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Deng: Both Eastern & Western Europe Are Forces for Peace

JIAXING: CENTRE OF CHINA'S SILK INDUSTRY





Traditional dress for rural women in southern Jiangsu Province.

by Gao Meiji

CONTENTS

NOTES FROM THE EDITORS 4

Europe's Role in Maintaining World Peace

EVENTS/TRENDS 5-9

Major Tasks of 1988 — Li Peng
Dam Completed Ahead of Time
Beijing Metro Has New Circle Line

Shanghai Opens Railway Station
China to Ban Juvenile Smoking
Firm Promotes Labour Exports
Weekly Chronicle
(Dec. 28-Jan. 3)

INTERNATIONAL 10-13

Afghanistan: Outlook for Political Settlement Still Dim

Zimbabwe: Political Parties To Join Forces

Czechoslovakia: Keeping Up With the Reform Trend

Panama: Political Skirmishes Continue

Europe — A Force for Maintaining Peace 14

Kissinger on East-West Relations 14

Soviet Reform Programme Faces Test 16

Promoting Consultation and Dialogue 18

Jiaxing — Silk Producing Centre 21

Facts & Figures: 1987 — A Year of Stable Economic Growth 23

LETTERS 25

FROM THE CHINESE PRESS 26-27

BUSINESS/TRADE 28-29

TOURISM 30

BOOKS 31

CULTURE/SCIENCE 32-34

COVER: A worker at the Pinghu Silk Carpet Factory in Jiaxing working on highlighting the design of a superior-quality silk tapestry. **Xu Xiangjun**

HIGHLIGHTS OF THE WEEK

Europe — A Force for Maintaining Peace

■ Deng Xiaoping's statement on the role of Eastern and Western Europe in maintaining world peace (p. 4) is supplemented by a commentary on the same subject. (p. 14).

Critical Time for Soviet Reform

■ A review of the Soviet reforms in major fields during recent years and an analysis of the difficulties the reform programme faces from many directions (p. 16).

Interview With Henry Kissinger

■ Former US Secretary of State Henry Kissinger talks to Chinese correspondents about his views on disarmament, US-Soviet relations and China (p. 14).

Promoting Consultation and Dialogue

■ The popular dialogue, a phenomenon years old, which was reaffirmed at the recent 13th CPC Congress, has spread across the country. Experience has proved that it is an effective way of linking the Party, government and mass organizations with the people. It helps enhance mutual understanding, solve problems and improve work (p. 18).

Jiaxing Silk Producing Centre

■ Jiaxing, traditionally a silk city in Zhejiang Province, produces one-third of China's silk exports. The municipal government intends to continue attracting more foreign investment and importing more equipment for its silk production (p. 21).

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Europe's Role in Maintaining World Peace

by Jiang Yaping and Liu Jiang*

In a meeting with Dutch Prime Minister Rudolph Lubbers last May, Chinese leader Deng Xiaoping pointed out that Europe is pivotal in deciding peace or war, and that both Eastern and Western Europe are forces to safeguard peace (see P. 14, and North American Edition P. 18, for details). Events in the past year have testified well to Deng's assessment.

The year 1987 witnessed relaxed tensions between the two superpowers and improved East-West relations. On December 7, Soviet leader Mikhail Gorbachev and US President Ronald Reagan signed the intermediate-range nuclear missile (INF) treaty, marking the first step forward in nuclear disarmament.

It should be noted that the strong desire for peace and disarmament of the European people, as manifested in the numerous peace rallies and demonstrations in various parts of the continent, played an important role in bringing the two superpowers to the negotiating table; and arduous work by some European countries, Federal Germany in particular, helped pave the way for the final signing of the INF accord.

For instance, to facilitate the completion of the INF treaty, Federal Germany made two major accommodations in the past year. First, it agreed to abolish the medium- and shorter-range missiles; secondly, it consented to abandon the Pershing IA missiles deployed on its territory, which once stymied INF talks between the superpowers.

Even the Reagan administr-

ation itself has to concede that the summit of the seven industrial nations and the North Atlantic Treaty Organization (NATO) foreign ministers' meeting provided the basis for US-Soviet negotiations on eliminating medium- and shorter-range nuclear missiles.

It is understandable that the European people have long struggled for a world with fewer nuclear warheads and more bread and butter. As Deng said, Europe represents a force for peace because it suffered from the disasters of two world wars, and once a war breaks out, it is Europe that would be the first to be hurt.

On Christmas eve, Federal German President Richard von Weizsacker appealed to the East and West to continue disarmament and promote detente. He emphasized that "We should rather light a candle than complain about darkness."

In his New Year's message, German Democratic leader Erich Honecker stressed that he wants both Germanys to dismantle all offensive weapons and long-range missiles installed on their territories and make the area nuclear-free.

The two Germanys have not only worked strenuously to press for nuclear disarmament between the superpowers, but have also taken concrete steps to ease tensions between the East and West. Last July, Weizsacker paid an official visit to the Soviet Union, which was regarded as a milestone in the promotion of mutual understanding between the two countries. Weizsacker described his trip as "not only important for bilateral ties but also significant for all of Europe."

Honecker made a historic visit

to Federal Germany on September 7-11, which was also seen by Europe and the whole world as a breakthrough in East-West relations.

Apart from the two Germanys' big steps toward improvement of bilateral relations and relaxation of tension in the continent, other Eastern and Western European countries also made their efforts to expand co-operation and reduce armaments.

Last March, the European Economic Community (EEC) and the Council for Mutual Economic Assistance (COMECON) held a three-day meeting and agreed to establish official relations between the two economic blocs after three decades of non-recognition, because both sides know that negotiation is better than hostility and normalization of relations is beneficial to each other.

In the same month, representatives from NATO and the Warsaw Pact held the fifth round of talks on reducing conventional forces in Europe. During their meetings the two military blocs discussed ways to achieve a military balance in Europe and work out verification provisions on the reduction of conventional weapons of both sides.

Deng has pinned high hopes on Europe in safeguarding world peace. He also declared that it is possible to win a longer period of peace and avoid a war. This has been proved true by the increased role of Europe in superpower disarmament and the relaxation of East-West relations. With further economic development, Europe, both East and West, will undoubtedly grow stronger politically, and acquire even greater leverage in helping check the superpowers' arms race and bring the world to peace and prosperity.

* The authors are guest commentators for *Beijing Review*.

Major Tasks of 1988 — Li Peng

China's situation is good on the whole, but the country is still facing arduous tasks, Acting Chinese Premier Li Peng told a tea party in Beijing on December 31.

In his congratulatory speech at the New Year's tea party sponsored by the National Committee of the Chinese People's Political Consultative Conference, Li outlined the country's three major tasks for 1988.

They are to stabilize the economy and extend reforms in various fields, to carry out government streamlining at the central level and to devote greater efforts to strengthening socialist democratic politics and building up the country's socialist ethics.

Implementing enterprise responsibility systems will be one focus. These are aimed at improving enterprises' economic performance through technological innovation, scientific management, increased production, and expanded commodity distribution.

Li called on governments at various levels to make earnest efforts to tackle the problem of insufficient non-staple food supplies, particularly the supply of meat, poultry and eggs in some cities and regions. The fundamental solution to the problem lies in development of production and the commodity economy in addition to strengthening market management and price control, he said.

It is essential to restructure government institutions, relegate power to the lower levels and change the functions of government institutions in economic management, Li said.

New government institutions should be set up in line with the principle of separating the functions of the Party from those of the government and separating the

government administration from enterprise management.

The public service system to be introduced this year will help bring forth a large number of qualified government functionaries and increase the efficiency of government at all levels, he said.

Leading organs at various levels should make whole-hearted service to the people their sole objective, overcome bureaucracy, and do better work, Li said.

The new Central Committee of the Chinese Communist Party elected at the 13th National Party Congress early last November marked a further step in the direction of a younger and more professional central leading body.

The new leading body reserved roles for veteran revolutionaries, particularly the role of Deng

Xiaoping in policy-making on major issues, he said, adding that this is the organizational guarantee for the full implementation of the line laid down at the 13th Party Congress.

Li stated that China should continue to improve the system of multi-party co-operation and consultations under the leadership of the Chinese Communist Party while expanding the role of democratic parties and patriotic figures without party affiliation in the country's political life.

Referring to the Taiwan situation, Li said, "We welcome the recent step of the Taiwan authorities to loosen the limitations on Taiwan compatriots' visits to their relatives on the mainland and will provide easy access for them to do so." ■

Dam Completed Ahead of Time

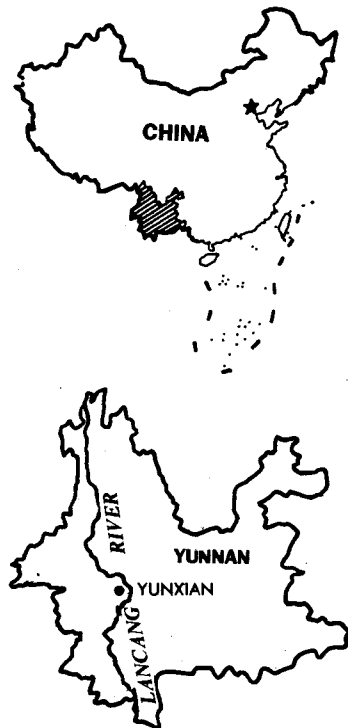
The fast-flowing Lancang River was dammed at Manwan in Yunnan Province on December 20. This feat marks the successful completion of the preparatory stage of the Manwan power station project.

With a designed capacity of 1.5 million kw and a yearly output of 7.76 billion kwh, the Manwan power station will be the second largest of its kind in China, next only to Gezhouba power plant on the Changjiang River.

The Lancang River is one of China's richest sources of water power. There are plans to build 15 power stations on the Lancang within Yunnan Province alone.

The Manwan station, located in the middle reaches of the river near Yun County, will be the first. It is expected to require less work and cost less than the other stations.

Nearly 10,000 builders worked



on the dam, which was started in October 1985. It was completed with remarkable speed, one year ahead of schedule.

Manwan is a joint project of the Ministry of Water Resources and Electric Power and the Yunnan provincial government, with a total investment of more than 1 billion yuan (about US\$270 million). Tenders were invited for various phases of the project.

A key state project for the Seventh Five-Year Plan (1986-90), the station is expected to help add industrial and agricultural output value of 16.8 billion yuan annually.

China started up many large generators last year. The four new generators installed at the Gezhouba station contributed substantially to central China's industrial and agricultural production during the 1987 flood season.

The state-set electricity production quota was reached 15 days ahead of schedule last year. But, as an official of the Ministry of Water Resources and Electric Power pointed out, China still faces power shortages.

The construction of the Manwan station is expected to lay the foundation for fully developing the resources of the Lancang River, thus boosting Yunnan's economy and providing electricity beyond the province's boundaries. ■

Beijing Metro Has New Circle Line

Traffic congestion in Beijing will be eased thanks to the opening of a new underground railway track which links the city's two lines.

Acting Premier Li Peng and Hu Qili, a member of the Standing Committee of the CPC Political Bureau, cut the ribbon at the opening ceremony on December 24 last year for the new track. The two leaders, accompanied by



SONG LIANFENG

People inspecting the track for the Beijing underground railway's circle line.

Beijing municipal government leaders, took the first train to run the circle line.

The new track allows passengers to change at Fuxingmen Station from the east-west line to the circle line. More than 200,000 people a day are expected to transfer at this station. During the rush hours the number could reach 30,000 an hour.

The city's first underground railway line, from Pingguoyuan to Beijing Railway Station, which opened to traffic in early 1971, previously carried 500,000 people a day. The second line—from Fuxingmen to Jianguomen via Xizhimen and Dongzhimen—which opened in 1984, ran a horseshoe-shaped route and carried 50,000 passengers a day.

With the new track linking the Fuxingmen end of the horseshoe to the east-west line and the opening of the link between Beijing Railway Station and Jianguomen, total volume on the circle line can reach 400,000 to 500,000 passengers a day. Total daily volume on the whole system is expected to reach 800,000, rising to 1 million by 1989. With more people turning to the underground, traffic congestion on the

roads will be eased, especially within the area of the city bounded by the second ring road.

Because of the shortage of trains, the railway will be overloaded during peak hours. An order has been placed for 52 new trains, which will be put into service this year.

The total cost of the new track was more than 17 million yuan (US\$4.6 million). The project was started in August 1986 and completed on December 15, 1987. The new track is just below Changan Boulevard, where water supply pipes, cables and sewers all cross. By using advanced tunneling methods, the project caused no disruption to traffic or pedestrians. ■

Shanghai Opens Railway Station

The time-worn, narrow and always overcrowded railway station in Shanghai has finally passed into history. Jiang Zemin, the mayor of Shanghai, announced the formal opening to the public of the newly built Shanghai Railway Station at a gala opening ceremony held on December 28.

The ceremony began at 3 pm. The brand new station, decorated with flowers and colourful flags, stands as "Shanghai's new land entrance" and adds much to the city's skyline.

But the station's importance extends far beyond Shanghai—it will play a major role in China's economic construction. Before the ceremony, President Li Xiannian paid an inspection visit to the station. Vice-Premier Yao Yilin cut the ribbon at the ceremony, which was also attended by Railways Minister Ding Guangen and leading municipal figures. The No. 14 special express to Beijing was the first passenger train to use the station.

The old station, which was built in 1907, saw tremendous changes in the city. But besides one extension to its north, few improvements were made to the station itself.

The new station realizes a dream that can be traced back to the 1950s, Mayor Jiang said. The station, located 2 kilometres from the old one in the northern part of the city, covers an area of 43

hectares. It is laid out to effectively control the flow of arriving and departing passengers.

The station has 16 waiting rooms, 15 tracks, 142 sets of switches and seven platforms. It can handle up to 22 million passengers a year.

Investment in the station, which was a major state project, totalled 420 million yuan (about US\$113 million). The money came from both the central government and the municipality of Shanghai.

The design and construction of the station was approved by the State Planning Commission in 1984. Construction took three years.

The project had the firm support and assistance of the people of Shanghai. About 7,000 households and 264 institutions had to be removed from the site. More than 3,000 workers from 160 organizations took part in the construction.

