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COVER: New houses built after the forest fires in the Greater Hinggan Mountains.

Feng Jin

HIGHLIGHTS OF THE WEEK

A Year After the Greater Hinggan Fire

■ Immediately following China's worst ever forest fire in the Greater Hinggan Mountains, all efforts were concentrated to rebuild homes, establish production and improve local fire fighting facilities (p. 16).

Emancipation of the Mind & Reform

■ The old, ossified economic and political systems hindered the development of productive forces and prompted a need for emancipation of the mind. In the countryside, farmers were the first to introduce a household contract responsibility system and in the cities, an enterprise management contract responsibility system was instituted. Both reforms proved effective in boosting productivity and improving living standards (p. 4).

Sino-Czechoslovak Relations Good

■ China's Party leaders and visiting Czechoslovak Party leader Jakes are satisfied with relations between their countries and parties, and share many identical or similar views on international issues (p. 5).

Chinese Foreign Ministry on Foreign Policy

■ Democratization is needed in international relations, and the sovereignty of each and every country should be respected in the international community. This is the only way to make our globe a better world to live in (p. 14).

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Emancipation of the Mind & Reform

by Zhou Minyi

The past decade has seen the most rapid economic growth and the greatest benefits to the people since the founding of the People's Republic, a fact universally acknowledged by people the world over. These hard-won achievements are the results of constant emancipation of the mind and the review of experience.

Ten years ago, China launched a great debate on the criterion for testing truth. According to one view, classical works, CPC Central Committee documents and instructions from leaders were sound criteria for judging truth; another view contended that practice, and practice alone, was the only criterion. Two articles published at the time shook the country—one, "Practice Is the Only Criterion for Testing Truth" written by *Guangming Ribao's* special commentator, and the other, "A Basic Principle of Marxism" by *Jiefangjun Bao's* special commentator.

This was followed by two nationwide movements—Marxist education and emancipation of the mind—which promoted the work of setting things right after the downfall of the gang of four and paved the way ideologically for the convocation of the Third Plenary Session of the 11th Party Central Committee in December 1978. Deciding to shift the focus of work to socialist modernization, the meeting re-established the Marxist ideological line of emancipating the mind and seeking truth from facts.

Emancipating the mind means that people free themselves from ossified patterns of thought, blaze a new trail and establish a new system with new thinking.

Building socialism in such a

large and backward country as China is a challenging goal which the Chinese people have paid a huge price to achieve. For a long time, China set up class struggle as the primary task, and the development of productive forces as secondary. Factors which held back productive forces and were not socialist in nature were firmly adhered to as "socialist principles;" meanwhile, factors conducive to the development of productive forces and the commercialization, socialization and modernization of production under socialism were opposed as tendencies towards "capitalist restoration." The ossified economic system and the overly centralized political system needed to be reviewed and revised so that enough food and clothing for the people can be guaranteed and a modern socialist society with strong productive forces can be established.

The ideological line of emancipating the mind and seeking truth from facts provided an opportunity for courageous exploration. In poor and backward villages, farmers were the first to break the all-encompassing socialization of the people's commune and introduce a contract responsibility system based on production teams and linked payment to output; this system was later based on household.

Experience has shown this practice to be conducive to the development of productive forces and the improvement of living standards. As the system spread to rural areas, specialized households emerged, farmers quit their farmlands but not their home villages to work in secondary and tertiary industries, and township and village enterprises mush-

roomed across the country.

With the introduction of urban reforms, there emerged contract enterprise management system and capital goods, technological and labour markets. Different economic sectors with public ownership being the dominant were developed and the private economic sector was allowed to exist and grow. Debentures and stocks were issued and trade in them was allowed. As reform was deepened, the open policy was further applied and foreign economic and technological co-operation was developed.

The above reforms facilitate the development of productive forces and the commodity economy, quickly gaining the support of the people.

In the past, people invariably linked commodity economies with capitalism. There is now growing awareness of the error of this assumption. The fundamental task of socialism is to develop productive forces, and the development of a commodity economy is an unavoidable stage in the development of a socialist economy.

Economic reform has promoted political restructuring without which economic reform could not proceed smoothly. Progress has been made in political restructuring, for instance, separating Party from government functions, further delegating powers to the lower levels, restructuring government offices, revamping the personnel system, establishing a system of consultation and dialogue and increasing the visibility of political processes. Of course, reforming the political structure and establishing socialist democracy, like boosting the



China Shares Views With Czechoslovakia

socialist commodity economy, is also a gradual process, requiring long-term efforts.

Through emancipating the mind, a profound understanding of Chinese society has been achieved—China is still in the primary stage of socialism. In line with the theory of primary-stage socialism, the Party has formulated a basic line of building socialism with Chinese characteristics—with economic construction as the centre, adhering to the four cardinal principles (socialism, the people's democratic dictatorship, the leadership of the Chinese Communist Party and Marxism, Leninism and Mao Zedong Thought) and persisting in reform and openness.

Ongoing reforms require a further emancipation of the mind and a further breaking with old conventions in order to further liberate productive forces. The development of productive forces is the way to improve living standards. The main contradiction facing China at present is between the growing material and cultural needs of the people and backward social production. We should use every possible means to explore ways to promote the development of productive forces and improve people's living standards so as to gradually eliminate poverty and backwardness. ■

The relations between China and Czechoslovakia and the two countries' communist parties have developed satisfactorily over the past two years, Zhao Ziyang, general secretary of the Chinese Communist Party (CPC) Central Committee, said on May 23 in Beijing.

Zhao made the remark at a welcoming banquet he hosted for Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party. Jakes came to China on a five-day official goodwill visit at the invitation of Zhao Ziyang.

At the banquet Zhao spoke highly of the achievements of the Czechoslovak Communist Party in carrying out socialist construction since the end of World War II. He hoped the Czechoslovak Communist Party would be successful in reforming its economy according to its own characteristics.

Zhao said the 13th National Congress of the CPC held last October put forward the theory, basic lines and policies on the commercialization and modernization of China's economy under the socialist system. "At present, socialism is in the process of re-assessment. In the past decades, much successful experience has been accumulated and many hindrances encountered in socialist construction. This has made us wiser and more mature."

He said the two parties have enriched Marxist theory through their own practice and experience in building socialism. "We have much to share and this will undoubtedly benefit both countries in socialist construction."

In reply, Jakes said, "We want to expand ties in the political, economic, scientific and cultural fields with China on the basis of

equality, mutual benefit, mutual understanding and respect. This is in accordance with the interest of our two peoples who have common socialist ideals, and is beneficial to peace and progress."

During an official talk on the afternoon of May 23, Zhao told Jakes that China hoped the summit between the United States and the Soviet Union would result in disarmament and an easing of international tension.

He said that China welcomed the signing of the Intermediate Nuclear Force Treaty between the United States and the Soviet Union. But the present relaxation in the world situation is only a beginning. There is still a long way to go to reach real detente. "We hope the current relaxation will continue. This depends on the efforts of the people of all countries."

Jakes agreed with Zhao that the two countries share many identical or similar views on international issues. He said Czechoslovakia has always striven for disarmament and the relaxation of international tension.

Zhao said that China attaches importance to developing the economic and trade relations between the two countries. "Each side has its own advantages. We can help supply each other's needs," he said.

Jakes said co-operation between the two countries is good in all fields and should be expanded.

During their three-hour talk, the two leaders briefed each other on the situation in their respective countries. Zhao said China's economic reforms in the past decade have brought a profound change to the nation, and economic development has been speeded up. "We have entered a



Zhao welcomes Milos Jakes.

LIU JIANSHENG

China Welcomes Foreign Investors

Chinese leader Deng Xiaoping said he hopes the International Advisory Committee (IAC) of Chase Manhattan Bank will encourage international financiers and entrepreneurs to help China's development.

One important way is to invest in China and transfer technology here, Deng said. The other is to offer ideas and suggestions to China.

Deng, chairman of the Central Military Commission, made the remarks on May 24 in Beijing during a meeting with leading executives of the bank.

David Rockefeller, IAC chairman, said all members of the committee hope to establish a relationship with China that is beneficial to each side.

Zhao Ziyang, general secretary of the Central Committee of the Communist Party of China, and Premier Li Peng also met the IAC guests from 15 countries the same day.

Zhao welcomed foreign businessmen to invest in China's state-owned enterprises.

"Our enterprises will fully respect foreign investors' management rights and learn from their management experience," he said.

Zhao called for more trade as well as more economic and technical co-operation between China and the United States. At present, co-operation falls far too short of the possibilities, considering the world status of the two countries.

Zhao also briefed guests on the rapid development of township enterprises in recent years. He said he hoped foreign businessmen would co-operate with them.

Meanwhile, the Chinese leaders gave the guests a talk, together with their views on China's economic situation.

period of steady and fast economic development."

He said the reforms have entered a critical stage. The economic restructuring and the open policy have revitalized the economy. China will focus the reforms on industry this year where the emphasis will be on state-owned enterprises which will introduce the contract responsibility system. Also, free reign will be given to the development of rural industries.

On China's political reform, Zhao said the key lies in the building of socialist democracy. The open policy concerns not only the economy but also includes the activities of the Party and government departments. Major issues must be made public and important policies must be made with the participation of the people.

Jakes said the 17th national congress of his party has adopted a programme to speed up the country's economic development.

In meeting with Jakes on May 25, Chinese leader Deng Xiaoping

expressed satisfaction with the development of friendly relations between the two countries since the two parties re-established ties. "What is past is past. We can develop our friendly relations on a new basis," he said.

Deng told Jakes that the 13th National Congress of the CPC replaced the old leadership with a new one, with the veterans going into retirement or semi-retirement. "Our goal is to really set up a retirement system for party and government officials so that younger people can take leading posts to provide our party and country with more vitality." Although they are not so highly experienced, Deng said, young people are vigorous, readier to accept new ideas, better educated, and have more up-to-date knowledge.

Jakes told Deng that Czechoslovakia is also trying to rejuvenate its own leadership.

Chinese President Yang Shangkun and Premier Li Peng also met with Jakes respectively on May 24 and 25.

Deng said that in the current complicated situation, mistakes will be difficult to avoid. However, once mistakes are found, they should be corrected, to prevent small ones from developing into big blunders.

"What China is undertaking is a new thing. It is risky and cannot be plain sailing. So I have often encouraged our comrades to be bolder. There will be a way out only when we further the reforms and open even wider to the outside world," he said.

"It is not easy to attain our goal. At the moment, we have to overcome some difficulties. The main one is tackling the prices of commodities," he said.

The price problem, the biggest risk presently, has to be overcome, Deng said. "If we fail to stabilize prices in the remaining years of this century, we will find it difficult to attain our goal in the next century."

Speaking of the situation across the Taiwan Straits, Zhao said that there has been a relaxation. "As a matter of fact, trade, shipping and postal services have already begun between the mainland and

Taiwan. I believe these activities will continue to expand."

When meeting the IAC guests, Li Peng said that increasing the prices of four non-staple foods — meat, eggs, sugar and vegetables — was a difficult but necessary measure.

Li said that for 30-odd years, China maintained a planned economy. In recent years the economy has been restructured to make it more akin to a market economy. This does not mean, he said, that planning has been abandoned, but rather, that the economy is a planned market economy. This will give greater play to the "law of value."

China's planned market economy, Li noted, differed from both capitalist economy and traditional socialist economy.

Li added that unreasonable prices pose a problem in the planned market economy. He described the recent price increases of four non-staple foods as a big step. It will take a long time to straighten out the price system and every step forward demands careful planning.

After meeting Deng, the three executives of the IAC held a press conference, at which Willard Butcher, chairman of the Board and chief executive officer of the Chase Manhattan Bank, said, "We came here to Beijing because we think the future of China — for both the Pacific region and indeed the world at large — is a big one. Frankly, it is a very important part of the world for Chase Manhattan."

He said the bank is financing a number of projects in China and, while helping to finance China's trade with rest of the world, has ambitions to expand it. ■

Passengers Demand Punishing Hijackers

The hijacking of a CAAC airliner and forcing it to land in Taiwan on May 12 was well-planned and violent, crew and passengers said. They have called on the Taiwan authorities either to hand over the hijackers to the mainland or to punish them severely according to international law.

The airliner of the Civil Aviation Administration of China was hijacked by two men during a flight from Xiamen to Guangzhou. The Boeing 737-200 of the Xiamen Aviation Company of CAAC was carrying 107 passengers and 11 crew members on Flight No. 2501.

The plane landed at Taiwan's Qingquangang airforce base at about 22:30 (Beijing Summer Time), May 12. The next morning it returned to Xiamen with its crew and 105 passengers.

According to Huang Lishui, the airline's security official, the plane's security guard was first overpowered by the two men with a dagger and something which, in the dark, looked like a gun.

The chief stewardess, Zheng

Deng meets David Rockefeller and other IAC guests.

LI SHENGNAN



Zhiling, said she tried to send out an emergency signal but was stopped by the hijackers who wrapped her and another stewardess in a cotton curtain. They told the stewardesses that if they moved, they would blow up the plane with ammunition they were carrying.

As soon as they got into the cockpit, the two covered the heads of the co-pilot and the radio man with plastic bags, while leveling the same threat about explosives.

