

A CHINESE WEEKLY OF NEWS AND VIEWS

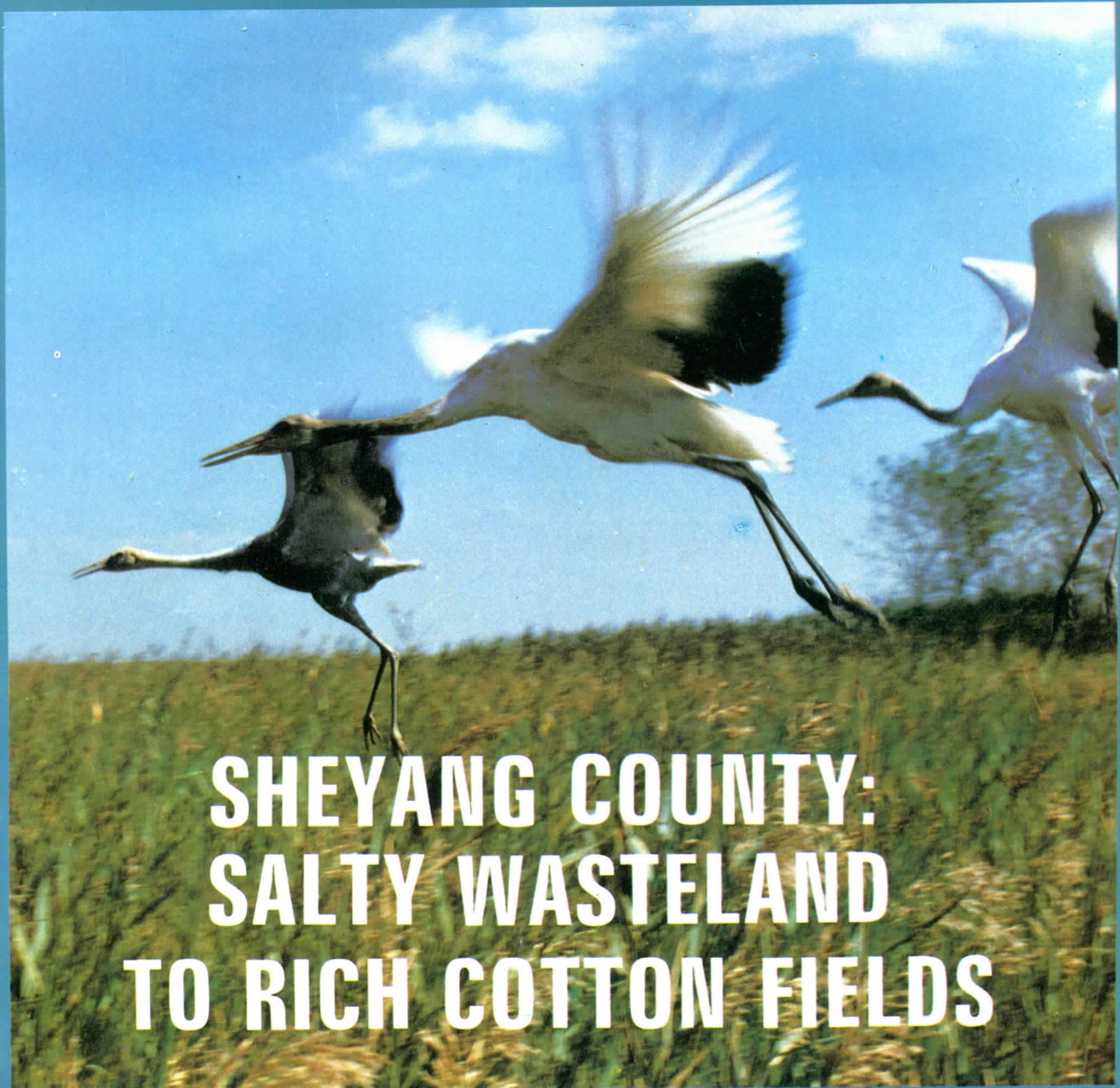
Beijing Review

北京周報

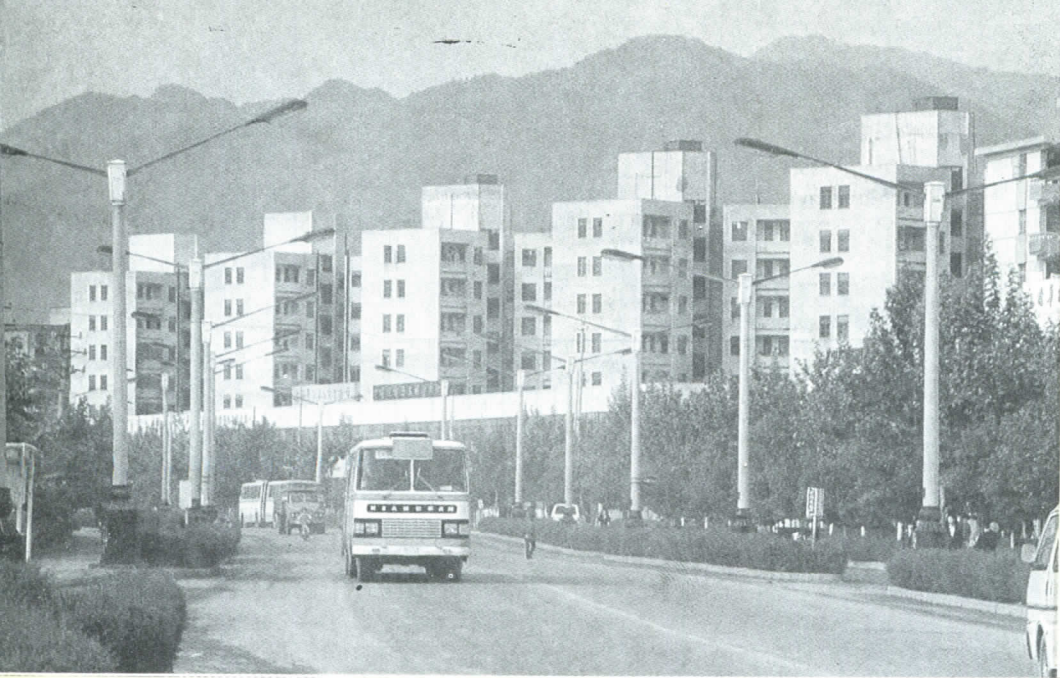
Vol. 31, No. 32

August 8-14, 1988

Higher Education Caters for Social Needs



**SHEYANG COUNTY:
SALTY WASTELAND
TO RICH COTTON FIELDS**



A downtown street

Shiyang — China's "Detroit"

Shiyang, known variously as new city, mountain city and automobile city, is today a modern industrial town that mainly produces motor vehicles. It is located at the foot of beautiful Wudang Mountain and beside the Hanjiang River, in the northwestern part of Hubei Province. Shiyang grew up around the No. 2 Automobile Plant, China's largest, which was built at the end of the 1960s.

Photos by Luo Haibo



A kindergarten in Shiyang

Factory-fresh "Dongfeng" trucks



VOL. 31, NO.32 AUGUST 8-14, 1988

CONTENTS

NOTES FROM THE EDITORS 4

Towards a Single Price System

EVENTS/TRENDS 5-7

Veterans Receive Medals Of Honour

China's Consultants Head Overseas

Crackdown on Crime Stressed

Weekly Chronicle (July 25-31)

INTERNATIONAL 8-11

Kampuchea: Cocktail Party Over With No Agreements

Hungary: Seeking to Expand Ties With West

Burma: Political Situation Changes

Pakistan: Agriculture Develops Rapidly

Higher Education (II): Enrolment And Job Assignment 12

Doing Business by the Seaside 16

Development in Jiangsu's Sheyang County 19

FROM THE CHINESE PRESS 25

BUSINESS/TRADE 26

COVER: More than half the world's red-crowned cranes winter on the beaches of Sheyang County.

Liu Youliang

Top Judge Calls for Crackdown on Crime

■ With the incidence of serious offences on the rise throughout the country, China's supreme judge has called on court officials to crack down on violent crimes (p. 6).

Towards a Single Price System

