

CONTENTS

NOTES FROM THE EDITORS 4
Clean Up Government

EVENTS/TRENDS 6-9

Deng Explains Reform Tasks
11 People Jailed for Forest Fire
Shanghai Farmers Get Pensions
Illegal Hunting Must Be Stopped
Trial Rules Aid Rural Enterprises
Weekly Chronicle (June 20-26)

INTERNATIONAL 10-13

Group of Seven: Summit Produces
Few Results
Haiti: Detour on the Road to
Democracy
Soviet Union: Ethnic Dispute
Proves Hard to Resolve
South Korea: Students Seek
Reunification
South Africa: Renewal of
Emergency Condemned

**Industrial Reform & Technological
Progress** 14

**The Life of Ordinary Chinese
People** 17

**Reform Booms Non-government
Art Troupes** 23

China Faces Another Baby Boom 25

FROM THE CHINESE PRESS 27-28

**Beijing '89 1st International
Mechatronics Fair** 29

TOURISM 30

BUSINESS/TRADE 31

CULTURE/SCIENCE 32-34

**Cover: Wang Shijun's home in Beijing's
Chongwen District.**

Xue Chao

HIGHLIGHTS OF THE WEEK

China Faces Another Baby Boom

■ Although the government has placed great importance on population control, China still faces the massive task of minimizing the effects of the third baby boom and maintaining its population at 1.2 billion by the end of this century (p. 25).

How Ordinary Chinese People Live

■ Analysis of the 1987 incomes and expenditures of a farming family from Laihu, Shandong Province, and two workers' families from Hangzhou, Zhejiang Province gives an idea about the standard and quality of life for families in China by comparing their wages and consumption with the price of goods and services (p. 17).

Industrial Reform and Technical Progress

■ In his speech delivered at the China-US Joint Session on Industry, Trade and Economic Development, Lu Dong considered measures taken and achievements made towards structural reform and technological progress in China's industrial enterprises (p. 14).

China Must Overcome Barriers to Reform

■ Chinese leader Deng Xiaoping recently said that although the pace of China's development has been rapid over the past 10 years, the country still needs to overcome some barriers to reform. The biggest tasks for the country are to co-ordinate the overall administration of the state and to reform the price and wage systems (p. 6).

Cleaning Up the Government

■ The Chinese government is taking measures to clean up its departments at all levels in a bid to stop certain corrupts and unhealthy trends and re-establish the principle of wholehearted service to the people. This means establishing suitable rules and regulations with legal backing wherever necessary and strengthening the education and ideological qualities of officials (p. 4).

Clean Up Government

The present corrupt trends are manifested mainly in the abuse of power by a small number of leading cadres intent on personal gain, who accept bribes, squander state money and indulge in extravagance and waste. Such activities run counter to Party and government purposes, sully the image of the Party and government and jeopardize the policy of reform and opening up.

by Dai Yannian

China is taking measures to clean up its government departments in a bid to stop certain corrupt and unhealthy trends in Party and government organizations and among leading cadres and re-establish the approach of wholehearted service to the people.

The present corrupt trends are manifested mainly in the abuse of power by a small number of leading cadres intent on personal gain, who accept bribes, squander state money and indulge in extravagance and waste. Such activities run counter to Party and government purposes, sully the image of the Party and government and jeopardize the policy of reform and opening up. Party and state leaders have repeatedly stressed the need for the economy to develop and for Party and government organizations and leading cadres to be clean and honest.

The people's government of the Shenzhen Special Economic Zone decided that from July leading government officials should regularly make public their assets, incomes and expenditures to allow supervision by the people. Government officials whose private property obviously surpasses their legal incomes will be investigated

and dealt with seriously if no reasonable explanations can be furnished.

At the first standing committee meeting of the Shanghai municipal government, Mayor Zhu Rongji, newly appointed last May, expressed his determination to make his government clean and

The purpose is to stop certain corrupt and unhealthy trends in Party and government organizations and among leading cadres and reestablish the approach of wholehearted service to the people.

highly efficient, geared towards serving the people. The municipal government called on leading cadres at and above the bureau level to take the lead in maintaining and promoting the fine approach of hard-work and plain living; the municipal government also laid down eight stipulations on improving the government's style of work. The

stipulations include the standard for banquets given in honour of Guests which should be kept simple with four dishes and one soup, the number of personnel accompanying the guests should be strictly controlled. Dinner parties for ordinary foreign guests should also follow this form in accordance with foreign affairs regulations. Leading cadres inspecting work or conducting investigations at the grass-roots level should take visitors' meal at the canteen and pay for them; the standard meal is limited to one dish and one soup. While participating in activities or attending meetings, they should neither offer nor accept gifts; they should neither accept nor offer samples and gifts in the name of trying out, appraising or testing a product. When at meetings held by municipal government organization, no officials are allowed to present gifts to participants; when it is difficult to reject the gifts, officials may accept them and then hand them over to the units concerned. Gifts presented in the course of foreign affairs activities should be handled according to relevant foreign affairs regulations.

Other provincial, municipal and



autonomous regional governments have also drawn up similar regulations. The seven-point regulations laid down by the people's government of the Ningxia Hui Autonomous Region include strictly forbidding travel on public funds in the name of business or study trips or meetings. Leading cadres travelling on official business should use simple means of transport and have few people in their company; the regions, departments and grassroots units they visit should not organize welcoming and send-off ceremonies.

The new Tianjin municipal government published an eight-point decision on improving leadership and cleaning up government. Mayor Li Ruihuan emphasized the need for officials to be upright and honest and maintain high morale, not only among themselves, but also among their wives, children and secretaries; they should concentrate on the interests of the people, rather than their own personal gains and losses. Li's speech was particularly directed against the privileges enjoyed by the wives, children and secretaries of some high-ranking officials.

Chief government leaders should set the example for running a clean government and all personnel should honestly performing their official duties. They should not use their power to extort money from the masses. The industrial, commercial, taxation, housing management and electricity supply departments under the local government of Fuyang Prefecture in Anhui Province indiscriminately imposed taxes and charges on the masses engaging in industry and commerce, under various pretexts, in violation of state tax laws. Refusal to pay met with random fining. The money collected went into the small treasury of

departments concerned and lined the pockets of a few individuals. Very little was handed over to state treasury. After a clean-up and reorganization, standard values of conduct have been applied to the government departments; taxes and charges are now collected by the industrial and commercial administrative departments according to unified rules and regulations. The people are more satisfied with the reasonable burden now placed on them and the state has increased its tax revenue through the elimination of loopholes.

The State Council decided last February to cut the purchasing power of government institutions and public organizations by 20 percent from last year's figure. At the end of May it again decided to stop or postpone construction of 33 buildings, auditoriums, halls and other projects in Beijing, 18 of which were handled by central departments and 15 by the Beijing Municipality. This represents a major move to reduce already overextended capital construction and control swelling consumption.

Although China is still in the primary stage of socialism, consumption has reached a shocking level; some government institutions vie with one another to import luxurious limousines and some cities have an oversupply of rooms in luxury guest houses and hotels. More and more dinner parties are being given and more valuable gifts presented. Such extravagance must be checked.

On the whole, Chinese Party and government organizations and officials are comparatively clean. So the handful of lawless elements can be easily exposed and dealt with. But it must be admitted that more serious problems have cropped up in recent years. This may be attributed to remnant feudal influences left over from

the old society and the tendency to put money and profit before everything else, an attitude which emerged with the development of a commodity economy.

To eliminate poverty, China must develop commodity production, introduce reform and open up to the outside world. But flies and mosquitoes also come in with fresh air. Establishing new economic and regulatory mechanisms and improving them will solve this problem, and political restructuring should support it. China's planned commodity economy differs from the capitalist commodity economy. It follows the fine tradition of serving the people. While engaging in material construction, China also develops socialist culture and ethics China should ensure that its economy expands with each passing day, that the market has an abundant source of materials and equipment, that the people enjoy an ever-richer life and that Party and government organizations and officials are clean.

There are three ways for China to maintain clean government; (1) By establishing necessary rules and regulations. (2) By overseeing through legal means, Party and government disciplines and supervision. (3) By strengthening education and raising the ideological qualities of cadres. Perseverance with these approaches will produce fruitful results.

Deng Explains Reform Tasks

The pace of China's development has been rapid over the past 10 years, and the current reform policies guarantee that production will continue to grow relatively quickly. Chinese senior leader Deng Xiaoping says.

Deng made the remarks on June 22 during an hour-long meeting in Beijing with visiting Ethiopian President Mengistu Haile Mariam.

"But, we still need to overcome several barriers." The biggest tasks are to co-ordinate the overall administration of the state and to reform prices and wages.

"Our plans currently call for taking five or six years to overcome these barriers. There are many risks. But, we believe that we can overcome them. Daring to overcome obstacles shows the confidence that we have.

"We are working to create conditions conducive to our

country's development in the next century. That's why we should overcome the barriers now."

Some mistakes may be made in the process. "We must regularly review our work and never shrink from difficulties," he said.

"Our road towards advancement is uneven, but hopeful. Progress requires that we continue to pursue our reforms and opening to the outside world."

China suffered a lot during the 10-year upheaval of the "cultural revolution," but it also went through great difficulties in the 10 years prior to that period, Deng said.

For 20 years starting from the latter half of 1957, China committed "leftist" mistakes that brought the country to a virtual standstill. Productive forces remained undeveloped and people's living standards did not improve.

"During that time, we adopted

a closed-door policy and took class struggle as the key link in advancement, while ignoring economic development."

The policies pursued were too advanced for the initial stage of socialism. "During the tumultuous 10 years of the 'cultural revolution,' we were unclear about socialism and Marxism. Now we adhere to Marxism, Leninism and Mao Zedong Thought and have a better understanding of them as a result of the lessons we have drawn from the past." Another name for Marxism is communism and that is the creed China should follow forever, he said.

He noted that communism consists of two stages. Its initial stage is socialism, which lasts for a lengthy historical period. The task of socialism is to develop productive forces and gradually improve people's living standards, thus creating the material conditions necessary for communism. A communist society should follow the principle "from each according to his ability, to each according to his needs" but giving "to each according to his needs" requires abundance.

The task of providing an abundance must be fulfilled in the stage of socialism. The most important task for Chinese socialism, Deng said, is to develop production in order to create abundance.

China and Ethiopia are "poor countries" engaged in building socialism. "Building socialism should depend on our own practice and we should not simply copy the experiences of foreign countries."

Mengistu said Ethiopia is a sincere friend of China. He wished China success in its socialist construction. ■

Deng meets Mengistu Haile Mariam.



11 People Jailed For Forest Fire

The Greater Hinggan Mountain Prefecture Intermediate People's Court has sentenced seven officials and four workers to varying terms of imprisonment in connection with last year's forest fire in Heilongjiang Province.

The officials were convicted of dereliction of duty and the workers of causing the fire.

The fire, the worst in China in 40 years, broke out on May 6 and lasted until June 2, 1987. It burned 1 million hectares of land, 70 percent of which was tree-covered, killed 193 people, injured 226 others and destroyed 614,000 square metres of housing.

Zhuang Xueyi, former director of the Tuqiang Forestry Bureau, was sentenced to three years' imprisonment for failing to evacuate Yuying Forestry Farm workers and their families and failing to fight the blaze. When the fire engulfed the farm on May 7, no leading officials were at the scene. As a result of the confusion, 43 people were killed and 19 others were injured.

Li Yongqing, former deputy

secretary of the Mohe County Communist Party Committee, was sentenced to three years' imprisonment for failure to carry out instructions from higher authorities to clear the site of the burned area after a fire was put out on May 7.

Later, the fire revived under a strong wind, burning forests managed by three forestry bureaus, three forestry farms and five storage yards, and causing heavy casualties.

Qin Baoshan, former deputy chief of the fire-fighting section of the Mohe County Public Security Bureau, was sentenced to four years' imprisonment. On May 7, Qin ordered three fire engines to protect his own house while fire threatened an oil depot and a grain warehouse nearby.

Bao Guorong, former secretary of the Yilin Forestry Farm Party branch and a senior executive of the farm, was sentenced to three years in prison. When fire threatened the farm, Bao fled in a car with his wife and son, leaving 1,000 people at the mercy of the blaze, which burned three to death.

Zeng Fanjin, former deputy director of the Yuying Forestry

Farm and head of the farm's fire-prevention headquarters, was sentenced to three years' imprisonment. Zeng fled by motorcycle from an approaching fire, which killed or injured 60 people.

