit, though having produced as many as seven documents covering an unprecedented range of topics, made no breakthrough, but only repeated the same old tune. It must be realized, however, that many pressing issues facing the West today will not be resolved overnight at an annual meeting.

by Zhong Xia

entered its 55th month of expansion.

In the face of criticism from some administration backers that the Fed's policy was too tight, threatening the economy's further expansion, and believing that the dangers of renewed inflation had diminished, Volcker later suspended his tight-money policy. His aim was to ease some of the pressure on farmers and other distressed debtors and give incentives to production, in line with the wishes of the Reagan administration. But inflation fears returned this spring with sharp rises in the wholesale price index and upward-heading gold prices.

Also a dollar defender, Volcker has always been an opponent of Reagan's free-spending policies, persistently pursuing monetary stability, a sound dollar and even preparing for a return of the gold standard. Worried about the dollar, which was dropping rapidly, Volcker raised short-term interest rates to stem the currency's fall in order to save the United States from higher inflation and prevent international financial markets from collapsing. Maybe that is why financial markets at first reacted badly to the news of the Fed leadership shakeup, although his policy of favouring more lending to indebted third world countries did not please them. Volcker favours cutting government spending to reduce deficits.

The nomination of Alan Greenspan calmed the tumult in economic circles caused by Volcker's decision to quit. Greenspan, a brilliant economist and problem shooter, shares many economic points of view with his predecessor. He also had a reputation as a stern foe of inflation during the Ford administration. He was a strong supporter of the Fed's tight-credit policies despite the deep recession that those policies helped engender in 1974-75. On monetary policy, Greenspan backed Volcker's warning about the

USA

## A Strategic Shift on the Economic Throne

*The US's new Federal Reserve Board chairman will follow his predecessor's main economic strategies but the Republicans hope he can take measures to make their party more popular.*

The most powerful economic position in the United States, as well as in the Western world—chairmanship of the Federal Reserve Board (Fed), the nation's central bank—will be filled by a different man on August 1. US President Ronald Reagan announced early this month that widely respected Paul Volcker had declined a third term as chairman of the Fed, a job he has held for the past eight years. He will be succeeded by Alan Greenspan, former President Gerald Ford's chief economic adviser.

Volcker is famous for his adroit inflation-fighting efforts, which made him a legendary source of global economic stability. During the Carter administration, he initiated a tight-money policy to combat inflation, and the Fed began setting money-supply targets while letting interest rates float according to market needs. Inflation was 13 percent when he came to Fed in 1979. Today it is under 3 percent. As a result, the United States has seen a prolonged period of economic growth and job creation and has



danger of a precipitous decline in the dollar and supported his remedies, including the reduction of federal budget deficits. He even once said that the long-run solution to the deficit problem is almost surely going to mean increasing taxes, a view that President Reagan hotly disputes. Greenspan also shares Volcker's pragmatic approach of basing the tightening or easing of credit on a variety of factors—the money supply, interest rates, foreign exchange rates and other indicators of growth and inflation.

Although most economists hailed Greenspan's nomination and thought there would be little change in direction as a result of it, the subtle distinction between the two brilliant men has been picked

out by not only President Reagan but also some economists. They pointed out that while both men want to fight the federal deficits and keep inflation down, there is a difference in degree. While Volcker tended to sacrifice US economic growth to control inflation, Greenspan will allow a little inflation to spur growth, which is much needed by the Republicans before the forthcoming US presidential election.

Also, Greenspan has recently diverged a little from Volcker. When asked about the dollar's trend, Greenspan replied that the currency will move significantly lower and that is certainly evidence of such divergence.

by Wan Di

## ZAMBIA

### War Rages Over Price Control

*Since the Zambian government announced price reductions for 12 essential commodities, the struggle for and against price control has spread throughout the country.*

**G**roups of Zambian ruling party militants and youth are sweeping through the nation's markets forcing shop and stall owners to cut prices of essential commodities in a bid to bring to an end nationwide war over price control.

The troubles started early last month after Zambian President Kenneth Kaunda announced Zambia's divorce from an International Monetary Fund (IMF) designed economic restructuring programme and the adoption of a new economic recovery plan, which, among other things, calls for price control.

The government's decision is popular among the Zambian people, who have suffered since Zambia implemented the IMF programme, which included a weekly foreign-exchange auction system and decontrol of prices in

exchange for IMF loans. The country's currency, the kwacha, was devalued by 700 percent between October 1985 and April 1987; the inflation rate increased from 21 percent to 63 percent; and external debt shot up from US\$3.5 billion to US\$5.1 billion.

At the same time the price of copper on the world market has been falling and copper production, the basis of Zambia's economy, has dropped, cutting into the country's income. Official statistics show that 114,233 tons of copper were mined in the later half of 1986, compared with 141,863 tons in the same period of 1985. Last year, Zambia's export earnings dropped to US\$716 million from US\$814 million in 1985, one of the lowest levels since independence in 1964.

With the worsening economic situation, an unprecedented

economic and social crisis has emerged, threatening political stability in the landlocked country. Riots, strikes and anti-government campaigns, not seen in Zambia since its independence, have rocked the country. During last December's riots over food prices—the worst so far—at least 15 people were killed and 1,000 wounded.

In the face of this situation, the government abandoned the IMF programme on the grounds that the programme had yielded no positive results but only brought misery to the people.

The government's decision was popular and has won support from the Organization of African Unity (OAU), Zimbabwe and some other developing countries. France and Japan also sided with Zambia. But other Western countries, such as Sweden, have advised the Zambian government not to abandon the IMF programme completely, for they fear that this course might adversely affect the country's economic future.

Led by the ruling United National Independent Party and government officials, party militants, youth, women and the police have been combing the streets for traders who defy price control. However, shop and stall owners have complained that they will not make profits from the newly introduced prices. They are demanding a supply of cheaper goods and a delay in introducing the new prices to allow them to sell out their old stocks at previous prices. Many shop owners in Lusaka, Ndola, Livingstone, Kitwe and some other cities threatened to close their businesses after receiving the government orders. At the same time, scores of small traders stayed away from their stalls despite warnings that they risked losing their trading licences. And many shop owners hid their goods to wait for a chance to sell them at higher prices.

Realizing the potential danger of the situation, President Kaunda warned on June 5 that party militants and youth "must not go around chasing and harassing traders because by so doing you are tarnishing the image of the party as well as breaking the law." He also appealed to them to safeguard peace and stability, saying that "the measures taken

after the country abandoned the IMF programme were meant to bring development and not unrest."

However, observers in Lusaka said the price control war might continue until the government finds effective remedies for the country's critical economic ills.

by JIANG XIANMING

## BRITAIN

### Mrs. Thatcher Sets New Record

*Margaret Thatcher, Britain's first woman prime minister, set another record in British politics as the first prime minister in a century and a half to be elected to a third consecutive term.*

On June 11, British Prime Minister Margaret Thatcher gained a sweeping victory in the general election, putting her into office for a third straight term.

In the new 650-seat Parliament, the Conservatives took 376 seats with 42.3 percent of the vote. The main opposition Labour Party won 229 seats, up 20 from its 1983 level, with 30.8 percent of the vote, while the third major party, the Liberal/Social Democratic Alliance, got only 22 seats with a 22.6 percent share of the vote.

On June 13, Thatcher made a modest reshuffle of her cabinet. Key cabinet ministers, such as Foreign Secretary Geoffrey Howe, Chancellor of the Exchequer (finance minister) Nigel Lawson, Home Secretary Douglas Hurd and Defence Secretary George Younger, remain unchanged. The most dramatic change is that Cecil Parkinson, former trade and industry secretary who resigned four years ago over an affair with his secretary, is now back as energy secretary to replace Peter Walker, who has frequently expressed reservations about Thatcher's policies. Walker now becomes Welsh secretary in place of Nicholas Edwards who stood down at the election.

Employment Secretary Lord Young, who helped mastermind the Conservative Party's election campaign, takes over as trade and industry secretary from Paul Channon, who now becomes transport secretary.

The second noticeable change is that John Biffen, an outspoken critic of Thatcher's leadership style, is sacked as leader of the House of Commons. His job goes to John Wakeham, former Conservative Party chief whip and a close friend of the prime minister. The last remarkable reshuffle is that Norman Tebbit, the Conservative Party chairman, has resigned from the cabinet to concentrate on party affairs and his old job, chancellor of the Duchy of Lancaster, goes to Kenneth Clarke, former paymaster and minister of State for Employment.

The Conservatives' victory is generally believed to be a result of the economic policies of Thatcher's government. Great changes have taken place since the Conservative Party took office eight years ago. Since 1981, the country's economy has been growing at a rate of 2-3 percent a year, while its inflation rate has decreased from 10.4 percent in

1979 to 4 percent at present. Living standards have also improved, with 66 percent of the nation's population owning their own home, compared with 54 percent in 1979. Private car ownership has increased at approximately the same rate. Because of Thatcher's policy of privatizing state-run enterprises, Britain's shareholders have increased from 7 percent of all voters in 1979 to 20 percent today. There are about 9 million shareholders in the country, nearly as many as trade union members.

Thatcher's firm position that Britain must keep its independent nuclear deterrent force has also helped the Conservatives win more votes. Polls before the election showed that people in favour of Thatcher believe her defence policy serves British national security interests. It has been estimated that the Labour Party's anti-nuclear defence policy resulted in its loss of a crucial 5 percent of voters.

But the fact that the Conservatives took 42.3 percent of the votes, with the rest split between the Labour Party and Liberal/Social Democratic Alliance, shows that Thatcher's policies still remain unpopular with more than half of the British people. The country's unemployment rate has grown from 5.6 percent in 1979 to 11 percent today, with more than 3 million people out of work.

The Labour Party gained popular support, indicating it is gradually picking itself up after its defeat in the last election. The election also showed that British politics will continue to be a struggle between the Conservatives and Labour, while the Liberal/Social Democratic Alliance remains on the sidelines. The Labour Party triumph in the north points to the increasing gap in wealth between the north and south of the country and this will cause trouble to the ruling Conservative Party.

by Hua Ying



# Technology Transfer to Rural Areas

Since the second half of 1985 the State Science and Technology Commission has been responsible for implementing the "sparking programme" nationwide, that is, transferring science and technology to China's vast countryside to invigorate the rural economy. Here are the highlights of our correspondent Wei Liming's interview with Yang Jun, the man at the head of the programme at the commission.