■ China's price reform programme began in 1979. Now its dual-track system—a combination of centrally planned pricing and market price—is due to be replaced by the market price alone. This transformation cannot be accomplished in a single step, but experiments towards this goal have proved successful in pilot cities across China (p.4).

Changes in College Selection & Assignment

■ From 1989, the state will no longer be responsible for assigning jobs to college graduates. Instead, their schools and institutions will have far greater powers. A reform in selection procedures means that now students can be sponsored at college in return for signing a contract with an enterprise. These reforms aim at both catering to social needs and changing people's traditional concepts of further education (p. 12).

From Salty Wasteland to a Rich Cotton Area

■ Sheyang County in northern Jiangsu Province was formerly a salty wasteland. After years of effort, it has now grown into a rich cotton area supplemented by industry and agriculture. It still, however, has great potential for further development, and so has now become one of 140 cities and counties opened to the rest of the world last March (p. 16).

Meeting on Kampuchea Yields No Agreement

■ An informal meeting in Jakarta, at which the four warring kampuchean factions and other concerned parties met for the first time since Viet Nam invaded Kampuchea, ended without reaching any agreements because of Hanoi's obstinacy. The key to solving the Kampuchean problem is Viet Nam's withdrawal from Kampuchea. The future Kampuchean administration should be a four-party coalition government. No one party should control the government, nor should any of the four parties be excluded (p. 8).