Before they could cut off all communications between the plane and the ground stations, the radio man successfully sent out an emergency signal. This was picked up by a CAAC flight from Hong Kong to Guangzhou as well as by the Zhangzhou Ground Station in Fujian Province.

The two hijackers, identified as Zhang Qingguo and Long Guiyun, were both air force veterans who worked as radar operators in Guangzhou. They seemed to know the direction in which the plane should head from Shantou to Taiwan.

After their arrival in Taiwan, the two hijackers were taken in as refugees from the mainland. Later they were sent to the local procuratorate of Taipei under suspicion of having violated the civil aviation law. The local public procurator said that the case would be handled leniently while referring to other similar cases as precedents.

But according to Taiwan's *China Times News* and *Independent Evening News*, several legislators there have addressed inquiries to the Executive Yuan, pointing out that the nature of the case was obviously one of hijacking an aircraft by violence, which constituted a crime and should be so regarded.

"Hijackings have greatly threatened the safety of aviation," legislator Lin Yuxiang said. "It is as bad as encouraging others to

follow their example if we treat them with lenience instead of investigating and affixing their responsibility." ■

Official Arrested For Kidnapping

The director of the Baoding area transport bureau in Hebei Province was arrested by the Beijing police on May 28 in connection with a kidnapping incident.

Zhou Zhiyuan and his two sons allegedly kidnapped a woman toll-bridge attendant at the newly-built Beijing-Shijiazhuang expressway and forced her to reduce the fee for their minibus on the afternoon of May 2.

Witnesses and local residents showed great indignation at Zhou's action.

Zhou was summoned to attend court on May 16 in a warrant issued on May 11 by the Fengtai Public Security Sub-bureau of Beijing but was in hospital at the time receiving treatment for high blood pressure.

But when Zhou's blood pressure dropped to 90 and 130 on May 17, he still refused to go to court.

Zhou, 51, appeared dispirited in the hospital and evaded questions raised by reporters. He said he had not expected the case to turn out so serious.

Following a check-up which proved he was healthy, he was summoned on May 21 by police to Beijing.

The Baoding Prefectural Administration has held a meeting to discuss the case and decided that Zhou should be temporarily relieved of his post to think over his conduct, according to the Administration Secretary-General Feng Gengzi.

Zhou's wife, who works in a post office, said she did not know whether her husband had been temporarily relieved of his post following the incident, nor was she clear how it had happened, as there had been eight people on the bus at the time.

She added that one of her sons, Zhou Sheng, a traffic policeman, has mental trouble and needs to be attended even when on duty. ■

Zhou was summoned to court.

TANG SHIZENG



Science Reform To Be Deepened

China's State Council has called for introducing the contract managerial responsibility system as measure for furthering reforms in the fields of science and technology.

In a recent decision, the State Council of the central government directed research institutes to deal with common personnel problems such as overstaffing and low efficiency through wage differentiation, bonuses and welfare provisions for employees.

According to the decision, in research institutes ownership will be separated from management and research institutes are encouraged to introduce measures allowing for competition. Managers will be chosen through public bidding. Institutes which continue to face difficulties will be allowed to turn to other lines of research, merge with other facilities or close down.

Research institutes and enterprises will also be allowed to enter into contracts or lease agreements with each other, purchase each other's shares, or merge. They will also be granted more decision-making power in developing informational ties and co-operative efforts, as well as retain increments in export earnings over the next three years for purposes of re-investment.

The council also called for intensifying efforts in the areas of higher learning and enterprises will be encouraged to build common facilities and share personnel.

While carrying out the reform in the state-owned research institutes, assistance will also be provided to units owned collectively or individually which are working in the fields of science and technology. ■

Weekly Chronicle (May 23-29)

POLITICAL

May 25

■ About 500 Chinese officials and African diplomats gather in Beijing today to mark the 25th anniversary of African Liberation Day.

Speaking at the meeting, Chinese Foreign Minister Qian Qichen says that the Chinese government and people will, as always, firmly support the African countries in their efforts to safeguard their national independence and sovereignty and to develop their national economies and culture, and also support their legitimate rights and interests.

May 25

■ At a weekly news briefing, a Chinese Foreign Ministry spokesman denies that China has sold minesweepers or submarines to Thailand. He says that the two countries have had no deals in this field although the bilateral relations are good.

In response to the question of whether China helps Pakistan launch missiles, he remarks that this kind of talk is "utterly groundless."

May 27

■ At a meeting with U Tun Tin, the visiting deputy prime minister and minister for planning and finance of Burma, Chinese President Yang Shangkun says that the Sino-Burmese relationship is a model of good-neighbourly relations. The two countries share common interests, help each other and have no disputes.

ECONOMIC

May 24

■ Brokerage firms are sprouting up in south China's Guangdong Province to tackle two

perennial problems in the Chinese business world — marketing snags and shortages of material.

Seven brokers' exchanges have been set up in Guangzhou since the first one opened at the end of last year. More than 1,100 brokers in the city have been licensed.

CULTURAL

May 25

■ Wu Kunwu, an electrical-appliance repairman in Yueyang City, Hunan Province, has developed a new TV receiver that uses a black-and-white tube yet displays colour pictures, *China Youth News* reports. He obtained a patent for his invention last November.

A factory in Tianjin is now producing a prototype. The production cost and power consumption are 50 percent lower than in the case of regular colour sets.

May 26

■ An art auction is to be held in Beijing on June 5. On sale will be 47 famous paintings and 19 works of art from France, Italy, Spain, the Netherlands, the Federal Republic of Germany, the United States and China.

This is one of the international benefit activities starting June 2 to help raise money for the preservation of two of the world's great man-made treasures—the City of Venice and the Great Wall of China.

SOCIAL

May 27

■ State and Party leaders are among the 500 people paying their last respects today to Zhuang Xiquan, a well-known overseas Chinese leader who died on May 14.

Zhuang was born in 1888 in Xiamen, Fujian Province, and was known for his part in patriotic movements launched by Chinese residing abroad. He joined the Communist Party in 1982 at the age of 94.

OAU

Grand Gathering Marks 25th Anniversary

Since the heads of state from 31 African nations set up the OAU in Addis Ababa, 19 more independent African states have joined it, making it the biggest continental group in the world.

The Headquarters of the Organization of African Unity (OAU) in Addis Ababa, Ethiopia, was festively decorated on May 25 and looked more magnificent than ever as some 30 heads of state and government gathered there to celebrate its silver jubilee.

Zambian President Kenneth Kaunda, accompanied by OAU Secretary General Ide Oumarou and heads of state and government of other countries, cut the ribbon and unveiled a marble monument representing a map of Africa in the centre and inscribed with the words "The 25th Anniversary of the OAU" in English, French, Spanish and Arabic. It stands as a hallmark of African unity over the past quarter of a century and closer unity in the future.

Twenty-five years ago, 31 heads of state and government from the then independent African countries gathered in Addis Ababa and announced the founding of the OAU. Its charter, signed by the African leaders, set forth its noble objectives—to promote unity, eradicate colonialism and racialism, improve people's living standards, and defend the sovereignty and independence of African states.

Now the organization boasts 50 members and has made great achievements in speeding up the process of decolonization on the continent. Though Namibia is yet to be liberated and apartheid to be dismantled, Africa by and large is now free and independent politically.

Following political independence, African countries have entered a new stage of economic liberation. The legacies of the long colonial rule, the unjust international economic order, and recurrent natural calamities have plunged many African countries into economic difficulties; and inexperience, lack of trained personnel and improper policies have added to their hardships.

Despite the tottering economy and the increasing debt burden, which now stands over US\$218 billion, African countries have not lost heart and are courageously seeking a proper solution.

As far back as 1970, the 16th summit in Monrovia, Liberia, passed the Monrovia Declaration, mapping out, for the first time, a development strategy for the African economy. A special OAU summit devoted to continental economic problems was held in Lagos, Nigeria, and the Action Plan of Lagos adopted at the summit called for collective self-reliance and establishment of regional economic communities. It also stressed the importance of agriculture in Africa's economic development. After that, the Southern African Development Co-ordination Conference, Preferential Trade Areas of East Africa and Southern Africa, Economic Community of West African States and other regional economic groups came into being one after another. A regional economic community for northern Africa is under consideration,

To check the downward trend of the African economy, the OAU summit in 1985 adopted a priority programme for economic recovery (1986-1990). Following the guidelines stipulated in the programme and other OAU resolutions, nearly 30 African countries have adjusted their policies and economic structures and some of them, including Botswana, Kenya, Ghana and Ivory Coast, have reported tangible results. Africa does need outside help and assistance, but it is the Africans who will find the solutions to their own problems, as the current OAU Chairman, Kenneth Kaunda and many other African leaders stressed.

As the OAU is celebrating its silver jubilee, Ethiopia and Somalia have announced the normalization of state relations and the complete withdrawal of troops from their common borders; Algeria and Morocco have resumed diplomatic ties; under OAU good offices, efforts have been made to seek a negotiated settlement of Chad-Libya and Morocco-West Saharan conflicts. On this happy occasion, African leaders are expected to appeal to the conflicting parties to exercise restraint and do their utmost for closer African unity.

There has been universal condemnation of the recent intensified suppression of the anti-apartheid struggle by the Pretoria regime and its invasion of Angola and other frontline states. People are watching closely new developments in southern Africa as Angola, Cuba, the United States and South Africa sit together for talks on Namibian independence and the withdrawal of South African and Cuban troops from Angola.

The OAU is a force to be reckoned with. Its voices are growing strong on the world arena. Thanks to its efforts

African countries have been able to speak in one voice against imperialism, colonialism, hegemonism and racism over the past 25 years.

"I am very happy on this occasion," President Robert Mugabe of Zimbabwe said. "Africa has gone far in decoloniz-

ation and achieved a great deal in national development, but we still have before us the tasks of eliminating apartheid from this continent and striving for economic independence. However, we are full of confidence and optimism about our future."

by Xiong Zhongqi

CZECHOSLOVAKIA

Steady Progress in Reform

Comprehensive reforms in the economic system have been making steady progress this year in Czechoslovakia.

On taking up the post of the general secretary of the Communist Party of Czechoslovakia at the Seventh Plenary Session of the Central Committee of the Party last December, Milos Jakes presented two major tasks: speed up the comprehensive restructuring of the economic mechanism and deepen socialist democracy.

The economic restructuring this year centres around economic legislation, spreading the scope of experimentation with new systems, reshaping the organization and structure of enterprises and streamlining government departments.

The laws on state enterprises and co-operatives (i.e. agricultural producers, consumers, and housing co-operatives) which were discussed nationwide last year will come into effect on July 1 with some amendments based on the desires of the people. In addition, a new law on labour was published for national discussion, while several other acts on economic arbitration and foreign economic relations are undergoing legal procedures.

The industrial sectors have carried out various experiments on raising economic efficiency and implementing principles of in-

creased autonomy, independent economic accounting and responsibility for their own profits and losses. They have also tried to link the income of workers to profits and to elect leaders of enterprises in a democratic way. The experiments were first carried out in two large industrial complexes and later spread to 22 others. This year 36 more enterprises joined the experiments, which now involve construction, commercial, and research sectors.

As for restructuring the organization of enterprises, the government is planning to strengthen management by eliminating intermediary organizations between the lower and the central departments.

On April 21 the Czechoslovak government made its biggest reshuffle in 18 years in a bid to suit

the need for comprehensive reform. Federal departments were reduced from 17 to 14, deputy prime ministers from 10 to six, members of the government from 26 to 20 and the number of permanent organizations affiliated to the government from 19 to three. As a result, more than 90 officials above vice-ministerial level will be removed from their posts and one third of the employees, numbering about 30,000, will be transferred to other posts.

The problem confronting the reform now is insufficient preparation for the reform on the part of the party and many of its members and widespread complacency and conservatism. Resistance also stems from those departments that are still to be dissolved. Furthermore, in recent years, the 8th five-year plan was not implemented well and targets for the increase of national income were not met. This, too, has proved a negative factor detrimental to the reform programme.

To resolve these problems, party organizations at various levels have held meetings to further mobilize their members to take an active part in the reforms. Meanwhile, the party and state leaders have repeatedly called on the people to fulfil the 8th five-year economic plan so that a solid foundation will be laid for the smooth implementation of the comprehensive economic restructuring programme.

by Zhang Baoliang

EGYPT

Development in Relations With Moscow

After a long period of cool relationship, Egypt and the Soviet Union have recently moved closer to each other to meet their political, diplomatic and economic needs.

Recently an Egyptian delegation led by Deputy Prime Minister and Foreign Minister

Dr. Ismat Abdel Meguid visited the Soviet Union. It is the first time in the past decade for the

Egyptian government to send such a high-level delegation to the Soviet Union. This indicates that the relations between the two countries has entered a new era.

It is reported that during his May 19 to 22 visit, Meguid mainly discussed with his counterpart Eduard Shevardnadze economic, trade and technological co-operation between the two countries. They also exchanged views on the situation in the Middle East, the Persian Gulf and other international issues of interest to both sides.

Mikhail Gorbachev met with Meguid and accepted a letter from Egyptian President Muhammad Mubarak delivered to him by Meguid.