**B**y way of introduction, Yang Jun says that China has 800 million people engaged in agriculture, and socialist modernization cannot be attained if farmers' production and way of life do not change. The Chinese rural areas have long been in a state of semi-self-sufficient backwardness. Under the guidance of the Party's rural economic policies since 1978, the rural economy has made much headway, and two new trends have become clear. First, township enterprises are booming. Second, small cities and towns in the country have been growing. This has profound strategic significance for building socialism with Chinese characteristics which we see as follows:

(1) Promoting reform of the rural economic structure.

Prior to 1979, 80 percent of the rural economic incomes came from agriculture. In 1986, however, rural township-run enterprises numbered 15.15 million, and their income reached 336.4 billion yuan, accounting for 48.9 percent of the total rural incomes or approaching incomes from farming, forestry, animal husbandry and fishery. A fairly big change had taken place in the economic structure of the rural areas.

(2) Broad avenues for solving the problem of surplus rural labour.

Of China's 800 million people in the countryside, 370 million are fit to work. Labour productivity in agriculture has been improving with the increase in farmers'

Xu Caldong (centre), a member of the General Assembly of the Chinese Academy of Sciences, and technicians in Guizhou Province doing research to help 780,000 local farmers out of poverty.

ZHOU HAORONG





motivation and the greater use of machines, such as tractors. Surplus rural labour has become a problem, and the development of township enterprises has provided a solution to this problem.

According to statistics released at the end of 1986, the total labour force in township enterprises was 79.37 million, 21 percent of the total rural labour force. The growth of township enterprises has not only boosted the rural economy and increased the farmers' income but has also promoted the stability of society.

(3) Contributing to modernization and urbanization of the countryside, narrowing the differences between industry and agriculture and between the town and countryside.

In the process of industrialization in many developed countries, a flow of farmers to the urban areas took place. The result has been severe overpopulation and many insurmountable economic and social contradictions in large cities. In China labour can be absorbed locally in small rural industries and township enterprises, and many small cities and towns will appear around the countryside.

This will be conducive to the modernization and urbanization of the rural areas. A number of traditional industries can be diverted from large cities to the rural areas, helping to find a new way of narrowing the gap between industry and agriculture and between town and countryside.

However, there are many problems in need of immediate solution in the expansion of township enterprises and the development of the rural areas. These problems involve mainly backward production technology and management, and low productivity. The development of township enterprises and economic growth in the rural areas will be seriously hampered without a solution to these problems. The root cause is the



ZHOU QUE

**Rex rabbit breeding, a successful "sparking programme" project in Gannan county, Heilongjiang Province.**

lack of technology and talented personnel.

The "sparking programme" is meant to transfer advanced applied science and technology to the vast rural areas. It is necessary to set up technological development projects to cater to the technical capabilities of smaller enterprises and be models for these enterprises, especially township enterprises. As a Chinese saying goes, "a single spark can start a prairie fire." A single item of useful technology can spread throughout the rural areas, promoting the modernization of the rural economy.

**Q: What are the main aspects of the "sparking programme"?**

**A:** The programme is a plan for scientific and technological development. It combines science and technology with the economy, and aims to tap rural resources and develop commodity production for the improvement of the rural areas. You see it is a programme of enormous scope; these are some of the major points of the programme:

1. The technological development of animal farming, the storage and transportation of

farm products, and the development of preserving and processing at the place it was farmed. The traditional household sideline breeding will be turned into a new breeding industry run on commercial lines and on a large scale. It will be an important aspect of the changes in the rural production set-up. It requires less investment, makes it easy to implement, to quickly soak up surplus labour and increase animal protein in the diet of urban and rural Chinese. It can also produce many raw materials such as leather, hair, feathers, meat, blood and bones for the processing industry.

2. The comprehensive utilization and processing of agriculture, forestry and special local products on site. Processing on site is important especially for remote enterprises. It is more lucrative than simple production, and helps the establishment of large crop growing centres.

3. The construction of villages and towns and the development of building materials industries. Functional, safe, economical and aesthetic buildings will be built for the farmers, so as to raise the building standards in the rural areas and economize on land.

4. The improvement of mining, ore dressing and primary processing in small mines will deal with the high labour intensity, low rate of recovery, waste of resources and environmental pollution in many small mines.

5. The popularization and application of new technologies and materials. New and proven technologies involving less investment and quick economic returns should be used to transform and equip township enterprises.

6. Large industries should interact with small industries, and they should learn from each other's strong points to offset their weaknesses, and help each other forward.

7. Comprehensive regional exploitation. Technological development will be conducted at selected points in mountainous



areas and along the coastline to see the best way to utilize these great areas, and ease the problem of a huge population and limited usable land in China.

8. The development of small production equipment. Primitive tools are a major problem for township enterprises. Better functioning complete sets of equipment must be provided.

9. The training of technical and managerial personnel. It is necessary to train senior middle school graduates and people with equivalent schooling under 35. They should master one or two technical and managerial skills needed in their localities in a short time so as to ease the shortage of trained personnel for township enterprises.

10. The study of policies, technical and economic development strategy and feasibility studies for the development of the rural areas. For example, research on the reform of the rural set-up of production and various kinds of managerial guidelines.

**Q: How is the "sparkling programme" implemented?**

**A:** Since its beginning in the second half of 1985, the programme has been well supported by the rural people. The beginning has been good.

Of the 40 projects which have been set up since the second half of 1985, 13 yielded good results within a year. For instance, quick harvesting techniques for early-ripening tangerines were adopted in Hunan Province, China's third largest orange producing centre. Newly planted fruit trees bear fruit two to three years earlier than usual. After adopting this new technique in 20 counties and cities, the province harvested 100,000 more tons last year than the year before and fruit growers earned a net income of more than 20 million yuan.

The refined flax workshop of the Mudanjiang Textile Raw Materials Plant, China's first refined flax workshop and one of the projects of the "sparkling

programme," has produced 70 tons of refined flax with a total output value of 800,000 yuan since it began operation last August. It has earned US\$224,000 and 160,000 yuan in pre-tax profit. Nineteen projects will be completed ahead of schedule and begin to yield benefits this year.

Seven other projects are expected to be completed within three years. Seventy percent of the 4,000 "sparkling programme" projects conducted in 1986

achieved partial success by the end of the year. All these projects involve an investment of 2,300 million yuan and are expected to be completed in two years, after which they should be producing a total output value of over 10,000 million yuan each year. The input-output ratio should therefore be 1:5. These projects can earn 2,500 million yuan in profit and tax every year. So we expect they can recover all their investment within one year.

**Technicians from Shanghai's Jiaotong University testing a new glass fibre reinforced plastic cooling tower for the Lianfeng Glass Plant in Shangyu County, Zhejiang Province.**

XU BANG





WANG ZHENGZHONG

Su Lunan (centre), an associate professor of the silkworm and mulberry department of Anhui Agricultural College, has since 1983 offered guidance to mulberry growers and silkworm breeders in Yingshang County, thus helping increase their profits.

All these projects are well under way and have met the pre-set requirements. We are very encouraged.

**Q: How about the future of the "sparking programme?"**

**A:** During the Seventh Five-Year Plan period (1986-90), we should select and develop 150 major or key enterprises, and will aim to reach 50 to 100 million yuan in output value for each selected area. We envisage setting up demonstration centres including 20 comprehensive demonstration centres in the mountainous areas. We also plan to build 10 comprehensive experimental centres focusing on livestock breeding, crop raising and the

processing industry on beaches and islands.

To make use of the advantages of the knowledge, trained personnel, industrial bases, markets and good transport of the larger cities, 20 technology-intensive centres will be established there. Their main tasks will be to make use of the resources in the surrounding areas to make famous-brand products that can be exported to earn foreign exchange, provide better functional equipment for township and small enterprises so as to organize them to produce in support of large enterprises, train technical and managerial personnel for the city outskirts and the rural areas, and become all-round

development, demonstration and technology-transferring centres for the "sparking programme."

Meanwhile, we aim to speed up the development and mass production of equipment for small enterprises. It is envisaged that between 1986 and 1990, some 100 kinds of production equipment will be developed. Some small research enterprises and centres should be set up to examine, assimilate and imitate imported equipment too.

**Q: Do foreign institutions have any role to play?**

**A:** The implementation of the "sparking programme" has evoked a strong reaction overseas. The World Bank, financial organizations in Western Europe, North America and UN organizations have all expressed interest. They believe that the programme could be important for the development of the third world. Some organizations have sent their officials to China or written to express their wish to participate in the "sparking programme." For this we express our heartfelt thanks.

Since China is short of funds and technical personnel and plagued with obsolete production equipment, it is difficult for China to implement the "sparking programme" alone. So the Chinese government has decided to co-operate with other countries.

There are many ways in which China can be assisted, for example, with funds, technology, consultancy and training. Foreign governments, companies and organizations can help a specific region to work out a development plan, establish demonstration factories, develop the processing industry, establish small mines, building materials, small textile and other light industrial enterprises and develop new products.

We will offer fair conditions and adopt measures to ensure the success of our co-operation. We are convinced that the "sparking programme" has great vitality and will prove very successful. ■





# 'Sparking Programme' Works Well

In 1985 the "sparking programme" was started to set off a technological revolution in the rural areas. The following examines the initial results of the programme in Guangdong Province.

by Our Correspondent Wei Liming

Test-tube banana saplings are the fruit of joint research by the Guangdong Huanan Plants Institute of the Chinese Academy of Sciences, and the Xinhui County Genetic Breeding Research Institute. They were developed from the genes of 52 fine foreign varieties. Experimental cultivation shows that their fruit is on average 5 cm bigger than the standard Guangdong crop. Moreover, each strain bears fruit all at the same time, well-suited to commercial harvesting.