Under the leadership of Mayor Jiang and the local people's government, the workers overcame enormous difficulties, with more than 100 trains passing the work site every day. The

successful completion and opening of the new station represents a major step in China's railway modernization. ■

China to Ban Juvenile Smoking

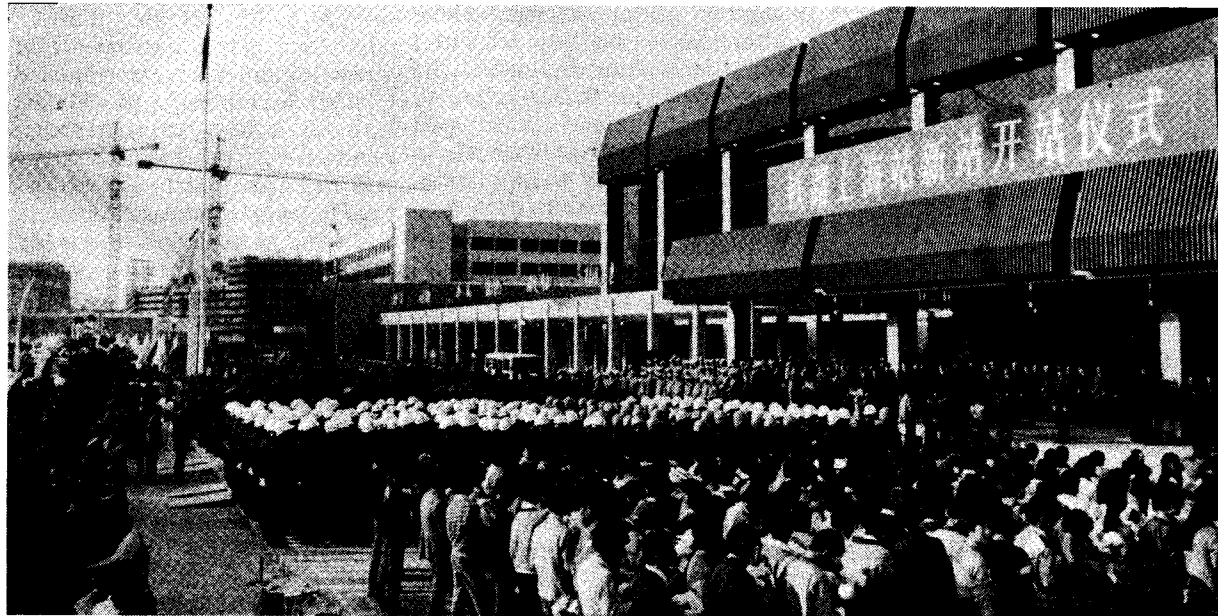
More teenagers and younger children get involved in smoking and with advice having little apparent effect, China is planning to pass a law prohibiting people under 18 from smoking.

Juvenile smoking should be banned, said Jiang Ming, director of the China Tobacco Monopoly Sales Bureau. He said a new law on the sale and manufacture of tobacco and tobacco products is being formulated to deal with the problem. The draft law, which designates tobacco and tobacco products as special consumer goods, may be submitted to the National People's Congress for discussion this year.

It is estimated that China has more than 200 million smokers over 14 years old. An estimated 61 percent of Chinese males smoke, while for females the percentage is 7.04.

Shanghai celebrates the formal opening of its long-awaited new railway station.

JIANG ZHENDONG



Chinese doctors and educators say that smoking has hurt the health of some teenagers and children and will affect the physical condition of the nation as a whole. Few people try to justify juvenile smoking and regulations barring smoking by students have been adopted by many schools. But in spite of this, the number of young smokers is increasing nationwide.

In a middle school in Beijing, for example, one student said that 80 percent of the boys in the school smoke. He said he started to smoke when he was about 6 years old. "My father is an editor. He always works very late and likes to smoke while writing. Instead of going out to buy cigarettes, he often asked me to roll cigarettes for him. When I rolled two batches of cigarettes, I kept one for myself," the student said. Ironically, his father is an editor in the field of public health.

Educators point out that young people are great imitators—they do what adults do. Citing a Chinese saying—"When the upper beam is crooked, the lower ones will go askew"—one teacher said some parents, especially fathers, set a bad example by smoking in front of their children and saying good things about smoking. For instance, people often say, "To have a cigarette after dinner is better than being a god on earth." Some boys who want to have a taste of being gods follow their parents' example.

In most cases, said the teacher, parents do not allow their children to smoke, but the children know where to find cigarettes and how to smoke in secret. One student said, "I smoke when my dad is away and he never knows."

Many teachers and school directors said they can ban smoking by students while they are in school. "When the students are away from school, we can do nothing," said a deputy director of a middle school in Beijing. He appealed to all sectors of society to pay attention to the problem,

adding that television and movies can play a positive role.

To date, however, the role of television has generally been negative. Doctors' advice that smoking is harmful has been overshadowed by TV programmes that show reporters interviewing news makers who have cigarettes in their hands, or top leaders talking to foreign visitors while smoking.

Most men in the People's Liberation Army (PLA) smoke. When a TV programme or a movie tells a story about a PLA hero, it tells about his habit too. This conveys to the younger generation which admires heroes the mistaken idea that a hero is always a smoker.

Some people say smoking scenes should be cut from TV programmes and movies. Others say the fundamental solution to the smoking problem is to gradually ban all smoking. They say it does not help to prevent children from smoking if they live in an atmosphere polluted by adult smokers.

Other people say that while a complete smoking ban sounds good, it is unlikely to become a reality in the foreseeable future. When the Beijing Smoking and Health Society was founded last May, it decided to establish 100 no-smoking spots in the capital, including hospitals, cinemas, gyms, underground railways and buses. But not all of these places are what they were claimed to be.

A regulation forbidding smoking in Beijing Railway Station was issued last June, but the station has not become a non-smokers' haven. TV programmes still show smoking, and the tobacco industry is encouraged by the government. Last year cigarette manufacturers handed over 17 billion yuan (about US\$4.6 billion) in tax to the government, one newspaper reported.

by Li Haibo

Firm Promotes Labour Exports

Calls for the free flow of labour and more flexibility in the personnel transfer system are increasing in China. Slow but steady changes were reflected at a labour transfer fair held in Beijing in December.

But reform of the labour and personnel system is not confined to the domestic market. Changes are also apparent in the export of labour services.

Hualong Corporation for International Services and Cooperation is the first Chinese organization devoted to providing a wide range of labour services.

In the 1950s Chinese labour exports went mainly to the Soviet Union and East European countries. In the 1960s and 1970s, after China's relations with the Soviet Bloc deteriorated, labour exports were diverted to the Middle East. The labourers involved were construction workers who knew little about the country they were going to and did not speak the language.

By 1985, however, the war between Iran and Iraq and the completion of many construction projects in Middle Eastern countries had combined to virtually eliminate the demand for Chinese labourers in the Middle East. The Chinese government realized that a more flexible policy was needed if labour services exports were to increase. And with the opening to the outside world and the development of a socialist commodity economy, the idea of labour as a commodity became more accepted.

It was in this context that Hualong Corp. was set up to promote the export of all kinds of labour required by the international market, from engineers to doctors to cooks. The corporation was put under the direction of the Ministry of Labour and Personnel and the Ministry of Economics

and Trade.

An enterprising, talented and ambitious group runs the corporation. "The basic aim of establishing such a labour export company is to take the advantage of China's vast population to earn more foreign currency and profit from employment opportunities," said Lin Zhaocai, Hualong's deputy general manager.

Hualong offers new hopes and creates opportunities for millions of Chinese professionals and other specialists who wish to work abroad. In addition to introducing potential employees to foreign employers, Hualong can also help Chinese people who have already found jobs abroad to complete the formalities and leave as soon as possible. If their Chinese employers are reluctant to let them go, Hualong will help try to convince them. If leave is not granted and a person is forced to resign to take a job abroad, Hualong will guarantee a job opportunity when the worker returns to China.

Hualong still faces many problems, Lin said. The corporation is too new to have strong business ties with foreign companies. Lack of experience makes it difficult to expand the business quickly.

The shortage of qualified Chinese personnel who can compete in the international labour market is also a big obstacle to the successful export of labour. But Lin said he is confident about the future. "Our company will gather experience through practice and Chinese people will obtain a higher level of education. I can see a bright outlook for the export of Chinese labour."

The export of labour services is more than just a money-making business, Lin said. It is also an important means to promote mutual understanding between Chinese people and people in the rest of the world.

By Yang Guohua

Weekly Chronicle (December 28-January 3)

POLITICAL

December 30

■ Speaking at the 40th anniversary celebration of the Revolutionary Committee of the Chinese Kuomintang, committee vice-chairman Zhu Xuefan says the committee should continue to play its special role in promoting the reunification of China.

As one of China's eight non-Communist political parties, the committee was founded in Hong Kong on January 1, 1948.

December 31

■ The two Chinese diplomats who were asked to leave the United States for allegedly "engaging in activities incompatible with their diplomatic status" are victims of a frame-up, a Chinese Foreign Ministry spokesman says in Beijing.

"We have lodged a strong protest with the US side against such action and reserve the right to further reaction," the spokesman says.

ECONOMIC

December 28

■ The first stage of the construction of a 500,000-volt electricity substation has been completed in Shanghai. The substation—the largest of its kind in Asia and one of the six largest in the world—will soon go into partial operation, the overseas edition of the *Renmin Ribao* (People's Daily) reports.

The 450-million-yuan (about US\$120 million) project is scheduled for completion in 1988.

December 29

■ Zheng Jiaheng, deputy director of the State Statistical Bureau, says that China's gross national product in 1987 will pass the 1,000-billion-yuan mark for the first time since the founding of the People's Republic.

He says the economic condition of the country's enterprises also improved, noting that their total profits and taxes rose by 10 percent.

CULTURAL

December 29

■ The 13th session of China's National Committee of the United Nations Education, Scientific and Cultural Organization is told that six historic sites in China have been designated as world cultural heritage protected sites.

They are Tai Shan Mountain in Shandong Province, the Great Wall, the Imperial Palace (Forbidden City) in Beijing, the terracotta warriors of Emperor Qinshihuang's mausoleum in Xian, the Dunhuang Grottoes in Gansu Province and the ruins of Beijing Man at Zhoukoudian in southwest Beijing.

SOCIAL

December 29

■ Chinese Acting Premier Li Peng tells the press that noted New Zealander Rewi Alley, who died in Beijing on December 27, was a great internationalist and a renowned social activist.

Li also praises Alley for his courage, steadfastness, and unselfishness, adding that Alley contributed all his energy to the cause of revolution and construction in China and played an important role in promoting friendship between the Chinese and New Zealand peoples.

FOREIGN RELATIONS

January 1

■ On the occasion of Australia's bicentenary, Zhao Ziyang, general secretary of the Communist Party of China, extends a message of warm congratulations and the highest respect to the Australian people, and wishes Australia prosperity and its people well-being.

AFGHANISTAN

Outlook for Political Settlement Still Dim

The eight-year occupation of Afghanistan by Soviet troops has left more than 1 million Afghan people dead and one-third of the country's population homeless. Afghanistan's plight has drawn worldwide attention.

Since Soviet troops invaded Afghanistan on December 27, 1979, the international community has persistently demanded their withdrawal. The United Nations has passed nine resolutions calling for an immediate and complete Soviet troop withdrawal from Afghanistan, including the resolution adopted by an overwhelming majority at the latest session of the UN General Assembly.

Soviet Foreign Minister Eduard Shevardnadze said late last month that if the United States stopped aiding the Afghan resistance forces, the Soviet Union would withdraw its troops from Afghanistan within 12 months. But Moscow set a precondition for its withdrawal—the end of “outside interference”—an apparent reply to the US administration's stand during the US-Soviet summit meeting in Washington earlier in the month.

High-ranking US officials said that during closed-door talks at the summit, Soviet leader Mikhail Gorbachev reaffirmed the Soviet stance on Afghanistan. US President Ronald Reagan insisted that the United States will not end its aid to the Afghan resistance forces until an estimated 115,000 Soviet troops leave the country. While the problem seems to be which side will take the first step, there is actually a chasm between the two superpowers' positions on the Afghan issue. The prospects for a political resolution of the conflict are still dim.

A year ago the Kabul regime, supported by Moscow, declared a

“unilateral ceasefire” for six months as a step towards “national reconciliation” and the setting up of coalition government of “national unity.” Last July Kabul regime leader Mohammad Najibullah said the Kabul government would extend the so-called ceasefire for another six months. He also said he was willing to directly negotiate with the resistance forces on the establishment of a “coalition government of national reconciliation,” and announced the drafting of a “new constitution” for discussion among people within the country and Afghan refugees abroad. He suggested that his regime might offer ministerial posts, excluding the posts of foreign, defence and interior minister, to members of the opposition forces. These proposals were dismissed by the resistance forces as worthless propaganda designed to hoodwink the Afghan people and the international community.

Meanwhile, the Pakistani and Afghan foreign ministers have held indirect talks on Afghanistan under the sponsorship of the UN in Geneva since June 1982. Such talks were held last February and September, but they failed to reach agreement on a timetable for Soviet troop withdrawal. Recently Najibullah proposed a 12-month timetable for Soviet troop withdrawal. One of the leaders of the Afghan resistance forces said the proposal aims to destroy the resistance forces step by step militarily and consolidate the Soviet-fostered Kabul regime.

Although there are about 115,000 Soviet soldiers in Afghanistan, equipped with modern weaponry, they have been unable to end the fierce resistance of the Afghan guerrillas. Since mid-December, the Soviets have sent reinforcements to Paktia Province, in eastern Afghanistan, in a bid to break the guerrillas' long siege of the town of Khost. After eight years the Afghan people are still fighting against the Soviet military might. It has become a feature of today's world that a superpower cannot conquer a small nation by force.

Bogged down in the deadlock on the battlefield, the Soviet Union has repeatedly expressed its willingness to resolve the Afghan conflict politically. But it has made no substantial move in that direction. Neither the Soviet troops' “partial withdrawal” in October 1986 nor the “national reconciliation” proposal raised by the Kabul regime at Moscow's bidding before the UN General Assembly convened last September has contributed to a political solution of the Afghan problem.

This is because the “partial withdrawal” propaganda and “national reconciliation” proposal are designed only to bolster the Soviet-installed Kabul regime and safeguard the Soviet Union's vested interests in Afghanistan. They sidestep the question of a pullout of Soviet troops—the crux of a genuine settlement.

The key to a political solution in Afghanistan is obviously in the hands of the Soviets. Only when Moscow chooses to leave the country will a political settlement be possible.

by Chang Qing

Note: The article “Time Running Out for President Reagan,” which appeared in our January 4-10, 1988 issue (Vol. 31, No. 1), was written by Pan Tongwen, deputy head of North American and Latin American Studies, Institute of International Studies, Beijing.

Political Parties to Join Forces

As the new year approached, Zimbabwe's ruling party, the Zimbabwe African National Union, and the opposition Zimbabwe African People's Union, signed a unity agreement. The pact lays the foundation for national unity and political stability.

On December 22, Robert Mugabe, president of the ruling Zimbabwe African National Union (ZANU), and Joshua Nkomo, leader of the opposition Zimbabwe African People's Union (ZAPU), signed an agreement to unify the two parties under the name of ZANU.

Under the agreement, Mugabe will be president and first secretary of the united party. Nkomo is expected to be vice-president and one of the second secretaries. The stated purpose of the pact is to unite the nation; establish peace, law and order; and guarantee social and economic development

and political stability.