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road,
Beijing 100037
The People's Republic of China

General Editorial Office Tel: 8314318
English Dept Tel: 831.5599 Ext. 546

Distributed by China International Book
Trading Corporation (GUOJI SHUDIAN)
P.O. Box 399, Beijing, China

Subscription rates (1 year):
USA US\$24.00
Australia A.\$24.00
Canada Can.\$23.00
New Zealand NZ.\$33.00
UK £13.00

Towards a Single Price System

by Zhou Minyi

As China has reduced its centrally planned pricing and directed economy to embrace market forces, a dual-track price system has been introduced since 1984 as a transitional step, many people questioned the wisdom of this move. Yet, the story of one economist—who was against immediate price reform—indicates the problems of the dual-track system.

One day, an official from his home village visited him with a letter from the county government asking for his aid in procuring 200 tons of fair-priced rolled steel. Eager to do something for the people of his birthplace—which he had not visited for 40 years—he agreed to help, and wrote to a school friend in the State Planning Commission. Shortly afterwards, a letter arrived agreeing to allocate the 200 tons. It was followed by another visit from a county official—this time with a 100,000 yuan “thank you” reward, an amount equal to half the difference between the state price and the negotiated buying price.

The economist claimed he almost fainted with shock, but the official assured him this was the current practice given the difficulty of securing materials. Needless to say, his opinions on price reform changed dramatically.

This tale sums up the essential problems of the state planned price system: materials were often unavailable, and when they were, they were often resold with a massive mark-up. But as China has moved to a dual-track price system, there have been complaints about the large differences

in price between centrally priced goods and those available on the open market. The main reason for this is the irrational system whereby price reflects neither true value nor a relation between supply and demand.

The state planned price system is a hangover of the rigid pricing mechanisms solely used by the central government until 1979. Once set, prices were extremely hard to readjust. And so since 1979, various goods have been allowed to find their own price on the market. Most farm and sideline products have more or less been decontrolled, and small commodities completely decontrolled. The price of capital goods is presently undergoing reform to the dual-track system of combining planning with the market. So far, this has proved extremely helpful in boosting production, but its defects have become increasingly evident. Fundamentally, it discourages competition as there are still great disparities between planned and unplanned prices. This opens the road for bribery, and the reselling of goods over and over again. As a result, many enterprises and farmers cannot get vital commodities, such as rolled steel and fertilizer, at the price set by the state, and in some cases find it impossible to get anything at all. Already many directors of contract enterprises have demanded the abolition of the dual-track system as much of their energy has been diverted to establishing “unprincipled connections.” However, it should not be forgotten that the dual-track system is merely a transitional preparation for the establishment of a market-oriented system based

on contracts which will motivate enterprises to continually improve their internal management.

At present, a new breakthrough is being planned for capital goods: with the exception of some undersupplied materials, they will no longer be distributed under state monopoly, but be sold as commodities on the open market.

But will this ensure that undersupplied materials are in sufficient amounts? For the construction of key projects, state departments in charge of the supply of materials and equipment have the power to introduce exclusive distribution system set at proper prices which benefit the producers but are lower than market prices. Of course, in the long term, even this element of planned distribution and allocation will disappear, so as to improve the capital goods market.

The low price of such basic commodities as energy, communications and raw and semi-finished materials has been a long-standing problem in China. Rationalizing these prices as quickly as possible should have the knock-on effect throughout the entire price structure, and so in turn facilitate the development of production, and the readjustment of the structures of investment and industry.

Some pilot provinces and cities such as Jiangsu, Zhejiang, Sichuan, Liaoning and Shijiazhuang have already achieved remarkable results in reforming their materials system by introducing a single selling price for both planned and unplanned commodities. Now they are more freely available than before, their prices have basically been stabilized.

Veterans Receive Medals of Honour

A ceremony to award medals of honour to retired Chinese army officers was held in the Great Hall of the People in Beijing on July 30.

Attending the ceremony, held by China's Central Military Commission, were 450 medal recipients and 2,000 officers and other members of the People's Liberation Army (PLA), as well as civilian representatives associated with the defence forces.

Communist Party of China (CPC) and state leaders including Zhao Ziyang, Yang Shangkun, Li Peng, Wan Li, Qiao Shi and members of the Central Military Commission also attended the ceremony.

Yang Shangkun, state president and vice-chairman of the commission, read an order on the medals issued by commission chairman Deng Xiaoping. The order conferred PLA first-class red star medals of honour on Xiao Jinguang and 829 others. Second-class red star medals of honour were granted to Wang Ronghua and 3,703 others. Independence medals of honour were conferred on He Jinheng and 47,913 others. And victory medals of honour were issued to Deng Zhaoxiang and 31,518 others.

Yang and Zhao gave first-class red star medals of honour to 14 veterans on the rostrum, including Wang Ping, Wu Xiuquan, Yang Dezhi and Xiao Ke.

Four members of the Young Pioneers presented the veterans with baskets of flowers.

Zhao, general secretary of the CPC's Central Committee, extended congratulations to the medal recipients on behalf of the Central Committee, the National People's Congress, the State Council and the Central Military Commission.