The Guangdong Provincial Science and Technology Commission (GPSTC) decided last year to popularize the test-tube banana saplings in the province, the largest banana producer in China, in response to the "sparking programme" nationwide. In the months from May to December, 150,000 such saplings were bred. But still they were in short supply.

At the Shunde County Flowers and Fruit Production Base, Zhang Suhui, the woman in charge, says people wait for at least four months to get a supply of saplings, and there are still plenty of takers.

The test-tube banana project is only one of the 1986 "sparking programme" GPSTC introduced for it. Last year, the science and technology commission worked out 62 development projects in six fields: developing new breeding and scientific farming technology; comprehensive utilization of the farm, native skills and the forest; popularization of new technology and new materials; small-scale mining and cement

production technology; small-scale production equipment; and development of convenient, labour saving products for the people.

After one year, 32 new products have been developed, and upon the completion of the other 30 projects, the province expects to increase its agricultural output value by 230 million yuan and its profits by 38 million yuan a year.

## Queen and Flowers

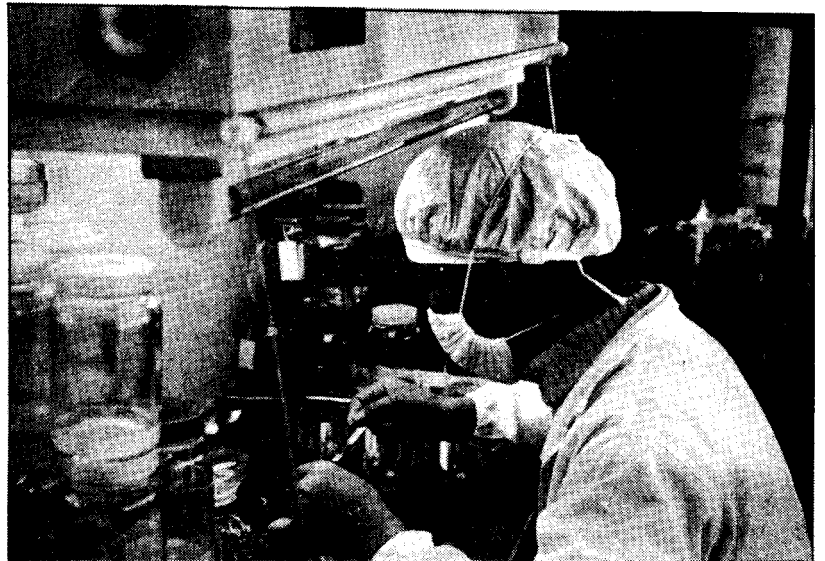
Guangdong is humid and warm, but because the local people depended too much on traditional methods, many rare flowers, much in demand abroad, would not thrive here.

Last autumn, to welcome the visit of Queen Elizabeth of Britain to Guangzhou, bouquets of tulips and carnations were needed. As they were not available on the mainland, the authorities had no alternative but to buy them in Hong Kong.

A rare flower growing base has been set up since in the Beijiao District in Shunde County. The base, a 5,000-square-metre greenhouse, has imported equipment from the Netherlands. Its temperature, humidity, sunshine and fertilization are all controlled by computers. A total of 9,000 potted tulips and 100,000 carnation plants have been grown this year. The total investment involved is 2 million yuan. But the annual output value is expected to reach 1.2 million yuan and profits

A farmer turned agrotechnician at work.

WEI LIMING





Growing base for test-tube banana saplings.

WEI LIMING

500,000 yuan. Its per-unit output is about 21 times that of flower gardens using traditional methods.

A GPSTC official said this project belonged to the "sparking programme" too. "We intend to set up more such bases," he said, adding that plant growing should be industrialized.

### 'Sparking Programme'

The Beijiao District is relatively affluent, with per-capita annual income averaging 2,200 yuan. Its industrial and agricultural output value last year was 360 million yuan, 12 times that of 1978.

The district has also imported American technology and equipment for raising chickens, Canadian technology and equipment for feed additive production, and Japanese eel-breeding technology and equipment. All these projects are part of Guangdong's "sparking programme." The purpose is to combine domestic research with overseas advanced technology and graft them on to township enterprises in an effort to update their products and boost the local economy.

According to the "sparking programme," the province is divided into four parts, each with its own focus of development.

— In the Zhujiang (Pearl) River Delta and open cities where the commodity economy is fairly developed, major development projects will be for export-oriented industrial and agricultural production. Model township enterprises, like the greenhouse in the Beijiao District, will be set up to fit in with local conditions.

— Coastal areas will make efforts to develop coastal waters and beaches, with the focus on developing technology for intensive prawn breeding and feed production.

— Mountainous areas in northern Guangdong will look to them their forest and mineral resources. Efforts will first be made to grow shellac trees and process lac products.

— Hainan Island's tropical resources will be exploited.

In 1987, Guangdong plans to set up four bases: a fruit tree seedling base; an electronics instrument base focusing on thermistors; an aquatic products technology base; and a small feed-processing machinery base. These bases are expected to

provide incentives for the economic development of their surrounding areas.

### Personnel Training

The "sparking programme" calls for large numbers of skilled people. Last year Guangdong spent 327,000 yuan on a training programme for 3,400 people.

In Hainan Island, the GPSTC organized training classes for local factory directors, pig farmers and growers of coconut, coffee, edible fungus and tropical and subtropical fruit trees. A total of 1,000 people received training.

In Foshan City, nearly 1,000 people were trained in economic management, machinery design, plastic moulding, and manufacturing of household electrical appliances.

In summing up the implementation of the "sparking programme" by the end of last year, Gao Pukeng, deputy director of the GPSTC, expressed his satisfaction with the initial results. He attributed the success to what he described three irresistible trends in the countryside: a strong interest in science and technology; enthusiasm of the scientific research departments to apply their research results; and the growing association between the cities and the countryside, between the scientific and economic departments and between various regions.



# Officials on Foreign Economic Exchanges

Since China introduced the policy of opening up to the outside world in 1978, its trade has been increasing at an average annual rate of 13.6 percent, a higher rate of growth than that of its industrial and agricultural output value.

by Zhang Zeyu

At the Third World Advertising Congress, held in Beijing from June 16 for four days, three prominent Chinese specialists made speeches.

## China's Imports & Exports

Wang Binqing, vice-minister of Foreign Economic Relations and Trade, told the congress that enormous advances have been made in foreign trade since China implemented the policy of opening to the outside world in 1978. Exports in 1986 were 177.2 percent higher than in 1978; imports 203.7 percent higher. In the eight years from 1978 to 1986, China's total imports and exports increased by an average of 14.3 percent and 13.6 percent each year, which is higher than the growth rate of China's total output value of industry and agriculture and the world's overall exports in the same period.

The proportion of industrial and mineral products in China's exports increased from 37.4 percent in 1978 to 49.4 percent in 1986; while that of farm and processed products fell from 35 percent in 1978 to 31.3 percent last year.

Imports of advanced technology and equipment accounted for 27 percent of the total between 1979 and 1986 and raw materials

made up 53 percent, greatly assisting China's socialist modernization.

China exports almost 60,000 kinds of commodities, divided into 41 categories each worth over US\$100 million, with crude oil and oil products each exceeding US\$1 billion.

Wang said that China had established trade relations with 170 countries and regions around the world and signed trade agreements and protocols with over 90 of them including the EEC. In the last few years, China's international trade has made great progress.

In trade with other developing countries, exports were 161.3 percent higher last year than in 1978; imports, 96.3 percent higher. In trade with developed countries, exports last year were 186.4 percent higher than in 1978, imports, 181.1 percent higher. In trade with other socialist countries in 1986, exports were 95.4 percent higher than in 1978; imports 168.9 percent higher. In trade with Hong Kong and Macao, exports in 1986 were by 194.5 percent higher; and imports, 52.4 percent.

China's trade has great potential for development. During the Seventh Five-Year Plan period (1986-90), the country's total export value should increase by an average of 7 percent a year. By 1990 exports are expected to reach US \$83 billion, where the average annual growth of export value is

8.1 percent and imports, 6.1 percent.

During this period, further efforts will be made to increase the export of oil, coal, non-ferrous metals and primary products such as grain and cotton. Efforts will also be made to increase the proportion of finished products. The emphasis for imports will be on software, advanced technology, key equipment and raw materials urgently needed in China.

Wang pointed out that in the first five months of this year exports increased, trade deficits were reduced and the trends of development were deemed good. Therefore he expected that it will be possible to attain the goals for the Seventh Five-Year Plan.

In developing export commodities, Wang said, China attaches great importance to improving the quality of products and speeding up the rate at which they are updated. We are gradually changing from exporting mainly primary products to exporting finished products, and from exporting coarsely processed products to exporting finely processed products.

Imports will be increased in line with export development. We must use our limited foreign exchange earnings where they are most needed. That is why we lay the emphasis on importing high technology and key equipment, and control imports of luxury consumer goods and production lines which require

foreign components, said Wang.

Wang said that China has always attached importance to its trade balance and to its reputation. Compared with 1985, although trade deficits in 1986 were less, they still amounted to US \$5 billion. To achieve a trade balance, China's way is not passively to reduce imports, but actively to expand exports. If a country hopes to expand its sales in China, it should help China to export.

### Use of Foreign Capital

Zhang Haoruo, vice-minister of Foreign Economic Relations and Trade, spoke about the utilization of foreign funds. He said that China is short of foreign exchange for the import of advanced foreign technology and equipment. During the Seventh Five-Year Plan period, China will raise funds, by borrowing from governments and international financial organizations, taking out commercial loans and attracting direct foreign investment. "So the problem facing us today is how to create a better investment environment, so as to attract more foreign investment in China, how to use the investment where it is most needed, and how to achieve better economic results," he said.

Zhang stressed that suitable investment orientation, setting reasonable investment goals and improving investment results are the preconditions for success.

At present China gives priority to the development of energy, communications, telecommunications, raw materials and urban infrastructure. Because these projects take a long time to recoup investment, the state will guarantee them and will invest in them money raised in long-term loans from abroad.