Li Yi, a former official of the Gulian Forestry Farm, was sentenced to a term of five years. He hired without authorization Wang Yufeng, a farmer from elsewhere, who caused a fire through negligence.

Zhang Xueyou, a former official of the Yixi Forestry Farm, was sentenced to two years' imprisonment. He let Guo Yongwu, who was unqualified, operate a machine without supervision, and this resulted in a fire.

Wang Yufeng, Wang Baojing, Li Xiuxin and Guo Yongwu were sentenced to terms ranging from three to seven years for causing fires.

Of the 11 sentenced, only Wang Yufeng and Wang Baojing have waived their right to lodge an appeal to the Heilongjiang Provincial Higher People's Court.

Shanghai Farmers Get Pensions

Malu Township, on the outskirts of Shanghai, is the site of a pilot programme under the Ministry of Civil Affairs to provide pensions for farmers.

A total of 4,200 farmers—men above the age of 60 and women over 55—receive a pension of 25 yuan (about US\$6.75) a month.

"The pension is small and cannot cover living expenses," said Chen Jinshan, vice-chairman of the township's social security committee. "But it will rise with the development of the township economy."

Money for the pensions comes from the pre-tax profits of the township's 90 industrial enter-

Worker Wang Yufeng was sentenced to six years and six months for causing a fire.

ZHOU QUE



prises, which generate 308.54 million yuan worth of goods a year.

"That means the pensions come partly from society and partly from the state," Chen said.

Shanghai has more than 1.4 million people above 60 years of age. They account for 11.7 percent of the city's population. Care for the aged is a growing concern in both the city and outlying areas. Many senior citizens in the rural areas depend on their sons and daughters for support. Shen Shifa, an 87-year old farmery who lives in Malu Township, is looked after by his two grandsons. His son works at a county factory.

Shen said he has more pocket money to spend since he started receiving a monthly pension from the township social security committee a year ago.

"I like to spend my time at a township tea house drinking tea and talking with others," Shen said. "This costs me 6.60 yuan per month." Shen also enjoys nibbling between meals and uses some of his pension to buy his favourite snacks.

A 31-year-old employee of the Malu cinema said that although the government is helping by providing pensions, "This doesn't mean that we young people can shirk our duty to support our aged parents."

Elderly people in rural areas who have no relatives or other sources of financial support live in homes for the aged and are looked after by local governments. ■

Illegal Hunting Must Be Stopped

Tougher penalties should be imposed on people who hunt for or trap giant pandas in violation of state regulations, the *People's Daily*, China's leading newspaper, said recently.

Despite stepped-up efforts by authorities in Sichuan Province, home of most of the pandas living in the wilds, several of the animals have been killed in the past few months.

The reason is that panda poachers receive only light punishment, the paper said.

The Supreme People's Court has directed local people's courts to impose severe penalties on anyone convicted of killing giant pandas or smuggling their skins. Panda poachers can be sentenced to life imprisonment or to death.

But local courts have ignored the directive, and have imposed light punishments consisting of fines and one to two years' imprisonment.

There are only about 1,000 giant pandas living in the wilds and about 60 others in Chinese zoos.

The paper urged local authorities to strengthen publicity for the protection of the panda. County officials should take responsibility for the pandas' safety, it said.

Another rare animal native to China—the golden monkey—is among the country's most endangered species.

Police in Hubei Province recently broke a ring of poachers which hunted and smuggled 22 golden monkeys from the Shennongjia forest zone in the western part of the province.

Zhou Yongfu, director of the forest zone public security bureau, said 11 suspects had been arrested by June 16.

The golden monkey chiefly lives in Sichuan, Hubei, Shaanxi and Gansu provinces. It is on state's top animal protection list, yet it is now on the verge of extinction.

Experts studying the tigers of northeastern China have also appealed to the government for more effective protection measures.

The tiger is even rarer than the panda. Research indicates that

there are only about 30 left in the wilds of China.

Unless decisive steps are taken, wild northeastern tigers will be extinct by the end of the century, the experts said. ■

Trial Rules Aid Rural Enterprises

Poor management forced a profitable privately run brewery in Anhui Province to close.

He Yuzhen and one of his best friends set up the Baoquan Distillery in 1985. He, a skilled wine maker, was to provide technical services, while his friend was to supply most of the capital.

When the project became profitable, both partners wanted more dividends. In the absence of a formal contract, the dispute led to the brewery's shutdown.

This case is not unusual among China's farmer-owned rural enterprises, which are usually set up and run by friends and relatives. China started allowing these businesses to exist several years ago.

In Anhui's Fuyang Prefecture alone, about 190,000 rural enterprises and businesses have been set up. Many of them have closed during the past two years.

After a series of investigations, a senior official from the State Council's Rural Development Research Centre attributed the trend to poor management.

The problems between partners which result in shutdowns are often related to ownership of fixed assets, profit distribution, relations between owners and workers, and decision-making power.

Since 1978 China has seen rapid rural industrial development, including the rise of farmer-owned enterprises. These businesses produced 450 billion yuan (US\$121 billion) worth of goods last year,

or more than half the country's total rural industrial and agricultural output value.

Farmers were running 14.6 million businesses by the end of last year or 86 percent of the country's total rural enterprises. Farmer-owned companies generated 21 percent of the total rural industrial output value. In Fuyang Prefecture, private enterprises accounted for 97 percent of the total.

Chinese economists agree that the key to prosperity in China's rural areas—where more than 800 million people live—lies in industrial development.

Unfortunately ineffective legal guidelines and poor economic management have become a serious problem. This problem is believed to be obstructing the sound development of farmer-run enterprises and China's rural businesses in general, said an official from the Rural Development Research Centre.

To solve the problem, the official said, the centre has selected Fuyang Prefecture to try out certain rules and regulations designed to improve the management of privately owned businesses. Rural industry in the prefecture has been developing rapidly over the past few years and the area is economically advanced.

New rules and regulations are being tried out in the prefecture's individually owned, co-operative, share-issuing, contracted and leased enterprises, a local government official reported.

The trial regulations govern decision-making power, duties, positions, divided distribution, accounting procedures, quality control, assets, risk and compensation.

After being tried out in Fuyang, regulations governing economic activity in private companies will be introduced nationwide. ■

Weekly Chronicle (June 20-26)

POLITICAL

June 21

■ At a dinner in honour of Democratic Kampuchean President Samdech Norodom Sihanouk and his wife, Chinese Premier Li Peng pledges to continue to support the Kampuchean people's just struggle against Vietnamese aggression, and to further develop Sino-Kampuchean friendship.

Sihanouk arrived in Beijing from Pyongyang the previous day.

June 22

■ Hu Qili, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, meets a delegation of the Communist Party of the United States of America (CPUSA), led by its general secretary, Gus Hall.

Hu says: "The relations between the CPC and the CPUSA were suspended for more than 20 years, and we are very delighted that they have been resumed as a result of General Secretary Hall's current visit to China."

June 23

■ China expresses indignation over the recent incident in which its national flag in the town hall of Japan's Gifu Prefecture was pulled down by right-wing elements.

A Chinese Foreign Ministry spokesman demands that the Japanese government and the authorities concerned take the incident seriously and bring the culprits to justice.

He says that a series of recent incidents in Japan aimed at impairing the Sino-Japanese friendship are not accidental.

ECONOMIC

June 20

■ More than 2,000 Chinese and US officials and business people

meet in Beijing for the start of a four-day Sino-US symposium on industry, trade and economic development.

Chinese Premier Li Peng, US President Ronald Reagan and US Vice-President George Bush send greetings to the gathering, the biggest unofficial business meeting of its kind held between the two countries to date.

June 22

■ The new Ministry of Energy Resources is officially inaugurated in Beijing. It replaces the ministries of coal, oil, nuclear industries, and water resources and electric power, which were eliminated in the restructuring of the State Council.

Energy Resources Minister Huang Yicheng says the ministry's primary task is to accelerate the expansion of the power industry.

CULTURAL

June 22

■ Doctors at the Shanghai No. 9 People's Hospital attached to the Shanghai No. 2 Medical University have successfully removed one of twin penises of a 28-year-old patient and grafted it onto the other, Xinhua reports.

The operation—the first of its kind in the world—took 10 hours. It was conducted on May 9 and the patient has now made a full recovery.

June 23

■ A film entitled *The Secret History of the Potala Palace* is being shot in Tibet. It will tell the story of the expansion of the palace, the historic residence of the Dalai Lama.

The story starts in the year 1682, when the influential fifth Dalai Lama died. The film, which will be shown in two parts, is scheduled to be finished next year. ■

GROUP OF SEVEN

Summit Produces Few Results

The recent summit of the seven major industrialized nations underscored the economic successes of the past year and the good relations among the countries. It accomplished little else.

A three-day summit meeting of the seven major Western powers ended in Toronto on June 21 without producing any major surprises. The only notable achievement was an agreement on reducing the debt burden of the sub-Saharan countries of Africa.

The Group of Seven—the United States, Japan, Canada, Britain, France, Italy and Federal Germany—adopted a compromise African debt relief proposal that was put forward by Canada. The proposal permits countries to exercise several options, such as extending loan repayment periods, reducing interest rates or writing off portions of loans.

US Treasury Secretary James Baker called the compromise a flexible debt policy because it allows official creditors to choose options consistent with their legal or budgetary constraints. The agreement would not have been

reached if the United States had stuck to its former position that all members of the Paris Club of official creditors should pursue the same debt policy.

The summit failed to make a breakthrough on what is considered to be the most important issue facing the participants—the problem of agricultural subsidies. The US proposal to phase out farm subsidies completely by the year 2000 got a cold reception. The leaders of Federal Germany, France, Italy and the European Community, which was also represented at the meeting, favoured reducing rather than ending subsidies. The heads of Canada and Britain said that while they advocate a total ban, the elimination of subsidies by the end of the century is an unattainable goal.

In an economic declaration

issued at the end of the summit, the leaders said they will strive to integrate structural policies into their economic co-operation process. "We will continue to pursue structural reforms by removing barriers, unnecessary controls and regulations, increasing competition, while mitigating adverse effects on social groups or regions, removing disincentives to work, save, and invest, such as through tax reform, and by improving education and training." These structural reforms will complement macroeconomic policies, enhance their effectiveness and provide the basis for more robust growth, they said.

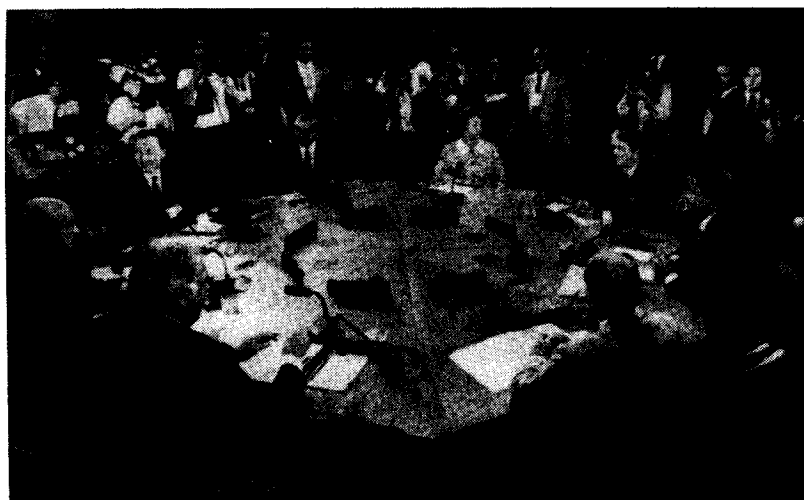
The economic declaration also reaffirms the need for continued talks on the multilateral trading system. It urges the developing countries, especially the newly industrializing ones, to take on greater commitments under the General Agreement on Tariffs and Trade (GATT). A country's role in GATT should be commensurate with its importance in international trade and the international adjustment process, as well as with its stage of development, the declaration said.

Special reference is made to South Korea, Hong Kong, Taiwan and Singapore, whose increasingly important role in the world economy has aroused the West's attention. The declaration notes the need to improve dialogue and intensify constructive co-operation with Asia's "four little dragons." Observers said it is hard to predict whether this bodes well or ill for the targets of the big powers' attention.