The agreement has a solid political foundation. The parties' unity efforts can be traced back to the period of armed struggle against white colonialist rule. In 1976 the parties formed the Patriotic Front to fight for independence.

After their victory, ZANU and ZAPU competed in the general election of 1980. ZANU defeated ZAPU and won the majority in parliament. But when ZANU formed its cabinet, it absorbed some members of ZAPU.

Despite some discord between

the parties, they never stopped working towards unity. After ZANU's re-election in 1985, the party continued to implement its policy of national reconciliation and renewed its unity efforts.

Over the next two years, the parties held frequent unity talks. The discussions and consultations, which were conducted on the basis of mutual understanding and accommodation, eventually led to the signing of the unity agreement.

The political stability and economic development of Zimbabwe in the years since independence have created favourable conditions for party unity. ZANU's victories in the country's two general elections show that the party enjoys high prestige among the people of Zimbabwe. Moreover, its influence in southern African and world affairs has increased and its international standing has risen steadily.

In the economic field, the output value of Zimbabwe's processing industries has increased by 15 percent and agricultural output value has expanded by 32 percent since independence. The country's international balance of payments has also improved. These achievements have accelerated the process of party unity.

The struggles of the southern African people against racial segregation and discrimination in South Africa have entered a new phase. The South African regime, relying on its military might, has increased its infiltration, sabotage and attacks against neighbouring countries. This aroused the vigilance of the leaders of Zimbabwe's two parties. They realized that they had to unite to deprive the enemy of any opportunity to attack. The unity of the parties will undoubtedly promote economic development and stability in Zimbabwe and southern Africa as a whole.

by Li Wenzheng

Robert Mugabe (centre) and Joshua Nkomo shake hands after signing the agreement to unify their parties.



CZECHOSLOVAKIA

Keeping Up With the Reform Trend

The wind of reform is sweeping across Eastern Europe. Czechoslovakia has responded with a series of economic and social changes.

Czechoslovakia, an East European socialist country, has for years been trying to eradicate the painful memory of the Prague Spring of 1968, when radical reforms led by Alexander Dubcek resulted in a joint invasion of the country by the Warsaw Pact countries headed by the Soviet Union. Since then, anything connected with reform has been taboo in many people's minds.

In recent years, the winds of change have begun to blow again. This time, however, they originate in the Soviet Union. The Czechoslovak Communist Party leadership has stressed that the present reform programme has nothing in common with the one of 1968, which was an attempt by Right opportunists to negate fundamental principles of socialism.

In March 1986, the Czechoslovak Communist Party held its 17th congress. The meeting mapped out a strategy to accelerate social and economic development which included carrying out comprehensive reforms and expanding socialist democracy. In accordance with this strategy, a series of steps were taken after the congress.

In January 1987, the Czechoslovak government announced 37 principles aimed at reforming the economic system. They centred on how to best structure the relationship between the central government and enterprises, especially how to expand the autonomy of enterprises while maintaining state planning.

According to the principles, enterprises were to fully implement economic accounting and

take greater responsibility for meeting social demand. Enterprises were given more power to make plans and perfect their own organization. They were encouraged to compete among themselves and to enter the international market.

Last July the presidium of the Central Committee of the Czechoslovak Communist Party published a draft law on state enterprises and proposed a national discussion. The law states that enterprises are the basic unit of the national economy. They operate on the principle of combining state plans with responsibility for their own profits and losses, full economic accounting and socialist self-management. They have the right to use the funds remaining after they pay their taxes and retain some portion of their profits. Nobody has the right to take away these funds. Moreover, government departments are not supposed to interfere with the normal activities of enterprises. Any loss caused by such interference must be made up by the departments concerned. State departments in charge of enterprises have the right to intervene in or close poorly-managed enterprises.

In September the government published a draft law on agricultural co-operatives, which was also submitted for national discussion. The law aims to consolidate the present socialist farming co-operatives and tap their enterprising spirit and initiative. Under the proposal, full economic accounting will be implemented; the powers of management and scope of the co-

operatives will be expanded; and every possibility to raise productivity and efficiency will be made use of. The law affirms that co-operatives are independent economic entities whose basic task is to satisfy the people's demand for food. It allows agricultural co-operatives to produce whatever they consider to be appropriate and sell their products. It also gives the co-operatives the power to deal directly with foreign agricultural production units and set up joint ventures or other co-operation projects.

In the political fields, the party said openness must be an integral part of its social democratization and reform policies. The mass media are the key to openness and the most popular forum to discuss the problems arising from socialist construction. The media should play an important role in social transformation and the promotion of democracy, the party said. People should be kept informed of what is going on in the country and in their units and various forms of dialogue should be encouraged between cadres and the people on major issues. The party also said the media should openly criticize bureaucracy and all other negative phenomena.

The present reform is the biggest readjustment of the economic management system since 1948, said Gustav Husak, former general secretary of the Czechoslovak Communist Party. He said the economic reform should help accelerate development and complete the transition from administrative to economic management.

Experience has shown that piecemeal restructuring is not enough and a comprehensive package extending to all fields must be adopted, Husak said. He added that every socialist country should pursue its own road according to its own conditions.

In December 1987, Milos Jakes was elected to replace Husak as party general secretary. The new leader has pledged to continue the

reform programme and strive to fulfill the targets set at the 17th Party Congress. Czechoslovak President Gustav Husak said on January 1 that overcoming shortcomings in economic development and effecting gradual economic reform are the two principal tasks facing Czechoslovakia in 1988.

In a New Year's address, his

first speech since he resigned as general secretary of the Czechoslovak Communist Party at last month's plenum, Husak said that the plenum pointed up the nation's failure to accomplish last year's economic plan and put stress on the need to overcome economic shortcomings.

by She Duanzhi

opposition parties were suppressed, they have won the support of many Panamanian people and are expected to grow stronger than ever before. Within the government, on the other hand, differences have arisen on how to cope with the current crisis. The ruling party coalition has also been weakened by the resignation of the faction led by Vice-President Roderick L. Esquivel. Other member parties are struggling amongst themselves over a cabinet reshuffle.

PANAMA

Political Skirmishes Continue

Panama is now at the crossroad and its government lacks effective means to end the crisis.

Since turbulence began in June, 1987, internal power struggles and clashes with the United States have become more prominent.

Conflicts between the opposition and authorities have intensified former Defence Forces Chief of Staff Roberto Diaz Herrera, whose disclosure to the press of behind-the-scene details about the present government led to political disturbances, was arrested at his home on July 27 and opposition parties retaliated with a 48-hour national strike.

On August 30-31, thousands of opposition members demonstrated again. They were attacked by government supporters and one man was killed and a dozen others wounded.

On September 13, on their way to a meeting commemorating opposition leader Hugo Spadafora, killed two years ago, opposition members again clashed with armed government supporters, leaving another demonstrator dead and several wounded.

To prevent a large-scale anti-government movement, on October 14 the general staff of the Panamanian defence forces arrested the leader of the anti-government National Civilian

Crusade, Tomas Herrera. All this deepened the antagonism between the government and opposition parties.

Since the Panamanian government recalled its ambassador to the United States on June 26, US-Panamanian conflicts have also intensified. The Panamanian ruling party and the National Assembly frequently condemned US intervention in Panama's internal affairs. On October 16, a US diplomat was expelled from Panama. Recently the Foreign Committee of the US Senate adopted a resolution threatening to impose economic sanctions against Panama and suspend military and economic aid. The Panamanian government retaliated by closing the local office of the US Agency for International Development. The two sides are currently holding talks in Washington, but it is difficult to predict whether any understanding or compromises will be reached.

Although the military-backed government has now managed to gain some control over the situation through tough measures, prospects are still uncertain. The turbulent political situation is expected to continue. While

Economic problems resulting from the political crisis are becoming more and more severe. The gross national product (GNP) growth rate reached 3 percent in the first half of 1987, but dropped after the crisis broke out. The Panamanian banking system was the hardest hit. Deposits fell sharply as depositors withdrew their savings. The government admits that the grave economic situation brought about by the political crisis will worsen this year, and dissatisfaction will increase.

Confronted with the crisis, the Panamanian government is at a loss for an effective way to end it. On December 16, President Eric Arturo Delvalle declared amnesty for all citizens involved in the crisis, excluding Diaz Herrera and his seven bodyguards. In his speech at a ceremony honouring the defence forces, President Delvalle called on all Panamanians to direct their sights to the higher goal of "achieving national harmony."

Authorities have also attempted to move the opposition's attention to the next general election by making early preparations for it, but the opposition parties are showing no interest. Two outcomes are possible: the military-controlled government will either manage to hold out until its term of office ends, or it will compromise with the opposition and relinquish its power.

by Yang Ran

Europe — A Force for Maintaining Peace

On May 12, 1987, Chinese leader Deng Xiaoping met Dutch Prime Minister Rudolph Lubbers. The following is taken from Deng's comments on that occasion.

My view on the general international situation is that it is possible to maintain peace for a fairly long period and that war can be avoided. Our two countries have identical views in this respect. It was on the basis of this judgement that we in 1978 formulated the policy of devoting ourselves completely to construction. You can't engage in construction without a peaceful environment.

When we decided on the domestic policy of construction, we adjusted our foreign policy — we follow an independent, peaceful foreign policy. The policy is conducive to peace. We do not play others' cards, that is, we will play neither the Soviets' nor Americans'. We will not allow others to play our cards either.

In analyzing the international situation, we pay particular attention to Europe, for Europe plays a key role in determining if

there will be peace or war. For many years our relations with Eastern Europe were abnormal. Now, basing ourselves on an objective judgement, we are of the opinion that both Western and Eastern Europe are a force for maintaining peace. Both Eastern and Western Europe need to develop, and the more they develop the stronger force for peace they become.

Why do we say Europe is a force for peace? Because Europe has experienced two catastrophic world wars. No country besides the two superpowers is capable of launching and fighting a third world war. And if the war should break out, Europe would be its first victim.

We hope to see a united, strong and developed Europe. As long as Europe, including both Eastern and Western Europe, doesn't tie itself to the war chariot of others, there will be little chance for world

war to break out. That's why we say it is possible to maintain peace for a fairly long period. If the third world, China included, has satisfactory development in the first 50 years of the next century, and the whole of Europe has as well, I think the danger of war will have been truly wiped out by then.

We feel that Europe is a bit more open, especially in the field of technology, and we feel relatively more satisfied — of course not completely satisfied — with this European stance. Therefore, our policy is to develop a relationship of friendship and co-operation with Europe, including Western and Eastern Europe. This policy aims not only to promote China's development, but also to safeguard world peace. Our policy towards the Netherlands and the European Community as a whole is the same. We are also developing relations with Eastern Europe; this is our new principle. ■

Kissinger on East-West Relations

Dr. Henry Kissinger, in an interview with "Outlook Weekly" correspondents from China, underlined the importance of conducting conventional disarmament simultaneously with, if not before, large-scale nuclear disarmament, in order to keep a proper geopolitical balance between the United States and the Soviet Union.

The former US secretary of state also said that nuclear disarmament alone would not bring about permanent improvement in the relationship between East and West unless other underlying tensions are dealt with too.

The following are the questions and answers in the conversation over cups of tea in Kissinger's suite in New York.

by Peng Di and Qian Xing

Q: Dr. Kissinger. Now that the summit meeting between the US and Soviet leaders in Washington is over, how would you characterize the present East-West relations?

A: I would say the personal

relationship among the leaders of the two countries has certainly been improved. On the other hand, I don't believe that tensions result so much from personal relations as from certain realities. I therefore fear that unless the

underlying tensions are dealt with the improvement in East-West relations will not be permanent.

Q: What do you mean by the underlying tensions?

A: Well, I mean the Soviet

activities in many parts of the world. In Afghanistan, in South-east Asia, in Nicaragua, in Angola. After all the Soviet Union has the largest land territory of the world of any state. To ask them to keep their armed forces inside their territory is not an exorbitant demand. And to talk about nuclear disarmament alone without talking about the conditions that produce the armament seems to me a mistake too.

Q: So what would be your proposal for this problem?

A: I have said repeatedly publicly that as a matter of fact I like the Chinese approach which states their three conditions for improvement— you know very well what they are. I believe that the West ought to state which problems need to be dealt with and I would include among them at least two of the Chinese conditions, Afghanistan and South-east Asia. I would add to it Angola, Nicaragua and some degree of co-operation in the Persian Gulf.

Q: Are the United States and the Soviet Union changing their policies a bit? What is your impression?

A: The Soviet Union requires some years of stability to concentrate on domestic affairs. That is what Marxists would call objective reality. The United States is frequently tempted by moods which are mostly psychologically oriented. I think President Reagan would deny that he is changing his policy. But certainly there has been some improvement in their relationship.

Q: What about the INF treaty itself which they have just signed?

A: I have been critical of the INF treaty because I thought it was an unequal treaty. It removes no Soviet threat to Europe or to the United States. But it reduces the ability to retaliate against aggression from Europe. However, it

is senseless to debate that treaty now because it has been signed and my view is that not ratifying it would cause more damage than the treaty. So I will testify before the Senate in support of the treaty. I don't think the issue now is the treaty. The issue is where do we go from here.

Q: And they're going to cut further— the strategic offensive weapons. How do you feel about that?

A: I think that what the United States must do is to develop a strategy by which it can defend distant allies or friends with foreseeable weapons. On the one hand cutting by 50 percent does not destroy the ability for vast devastation. But it may limit the ability to use nuclear weapons in a discriminating manner in the defence of friendly countries. And since the Soviet Union has a large land army and interior lines of communication which mean they can switch their army from East to West, or vice versa, I would like to see some substantial Soviet conventional disarmament, at least together with and preferably before a big nuclear disarmament. I do not want to see nuclear weapons singled out.

Q: But Mr. Gorbachev seems to have indicated that he is quite ready to reduce conventional arms also, even on the asymmetry principle.

A: I'd like to see what he has in mind. I'm not saying he will not do it. But I don't believe that it is sensible for us to concentrate on nuclear weapons before we know what he will do in the conventional field. General statements are not enough. Let him make a concrete proposal so that we know what he has in mind. If they withdraw say five divisions or 10 divisions from Europe and put them into the Urals, that will increase the danger to both the Middle East and to China. So whatever they pull out of Europe has to be dismantled. It isn't enough to change the

geographical location. It isn't enough for them just to reduce it.

Q: In view of the complexity of the problem concerning strategic weapons, which is scheduled to be discussed during the next period, is it possible to sign an agreement in such a brief period?

A: I have great difficulty to imagine how it could be done. I have great difficulty imagining those inspection provisions that have to be worked out.

Q: I recall in some of your previous statements you had talked about the ability of human beings to survive in a world of conflicts as well as interdependence among nations. What is the way to start that process if not starting somewhere with nuclear disarmament?