As is well known, Soviet-Egyptian diplomatic relations were actually in suspension by the end of the 1970s owing to the attitude of the Soviet Union which had incurred the strong opposition of the Egyptian people. Relations between the two countries did not relax until 1983. In 1984 they at last exchanged envoys again and since then their relations started improving gradually.

A recent comment in an Egyptian newspaper said that at present both the Soviet Union and Egypt have a desire to develop their relations because it will benefit not only the interests of the two countries but also the situation in the Middle East.

Observers note that since Gorbachev assumed office as general secretary of the Communist Party of the Soviet Union, Soviet Mid-east policy has become more flexible and positive. Soviet leaders at last understand that Soviet-Egyptian relations cannot be supplanted by its relations with other Arab countries, especially after most of the Arab countries restored diplomatic relations with Egypt and the voice of Egypt on world affairs grows stronger daily.

It is important for the Soviet Union to win the support of Egypt in its attempt to have a hand in Mid-east affairs in which the United States has been playing the dominant role.

For Egypt, improving its ties with the Soviet Union can help it to establish a balance in its relations with the Soviet Union and the United States, and in that way, to heighten its international position in the world and help it to develop its economy. A large number of Egyptian projects in heavy industry, such as some steel plants, phosphate exploration and hydroelectric power stations were set up in the early 1950s with the help of the Soviet Union. As of now, Egypt still needs the equipment, spare parts and technical personnel of the Soviet Union. Moreover, as the Egyptian government sees it, keeping close

economic ties with the Soviet Union can increase its weight in talks with the United States, the European Economic Community and the International Monetary Fund on the terms of past and future loans. In diplomacy, with the Soviet Union obviously intending to develop its relations with the moderate Arab countries, the Egyptian government is eager to put itself in a more favourable position in the Arab world by developing its relations with Moscow.

Although Soviet-Egyptian relations have improved recently by mutual request, observers believe that the long-standing disputes between the two countries, together with the current complicated international situation, determine that their relations will develop at a slow pace.

by Lin Jiaoming

IRELAND

Open Policy Leads to Development

Ireland has found a road to economic development that is well suited to conditions in the country. It has shifted its economic focus from agriculture to high-technology exports.

For two decades Ireland has been carrying out an open economic policy. Today the country is well on the road to development and is brimming with economic vigour.

Ireland is traditionally an agricultural country. More than 90 percent of Irish farmland is flat grassland, and animal products account for 85 percent of agricultural output. But the country lacks the capacity to be self-sufficient in grain. And historically it has been economically dependent on Britain.

The Irish, however, are determined to catch up with their economically developed neighbours. At the end of the 1960s, the government opened up the

country's economy and launched a modernization drive. The moves have proved successful.

Ireland has a limited domestic market and no major natural resources, so foreign investment is key to its development. The country has worked out a series of preferential measures to attract foreign capital, including tax holidays, reduced tax rates and grants. It also pays attention to creating a favourable environment for foreign ventures and raising labour quality through education and skill training. Foreign investment in Ireland has reached almost 8.8 billion Irish pounds, including 4.5 billion in US investments.

The Irish government also encourages domestic companies to become export-oriented, and helps them sell their products in foreign markets.

Since Ireland has little traditional industry, it was relatively easy for it to move into the field of high technology. Today the country is an exporter of electronic products, computer software and accessories, and other high-technology products. Exports of Irish industrial products rose 28.23 percent between 1980 and 1986.

Ireland's economy has also greatly benefited from its accession to the European Community in 1973. The community's agricultural subsidies have raised the country's income.

Ireland devoted considerable resources to building up its social welfare system in the mid-1970s and early 1980s and its welfare services are impressive. Health spending accounted for 8 percent of gross national product (GNP) in the early 1980s, a higher percentage than in Britain.

In recent years, Ireland's economy has been hurt by the decline in world oil prices, the Western economic slowdown and the surplus of agricultural products in Europe. Exports fell and the unemployment rate reached 19 percent. The government took drastic measures to deal with the situation: It rationalized the administrative structure; cut public spending; stabilized the ratio between debt and GNP; and put a ceiling on wage increases. These moves paid off quickly. Last year, Irish exports rose by 12.5 percent because of the increased global demand for high-technology products. Gross domestic product increased by 2.5 percent; a trade surplus appeared after many years of deficits; and the inflation rate dropped to 3 percent.

by Liang Lijuan/Li Yunfei

YUGOSLAVIA

Challenge of No-Confidence Motion

Yugoslav Premier Branko Mikulic survives calls for his resignation but is still faced with troublesome obstacles.

For the first time since World War II, the Yugoslav Federal Assembly discussed a motion of no confidence put forward against the federal government. The motion, asking for the resignation of Premier Branko Mikulic, was raised by the Republics of Slovenia and Croatia. On May 14, after heated debate, the national assembly rejected the motion.

According to Yugoslavia's constitution, the Federal Assembly should appraise the government's work two years after the leadership takes office. It can oust the government with a two-thirds majority vote.

Despite his many measures for stabilizing the country's economy, Premier Mikulic, elected in May 1986, has failed in his efforts to promote the national economy, which has been declining. The country's production has stagnated, the profits have declined and prices shot up.

The Republics of Slovenia and Croatia are the two most economically developed republics among the country's six republics and two autonomous provinces, accounting for 40 percent of the nation's total social production value. Deeply dissatisfied with the government, they charged Mikulic with paying lip-service in promising to support the market economy while in reality interfering with it administratively. Although the two republics support the freeing of prices, imports and foreign exchange market based on the agreement between the government and the

International Monetary Fund (IMF); they doubt whether the Mikulic government can fully carry out these new policies and lead the country out of economic stagnation.

Many observers noted that the Assembly's rejection of the no-confidence motion was conducive to stabilizing both the political and economic situation in the country. But others disagreed.

One of Yugoslavia's newspapers commented that confidence in the federal government and its continuance in office did not mean that the crisis facing the government had come to an end or that the government in power could carry on to the end of its term. Mikulic himself also said that what he worried about most was not the motion of non-confidence taken up by the Federal Assembly, but what he would be confronted with after its rejection. The other four republics and two autonomous provinces voted in favour of the Mikulic government not because they were satisfied with it but because they felt the federal government was not alone to blame, in view of the many other unfavourable objective factors involved. What is more important is that if the Mikulic government were dismissed from office, the IMF and the foreign creditor nations might not agree to the postponement of the Yugoslav debts and refuse to offer it new loans. This would be a disastrous blow to the country.

by Xu Kunming

For a Better World — China's Foreign Policy

Chinese Foreign Minister Qian Qichen spoke at the Council on Foreign Relations in the United States on May 31, 1988. The following is the text of his speech — Ed.

Year after year, statesmen from countries across the world meet in the United Nations headquarters for free and extensive discussions on the important issues of the day. The question of war and peace has been the most talked-about topic for over four decades after World War II. During the 1970s, we were deeply worried about the destiny of peace. But along with the changing international situation and as a result of our observation over the years, we have changed our views. Now we have formed the judgement that the danger of war still exists but the forces of peace outgrow the factors making for war and hence the possibility to secure a fairly long period of peace. We hope to see peace last for 50 years at least. If no world war breaks out in the remaining dozen years or so of this century, the forces of peace will grow even stronger in the next century, and the possibility of a world war smaller. Recent developments have provided new evidence to reassure us of the correctness of this judgement.

Now it is clear that there is an ever stronger desire among the people of the world for peace and dialogue, and resentment against war and confrontation and a growing tendency towards peaceful settlement of international disputes. The United States and the Soviet Union have jointly declared that a nuclear war should not be fought and cannot be won. The conclusion of INF treaty and continued talks on strategic nuclear weapons have made progress in disarmament possible.

All countries in the world are seeking their own development by making good use of the present

international environment of peace. China is committed to deepening reform and realizing its modernization programme. All third world countries are striving to revitalize their economies so as to lift themselves from poverty. The developed countries are working to maintain prosperity and continuous development. These objectives cannot possibly be achieved unless world peace is preserved.

Scholars of international affairs have noted an increasingly prominent phenomenon that the world is going towards multi-polarization. Of course, it does not mean that the two superpowers no longer exist. Militarily, in particular, the United States and the Soviet Union each possesses a strength that no other country in the world can match. The nuclear weapons they possess are sufficient to destroy the world several times over while the vast majority of countries have no nuclear weapons at all. People often speak of five nuclear powers. In fact, the aggregate nuclear weapons of the other three nuclear states make up less than 5 percent of the world's nuclear arsenals, which are completely out of proportion to those of the United States and the Soviet Union. However, things look somewhat different when viewed from another perspective. The percentage of the US economy in the world economy is going down. The Soviet Union finds the economic gap between itself and the United States widening in addition to its tremendous economic difficulties existing at present. For years, we have heard some Americans talk about the limited ability of a superpower on the world arena.

That is a realistic view. Now Soviet leaders also recognize that neither the Soviet Union nor the United States can command the world. Some people say that the United States is on the decline while Japan and Western Europe are on the rise. Some even say that the 21st century will be a Pacific century. True, the Asian-Pacific region is full of vitality and has enormous potentials in terms of economic development. But it is still too early to conclude that the 21st century will be a Pacific century. It is our hope that a Pacific century, Atlantic century and Asian-African-Latin American century will appear at the same time. The trend towards world multi-polarization is a positive development. The world belongs to all the countries on earth. World affairs should be handled by the international community through consultations. Above all, the views and interests of the small and medium-sized countries should be respected. In such a big, diversified world, it is no good for one or two countries to have the final say. Nor is it good for a few countries to give the last word. Americans are fond of talking about democracy and human rights. In our view, democratization is needed in international relations, and the sovereignty of each and every country should be respected in the international community. This is the only way to make ours a better world to live in.

There is no world war today, yet world peace is not solid. It is still very fragile.

Peace and stability of the world cannot be based on an escalating arms race. In spite of the progress made in the cause of disarmament,

the arms race is far from coming to a halt. The upgrading of weapons is being speeded up and high-tech applied extensively to the development and production of new types of weapons. New types of strategic weapons have emerged before there is any reduction of the existing strategic weapons. Before the arms race on earth comes to a halt, the arms race in outer space has already begun. No results have been achieved in the reduction of conventional weapons. Of course, it will be no good if the weapons increase with the increasing number of negotiations. And it will not serve the interests of world peace either if the weapons become more sophisticated with more talks. Sustained efforts are called for if the ideal of disarmament is to be realized.

Likewise, peace and stability of the world cannot be based on the numerous and prolonged regional conflicts. Now the Soviet Union has at last begun to pull out its troops from Afghanistan, which is a welcome development. However, there remains a number of regional conflicts to be settled. A special case in point is the fact that Viet Nam is, up to date, still hanging on in Kampuchea in disregard of the strong demand of the international community. Regional conflicts are bringing untold sufferings to the local people, destabilizing the countries concerned and threatening world peace. People are talking about political settlement. China believes that political settlement can only be based on the cessation of aggression, withdrawal of foreign troops and respect for sovereignty of states.

Peace and stability of the world cannot be built on the widening gap in wealth between the North and the South. Since the North and the South are economically interdependent, the difficulties of the South will not merely affect the South. If the North adopts a farsighted policy to help the South

with its development, that will ultimately serve the interests of the North itself. To practise trade protectionism is very likely to result in harming others while gaining nothing for oneself. The way to common prosperity is the only one to bring hope to the world.

As the biggest developing country in the world, China is faced with a gigantic historic mission to realize its modernization. It is true that we have many problems and difficulties, that our goal will not be realized in one move, and that there will be risks involved as we move forward. However, it is clear to the whole world that our reform and opening to the outside world have yielded initial results, and that China, an ancient country, is now displaying its youthful vigour. Here, may I point out that if China, a country with over one fifth of the world's population, becomes developed, that will in itself constitute an important contribution to world peace and stability.

For China, a big country with one billion people, to pursue an independent foreign policy of peace serves not only the fundamental interests of the Chinese people, but the interests of world peace as well.

The Five Principles of Peaceful Coexistence initiated soon after the founding of New China have stood the test of a volatile international situation over the past 30 years or more, which has testified to their correctness and strong vitality. We have successfully solved boundary questions left over from the past with some neighbouring countries through negotiations on the basis of mutual understanding and mutual accommodation. We proposed to settle, in accordance with the principle of "one country, two systems" the question of national reunification left over from history, and reached agreement on

the questions of Hong Kong and Macao with the British and Portuguese governments respectively. All these will serve as good examples for the peaceful settlement of disputes between states.

We attach importance to China's relations with the United States, giving them an important place in China's relations with foreign countries. The exchanges between the two countries are expanding steadily in various fields and have broad prospects. To maintain and develop our friendly relations and co-operation will be good not to just one side, but to both sides, and to world peace and development as well. It has not come easily for Sino-US relations to develop to the present level. It is the result of the joint efforts of the two sides and also those of many friends present. However, there is no denying the fact that there have been obstacles and difficulties in the development of Sino-US relations and interferences with this development from time to time. We on our part have often encountered a difficult problem, that is, some people in the United States have always tried to interfere in China's internal affairs in a bid to move Sino-US relations along the lines of China accepting American values. This obviously will not work. As an old Chinese saying goes, "Whoever understands the times is a great man." That is to say, all men of wisdom are good at breaking with outmoded concepts and go along with the irresistible historical trend.