Non-productive projects such as hotels and amusement centres will be restricted. The building of

low-level processing facilities will be controlled in order to avoid the processing ability outstripping the supply of energy and raw materials. The government encourages the use of advanced technology, the development of new products and the production of more export products. At the same time, the government

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***So the problem facing China today is how to create a better investment environment to attract more foreign investment, how to use the investment where it is most needed and how to achieve better economic results.***

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encourages more foreign investment in technically advanced and export-oriented enterprises by granting preferential treatment to such enterprises. Technically advanced enterprises are those equipped with advanced technology and have a relatively high technology index or they produce what China could not otherwise produce. Export-oriented enterprises are those that can export 50 percent of their products and can balance or have a surplus in their foreign exchange accounts. If they export 70 percent of their products they can enjoy exceptionally preferential treatment. Encouraging joint ventures to increase their exports does not mean they are barred from the domestic market. They are required to balance their foreign exchange accounts, so they can afford the materials they buy from abroad and can remit their foreign partners' share of profit (in foreign exchange) abroad. The rest they can, of course, sell in China, where they will be

competing with imported rivals. Domestic customers are encouraged to buy such products with at least part of foreign exchange.

Zhang said China will continue to improve the environment for foreign investment. China has advantages in manpower, natural resources and cheap labour, but its infrastructure is backward and the technical level of its personnel low. Its laws and regulations need to be perfected. Every effort should be made to overcome these problems.

### Role of Bank of China

Qiu Qing, vice-president of the People's Bank of China, introduced the important role her bank has played in raising funds, channelling cash flow and raising rates of capital returns. She said that in 1978, of the funds earmarked for construction and production, state allocations accounted for 76.6 percent, and the rest was bank loans. In 1986 the state proportion dropped to 31.6 percent. The growing role of the bank has helped the development of the planned commodity economy and the reform of the financial structure.

She also said China's currency policies are to stabilize it and avoid inflation. The construction funds are to be raised mainly at home. In borrowing foreign money we stick to the three principles stipulated by the State Council, said Qiu Qing. Firstly, foreign debts should be limited, they should be matched to China's repayment and absorption capacity. Secondly, the borrowed money should be channelled into production, primarily export-oriented enterprises and enterprises producing what is now imported and those using advanced technology. Thirdly, absorbing foreign investment must be aimed at creating maximum returns and enough money from the profits must be reserved to repay capital with interest. ■



THE ABC OF INVESTING IN CHINA (V)

## Patience and Prudence in Negotiations

by Our Correspondent Yue Haitao

**A**t a reception to mark China's National Day on October 1, 1986, Premier Zhao Ziyang told Don St. Pierre, president of the Beijing Jeep Corp. Ltd., a Sino-US joint venture, that the Chinese way of tackling problems was with patience and co-operation. The jeep company, one of the first Sino-foreign joint ventures, signed its contract on May 5, 1983 after four and a half years of patient negotiations.

Many impatient foreign businessmen often complain about the long-drawn-out negotiations and say that among the many Chinese people and departments they must talk to, they have no idea who has the final say.

"This is one of the main difficulties and misunderstandings resulting from different social systems," said Li Wenfang, a veteran business negotiator and official in the Dalian municipal commission of foreign economic relations and trade. Li is of the opinion that most of the foreign investors he has met lack an understanding of the conditions in China.

In the West, Li said, private ownership and market economy

are well established and enterprises have the final say in making investments. China, however,

enterprises still lies with the government. This complicates the approval procedures and thus

**Representatives of an overseas tour company discussing a co-operative project with a deputy from the Tibetan Administration of Tourism.**

XUE CHAO



practises a planned economy based on public ownership. Despite the initial reform of the irrational aspects of the economic management system, the final say in approving the establishment of new enterprises and co-operative

extends the process of negotiations.

Li reminded all prospective foreign investors that the negotiation process leading to the signing of a contract was the most important and warranted the utmost care and patience. He said that most of the failures that he knew of were caused by careless contracts. The more detailed and comprehensive the stipulations in the contract, the fewer troubles there are later on.

In 1981, the China Outsuka Seiyaku Co. Ltd., a Sino-Japanese pharmaceutical joint venture, signed a contract with Niutuo Village in the western suburbs of Tianjin to rent land from the village. But in June 1985, the village lodged an appeal to the local court demanding that the

**Meeting of the directors of the board of Beijing Jeep.**

XUE CHAO



# Shanghai International Arts Festival '87

This June Shanghai's warmth was augmented by the atmosphere of friendship which pervaded Shanghai's arts festival. Art for friendship's sake and friendship for art's sake was what

SIAF was about.

Loran Wighton, a Canadian ice skater, celebrated her birthday this year in Shanghai. She was greeted by an audience of 18,000 who sang Happy Birthday for her at the end of a performance.

The performance on ice, staged by 16 North American ice-skating champions, was one of the 25 performances given by some 600 artists from the United States, Japan, the Soviet Union, Poland, Mexico, Canada, Australia, Hong Kong, and of course the host city itself. The performances come in three rounds, each lasting for about six days: concerts including American and Mexican conductors, a violinist from the Soviet Union and a pianist from France, ballèts from America, Australia, Canada and China; plays, including an American play with a



JIN DINGGEN

Liu Zhenyuan (second from right, first row), vice-mayor of Shanghai, with artists.

company restore the land to its original condition and compensation paid for damage done to the land. The court rejected the village's appeal, because when the contract was signed, the company manager stood firm that a sentence be added to the contract, stating that Niutuo Village would bear all the costs of restoring the land to its original condition.

A joint venture contract often includes elements relevant to policies on industrial and agricultural production, pricing, taxation, foreign exchange, technology and labour as well as other laws and policies of China. Therefore, careful consideration should be taken to check every point and ensure that they do not conflict with each other while drawing up the contract. In general, however, economic contracts are protected by China's laws.

Knocking on the wrong door is another common mistake overseas firms make while holding

business talks with China. A bank in the United States spent two years negotiating with the Bank of China to establish an office in Beijing. Little progress was made. The reason was that the US bank did not know the Bank of China was a commercial organization, and that the power to approve such an office lies with the central bank—the People's Bank of China. When the US bank applied to the latter, its application was approved within a few weeks.

Some experts believe that the training of personnel is of vital importance and should begin when the negotiations are in progress. To send Chinese workers to study abroad in advance can greatly reduce the number of overseas experts needed to work in China.

Dr. Martin Posth, deputy general manager of the Shanghai Volkswagen Automotive Co. Ltd., a joint venture between China and the Federal Republic of Germany, said a year after the

company went into operation, "Our most serious mistake during the negotiations was our failure to specify in the contract requirements for the personnel. So, we have had to bring 30 German managerial people here on a long-term basis."

Mr. C.B. Song, general manager of the Great Wall Sheraton Hotel in Beijing, thinks that sincerity is the key to success. Some relatively uncomplicated projects have failed because of mutual misgivings. He said that the process of negotiation is just like the process of love and the negotiating sides should not treat each other as opponents.

As far as I know, it is also fairly common that inaccurate interpretation gives rise to misunderstandings. Therefore, to hire good interpreters who are familiar with China's laws and regulations is also indispensable to enabling both sides to exchange views fully and ensuring final success. ■

Chinese cast directed by an American, and operas, both Western (La Boheme) and Chinese (Beijing, Shaoxing and Kunqu operas).

### Gala Ice Show

The ice show was great hit. Some 150,000 people were lucky enough to get a seat. In a city of 12 million that was not easy. Its stars, Paul Martini and Barbara Underhill, Brian Pocker and Sandra Bezic, became household names in Shanghai. Judy Ann Blumberg and Michael Seibert, five times national champions of the United States, won the hearts of their Shanghai audience with their pieces—*First Time Ever* and *Madame Butterfly*. Martini and Underhill, the tallest and the shortest performers there, are from Canada. Six times world professional champions, the two gave stunning performances of skill and care. It seemed to matter that the audience should be satisfied.

The performers too were well pleased. "We look forward to coming back here as soon as possible," they said. According to Michael Rosenberg, manager of the ice dancing group, it has been proposed that they return to Shanghai next year.

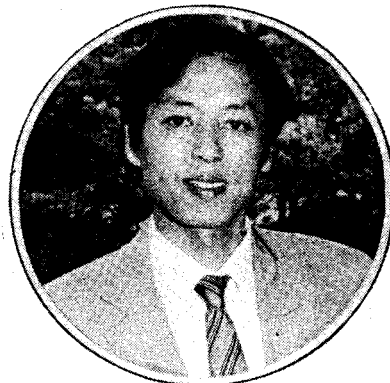
### East and West Meet

This year marking 15 years since the normalization of diplomatic relations between Beijing and Tokyo, Japan's IMAS (International Musical Art Society) sent a group of some 200 to the festival. Japanese Prime Minister Yasuhiro Nakasone and Wang Zhen, honorary chairman of the Sino-Japanese Friendship Association, sent congratulations to the IMAS visitors. IMAS performed first in Beijing, before coming to Shanghai where they played *Hogaku*, a form of traditional Japanese music, cham-

ber music, and the opera oratoria *The New Cosmic Legend of the Magic Flute*, a Japanese variation of Mozart's masterpiece. While the music remains, the Japanese version is set in the 21st century. The decor and costumes, accordingly, are futuristic. Isogai Yasuhiro, playwright and director of the opera, explains that he has been trying to transform the classics through contemporary aesthetics, so that more people could accept and appreciate them. Yasuhiro told *Beijing Review* that he was glad to find that the Shanghai audience seemed to enjoy the results of his endeavours.

The other performances that IMAS gave were just as successful, suggesting that there is a great scope for further exchange between the two neighbours.

Uzaki Ryudo's *Ryudo Kumi*, a rock band famous in Japan, swept Shanghai's youth off its collective feet. This ten-member band performed at the city's Cultural Square (formerly the Canidrome) where 12,000 can congregate. The youngsters in the back rows began to get to their feet, stand on tiptoe and crane their neck to get a better view. Others actually left their



Liu Nianqu.