A: You start with conventional disarmament simultaneously. Why do you have to concentrate on nuclear disarmament alone? Why do you have to start exclusively with the weapons on which the defence of the Western countries has been built and not include any of the weapons on which the strategy of the Soviets has been built? Why not deal with the danger that has arisen in Soviet conventional superiority? I'm not saying don't deal with nuclear weapons. I'm saying deal with both nuclear and conventional weapons.

Q: Dr. Kissinger. Aside from superpower relationship, what else do you see emerging in the international horizon?

A: I follow with great interest the internal developments of China. I think your Party Congress has been a very significant event, and in fact, much more significant than any of the domestic changes going on in the Soviet Union. Because you have established three layers of leadership. You are the first communist country that has replaced leaders with honour. You have come up with a way

conducting your economy that is neither capitalist nor complete planning. I think it will be fascinating to see how it will work. I frankly do not think the Soviet reforms can work the way they are now. But I'm quite optimistic about the Chinese reform. Of course the governing of a billion people is a difficult job no matter what the system is.

Q: We understand you have been very active in using your expertise in helping improve international relations but in a different capacity from formerly as a government official. Could you tell us something about your new experience?

A: Well, I now do private consulting entirely with private companies. I advise governments but I never take money for that. I advise governments I consider as friends when they ask my opinions. But I do not work for any government. I can play a role but it's not the same as being in government. It's a different role. I can look more into the future.

Q: What advice can you offer to China now?

A: I think that China is on the right road. I think China, I hope, is patient with the United States in what may happen in an election year with some irresponsible statements that may be made. I

think US-China relations are on very good terms. One thing I'm very proud of is that now every American president since the opening by Nixon—and both parties—have supported those relations with China, and this is almost one of the very few subjects that is not controversial. I'm now very actively organizing the US-China Society. Its purpose is to create the best public understanding for close relations between China and the United States in this country. We will have a number of conferences, and in our individual capacity as well, to promote friendship between China and the United States. ■

Soviet Reform Programme Faces Test

by Zhang Tiegang

Under the leadership of Mikhail Gorbachev, the Soviet Union has basically completed preparations for its economic reform programme. Despite constant interference from both "radical" and "conservative" factions, a blueprint has been drawn up and changes have been introduced on a trial basis. Now the programme, which has attracted worldwide attention, has entered the critical stage during which it is expected to make full-scale and fundamental changes to the Soviet economy.

The Soviet economic system, which is being radically restructured, is essentially based on a pattern that was established in the 1930s. After World War II, attempts by Soviet leaders from Nikita Khrushchev to Leonid Brezhnev to reshape the inefficient system failed because of incompleteness and incorrect policies. As a result, in the late 1970s the growth of the Soviet economy began to slow. National income was approximately 67 percent of that of the United States, total industrial output 80 percent, and labour productivity 40 percent. In

some areas of high technology which are of key importance to economic development, the Soviet Union fell far behind the United States and other Western countries.

In April 1985, one month after he became the leader of the Kremlin, Gorbachev called a Central Committee plenum at which he presented an urgent and all-embracing economic reform programme. In June that year an enlarged Central Committee meeting was held to discuss the acceleration of scientific and technological progress. The 27th congress of the Communist Party of the Soviet Union, which was convened in the spring of 1986, formally affirmed the strategy of speeding up social and economic development and the policy of fundamentally reforming the economic system. In January 1987 another Central Committee plenum was held. This meeting adopted the principle that cadres should be judged according to their attitude towards economic reform, thus organizationally ensuring the smooth implemen-

tation of the programme. The plenum was hailed as a "great milestone in Soviet history."

At the end of June 1987, the Central Committee announced the general targets of the reform plan, as well as some specific measures. And in late October, Gorbachev called a Central Committee plenum at which he removed Boris Yeltsin from his post as Moscow party secretary for his "radical mistakes." Yeltsin was known as a staunch advocate of reform. Gorbachev pointed out that the reform faces challenges not only from the increasingly strong conservative forces but also from the impatient radical elements. He said, "The reform is now at a critical transitional stage" and appealed to the Soviet party and people to remain vigilant to the dangers that threaten the reforms and to make unremitting efforts to bring about the reforms' success.

It is now clear that the reforms are going to take place in all economic sectors and at all levels.

The overcentralization of power has been a major obstacle to

Soviet economic development. The reforms are directed towards replacing the system of mandatory plans with a flexible new system which will be regulated by the law of value. Enterprises will map out plans independently in accordance with general economic quotas and state orders for products. The management system will also be reformed drastically. The overcentralized administrative management system will shift in the direction of a system based on economic considerations and management will become more democratic.

The reform will lead to fundamental changes in the nature of Soviet enterprises, and a new, vigorous enterprise management system will be set up. Enterprises, formerly powerless units of the state, will become relatively independent socialist commodity producers. The relationship between enterprises and the state will become mainly economic rather than political. In a word, the ownership will be separated from the management, and a full economic accounting system will be implemented. Enterprises will obtain their own funds and materials, make their plans and put them into effect.

Pricing reform is an important aspect of the reform programme. The present pricing system is obsolete and past attempts at restructuring have not overcome the many shortcomings inherent in the system. The most serious problem is that the price of commodities bears little relation to their value. This has put a heavy burden on the state. For example, the government spends some 57 billion roubles (about US\$90 billion) a year on meat and dairy products subsidies. Production under this system lacks vigour and motivation. Pricing reform aims to set up a flexible and comprehensive system in which prices are based on the socially necessary cost of production of an item, the economic efficiency with which it is produced, its quality,

and supply and demand. Price subsidies will gradually be abolished and a system of contracted prices will be widely put into effect.

In the area of supply, the centralized allocation of technology, equipment and materials and the appointment of fixed suppliers must be replaced by a wholesaling system for the means of production. The purpose of this reform is to guarantee that every enterprise can obtain the resources it needs and to establish a socialist market in the means of production which will eliminate manipulation and monopoly.

In the field of finance and credit, the Soviet Union is trying to discard its obsolete financial system and create a scientific and flexible system that is responsive to the needs of the economy. The new financial system will be closely associated with day-to-day economic activities, setting as its target stimulating enterprises to raise their economic efficiency.

The Soviet Union has serious problems in agricultural management. Egalitarianism deprives Soviet farmers of their enthusiasm for production, exerting an adverse influence on the whole national economy. In the coming two years, all collective farms in the Soviet Union will implement full economic accounting, move towards becoming part of the agro-industrial complex and seek to spread the collective and family contract system.

The acceleration of economic development requires progress in science and technology. Over the years, the Soviet Union has fallen behind the United States, Japan and other industrialized countries in many areas of high technology. In a bid to catch up as soon as possible, the Soviet reform package includes the reforms in the field of science and technology. Efforts are being made to integrate scientific research with production and use economic means to encourage more research. Scientific and technolog-

ical progress should be the major factor in economic expansion.

The Soviet leadership is well aware that despite reforms over the past 70 years, the country's wage system is still far from perfect. The most obvious shortcoming is its deep-seated egalitarianism, which fails to embody the socialist principle of "from each according to his ability and to each according to his work." If the problems are not corrected, it will be impossible to accelerate social and economic development. So radical reform of the wage system is highlighted as one of the key tasks in the current economic reform. The aim is to set up an incentive mechanism that closely links wages to working performance, thus realizing the socialist principle of distribution.

To ensure the smooth progress of the economic reform, the Soviet Union is promoting the principle of *glasnost* (openness), the expansion of socialist democracy and the development of people's self-government. Stress is also being placed on passing laws detailing how the country's affairs should be conducted so that people from the grass-roots level up can monitor whether higher officials are acting correctly. In the meantime, great importance is attached to the role of cadres in the reform. It has been clearly stated that attitude to reform is an important criterion for judging cadres. According to official Soviet sources, some 70 ministerial officials and one-third of the country's middle-level officials have been sacked from their posts. Various kinds of cadre training are being conducted.

Reform, which always involves a struggle between the new and old, is never easy, especially in a large enclosed country like the Soviet Union. The current status of the Soviet reform is as follows: the Central Committee is committed to reform and has mapped out a series of plans; some of them have begun to be implemented. But the implementation is incom-

plete and largely ineffective, and the reform at the grass-roots level is so slow that little change can be seen there.

Where does resistance to the reform come from? First, it comes from some cadres in the leadership. Cadres who are bent on comfort rather than work will lose their privileges; unpopular cadres will lose their power with the spread of the electoral system; and corrupt officials will be exposed, criticized and punished with the further implementation of the *glasnost* principle. Soviet newspapers say these people, although not openly opposed to the reform, are resisting it privately—either by only paying lip service to the programme or executing the policies incorrectly. At the Central Committee plenum in June 1987, Gorbachev criticized by name the first secretary of the Central Committee of the Armenian Communist Party, Karen Demirchyan, and several vice-premiers and ministers, including Nikolai Talyzin, one of the country's chief planners, for their passive attitudes towards reform.

Many ordinary people, who are

used to the status quo and unwilling to make changes, are resisting the reform tide. These people swallowed many years of official propaganda that painted the Soviet Union as an earthly paradise, where there is no need to worry about food, clothing, or shelter; work is light and easy; and there is no unemployment. In their eyes, there is no need for reform.

The impact of conventional ideas on people's thinking cannot be ignored. The Soviet authorities admit that the theoretical level of the Soviet people remains roughly where it was in the 1930s and 1940s. Soviet newspapers have reported that many people are suspicious about the reform guidelines and policies. Even some senior intellectuals regard the reform as a deviation from socialist principles that will destroy the country's socialist foundation.

As the reform expands and intensifies, the Soviet authorities are learning more about the resistance to it. Gorbachev recently noted, "It is wrong to ignore the fact that resistance from the conservative forces is increasing. Reform is seen by these forces

as a danger to their selfish interests. This is manifested not only in some management circles but in working collectives as well. It is beyond any doubt that the conservative forces will never forget to capitalize on every difficulty to undermine the reform by stirring up dissatisfaction among the people."

While assailing rightist obstructionism, Gorbachev also for the first time clearly criticized interference from leftist forces. He said, "However, we should not submit to pressure from those people who are enthusiastic about reform but impatient. They do not take into consideration the objective logic of the reform and feel dissatisfied with what they regard as the slow pace of reform and the failure of the reform to quickly bring about necessary results. It must be realized that it is impossible to surpass certain stages and attempt to resolve all the problems at once."

The reform in the Soviet Union is facing a severe test. Its course is complicated and full of contradictions. The next two or three years will be critical if the programme is to be a success. ■

Promoting Consultation and Dialogue

by Our Correspondent Feng Jing

Establishing a system of consultation and dialogue is one of the aspects of political structural reform which was raised at the recent 13th CPC National Congress. Zhao Ziyang, premier at the time, said in his report, "It is imperative to develop a system of consultation and dialogue, so that what is going on at higher levels can be promptly and accurately made known to lower levels and vice versa without impediment, thus enabling people at all levels to understand each other."

The system entails face-to-face discussions on questions of

common concern between the masses and leaders and between various groups of people, on the basis of equality, as a means of solving problems.

Liu Zhenhuang, director of the Hunan Changling Oil Refinery, said, "Consultation and dialogue are a good way of developing democratic work style and of allowing the employees to realize their status as masters of the country. The system of factory directors assuming full responsibility, which has recently been implemented, means that the greater the factory director's

authority becomes, the more he will respect the status of the employees as masters of the country."

Important Channel

Bringing problems out into the open will facilitate their speedy resolution. The Dalian Engineering Institute, which has over 10,000 students and the teaching staff, has in the last two years begun implementing a system of devoting two days to reception a week. The leaders of the institute

are responsible for receiving the teaching staff and students and holding dialogues with them. In their dialogues with Zhang Yupu, deputy secretary of the institute's Party committee, last April, three students complained that the attitude of some of the cooks towards their work in the institute's canteen was deplorable and that the hygiene in the canteen also left much to be desired. Cooks should wear identity badges, and there should be an opinions book in the canteen to facilitate student supervision, they said. Rewards should be given to those who have rendered outstanding service and punishment meted out to those who have done poorly. A few days later, their suggestions were accepted and great changes took place in the canteen.

Dialogues have enabled leaders to derive wisdom from the masses. In September 1987, the Beijing Railway Sub-bureau which has a total of 80,000 employees held a dialogue between the director, Ding Guo, and Party committee secretary, Fei Keqin, on the one hand and 23 employees' representatives on the other. The representatives presented 137 questions. About 80 percent of them involved the structural reform, transport, production and opposition to bureaucracy, the rest concerned the welfare services. In the process of these questions, analyses and suggestions also emerged. The leaders found many of the suggestions valid. They are about to implement some of these suggestions and may conduct feasibility studies on others.

Li Ruihuan, mayor of Tianjin and a newly elected member of the Political Bureau of the CPC Central Committee, said, "Reform itself is a revolution for it is an adjustment and redistribution of power and interests. In a sense, it is impossible for everybody to be satisfied with it. There is nothing to be afraid of, except that leaders fail to understand the discontent of the masses. The responsibility

of the leaders is to find out, come to understand and then remove such discontent and strive to create unity and peace of mind." Since 1984, leading members of the Tianjin municipal people's government and the governments of various districts in Tianjin have instituted a system of dialogues with residents' representatives at fixed times. They publicize major events, and important issues are discussed among the people.

Through the system of consultation and dialogue, the Party, government, mass organizations and ordinary people have been brought closer together. Dialogues have enabled leaders to derive wisdom from the masses. Bringing problems out into the open will facilitate their speedy resolution.

Li Ruihuan has held over ten dialogues on a fairly large scale with citizens' representatives in the last two years. In the dialogue held last November, the people's deputies and members of the political consultative conference in Tianjin discussed the shortcomings of the reform, opening to the outside world, industrial and agricultural production, urban construction and the people's daily life. They also offered their suggestions and criticisms. Li Ruihuan and his aides described the reform measures and asked the representatives to discuss them with the people. Some representatives expressed discontent with the poor supply of gas in the city. Li Ruihuan accepted their criticism and made an earnest self-

examination. He then announced a set of measures to improve the situation. The gas supply soon took a turn for the better. The dialogue also dealt with housing. After the dialogue a programme for commercializing housing was worked out for Tianjin, and the first batch of commercial houses covering an area of 50,000 square metres was sold within one month.

In June 1987, some younger theoreticians from the State Commission for Economic Restructuring held a dialogue on reform with 70 student representatives from four universities in Beijing. The students aired their misgivings on reform and brought up issues of common concern to the masses. The theoreticians gave an account of the process of reform and its difficulties. *Renmin Ribao* (People's Daily) carried the gist of the dialogue on June 4 and 5, 1987. The dialogues were enthusiastically welcomed by the readers. The Baoshan Iron and Steel Complex in Shanghai alone bought 4,500 copies of the paper for its employees. *Wen Hui Bao* in Shanghai printed 80,000 special issues for the dialogue all of which were snapped up in no time.