In six months we are going to mark the 10th anniversary of the normalization of Sino-US relations. Generally speaking, Sino-US relations have been good over the past decade. Still, there are quite a few problems. We wish to see fewer problems in Sino-US relations and more smooth development in the coming decade. ■

One Year After China's Worst Forest Fire

One year after the forest fire in the Hinggan Mountains, new homes have been built, trees replanted and fire control facilities reinforced with the help of the international community.

by Our Correspondents **Cheng Gang and Feng Jing**

The once lush north slopes of the Greater Hinggan Mountains are now marred by huge black spots which recall China's worst ever forest fire which blazed in May and June last year.

The fire severely damaged the forest base which formed more than one-sixth of the country's total timber reserves. One of the few fires in the world in this century to burn more than 1 million hectares of land, it ravaged an area of 1.33 million hectares and destroyed 30.6 million cubic metres of timber, more than the total volume of timber provided by the Greater Hinggan forest area to the state in the previous 23 years.

The fire left over 50,000 people from 10,807 families homeless. A total of 400,000 square metres of residential houses and over 30,000 square metres of hospitals, schools, shops, cinemas, theatres and other public facilities were burnt down.

On the eve of the first anniversary of the fire, we visited the Greater Hinggan Mountains.

Rebuilding Homes

In Xilinji Town, Mohe County, a number of apartment buildings stand among the rows of newly built brick and tile houses. Only some makeshift iron-sheet houses and broken walls still serve as a reminder of the disastrous fire of a year ago which left nothing but

scorched land and piles of debris.

On May 29, 1987, before the fire was completely extinguished, a group under the State Council was set up in the destroyed Mohe County town to revive production and rebuild local people's homes. The plan was to achieve this within two years. The state invested 200 million yuan that year, and aid was also received from Red Cross organizations in Federal Germany, the United States, Japan, Britain, France, Norway, Sweden, Finland and Italy, and the Food and Agriculture Organization and the Disaster Relief Office of the United Nations.

Located between 51° and 54° north latitudes, the Greater Hinggan area is freezing cold in winter, sometimes recording

snowfalls in October. To move the victims into warm houses before the winter set in, more than 35,000 builders from Heilongjiang, Jiangsu, Shandong, Henan and Liaoning provinces were rushed to the area soon after the fire. They worked more than 12 hours a day and erected 580,000 cubic metres of timely new housing. The government also issued relief goods, including quilts, blankets, suitcases, cooking utensils, tables and chairs, to victims moving into the new houses.

Cai Zhenxiang, chairman of the trade union of a forestry farm, and his family moved into a two-bedroom house. A standard house built after the fire, it measures 50 square metres, has a kitchen and is equipped with central heating and

Mohe County primary school pupils in their newly built classroom.

CHENG GANG



a hand operated well. With the government's relief fund and family allowance from his farm, Cai bought a sewing machine, a washing machine and a tape recorder, and a friend gave him a television set. He said his life now is not as comfortable as it was before the fire, but the family's basic needs for food, clothing and everyday articles are guaranteed.

The newly built houses are often inadequate, some families having to share only one room. A responsible official said another 380,000 square metres of housing, including 120,000 square metres of apartment buildings, will be completed before the end of this year. By then, all families in the affected area will be able to move into two-room houses or apartments.

People

Before the fire, Liu Zhenwen of Xilinji was a housewife and she and her family relied on her husband's income. After her husband died in the fire she was left to support three sons and her mother-in-law. The government assigned her a job and gave her a pension of 3,000 yuan. Her husband's friends also offered help, sending her a washing machine and a sewing machine. But the family's present monthly income is around 200 yuan and it is often difficult for Liu to make ends meet. "Even so, I will somehow manage to bring up my children and look after my mother-in-law; it is my husband's last wish," she said.

During the fire, Wang Shuangmeng, 27, a boiler attendant, lost his two daughters. His wife's legs were seriously burnt and later amputated. Last October the couple moved into a new house. Wang has asked for long leave to look after his wife and plans to go back to work after his wife is fitted with artificial legs. To please his



Our correspondent with Wang Shuangmeng's wife and son.

CHENG GANG

wife, he bought a colour TV set and he bought himself an electric organ. A few months ago, his wife gave birth to a boy, to the great joy of the family.

Before the fire, Li Wenhui independently ran a wholesale food store at Xilinji. The fire destroyed all the goods in his storehouse, inflicting losses of 270,000 yuan. Li recently built a makeshift storehouse using money

repaid to him from a debt and a bank loan. He plans to quickly revive his business.

Li Qingzheng and Wang Shufen were the first couple to be married after the fire. The fire burnt their house and all the goods they had prepared for the wedding. With the help of colleagues, they married two weeks after the fire. Now both working with a forest bureau, the two are dedicated to



A store yard for fire damaged timber.

CHENG GANG

target. Other parts of China sent 14,000 workers and over 1,000 motor vehicles, tractors, diesel power saws and other equipment to the Greater Hinggan forest.

The practice of felling no trees in spring was dropped and the work load increased. To date, 3 million cubic metres of burnt trees have been felled and about half of them shipped out.

Wang Hanzhong, who is in charge of felling operations, said that prior to the fire the annual output of the local forestry bureaus was 2.9 million cubic metres. The sudden increase in the work load brought them many difficulties, one of the most serious problems being the shortage of fuel for machinery and motor vehicles. The locality's processing and storage capacity is also inadequate, so large quantities of timber cannot be shipped out.

The Harbin Railway Bureau was assigned the task of transporting 3.2 million cubic metres of burnt trees, an increase of 300,000 cubic metres from the previous annual transport volume. The Ministry of Railways allocated the bureau five large-horse-power diesel locomotives to transport the burnt trees, as well as money to build two temporary railway stops. By August this year the bureau's transport capacity is expected to increase 25 percent.

Government departments concerned are also adopting measures to tap water and highway transport potential and raise the locality's timber processing capacity to reduce the pressure on the railways.

Reforestation

Engineer Luo Dekun of the Greater Hinggan Forest Management Bureau sees the greatest damage brought by the forest fire as the death of middle-aged and young trees. About 75 percent of the Xilinji Forestry Bureau's

their work. Wang said, "We are building a new life for ourselves with our own hands."

Felling Burnt Trees

Most of the trees burnt in the fire could still be used. It was estimated that 15 million cubic metres of this commercial timber was left behind and the felling and shipping out of this timber became an important task after the fire.

According to forestry specialists, burnt trees are prone to threats from pests and insects. If not quickly felled, the state could lose up to 300 million yuan a year due to declining timber quality. The State Council thus asked that the burnt trees be felled and shipped out within three years.

Since resuming production last September, the four forestry bureaus and five timber store yards in the affected area made an all-out effort to complete the work

younger Hinggan-Scottish pines and 60 percent of its immature larch trees were totally destroyed. These two types of trees are the principal species in the Greater Hinggan forest, accounting for about 90 percent of the total number of trees in the forest. Specialists claim the impact of the damage to immature trees is more far-reaching than the damage to mature and old trees, and will force forest farms to cease or decrease production considerably in coming years.

The need to restore forest resources is a most pressing one. Seriously affected areas can only be restored by large-scale transplanting of saplings, and moderately affected areas will have to concentrate efforts on loosening the soil around the trees to help seeds drop directly into the soil and increase their chances of survival. Changes brought about by the fire to the climate, soil and other ecological conditions have, however, adversely affected these two reforestation plans.

Sapling transplantation requires soils of a depth of more than 15 cm but the fire destroyed many organic substances, and in some places rock is exposed. With the death of the trees, the soil-fixing function of their roots weakened, and soil erosion has already started to appear in some places. All these factors adversely affect the survival rate of transplanted saplings.

The poor soil moisture content poses another threat to the younger trees. The annual rainfall of the Greater Hinggan Mountains averages 350-500 mm. In the past the preservation of moisture in the soil mainly relied on the natural water conservation of the forest, but this is no longer enough.

There is also a serious shortage of tree seeds. Located in the frigid-temperate zone, the Greater Hinggan forest is only suited to the growth of very few tree varieties



A fire observation tower.

FENG JING

such as Hinggan-Scottish pine and larch.

Despite all these problems, painstaking efforts are being made to revive the forest area. This year plans will concentrate on transplanting saplings on 5,000 hectares of land and reforesting another 20,000 hectares.

Forestry bureaus in the affected area have worked in co-operation with scientific forestry research institutes and forestry universities

and colleges all over the country. The Xilinji Forestry Bureau has signed an agreement with the Beijing Forestry University for technical and consulting services on sapling nursing, forest management and protection, and 13 other items.

Fire Prevention

The highest importance since the catastrophe has been attached

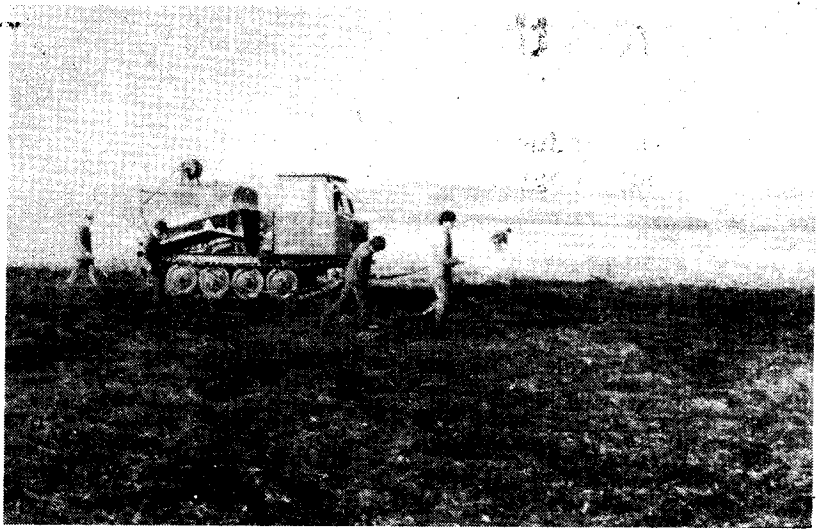
to fire prevention. The State Council established the Central Forest Fire Prevention Headquarters, promulgated the Forest Fire Prevention Provisions and allocated special funds for fire prevention work.

The Greater Hinggan Mountains entered the spring fire prevention season between March 15 and May 20 this year—a danger period with frequent windy days. During this season, the State Council provisions were posted in all offices, hotels and railway stations in the Greater Hinggan forest area, and fire prevention information was broadcasted in public places.

In the Greater Hinggan Fire Prevention Centre established jointly by China and Canada, local meteorological observatories reported local weather data to the centre by radio every two hours to assist fire danger forecasting.

The Greater Hinggan forest area covers 22.63 million hectares, 13.44 million hectares of which are covered by trees. Prior to the 1987 fire, fire prevention and fire fighting capabilities in the area were very low. There were 31 fire observation towers which only covered one-third of the whole forest area. Information transmitting channels were often blocked and connections relied largely on telephones. Available fire fighting tools consisted mainly of brooms; there were only 301 pneumatic extinguishers. Fire-breaks averaged only 1 metre per hectare.

This year, the area has invested 73 million yuan in fire prevention, a seven-fold increase from 1986. Since the fire, the area has built 236 km of firebreaks, 45 helicopter landing grounds, four aeroplane filling stations, 40 observation towers which have increased the area covered to 50 percent, and eight forest fire forecast stations. In addition, 200 transceivers, 500 pneumatic extinguishers, 1,000 fire extinguishing hoses and 12 fire



A teacher and students from the Beijing Forestry University testing fire extinguishing equipment in the Greater Hinggan area.

QIAO QIYU

engines have been purchased.

Forest rangers in charge of fire fighting maintain a sharp vigilance. They are able to drive to the airport in eight minutes after the alarm sounds, and fly directly to the trouble spot. The Greater Hinggan area now has over 1,700 forest rangers and 3,100 specialized forest guards and fire fighters, an increase of 58 percent from 1986. There is also a large mass fire prevention and fire fighting contingent.

After last year's forest fire, the number of people entering the mountains rose sharply. The floating population increased to 33,000 and another 30,000 people came to help with restoring and cleaning work. The local government stipulated that all newcomers should learn fire prevention skills, and that no one should be issued a pass without first passing an examination. Moreover, 200-metre wide fire-breaks have been built around all villages, oil depots, warehouses and living quarters.

The state is also making efforts to help improve fire prevention techniques. Late last year, the State Planning Commission, the Ministry of Forestry and Heilong-

jiang Province jointly established the State Forest Fire Prevention and Fire Fighting Development Fund. Beginning this year, the fund will allocate six million yuan each year to the project. The fund has also formed three expert groups in charge of six research projects to be completed in the next five years. Associate Professor Qiao Qiyu of the Beijing Forestry University, one of the fund's leading members, commented, "China's forest fire prevention techniques will be greatly improved after five years of study and experimentation."

Recently, with the approval of the State Council, the Greater Hinggan forest area received a loan of US\$50 million from the World Bank to be used over a three-year period to improve fire prevention capabilities, save burnt trees and conduct reforestation programmes.