JIN DINGGEN

seats and joined the band in singing and dancing. "They are more reserved than our audiences back in Japan," observed Ryudo, the middle-aged former jazz musician who fronts the band. "My idea is to express in my rock music the minds and feelings of my people's lives which are formed by Japan's heritage blended with influences of Western culture." In China, Ryudo is best noted for having composed most of the pop songs for Yamakuchi Momoe, young Chinese' favourite Japanese film star.

A group of nine artists from the Soviet Union took part in the

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## SIAF '87's 5 Shows

**The Shanghai Stage Art and Techniques Exhibition** In four parts: stage art, costumes, props and special stage effects, and academic exchanges.

**Exhibition of Ancient Jade Carving and Bronzeware.** A show of cultural and artistic treasures made at the dawn of Chinese civilization, the Neolithic Age.

**Shanghai Folk Art Exhibition.** Arts and handicrafts, including wood carving paintings, silk weaving, bamboo carving, porcelain carving, porcelain painting,

Beijing Opera facial makeup, etc. There were shows of *qigong* (deep-breathing exercises), shadow play, and puppets. Chinese calligraphers and artists of traditional Chinese paintings worked on the spot and sold their pieces with a dated autograph.

**Art Exhibition and Shanghai Peasants' Painting Exhibition.** On display were paintings done in different styles specially for the festival by Shanghai artists, professional and amateur, including peasants.

festival. The Shanghai audience were exposed to a range of performances from a ballet by N. Ananiashvili, winner of high awards in the Soviet Union and the United States, and A. Liepa, one of the Bolshoi's primaballerinas through performances of Tchaikovsky given by S. Stadler, 1982 winner of Tchaikovsky Competition, with the Shanghai Symphony Orchestra to a magic show. "We all take this invitation to SIAF '87 as an excellent opportunity to communicate with Chinese counterparts in various fields," noted Albert K. Zarutsky, an official from the Soviet Ministry of Culture who lead the group. "Every member of my group is more than happy to be able to come to Shanghai to present Soviet arts to the people here," he added.

Piotr Paleczny, Poland's prized pianist, was recommended by the Polish Ministry of Culture to the festival. He gave two performances of works by Chopin. He was excited when he told *Beijing Review*: "I feel happy and proud to be in Shanghai at this festival."

Encouraged by the warm response he got from the Shanghai audience he added: "I feel very much at home here in Shanghai. I wish I could come back again next March, with Poland's National Philharmonic Orchestra."

The student orchestra of the Juilliard School in New York City was conducted by Stanislaw Skrowaczewski. It consists of 140 talented student musicians from all over the world, including China. Wang Xiaodong, a 17-year-old violinist, is a student at the school, NBC sent a team to film Wang's solo, his family and his alma mater in Shanghai.

The Goh Ballet Company of Canada performed some contemporary pieces. The company was organized and is directed by Choo Chiat Goh, a dancer from Singapore. A dance programme was also offered by the Hong Kong City Contemporary Dance

Company which was established eight years ago.

## Performing Co-operation

One of the special features of the arts festival was the close co-operation between Chinese and foreign artists. This was prevalent among the musical performances. For example Mexican conductor Benjamin and his wife Silvia Navarroto, a pianist, teamed up with the Shanghai Symphony Orchestra most successfully, with the husband conducting, the wife on piano, and the whole orchestra.

Jonathan Sternberg, an American conductor worked wonderfully with the orchestra. Mr Sternberg was delighted to conduct the Shanghai Symphony Orchestra whose predecessor was the SMC (Shanghai Municipal Council) Orchestra where he started his conducting career over 40 years ago. He had his warmest handshake reserved for Mao Chuen, a retired violinist from the orchestra.

American singers, too, co-operated with their Chinese colleagues in a very inspiring way. The artists of the Voice and Opera

Music Department of California State University, Northridge, and Shanghai Opera Theatre appeared on the same stage in Puccini's *La Boheme*; the Chinese sang in Chinese. This joint performance is the outcome of years' painstaking efforts and numerous contacts between the musicians. "It's interaction that helps you to reach new heights," said Dr David W. Scott. "We very much want to continue doing this, and we'll look for ways to expand our programmes and our co-operation, maybe for a longer period of time, and for more works."

Ballet offers particular scope for co-operation, for the language of ballet is international and not culturebound. The co-operation between Shanghai ballet dancers and their American and Australian counterparts was proof of this. William Soleau, American dancer and choreographer, created a new ballet to the music composed by Liu Nianqu, the chief organizer of the festival. With the help of two of his dancers Nancy Theusangell and Meng Jianghua, a Chinese-born American dancer, Soleau presented his new creation *Universe, Length and Breadth, Revolution* at SIAF '87.

## Japan's IMAS Philharmonic Orchestra.



PAN SUOFEI



Soleau said of the festival: "It's a wonderful opportunity for me to come and experience Chinese culture and Chinese people. It is a collaboration, artists on both sides can learn from one another. With luck the process will continue to grow."

During SIAF '87 two plays were staged by local theatres under American and French directors. The French play was *The Three Musketeers* staged by the Shanghai People's Art Theatre with Marcel Marechal as the guest director. *You Can't Take It With You*, presented by the Shanghai Youth Theatre, is a comedy written during the Great Depression. It was directed by Joy Carlin, resident director of the American Conservatory Theatre, San Francisco. It was her first time to work with a Chinese troupe. Chen Shaozhe, head of the Shanghai Youth Theatre, spoke highly of Carlin's work. "Without her, we would have had no American flavour in our performance at all," he said.

According to Carlin, it is difficult to make a comedy work for people of a different culture. Yet, her audience in Shanghai kept laughing as they watched. She had made it, "It is co-operation among artists that makes the world small," she said to the audience on the evening of the premiere.

S. Stadler, a Soviet violinist.



JIN DINGGEN



Benjamin, a conductor from Mexico.

JIN DINGGEN

## Chinese Presentations

*Wushu*, known outside China as *Kungfu*, is a part of Chinese culture, which has been attracting more and more young people in the West. In SIAF '87 selected *Wushu* scenes from Beijing opera, *Kunqu* opera and *Huaiqu* opera were on view. This special programme attracted many local *Wushu* enthusiasts and foreign artists and tourists. Nearly half the audience was foreign.

Then there was the mythical dance drama *Legends About Da Yu* which theatre-goers did not

want to miss. It was produced jointly by the Shanghai Dance School and the Shanghai Dance Drama Theatre. Liu Nianqu of the committee of SIAF '87 wrote the music for the dance drama. The moral of the drama, which is about the legendary Da Yu who is said to have harnessed the rivers in China, is that humanity is powerful enough to conquer nature, that justice is what people must uphold and the beauty of youth is what they treasure.

According to Xie Lierong, head of the second performing group of the Shanghai Dance Drama Theatre and co-script writer and choreographer of the dance drama, he tried to combine traditional Chinese elements such as folk dances with things foreign and modern. The music of the drama is adapted from folk music popular in Zhejiang Province in east China. The effect of "water" on stage was one of the special elements in the performance. It looked real—in fact it was a huge white silk fabric suspended in the air from the back of the stage and flood-lit by proscenium spotlights.

Shanghai National Music Ensemble has done much to explore and develop China's musical



JIANG ZHENDONG

Wang Zhiquan and Chen Tongshen in "Checking the Horse," a Kunqu opera.

heritage for over three decades. Its performances are acclaimed both at home and abroad. At the SIAF '87 it kept a high musical profile performing many Chinese musical pieces, both classical and modern.

The Shanghai Philharmonic Society was the only one which presented a concert of vocal music in the festival. Yan Liangkun, one of the best choral conductors in China and head of the Central Philharmonic Society, was invited to take part. The concert presented 20 Chinese and foreign choral masterpieces in four parts: mixed, West European opera, a capella, and Chinese classic alchonal music.

Lovers of local opera were offered a treat in the form of two operas: *Carp the Nymph*, a Shaoxing opera adapted from a fairy tale about the love between Zhang Shen, a poor scholar, and *Carp the Nymph*; and *Thunder-*

*storm*, a popular Shanghai local opera adapted from a play of the same name by playwright Cao Yu.

The programmes presented by the Shanghai Dance Drama Theatre was a unique one: a set of dances tracing the evolution of the dances and the costumes of ancient China, reflecting the evolution of Chinese culture as a whole.

The Chinese government set great store by the SIAF '87. Vice-Premier Wan Li, Minister of Culture Wang Meng and Mayor of Shanghai Jiang Zheming all sent their greetings to the festival with the belief that it would promote cultural exchanges between China and other countries and contribute to the friendship between the peoples of China and other countries. It seems their hopes were not disappointed.

by Ren Jiazhen & Dai Gang from Shanghai

## Interview With SIAF Art Director

Liu Nianqu appears self-confident, his glasses and tie lend him a scholarly look. Talking vivaciously and openly he seems more the artist than the bureaucrat. But he is both.

Liu is secretary-general of Organizing Committee and art director of the SIAF '87, one of China's major arts festivals, executive deputy director of the Shanghai Municipal Bureau of Culture and, also a professional composer.

"The accent is on art and friendship," says Liu. "Shanghai, as an international metropolis and one of China's leading economic and cultural centres, ought to aspire to know the outside world better and is duty-bound to help the world understand Shanghai better. The festival will pave the way for further cultural exchanges between Shanghai and other countries. These exchanges will, I believe, certainly result in co-

operation in other fields.

"Art cannot develop in isolation, it needs exchanges with the outside world. Take the history of the development of China's arts for example. The Tang Dynasty (618-907 AD) encouraged exchanges with the countries in the West along the Silk Road, thus creating a flourishing culture. Many traditional musical instruments in China, such as the *pipa* and the *erhu*, originate in fact west of China. Chinese culture too was assimilated by others. For instance, the *shakuhachi*, is actually the Japanese version of an ancient Chinese musical instrument still being played in Fujian Province. In modern China too, arts from elsewhere took root. For instance, the Shanghai Symphony Orchestra has been in existence under various names for more than a century now. When the arts of different cultures collide they burst into a shower of sparks."

SIAF '87 owes much of its success to its organizing committee which Liu helps lead. In a sense, this festival is Liu's baby. It was he who initiated the idea after he visited the United States late last year. His idea was eventually endorsed by the State Council in March this year. Since then Liu had been working non-stop for the festival.