When a problem raised in these dialogues cannot be solved in the short term, both sides are required to present the facts, reason things out and reach an understanding. The Hunan Changling Oil Refinery is a large enterprise with a total workforce of 10,000. In 1987, some 30 consultations and dialogues concerning the reforms, prices, intellectuals' position and the training of workers, were held to good effect.

The director, Liu Zhenhuang, describes how the refinery can arrange for some workers to go on paid sabbaticals to study. Many young people are applying for these sabbaticals, but are often refused because they are needed at the plant. They are often outraged at this. So, the refinery conducted two collective dialogues. Each time the meeting hall was packed to capacity with the young

employees. They put a series of questions to the factory director and Party committee secretary. "What were your ideals in your youth? When your hopes conflicted with reality, how did you deal with it? Now in the information age, why are we not released to attend the worker university when we have already been accepted?"

The director and the Party committee secretary honestly answered these questions and openly discussed the difficulties of the refinery. They asked the young people, "If you were a factory director or the Party committee secretary, what would you do?" "If I were a factory director, I would allow whoever wanted to study to go," said one young man. Everyone laughed. Another young man suggested, "Whoever is academically most gifted should go." The factory director asked again, "What if that person is indispensable?" After a moment of silence, some young people said, "Study on one's own should be encouraged. In their spare time, people should take evening and television courses of study." After these problems were aired, the young people felt that the leaders valued them and that they, too, should show understanding for the difficulties of the leaders.

Media: A 'Bridge'

Trade unions, mass organizations and the media often form a "bridge" for organizing the consultations. Before the dialogue conducted by the Beijing Railway Sub-bureau, the trade union invited the sub-bureau's Party and administrative leaders to attend the dialogue, told them about their plans and organized the election of representatives for the dialogue.

The trade union organized an agenda for the meeting. Before the dialogue, organizers of the sub-bureau's trade union held discussions with the representatives of the units under the sub-bureau,

noted their questions and handed them to the Party and administrative leading members two weeks before the dialogue, so that they could make proper preparations for the dialogue.

After the dialogue, the trade union of the sub-bureau was responsible for supervising the implementation of the decisions and promises made at the dialogue. It then kept the representatives informed of the progress. A member of the trade

The media's role as a "bridge" is being discussed. With dialogues gaining popularity in many places, the China Social Survey Institute contributes to the flow of information between the masses and the policy-makers.

union said, "We are going to find out the situation and tell the representatives the final results."

The media has also played its part. Last September China Central Television organized a democratic dialogue on prices. It invited some government officials including Yuan Mu, the press spokesman of the State Council, and a group of ordinary citizens including workers, retirees, private business people, voluntary market inspectors and trade union cadres to participate. The residents told the government functionaries all about the gossip and rumours on the streets. Central Television relayed the dialogue on two successive evenings and it proved very popular. The Journalists Society in Beijing has since held a symposium on how the media could expand its role as a "bridge" for dialogue.

Popularity

The practice of consultation and dialogue has been taken on by ever more people. Dialogues have become common in many places, especially in Beijing, Shanghai, Hubei, Hunan, Sichuan, Liaoning, Heilongjiang, Shaanxi, Shanxi and the Ningxia Hui Autonomous Region. Dialogues have been conducted between mayors and citizens; between factory managers and employees; between university leadership and students; and between theoreticians and the masses. Many government leaders at the municipal, prefectural and county levels and leading members in some large and medium-sized enterprises have conducted dialogues with worker representatives.

The forms of dialogue have diversified. Informal discussions are the most common. A company under the Ministry of Metallurgical Industry divided its dialogues into the following types: the examination and approval of decisions and research, workers' inquiries, democratic consultation, discussions on the current situation and democratic reception days. Suggestion boxes, information feedback cards and some news-sheets facilitate more exchange between the leadership and the masses. In many cities such as Guangzhou and Urumqi, special telephone lines to the mayors have been opened.

Mass organizations which organized dialogues also acted as representatives of the masses in dialogues. Last July leading members of the trade union, youth and womens organizations in the Chongwen District of Beijing held a dialogue with district head Yang Guoxiang. The Beijing Federation of Trade Unions is planning to hold a dialogue with the mayor of Beijing. Deputy mayor Zhang Jianping has reportedly accepted the invitation.

Dialogues have been gradually institutionalized. The Traditional

Chinese Medicine Factory in Beijing has since last February been holding "democratic reception days" on the fifth day of each month. The factory director or the Party committee secretary is available for dialogue with the workers. The factory's trade union is responsible for seeing that the relevant department attends to the questions raised within one week.

The municipal Party committee and people's government of Yichun in Heilongjiang Province worked out last May their

"programme for the implementation of Democratic Dialogues in the City" which specified the guiding ideology, basic forms, content and organizational work for dialogues.

The China Social Survey Institute is the first research unit in China specializing in surveys fare. It uses advanced investigation techniques such as sample surveys, questionnaires and computers and has thereby opened up new ways of keeping the Party and government informed of the

opinions, wishes and demands of the masses. Since its establishment this past year, it has, by using the nationwide survey network, completed five large-scale investigations, including the "people's feelings about reform and development," "opinions following the adjustment of prices," and "the living conditions of scientists and technicians." The institute's work will play a positive role in promoting the flow of information between the masses and the policy-making organizations. ■

Jiaxing — Silk Producing Centre

by Our Correspondent Han Baocheng

Jiaxing city, located between Shanghai and Hangzhou, is one of China's major silk production bases. In 1987 it exported 2,750 tons of silk, nearly one-third of China's silk exports.

Jiaxing, in Zhejiang Province, has five counties and a suburban district under its jurisdiction. Its silkworm breeding tradition goes back 4,700 years. It has ideal climate and soil for mulberry trees and silkworm raising. The local government encourages the development of a diversified economy and has raised the price for cocoons to double what it was in 1978 — providing the farmers with a good incentive for planting mulberry trees and breeding silkworms.

Tang Pane and her husband in Tongxiang County contracted 0.26 hectare of dry land for planting mulberry trees in addition to 0.2 hectare of rice paddies. In 1987 they bought a total of 230,000 silkworm eggs and earned 2,400 yuan, which accounted for 40 percent of their total income from agricultural production. They use the entire ground floor of their new two-storey house to breed silkworms.

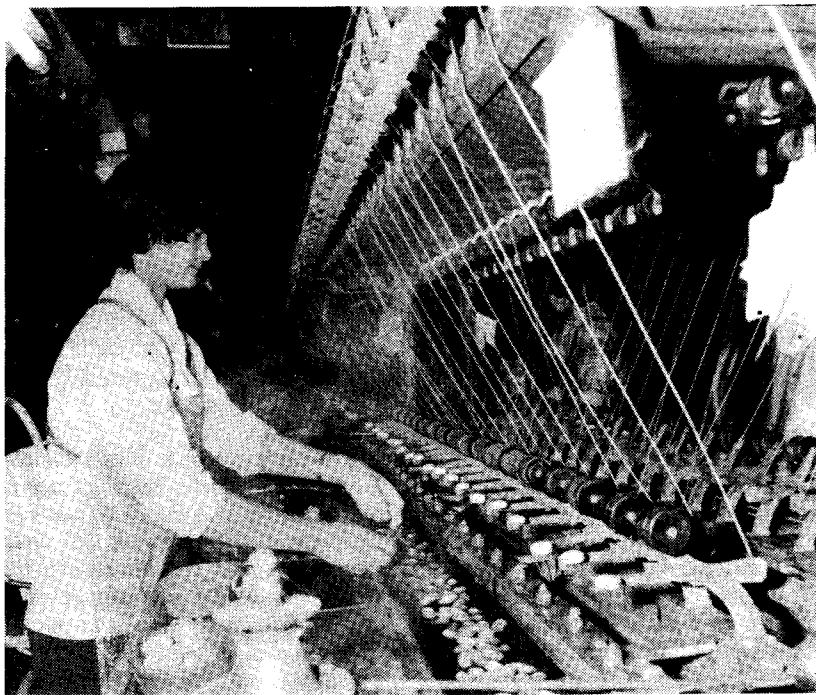
Tang's is a middle income family among the silkworm raisers

who account for 90 percent of the county's population. In 1987, the county led the province with a cocoon output of 16,576 tons, according to Gao Hongkun, deputy director of the county's agricultural bureau. To guarantee the quality of the cocoons, the

county agricultural bureau provides sericulturists with fine silkworm eggs. The county has three silkworm egg farms and over 60 agrotechnical stations which offer services free. A deputy county governor is responsible solely for mulberry planting and

Filature workshop at the Chonde Silk Factory in Tongxiang County.

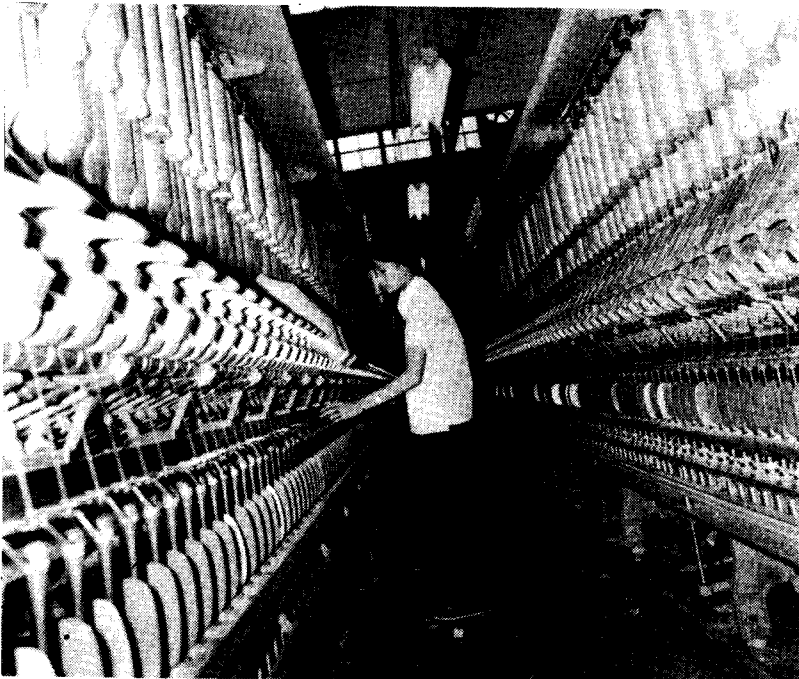
XU XIANGJUN





Tang Pane in her silkworm-rearing house.

HAN BAOCHENG



The No. 1 Workshop of the Jiaxing Pongee Silk Factory.

XU XIANGJUN

sericulture.

The abundant supply of high quality cocoons guarantees the silk production in the city. At present the city has 41 silk factories and a whole group of smaller workshops run by villages and townships. Most of these were founded after liberation in 1949.

The Jiaxing Silk Filature and Knitwear Mill, the Jiaxing Pongee Silk Factory and the Chongde Silk Factory in Tongxiang County were, however, established in the 1920s and 30s. With simple equipment and small capacity, they produced a total of 100 tons of silk a year in the early post-

liberation years. Expansion and technical renovation have since turned these factories into large export-oriented enterprises. With them as the mainstay, silk production has become an industry identified with the city.

The Jiaxing Silk Filature and Knitwear Mill grew out of the No. 1 Factory of the China Silk Co., which was opened in 1929. At present it employs 2,780 people and has an annual capacity of 450 tons of silk and 200 tons of gray silk cloth. Since 1982 the factory has co-operated with a knitwear mill in Shanghai to produce silk knitwear. The new products sell well on international markets with orders coming in from over 200 foreign businesses a year. In 1987 the factory exported US\$8 million worth of silk clothes. According to Chen Yunhai, head of the administration section, the factory has imported key equipment from Japan, Federal Germany, Italy and Switzerland. The expansion project which was completed last year will greatly increase its production capacity.

The Jiaxing Pongee Silk Factory produces luxury satin and brocade with sophisticated techniques. The satin and brocade, thus processed, are glossy and soft, and stand wear and tear much better than other natural fabrics. The factory has a workforce of 3,600 and produces 1,300 tons of silk and 10 million metres of fabrics a year. Its products are available in more than 50 countries and regions including the United States, Japan, Hong Kong and Macao.

The Chongde Silk Factory is well-known for its reliability and good quality. In 1985 it was given an urgent order for eight tons of 6-A class white filature silk by a foreign company. The factory organized experienced workers, implemented special procedures, and completed the task ahead of schedule. Director Chen Qihong said his factory is ready to do the same at any time, for it employs 2,000 people and has an annual

production capacity of 340-350 tons of filature silk. About 98 percent of the products are exported. The factory supplies trained technicians and managerial personnel for the 23 silk factories in the county, including those run by the villages and townships.

Silk is comfortable, elegant and fine. Its production is an ancient craft. To make silk thinner than a hair, the women workers must work in hot water. They can now do it sitting down and have medicinal lotions to protect their skin, but their work is still harder than other work in the factory, so

they also get the highest pay.

With 50,000 workers, the silk industry is the largest trade in the city, but the per-capita profits are the lowest in the city since the processing side is still underdeveloped. Before 1983 the city made 50 percent of the province's silk production but only 7 percent of the satin and brocade.

Since 1984 the city has developed its silk processing industry, earmarking 100 million yuan for it (including 20 million yuan raised abroad). The city has basically completed an integrated network of silkworm breeding, filature, weaving, dyeing, printing

and clothes-making.

To train technicians, the city opened China's first silk technical school in 1984, and the first batch of 120 students will finish their studies this year.

Jiaxing is a coastal city, 120 kilometres from Shanghai. It is accessible by water, land and air. The city's silk resources are rich and its products popular. All this promises well for the future development of silk in the city. Jiaxing intends to continue attracting foreign investment and importing advanced foreign technology and equipment. ■

FACTS & FIGURES

1987 — A Year of Stable Economic Growth

by the State Statistical Bureau

Last year saw a further development in production and economic construction. GNP topped 1,000 billion yuan for the first time in history, an increase of 9 percent over 1986 in real terms. But there are still some destabilizing factors which must be eliminated from the economy.

1. Growth in industrial production.

In 1987 the government's power for overall economic control increased. The enterprise contracting system spread and the workers were motivated. All this produced a sustained increase in industrial production from the beginning of the year. The year's industrial output value topped 1,000 billion yuan, an increase of 14.5 percent over the year before. If rural industrial production is also included, the increase exceeds 16 percent.

Light and heavy industries developed at an equal rate. The product mix was adjusted, so that the most popular commodities and textiles and those for export made the bigger showing. The production of goods for agriculture picked up. Energy and raw materials production increased steadily. The year's coal output topped 900 million tons; crude oil, 135 million tons; electricity, 500 billion kwh; and steel, 56 million tons. The output of motor vehicles and tractors rose remarkably. Production in the state-owned industrial enterprises rose at a rate similar to that of collectives and others. Enterprises' profits and taxes increased over 10 percent. The circulation of cash accelerated and product quality was stable. Energy saving efforts were effective. Per-capita productivity rose by 7 percent. However,

financial losses in some enterprises increased.