The medals are intended to recognize the recipient's revolutionary history and career, said Zhao, who is also vice-chairman of the Central Military Commission.

"Respecting veterans means respecting the history of the Party and People's Liberation Army," he said.

He pledged to take good care of retired army officers and urged leaders of governments and army units at all levels to make sure that they enjoy their remaining years of retirement.

Wang Zifeng, representing the medal recipients, pledged to carry forward the fine tradition of the Party and the army, and to make fresh contributions to China's reform, modernization and invigoration.

Lan Dingshou, representing the members of the PLA's three services, expressed their determination to follow the example of the veterans in fostering lofty revolutionary ideals and firm revolutionary convictions. ■

China's Consultants Head Overseas

Dennis Divaris of Zimbabwe was very upset to learn that his suitcase, as well as those of his wife and one colleague, was lost after his arrival at Beijing's Capital Airport on July 25. But the shadow seemed to have blown over the next day, when he and his Chinese counterparts signed an agreement which has significance for both sides.

Mr Divaris, chairman of Zimbabwe Iron & Steel Co. Ltd. (ZISC), and Shi Qirong, president of the China International En-

gineering Consulting Corp. (CIECC), endorsed a contract giving CIECC the responsibility for general consulting work on ZISC's managerial and technological transformation.

The Zimbabwe businessmen impatiently awaited the signing ceremony to close an agreement which would help the company overcome its situation of stagnant production. "We have been waiting for a long time. We assure you that we'll co-operate, and we are confident about your company," Divaris told his hosts at the banquet after the signing.

The leaders of CIECC were very excited about the signing, although they couldn't match the good cheer of their guests at the banquet.

"This is one of two achievements we made in the past year in foreign consulting," said Zhao Yulin, a senior engineer with CIECC. The other international bid won by the corporation was the design for the dam for the Barderna hydro-electric project in Somalia. "This is the first time our corporation has won international consulting tenders," said Zhao. It is also a first for China's engineering consulting businesses.

ZISC is a state-run enterprise. It is not only the country's leading iron and steel company, but also one of Africa's key iron and steel enterprises. The company was set up by some West European countries to produce 1 million tons of steel a year. But its annual output only ever reached 60-70 percent of its designed capacity due to poor management, outdated equipment and weak technical ability. To turn loss to gain, the government decided to call in consultants to work on the company's managerial and technological transformation and put in an international tender for consultants in October 1986. After a one-year battle, CIECC won the tender over six bidders from Britain, Japan, Austria and India.



LI HAIBO

Shi Qirong of CIECC and Divaris of ZISC (centre) chat before signing their agreement

Zhao said one of the major reasons for CIECC's win was that its quoted price undercut prices quoted by the other bidders. "All the others charged at least 10 million US dollars, while we quoted 4.5 million." CIECC also offered ZISC more flexible payment demands—other bidders wanted only US dollars, but China agreed to accept both US dollars and Zimbabwe currency. As for Chinese technical abilities, the Zimbabwe side was quite confident after conducting a business tour to China last year.

The 57-metre high Bardera dam, on the middle reaches of the Juba river—one of Somalia's two rivers, is the largest in the country. Its generating capacity will be 140,000 kw and its water reserves will be enough to irrigate 175,000 hectares of farmland.

On January 5, 1988, CIECC and Somali representatives signed a contract in Mogadishu, the country's capital. The contract demanded that the Chinese side complete designs by June 1988, a requirement which they fulfilled on schedule. The investment, according to CIECC, will be 100 million US dollars, 70 million less than the investment demanded by

Italian consulting experts, whose design was originally accepted by Somalia.

CIECC is China's biggest consulting group offering services at home and abroad. It has 62 member firms and more than 30,000 engineers and technicians capable of offering advice on a wide variety of projects.

by Li Haibo

Crackdown on Crime Stressed

China's supreme judge has called on court officials to crack down on serious and violent crimes, which are on the rise throughout the country.

Addressing the 14th national meeting on judicial work which opened in Beijing on July 18, Ren Jianxin, president of the Supreme People's Court, said the incidence of serious offences including murder, robbery, larceny and rape, increased 36.4 percent in the first half of this year compared with the same period in 1987.

Although reported cases of financial crimes were down, Ren said, the number of major crimes

involving large sums of money rose. These crimes included embezzlement, bribery, profiteering, swindling, speculation, smuggling of gold and antiques, the illegal felling of trees and tax evasion, all of which could seriously disrupt China's economic order.

Ren said, with the progress of economic reform, the number of civil suits dealing with contracting, leasing, joint operations, and compensation trade have increased. Cases dealing with bankruptcy, technology development and transfer, advisory or technical service contracts and product responsibility have also been on the rise.

Ren said the courts needed to guard against local protectionism—supporting local litigants and passing biased judgements—as this seriously undermines the prestige of the court. Court decisions should not be influenced by whether the litigant is from the local area or from other regions, or whether he is Chinese or a foreigner.