"The opening ceremony was glamorous and marvellous," says Liu. "No one knows the hardships we have undergone to put this thing together. Last night, when I was announcing the opening of the festival in Shanghai Stadium, there was a lump in my throat. It was like a woman would feel after giving birth to a child, I think."

Liu is as proud of his artistic contribution to the festival as he is of his instigative and administrative functions. He wrote the music for the Chinese dance dramas *Legends About Da Yu* and for the ballet *Universe, Length, and Breadth, Revolution*, choreographed and performed jointly by American and Chinese artists. ■

## Guangzhou People Change View of Values

"SHI DAI"

(Times)

Under the guidance of new economic policies, people in Guangzhou, the capital of Guangdong Province, have undergone some major changes in their social values and attitudes in recent years. The changes are seen in the following areas.

1. Attitude towards education. Guangzhou residents are putting a higher value on an enterprising spirit and the pursuit of self-advancement. One sign of this change is the enhanced passion for study.

A recent survey shows that among the city's 1.8 million workers and government employees, 570,000 have taken part in "rejuvenating China" reading programmes sponsored by the All-China Federation of Trade Unions. Some 420,000 are following television, correspondence and other courses of higher learning in their spare-time. In addition, 170,000 farmers from nearby counties are taking part-time technology courses sponsored by different departments.

According to a sample survey of 200 young workers conducted by the city's committee of the Communist Youth League, 46.5 percent of its young workers spend an average of some three hours studying each day and 43.5 percent spend two to three hours reading. Most workers and government employees who are studying during their spare-time do so out of a commendable desire to acquire more knowledge, and not only to obtain certificates. In another recent survey, 57 percent of the people questioned said they were studying to gain knowledge, while 17 percent said they were only after a diploma.

2. Attitude towards occupations. The long-existing psycho-

logical gap between people in different occupations has been diminishing.

For instance, there used to be a stigma attached to self-employment. In 1979, there were only about 1,000 self-employed people in the city. Now, there are more than 140,000.

In the past, hotel waiter and shop assistant positions were not desirable. This has changed dramatically. Survey results show that out of 1,000 young people, 756 would like to take a job in a hotel or department store, with the rest wanting to work in factories.

People in Guangzhou used to like staying at one job for life. This has also changed. A survey conducted by the city's bureau of labour shows that 99 percent of young people are in favour of the new rules which allow people to change jobs if they are dissatisfied with their old ones.

3. Cultural life. Guangzhou residents have a special interest in music, with their favourites ranging from traditional Chinese music to modern popular music. Other spare-time interests include potted landscape design and calligraphy. According to a survey of 1,600 people in different fields, 50.3 percent like Guangdong music; 31.9 percent like national music; 29.4 percent are fond of popular songs and music from Hong Kong, Macao and foreign countries; 20.1 percent like classical music; 12.6 percent take an interest in potted landscape design; 11.6 percent like calligraphy; 9.8 percent enjoy symphonic music; and 9.5 percent are fans of disco dancing.

People in Guangzhou are particular about their clothing. Although they do not dress in brilliant colours, they wear fine materials with fashionable designs. At the same time, beauty parlours, hair salons and body-

building centres attract an increasing number of people despite their high prices.

Hotels, restaurants and other service trades in the city are known for their superb service. The most commonly used phrases on the streets are "thank you" and "don't mention it." Also, more attention is being paid to making the environment beautiful as well as practical.

4. Pursuit of material comfort. People in Guangzhou admit readily that they want as many material comforts as they can afford. Popular slogans in the city are "Recognize money but not power" and "No tolerance for ill-gotten wealth."

5. Social contacts. There is growing awareness of social contacts. The survey of 1,600 people shows that 84.5 percent think social interaction is very important in daily life.

Major changes have also taken place in the nature of contacts. The barriers between different trades have broken down and co-operation between departments and regions and between urban and rural areas are developing rapidly. Moreover, Guangzhou residents' social contacts now go far beyond their family circles. Various forms of societies and clubs have emerged, in which people discuss politics, economics and technology after work.

In the past many Guangzhou girls hoped to marry rich men or travelling traders from Hong Kong. Now they are more interested in prospective spouses' moral standing, standards of education and ability.

6. Sense of time. Guangzhou people always spoke slowly and acted without haste. They paid no attention to time. With the policy of invigorating the domestic economy and opening up to the outside world, the rhythm of domestic and foreign economic life must be synchronized. Also, the efficient competitor can gain a dominant position in the home market.

With the rapid development of reforms in various fields, the people of Guangzhou have come out of their shell. The service trades are developing steadily. Aircraft, taxis, telephones and fast food have become indispensable to the city's daily life.

(No. 3, 1987)

## Control Pollution in Urban Areas

**"ZHONGGUO HUANJING BAO"**  
(Chinese Environment)

**D**uring the period of the Seventh Five-Year Plan (1986-90), China's environmental protection departments will focus their efforts on overall environmental improvement in urban areas and strengthening environmental protection in the country's major cities. The government will invest 10 billion yuan in urban environmental protection projects, including popularizing gas stoves and building central heating, sewage and garbage disposal systems.

Since 1985, environmental protection in urban areas has entered a new stage of development. The outlook of many cities has changed greatly and the rapid deterioration of the urban environment has begun to be controlled. According to incomplete statistics, during the period of the Sixth Five-Year Plan (1981-85), 70 percent of the boilers in Chinese cities were equipped with devices to control smoke and dust; the area covered by central heating in northern Chinese cities rose from 20 percent in 1980 to 70 percent in 1985; and the proportion of gas users in the country increased from 15 percent to 24 percent.

However, urban environmental problems are still grave. Air pollution is a serious problem, with the dust content in the air in all Chinese cities exceeding the

state-prescribed limits. In addition, the rate of wastewater disposal as well as the disposal and recycling rate of solid wastes are still low. So, to improve the urban environment is still a formidable task.

During the period of the Seventh Five-Year Plan, the environmental improvement efforts will focus on the country's 51 major cities, which contain 53 percent of China's total urban population and account for 41 percent of the gross output value of industry. At the same time, the

various provinces and autonomous regions may determine their own key cities for environmental protection.

The 51 cities targeted for improvements will be divided into five categories according to their population size and economic development. The five categories are: municipalities directly under the central government and giant cities; cities famous for their scenery or historical sites; coastal open cities in southeast China; major industrial cities; and key cities in central and west China.

(May 19, 1987)

## Why Jewellery Sells Well

**"JINGJI RIBAO"**  
(Economic Daily)

**I**n recent years, gold and silver jewellery has sold well in China despite high prices. According to a survey of 200 urban households in Jinzhou, Liaoning Province, 80 percent of them wished to purchase gold or silver ornaments. Jinzhou people's expenditure on gold and silver last year was 2.2 times that of 1985. Obviously the living standards have been rising and the demand pattern in urban areas has begun to change. The reasons are:

— Trend-setting. Many newly-weds and young women are

wearing rings, earrings and necklaces.

— Keepsakes. Many young men and women give gold or silver jewellery (especially rings) as betrothal keepsakes to their intended.

— Conspicuous consumption. Some people purchase gold and silver only to attract attention. In conversation they raise their hands again and again to display their wealth.

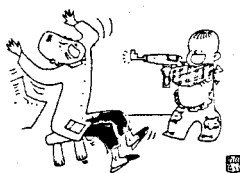
— Investment. Many people believe gold will not lose its value. Today when prices of some commodities are going up they think it is better to buy gold and silver jewellery than deposit money in the bank.

(May 11, 1987)

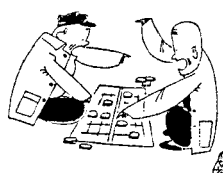
**Remaining years.**

Cartoon by WU XINGHONG

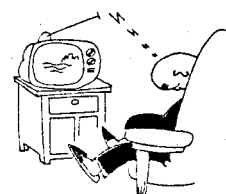
**Dying several times each day**



**Quarrelling over a chess game**



**Keeping company to the finish**





## Tianjin to Use More Foreign Investment

**C**hina's State Council has given Tianjin the go-ahead to utilize US\$1 billion in foreign investment by the end of this decade to develop the city's export-oriented economy and improve its infrastructure. This was announced by Zhang Zhaoruo, director of Tianjin's Commission of Foreign Economic Relations and Trade, at a press conference held on June 8 in Tianjin.

According to Zhang, the US\$1 billion will be used mainly to develop enterprises which make export commodities in order to enhance Tianjin's capacity to pay off debts. The first group of these enterprises will be in the clothes business, in the cotton and nylon textile trade, in food production and processing, and in the glass, car parts, small electrical machinery, household appliances, elevators and computer software businesses.

Some spending will also be made on developing basic industry such as steel rolling, copper smelting, natural gas separation, high-grade dyestuff making, casting and mould centres.

Infrastructure projects include a power station, a gas plant, a water works and a sewage treatment plant.

The money will be raised in various ways and from different sources. The capital for developing the city's infrastructure will be raised through the World Bank, the Japanese Overseas Co-operation Fund, and low-interest long-term inter-governmental loans. For launching industrial projects the money will come from bilateral inter-governmental loans, and loans from international financial organizations and commercial credits. The capital for small industrial projects will be raised through compensation trade and leasing.

With regard to foreign-exchange earning projects, the city will take out commercial loans and issue bonds on the international money markets. Meanwhile it also plans to absorb foreign investment through joint ventures, co-operative and foreign-owned enterprises.

Between 1979 and April 1987, Tianjin raised a total of US\$764 million in foreign exchange; US\$430 million in loans from abroad, US\$234 million in foreign investment, and US\$100 million in commercial credit.

In order to improve the investment environment, the Foreign Investment Service Cen-

tre was inaugurated this month, and a construction company and a material supply service company are in preparation.

Now the city is formulating rules and regulations to protect foreign-invested enterprises. With State Council approval, Tianjin can unilaterally approve foreign-funded projects of up to US\$50 million. ■

## China to Export Cooking Services

**T**he China Cuisine Skill and Service Export Corp., which was established early this month in Beijing, will be sending dozens of cooks to work in Chinese restaurants abroad.