2. Grain and cash crop harvests grew.

Last year investment in agriculture increased and farmers' motivation soared. Agricultural capital goods sales exceeded 70.5 billion yuan, a 22.4 percent increase over 1986. Agricultural output value rose 4 percent over 1986. Grain output reached 400 billion kg, an increase of 10 billion kg over 1986 and the second highest harvest in history. Cotton output topped 3.9 million tons, 12 percent more than in 1986. Tobacco and fruit harvests also increased. Fishery, forestry and other sideline production grew to different extents. The number of pigs and pork production dropped. Farming of herbivorous livestock and poultry went up.

Rural industry, building, trans-

port and commerce all grew. The output value of non-agricultural production in the rural areas surpassed that of agricultural production for the first time. Rural production in 1987 was 12 percent more than the year before.

3. Building and investment adjusted.

Fixed assets investment by state-owned enterprises topped 226 billion yuan, a 14.2 percent increase over the year before but in real terms the scale of the results is about equal with 1986.

The pattern of investment has also been adjusted. Investment in capital construction by state-owned enterprises was over 134 billion yuan, 13.9 percent more than the year before. Investment in productive projects was 89.1 billion yuan (a 25.1 percent increase), which amounted to 66.5 percent of capital investment, up from the 1986 figure of 60.6 percent. The proportion which went into the energy industry rose from 22.8 percent in 1986 to 25.2 percent, and into the raw materials industry, from 12.8 percent to 13.5 percent.

Enterprises are constantly modernizing. Investment in updating increased to 74 billion yuan in 1987, 19.5 percent more than in 1986.

Over 100 large and medium-sized capital construction projects and 180 larger separate projects were completed and put into production last year. Targets for oil, natural gas, coal, electric power, non-ferrous metals, timber, and railway expansion and double-tracking projects are expected to be met. The newly added installed capacity of power stations is expected to exceed 7.3 million kw, hitting an all-time high.

4. Circulation.

Retail sales of food, clothes and household goods increased.

The value of retail sales is expected to have reached 582 billion yuan, up 17.6 percent from 1986. In real terms the increase

was 9.7 percent.

Retail sales of food reached 276.3 billion yuan, up 18.1 percent from 1986, 7.3 percent in real terms. Clothes sales were 88 billion yuan, up 13.9 percent. The sales of high and medium-range garments and fur and leather coats increased considerably. Retail sales of household articles were worth 147.2 billion yuan, an increase of 16.7 percent. Supply of high-quality, brand consumer durables still fell short of demand. The ever-growing demand for certain non-staple foods and household manufactured goods also outstripped supply. Many large and medium-sized cities revived rationing of pork, eggs and sugar in the state stores.

5. Trade and currency reserves.

The initial reform of China's foreign trade structure and the appreciation of the Japanese yen and German mark worked to China's advantage. According to customs' figures, last year China exported US\$38.2 billion worth of goods, an increase of 23.4 percent over 1986, and imported US\$41.7 billion worth of goods, a drop of 2.8 percent from the year before. Imports amounted to US\$3.5 billion more than exports, leaving a trade deficit US\$8.5 billion less than that of 1986.

Of the export commodities, primary products made up 34.5 percent, a drop of 2.8 percent from 1986. The proportion of finished industrial products rose to 65.5 percent. Imports of machinery and electronic products, particularly luxury consumer goods, dropped considerably, while imports of cereals, edible oils, sugar and agricultural capital goods increased.

Due to the fall in the trade deficit, China's non-trade foreign exchange accounts improved. By late November China's spot exchange reserves had risen well above the January level.

6. Personal incomes.

The wages of urban employees

totalled 186 billion yuan in 1987, an increase of 12 percent, which is less than the 20 percent increase in 1986. The annual per-capita salary income of urban employees averaged 1,462 yuan, up 10 percent; however, when price rises are factored in, the actual increase was 1.3 percent, considerably less than the 8.2 percent real increase of 1986. Calculating also for other incomes all urban people's per-capita annual income for living expenses generally averaged 910 yuan.

Owing to the increases in production and prices of farm and sideline products, the growth rate of farmers' income was faster than urban residents'. The per-capita annual income of farmers averaged around 460 yuan, up 8.5 percent over 1986. Allowing for price rises, the actual increase was 3.3 percent, which is more than in 1986.

By late November, rural and urban people's bank deposits had topped 300 billion yuan, 77.1 billion yuan more than in January.

Specialists of the State Statistical Bureau calculate that total demand still outstripped supply. Various structural contradictions have become increasingly evident. This constitutes a difficult problem in the development of the national economy.

The growth in demand and purchasing power in the past few years, the short supply of farm and sideline products and household goods, the rise of certain prices following the strong grain prices, and problems with price controls all resulted in price increases for many goods in 1987.

The differences between the production and the demand for farm and sideline products, between the high investment rate and the shortage of funds for key construction projects, and between bulging consumption and the drop in real income of some urban people have all grown despite the continuous growth of the national economy. ■

Valuing the Interests of the Majority

Your news frequently lays emphasis on the national minorities within China, and this is all well and good so long as it conveys things realistically. I believe that the role of the Han majority is a truth which the readers must especially be informed of. China is, after all, the homeland of the Chinese majority.

Much news coming out of China notes your government's efforts to please and accommodate minority nationalities' demands—privileges often disproportionate to their size or cultural contribution. I can only hope that these policies will not lead to trouble in the future. If minority privilege is at the cost of the honour and dignity due to the majority—then we have a problem.

The greatest honour and privileges in a country should go to the majority people who bear the main responsibility and who provide the primary cultural identity. In the case of China, I hope the minority peoples accord the Han people the honour and support the facts require.

These issues will effect the long range stability of China; and the whole world needs a unified and stable China.

Paul Phelps
Afula, Israel

Come From Tibet

I had an opportunity to visit Tibet this August. It was not a question of a short, comfortable stay at the Holiday Inn in Lhasa, but of a well-organized, in-depth—but difficult—tour of the region's interior.

So, it was possible for me to observe the situation on "the Roof of the World" and make my own assessment.

The sensational headlines and articles in certain Western newspapers on the recent events in Lhasa merit some reflection.

The Tibet Autonomous Region is outstanding for its scenery, the unique architecture of its monasteries and the diversity of its people.

The Chinese government has made serious mistakes in Tibet. It has admitted them and expressed its regret. This is not a "detail" in history.

The errors of the Chinese are no excuse forgetting or apologizing for the situation of the Tibetan people before 1950.

For centuries, the successive Dalai Lamas did almost nothing for the Tibetan people thanks to pressure from the higher clergy and the aristocracy.

Slavery was only abolished in 1961. To keep silent about this is very serious because it prevents people from putting events in their historical context.

Immediately after the "cultural revolution," the Chinese government made radical changes.

Tibet is not a rich land that is lucrative for China. On the contrary, it absorbs millions in funds. It is therefore not a question of an exploited colony.

Moreover, the region is of crucial geopolitical importance to China and is coveted by other regional powers.

Of course, tourism in Tibet brings in money for the Chinese government, but the profits are shared with Western tourism agencies and joint-venture hotels. Even Tibetan monks get a cut: after collecting the money for entrance tickets to the monasteries, they ask for up to 250 Belgian francs for each photo taken.

The Chinese ignore this and do not interfere in the financial affairs of the monasteries.

Some tourists offer pictures of the Dalai Lama in exchange for "religious objects" near the Jokhan Temple, the most sacred

place for Tibetan pilgrims. Here again, the Chinese do not interfere in this questionable "commerce" and let the law of supply and demand operate.

The ordinary monks naively believe that a speech by the Dalai Lama at the United Nations will be enough to put international pressure on Beijing. The region of Tibet is recognized as an integral part of China.

The Tibetan upper clergy dislike the Chinese, who took away their theocratic and totalitarian power over the Tibetan people. This is why those who speak of the liberation of the Tibetans are not completely wrong.

This same upper clergy is afraid of opening up to the outside world. Tourism threatens the influence of the clergy because the Tibetan people will ask themselves more and more questions. Indeed, although tourists find it fascinating, many make no apology for the social system advocated by the monasteries.

The Dalai Lama strikes me as rather pragmatic and materialistic for a God-King who carries spiritualism so high on his separatist banner, when he says, "If they give us special privileges, we will stay with China." Certainly one must ask, to whom would these privileges go? To his people or to his clergy?

Who will do better than China? And above all, under what conditions?

Cultural education in the Tibetan language and scientific instruction in Chinese and English are the only ways for Tibet to escape from underdevelopment. It will not be through exclusively religious instruction, the backward-looking propaganda of the nostalgic people around the Dalai Lama, or the interference of foreign countries that the Tibetans will find the way to Shangri-La.

A.D.B. Belgium

Socialist Reform in Rural Areas

"JINGJIXUE ZHOUBAO"

(Economics Weekly)

Reform in rural areas has achieved remarkable success over the past nine years. The characteristics of developing socialist countryside are becoming clear and may be summarized as follows.

Advancing productive forces by developing a planned commodity economy. The main way to expand productive forces is to develop commodity economy which will arouse enthusiasm in the farmers, create a competitive environment and urge the people forward; promote the division of labour and professions in the rural areas and help farmers concentrate on production in breadth and depth; promote economic and cultural interchange between city and country and among regions; raise scientific and educational levels and speed up technological innovations; improve management and economic efficiency. The measures to achieve these goals are: to develop an economy with different types of ownership and managerial responsibility system while maintaining the dominance of public ownership; to make rational adjustments to the structure of production and actively develop a diversified economy and village- and township-run enterprises; to reform commodity circulation and open up markets for consumer goods; and to promote technological innovation.

Planned commodity economy should integrate regulation through planning with market regulation. The state will have to exercise macroeconomic regulation through planning over the production of commodities vital to the nation's economy and the

people's livelihood. Such regulation should emphasize mandatory planning and be based on the indirect control of the production. In the establishment and improvement of a socialist market system, the state regulates the market through various economic levers and the market guides enterprises. At the same time, diversified forms of co-operation should be encouraged.

Combining family management and the co-operative sector. In the primary stage of socialism, agricultural production is most suited to family management system. There is no denying that the system has its limitations, and to overcome them, its development should be combined with the development of the co-operative sector. This would give full play to the advantages of both family management and the collective sector and overcome shortcomings in each area. Moreover, it would help develop commodity production and stimulate the rural economy.

Developing an economy with different types of ownership and management systems. A diversified economy should be allowed to exist and develop in our country to

bring all positive factors into play and develop social productive forces. Since the rural reform, the following economic sectors have emerged: state, co-operative, collective, individual and private enterprises, joint ventures with Chinese and foreign investments, regional co-operations and transitional economy. All these economic sectors have their own forms of management. They are a necessary supplement to the public sector of the economy and play a definite role in the socialist construction.

Developing village- and township-run enterprises and establishing new relations between town and country.

China has a huge population and a weak industry. Under current circumstances, China's urban industry does not require a large number of rural labourers. On the contrary, agriculture is called on to contribute to the development of industry in terms of fund. Thus, Chinese farmers must rely on their own efforts to develop a diversified economy, and industry and service trades; to establish small towns in rural areas and shift agricultural labourers to these towns and to non-agriculture trades; to gradually accomplish industrialization and urbanization in the countryside and appropriately handle the contradictions between urban and rural areas.

(Issue No. 40. 1987)

Farmer Yao and the Governor

"NONGMIN RIBAO"

(Farmers' Daily)

Seeing stacks of golden maize lined up on the threshing ground, Yao Shaojia, the head of a specialized household which grows grain in Liaoyang, Liaoning Province, grinned from ear to ear. Shortly before the 13th National Congress of the Commu-

nist Party of China was held late last October, with a feeling of immeasurable joy, he wrote to let Provincial Governor Li Changchun know about his bumper harvest.

The letter said: "I planned to see you before the autumn harvest. After several days' delay, the harvest began. I have no time now. I am writing you a letter to report my good news. This year I can get a total of about 230 tons of grain

from my 34 hectares of contracted land. Of this figure, 160 tons are maize. After deducting my grain ration, seeds and fodder for my draught animals, I will sell 210 tons of commodity grain to the state, 100 tons more than originally planned...."

This is the third letter farmer Yao has written to the governor.

Yao, 57, contracted 21.3 hectares of cultivated area in 1986 and reaped a bumper harvest that year. He sold 110 tons of grain to the state, 80 tons more than expected. In 1987, Yao contracted an additional 12.7 hectares. His accomplishments have drawn the attention of provincial leaders.

One day early last spring, the governor travelled a long way to visit Yao. Sitting side by side on the edge of a *kang* (heated earthen bed), they chatted. Yao could not help recounting his worries and difficulties. "I contracted a very large cultivated area, but I don't know where I can buy a tractor although I have the money in hand." The governor replied cheerfully, "You wish to mechanize your farming. That's the stuff! I'll help you." As he was leaving, the governor shook hands with Yao and said, "You can negotiate directly with me when you meet difficulties later. I hope you work hard and set a good example for the people." Yao replied: "You have nothing to worry about." Not long afterward, Yao purchased a tractor and a sower with the help of the department concerned.

As a Chinese saying goes, Yao was like a tiger that has grown wings. He and his whole family were in the fields from dawn till dusk and his 34 hectares of land were sowed in a flash. After a heavy rain, the seeds sprouted and the plants grew green. Yao excitedly wrote the governor his first letter to tell him the good news. After 15 days he received a reply. The governor praised Yao's desire to develop grain production and make a contribution to the nation, and said he hoped Yao

would provide an example for specialized households by loving his country and his collective.

Yao was much impressed by the governor's enthusiastic encouragement and high expectations. He did have an idea which he had turned over and over in his mind. He had contracted a large parcel of land but had no organic fertilizers. Without manure, crops will not grow well. He thought of raising pigs. This will benefit both the state and farmer Yao because the big porkers will be sold to the state and the manure can be used on the land. He wrote a second letter in August to inform the governor of his plan. The governor quickly instructed the local department concerned to support Yao. Now he is set to embark on his new project.

The farmer considers the governor to be a trustworthy friend, and the governor shows great concern for the farmer who has contributed to the cause of socialism. In late August, when the Party secretary of Liaoyang County went to the provincial capital of Shenyang for a meeting, the first thing the governor asked him was: "How are Yao Shaojia's crops growing?" On hearing a satisfactory answer, Li nodded and said, "Please give my best regards to him. I'll go to see him at the first opportunity."

(November 10, 1987)

Nanjing Road Shanghai's Pride

"RENMIN RIBAO"

(People's Daily)

Shanghai's Nanjing Road, China's largest commercial street, is becoming more and more prosperous and attractive and a must for visitors to Shanghai.

The number of people passing along Nanjing road each day has gone up from 500,000 in the 1970s to 1.2-1.5 million today. Among the busy stream of people rushing along the five-km-long street, 75

percent are from other parts of the country. Of these, about 200,000 have individual businesses and go to Shanghai for shopping.