The supreme judge singled out drug smuggling and trafficking for attention, saying there has been a dramatic increase in cases of drug trafficking across China's borders by international drug rings. He added that with current domestic and overseas conditions, such crimes were to be expected in China.

Ren urged court officials to focus on crimes which seriously disrupt social order and raise public discontent. He said the courts must be loyal to the law and avoid personal connections when handling either criminal offences or financial crimes.

He said special studies and proper trials should be conducted on cases involving offences committed by youngsters. Cases against defendants below the age of 25 have risen from 30 percent to 50 percent of the total number of

criminal cases in recent years. Of this number, 35 percent of the crimes were committed by adolescents aged between 14 and 18.

Courts in which administrative cases may be argued and settled should be established or improved as soon as possible, Ren said. Such courts are an inevitable outcome of China's restructuring of the political system. He called on higher and intermediate people's courts to achieve this end this year, while basic people's courts should do it step by step.

About one third of China's 3,000 courts, including the Supreme People's Court, have formed administrative trial courts, and about 500 more are being prepared.

The courts registered more than 5,200 administrative cases and handled 4,600 of them last year. Nearly 4,000 cases have been brought before the courts in the first six months of this year.

China has more than 120 laws and sets of regulations under which individuals may initiate action against an administrative unit. Ren said such trials are quite new in China. A law on procedure for administrative litigation is still being drafted. ■

Weekly Chronicle (July 25-31)

POLITICAL

July 25

■ A 19-article set of labour regulations for the protection of female workers issued by the State Council will be put into effect on September 1 this year, Xinhua reports.

The regulations stipulate that the basic wages of female employees cannot be reduced and that work contracts cannot be annulled during periods of pregnancy, maternity leave or nursing. It also sets the period of maternity leave as 56 days to 90 days.

July 26

■ A draft provisional regulation on the construction of office buildings, meeting halls and guest houses is adopted in principle at an executive meeting of the State Council chaired by Premier Li Peng.

Participants at the meeting agree that the construction of too many such facilities has wasted enormous amounts of money, extended China's capital construction scale and aroused dissatisfaction among the people. The meeting also adopts two other draft regulations.

■ The sixth national women's congress will be held in Beijing from September 1 to 5, Wang Qingshu says.

Wang, a member of the secretariat of the All-China Women's Federation says that China now has 2.76 million women scientists and technicians accounting for one-third of the total number of such professionals. The country also has 8 million female government functionaries, 28.8 percent of the nation's total.

ECONOMIC

July 26

■ Chinese and Japanese government representatives exchange notes on the handing over of two Japanese loans to China in Beijing.

The first loan, totalling 91.5 billion Japanese yen, will be spent on 15 Chinese projects including the electrification of the Zhengzhou-Baoji railway line and the expansion of the ports of Qinhuangdao, Lianyungang and Qingdao. The second loan, totalling 100 billion yen, will be used to promote China's export industries.

July 29

■ With the approval of the State Council, the Hunan provincial people's government recently

decided to open a science and technology development trial zone in Changsha City, the capital of the province, *Renmin Ribao* (People's Daily) reports.

Industries to be set up in the zone will include those involved in information technology, new materials, biological technology, laser technology and new energy resources and energy-saving technology.

CULTURAL

July 25

■ The first group of 246 students have graduated from the Tibet University in Lhasa, Xinhua reports.

Inaugurated on July 20, 1985, this is Tibet's first full university with eight departments and 17 offered specialties. Of its 17 professors and associate professors, 14 are of the Tibetan nationality.

July 28

■ The Who's Who research centre of noted Chinese and foreign figures, China's first such academic body, is founded in Beijing.

The centre will engage in biographical research, and compile directories and biographies of famous persons from the past and present. More than 50 Chinese and foreign specialists will serve as consultants at the centre.

SOCIAL

July 28

■ A visiting group from Taiwan, called the Mainland Affairs Inspection Group, arrives in Beijing.

The group is comprised of members of Taiwan's opposition Democratic Progressive Party and some reporters.

As well as some tourist attractions, the 15-member group will visit Beijing University and the Chinese Academy of Social Sciences.

KAMPUCHEA

Cocktail Party Over With No Agreements

The four-day Jakarta informal meeting on Kampuchea ended on July 28 without reaching any agreements, though a decision was made on follow-up action.

The Jakarta informal meeting on Kampuchea, otherwise called the "cocktail party," was held from July 25-28 in Bogor, Indonesia. Attending the meeting were representatives from the three parties under the Coalition Government of Democratic Kampuchea (CGDK), the Phnom Penh regime, Vietnam, Laos and countries of the Association of Southeast Asian Nations (ASEAN).

This was the first time all directly and indirectly involved parties came together to discuss the Kampuchean problem. However, they failed to reach an agreement.