"According to demand in various countries, the company will provide famous Sichuan, Guangdong, Jiangsu, Zhejiang and Shandong specialist chefs," said Yang Dongqi, manager of the company. His company will also export food and condiments, operate joint and co-operative hotels and restaurants abroad, organize cooking exchanges, train foreign chefs and waiters, and host foreign chefs in China. Since 1980, China has sent more than 600 cooks to 26 countries. ■

The Tianjin Foreign Investment Service Centre opened recently.

YAO JIANGUO



## China, Italy March Towards the Future

**S**cientific and technological co-operation and exchange activities entitled "Advancing together towards the future" will be held from February to April next year by the Chinese Science and Technology Exchange Centre and Italy's Venezia-Beijing Ltd.

More than 100 companies from Italy will take part. A centerpiece for the event, an Italian ship will sail from Venice to visit the coastal cities of Tianjin, Dalian, Qingdao,

Nanjing, Shanghai, Xiamen, Guangzhou, Shenzhen and Haikou in China. The Italian visitors on board the ship will also visit Beijing.

During the visit, technicians will have 13 symposia on petroleum energy, the chemical industry, oceanography, transport and communications, biomedicine, agriculture and food, electronics, data processing and modern manufacturing. Meanwhile, co-operation talks will also be held.

Since the signing of the scientific and technological co-operative agreement in 1978, China and Italy have started more than 100 co-operative projects in 32 fields including energy, elementary physics, agriculture, medicine and health, city construction and nuclear safety.

In the past few years China has imported from Italy power generating sets. Italy has offered US\$10 million in aid to China for developing geothermal resources in Tianjin and Tibet.

Last month, the two countries concluded an agreement on energy and recycling energy. In September this year, a Chinese delegation will visit Italy to discuss solar and wind power. ■

## Apple Explores China Market

In order to enter the growing computer market in China, the Apple Computer International Ltd. exhibited a software system using Chinese characters and three applied software systems as well as two computers, which were produced last March, in Beijing on June 5.

The Apple has not sold a single one of its products in China, but it is confident of success.

"That software system called TALK can translate English into Chinese," said Louis K Woo, a manager. "It can also be used in word processing, data processing and image manufacture as well as in the development of new

software with Chinese characteristics. It must be welcomed by Chinese people."

The company has signed an agreement to develop computer software jointly with Qinghua University of China. ■

## Britain, China Sign US\$7m Deal

A US\$7 million deal has been agreed on between two Chinese companies and a British firm to manufacture drilling machines and air compressors.

The State Commission of Machine-Building Industry announced on June 12 that the two-joint-venture agreements had been reached with the Ingersoll-Rand Company of Britain.

These are the first such contracts the commission has signed since it was set up in January this year.

The first venture, with a registered capital of US\$3.5 million, is between the Xuanhua Pneumatic Machinery Factory, in Hebei Province, and the British company. It will run under the name of the Xuanhua/Ingersoll-Rand Mining and Construction Machinery Limited and will mainly produce rock drilling machinery.

The planned production capacity of the venture is about US\$4 million in the first year of operation. The figure will grow to US\$12 million in five years.

The second venture, with a registered capital of US\$3.2 million, is with the Shanghai Compressor Factory. Under the name of Shanghai/Ingersoll-Rand Compressor Ltd. (SIRC), it will mainly manufacture portable and stationary rotary air compressors for industrial and construction applications in China.

SIRC's products will be assembled initially at the Shanghai Compressor Factory, but assembly will switch to a new location in the municipality's Minhang In-

dustrial Development Zone within a year of start-up. The new facility will include sheet metal, assembly, painting and test shops.

The second venture has a planned production capacity of US\$3 million in the first year of operation. This will grow to US\$12 million in five years.

Both ventures will run for 20 years. The Chinese and British partners will share the ventures' investment equally, with the latter investing in the form of cash, technology and key equipment.

The ventures have already won approval from the Chinese government and will begin production immediately.

The British company has also set up Ingersoll-Rand China Ltd., to be based in Hong Kong, which will provide management assistance and support for the joint ventures. ■

## Trade News in Brief

■ China's processing and assembling industry has expanded in the last few years and earned US\$340 million in processing fees last year, US\$312.4 million more than in 1979. By the end of last year, the 35,000 processing factories in 27 provinces, municipalities and autonomous regions had signed 210,000 processing contracts with foreign businessmen. Textiles and clothes account for 43 percent, machinery and electronic products 19 percent, and toys, plastic goods, small metals, medicines, fodder, foodstuffs and jewellery 38 percent.

■ The Tianjin International Technology Co.—the first company to import talent and offer scientific and technical consultancy services—is run jointly by Singapore and Tianjin and opened this month on a trial basis. The company has more than 40 Chinese and foreign scientists and technicians. It also has apartment buildings, guesthouses, offices, modern training and conference facilities for use by its personnel and clients.

# Kunqu: A 400-Year-Old Performing Art

Although only six of China's thousands of theatrical troupes perform *kunqu* opera nowadays, this ancient form still attracts audiences with its elegance and artistic value. The recent Beijing performances by the Shanghai *Kunqu* Opera Troupe were a treat for residents of the capital.

*Kunqu* originated about 400 years ago in the small town of Kunshan, which lies between Shanghai and Suzhou in the coastal province of Jiangsu. *Kunqu* developed into an operatic form by absorbing local and regional theatrical tunes through the efforts of theatrical musicians. The music is smooth, expressive and sweet, and is usually played on flute, reed pipe, *pipa*, drum, clapper and gong. Most of the stories in *kunqu* opera come from the Tang and Song dynasties (618-1279).

*Kunqu* opera emphasizes graceful movement and its performance embraces many dancing steps. It is a unique blend of literary verse, elegant tunes, colourful performances, graceful dances and superb martial arts.

After the reign of Emperor Wan Li (1573-1620), *kunqu* spread to various places, where it had a great impact on local operas and music. Many of the stylized movements of present-day Beijing opera can be traced back to *kunqu*.

Unfortunately, by the mid-Qing Dynasty (1644-1911) this more or less scholarly operatic form gradually declined because it was too removed from the masses ideologically and artistically. It was only after liberation in 1949 that artistic reform, rewriting of the famous *Fifteen Strings of Cash*, and compilation of new scripts gave it new life. All the 60 large and small pieces performed by the Shanghai artists in Beijing were the results of research by

young artists who went to a dozen or so aged *kunqu* artists who had left the stage years ago but were willing to pass on their experiences to their successors.

The first work offered in Beijing was *Stealing the Armour*, a story adapted from the classical novel *Outlaws of the Marsh*. The wild goose feather armour—a real treasure—is kept in a box hung on a beam by its owner. Four tables of the same size are piled atop one another and surmounted by a chair to symbolize the height of the beam. Starting from the floor, the actor used the edge of one of the middle tables to somersault twice, jumping up to sit on the chair. After a while, he lowered his body upside down with his feet clinging to the back of the chair, seemingly listening for any sound or movement lower on the floor. A lightning-quick string of somersaults brings him and his box onto the floor in a move that dazzled the audience.

Skills like this permeated the performances of the Shanghai artists. In the legendary story *Stealing Silver From an Official Treasury*, the Snake Fairy Xiao Qing, who needs the money to help the poor, has to fight with four guards, each equipped with two heavy hammers. Lying on the floor, she not only uses the weapon in her hands, but her legs and feet as well to fight off the assaults coming at her from all directions. The audience sees a barrage of dancing golden hammers.

"Dwarf skill" is peculiar to *kunqu* opera. Another episode from *Outlaws of the Marsh* shows a "dwarf" and several other generals duelling with a country woman. The "dwarf," in a long robe, does not let the audiences see that he is actually half squatting on his heels when he stands and walks. Even when he jumps, fights

and somersaults, he is half squatting.

However, less than 10 percent of *kunqu* operas feature martial arts. *The Peony Pavilion* by Tang Xianzu (1550-1616) is a typical audience-pleaser.

Du Liniang, daughter of a gentry family shackled with feudal ethics, dozes off on a rock during a springtime stroll in the family garden. She dreams about a handsome scholar with whom she falls in love. After she awakens, she is so sad that she cannot find her dream lover that she finally dies of grief. Her search continues even in the netherworld and so moves the gods and goddesses of various flowers that they send her back to the human world where she at last finds her lover. Fantastic romantic colours and lyric descriptions heighten the story's great artistic impact and Du Liniang is one of the most fascinating heroines in classical Chinese opera. Although *The Peony Pavilion* has been the subject of other forms of opera, the *kunqu* version enjoys the highest prestige.

The Shanghai artists included several of the best episodes of *The Peony Pavilion*—"Visiting the Garden," "In the Dream," and "Looking for the Dream"—which tells of Liniang's enjoyment of springtime, distress over her monotonous life, her budding love, and her chase after happiness. The play's success was due to its combination of a lyrical story with description of the scenery and unveiling of the psychology of the heroine, coupled with highly literary verses, melodious music, singing and dancing.

Other adaptations from classical novels are *The Jade Hairpin*, the tale of a young nun's tortuous love affair, written during the golden age of *kunqu* opera in the

Ming Dynasty (1368-1644), and 17th century work *The Palace of Eternal Youth*, which depicts the love between Emperor Ming Huang of the Tang Dynasty (618-907) and his favourite concubine, Yang Yuhuan. Episodes from these plays on stage this time emphasize describing characters through flowing rhythm, sweet singing, revealing dialogue and dancing.

The most attractive programmes in the recent performances were probably three pieces which had been suppressed for years. *Catching Him Alive* shows how the spirit of a dead beauty comes to marry her lover's soul in the human world. The play was suppressed because of its terrifying and ugly scenes. The present performance avoids excessive eeriness but presents the dreamy yet fantastic netherworld and the sentimental yet yearning desire of the beautiful woman spirit.

*The Iron Crown* depicts a clash between feudal rulers and peasants in the mid-17th century. It was suspended because it was thought to praise the feudal rulers and denigrate the peasants, but artistically speaking, it is quite good.