The Shanghai No. 1 Department Store, the largest in China, is located on the Nanjing road. Every day, it lays in 40 truckloads of goods and receives about 300,000 customers. Its total volume of business in 1987 was about 570 million yuan. The store manager said, "In the 1960s, the volume of business in our store was doubled in 10 years; it took seven years to achieve that in the 1970s. But, for the 80s, we only needed three years to double our volume of business. In 1988, the total volume of business is expected to reach 600 million yuan." There are 254 state-run stores in the east section of the Nanjing Road and these have a total business volume of about 10 million yuan a day.

Nanjing Road is now not only China's largest collection and distribution centre for retail commodities, but it has also become the country's centre for gathering commercial information. A number of commodity exhibitions are held there almost every day. Of all commodities selling in all stores, famous-brand and fine-quality goods made in other parts of the country account for about 40 percent, compared to only 10 percent several years ago.

To open up Nanjing Road to enterprises and businessmen from all parts of the country is one of the main changes to take place in Nanjing Road. Store arrangements and window dressing are becoming more attractive and eye-catching. The stores are also improving in terms of management. The old stores like the Zhang Xiaoquan's Knives and Scissors which has a history of 300 years are undergoing change and being run better and better. The garment trade in Nanjing Road took the lead in fashionable dress making and is now forging ahead with new innovations every day.

(November 12, 1987)

Direct Dialling to Outside World

China's inadequate telecommunications, a source of frequent complaints for foreign businesses, are now improving.

According to Zhang Ligui, deputy director of the General Telecommunications Department of the Ministry of Post and Telecommunications, the Beijing International Telecommunications Office (BITO), one of China's two international telecommunications offices, opened last month. This means that over 50,000 telephone subscribers in China can now direct-dial 19 countries and regions, including the United States, Japan, Italy, France, Federal Germany, Britain and Spain. The Chinese international direct-dial telephone service is expected to reach over 100 countries and regions by the end of the first quarter of this year.

Since opening to the outside world in 1979, China has been keeping up its efforts to expand its international telecommunications services. This has included international telecommunications and telephone networks in Beijing and Shanghai, which involve satellites, microwave circuits and trunk lines.

China has already established direct telegraph and telephone connections with over 44 countries and regions. The telephone lines number 2,300; telegraph 900 lines. The first dialling connection rate is 60 percent from Beijing, Shanghai, Tianjin, Guangzhou, open coastal cities and special economic zones. The incoming first dial connection rate is 30 percent. It used to take seven or eight hours to call China from the United States, and three or four hours from Japan, because of the tiny capacity of manual operated exchanges.

With the rapid growth of international telecommunications services in recent years, says Zhang, China has set up

international fast facsimile, standard facsimile, data retrieval and picturephone conference services in addition to the international telephone, telegraph, photo facsimile, television and broadcasting services.

Use of the international telephone exchanges has been increasing at an annual rate of 60 percent. In 1987, the number of international telephone calls was about 25 million, 32 times the 1978 figure; telex messages numbered about 7 million, 41 times the 1978 figure.

China's international telecommunication services have begun making profits. The 1987 revenue is expected to be US\$20 million.

The BITO is one of China's nine key construction projects for the Seventh Five-Year Plan period (1986-90). The capacity of the international programme-controlled telephone exchange is initially to be 400 channels and that of the telex network 3,000 circuits. The eventual capacity of the exchange will be 2,000 telephone and 12,000 telex lines.

In addition, the Shanghai Long-Distance Telecommunications Centre and the programme-controlled telephone exchanges in Tianjin, Guangzhou and Shanghai are being installed. These projects are expected to go into service this year.

by Yao Jianguo

Rural Exports Earn US\$5 Billion

Chinese rural enterprises exported US\$5 billion worth of goods in 1987, about 16 percent of the nation's total export value.

The Hangzhou Universal Coupling Factory, a township enterprise in Zhejiang Province, exported 200,000 sets of couplings last year to the United States, Japan, Federal Germany and elsewhere and has already received orders for 500,000 sets for 1988.

Also the factory has developed dozens of new products which sell well internationally. There is one American company wanting to buy all its products.

China has 11,000 such township enterprises producing goods for export in 13 provinces and cities in coastal areas such as Jiangsu, Guangdong, Shanghai and Tianjin.

The goods exported include raw materials, semi-finished goods, mid-market and top-quality clothes, shoes, household electrical appliances, machinery and electronic products. Sixteen have won international prizes. These products are exported to more than 100 countries and regions.

According to an official of the Ministry of Agriculture, Animal Husbandry and Fishery, many of the 15 million rural enterprises are coming together in groupings specializing in producing goods for export. There is such a grouping producing household electrical appliances and toys in Guangdong Province, one making silk in Jiangsu, one making clothes in Beijing and one making carpets in Hebei Province. These groupings organize and handle their production according to demand. They are quick to follow market trends, to take on advanced technology and management, and rich in labour resources. In 1990 it is expected there will be 3,000 such groupings.

by Liu Jianjun

Chinese Claim Toshiba Damages

Chinese companies have filed for compensation for losses suffered following the "Toshiba incident." According to an official of the China National Machinery and Equipment Import and Export Corp., six of the eight contracts affected by the incident have expired and no equipment or technicians have been sent to help with installation and debugging.

The two others expire in March this year and the same problems will arise because the Japanese government has not done anything to avert them. This is despite repeated pleas by the Chinese government that the Japanese government relax the restrictions it imposed after Toshiba was accused by the United States of violating the Provisions of the Co-ordination Committee of Export Controls in its dealings with the Soviet Union.

The eight contracts involve the import of 745 million Japanese yen's worth of Japanese equipment.

The failure of the Japanese side to abide by the contracts has led to great losses for Chinese companies. The Huanghe Engineering Machinery Factory in Shaanxi Province imported a processing centre from the Toshiba Machinery Co. for 100 million Japanese yen last March. The Japanese side refuses to send personnel to install and debug the machines. As a result the factory makes two fewer bulldozers a day, causing a daily 80,000 yuan loss of profits. Raw materials and accessories lie unused, which were bought with a bank loan of 10 million yuan. This is damaging the factory's cash flow.

The factory has said it rejects any delay in implementing the contract and any replacement of Toshiba products by those of other companies. It has asked Toshiba to fulfil the contract or compensate the loss.

Another sufferer is the China National Machinery Import and Export Corp. Five contracts worth US\$3.9 million with Toshiba and other contracts valued at US\$5 million with 18 other Japanese companies have not been fulfilled.

As the due date comes near, the Chinese companies, through the Chinese government, ask the Japanese government to see that these contracts are fulfilled and damages paid as quickly as possible. ■

Foreign Ventures Make Profits

Many of the foreign-funded businesses in Beijing have been making profits. According to the latest statistics of the Beijing Economic Relations and Trade Commission, most of the 103 joint ventures in operation have performed well; 22 have had a surplus of foreign exchange, 58 have maintained a balance in their foreign exchange accounts. The 1986 foreign exchange income of all the foreign-funded enterprises amounted to US\$460 million, while their expenditure to US\$430 million, leaving a surplus.

For example, the Beijing Yinyan Electronic Flash Co. has made 8 million yuan in profits since it started operations two years ago. Its exports have brought in US\$500,000 in foreign exchange. Both figures combine to be 20 times the total investment. The Hong Kong partner has already re-invested its profits in establishing two new joint ventures in Beijing. In addition, the Beijing Jeep Co., a Sino-American joint venture, has made profits of 132 million yuan, with an average annual increase of 15.7 percent.

By the end of 1986, altogether 225 foreign-funded enterprises had been set up in Beijing with a total investment of US\$3,500 million, US\$1,600 million of which was direct investment by the foreign businesses.

by Yao Jianguo

Nabisco Promotes Mutual Benefit

RJR Nabisco Inc. of the United States is expanding its role in China through aid. Last month it gave the China youth training programme 200 sets of tennis facilities worth HK\$109,000.

While the name Nabisco is far from famous in China, Winston

and Camel cigarettes, which are made by this company, are familiar products. In 1984, the R.J. Reynolds Tobacco International Inc., a Nabisco subsidiary, established the Huamei Cigarette Co. together with the Xiamen Cigarette Factory, with investment totalling US\$20 million. This is the first Sino-foreign joint cigarette making factory approved by the Chinese government. The joint venture is expected to go into operation at the end of this year, and to be able to produce 2,500 million Reynold cigarettes a year.

The US company has also tried to market its foodstuffs in China. In 1986, the company set up a biscuit company with the Beijing Yili Foodstuffs Co. It has started producing biscuits at an annual capacity of 6,000 tons.

Nabisco is also looking to make China a centre of production of Nabisco goods. According to Chen Guorong, marketing manager of Nabisco (China), Nabisco supplied Shanghai with the growing and processing technology of Del Monte popcorn. This product is already on the international market.

In addition, Nabisco is also interested in co-operation with China in producing pineapples, litchis, Hami melons, green soyabeans and tomatoes. Feasibility studies and preliminary talks are under way.

by Yao Jianguo



'Only in China' Distributed Abroad

The tourism film *Only in China* opens up a vast, age-old country shrouded in mystery and wonder.

Audiences can enjoy places of historic interest known the world over: the Great Wall, Beijing's Palace Museum, the terracotta warriors and horses unearthed in the tomb of Emperor Qin Shi Huang of the Qing Dynasty (221-207 BC) in Shaanxi Province, the Leshan Buddhas in Sichuan Province, the Yungang Grottoes in Shanxi Province, Tibet's Potala Palace and many others. The innumerable historic sites and unearthed relics featured in the film represent the period between the Qing Dynasty of the 19th century and several thousand years preceding it.

"Scenic wonders, including the three gorges on the Yangtze River, Hangzhou's West Lake, Guilin's Lijiang River, the Qinghai-Tibetan Plateau . . . , all will leave audiences with unforgettable impressions of China.

The film will also give audiences a glimpse of Chinese folk customs and lifestyles: story-tellers in teahouses; boatmen poling sheepskin rafts on the Yellow River; old men with their bird cages in a park; young people practising martial arts early in the morning; pious Tibetan pilgrims; the dancing girls of Hani nationality and four generations of a family living together in a housing compound designed in the traditional style around a courtyard. . . .

The film introduces viewers to Chinese cuisine from various areas, including Sichuan, Shandong, Guangdong and Huaiyang. Traditional dishes of roast duck, *jiaozi* (dumplings with meat and vegetable stuffing) and instant-boiled mutton are appealingly presented.

Cloisonne, clay and dough figurines, pottery teapots, Guizhou's wax printing cloth and

other traditional handicrafts dazzle the eyes, and splashed-ink landscapes, calligraphy and seal cutting provide an example of China's traditional art.

This is taken further with the presentation of dances to chime music, Beijing opera and acrobatics.

Without a word of narrative, the 16-minute film makes use of subtle camera techniques to vividly represent China's civilization of 5,000 years.

According to Li Weiyu, an official for the State General Administration for Travel and Tourism, four other films in the

same style have been completed. They are *Tibet*, *Travelling to Southwest China*, *Mountains and Rivers in Zhejiang* and *Scenic Wonder: Three Gorges*.

These films have been distributed to Chinese embassies in foreign countries and eight agencies of the State General Administration for Travel and Tourism in Paris, Frankfurt, New York, Tokyo, London, Sydney, Los Angeles and Hong Kong. Copies of the films are also available from the China International Books Import and Export Corporation.

by Han Guojian

Lushun: A Thawing City

As soon as tourists set foot in Lushun, a port city in Liaoning Province, they seem to enter a huge film studio. Backdrops of Russian-style buildings from the period of Russian occupancy in the First World War are set alongside Japanese architecture dating back to the Second World War invasion.

It seems as if time goes back 40 years. Most of the city's buildings keep their old appearance. In the downtown area, a typical Russian-style, wooden-structured railway station and other Russian buildings dot the vast expanse of residential quarters in the Japanese style.

Lushun bears witness to China's humiliation in modern history, as a victim of power politics. Today, people in Lushun can still see structures marking the two world wars: "Height 203"—fortifications on Dongjiguan Mountains—where Japanese and Russian troops fought a last-ditch battle; a monumental tower built by the two Japanese generals Nogi and Togo to mark the outstanding military exploits of Japanese troops, and Shushiying, the site where the Japanese-Russian

agreement was signed. The prison where the Korean An Zung Gen was kept after killing Japanese Hakubun Ito is still in its original state. Also in good conditions is the hotel where the last Qing Emperor Aisin-Gioro Pu Yi stayed before he became a puppet to the Japanese as head of the State of Manchuria.

Unlike China's crowded cities, Lushun has a sparse population, and its streets are very clean.

"Lushun" means having a pleasant journey. It is an ideal place to develop tourism. Sheng Taiyi, a top official in local government said, "At present, Lushun is only open to compatriots of Hong Kong, Macao and Taiwan, overseas Chinese, Chinese of foreign descendants and their relatives. By the end of June 1987, Lushun had received 1,000 tourists."

Local authorities have applied to the State Council for extending tourism to the outside world, according to Sheng. Lushun now has hotels with 1,500 beds.

Mr. Sheng said, Lushun is the birthplace of 200,000 Japanese. He hopes these people will have a chance to see their birthplace.

by Yue Haitao

Album on China's Grand Canal

The Grand Canal—An Odyssey (in English)

Written by: Yao Hanyuan and
Shen Xingda

Photos by: Ren Shiyin,
Liu Shizhao and others

Edited by: Liao Pin

Price: 60 yuan

Published by: Foreign Languages
Press (First Edition, 1987)

Distributed by: China Interna-
tional Book Trading Corpora-
tion (Guoji Shudian), P.O.
Box 399, Beijing, China

China's Grand Canal is the longest canal in the world. Like the Great Wall it is a well-known historical landmark in China. After the release of the English edition of *The Great Wall of China in History and Legend*, the Foreign Languages Press recently published an album on China's second great wonder—the Grand Canal.

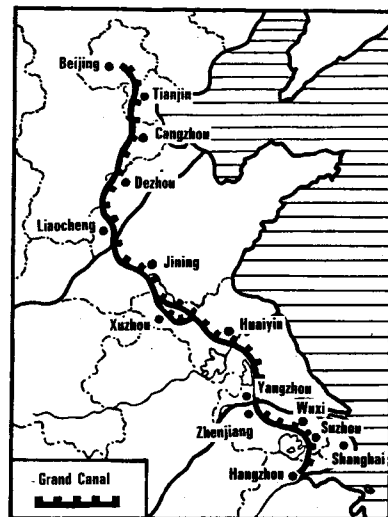
The album entitled *The Grand Canal—An Odyssey* brings together more than 250 colour pictures displaying the beautiful natural scenery, places of historical interest, cities and villages, and the people along the 1,794-kilometre-long canal from Beijing to Hangzhou. The pictures are so evocative that one can almost hear the sound of windmills along the canal, smell the fragrant rape flowers, see the long lines of tugboats, the pagodas, green fields and bustling towns along the canal.