The summit was a low-key gathering, in part because the Western economy has been doing surprisingly well since last October's stock market crash. With the West looking forward to its sixth consecutive year of growth, it feels no need to amend its economic policies.

by Zong Dao

Leaders of the seven major industrial nations and the European Community attend the Toronto summit.



HAITI

Detour on the Road to Democracy

Haiti is again ruled by a military junta. The coup has been condemned by the international community.

The Caribbean island country of Haiti has hit a new setback in its efforts towards democracy. Henri Namphy, who was sacked as commander-in-chief of Haiti's armed forces by President Leslie Manigat on June 17, staged a coup three days later and declared himself president.

Namphy charged Manigat with violating the constitution and vowed to restore discipline and social order. But what kind of discipline and order does he have in mind?

Namphy, 55, was head of the military junta that ruled Haiti from February 7, 1986, when dictator Jean-Claude Duvalier fled to exile to France, until President Manigat took over earlier this year. Namphy promised free elections to the National Congress, direct presidential elections and the democratization of political life. But instead of exposing and criticizing ex-president for life Duvalier and his followers for their oppression of the Haitian people, Namphy's junta included many adherents of Duvalier. Progressive Haitians went missing, while members of Duvalier's dreaded secret police organization, known as the Tonton Macoutes, walked around scot-free.

Haiti, with a population of more than 6 million, is one of the poorest countries in the Western Hemisphere. The unemployment rate is 60-70 percent and the average daily wage of ordinary workers is the lowest in the Caribbean region. The child mortality rate is 12.5 percent and the illiteracy rate 85 percent.

Nothing has changed since the flight of Duvalier, a diplomat in Haiti said. The country is still a paradise for smugglers and drug dealers. Cocaine, heroin and hemp can be bought in bars and nightclubs in the capital, Port-au-Prince. The booming drug trade contrasts sharply with the gloomy national economy.

In March 1987 Haiti adopted a new constitution, which stipulated that free elections would be held in November. But the military junta repeatedly abolished the election committee and postponed the election date. This led to a series of protest strikes, demonstrations and general strikes, which spread from the capital to other places on the island. When election day came, remnants of the Duvalier

regime created bloody incidents and foiled the elections. Rather than punish the trouble-makers, the junta violently suppressed the demonstrators.

As a result of domestic and international pressure, the junta finally held elections in mid-January. Manigat, leader of the Haitian Nationalist Progressive Party, was elected president with support from the military. Prior to the sacking of Namphy, Manigat had not interfered with the armed forces.

At a press conference in the Dominican Republic, where he fled after the coup, Manigat said his government opposed the corruption and smuggling of the military clique. This, he said, was the main reason for the coup.

Latin American nations and other countries, including Canada, the United States and France, strongly condemned the coup. The third conference of Central American and Caribbean anti-imperialist organizations said the coup could only deepen the crisis facing the Haitian people.

by Guo Weicheng

SOVIET UNION

Ethnic Dispute Proves Hard to Resolve

Renewed unrest has broken out in the Soviet republics of Armenia and Azerbaijan over a disputed region, whose destiny is still unsettled.

The Supreme Soviet (parliament) of Armenia on June 15 agreed to the transfer to Armenian jurisdiction of Nagorno-Karabakh, an enclave in neighbouring Azerbaijan. Two days before, the presidium of the Azerbaijani Supreme Soviet had voted against ceding the territory.

The population of the area in dispute is more than 75 percent Christian Armenian. But the territory was made an autonom-

ous region under the jurisdiction of the traditionally Muslim republic of Azerbaijan by a government decree in 1923.

Clashes between the two Soviet republics first broke out in February, when thousands of ethnic Armenians took to the streets of Nagorno-Karabakh, demanding that the region be incorporated into Armenia. The parliament of the autonomous region passed a resolution appeal-

ing to the Supreme Soviet of the Soviet Union to approve the demand of the demonstrators. The request—unprecedented in Soviet history—was rejected.

The decision sparked a protest demonstration on February 23 in the Armenian capital of Yerevan. As many as 100,000 people are estimated to have taken part. On February 28, demonstrations and rallies against the Armenians were held in Sumgait, Azerbaijan, accompanied by 31 deaths and other incidents of violence.

Many factors contributed to the outbreak of the clashes. Apart from national and religious factors, observers believe that the economic and cultural underdevelopment of Nagorno-Karabakh under the administration of Azerbaijani authorities has restricted the national rights and initiative of the region's Armenian residents.

In an attempt to trace the origins of the clashes, a Soviet official said in the weekly *Moscow News* that the Soviet Union has ignored the demands of various nationalities for years because of the thinking that all ethnic problems had been resolved.

Moreover, some people, under the cover of democracy and *glasnost* (openness), fomented national disunity by inciting workers to strike and go on hunger strikes to exert pressure on the government.

Spurred to action by the troubles, the Soviet authorities have taken a series of measures to quell the unrest. After the initial clashes Mikhail Gorbachev met representatives of the two nationalities and promised them that the Central Committee of the Communist Party of the Soviet Union would consider their demands and seek a just solution. For a time the disturbances subsided.

But in late May, the situation again worsened. Thousands of

Armenians in Yerevan went on strike and took to the streets demanding that Nagorno-Karabakh be annexed by Armenia. On June 13 Azerbaijanis in Baku held rallies to protest against the proposed annexation. During one rally, an Azerbaijani soldier was shot dead by an Armenian.

Soviet society has undergone considerable changes since the *glasnost* campaign was launched. Newspapers are expressing more diversified opinions about state affairs and historic events and personalities, and intellectuals are openly expressing their views on every aspect of the society. The most famous Soviet dissident, physicist Andrei Sakharov, has returned from exile to Moscow and is active in public life, and formerly banned books, such as *Doctor Zhivago* by Boris Paster-

nak, are being published. The dark sides of Soviet society, such as prostitution and drug addiction, are openly talked about and corruption is being exposed and condemned. Private businesses have begun to appear and religious freedom is being respected.

In this context, it is no wonder that the national discontent in the two republics found an open outlet. The clashes awakened the authorities to the seriousness of the national problems in the Nagorno-Karabakh region and forced them to take steps to accelerate the area's development.

But the Armenian-Azerbaijani conflict has also posed the question of how far the *glasnost* should go. It is a delicate problem that must be handled with extreme caution.

by She Duanzhi

SOUTH KOREA

Students Seek Reunification

Pressure from students in South Korea for talks with their counterparts in the Democratic People's Republic of Korea on the reunification of the country has pushed the Roh Tae Woo authorities into a difficult new situation.

On May 14 about 15,000 students from more than 70 universities and colleges in South Korea held a rally presided over by the South Korean Students Representative Association. The rally adopted an open letter to the students of the Democratic People's Republic of Korea (DPRK). In the letter the South Korean students proposed to hold talks with their northern counterparts in Panmunjom on June 10 to discuss the reunification of Korea, the holding of a joint student sporting event, arranging for reunions of family members separated during the war, and the co-hosting of this autumn's

Olympic Games.

The proposal was welcomed by students in the DPRK. On May 17 some 50,000 students from more than 50 universities met in Pyongyang to demonstrate their support. In an open letter to the South Korean students, which was adopted at the meeting, the DPRK students said they would send 12 representatives to the proposed talks in Panmunjom.

When it came time for the talks, however, the South Korean students ran into trouble from the Roh Tae Woo authorities. Some 60,000 armed policemen prevented the students from marching to

the meeting, arresting nearly 900. But the students did not yield and abandon their efforts for reunification. They vowed to try again to meet the DPRK students on August 15.

Talks between North and South Korean students, easing the tension on the Korea Peninsula and opening the door to dialogue no doubt conform to long-standing hopes of both northern and southern Korean people, who have suffered from separation for more than 40 years. But the South Korean authorities, regardless of the desires of the vast majority of Korean people, maintain that their permission is required for any exchanges or talks with people from the DPRK. Violators will be severely punished, they say.

The exclusion of opposition figures, social groups and the public from the issue of reunification has encountered resistance in South Korea. Roh promised before he took office that he would discuss the issue with people from all circles, but he has broken his promise. After taking office, Roh strangled the proposal put forward by leading opposition members to hold talks with the DPRK. Now he is suppressing the students' demands to hold talks with DPRK students. It is clear that Roh's pre-election pledge was only idle talk and there is no difference between Roh and his predecessors.

The student movement in South Korea has shifted its focus from the call for democracy to the call for reunification. This reflects the aspirations of the entire nation, which cannot be repressed by anyone. If Roh refuses to respect the wishes and demands of South Korea's students and people in general and insists, like his predecessors, on adopting repressive measures, opposition to him will grow stronger and he will find himself in an increasingly difficult situation.

by Li Wen

SOUTH AFRICA

Renewal of Emergency Condemned

The South African government's decision to renew the nation's state of emergency for the third year has aroused widespread opposition and condemnation.

South African President Pieter W. Botha has extended the nation's state of emergency for the third consecutive year. The extension continues the total ban on activities by 18 anti-apartheid organizations, including the United Democratic Front, the Azanian People's Organization and the campaign to release Nelson Mandela.

Botha said the state of emergency's success in reducing the turmoil in areas inhabited by blacks led to the government's decision to extend it for another year. His announcement coincided with the end of a three-day national strike by millions of black workers in protest against the silencing of anti-apartheid organizations and the introduction of a new labour reform bill.

The renewal of the state of emergency triggered widespread condemnation. The Reverend Frank Chikane, general secretary of the South African Council of Churches, said that by reimposing the state of emergency the government has confirmed that it is firmly committed to violently suppressing the oppressed black majority and forcing it to submit to apartheid. Faced with this situation, he said, the only possibility is to intensify the call for comprehensive economic sanctions against the apartheid regime.

The African National Congress (ANC) said the extension reflects the Pretoria regime's attempt to survive through repression. The ANC called on the South African people to continue their mass

political offensive to establish a united, democratic and non-racial South Africa.

The state of emergency, first declared on June 12, 1986, has given the government broad power to curb dissent. During the past two years, the authorities have used their emergency powers to detain without trial an estimated 30,000 people, mostly blacks, as well as to censor news organizations and suppress the black opposition.

The South African government has laid down five prerequisites for lifting the state of emergency—improvement in the national housing situation; the normalization of black education; the installation of working, credible third-tier government structures; the creation of adequate job opportunities to lessen unemployment; and the restoration of law, order and stability.

Worldwide support for the South African anti-apartheid struggle is also intensifying. On June 11 more than 100 pop singers from Britain, the United States, Europe and Africa performed at a concert in London to mark the 70th birthday of Mandela, a black leader who has been jailed by the South African authorities for 24 years. One of the singers described the concert as a "political concert first and foremost." Half of the proceeds will go to help Britain's anti-apartheid movement in its campaign to free Mandela and the rest will go to charities working with children in South Africa.

by Zong Dao

Industrial Reform & Technological Progress

This is an excerpted translation of a speech delivered at the China-US Joint Session on Industry, Trade and Economic Development.

by Lu Dong, chairman of the China Association of Industrial Economics

Over the past nine years, while focusing our efforts on the development of a socialist commodity economy, we have made marked progress and gained rich experience in restructuring the managerial system and upgrading technology in industrial enterprises through extensive studies and practices.

Developing Different Types of Ownership

Historical experience has taught us that the structure of ownership should be suited to the development of productive forces. Therefore, at present it becomes imperative for us to develop, in the light of China's actual conditions, various types of ownership while keeping public ownership in the predominant position. In recent years we have adopted a series of policies and measures to encourage the growth of diverse economic sectors, including the individual sector as well as Chinese-foreign joint ventures, cooperative enterprises and wholly foreign-owned enterprises. As is shown in statistics for 1987, in the national total industrial output value, the proportion of the public sector dropped from 81 percent in 1978 to 67 percent in 1987, and that of collectively owned enterprises increased from 19 percent to 30.5 percent, with the other 2.5 percent going to other sectors of the economy. Of all the Chinese industrial enterprises at present, 15.15 million are village- and township-run enterprises, which

employ a total of 79.73 million people. Meanwhile, foreign-invested enterprises in the country have increased to more than 10,000, with a combined contracted investment of US\$22.8

billion. As a matter of fact, these enterprises have experienced a much quicker development in recent years than enterprises owned by the whole people. We believe that readjusting the

Chen Qingtai (centre), director of China's No. 2 Motor Vehicle Plant, has adopted bold reform measures to ensure a steady increase in output.