Indonesian Foreign Minister Ali Alatas told a press conference after the meeting. "The Jakarta informal meeting has agreed on the establishment of a working group of senior officials from all parties to examine specific aspects of a political solution to the Kampuchean problem.

"The working group should complete its work by December 1988 and make recommendations on the convening of another meeting."

Alatas said that the purpose of the Jakarta meeting was to provide a framework for informal discussions among the parties directly involved and other concerned countries, in the search for a comprehensive, just and durable solution to the Kampuchean problem."

The parties attending the meeting focused their discussions on the withdrawal of Vietnamese troops, national reconciliation

and the formation of a future Kampuchea regime.

Singapore Foreign Minister S. Dhanabalan pointed out on July 26 that the withdrawal of Vietnamese forces from Kampuchea is central to the solution of the Kampuchean problem.

Son Sann, prime minister of the CGDK, also called for the total withdrawal of foreign troops from Kampuchea, saying this would bring about national reconciliation among all Cambodians.

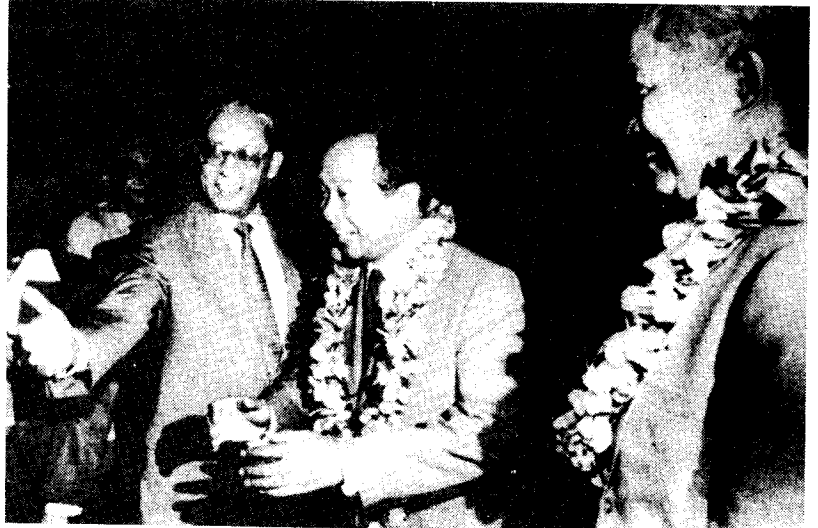
Hun Sen, prime minister of the Viet Nam-installed Phnom Penh regime, read out a seven-point statement of the so-called position on "the political solution" of the Kampuchean issue. The paper repeated Viet Nam's claim that it would withdraw its troops by 1990 and demanded the ousting of the Khmer Rouge armed forces.

Vietnamese Foreign Minister Nguyen Co Thach hastily expressed his support for Hun Sen's statement. During the meeting, he repeatedly talked about "the cessation of foreign assistance to the Kampuchean resistance forces" and the elimination of the leaders of one party under the resistance government. He set these as conditions for the withdrawal of Vietnamese troops by 1989 or early 1990.

At a press conference after the four-day meeting, vice-president of Democratic Kampuchea Khieu Samphan said that in the course of the Jakarta informal meeting, Vietnamese Foreign Minister Nguyen Co Thach gave several press conferences aimed at deceiving the international community. He said that, in his July 26 and 27 press conferences, Nguyen Co Thach said participants at the Jakarta informal meeting agreed there were two key issues in the Kampuchea situation: the withdrawal of Vietnamese forces and the prevention of the return to power of the Democratic Kampuchea Party.

Khieu Samphan said according to this kind of logic, Vietnam would have the right to keep its

Prince Norodom Ranariddh (middle) and Khieu Samphan (right), vice-president of the Coalition Government of Democratic Kampuchea, arrives at Jakarta airport.



invasion and occupation forces in Kampuchea as long as no means for preventing the Democratic Kampuchea Party from returning to power are found. He stressed that the real problem in Kampuchea is the Vietnamese invasion and occupation.

Khieu Samphan said that at the Jakarta informal meeting the three parties of the CGDK asked Nguyen Co Thach if Vietnam would agree to withdraw all its forces from Kampuchea, within a definite time-table, under international supervision in the framework of a comprehensive settlement agreement. This was rejected by Nguyen Co Thach, he said. He added Nguyen Co Thach also claimed that the four Kampuchean parties reached an agreement on a wide range of issues.

Khieu Samphan said that by telling such a shameless lie, Nguyen Co Thach testified to Vietnam's intention to continue its perfidious manoeuvres to indefinitely occupy Kampuchea in accordance with its Indochina-Federation strategy through its puppet regime installed in Phnom Penh.

Samdech Norodom Sihanouk, who was visiting Indonesia at the time of the meeting, called on the four Khmer factions to join together to quickly rid Kampuchea of the last Vietnamese units.

"They will only succeed in this by achieving national reconciliation and unity," he said.