The Growth of China's Mining Industry

China's mining industry has made much headway, but problems still exist, such as outdated technology and equipment, the waste of resources and poor economic results.

by Cheng Hai

China is a large-scale exploiter and consumer of minerals and mineral products. It is estimated that by 2000 China will need 1.2 billion tons of coal and 200 million tons of crude oil a year to meet the needs of national economic development.

Geological surveys of past years indicate that China's deposits of more than 20 important minerals are among the richest in the world. In recent years, China has shifted its focus to look for petroleum, natural gas, gold, silver and other limited mineral resources, and important progress has been made in these fields. Discovery of petroleum reserves in China's western area, Inner Mongolia and the Guangxi Zhuang Autonomous Region is regularly reported. Gas was found in the East China Sea basin during offsea oil explorations. Oil explorations in the South China Sea, which attracted bids from 50 oil companies of 12 countries, have also confirmed oil and gas reserves, and the first group of offsea oil wells will soon begin operations.

Considerable success has also been made in the search for gold and silver, and a number of rich deposits of aluminium, lead, zinc, tin and other nonmetallic minerals have been found.

China's mineral resources thus guarantee the possibilities for large-scale exploitation. In 1986, there were already 20,000 mines producing 1,600 million tons of minerals valued at more than 60,000 million yuan. This account-

ed for 5 percent of the nation's total industrial output value.

China's mining industry ranks fourth in the world. Coal, tungsten and rare earth outputs take the No. 1 spot; the output of antimony the third; and both oil and iron ore outputs the fourth; tin and gold outputs respectively rank fifth and sixth.

In 1986, industrial departments invested more than 15 billion yuan in mining, lower than the amounts invested in power and traffic construction, but still higher than in other sectors.

In 1987, China produced 920 million tons of raw coal, making it the largest coal producer in the world. Coal is China's major energy resource, making up 70 percent of the national total. Coal therefore takes an important place in the state investment bill. In recent years, five open-cut coal mines have begun operations in Shanxi and Inner Mongolia, capable of producing a total of 200 million tons. At present, the focus of oilfield development remains in the eastern part of China. At the same time, the development of oilfields in the west is not slackened, and it is estimated that oil production in this area will be much improved by the end of the century.

Recent attention has been placed on exploiting aluminium, copper, zinc and other minerals. Mine construction involves large investments by the state. The production of tungsten, tin, antimony and nickel is now beginning to grow steadily. The

production of certain minerals is being limited due to shrinking markets, but iron ore output, which has hit the 100-million-ton target, still cannot meet market demand. Nonmetallic mineral production has grown rapidly to become one of China's fast-growing industries. Estimates show that by the end of the century the output value will more than double the current figure.

Foreign enterprises have become very interested in the exploration and utilization of China's mineral resources. From offsea oil exploration projects mentioned above, Japanese and US oil corporations have set up joint projects with their Chinese counterparts in Inner Mongolia and Xinjiang. High-quality rare earth has been discovered in Guangdong as a result of the joint efforts of Federal Germany and China. The geological department of Democratic Germany has also been involved in prospecting for sylvite in China. The Antaibao Open-cut Coal Mine with investments from the Occidental Petroleum Corporation of the United States is the largest mining joint venture in China. A number of other medium-sized and small mines funded by foreign investors have been put into operation.

Mineral products are among China's most important export commodities. Coal, oil, tungsten, tin, antimony, rare earth and other nonmetallic minerals are exported in large quantities and, except for oil, these minerals can be exported

under a long-term plan. However, with the development of the national economy, exports from light, chemical, machine-building and ship-building industries have increased steadily, and China's mineral exports form a smaller proportion of the country's foreign trade. On the other hand, the variety of semi- and fully-processed mineral products for export increased.

Natural resources are unevenly dispersed throughout the world. Therefore, it is impossible for any country in the world to be self-sufficient in any minerals. In recent years, China has not only exported but also imported mineral products. Imports include large quantities of phosphate fertilizers, which account for 19 percent of the world's total phosphate fertilizer imports, making China the world's largest importer of chemical fertilizers. In addition, iron ore, chromite, sylvite, aluminium and copper were also imported in large quantities. In the future, coastal area enterprises in particular may increase their imports by a large margin. China's long-term policy on the use of mineral resources comes down to mainly relying on internal resources while importing reasonable amounts from abroad.

Most of China's iron ore imports are from Australia. In

recent years, Canadian, Brazilian and Swedish mining enterprises actively marketed iron ore in a bid to clinch contracts to supply China's need. Thailand and some African countries are also showing a great deal of interest in selling potash and phosphate to China. China not only imports minerals from these countries, but also invests in them. An Australian iron mine project funded by China is operating smoothly and Sino-Australian gold explorations in Australia are also meeting with success.

China is a strong force in the field of geological exploration. In recent years, the country has contracted geological engineering projects in 13 countries and regions, and provided technical personnel and prospecting equipment to these countries.

Machinery and instruments for mining and geological exploration are now being made in China, which has more than 20 mining machinery and instrument factories capable of manufacturing offsea oil-drilling platforms, and providing complete sets of equipment for open-cut mines with yearly production capacities of 10 million tons. Chinese mining machinery factories and the PH Corporation of the United States have succeeded in producing 23-cubic-metre electric shovels. More

than 400 pieces of equipment for geological exploration are available. In recent years, geological drilling machines and tools have been exported to Japan and 10 other countries in South America, Southeast Asia, Africa and Southern Europe.

The major problems facing China's mining industry are outdated technology and equipment in mining, ore dressing and processing, the waste of resources and poor economic results. China's mining and geological equipment producers are making efforts to develop and manufacture new products to remedy this situation. At the same time, they have established co-operative relations with foreign enterprises for the joint design and production of key equipment and for the import of investment and technology. As a result, the quality of products and scientific and technical levels are being raised.

In the field of geological exploration, the Chinese government has signed long-term agreements on scientific and technical co-operation with Federal Germany, the United States, Japan, France and Australia. These agreements will no doubt play an important role in the scientific and technological progress of geological exploration in China. ■

China's Nonmetallic Industries

by Cheng Hai

In recent years, China has been working hard to develop the nonmetallic mineral industry with its abundant resources. It is estimated that nonmetallic industries will see rapid development in the next five years, and nonmetallic mineral products will be more

competitive on international markets. China is openly inviting foreign enterprises to invest funds, provide advanced technology and exploit nonmetallic mineral resources with Chinese and foreign investment or exclusively foreign funds.

As one of three major resources (the other two are energy and metals), nonmetallic minerals have been used in an ever-widening area. In the past decades, the world's nonmetallic mineral industry has developed much faster than metal industries. The

Chinese government has also attached great importance to the development of the industry, and there are favourable conditions for this in the country. There are 89 types of proven nonmetallic mineral deposits scattered over 5,000 locations. Of these deposits, 17 including talcum, graphite, diatomite, fluorite, magnesite, pyrophyllite and sepiolite rank first or second in the world; and 15 including kaolin, pearlite, wollastonite and rock crystal occupy an important place in world reserves. Good-quality building materials such as granite from Fujian, Guangdong, Zhejiang, and marble from Hebei, Jiangxi, Jiangsu and Anhui are also available on a large scale.

China's nonmetallic mineral resources are scattered mainly in eastern coastal areas and along the middle and lower reaches of the Changjiang River. These places, with their convenient transport, solid economic base and skilled workers, are ideal for developing the industry.

In recent years, China's rapid economic growth has sped the development of the nonmetallic mineral industry, which is now advancing at a rate exceeding the

world average. Cement, glass and ceramic industries are developing particularly quickly. It is estimated that by the year 2000 the output value of China's nonmetallic mineral industries will increase by 300 percent.

China now exports 55 kinds of nonmetallic minerals. The main export minerals include talcum, fluorite, magnesite, graphite and stone materials. Although the volume of nonmetallic mineral exports is only US\$300 million, this number has doubled in five years. It is clear the prospects for export are bright.

Nonmetallic mineral industries include exploration, mining, ore dressing and processing. While exploration and mining are strong in China, ore dressing and processing technology is backward. In fact, even exploration is still at an elementary stage. China is studying development strategies to remedy this situation. Since 1986, some nonmetallic markets and service centres have been set up in Beijing, Tianjin, Shanghai, Wuhan and Guangzhou. Large and medium-sized ceramic, cement and glass plants have been extended, and some new building material plants have been established.

China intends to set up bases for nonmetallic mineral industries in its coastal areas, and establish enterprises integrating exploration, processing and sales. Plans are under way to build talcum bases in Liaoning, Shandong and Guangxi; fluorite bases in Zhejiang and Fujian; clay mineral bases in Jiangsu and Hunan; granite bases in Fujian and Guangdong; a kaolin base in Guangdong; a graphite base in Shandong and a marble base in Hebei Province.

China's nonmetallic mineral enterprises will be developed at state, local and township levels. The State Bureau of Building Materials Industry, and the ministries for the metallurgical, chemical and light industries, geology and mineral resources and foreign economic relations and trade, will all be involved in research and development.

The main difficulty China faces is how to develop nonmetallic mineral industries with limited funds and backward technology. China is looking for the opportunity to co-operate with foreign countries to develop nonmetallic mineral markets both in China and throughout the world. ■

FACTS AND FIGURES

Economic Growth Between 1983-87

The five years from 1983 to 1987 witnessed the deepening of the structural reform of China's economy. The national economy was invigorated and remarkable progress was achieved in many fields, including production, construction and consumption. Profound changes have taken place in China's socio-economic life.

Steady Economic Growth

The gross national product (GNP) increased from 503.8 billion yuan in 1982 to 1,092 billion yuan in 1987, a 68.9 percent increase, calculated on comparative prices. The national income rose from 426.1 billion to 915.3 billion yuan, a 66.2 percent

increase (see charts).

The steady economic development greatly improved China's economic strength. Its GNP ranking rose from ninth in 1982 to seventh in the world in 1987. Industrial and agricultural products also gained a higher position in the world. Cereals, meat, cotton, rape seed, cloth, cement

and coal all lead the world in output (see table).

During the same period, social funds doubled or redoubled, state revenue increased markedly and extra-budgetary funds doubled (see charts). The savings deposits of urban and rural residents amounted to more than 300 billion yuan in 1987.

But there are some unstable factors affecting national economic development. Energy supplies and communications still need improvement. Some commodities, especially staple foods, are in short supply and prices have continued to rise dramatically.

Change in Rural Industry

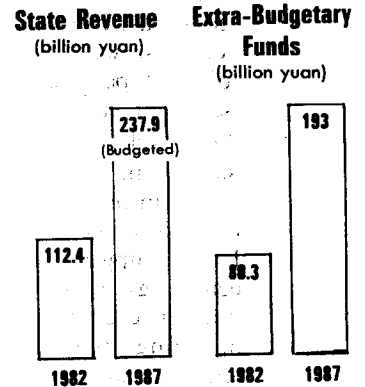
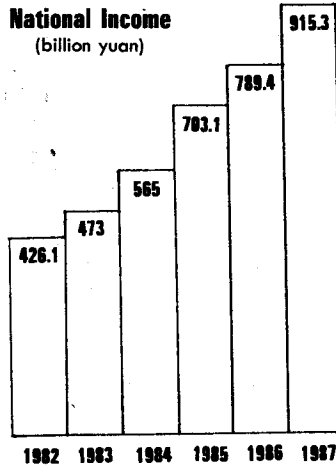
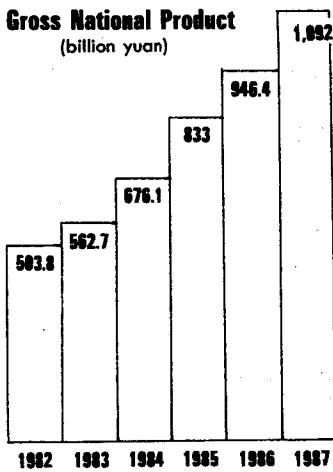
The rural economy has flourished with the growth of farmer initiative in commodity production and their increased understanding of market forces.

The total value of rural production amounted to 904.1 billion yuan in 1987, double the 1982 figure, reckoned on the basis of comparative prices. This accounted for 40 percent of the country's total production. Agricultural output value reached 444.7 billion yuan, a 35.5 percent increase from 1982 based on comparative prices. Production in the areas of forestry, livestock breeding, fishery and sideline occupations also developed rapidly, making up 39 percent of agricultural output.

Main agricultural production went through some ups and downs in these five years, but registered dramatic increases. In 1987, grain output reached 402.41 million tons, 13.5 percent more than in 1982; aquatic products amounted to 9.4 million tons, an 82.2 percent increase from 1982; oil-bearing crops, 15.25 million tons; sugar

crops, 54.82 million tons; pork, mutton and beef, 19.21 million tons, a 25.8-42.2 percent increase from 1982.