HUAI AI



ownership structure and encouraging and supporting the development of non-public economic sectors, particularly foreign-invested enterprises, will inevitably inject new vigour into China's industrial development, so long as the public sector of the economy retains its predominance.

Separating Ownership From Management

The central element in the overall structural reform is the revitalization of enterprises, especially large and medium-sized ones. As for the reform of enterprises, our major task is, in accordance with the principle of separating ownership from management, to make the enterprises become commodity producers and managerial entities which, with independent operation and accounting, assume sole responsibility for their own profits and losses, so as to keep pace with the development of the socialist commodity economy.

In the last few years, considerable good results have been made in giving enterprises more decision-making powers in man-



The Qingdao TV Factory is now able to produce an annual 150,000 colour TV sets with imported technology.

SHI PANQI

agement, implementing the director responsibility system and introducing various forms of managerial responsibility system,

including contracting and leasing. The popularity of the contract system of managerial responsibility in particular marks a breakthrough in China's enterprise reform. By the end of last year, the system was practised in 82 percent of the large and medium-sized industrial enterprises owned by the whole people, and contracting, leasing and collective management became common in small publicly owned industrial enterprises. Under the system, the enterprises are given the right to possess, use and transfer property owned by the whole people. By making effective use of the property granted by the state, the enterprises contract to fulfil the financial quotas and property increment as assigned by the state. It is thus the ownership of the state is realized.

The system also enables the

Babcock and Wilcox Beijing Company Ltd., a Sino-US joint venture, can produce state-of-the-art boilers for power stations using designs and technology supplied by the US side.

YU HUIRU



enterprises to be less dependent on the state and to run its own business risks, thus enhancing their ability for self-development and self-restraint and creating favourable conditions for changing government's role in the economy from direct to indirect administration.

In carrying out the system, a competitive mechanism has been introduced into the enterprises; supplementary reforms in personnel, labour and distribution systems have been conducted; and the initiative of both managerial personnel and workers of the enterprises has been brought into full play, ending the long-standing practice of egalitarianism for enterprises and their employees. The enterprises can also develop trans-departmental and trans-regional co-operations, and the enterprise structure has become more rational, with the emergence of quite a number of enterprise groups.

Technological Progress

Quite a number of enterprises in China have extricated themselves from backwardness, and significant achievements have been scored in raising their ability to develop new products, raising product quality and technological proficiency and improving product mix and the structure of production. What is more, the state has kept increasing its investment in technological upgrading, thus creating favourable material conditions for the technological progress of China's industry. Last year investment in state-owned enterprises for this purpose totalled 74.3 billion yuan, almost four times the 1980 figure, with its portion in the total investment in fixed assets raised from 18.4 percent to 33 percent. About 297,000 technological revamp projects were completed



BAI JINSUO

The Beijing Stone Group combines scientific research, industrial production and trade. It has established more than 20 branch companies throughout the country. The picture shows a sales clerk talking with overseas businessmen.

during the 1981-87 period, adding 213.1 billion yuan worth of new fixed assets, or amounting to 34.7 percent of the total fixed assets of the state-owned enterprises in 1980. Continuous expansion of technological innovation in enterprises has become an important factor for the sustained and steady development of China's economy.

To speed up technological progress in industry, China has since 1983 imported large amounts of advanced equipment and technology through signing 27,000 contracts involving a total of US\$12 billion. As a result, the equipment and product quality in a number of enterprises met the international standards by the 1970s and early 1980s. We have also revamped a number of existing enterprises through various forms of co-operation with foreign firms, such as setting up joint ventures. In this way their technological level has been raised and advanced foreign managerial expertise introduced. As everyone knows, the Beijing Jeep Corporation Ltd. and Babcock and Wilcox Beijing Company Ltd. were set up in this way, involving less investment, turning out quicker economic results and bringing considerable benefits to both partners.

Although we have made remarkable advances in the technological reform, technological innovation still remains an arduous and major task in China's industry, as the country has a vast number of enterprises which are at different technological levels. Therefore, there is much room for technological co-operation between Chinese and foreign enterprises.

Developing Planned Commodity Economy

China's economic structural reform aims to build up a system integrating planning with the market so as to bring about a new operating mechanism in which the state regulates the market while the latter guides enterprises.

In order to achieve the target, we have adopted a series of reform measures in the macro-management system in the last few years to develop and perfect the socialist market system. As a result, markets for agricultural and sideline products and consumer goods have basically taken shape, the market for the means of production is developing, and markets for money, technology,

(Continued to p. 22.)

The Life of Ordinary Chinese People

According to statistics published by the State Statistical Bureau, the per-capita net income of farmers in 1987 was 463 yuan, and that of urban people, 916 yuan. For a long time, the means of subsistence were supplied at low prices to the people, so there is still a strong sense of self-sufficiency in rural areas and the vestiges of the system of supplying daily necessities in the cities. The radical changes in exchange rates since 1985, however, render it impossible for cash income to reflect the real living standards of the Chinese people.

The following reports on the 1987 income and expenditure of a farming family in Laiwu, Shandong Province and two workers' families in Hangzhou, Zhejiang Province give an idea of the standard and quality of life of the families, their actual consumption and expenditure, and the price of goods and services in their locality. The reports may help readers clarify questions of how Chinese people manage to take in an average 2,600 large calories a day on such low incomes; why they enjoy a life expectancy of 69 years; and why commodity price rises, especially for farm and sideline products, have spiralled out of control under the influence of the open policy and market-oriented economic reform.

Farming Family in Shandong Province

by Our Correspondent Feng Jing

In Kouzhen village, Laiwu City, Shandong Province, many households specializing in commodity production have become well-off. The per-capita income for one family can be close to the national average.

Wang Yu, 47, has a 60-square-metre, five-room tile-roofed house and a courtyard. Strings of dried maize ears hang on the walls. On the east and west sides are cooking stoves, chicken coops, pigsties and rabbit hutches. In the courtyard, planted with more than 20 trees, are a stone mill and small water pump. The rooms are well furnished. The only thing reflecting the influence of modern living in this typical self-sufficient household is the 14-inch black-and-white TV set.

The family of five comprises husband and wife, an 18-year-old son working in a township-run paper mill, a 14-year-old daughter at school and a 20-year-old

daughter working on the farm with her parents on a 0.24 hectare of contracted land producing wheat, maize, peanuts and vegetables.

Income and Expenditure

In 1987 Wang Yu's family had a total income of 2,758 yuan, including a cash income of 1,555

Wang Yu feeds chickens in the courtyard.

FENG JING



yuan and an income of 1,203 yuan earned from farm and sideline products. After deducting production costs of 449 yuan (including expenses for tools, seeds, fertilizer, insecticide and fodder), 25 yuan in agricultural tax and 60 yuan in public accumulation funds for the collective, the family's net income came to 2,224 yuan; the per-capita income was 445 yuan, which shows a balance between income and expenditure, with a slight surplus (see Table).



Wang Yu and her husband hoeing the field.

GENG JING

Consumption Items

Food costs. 338 yuan on staple food, 33.2 percent of the expenditure on food; 678 yuan or 66.7 percent on non-staple food.

Table 1987 Living Costs for Wang Yu's Family
Total net income, 2,224 yuan; per-capita income 445 yuan

Items	Expenditure (yuan)	(Proportion of total income (%))
Food	1,016	45.7
Clothing	190	8.5
Consumer goods	644	29
Fuel	52	2.3
Electricity	24	1.1
Recreational expenses	4	0.2
Service expenses	3	0.1
Children's education	30	1.3
Medical fees	10	0.5
Gifts	215	9.6
Balance	36	1.7
Staple food: Wheat	350 kg	131 yuan
maize	650 kg	178
Processing costs (service charge)		29
Non-staple food: Pork (partially self-sufficient)	32 kg	93
Poultry, eggs (for the family's own use)	6 kg	25
Fish, shrimp	8 kg	40
Bean products (partially self-sufficient)	40 kg	30
Peanuts (for the family's own use)	25 kg	30
Vegetables (grown partially for the family's own use)	1,038 kg	268
Home-made pickles	50 kg	10
Condiments		30

Wang Yu said his family was eating better food now than in previous years, but foodgrain still formed a large part of their diet and the non-staple foods they ate were mostly medium- and low-grade. A fried dish could be guaranteed for lunch and supper every day; at the same time, home-made pickles were indispensable as a side dish.

Of the food consumed by the Wang family, 542 yuan worth or 53.3 percent of the foods consumed was self-produced.

Expenditure on Clothes. Forty-four yuan on ready-made clothes, 23.2 percent of expenditure on clothing; 146 yuan or 76.8 percent on clothes made to order.

Fuel. Fuel here refers only to coal for cooking and heating in winter; wheat stalks and firewood for cooking in the other three seasons are not included in the accounts.

Cultural expenses. Four yuan on one regular newspaper *The Rural Public*.

One to two film shows are projected each month in the village; the money for this is drawn from the collective's accumulated funds. Admission is free.

Service expenses. Haircuts and baths 3 yuan

Ready-made clothes include:		
Nylon clothes	3 pieces	26 yuan
Undershirts	1	2
Shoes	4 pairs	16
Processed goods include:		
Cotton cloth	1.7 metres	2
Synthetic fibre cloth	20 metres	85
Nylon cloth	7 metres	58
Service charge		1
Cloth shoes self-made with left-over materials	10 pairs	

Consumer goods.

TV (14" black-and-white)	1	400 yuan
Bicycle	1	160
Wristwatch	1	45
Sheet	1	12
Detergent		27

Children's education. Tuition and miscellaneous expenses for one daughter in middle school 30 yuan
Electricity. Monthly 2 yuan
 Annually 24 yuan

Entertainment expenses. Relations between people are so close that dinner parties and gift presentations are common in Wang's village, and expenditure on this can come to 215 yuan a year. For example, 50 kg of home-grown peanuts presented as gifts are worth about 60 yuan; articles valued at 20 yuan are presented as wedding gifts for Wang Yu's niece; 10-yuan worth of paper and joss sticks is burned before idols and 5 yuan goes towards firecrackers for Spring Festival.

Clearly, this is a typical family with enough food and clothing.

'Free of Charge'

Unlike families in cities and towns, rural Chinese families need not spend money, or spend only

little, on consumer goods. Take Wang Yu for example:

Houses, as the private property of farmers, once built, can last from several years to dozens of

years without needing any repair, so there is no regular expenditure on housing. Wang's house, built six years ago, has not needed any repair work yet.

Generally, house building is a major expense in the farmer's account book. A 12-square-metre room costs an average 1,000 yuan, but only a small amount of cash is actually disbursed, because some of the building materials can be obtained locally. For instance, trees grown by farmers supply enough timber for the houses which can be erected with the help of fellow villagers, who are not paid in money but simply invited to dinner.

Farmers do not pay for the well or tap water which they draw from the public utility.

Wheat and maize stalks and wild plants are important sources of fuel for farmers, reducing the need to spend money on fuel.

Last year, the Wang family only needed to pay the state 25 yuan in agricultural tax.

Workers' Families in Hangzhou

by Our Correspondent Cheng Gang

This correspondent recently visited two ordinary families in Hangzhou, capital of Zhejiang Province. The city is a famous tourist attraction in what is reputedly the land of fish and rice, and silk and tea. Following is an on-the-spot investigation of the real standard of living of two families.

Enough Food and Clothing

An engineer and director of the Hangzhou Forklift Research Institute. Chen Junwei lives with his family members in a green building in the new Caihe residential quarters. The 32-

square-metre apartment has two bedrooms, one drawing room, one kitchen and one bathroom. In the drawing room are settees, a fridge and a dining table. It is rather cramped, but in good order. New and old furniture is also kept in perfect order in the two bedrooms.

Zhu Jueying, a primary school teacher, said: "My husband and I and my daughter, who is in junior middle school, used to live in an 18-square-metre room and moved here at the end of last year."

At this point Chen Junwei chipped in with his family account book: "Like our housing, our standard of living is neither too high nor too low." In 1987 the per-capita income of the Chens was

1,377 yuan, slightly higher than the average 1,185 yuan in Hangzhou, and just above the medium level.

I visited another family in a similar situation to the Chens. Zhang Derong and his wife Shen Suzhen expressed veiled criticisms of the recent price hikes. But their appraisal of their living standards is much like that of the Chens.