Sihanouk also put forward a five-point proposal for national reconciliation, peace and reconstruction in Kampuchea.

Public opinion views that the key to solving the Kampuchean problem as Viet Nam's pulling out of Kampuchea. The future Kampuchean administration should be a four-party coalition government headed by Sihanouk. No one party should control the government, nor should any of the four parties be excluded.

by Ji Zhe

HUNGARY

Seeking to Expand Ties With West

The recent visit to the United States by Hungarian prime minister Caroly Grosz is another major step in Hungary's efforts to strengthen relations with the West.

Caroly Grosz, general secretary of the Hungarian Socialist Workers' Party, visited the United States from July 19 to 29. The visit, the first by a Hungarian leader in four decades and by the leader of an East European bloc nation in 10 years, highlighted Hungary's recent endeavours to establish wider ties with the West.

During the visit, Grosz met with US President Ronald Reagan, Vice-President George Bush and other leaders and businessmen for talks ranging from boosting bilateral relations to Hungary's ongoing economic and political reforms, and East-West arms control. Grosz said his trip represented a move into a "new era of detente" and "an outstanding event in our relations."

Hungary's relations with the United States, strained during the 1950s and 1960s, normalized when the two countries resumed diplomatic relations in 1966. These ties were strengthened when the then US Secretary of State William Rogers visited Hungary in 1972 for the first ministerial meeting held by the two states. Contacts were furthered when US Vice-President George Bush and Secretary of State George Shultz visited the East European nation in 1983 and 1985 respectively. In recent years, some Hungarian vice-premiers also paid visits to the United States.

Hungary was one of the earliest East European countries to open to the West. In recent years, relations with the West, parti-

cularly Austria, France, the Federal Republic of Germany (FRG) and Britain, steadily improved. Former Hungarian leader Janos Kadar paid an official visit to France in October 1984, and in late 1985 visited Britain and Austria. FRG President Richard von Weizsacker paid an official visit to the country in October 1986.

Hungary is part of the General Agreement on Tariffs and Trade, and in 1982 joined the International Monetary Fund and the World Bank, so its economic cooperation with foreign countries and organizations is strong.

Hungarian Foreign Minister Peter Varkonyi said in 1986 that the goal of Hungary's foreign policy "is to create, through developing external relations, the best possible external conditions for building socialism in the country." He said, "The main goals and tasks of Hungarian domestic policy also determine the line of our foreign policy."

On July 30, Hungary signed a comprehensive trade agreement with the European Community (EC) in Brussels. The agreement stipulates that by 1995, tariffs and trade quotas between Hungary and the EC will be gradually eliminated, enabling Hungary to be the first country in the Council for Mutual Economic Assistance to enjoy EC trade preferential treatment.

The Hungarian parliament will

pass new laws allowing foreign countries to build joint ventures and own part or all Hungarian enterprise property in shares.

Relations with Austria, Hungary's neighbour, are receiving special attention. Set to become the 13th member of the EC, Austria is regarded by Hungary as a lever in its moves to co-operate with the West.

During his US visit, Grosz said his country encourages the purchase of Hungarian companies or shares by American companies. Both sides agreed on the importance of free trade and the elimination of any barriers to trade and investment. The improved political atmosphere had already brought a rapid development of economic ties. The trade volume soared to US\$500 million in 1987 from less than US\$200 million the previous year.

The Hungarian leader also sought to gain support from the US administration for his domestic economic and political reforms. After his talks with Grosz, Reagan said he was encouraged by the Hungarian leader's recognition that his economic reform programme "cannot succeed unless accompanied by political reforms."

The two leaders also discussed disarmament issues. Grosz said the improvement of East-West relations "provides not only the superpowers but small and medium-sized powers with the opportunity to participate in discussions." He said the implementation of Hungary's domestic political reform programme requires an international atmosphere that will provide greater room for movement.

Analysts see the visit as yet another step forward in Hungary's efforts to enhance ties with the West and believe that the visit greatly bolstered relations between Budapest and Washington.

By She Duanzhi

BURMA

Political Situation Changes

Burma's economic difficulties and social unrest are believed to be behind the recent changes in the country's leadership.

At the extraordinary congress of the Burma Socialist Programme Party (BSPP) on July 23-26, former chairman of the BSPP U Ne Win and former vice-chairman of the party and Burmese president U San Yu both resigned. Then, former Prime Minister U Maung Maung Kha was removed from office. A notification from the Council of State said U Maung Maung Kha was not free from responsibility for the consequences of the disturbances last March. Other officers were also removed from their posts. The simultaneous withdrawal of heads of the ruling party, government and state from their posts marked a rare situation in Burma's history.

U Sein Lwin became the new chairman of the BSPP, and was elected chairman of the Council of State at the one-day emergency session of the Fourth People's Congress on July 27. According to the state constitution, the chairman of the Council of State is the president of Burma.