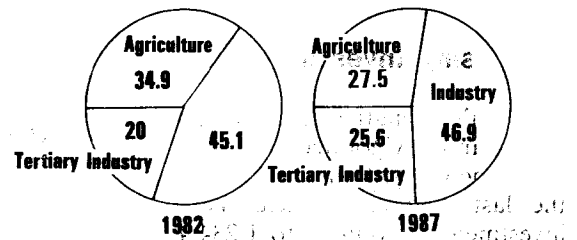
Rural industry, building, transport and commerce developed rapidly to produce a combined output value of 459.4 billion yuan. Calculated on comparative prices, this was treble the 1982 figure and accounted for 50.8 percent of gross rural production, surpassing the agricultural output value for the first time (see charts). The development of non-agricultural production facilitates the restructuring of rural industry. Of the rural labour forces, over 20 percent are engaged in non-agricultural economic activities. The rural commodity economy further developed and 60 percent of farm and sideline products were marketed as consumer commodities in 1987 compared with 49.8 percent in 1982.



World Ranking in Terms of Main Product Output

	Cereals	Cotton	Pork, Beef & Mutton	Steel	Coal	Crude Oil	Electricity
1982	2	1	2	4	3	5	6
1987	1	1	1	4	1	5	4

Division of Industry (%)



Industrial Growth

Since the implementation of reforms to industrial enterprises, the popularization of the contract responsibility system has further improved the enterprise mechanisms and pushed industrial production to a new stage of development. Last year, industrial output value totalled 1,378 billion yuan, more than double the 1982 figure, representing an annual increase of 15.3 percent. At the same time state, collective and private and other types of economies were developing.

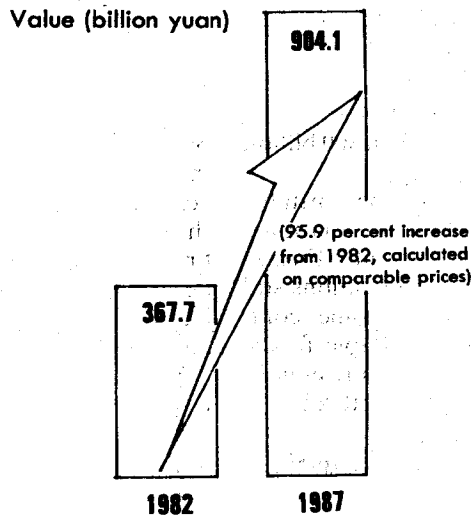
The output of all major industrial products increased in the past five years. Coal output for 1987 reached 920 million tons; crude oil, 134 million tons; electricity, 496 billion kwh; steel, 56.02 million tons; an increase ranging between 31 and 51 percent from 1982. Cement output amounted to 180 million tons, an 89.1 percent increase, and the output of motor vehicles increased 140 percent to 472,000. The production of wool, chemical fibre, canned foods, beer, household refrigerators, washing machines, radios, tape recorders, television sets and cameras also doubled or redoubled.

At the same time, production technology was improved. More than 100 billion yuan were earmarked for upgrading industrial technology and US\$10 billion in foreign exchange went towards importing 10,000 pieces of equipment and advanced technological items, thus narrowing the gap between the technical level of Chinese and world industries.

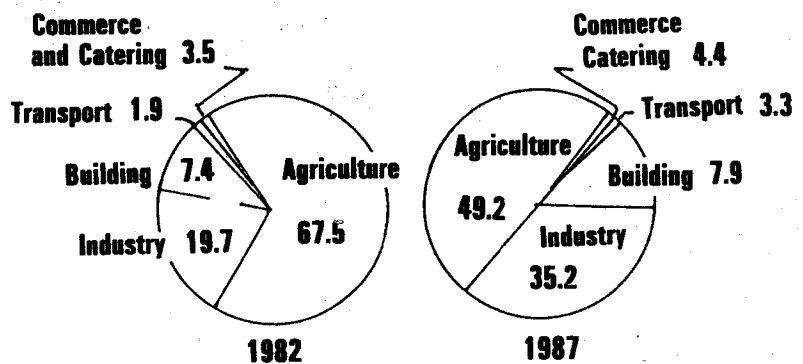
Increasing Investment

China's strengthened economic forces and invigorated economy have encouraged investment. In the last five years, fixed asset investments amounted to 1,234.4

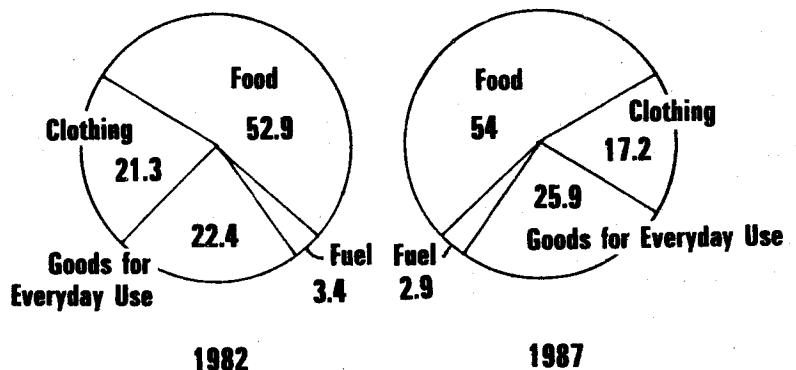
Total Social Product and Division of Production in Rural Areas



Division of Production (%)



Retail Sales for Consumer Goods (%)



billion yuan, of which 805.8 billion yuan were invested in state-owned enterprises. During this period, a total of 529 large and medium-sized construction projects went into operation. They included the first stage of the Baoshan Iron and Steel Complex in Shanghai; the ethylene project in Daqing with an annual production capacity of 300,000 tons; a number of large and medium-sized power plants and stations including the Gezhouba Power Station, the Qinghe Power Plant in Liaoning Province and the Jianbi Power Plant in Jiangsu Province; as well as oil wells, coal mines, railways, highways, harbours and wharves, and other energy and communications construction projects. During these five years, installed generating capacity increased by 29.38 million kw, oil drilling capacity by 70.49 million tons, and the handling capacity of harbours in coastal areas by 132.77 million tons.

Of the total fixed asset funds, the proportion from state-owned and collective enterprises decreased while that from urban and rural people rose; budgetary investment fell off while extra-budgetary investments increased. In 1987 the percentage of investment by urban and rural residents rose to 22.1 percent from 17.1 percent in 1982 and the percentage of extra-budgetary funds rose to 87.3 percent from 77.3 percent in 1982.

Infrastructure Improved

In 1987 the volume of freight handled by all forms of transport reached 2,190.9 billion tons/kilometre, 70 percent more than in 1982; passenger transport 535 billion persons/kilometre, a 95 percent increase from 1982; and the loading and unloading capacity of main harbours in coastal

areas 397 million tons, a 66.8 percent increase.

The transport structure was further improved. Additional through freight trains and express passenger trains began operating. The freight volume transported by trucks, boats and planes accounted for 56.8 percent of the total transport in 1987 compared to 53.1 percent in 1982 and passenger transport increased from 42.6 percent to 46.9 percent. More than 110 new berths were built, 30 of them 10,000-ton class. Air transport developed rapidly with 289 airlines serving an area of 324,000 kilometres.

Post and telecommunications also improved. In 1987, postal and telecommunications services brought in 3,890 million yuan, a 90.3 percent increase from 1982. Now 21 provincial capital cities have installed automatic telephone switchboards. Wireless walkie-talkie businesses have opened up in 40 cities. Beijing, Guangzhou, Fuzhou and 47 other cities have installed 897,000-circuit programme-controlled telephone switchboards. Domestic express mail services have been established in 196 large and medium-sized cities. China also established direct mail links with 124 countries and regions and direct circuits for 43 countries and regions. Optical fibre technology has been adopted in post and telecommunications.

Economic Exchange

The open policy has been systematically implemented in the past five years; special economic zones have been established; coastal cities opened and economic development districts set up. Great progress has been made with the introduction of advanced foreign technology and management and the use of foreign investment to accelerate

domestic economic construction.

According to customs figures imports and exports amounted to US\$82.7 billion in 1987, double the 1982 figure. Exports reached US\$39.5 billion, a 77.1 percent increase, and imports came to US\$43.2 billion, an increase of 120 percent. In the past five years, China has attracted US\$24.16 billion in foreign investment.

China has also made some progress in contracting projects and labour services abroad, completing work to the value of US\$3.99 billion since 1982 and establishing co-operative labour service relations with more than 100 countries and regions.

International tourism developed steadily. Last year 26.9 million people from 169 countries and regions visited China, 3.4 times the 1982 figure. China collected US\$6.69 billion in foreign exchange from tourists in the past five years, equivalent to 4.5 percent of total foreign earnings from exports for the same period, contributing towards domestic construction and a balance of payments.

Retail Sales Grow

The introduction of a variety of economic sectors and management forms in the commodity circulation system has promoted production and improved the living conditions of the people. As the income of urban and rural residents increased, commodity retail sales rapidly expanded. In 1987, retail sales of products amounted to 582 billion yuan, a 130 percent increase from 1982. Of the retail sales of consumer goods, food sales increased by 2.4 times, clothing 88.9 percent and goods for everyday use, 2.6 times (see charts).

(Continued on p.29 and for North American Edition, p.40)

Tourist Environment Improved

He Bin works as a full-time sanitation inspector at the Beijing Minzu (Nationalities) Hotel. Every morning, dressed in white overalls, she visits the hotel's kitchens, restaurants, bar, lobby and guest rooms to check that they are spick and span. Recently the Beijing municipal government laid down more than 100 hygiene regulations for tourist hotels and restaurants. He Bin's job is to ensure that they are strictly enforced.

Under the food regulations, cooked and uncooked food must be prepared in separate kitchens; ultraviolet sterilization lamps must be installed in the rooms for cooked food; knives and chopping boards must be washed with ethyl alcohol; and used tableware, cups and glasses must be boiled under high pressure and sterilized with disinfectants.

Bedrooms must be cleaned by special cleaners while other attendants wash and sterilize teacups and mugs from the rooms.

Stair handrails, doorknobs, lift buttons and telephone mouthpieces must be wiped with clean water and then sterilized with disinfectant several times a day. In addition, attendants must monitor the air pressure, humidity, luminosity and noise level of guest rooms with meters.

Nearly 200 hotels and restaurants in Beijing have sanitation inspectors such as He Bin to oversee this work.

Hygiene in Beijing's tourist facilities has improved in the past year. The city won second prize in the 1987 national sanitation competition, while in 1986 it placed sixth. In February and March this year, when hepatitis A was spreading in Shanghai and other places, the hepatitis rate in Beijing, a popular tourist city with a floating population of 1 million,

dropped compared with the same period in 1987.

This year is Beijing's International Tourist Year. The number of tourists from abroad is expected to reach about 1.2 million, an increase of 15-20 percent over last year. The Beijing government has decided to invest 2 million yuan to manage and upgrade more than 500 public toilets, at the airport and railway station and at major shops, theatres and recreational facilities in tourist areas and scenic spots. The toilets are to be thoroughly cleaned, supplied with toilet paper and equipped with wash basins and hand driers. A Public Toilet Sanitation Competition Committee has been set up, headed by one of Beijing's vice-mayors. The results of the yearly competition will be publicized in the media. The Forbidden City Cup will be awarded each year to the tourist facilities that provide the best service. Hygienic toilets will be an important criterion in choosing the winner.

Experts in the tourist field say that with the construction of hotels, restaurants and other tourist facilities in the past few years, Beijing has basically met the needs of tourists from abroad. The continuing success and further development of the tourist industry will depend on whether it gives good service, and foreign tourists are particularly sensitive when it comes to hygiene.

by Han Guojian

Commemorative Trees Planted

At the invitation of the Beijing Travel Service, over 100 foreign friends from a dozen countries including Japan and the United States recently planted "Commemorative Trees" in the

Barbican parklands.

The foreign friends included reporters, and company and joint-venture hotel employees.

After giving the last spade of earth, Rudolph Seaudinger, general manager of the Shangri-La Hotel, said he was very pleased to have this opportunity to plant a tree because in his homeland Austria, a man is considered a real man only after he plants a tree, begets a child and builds a house.

The parklands form an artificial forest 25 km south of Beijing which was opened in November 1985. It covers an area of over 140 hectares and boasts 180,000 different kinds of trees including poplars, willows, mulberry trees, pagoda trees and pines.

"We warmly welcome foreign tourists to plant commemorative trees here, and allow them to tag their names to the trees they plant," said Bo Xicheng, head of the Beijing Travel Service.

by Han Guojian

Xuanbi Great Wall Opens to Tourists

The Xuanbi (Ridge-Hanging) Great Wall in Gansu Province, a new scenic area on the ancient Silk Road, has been opened to tourists.

This section of the Great Wall is 500 metres long. From its highest point, the beacon tower, 1,700 metres above sea level, one can see the snow-capped Qilian Mountains, the magnificent Jiayu Pass and the vast expanse of desert.

Located on Heishan Mountains, north of Jiayu Pass, the Xuanbi Great Wall was built in the Ming Dynasty (1368-1644). As its name suggests, it hangs on a ridge. Only parts of the weather-beaten wall have so far been renovated, after long years of neglect.

by Han Guojian

Mao Zedong and His Father

"ZHONGGUO LAONIAN"

(China's Elderly)

Mao Zedong, late chairman of the Communist Party of China, was born in the village of Shaoshan in Xiangtan County, Hunan Province, in 1893 to Mao Shunsheng and Wen Qimei.