Zhang and Shen are factory workers, one with the Hangzhou Ball-Point Pen Factory and the other in a sewing machine factory. Their 17-year-old son is now studying at a commercial school and their daughter will soon graduate from a junior middle school. In 1987 the per-capita income of the Zhangs was 1,194.04 yuan.

From the following 1987 balance sheets we can get an idea of quantity and quality of consumption of the Chen and Zhang families. They have enough food and clothing and are proceeding towards attaining a comfortable life.

Consumption Structure

Food. According to the 1986 survey by the State Statistical Bureau, 52.4 percent of the total income of urban families was spent on food. Tables 1 and 2 show that expenses on food accounted for well over 33 percent. Each member of the Chen and Zhang families spent 40 yuan and 36.6 yuan each month on food. The foodstuffs bought mainly include five to six kilogrammes of vegetables, three kilogrammes of meat, ten eggs, one kilogramme of fish, 12 kilogrammes of rice and flour, one kilogramme of table oil, three kilogrammes of fruit and condiments. "We usually have one meat or fish course, two vegetable dishes and one soup for each meal," Shen said.

Clothing. The two families spent

Table 1

The 1987 Cash Balance Sheet of the Chens

Total annual income: 4,130.83 yuan

Item	Expenditure (yuan)	Percentage of total income
Food	1,441.5	34.90
Garments and cloth	628.10	15.20
Articles for daily use	1,660.55	40.20
Recreation	103.60	2.50
Education, public health, transport, post and telecommunications	31.47	0.76
Rent and utility charges	123	2.95
Savings deposits	115	2.78
Cash surplus	28.17	0.71

Table 2

The 1987 Cash Balance Sheet of the Zhangs

Total annual income: 4,776.16 yuan

Item	Expenditure (yuan)	Percentage of total income
Food	1,759.6	36.84
Garments and cloth	642.53	13.45
Articles for daily use	374.53	7.84
Recreation	162.02	3.39
Education, public health, transport, post and telecommunications	114.96	2.41
Rent and utility charges	212.56	4.45
Savings deposits	1,241	25.98
Cash surplus	268.96	5.65

less money on clothing. Like many middle-aged people, Madam Zhu believed in dressing simply and could not see the point of wearing fashionable dresses. She would wear a full dress on New Year's Day, and other festivals or on a visit to relatives and friends. The two families thus purchased mainly simple clothes and chemical fibre garments. Last year the adult members of the Chen and Zhang families bought five and six

coats made of chemical fibre respectively. In addition, the two families spent much money on the purchase of knitting wool. Of course, each of the grown-ups has a suit of woollen cloth. Their daughters mainly bought nylon or polyester sports coats. Young people in the cities and towns spend a great deal of money on clothing, constantly replacing their garments with new ones. Generally speaking, their clothing



Residential quarters in Hangzhou — Calhe Village.

CHENG GANG

expenses are three times higher than these of middle-aged and elderly people.

Articles for daily use. These articles cover cosmetics, indoor decorations, sanitary equipment, furniture, clocks and watches, bicycles, household electrical appliances, books, newspapers and magazines. The two families have black and white televisions, refrigerators, washing machines and electric fans. The prices of these articles are fairly high, so ordinary families can afford to buy only one or two items each year. For instance, the Chens spent 843 yuan on a refrigerator last year, or 50 percent of their expenditure on articles for daily use. In addition, the family also bought a bicycle and spent a sizeable amount of money on indoor decorations before they moved to the new house. Consequently, the Chens spent more money on articles for daily use and set aside less in savings than the Zhangs.

Savings deposit. Speaking of savings deposits, Zhang said that he has deposited 4,000 yuan in the bank for their children when they get married. (In China parents usually spend a lot of money on

their children's weddings.) Chen also feels he should save more money in normal times in case of any emergency needs. Last year, for example, he explained he bought a refrigerator and a bicycle and fitted out the new house in the same month. If he had no savings deposit from previous years, he would have been unable to accomplish that.

Recreation. Watching TV, going to the cinemas and reading literary works are the main recreational activities of the Chinese people, particularly middle-aged and elderly people, and this is true of the two families in this report. Chen said many film tickets are given free of charge by the trade union, and they borrow many books from the public library so he does not spend much money on recreational activities.

Allowances and Benefits

It is obvious from the above-mentioned figures that the living expenses of city dwellers are higher than those of rural dwellers and prices for foodstuffs are also higher. But compared with other countries, the cost is low. One

main reason for this is that the state has granted allowances for basic means of subsistence to city dwellers. Following are the specific allowances:

Allowances for foodstuffs. The state has granted allowances for grain, pork, vegetable, sugar and edible oil which are rationed to permanent urban residents. Generally speaking, the ration is enough to meet the basic needs of the people. The account book of the Chens gives the following figures:

Allowance for housing. In China, all houses for the workers and staff members are built with funds pooled by the government and enterprises and distributed by the employing units. Rent is fairly low. The per-capita living space in Hangzhou is 7.6 square metres and the average monthly rent is 0.15 yuan for each square metre. The rent for new houses is a little higher and the monthly rent is 0.20 yuan for each square metre.

The Chens lived in their old house for the most part of last year and only paid 54.37 yuan in rent, accounting for 1.3 percent of the family's total income. The Zhangs have more living space than the Chens. In 1987 the family paid 119.15 yuan in rent, or 2.5 percent of the total family income. Of course, such a tiny amount of rent can hardly meet the maintenance costs of the houses. The Hangzhou finance department should allocate 6 million yuan of maintenance cost each year.

Although the city has carried out reforms to commercialize housing this year, allowances for housing have not been abolished. The allowances are paid directly to workers and staff members.

Free medical services. This system has been in force since 1952. It stipulates that workers and staff members (including retired workers) of government organizations and institutions (including hospitals, schools, mass

Commodity	Quantity (kilo)	Cost (yuan)	Average unit price (yuan/kilo)
Rice	356	124.78	0.350
Vegetables	269.2	121.21	0.450
Table oil	15.4	27.17	1.764
Pork	111.5	396.85	3.560

Table 3
The Average Amount of Durable Articles Owned by Every 100 Households in China

100 households in cities and towns			Farmer households	
	1982	1987	1982	1987
Colour TVs	1.1	34.6	Watches	68.1 145.1
Refrigerators	0.7	19.9	Bikes	51.5 90.3
Washing machines	16.1	66.8	Sewing machines	32.8 47
Radio-cassette recorders	18	57.4	Radios	50.5 54.2
Electric fans	53.2	103.9	TV sets	1.7 17.3

organizations and democratic parties) can enjoy free medical treatment. Enterprise workers can

enjoy labour insurance which covers their medical expenses. The expenses of workers and staff

members who enjoy free medical care in Hangzhou in 1987 were subsidized by the municipal finance department, at an average 180 yuan per person.

Enterprise workers and staff members only pay registration fees of 0.10 yuan when they visit the doctor, and their medicine, operation and hospital expenses are reimbursed by the state. Medical expenses for under-age children of workers and staff members are also appropriately subsidized. Take over-all medical treatment for example. The households only pay one yuan for each child every month and the workers' units subsidize 1.2 yuan for each child. The rest is subsidized by the finance department.

Urban transport fares. In-service workers and staff can buy monthly urban tickets. Each ticket is 3.5 yuan and two yuan is reimbursed. ■

(Continued from p. 16)

labour and real estate are emerging. Meanwhile we have also made useful studies in and experiments of the reform of the pricing system. As planning is concerned, we have reduced the industrial products under direct state control from over 120 varieties to some 60, and the materials under the unified distribution from 256 to 26. In pricing, the portion of manufactured consumer goods that are priced by market regulation or state guidance has risen to 55 percent, and that of the means of production to 40 percent. As for construction funds, the part from state financial departments has dropped from 77 to 32 percent, while the part from bank loans has gone up from 23 to 68 percent. In labour management, the planned employment system has been replaced by the contract labour system.

To sum up, links between enterprises and the market are increasingly strengthened and the market mechanism is beginning to play an important role in the operation of the national economy.

Foreign Trade Reform

In the last few years, we have adopted many important measures to enable the Chinese enterprises to take a competitive part in the international market as early as possible, including the establishment of special economic zones, the opening of coastal regions and the promulgation of policies and statutes to encourage exports and attract foreign investment. In the meantime, we have achieved notable results in the reform of the foreign trade system by introducing the agency system for export, allowing enterprises to keep a portion of

foreign exchange from export earnings and allowing a number of large and medium-sized enterprises to deal with foreign businessmen directly. In 1987, China's foreign trade volume was US\$87.7 billion, almost double the figure for 1980.

Beginning this year, foreign trade firms and enterprises engaged in export production are allowed to import and export a great variety of commodities except for a small number that are of vital importance and fall under unified management by the state. We will implement the contract responsibility system for foreign trade throughout China in an all-round way and allow export production enterprises and foreign-funded enterprises to trade in foreign currencies that come from export earnings they keep at the foreign exchange regulation centres set up by the state. ■

Reform Booms Non-government Art Troupes

by Our Correspondent Ling Yang

As reform makes headway in the economic and political arenas, cultural reform has also become a hot issue since experiments in this field began three years ago.

At a national cultural work conference held last May, officials of the Ministry of Culture and leading cultural figures from various provinces, municipalities and autonomous regions discussed the expedition and deepening of structural reforms to performing art troupes. According to the reform programme, the government will give up its monopoly over art troupes and allow a few state supported art troupes to coexist with troupes run by collectives and individuals. The aim is to encourage competition between performing groups and mobilize art circles and other quarters of society to set up art troupes which cater to the needs of people of all social strata.

Background

There are currently 3,068 registered specialized performing art troupes in the country; of these two-thirds are run by the central and local governments and the rest by collectives. Most of the troupes rely wholly or partly on government subsidies and only 93 are able to support themselves. They employ a total of 169,000 people who receive fixed salaries from the state. There are only slight differences of salary and conditions for different capabilities and skills, and very often the duration of service is more important than personal performances and contributions. All employees enjoy free medical treatment and benefits offered by the state, as well as low-rent

housing and pensions; funeral expenses and pensions are also covered for the families of deceased employees.

This system, based on the supply system practised in army cultural troupes during the revolutionary wars, was instituted after the founding of the People's Republic in 1949. Immediately after the nationwide liberation, the people's government took over all privately run performing groups (mostly local theatrical troupes) and turned them into state-run art troupes. This measure, known as socialist transformation, helped to extricate many folk artists from the grip of poverty and give them a stable life. Even many famous artists gave up handsome incomes to join the state performing troupes.

At the same time, following the example of the Soviet Union, the state established a number of large art companies. The state monopoly of art troupes was strengthened with each political movement. Egalitarian practices of the "iron rice bowl" and "everybody eating from the same big pot" were being regarded as expressions of the superiority of socialism.

Commenting on the system, Minister of Culture Wang Meng said it played a role in helping the Party and government control cultural work and steer it in the direction of socialism. It ensured the social and political status of down-trodden folk artists and stability for all artists enabling them to concentrate on their artistic pursuits.

However, Wang said, with the passing of time and changes to society, many drawbacks in the system were exposed. The government's centralized manage-

ment deprived the art troupes of autonomy and the stimulation of competition between other troupes and performers. While the art troupes remained reliant on government financial support, the artists felt creatively stifled.

For their part, government departments in charge of cultural work often busied themselves with practical matters and failed to exercise co-ordination and guidance in the management of these troupes. Moreover, with the increasing number of art troupes and the bulging ranks of artists, state funds were taken up mainly by the payment of employees' salaries, leaving almost nothing for the promotion of the arts; sometimes more performances meant a larger deficit.

In recent years, with the introduction of reforms and the open policy and the gradual improvement of people's living standards higher demands have been placed on artistic performances, and more variety is being demanded of performing troupes and art institutions. All this has posed a new challenge for China's art troupes, necessitating structural reform within them.

Experiment

Structural reform in some art troupes began on a trial basis in 1984. At that time, the rural household responsibility system had achieved some success, urban economic structural reform through expanding enterprise autonomy was under way and structural reforms in educational, scientific and technical spheres had been put on the agenda. All this encouraged reforms in performing troupes.

In Guangdong Province, the first part of China to open its door to the outside world, there are 890 collective and individual art troupes and 178 state ones. In Guangzhou, the provincial capital, most of the light music troupes and bands in local theatres and tea gardens are formed by the singers, dancers and musicians themselves. Their incomes far exceed their original salaries. Since its founding five years ago, the Hongqi Modern Drama Troupe organized by a number of individuals in Shantou has operated totally without government support, handing over 10,000-20,000 yuan each year to the state. Members of the troupe also enjoy handsome salaries and a paid tour once a year.