Water transport is one of the oldest means of transport known to mankind. Many famous cities, such as Luoyang, Kaifeng, Hangzhou, Nanjing and Beijing, flourished and became important

political and economic centres because of their close proximity to waterways. Central and eastern China developed early as a result and for a long time constituted a major agricultural region. Most of the rivers in the region, such as the Changjiang (Yangtze), the Huanghe (Yellow), the Huaihe and Haihe formed the main arteries of communication between the west and east. What was lacking, however, was a waterway to link these water systems from the north to the south.

Construction of a north-south canal started in the 5th century BC in southern China, and continued over a period of more than 1,800 years, until the route from Hangzhou to Beijing was eventually completed in the Yuan Dynasty (1271-1368). The canal linked with the Qiantang, Changjiang, Huaihe, Huanghe and Haihe drainage areas, forming a major artery between the north and south. Starting in Hangzhou, it flows through the four provinces of Zhejiang, Jiangsu, Shandong and Hebei.

The album contains an article by water conservation expert Yao Hanyuan, which deals with the canal's history of construction, water conservancy projects and installations on the canal, the history of its navigation, its system of management and its decline and recovery. Yao says in his article that the construction of the canal fell roughly into four stages: The early phase was between the Spring and Autumn Period and the Qin Dynasty from 770 BC to 207 BC; the second phase from 206 BC to 589 AD involved the formation of the north-south water transport network; the third stage in the Sui Dynasty (581-618) to the Northern Song Dynasty



(960-1127) saw the expansion and opening of the canal to navigation and the final stage from 1127 to 1911 was the prosperous period of the Beijing-Hangzhou Canal.

From ancient times, the canal has played an important role in economic and cultural exchange between the north and south. Timbers, bricks and tiles needed for building palaces in the capital, and chinaware for the imperial palace were all shipped to Beijing via the canal. Commercial transport on the canal also flourished. The busy canal was described by Italian traveller Marco Polo who was surprised to see such a prodigious number of vessels using the waterway.

The album also contains travel notes by Shen Xingda, a correspondent for *People's China* (Japanese edition), which give an account of what he saw and heard during his 408-day bicycle trip along the canal. Shen's travel companion, photographer Liu Shizhao, contributed many of the photos for the album.

by Qin Hua

International Photography Exhibition

The Fourth International Photography Exhibition, sponsored by the Chinese Photographers' Society, was held in late October in Beijing. As photography is popular in China, the exhibition attracted a large number of spectators and lovers of photographic art.

The exhibition held once every two years, was the largest since its inception by the Chinese Photographers' Society in 1981; altogether 11,300 works were entered by over 2,770 photographers from 44 countries and regions.

After evaluation, 382 works were selected for display; 30 won gold, silver and bronze medals in the colour and black-and-white groups. The Federation of International Art and Photography, recognized by the United Nations, presented four gold medals to China, so with the four medals awarded by the Chinese Photographers' Society, the exhibition's top prize winners each received two gold medals.

The works displayed in the exhibition represent mountain sceneries, natural settings and customs from various parts of the world, and feature the varied techniques and styles of photographers from different countries.

European photographers excel in taking vivid, spontaneous photographs. Of the 1,061 works sent by 262 photographers from Europe, 163 were chosen for display. Eleven of them won prizes. The gold medal winner in the black-and-white group *Among the Noisy Spectators* by Shegelman Zinovi, USSR, depicts a girl helplessly gazing behind a noisy crowd and *In the Rain* by another Soviet photographer Valentin Chelishev captures the almost unfathomable smile of a girl

peeping through glasses washed by rain. The work won the bronze medal in the black-and-white group.

Love Story by Erich Miebler of Austria, which won the silver medal in the black-and-white group, attracted much attention. Set against walls of a classical style architecture, a young man jealously watches from a distance as a man kisses a girl. The story behind the picture is left to the imagination.

The traditional Oriental culture greatly influenced the Asian photographers represented in the exhibition. Emotion is conveyed through specific images with poetic artistry. *Returning With the Birds in the Setting Sun* by Chen Gengsheng, Singapore, won the gold medal in the colour group. The backlighting picture depicts two water birds in flight and a silhouette figure walking slowly along the lakeside against a red background as the sun sets and evening approaches. The scene is just as described in a line of ancient Chinese verse "The sun is setting as a lonely bird flies away."

Light is very important in black-and-white photography. Bronze medal winner in the black-and-

white group *Slate Village* by Lin Jian of China presents a wide view over the slate rooftops of a remote stockaded village. The sunshine on the slate tiles gives a strong three-dimensional effect so that the photograph has the look of a woodcut. Although not a single person is seen in the picture, one has a sense of people living a simple and lonely life under the slate roofs.

In recent years, as the living standards in China have improved, lovers of photography have increased in number. In 1982, there were 7.64 million cameras in the country, and by 1986, the number had soared to 13.33 million. Several years ago, people knew little about colour photography. In 1982 sales of colour film totalled over 2 million, an average of one for every 400 people a year. In 1986, the number of colour films sold reached 30 million.

Photographic groups have formed throughout China. In the Wuhan area in central China alone, there are more than 100 groups. In 1986, more than 100 photographic competitions and exhibitions were held in Beijing. Those held in other parts of the country are really innumerable.

by Wei Liming

China's Football Team Wins Olympic Berth

China's national football team is going to next year's Olympics. The team earned its ticket to Seoul when it beat Japan 2:0 in the last match of the East Asian zone Olympic qualifier in Tokyo on October 26.

Football is a popular sport in China. A recent survey by the Beijing Physical Culture and Sports Commission showed that

football is the favourite sport of 75 percent of the city's college students. But in past international competitions, China's teams have made a poor showing.

Before 1984, China had never made the Asian zone finals. In that year, China's national team won second place in the Eighth Asian Cup Competition. In May 1985 in Beijing, China's national team lost

to Hong Kong in a key match in the runup to the World Cup. The audience created an uproar and many fans made trouble on the field. Their behaviour, which evoked strong repercussions at home and abroad, reflected their disappointment in their team.

The recent success in Tokyo revived the hopes of Chinese fans. One of them, Liu Linzhuang, said, "I have waited for today for 30 years. Now my hair is white. I see success at last."

Gao Fengwen, the coach of the China's national team, said, "The success reflects the efforts of several generations."

Football in China can be traced back more than 3,000 years. It gained popularity during the Tang (618-907 AD) and Song (960-1297) dynasties. During the Qing Dynasty (1644-1911), rules governing the game and the division of labour among the players were clearly established. By the beginning of this century, football was highly developed in China. China competed in 10 Far Eastern football competitions between 1913 and 1934 and won the top prize eight times. In 1935, China's Donghua team won the top prize in a large-scale competition in Europe.

Before 1949, many famous footballers emerged in China, including Sun Jinshun (known as "Iron Feet" Sun), Li Huitang, Tan Jiangbo and Li Fenglou. China's Nanhua and Donghua teams were famous throughout Southeast Asia.

In 1951, China held its first national football competition. Eight teams took part, but their level of skill was not high.

By 1954, China had nearly 100 football teams and the rules for national football competitions had been amplified. In 1955, two Chinese teams—the Beijing team and the August 1st team of the People's Liberation Army—played the Soviet team which later won the championship in the 16th Olympic Games in 1956. The

matches ended in draws.

In the early 1960s, China's national team became an important force in Asian football. But during the "cultural revolution" (1966-76), many outstanding footballers and coaches were sent to work in the countryside and China's football standards went downhill. It was only at the start of the 1980s that the game began to make a recovery.

In its bid to get to the Olympics, China's national team changed coaches four times between 1982 and the end of 1985. But it did not achieve its target. In 1986, former player Gao Fengwen became the coach of the team. He concentrated on developing playing skills and on training players to score. He also emphasized that the team should take part in more international matches to gain experience. According to Gao, football has great potential in China. The main problem is to train new players. "China's national team is short of outstanding footballers skilled in offensive and defensive manoeuvres, especially centre forwards. China has a long way to go before it becomes a strong team in world competition," Gao said.

by Zhang Wei

Soloists Captivate Beijing Audience

Recently, two soloists from the Inner Mongolian Autonomous Region, the horse-head fiddle player Qi Bolag and flautist Li Zhen, charmed the audiences with their concert in the Beijing Concert Hall.

The horse-head fiddle is a wooden stringed Mongolian instrument. It is about one metre long and has a trapezium-shaped resonant box, either end covered by the hide of a horse or sheep. The scroll is adorned with a carved horse head, and the bow and strings are made of horse hair. The

instrument can produce a wide range of deep sounds of a strong Mongolian character.

Qi Bolag was born in 1944 in Darhan Banner (or county) of the Inner Mongolia. From an early age, he showed a great interest in music. At the age of 8, he made his debut on the stage as a promising horse-head fiddle player. From the age of 14, he began to study the fiddle under several well-known masters and later joined the Inner Mongolian Song and Dance Ensemble as a soloist.

During his Beijing concert, Bolag's great skill and deep understanding of the musical pieces served to display his mature artistry. He successfully performed pieces from different ethnic groups, nations and styles. An expert on folk music spoke highly of his performance after the concert: "He is inspiring and lyrical but in a subtle and suggestive manner. He can make your mind easy and at the same time he move you to tears. Even more outstanding is his strong national character."

Bolag has devoted himself to creating new expressions and developing his skills to add to the inherited tradition of national music. He has made several innovations to the horse-head fiddle. For example, he changed the usual wooden resonator into one covered in a snake skin and then into one made of the timber of Chinese parasol tree. After this innovation, the instrument's musical range has been largely extended, its volume expanded and its sound quality more pleasant.

With his growing acclaim, Bolag received many invitations to lecture in the Central Conservatory of Music, Tianjin Conservatory of Music, the Tokyo University of Arts and the Tokyo National Conservatory of Music. His most well-known piece—"Grassland and Beijing" is included in the textbook of the Central conservatory of Music:

He has published several albums and also compiled two books — "Introduction to Playing the Horse-Head Fiddle" (will be published in Japan Soon) and "Horse-Head Fiddle ABC." His musical works have won several awards.

In recent years, Bolag trained a group of talented students. Originally, the horse-head fiddle was used only for solo performances. In order to extend the scope of the instrument, he organized a unison group for the horse-head fiddle which performed musical works such as "Reminiscences" and "Ten Thousand Horses Galloping." He co-ordinated the playing skills and devised a system of unified notes and signs. He also recompiled the textbook and tried to set up a systematic course for horse-head fiddle teaching and performing.

Bolag was invited to perform abroad many a times and he has been invited to Japan on three occasions to give lectures. There he has performed more than 30 solo concerts which won high acclaim.

Li Zhen, of the Han nationality, immigrated to Inner Mongolia at an early age and started to learn to play the Chinese flute when he was 12 years old. Since then, he devoted himself to the national folk music. He has studied the flute under masters of different schools and styles. Eventually he formed his own distinct style and become one of the most celebrated flautists in the country.

He considers himself one of the local people and in his own works and the works he composed in cooperation with others, he shows his deep love and respect for the Mongolians. This comes out strongly in such songs as "Spring of Erdus," "Below the Daqing Mountains" and "Through the West Mountain Pass."

Li captivated the Beijing audience with his highly-developed performing skills. One of his most outstanding achieve-

ments was that succeeded in broadening the range of the Chinese flute to three octaves.

by Hong Lanxing

First Institute of Stomatology Set Up

An institute of stomatology, China's first specialized institute for training dentists, was set up in Shanghai a few months ago. Previously, there were only 27 stomatology departments in the 118 medical colleges in China.

Although quite a number of people are rather indifferent to stomatological diseases, they are very worthy of attention. But making an appointment to see a dentist is extremely difficult.

In Beijing, a patient must arrive at the hospital early in the morning and wait in a long queue to register. Anyone arriving later than 7:30 a.m. when register begins will most probably miss out. The situation in other cities is more or less the same.

A recent investigation conducted by *Health News* indicates that among the 100,000 people surveyed, 70 percent of urban residents and 60 percent of the rural had stomatological diseases; 50 percent in the city and 30 percent in the country had periodontal or jaw diseases and 20 to 40 percent of the patients were likely to lose their teeth. Some people complain: "We used to have good teeth but no good food; now we have good food but no good teeth." Caries in China, as in some other parts of the world, have become the most serious problem after heart disease and cancer affecting people's health.

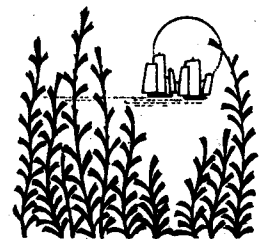
But there are only 41 stomatological hospitals in China. The beds in these hospitals, including the beds of the stomatological departments in other hospitals, total no more than 6,000. There are only 11,000 stomatological doctors in the country, only one

for every one hundred thousand people. The doctors are unevenly distributed and among the 31 counties surveyed in Henan Province, 19 have no professional dentists.

According to the survey, one half of the country's population has stomatological diseases but only 20 percent in urban and 5 percent in rural areas can get medical treatment; 80 percent of patients simply refuse to believe they have stomatological diseases.

This aroused great concern in medical circles as well as in other social groups. Broadcasting and TV stations are beginning to feature programmes on dental hygiene, and medical institutions in the city and in the country are attaching great importance to the prevention and treatment of the diseases.

However, the magnitude of the problem means more medical professionals are needed. It is estimated that the present number of stomatologists has to be quadrupled to meet the level of developing countries such as Thailand. Under these circumstances the Shanghai stomatological institute was set up. Based on the original stomatology department of the Shanghai No. 2 Medical University, the institute uses the No. 9 People's Hospital as its teaching base. At the same time, secondary medical schools are receiving more attention. At present there are 544 secondary schools in China and 42 of them have a stomatology department to train technicians in the field. ■





A little girl.



Cloth shop.

Engravings

by **Chen Yan**

Chen Yan, born in 1940 in Yanan, Shaanxi Province, now teaches at the Xian Academy of Fine Arts.

Chen specializes in black and white engravings.



Watching a film

ART PAGE

Welcome to

XIYUAN HOTEL



Located near the Beijing Exhibition Centre, the Negotiation Building, the Shoudu (Capital) Gymnasium, the Beijing Zoo and the Beijing Library, the Xiyuan Hotel is a large, modern hotel with convenient transport services.

The hotel's 30-storey and nine four-storey buildings offer 1,300 suites, 12 restaurants and bars and various kinds of comprehensive recreational facilities and tourist services. The revolving tower on the top of the 30-storey building provides a wonderful bird's-eye view of Beijing.

The Xiyuan Hotel serves various kinds of typical Chinese dishes and delicacies as well as Russian, French and English food.

The rooms are quiet and comfortable and the attendants offer good service.

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