Mao Shunsheng (1870-1920) was a poor farmer who, while still young, was obliged to support the family by borrowing money. By saving carefully and gathering together a little money through running a small business, he managed to buy back his land. When Mao Shunsheng was still a small-scale farmer he began to deal in grain sales and transport, which earned him a little money. Later he became a wealthy farmer, and devoted most of his time to business. He hired a full-time farm labourer, and set his children as well as his wife to do farming work.

Mao Shunsheng was industrious, frugal, intelligent, capable, and possessed good management skills. He was also strict with his children and hoped to train his eldest son to be his successor.

Mao Zedong began studying in a local private school when he was eight and remained there until he was thirteen years old. In the early mornings he worked in the field and at nights he kept the books for his father. Once, his father was defeated in a lawsuit by his adversary who appropriately used a classical quotation in court. He was naturally very angry and wanted his son to master more classics which could help him win lawsuits.

The young Mao Zedong loved to read romances of old China, especially stories of rebellion.

After he left the primary school, he began to work long hours on the farm, helping the hired labourers, doing the labour of a man during the day. Nevertheless, he managed to continue with his reading, devouring everything he could find. He read *Romance of the Three Kingdoms*, *Outlaws of the Marsh*, *Journey to the West*, *Word of Warning* and some progressive books and magazines.

Mao Zedong later came to know a radical teacher named Li Shuqing who had returned from other parts of the country. The two of them became quite good friends; Mao would often visit Li, borrowing books and discussing current events or asking Li to correct his compositions.

In 1910, thousands of people in Changsha, the capital of Hunan Province, were without food. The starving people mounted a huge uprising in the city. This made a deep impression on Mao.

From childhood, Mao Zedong was full of rebellious spirit. His first rebellion, when he was only 10 years old, was directed against his Chinese teacher, who believed in strict treatment. He was harsh and severe, frequently beating his students. One day Mao ran away from school, but he was afraid to return home for fear of receiving a beating there. So he set out in the general direction of the city, which he believed to be in a valley somewhere. He wandered for three days before he finally went back home. Then he learned that he had travelled around and around in circles. To his surprise, after his return conditions improved somewhat. His father was slightly more considerate and his teacher was more inclined to moderation.

Mao Zedong discovered a

powerful way of standing his own ground in debates with his father when he was thirteen, by quoting the classics. His father constantly accused him of unfilial conduct and laziness. Mao Zedong replied by quoting passages from the classics, saying that the old must be kind and affectionate. Against the charge of laziness, he used the rebuttal that older people should do more work than the young.

The son's dissatisfaction continued to grow. The dialectical struggle in the family gradually became constant. One day, Mao's father invited many guests to his home, and while they were present a dispute broke out between him and his son. The father denounced his son before the whole group, calling him lazy and useless. The infuriated Mao Zedong was unable to restrain his anger and left the house. His parents ran after him and tried to persuade him to return. When Mao reached the edge of a pond, he threatened to jump in if his father came any nearer. Under the circumstances, the father had to make concessions.

Mao Zedong's most serious act of disobedience towards his father was against his arranged marriage. According to ancient local customs, his parents had married him when he was fourteen to a girl of twenty. Mao Zedong refused to recognize this marriage because he had no affection for the girl and his father could do nothing to change his mind.

Mao Zedong was always dissatisfied with his father's stinginess. One year, when the new rice was not yet harvested and all the winter rice had been exhausted, a food shortage hit the district. The poor demanded help from the rich farmers, beginning a movement called "eat rice without charge." His father was a rice merchant and had stockpiled a large amount of rice, but he wouldn't agree to help the distressed and feed those in peril.

Mao Zedong considered his father's deeds selfish and unkind. Mao was very different from his father. When he was sent by his father to redeem a debt at the end of a year, Mao met several poor people in rags on his way back and gave all the money to them.

Mao Zedong's mother was a kind woman, generous and sympathetic and ever ready to share what she had. She pitied the poor and often gave them rice when they came to ask for it during famines. But she could not do so when her husband was present. He disapproved of charity. The father and sons had many quarrels in their home over this question. Mao Zedong used to say: "There were two parties in the family. One was my father, the ruling power. The opposition was made up of myself, my mother, my brother and sometimes even the labourers. The 'united front' of the opposition, however, differed in opinion. My mother advocated a policy of indirect attack. She criticized any overt display of

emotion and attempts at open rebellion against the ruling power. She said it was not the Chinese way."

Mao Zedong had an uncle, who was once in straitened circumstances. Both Mao Zedong and his mother deeply sympathized with the plight of his family, but Mao Shunsheng planned to take advantage of his brother's misfortune to buy his paddy fields on which the whole family depended for a living. Mao Zedong and his mother resolutely opposed the idea. After liberation, when Mao Zedong mentioned this matter, he said that the private ownership of the means of production in the old society bred heartlessness even between brothers. His father's actions proved this. Only by completely changing the old society could this kind of attitude be stamped out and poor farmers be delivered from the abyss of misery, Mao said.

After working on the farm for two years, Mao Shunsheng decided to apprentice his son to a

rice shop in Xiangtan. Mao Zedong was not opposed to this at first, thinking it might be interesting. But he later heard of an unusual new school and made up his mind to go there, despite his father's opposition. The school was in Xiangxiang County where his mother's family lived.

With great ambitions to change old China and the world, Mao Zedong left home in 1911 for Changsha. He first entered a middle school for people from Xiangxiang and later studied in the higher primary school and in the Hunan Provincial First Normal School. From then on, Mao Zedong began his long revolutionary career.

Mao Shunsheng contracted acute typhoid fever and passed away at the age of fifty on January 30, 1920. Mao Zedong could not go home for at the time he was actively organizing a movement to oppose the local warlord Zhang Jingyao.

(No. 2, 1988)

(Continued from p.26 and for North American Edition, p.30)

Economic Growth

While state-owned commerce retained its dominant position, collective and private forms of commerce were restored and developed. At the same time the number of commercial, catering and service centres increased and urban and rural fairs flourished. Last year, retail sales of products sold in state-owned shops accounted for 38.7 percent compared with 48.7 percent in 1982; sales through collective outlets made up 35.8 percent compared with 44 percent in 1982, and sales through private outlets, 17.2 percent against 2.9 percent in 1982. The 69,000, urban and rural fairs registered a business volume of

110 billion yuan in 1987, up 3.3 times that of 1982.

Improved Living Standards

In the past five years, the state government has attached great importance to both economic development and the improvement of people's living standards. The majority of people have no problem meeting their food and clothing needs, and some are well-off. One sample survey indicates that in 1987 the per-capita incomes of farmers reached 463 yuan, a 51.2 percent increase from 1982. Per-capita incomes of city residents ran to 916 yuan, a 35.7 percent increase since 1982. Urban and rural residents' actual consumption level increased by 48 percent. The consumption of consumer goods rose by a large margin and the quality of goods in demand increased.

People are paying more attention to nutrition. In 1987, the average annual per-capita consumption of pork by urban residents rose by 6 percent, poultry, 39.1 percent, and eggs, 5.1 percent. Consumption of these foods in the rural population was up by 40 percent. Clothing demands are becoming more diverse as people seek both comfort and beauty. The demand for durable consumer goods also increased rapidly.

Living conditions improved daily. New buildings completed in the past five years covered an area of more than 600 million square metres in urban areas, and new houses in rural areas took up 3.9 billion square metres. The living space per capita in both urban and rural areas increased to varying degrees.

Reforming Railways With Foreign Funds

The series of major rail accidents early this year prompted railway authorities to attract foreign investment to improve safety standards and increase transport capacity.

According to an official from the Ministry of Railways, this year China plans to import the manufacturing technologies for automatic blocking systems with bi-directional, four-aspect, jointless track circuits, programme-controlled switchboards, microcomputer-controlled locomotives, rail tamping machines, track examining and crack detecting cars. At present China is inviting international tenders for the supply of the equipment and technology.

The process of attracting foreign investment for railway construction is also being accelerated. In May this year, China sent a group to the United States to discuss a US\$200 million loan for railway construction with the World Bank and an official agreement is expected to be signed soon. The loan will be used to double-track the line from Jiaozuo

in Henan to Xiangfan in Hubei, to electrify part of the line and to upgrade three locomotive and rolling stock plants.

The Overseas Economic Co-operation Fund of Japan initially agreed to provide a loan of US\$100 million to build the 242-km eastern section of the railway line from Datong in Shanxi to Qinhuangdao in Hebei. The construction will start in the second half of this year and is expected to be completed by early 1990.

The busy Beijing-Shanghai railway line often cannot meet growing transport demands. To remedy this situation, a reform programme was recently approved by the government and listed as one of the key projects using foreign investment. The aims of the first stage of the reform programme are to use internal combustion locomotives; introduce advanced signalling equipment, automatic braking devices, dispatching telephones and large passenger carriages and freight trains; to lay heavy-duty tracks and introduce railway mainten-

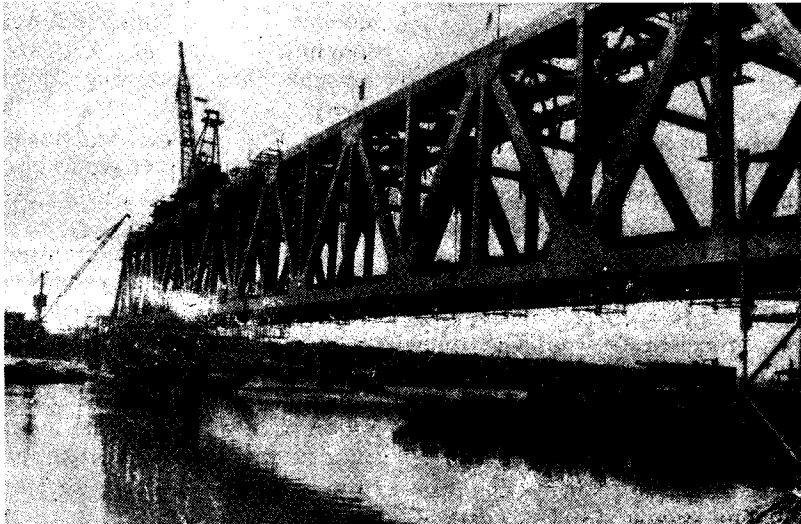
ance devices; and to increase the speed of passenger trains and the haulage capacity of freight trains. The aim of the second stage is to systematically electrify railway lines. The World Bank has sent experts to make an assessment of the first stage projects and an agreement is expected to be reached before 1990.

The accelerated construction of railways using foreign investment is one of the main measures China has adopted since it opened to the outside in 1979. Statistics show that by the end of 1987 China had been provided with five loans totalling US\$1.9 billion by the World Bank and the Overseas Economic Co-operation Fund of Japan. The funds went towards constructing and revamping nine railway lines including lines from Beijing to Qinhuangdao, from Yanzhou to Shijiusuo in Shandong Province, from Xinxiang in Henan to Heze in Shandong, from Hengyang in Hunan to Guangzhou and from Zhengzhou in Henan to Wuchang in Hubei Province. A total of 1,184 kilometres of new lines were built and 3,188 kilometres of railways were electrified. In addition, China bought large quantities of construction and maintenance equipment, survey and design devices and large horse-power locomotives; and upgraded some locomotive plants, passenger carriage plants and signalling equipment factories.

by Yao Jianguo

The Hengyang-Guangzhou section of the Beijing-Guangzhou Railway is being double-tracked.

CHEN XIAOYING



Donkey Hide Gelatin Market Grows

The Donge Donkey Hide Gelatin Factory in Shandong Province has steadily increased the export of its product. This year's exports will double last year's, to total 50,000 kg, valued at US\$1.6

million.

Donkey hide gelatin is available in Japan, Singapore, Thailand, Malaysia, Hong Kong and other Southeast Asian countries and regions as well as Canada and the United States. The product is taken as a tonic which promises longevity. The factory has a 2,000-year production history and won international recognition at the 1915 Panama commodities exhibition.

The donkey hide gelatin contains 17 kinds of amino acids and 17 essential trace elements, including zinc, iron, copper, calcium, magnesium, aluminium, potassium and phosphorus. It is used to reinforce body fluid, nourish the blood and moisten the respiratory tract. The donkey hide gelatin produced by the factory is of high quality, winning state gold prizes in 1980 and 1985.

China now has more than 100 factories turning out 1.15 million kg of donkey hide gelatin a year. The Dongge plant produces 360,000 kg, or 30 percent of the country's total output. In 1984 the factory improved production technology to produce the tonic all year round. In 1986 the factory also mechanized cutting, packaging and trade mark printing, effecting continuous increases in its output.

by Li Rongxia

Instrumentation Exhibition in Beijing

The Third Multinational Instrumentation Exhibition was held on May 18-24 at the Beijing Exhibition Centre.

More than 300 enterprises from 20 countries and regions participated in the exhibition, including the United States, Japan, Britain, Federal Germany, Sweden, Switzerland, France, Australia, Singapore, New Zealand, Finland, Poland, Italy, Canada, Austria,

Denmark, Ireland and Hong Kong.

The Soviet Union attended the exhibition for the first time.