In the ancient city of Xian, there are 22 individual music, dance, folk art, acrobatic and local opera performing troupes. Although they are smaller than the 16 state art troupes, most of them have reached quite a high standard and won increasing popularity in the locality. The Xinlei Light Music Band, founded five years ago, has already given 2,500 performances and accumulated over 300,000 yuan for use as public funds.

Many provinces and cities have readjusted the organization of their old performing troupes. Those with little income have been disbanded, and the others have reduced their staff and introduced various kinds of new management systems on a trial basis. Art troupes under the total control of the chief give the leadership decision-making power over the organization, personnel, performances and the use of funds. Performers sign contracts which ensure quality. The various kinds of contract responsibility systems have introduced competition among the performing troupes, and thus fired the enthusiasm of artists.

The ten drama troupes in

Wuhan, central China, are run under a trial system which allows specialists to individually organize troupes and contract for a certain number of performances. This allows all the groups to increase their number of performances and their incomes, and has the added benefit of improving the artists' skills.

In the past two years, the number of performing troupes in northeast China's industrial city Shenyang dropped from 16 to 12 and the number of employees was cut down by 41 percent. Reforms to personnel, remuneration and management systems have injected new energy into the remaining troupes. One Shenyang modern drama troupe staged 1,063 performances of *Taking the Wrong Bus*, an all time high for China. A Peking opera troupe gave 320 performances of a modern Peking opera drama, and more than 100 performances of a dance drama, a *Pingju* opera and a puppet show were given.

In addition to stage performances, these troupes have also sponsored art workshops and opened training courses or their own tea rooms, dance halls and video rooms. Some even run their own theatres, shops, icecream parlours and guest houses.

Some performing troupes have established relations or jointly set up businesses with enterprises and institutions. Performing for the employees and assisting with recreational activities, they also help these businesses market their products in return for financial support or other kinds of assistance.

These experiments in reform render performing troupes not only the concern of the government but also of the society as a whole, and stimulate artistic creation and expression.

Prospects

The recent national cultural work conference confirmed these achievements. All participants agreed that the state monopoly of art troupes should be replaced by a dual system of control in which both state cultural departments and the society are encouraged to run art troupes. Under their system, only a small number of art troupes will continue under public ownership. They would include troupes representing national art standards, a number of experimental and exemplary troupes of special value, and performing troupes in minority areas which still need government support. The majority of art troupes will be run by collectives and individuals. No matter what the form of ownership though, all troupes will face competition and seek survival through competition.

Government cultural departments will strengthen their guidance and indirect management of art troupes, formulate strategies, policies and laws on the development of art forms, plan for the construction of key art facilities, encourage and support creativity and expression, and guide, co-ordinate and manage exchange activities with other countries.

All conference participants saw the reform as a way to establish a new vital system which would enhance initiative and creativity in artists, and meet the diversified cultural needs of the community.

They also stressed that reform is a complicated process which should proceed prudently and steadily. Different reform measures will need to be applied in different areas. To help minority areas develop their own distinctive art forms the government should provide these areas with more financial support.

China Faces Another Baby Boom

by Our Correspondent Cheng Gang

China is now passing through a peak birthrate period which, according to the State Family Planning Commission, began in 1986 and will continue to 1995. During this period, the average annual population growth will be 22 million.

Although the government has placed great importance on population control, there were still 22 million babies born in 1987 and the population growth rate is expected to remain quite high in 1988 and 1989. Peng Peiyun, minister of the State Family Planning Commission, agreed that the situation is grim.

Since the founding of New China in 1949, there have been two periods of very high birthrate: the first one in the 1950s when the population jumped from 541.67 million to 600 million, and the second from 1962 to the mid-1970s when the population exceeded 900 million. Babies born in the second peak period are now approaching the marrying and child-bearing age so another baby boom is very likely in the near future. The number of child-bearing women will reach about 300 million this year and in the next ten years, an average of 13 million women a year will enter the marrying and child-bearing age. This is a matter of wide concern.

Premier of the State Council Li Peng pointed out: "The rising population growth rate cannot be ignored by our Party, government and family planning workers."

With a population of 108 million, Sichuan is the most populous province in China. During the current peak birthrate period, an average of 1.28 million young couples will enter the marrying and child-bearing age

annually. At present, the per-capita amount of cultivated area in the province is 0.062 hectare. A rise in the birthrate will place a greater strain on land resources and further reduce the province's per-capita cultivated land.

Shanghai, one of China's most densely populated cities, also sees the problems associated with the increased birthrate looming close. Deputy Mayor Xie Lijuan said that with the population growth trend of the last two years, social problems such as housing, traffic, education and job placement are hardly likely to be solved within the next 20 years.

China faces a massive task to minimize the effects of the third baby boom and maintain its population at 1.2 billion by the end of the century.

Since the beginning of the 1970s, family planning has had some remarkable successes. Calculated on the 1970 population growth rate, 200 million fewer babies were born in the past 16 years. The one-couple-one-child strategy has been universally accepted by urban people but in many rural areas where the population exceeds 800 million, feudal and traditional notions of "men's superiority to women" and "the more children, the more happiness" still hold sway. In many places the tradition of early marriage, early child-bearing and large families dominates.

In order to promote family planning in the rural areas, departments concerned have in recent years opened up some new strategies for population control in addition to continuing education and technical services.

The Contracted Responsibility System. Following the example of the economic responsibility sy-

stem which has been implemented in rural areas in the past decade, townships, villages and villagers' groups have adopted a population management responsibility system based on a targeted number of births. Under this system, every level is directly responsible for population growth targets to the level immediately above it. Those who meet the target will be rewarded and those who fail to do so will be penalized. In areas where the system is being adopted, administrative organizations and their staff have become more aware of their family planning responsibilities.

In 1986 the population target responsibility system was implemented in Bose City in the Guangxi Zhuang Autonomous Region. A total of 2,023 cadres at the grass-roots level and 121 villages and neighbourhoods entered into the contract arrangement. Members of villagers' groups made efforts to publicize the population policy and birth control measures to child-bearing couples, and organized related community services. The city's birth rate, as a result, dropped from 15.10 per thousand in 1985 to 10.66 per thousand in 1987. Five-sixths of the villages and neighbourhoods in the city were rewarded for meeting their contract targets.

Bose City's success was acknowledged by the State Family Planning Commission and is being held up as an example for the whole country to follow.

Specialized Organizations. Family planning associations staffed by a total of 3 million members form the link between the government family planning policy and social practice. These organizations have been set up all



LIU QIANYANG

A service team including representatives of a Chongqing insurance company and local family planning committees publicize family planning and establish pension insurance for local farmers.

over the country by people from various circles. In some places association members have achieved success in promoting family planning through a flexible, understanding approach to the problems facing the local people. Chang Chongxuan, vice-minister of the State Family Planning Commission, said that the associations have combined state guidance with an understanding of people's wishes, and made people more conscious of the need to adopt family planning measures.

A marriage preparation school run by the family planning association of Guanghan County, Sichuan Province, offers young people planning to marry and their parents an opportunity to learn about birth control, personal hygiene and child care.

Zhou Shilian, a farmer from Jinyu township in Guanghan has contracted a brick and tile factory. After taking on the position of deputy president of the township's family planning association, he based his recruitment plan on new guidelines. He signed a contract with each of the 57 newly recruited workers with only one child.

which stipulated that the worker agree to have no more children. To date, none of the 57 families have had a second birth. This has brought them obvious benefits: 47 households have built new tile-roofed houses. Family planning associations in many localities have concentrated on attracting leading members of township enterprises to join the associations and contribute to family planning work in the rural areas.

Legislation. Last July, the people's congress of Sichuan Province promulgated the Rules and Regulations on Family Planning in Sichuan Province. Family planning policies in the province were reviewed, and outdated regulations previously passed by counties and cities were abolished. The director of the Family Planning Commission of Sichuan Province explained that the legislation will enable people to keep family planning firmly in mind. He said the rules play an important role in ensuring a responsible attitude to family planning, and birth figures have already been greatly reduced.

Many provinces, municipalities

and autonomous regions are drawing up or have passed family planning rules and regulations. The Family Planning Law of the People's Republic of China is also on the drawing board.

Education. Supported by the UN Fund for Population Activities, a mass education experiment jointly conducted by the State Family Planning Commission and the State Education Commission has been run for the past eight years and is gaining popularity in the country. The course which includes education programmes on demography has been offered in 6,000 middle schools in various parts of the country. Sex education classes which encompass sexual physiology, psychology and morals have been offered in some middle schools in Shanghai, Tianjin, Jiangsu and Heilongjiang.

At the same time, some secondary vocational schools and institutions of higher learning are training family planning workers and demographic researchers. Family planning training courses are offered by two cadre training institutions, three secondary family planning vocational schools, 21 colleges and ten other secondary vocational schools all over the country. Over 10,000 people, including 7,500 who study independently, are engaged in higher-education family planning courses. In addition, more than 1,000 people are conducting research into demography and studying for degrees in 30 demographic research institutes.

Insurance. In 1986, Nanjing County in Fujian Province established life insurance policies for only children. One-child families paying 40 yuan insurance premiums will be refunded all medical expenses exceeding 200 yuan for the only child from birth to the age of 16 by the insurance company. In case of accident, the insurance will pay out an agreed sum. ■

Farmers Like Economic Reform

"RENMIN RIBAO"

(People's Daily, Overseas Edition)

The majority of China's rural dwellers are satisfied with the economic reforms that have been carried out in the countryside over the past 10 years, a recent survey shows.

A total of 10,938 farmers across the country were interviewed for the survey, which was co-sponsored by the Rural Policy Research Centre under the Communist Party Central Committee and the Rural Development Research Centre under the State Council.

Of the farmers surveyed, 87.4 percent said they are satisfied with the rural economic reform; only 0.8 percent said they are dissatisfied and 11.8 percent did not respond. Asked why they are satisfied with the reform, 90.4 percent said they have more autonomy in production; 57.2 percent felt they have more freedom, and 51.5 percent said the market is more active. Those who are dissatisfied blamed "the rise in prices for materials needed in agriculture and delays in the supply of these materials," "low prices paid by the state to purchase farm produce and too much work required by contracts," and "excessive imposed quotas."

The survey indicates that most farmers are optimistic about the future of the reform: 53.3 percent believe their life will continue to improve, while 26.6 percent are "not sure" and 2.5 percent think their life will become worse.

About two-thirds of the farmers surveyed said they were either "doubtful" or "uncertain" about whether the Party would maintain its current rural policy.

Most farmers said their life has improved as far as food, clothing, housing and daily necessities are concerned. This is a result of the introduction of the contract system, more job choices and the upgrading of agricultural technology. But more than a quarter of the respondents attributed their improved life to the "favour of the gods." The 3.9 percent that complained their life had worsened blamed "a lack of production experience after the contract system was adopted," "the decreasing availability of household labour" and natural and man-made calamities."

In contrast to those who are content with the improvements that have been made, some farmers complained about "a lack of job choices besides farming," and 4 percent of the respondents said they still could not make ends meet.

Asked what they would spend their money on first, the farmers that have become better-off said, in declining order: "developing production," "building houses," "improving their standard of living," "children's marriage" and "purchasing household electric appliances and furniture."

The survey shows that farmers remain overburdened by excessive imposed quotas in various forms. Last year the farmers surveyed were required to hand in an average total of 109.4 yuan, about a quarter of their annual net income. About 25 percent of the farmers surveyed said the quotas were "reasonable," while slightly more than half of the respondents consider the quotas "mostly reasonable although a small number are not."

More than 50 percent of the farmers said they were willing to

grow more grain, while about a quarter said they only want to grow the grain needed for themselves and to fulfil their contracts; 18 percent said they have to grow grain because they cannot do anything else. Only 2.7 percent said grain growing is "unprofitable and should be given up."

A majority of the farmers said they had fulfilled the quotas for grain production in their contracts the previous year. More than half said they had a grain surplus.

Most of the farmers complained about shortages of chemical fertilizers, diesel fuel, plastic film and farm tools.