The staging of these once-suspended programmes shows that the policy of "saving and inheriting" practised by the Shanghai artists in recent years does not mean restaging the art of the old times, but through revision, retaining their best parts.

Most of the performing artists who came to Beijing this time have been trained since 1949. During the 1950s and 1960s, they received eight years of strict training at the Shanghai Institute of Theatrical Art. Not only are their skills in singing, acting, talking, dancing and martial arts superb, but also their portrayals of various characters are accurate and penetrating. Cao Yu, president of the Chinese Dramatists' Association, said after seeing their performance that the troupe be given a collective "Plum Blossom Award"—

China's highest award to theatrical artists.

Yu Zhenfei, at 85, one of the oldest and most consummate performers alive, performed in two programmes this time. In the role of the young scholar in *The Peony Pavilion*, his acting and singing were as accomplished if not better, as they had been in his youth. He said that by reappearing on the stage at such an advanced age, he hoped to reinvigorate the traditional art of *kunqu* opera.

The two youngest performers this time were only 10 years old. Their presence was also symbolic because they are students of the Shanghai Institute of Theatrical Art, which had not offered *kunqu* study in more than 20 years. But now these and other new students are receiving careful training in this ancient tradition. ■

## More Children Learn Piano

**M**ore than 560 contestants participated in the Beijing children's piano contest in May, double the number of competitors at the previous contest in 1985.

In front of the grand pianos in the auditorium of the Central Conservatory of Music and on the stage of the newly completed modern concert hall, many of these talented children, who were from 5 to 12 years old, fused some difficult performing techniques into their piano solos. Their programmes included Chopin waltzes, Haydn sonatas, recomposed *Hungarian Rhapsodies*, Czerny etudes and other classical pieces. They were also required to play Chinese melodies, including some well-known music and pieces composed specially for the contest.

Some experts said this competition reached a higher level than the last one. Many children tried to bring more expression and appeal to the national music. Cui

Fan, about 6 years old, said that he likes to play the *Little Monkey Walks the Wire*. His confident and imaginative playing of the piece won him the second medal.

The Central Conservatory of Music, one of the sponsors of the contest, allows the prize-winners to study at its attached primary and middle schools without taking part in the entrance exam of some subjects.

Many children are encouraged to study piano by their parents and grandparents. Indeed, one of the contest judges said some parents are more enthusiastic about learning piano than their children. The parents accompany their children to the music school, hold the musical score and take notes for the kids. The parents of some contestants forced their children to practise piano and to study teaching materials that were too difficult for children. As a result, while the children's technique had improved, their performance was lacking in initiative and vigour. At the same time, the performance level of the teachers should be improved.

Li Danna, managing secretary to the Musical Education Committee of the Chinese Musicians' Association, said it is good that so many children are learning to play piano and other musical instruments. It reflects a rise in people's cultural level and living standards. But over-enthusiasm exists. She cited a parent who forced his boy, only 3 years old, to practise scales every day. Sometimes the child asked to play a new piece but was refused. Li said that practising simple scales makes children lose interest in music. Some parents even asked their children to study several musical instruments, saying that it's best to get an early start.

A piano professor said children should follow the prescribed course of study. It is not good for parents—out of excessive enthusiasm—to push their children too hard. ■



# Itineraries in Zhejiang Province

**Z**hejiang Province on the East China Sea has a moist, temperate climate. The hilly area in the southwest has many scenic spots and the old temples and monasteries hidden in the woods are still places of pilgrimage to many Buddhist monks. The plain in the northeast is fertile and criss-crossed with rivers and lakes. The province is rich in natural resources and is developing its tourist industry. It offers a number of new tours which last year catered to 300,000 foreign tourists.

## Educational Tour

Includes a one-week course in Hangzhou, the province's capital, on Chinese history, culture, folklore and arts before travelling. In 1985, 225 tourists took this tour in nine groups. The number went up to 411 in 15 groups last year. The tour has been much enjoyed by the participants. An American of Chinese descent said, "This is a rare chance for me and my wife and children to learn together about Chinese culture."

## Buddhism Tour

In ancient times, Buddhism flourished in Zhejiang. The province now has many temples and a strong influence abroad especially in Japan and Southeast Asian countries. These include the Puji Temple on the Putuo Mountain, the Guoqing Temple on the Tiantai Mountain, the Jingci Temple on the Nanping Mountain and the Tiantong Temple on the Taibai Mountain. The sects which originate from some of these temples still have millions of disciples abroad.

The Buddhist tour is taken by many overseas Buddhists. When the construction of the Evening

Bell was completed on the Nanping Mountain in November 1984, about 400 Buddhist monks came to pay homage there and the bell's tolls reverberated in the valleys. In 1985 and 1986, 1,834 people in 96 groups took the Buddhist tours.

## Calligraphy Tour

The province keeps the writings of Wang Xizhi, a great calligrapher of the Eastern Jin Dynasty (317-420), in the Lanting Pavilion in Shaoxing; an inscription by Zhao Mengxiong, a great calligrapher from the Yuan Dynasty (1279-1368), on a tablet in Huzhou; and the site of the Xileng Seal-Engravers' Society founded by the noted painter and engraver Wu Changshuo of the Qing Dynasty (1644-1911) in Hangzhou which houses many tablets from different periods.

All these are highlights for tours where participants interact with local calligraphers, view the writings of ancient calligraphers, enjoy calligraphy demonstrations and take up the brush themselves. In 1984 Shaoxing designated the third day of the third month of the lunar calendar calligraphy day, to commemorate Wang Xizhi who wrote the foreword to the Lanting Poems on that day. The city has already organized several international calligraphy exchanges.

## Village Tour

The province organizes a special tour to the countryside on Xinsha Island in Fujiang County. The tourists come to the island by boat and enter the village on ox carts, giving them a good opportunity to enjoy the scenery. They spend a day there, watching the ploughing, the silkworm breeding, and the

paper making. Sometimes, if they are lucky they can see a goat-fight. The tourists may try the traditional Chinese farming or make soyabean milk themselves as well. They may also spend a night in a farmer's house. Later they leave the village on a bamboo raft.

## On-Water Tour

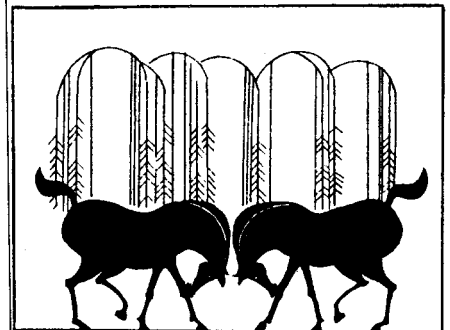
Criss-crossing rivers, Shaoxing is famous for its bridges. Tourists take small boats and travel enjoying the bridges from the water. A group of Japanese tourists recited Lu Xun's poems as they floated along and returned with great reluctance.

## Students' Tour

This is a tour where foreign students take their holiday with Chinese students. It involves camping, parties and meetings with the Chinese students. They also visit schools and education facilities. This way students from many different countries can establish friendly links.

There are also tours for newlyweds, and tours for bull-fighting, hunting, tides watching, cooking, medical study and motor-cycling.

by Han Guojian





Cock.



Bull.



Polar Bear.

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## ART PAGE

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### Sculptures by Zhou Guozhen

Zhou Guozhen, born in 1931 in Anren County, Hunan Province, now teaches in Jingdezhen Ceramics Institute.

Zhou, who specializes in animal ceramic sculpture, uses various ceramic glazes which make his works come alive in high temperature.



Orangutan.



# CHINA'S SOCIALIST ECONOMY

## An Outline History (1949-1984)

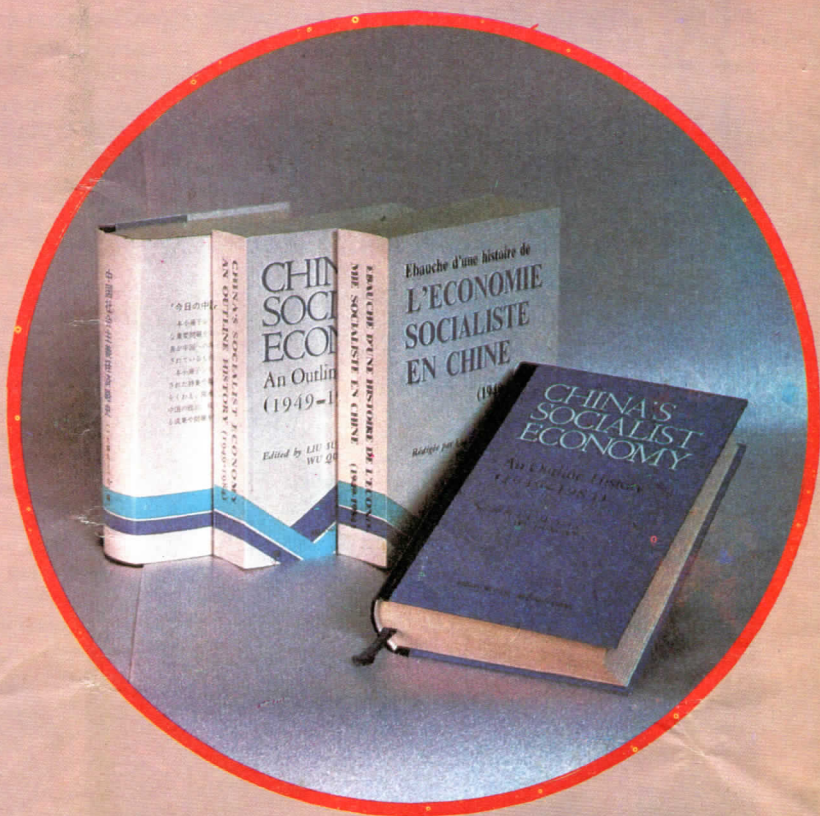
Incorporating the results of research by well-known Chinese economists, this work is a first attempt to give an account of the development of China's socialist economy. It includes many previously unpublished details of events and figures which have emerged through the sifting of a large quantity of 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);
- 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 analyze shortcomings and mistakes in each period since 1949.

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



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