The exhibits rank among the world's finest. They included the TDC-3000 control system produced by Honeywell Company of the United States, optical instruments by Opton Company of Federal Germany and automatic control instruments produced by Japan's Yokogawa Company.

The Chinese display took up 3,000 square metres of the total 11,000 square metre floor space. Some products close to world standard, include automatic control instruments, electronic meters and sophisticated electric meters for optical, iron and steel, power and petrochemical industries. But generally speaking China's instruments are still 15 years or more behind the advanced world level.

According to Li Shouren, chairman of the exhibition's organizing committee, the aim of the exhibition was to import advanced science and technology and at the same time introduce Chinese instruments and meters to the world to strengthen exchange and co-operation with other countries and stimulate the development of instrument and meter technology.

The first two exhibitions were held in Shanghai in 1983 and Beijing in 1986 respectively. ■

News in Brief

■ According to statistics from the China National Industrial and Commercial Administration, by the end of 1987, foreign companies and enterprises had established 2,043 offices in China, an increase of 243 from 1986. Of these, 50 percent are located in Beijing.

■ The Mount Leshan 2nd International Dragon Boat Fair will be held in Leshan, Sichuan Province on June 14-18. During the fair foreign business people

will hold talks on the import and export of industrial goods, agricultural and side-line products, silk and patent drugs and technical co-operation projects. Dragon boat races, water performances, parachuting and other recreational activities will also be offered during the fair.

■ On May 23, Mouping County, Shandong Province, offered at a meeting in Beijing 120 economic and technical co-operative projects and announced preferential policies, with an eye to attracting foreign investment to set up joint ventures and co-operative businesses in the county.

Located in the east of Shandong Province, Mouping County is rich in resources and has a good industrial and agricultural foundation. At present, it has already established a foreign trade export system for textiles, light industrial products, handicraft items and peanut products. Its products are sold to more than 100 countries and regions. Since 1984, business people from 47 countries and regions have held talks on economic and technological co-operation and export trade projects with the county. The county has to date attracted US\$8 million in foreign capital.

■ The Machinery Engineering Technique Industrial and Trade Group made up of 14 units, including the China Industrial and Commercial Development Co. and the China Machine Tool Corp., was set up in Beijing on May 19. The group undertakes technological consulting, development and transfer projects related to heavy-duty machinery, machine tools, electrical engineering, meters and instruments and packing machines. It also oversees production using supplied designs and imported materials from foreign businesses, compensatory trade, joint ventures and co-operative production, and participates in bidding and contracting for projects abroad. ■

Nantong Wall Hangings Give Local Flavour

The city of Nantong, Jiangsu Province, is situated on the northern bank of the mouth of the Changjiang (Yangtze) River. The city's location gives it privileged access to the outside world and new things emerge there every day. But local crafts retain their traditional appeal. An exhibition of 142 wall hangings recently held in the Beijing Nationalities

Cultural Palace shows the area's latest achievements in this art form. The exhibition featured some works done in the traditional style and others made with modern techniques.

Nantong wall-hanging art is closely connected with embroidery. Nantong is one of the country's few cities which enjoy international fame for their delicate and exquisite Suzhou style embroidery works. Early this century, Shen Shou, a well-known embroidery master from Suzhou, set up China's first embroidery training school in Nantong and trained many highly skilled embroiderers. Embroidered portraits of the queens of Italy and Britain, done in Nantong, won world fame for Chinese wall hangings.

Nantong wall-hanging art is based on everyday life. Chinese women like to embroider delicate and beautiful designs on dress hems, handbags, cloth shoes, fan

cases, Chinese brush cases and children's undergarments. Girls like to make shoe-pads with colourful designs such as mandarin ducks, *bing di lian* (twin lotus flowers on one stalk) or *shuang xi* (double Chinese character for happiness). These are still found in the trousseaus of new brides. Wall-hanging artists draw inspiration from or use designs from these everyday objects to create wall hangings with a strong local flavour.

... the exhibition, a group of hangings made with the newly developed colour brocade embroidery technique attracted special attention. Traditionally Nantong wall hangings are made by stitching coloured silk threads into a piece of silk gauze which has tiny holes. Sometimes one hole is for one stitch and sometimes two or more holes share one. In recent years, artists have been experimenting with new embroidery methods and developed the colour brocade technique, in which colourful lines and variegated designs become the chief means of artistic creation. Using this technique, artists created several large grand works including *The*

A rural house. Designed and made by Xu Yulin



Harvest. Designed and made by Liu Shanteng



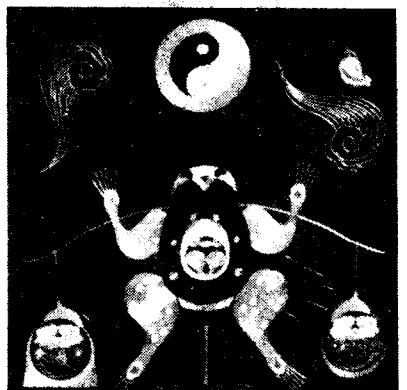
Happiness, Fortune and longevity.

Designed By Kang Weidong and made by Xing Jianli and He Yuefu



The moon and the frog.

Designed by Pu Jiping and made by Gu Sufei

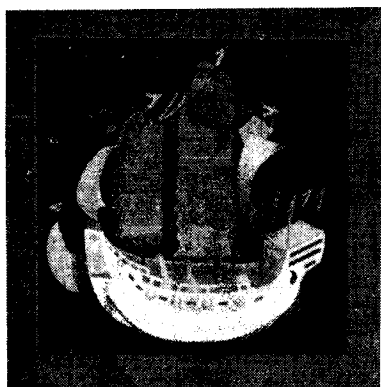


Great Wall which hangs at the Great Wall Sheraton Hotel in Beijing and *Highland Scene* at the Lhasa Hotel in Tibet. The works at the exhibition show that the new technique enhances not only the decorative and expressive quality of wall hangings but also their local characteristics. This can be seen in the work entitled *Family*, which portrays chickens in the sunshine, and a hanging which shows the children dancing around a camp fire. The work entitled *Meal* is a vivid and appetising one whose appeal lies mainly in its simple lines, bright



A Peking opera face.

Designed and made by Liu Shanteng



An ancient warship.

Designed by Ma Xia and made by Wang Jinhua, Hou Demei and Zhe Meiyu.

colour contrast and varied stitches. *Double Phoenix* resembles a bas-relief with its combination of flat and three-dimensional embroidery. *Magpies on Plum Tree* is extraordinarily fresh and lovely, using basic green tones to express the traditional message of luck, joyous festivals and good will.

Outstanding among the exhibits was a work entitled *Crow of the Cock*, which captivated its viewers with its simple lines, rich colours and inspiring tone. The creator of the hanging is the talented Ding Weiming. Ding started to work in the Nantong Institute of Applied Arts when she graduated from high school. With years of study and hard work, she became a skilful designer and craftsman. Now she is the head of a workshop that carries her name. Ding loves her work and draws great pleasure and artistic satisfaction from her creations, while on the other hand, the institute provides Ding and others with opportunities for developing their talents. Several years ago, she took a one-year advanced professional training course at the Central Institute of Applied Arts. Currently, she is studying at the Tianjin Institute of Applied Arts. Ding, now 35, says that she treasures these opportunities.

Traditional Nantong wall hangings are usually done on silk. Now some Nantong artists use ceramic plates, obtaining strong artistic effects. One of the outstanding works of this kind is *Carp Jumping Through the Dragon Gate*, an ever-popular subject for Chinese folk arts, representing good fortune.

Another work features an embroidered image of *men shen* — a god whose picture was traditionally pasted on the front door of Chinese houses as a talisman. The image is set on a big porcelain plate, which is placed on a larger red-coloured background. At the bottom of the hanging is a

pair of bronze rings, a traditional ornament on the gates of Chinese houses. Both ends of the work are threaded into many slender bamboo cylinders, like fireworks, adding folk flavour to the picture.

Other works feature embroidery done from papercuts. One such hanging entitled *Happiness* shows a merry country couple among birds, fish and poultry. Another prominent work is a Beijing opera face with a stereoscopic quality.

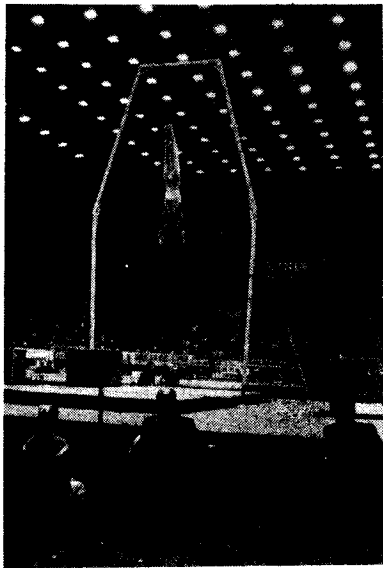
Some of the hangings use indigo printed cloth as raw material. These works give people some idea of Nantong's traditional cloth-making techniques using natural dyes from plants.

The exhibition was highly acclaimed. Professor Zhang Daoyi, deputy director of the China Folk Arts and Crafts Committee, said the craftsmen give an artistic quality to everyday materials. Nantong wall hangings give a glimpse of the promising future of Chinese folk arts, Zhang said. ■

China Cup Tournament Ends

Chinese gymnasts took 10 of the 12 titles at the China Cup International Gymnastic Tournament which ended on April 30 this year. The remaining two titles — the men's rings and women's free exercise — went to Joerk Behrend from GDR, and Zsuzsanna Misko from Hungary.

Competing for the tournament titles were 57 talented gymnasts from Australia, Britain, Bulgaria, Canada, Cuba, Czechoslovakia, Federal Germany, Hong Kong, Hungary, Japan, the Democratic People's Republic of Korea, the German Democratic Republic, Romania, the United States and China.



XUE CHAO

Chinese gymnast Wang Chongsheng takes the title in the all-around men's events with a score of 58.45.

Canada's Curtis Hibbert, silver-medallist in the horizontal bar event at last year's 24th World Championship, performed highly difficult exercises on the parallel bars and vaulting horse. Zsuzsanna Misko, Li Chol Hon from the Democratic People's Republic of Korea, and Monica Corvacci from Canada also executed very difficult movements with a great deal of skill.

China's new young gymnasts showed great potential. Fan Di, 15, although failing to repeat her perfect 10 scored on the uneven bars in last year's world championship, gave an excellent performance which won her 9.925 points, the highest score in the three-day tournament. Fan Di took three golds in the women's all-round, uneven bars and balance beam. Her teammate—14-year-old Yang Bo, the national champion in the uneven bars event—also left audiences deeply impressed with her first appearance in international competition.

by Wei Liming

Art Show From Taiwan

With the thawing atmosphere between Taiwan and the mainland, the first Taiwan artist has come to Beijing to hold a personal painting exhibition.

Chang Chieh, a 64-year-old artist well-known in Taiwan, is displaying his watercolour paintings at the China History Museum on the east side of Tiananmen Square at the invitation of the China Association for the Advancement of International Friendship.

Among the exhibits, 27 pieces are recent works he brought from Taiwan, mainly featuring the lotus. The other are landscapes of Guilin he produced during his recent 12-day visit to the city famous for its natural scenery—which was his first stop during his travels to the mainland.

Chang is a master painter of flowers, especially the oriental long-steamed lotus. Unlike the traditional Chinese paintings of lotus which are mainly ink and wash on rice paper, he has chosen a kind of heavy-grained paper produced in France. His pigments, like those of Western watercolours, are much brighter and richer in variety than those of Chinese paintings. Thus the lotus, under his brush, appears more fresh and elegant, and that is why his paintings have been likened to Western water-colours by Chinese art critics.

But to a Western eye, they still look oriental as the dreamy abstractions obviously assimilate the techniques of Chinese calligraphy.

"We can make numerous line changes with our Chinese brushes," Chang once explained. "Such techniques are lost to Western artists, for they don't know the art of Chinese calligraphy. Even some of Picasso's strokes can appear stiff

because he always used a hard oil brush."

Born in Shanghai, Chang graduated from an art school in Jiangsu Province in 1948 and later went to Taiwan to teach art and painting. In the early days he mainly featured landscapes, still-life objects, the female nude, golden fish, sea gulls and street scenes such as a long row of automobiles—all painted in watercolour.

Lotus

But since the 1970s he has developed a special interest in the Chinese lotus which, in fact, made him famous in 1975 when he held his first personal show exclusively on the lotus. To Chang, the lotus, from budding to withering, symbolizes the process of a person's whole life.

"For me, a lotus is delightful, lively and youthful. Its big leaves bespeak grandeur. And don't forget that the lotus is also a Buddhist symbol for sympathy," he said.

During the past 30 years, his paintings have been exhibited each year in Taiwan or in Hong Kong, Brazil, Japan, the United States, and other regions and countries. The prolific artist sometimes produces 1,500 paintings a year. They are purchased world-wide by art admirers including the Rockefeller family of the United States.

Last year, he made an attempt to come to the mainland to paint as well as to hold his one-man show. But his request was turned down in Taiwan, and instead he was given an album of Guilin landscape pictures.

Now the album has been replaced by his own observations of real mountains and waters, which inspired him to paint more.