The respondents said they sell most of the grain, cotton, oils and sugar they produce to the state rather than at the free markets. They said they are constantly frustrated by the low prices and high quotas for farm produce set by the state, and "some lawless people's domination of the free markets by force." Nearly 12 percent of the farmers, complained that their local government prohibited them from selling their produce at the free markets even though they had fulfilled their contracts.

About two-thirds of the farmers agreed that it is necessary to set up village-based co-operatives even after the contract system has been implemented. They see such co-operatives as providing information, technical guidance and services in the areas of seed development, irrigation and mechanized land cultivation, as well as ensuring proper implementation of contracts and welfare work in their villages.

When it came to their opinions about rural officials, about 38 percent of the farmers said they are "working hard to help people get richer." The rest, except 13.4 percent who did not answer the question, said "they are only interested in how to get richer themselves," "they take govern-

ment allowances but don't work," "they don't follow the Party's rural policy" and "they abuse their power in their own interests."

To the question "would you like a job that lets you earn more but makes you work harder," 70 percent answered "yes," while 8.3 percent said "no."

The farmers attributed their difficulty in getting richer to a lack of funds, technology and information.

In regard to the long-standing Chinese tradition of equal distribution, the researchers asked the

farmers' opinions about people who have become richer ahead of others. About 70 percent replied, "We should not be jealous;" 5.6 percent said, "They need to be restricted;" and 4.9 percent said that people should "stick together through thick and thin."

An overwhelming majority of the farmers agreed that education is useful in developing a market-oriented rural economy. A third hope their children will receive secondary school education and two-thirds hope their children can go to university.

(April 12, 1988)

Chinese Iron Pots Gain Popularity

"LIAO WANG"

(Outlook Weekly, Overseas Edition)

Iron pots, which have been in low popularity in China for several decades, are finding favour with more and more foreign housewives as their role as a source of iron trace element has become increasingly recognized. In 1987, China exported about 200,000 iron pots to countries and regions in Asia, Europe and North America.

China was one of the first countries to develop and manufacture iron pots. With the development of the iron-making trade during the Western Han Dynasty (206 BC-24 AD), iron utensils replaced those made of bronze and clay. During the Ming (1368-1644) and Qing (1644-1911) dynasties, iron pots made in Guangdong and Anhui provinces enjoyed brisk sales in foreign countries.

But with the appearance of aluminium and stainless-steel cooking utensils in the 1960s, Chinese traditional iron pots started to lose their markets. Urban Chinese housewives began to look on iron pots as unwieldy and gradually stopped using them.

In recent years, scientists have

discovered that stir-frying with aluminium utensils causes tiny aluminium filings to flake off. These can form aluminium ions on contact with acid and alkaline materials. The ingestion of large amounts of these ions endangers the nervous system, causing children to develop dysplasia and slowing down their thought and reactions, and bringing out senile dementia in some old people. The chromium, nickel and titanium in stainless steel are also harmful to the body. They can cause some diseases and accelerate ageing.

Human bodies absorb iron from two main sources, experts say. One is food and the other is iron utensils.

In recent years the World Health Organization (WHO) has been trying to popularize the use of Chinese traditional iron pots in various countries to reduce the incidence of iron-deficiency anaemia. This has resulted in a Chinese iron pot craze in many areas. In Boston, for instance, housewives are immensely proud of having a Chinese iron pot.

China produces about 100 million iron pots a year; 200,000 of them are exported. Last year the Tonghexiang Pot Factory in

Fanchang County, Anhui Province, one of China's four major iron pot producers, manufactured 710,000 pots. More than 20,000 of them were exported to the United States, Canada, Italy and South-east Asia, as well as Hong Kong and Macao.

(No. 11, 1988)

Bars Flourish in Shanghai

"LAO DONG BAO"

(Labour)

Shanghai now has about 20 bars, in addition to the bars in hotels and restaurants. Customers who spend their weekends in the public barrooms say they are ideal places to relax because they are quiet and tastefully laid out and the guests feel at home.

Some people have doubts about the rise of bars in Shanghai, said Zhang Jinyou, manager of the bar of the Youth Hotel. Singers, dancers and drunkards do not make rowdy scenes like those that often appear in films, Zhang said.

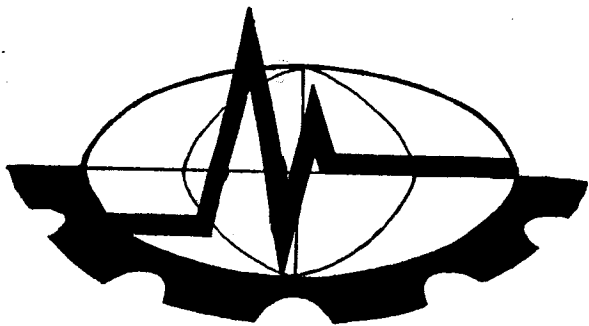
High-quality service provided by the bars sets a civilized tone. Customers get on well with each other. Over a glass of wine, they can chat with someone they like. People cannot get too drunk because the bars only provide wine that is low in alcohol content.

The manager of the Guotai Bar said that when the bar opened, it was cold and cheerless because people did not dare to go in. But now things have changed. More and more people visit the bar to taste foreign wines.

One well-off farmer visited the bar after strolling around Shanghai. An old teacher from East China Teachers' University hopes to organize a course of lectures there.

(February 21, 1988)

Beijing '89 1st International Mechatronics Fair



The 1st International Mechatronics Fair will be held in the Beijing Exhibition Centre on September 5-11, 1989.

The first of its kind in China, the fair will be held with the support of the China Ministry of Foreign Economic Relations and Trade and the Ministry of Machine-Building and Electronics Industry. The exhibition will occupy 10,000 square metres of floor space and the programme will include import and export trade talks and technological exchanges.

Mechatronics is the combined product of machinery, electronics, information and optical technologies. The fair will display advanced science, technology, equipment, instruments and meters both from China and abroad, including automatic equipment, automatic and intelligent measure and display instruments, process automation control devices, electronic, laser or numerical-control equipment and components.

Beijing is the main centre for economy and trade in China. The fair will provide participants with a good opportunity to introduce products, technology and business scopes to Chinese clients. Beijing is also an ideal place to seek partners in economic co-operation and commercial agents and to gain an understanding of the Chinese market.

Next year will be the 40th anniversary of the founding of the People's Republic of China. The occasion of this great celebration will afford a good opportunity to trade with China.

Foreign companies, enterprises and businesses are welcome to participate in the fair.

The 1st Int'l Mechatronics Fair Business Reply Card

Company name _____

Address _____

Cable _____ Telex _____

Person in charge _____

Title _____

Signature _____

Date _____

For more information please fill in the card and return to:

Int'l Mechatronics Fair Office,
19 Caihefang, Haidian District, Beijing, China

Tel: 2562470 2562773

Telex: 22186 EQUIP CN 22610 EQUIP CN

Fax: 362375

Attn: 1305

Contact: Ms. Wang Xiaolan
China Machinery Engineering
Consulting Service, Beijing, China

Foreigners Join Dragon Boat Fun

North China's first international dragon boat races were held in Beijing's Longtan Park June 12-19. More than 30 teams from Australia, Singapore, Federal Germany, Hong Kong and China's mainland participated in the fun.

Chinese and foreign spectators looked on as boats decorated like dragons, manned by 20-30 people rowing to the beat of a drum, flew across the water to the finish. It was a grand sight!

The event was ~~timed~~ to coincide with China's traditional Dragon Boat Festival, which falls on the fifth day of the fifth lunar month (June 18 this year). The festival dates back to 278 BC, when Qu Yuan, a great Chinese patriot and poet, committed suicide by throwing himself in a river after false charges were lodged against him.

The races were organized as part of the celebrations for the Beijing International Year of Travel. They were complemented by other activities, including fashion shows, national music concerts, break dancing and national dancing performances, and acrobatics — some on floating stages.

by Han Guojian

News in Brief

■ Some 10 million tourists visited China's mainland in the first four months of this year, an increase of 23.1 percent over the same period last year — foreign tourists accounted for 13.8 percent, overseas Chinese 35

percent and compatriots from Hong Kong and Macao 23.6 percent. The tourist business brought in 29.8 percent more foreign currency than a year earlier.

■ Ingrid Eick, the winner of a two-week visit to China at a 1985 photo competition, arrived in the country on June 12. Her travel and accommodation expenses were provided by the China International Travel Service and her international travel expenses by the Federal German Airline Lufthansa.

Eick, who comes from a small town near Munich, was one of 5,000 tourists who took part in the Daily Life of 1 Billion Chinese People photo contest. She won first prize for her photo reflecting the life of Chinese farmers.

The 1st Int'1 Mechatronics Fair Business Reply Card

- We are interested in participating in the _____

 (exhibition/seminars/trade negotiations)
- Our main products and services are _____

- We are looking for an agent to handle our Chinese market.

- We would like to recommend the following companies to participate in the fair _____

BOC Disagrees US Credit Rating

At a press conference on June 15, the Bank of China's vice-president Li Yumin expressed dissatisfaction with the A3 credit rating recently issued by the US-based Moody Investment Service. The bank considered the credit rating unacceptable as it was not representative of the current domestic and international reputation of the bank. In 1984, the Bank of China first issued bonds in Japanese yen in Tokyo, and for three years these bonds were granted the highest AAA rating.

"As a state foreign trade and currency bank, the Bank of China has been expanding its business steadily," Li said. At the end of 1987, the bank's total assets reached 441.968 billion yuan, a rise of 28.09 percent from the previous year. The total assets of its overseas branches came to US\$41.023 billion, an increase of 56.4 percent from the previous year, and the net profit reached 3.874 billion yuan, 28.8 percent more than in 1986. The balance of the bank's domestic foreign exchange deposits totalled US\$12.625 billion. A new phase of steady expansion is taking hold in all areas of the bank's business.

In 1987, the bank's foreign exchange, bond and gold dealings, and interbank transactions also increased by a large margin, meeting needs of payments due to foreign countries. To cater for the country's economic construction, the bank raised large amounts of foreign funds through government loans, mixed loans, export loans, supplier credit syndicated loans, and bond issues on the world market. Last year the bank entered the London and New York bond markets, opening up more channels for attracting foreign funds and enhancing the

bank's ability to advance in the world financial and capital markets.

Li pointed out that the credit rating issued by the Moody Investment Service will not only affect the bank's ability to enter the US capital market, but will also run counter to the will of US and international investors. It can only be seen as a disappointment for the Chinese side.

by LI Ning

Qinhuangdao to Be Largest Harbour

By the end of this century, Qinhuangdao Harbour will have 42 berths with a combined annual handling capacity of 125 million tons, becoming one of the 10 largest harbours in the world.

To achieve this target, a revamping and expansion plan has been drawn up. Construction of the three coal berths which began in April 1984, is expected to be

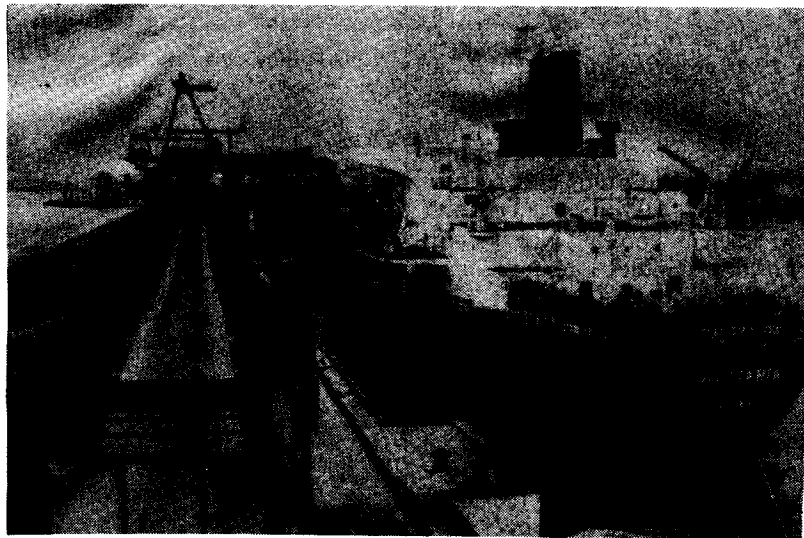
completed at the end of this year, increasing the harbour's coal export capacity by 30 million tons a year. A total of 24 berths with a combined handling capacity of 88.65 million tons are set to be completed by the end of 1990.

Director of the Qinhuangdao Harbour Office Huang Guosheng said at a recent press conference that to facilitate the development of an export-oriented economy, the harbour also plans to improve container transport, increase the number of domestic and international navigation lines, establish bond warehouses to store and transfer large quantities of foreign goods, and provide more client services such as assistance with customs procedures.

Located on the west bank of Bohai Bay, Qinhuangdao Harbour was built in 1898. The ice- and silt-free deep-water harbour is an important foreign trade harbour on China's coast. Last year, the harbour's handling capacity reached 53.788 million tons, about 70 percent of which was coal. The harbour is expected to become the largest coal export handling port in the world by the turn of this century. ■

Newly built coal dock in Qinhuangdao.

KANG SHUKAI



Yixing Pottery Art Festival

The city of Yixing in Jiangsu Province is China's "pottery metropolis" with much of its population involved in the traditional pottery industry. Here timeless skills have been passed down from generation to generation. Traces of broken pottery pieces can still be seen piled to form the walls of many pottery kilns and warehouses, and the houses of potters. Not long ago, Yixing hosted its first "China Pottery Art Festival." More than 700 foreign and Chinese visitors travelled to Yixing to attend the opening ceremony and witness for themselves the unique charm of the "pottery metropolis."

The Home of Pottery

Yixing's history of pottery dates back to the New Stone Age, about 5,000 years ago. Studied conducted in the area in 1976 revealed that the sites of about one hundred ancient pottery kilns are situated nearby. Archaeologists have collected several thousand broken pieces and about a hundred intact pottery relics. The ancient kilns found in the area are considered the most well preserved in China. Among them are ruins discovered in 1980, covering an area of about eight hectares. On this site, burnt red clays can still be seen on the ground along with large quantities of plasters and sands and pottery sherds. A well-preserved tripod (an ancient cooking vessel with two loop handles and three legs) was also found.

The years between 25 and 220 saw the establishment of relatively large-scale pottery kilns mainly producing glazed potteryware. From that time on Yixing has been a pottery producing centre.

Since ancient times the kilns used for firing pottery in Yixing

were called "dragon kilns," because they were arranged in the form of a dragon. Dragon kilns are usually built along the slopes of mountains, each with small holes on both sides for feeding in firewood. The largest kiln has 62 holes, and the smallest at least 30-40. The distance between the two holes ranges from 0.5 to one metre. The fuel is usually pine branches. Different kinds of pottery are fired in kilns of different sizes using different fuels. Early this century, potters started using coal to fire pottery. Since 1966, more than 60 tunnel-type kilns have been built in Yixing.

Yixing's pottery industry can now not only produce articles for daily use such as pottery vats, jars, basins, pots and bottles, but new products for use in the chemical, metallurgical, textile, electronics, food-processing, space and building industries have also been developed. Yixing is particularly famous for its pottery artware and tea sets, wine sets and tableware. In all, pottery products made in Yixing fall into 7,500 varieties. The largest pottery vat is able to

hold one ton of water, while a wine cup can be as small as a button. On 43 separate occasions, 29 varieties of potteryware won "quality product" titles from Jiangsu Province, the Ministry of Light Industry, the Ministry of Chemical Industry and the state, as well as international gold medals.

Yixing's ceramic products have now entered markets in more than 60 countries and regions throughout the world. This year, the city's ceramics were displayed and sold at 20 exhibitions in Australia, Singapore, the Federal Republic of Germany, the United States, Mexico, Egypt and other countries and regions.

Yixing now has 30 factories, employing more than 20,000 workers and staff, as well as a research institute and a technical school specializing in this field.

Several factories specialize in red pottery including pots, dishes, *ting* (tripods), tableware, sculptures and furnishings, all available in more than 2,000 varieties. Yixing's red pottery tea-sets, small teapots, flower pots and artware have won state gold and silver medals on many occasions, establishing a high reputation both at home and abroad. While producing traditional artware, the city's potteries are now also trying

Yixing Pottery Exhibition Hall.

TAN HANXIANG





GUO ZHONG

Master Gu Jingzhou making a redware teapot. Gu's teapot design won first prize at the 1987 China tourist products competition.

to create new products to remain competitive in the ceramics markets.

In the past few years, some factories which formerly produced crockery earthenware began making new products to meet market demand. For example, in 1987, the Yixing Victory Pottery Factory started turning out white ceramic milk cups, teaset, coffee sets, tableware and vases, as well as red ceramic vessels. The teapots made of red ceramic not only have red potteryware's ability to preserve the true flavour and colour of the tea, but also have the advantages of hardness and resistance to sudden temperature changes. Moreover they are attractive with novel designs blended against antique colours. At the Guangzhou Export Commodities Fair last year, customers ordered 200,000 red ceramic coffee sets decorated with the Eight Trigram design within a very short space of time.



TAN HANXIANG

Redware teapots designed by Han Meilin and made by the Yixing Redware Arts and Crafts Factory.

Pottery Exhibition Hall

The most interesting place in Yixing is the pottery exhibition hall in the Chinese palace style. Green glazed tiles gleam on its roof and ceramic lamp columns carved with dragon designs add splendour with their rich golds and greens. The exhibition hall houses more than 10,000 pieces (sets) of ceramic ware. The earliest pottery sherds on display in the hall date back to the New Stone Age.

Jun potteryware in the Song Dynasty style is famous for its beautiful colour. The hall has many pottery garden tables and stools, sculptures, flower pots, vases, large vessels for raising goldfish, miniature landscape pots, vessels in the ancient style and ceramic mural paintings on display. Some pieces seem to capture white clouds reflected in a deep blue lake when viewed from a distance; some are covered with tiny transparent dots, like stars gleaming in the night, when viewed closely. Certain pieces take on special colour effects through

the technique of furnace transmutation; these are especially admired by Chinese and foreign visitors.

The *jun* pottery exhibition room houses a giant vase which is a true masterpiece of *jun* pottery. It amazes visitors with its exquisite flower-and-bird designs, which create an impression of bas-relief sculpture. The designs were achieved by pottery artists using clays of different colour amassed onto the body of the vase before firing. This is the unique skill of the *jun* pottery school.

Renowned not only in the Yixing pottery industry, antique red potteryware is also one of the main products of China's traditional arts and crafts. Red pottery teapots are often called the crowns of Yixing ceramics; other acclaimed pieces include various kinds of pots for flowers, miniature trees and rockeries. The pots come in different shapes, not just the simple round or oblong ones found in other places. Some are elegantly round, and some take on distinct edges and corners. The largest ceramic vessel, capable of holding 25 kilogrammes of

water, can be carried by its handle. A red plum teapot for 12 cups on the other hand can only hold 60-80 grammes of water. A teapot in the shape of bamboo slips (used as writing material in ancient times) linked by ribbons, won the gold medal at the 1984 Leipzig International Fair. On the slips are carved extracts from the Chinese military classic *Master Sun's Art of War*.

A teapot modelled after one like a monk's cap has been created by pottery artist Gu Jingzhou. On the upper part of the pot are six outer petals of the lotus flower; the knob of the lid is formed by the part of the flower yet to blossom. Master Gu is now 75 years old. Over the past 50 years, he has created dozens of teapot designs, winning him fame in the trade.

Another master Jiang Rong is famous for her life-like artware. One of her pieces represents a frog about to jump after a moth perching on the fringe of a mulberry leaf. It is beautifully designed and very life-like.

The colours used in ceramic animal sculptures are particularly true to life. For example a tiger vividly portrays strength not only in its appearance but also in its colour and smooth grain. After glazing, the charming polar bear and docile sheep are as white as marble, covered with crystalline grains which, from a distance, look like fine hairs or glistening ice. The unique effect is achieved through the use of "ice-snow glaze."

Pottery frescoes are painted with colour glazes before firing at high temperature, creating a fascinating new effect.

The industrial pottery products on display at the exhibition show that the ceramics industry also has an important part to play in modern society. Ceramic products are often more useful than iron and steel products when it comes to protection against corrosion. A

ceramic honeycomb filter with 400 holes per square inch filters waste gas and absorbs noise in diesel engines.

In the fine pottery exhibition room, it is difficult to distinguish the pottery from the porcelain exhibits. The pieces are both elegant and durable. They are initially made in fine pottery clay, which possesses qualities of hardness and resistance to temperature change. Many are well shaped and beautifully decorated. Fine pottery vessels in the shapes of a Chinese cabbage, the longevity peach, an orange, a crab, a peacock or salmon are very much appreciated by customers.

Celadon is honoured as the "oriental sapphire." Its glaze is of green with a hint of blue colour. It looks like ice, or jade.

The celadon pieces on display include vases, wine sets, tea sets, tableware, smoking sets, stationery sets and sculptures.

Archaeological studies set the first celadon production in Yixing at the time of the Shang and Zhou dynasties (16th century B.C. — 221 B.C.). During the Western Jin Dynasty (fourth century-fifth century), celadon production developed quickly. The Tang Dynasty (618-907) saw a flourishing of the industry in Yixing, which turned out many new products of a relatively high standard. But the celadon trade declined in the following dynasties. In 1961, the local government set out to organize a team to rediscover the lost skills of celadon production and after four years celadon ware once again appeared on the market.

Another feature of the exhibition is a dragon palace, in which all exhibits including vats, jars, frescoes, trays, pillars and a boat, adopt the dragon theme. Among them is a mural showing two dragons playing with a pearl. The mural also has the effect of a relief sculpture. Two dragons with their

heads turning upwards can be seen indistinctly in the blue sea. Above the sea, fluffy clouds in relief float in the sky and against the sky are two dragon heads with gleaming eyes and long beards swaying in the wind.

Pottery Demonstrations

The Yixing ceramics industry has a long history of fine workmanship and design. Fourteen accomplished ceramics artists set themselves up in a hall to demonstrate the art of ceramic making on which this reputation is founded.

Wang Yanxian is talented at making red pottery teapots. Spectators watched as she took a lump of red clay, moulded and beat it several times and produced an exquisite teapot in a matter of minutes.

Xu Xiutang and Chu Lizhi are skilled at moulding red pottery figurines. A lump of clay in their hands can quickly become life-like figurines.

Embossed decoration is part of the traditional skill involved in the making of *jun* potteryware. Pottery artists first roll clays of different colours into strips of different sizes, which are then fused onto the body of the piece according to the intended design.

Clay cooking pots, one of Yixing's traditional pottery products, are made by hand. The young potter Zhou Tingmei demonstrated this skill and won appreciation from the spectators for her thin, well-balanced clay pots.

The artistic designer Xu Anbi demonstrated his skill at carving on pottery. Xu graduated from the Jiangsu Ceramics Industry School in 1976, majoring in stationery-set design. With a small steel knife, he produces artware etched with elegant patterns or beautiful calligraphy.

by Hong Lanxing

ART PAGE



Ploughing.



Egret.

Papercuts by Liu Xing

Liu Xing was born in 1891, Qingyang County, Gansu Province. She formed a keen interest in folk papercut arts early in her childhood and has acquired rich experience in this field over the last 80 years.

Her true skills lie in the representation of figures, birds and beasts, fish and insects. Liu uses simple and clear designs drawn from nature. Her works are greatly appreciated by the local people.



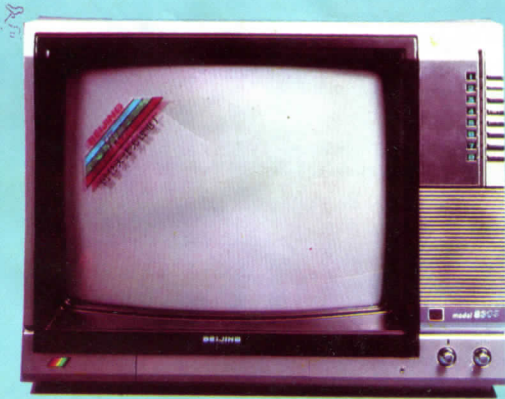
Cat.



Lion.

Colour TV Sets

北京周报英文版 1988年第27期 邮政代号 2-922 · 北京市期刊登记证第七三三号 · 国内统一刊号: CN11-1576



BEIJING

- Clear in picture
- True in colour and sound
- Beautiful in design



14- and 18-inch sets,
among others, available.

**China National Light Industrial Products Import and Export Corp.,
Tianjin Branch**

Address: 164 Liaoning Rd., Tianjin, China Telex: 23142 TJLIP CN Cable: INDUSTRY TIANJIN

ISSN 1000-9140