Analysts said the changes were the result not only of the bloody disturbances in March and June this year, but more so of the increasingly declining economic situation.

After U Ne Win took office in 1962, the Burmese government nationalized banks, import and export trade, and some commercial, industrial and mining enterprises. It applied a state monopoly on the purchase and marketing of rice and other agricultural products, and pursued a policy of refusal of foreign capital and technology.

The highly-centralized, close-door policy has severely hindered the development of the country's economy for the past 26 years and economic crises frequently hit the once prosperous country. Problems such as sharp price rises, heavy debts, foreign currency shortages and increased unemployment went uncontrolled. Last year, the Burmese government had to ask the United Nations to announce that Burma was one of the poorest countries in the world.

Increasing grievances among the masses finally led to anti-government demonstrations in March and June this year. The Burmese government admitted to 43 deaths during the disturbances.

Facing grim economic and social problems and a still turbulent situation, the BSPP was forced to hold the party congress at which U Ne Win and other top leaders assumed blame for the situation and resigned. U Ne Win even reportedly suggested that a referendum be taken to choose a one-party or multi-party system before September this year, but the suggestion was voted down at the congress.

The Burmese government has adopted a series of measures to ease domestic grievances and relax tension. It has released 784 of the protesters arrested in March and June. The Ministry of Education announced that it would allow students arrested or expelled from schools to apply to resume their studies. Regular troops which took over the job of maintaining public order in Rangoon were also withdrawn and life in the capital

has been returned to normality.

In order to break away from present difficulties and restore and revitalize the country's economy, the congress passed a set of new economic policies forwarded at the congress by U Aye Ko, general secretary of the BSPP. Under the policies, the state will permit the operation of private enterprises and joint ventures, including

foreign government or private concerns, and permit public, cooperative and private sectors to freely carry out agricultural production and trade.

Observers saw the new economic policies, which may be regarded as "open-door policies," as vastly different from current economic policies.

by Zheng Jinlai

PAKISTAN

Agriculture Develops Rapidly

Because the Pakistan government pays careful attention to the development of agriculture, the output of wheat, rice and cotton has increased by a large margin.

Pakistan is basically an agricultural country. Some 72 percent of its population is engaged in farming, and agricultural production accounts for 30 percent of gross domestic product. The government's stress on the importance of agricultural development has led to outstanding successes since independence in 1947 and breakthroughs in the past 10 years.

Official Pakistani statistics show that the average growth rate of agricultural production has risen from 1.6 percent in the early 1970s to 3.97 percent in the 1977-82 period and 4.44 percent in 1983-87. In 1980 Pakistan ended its dependence on imported grain, becoming not only self-reliant but also an exporter. Wheat output grew from 8.37 million tons in 1977-78 to 12.49 million in 1986-87, while cotton output rose from 3.38 million bales to 7.8 million and rice output from 2.95 million tons to 3.5 million. The accumulated growth rate was 49 percent for wheat, 130 percent for cotton and 19 percent for rice.

In 1987-88 the agricultural growth rate was 4.5 percent.

Wheat output reached a record high of 12.93 million tons, while cotton production hit a record of 8.9 million bales. In 1986 Pakistan became the world's top exporter of cotton, exporting 3.9 million bales. Pakistan is also ranked among the rice-exporting countries. Fruit output has increased dramatically and fruit is being exported to the Gulf countries. Pakistani oranges, mangoes and bananas are especially well-known for their quality on the international market.

Policies and measures adopted by the Pakistan government have contributed to the gratifying achievements and rapid development of agriculture. Through tax reforms and by raising prices for farm products, the government encourages the peasants to develop agricultural production. The government has set up a seed corporation to provide improved varieties. Farmers are provided with good-quality chemical fertilizers. The government trains agricultural technicians, spreads advanced production technology and fosters research to produce high-quality, high-yield, disease-

resistant varieties of crops. Agricultural development banks provide farmers with low-interest loans to buy seeds, fertilizer and agricultural equipment. In the northern mountainous areas, small hydroelectric projects provide electricity for peasants and herdsmen. The completion of irrigation facilities in the province of Punjab—Pakistan's main farming area—has given a big boost to agricultural development.

The outlook for agriculture in Pakistan is good, but there are still some difficulties. Many areas have weak defences against natural calamities and lack development funds. But with correct policies and appropriate measures, these problems can be gradually overcome and agriculture will further develop.

In China, as well as in Pakistan, agriculture plays a decisive role in the national economy. Both countries attach great importance to agricultural development and each can learn from the other's experiences in this field. It is hoped that China and Pakistan will conduct more exchanges in agriculture as part of their efforts to achieve common development.

by Huan Min



HIGHER EDUCATION (II)

Enrolment and Job Assignment

by Our Correspondent LI LI

At the national working conference on higher education held at the end of January this year, it was decided that beginning in 1989 the state would no longer be responsible for assigning jobs to college and junior college graduates, and that school authorities may recommend graduates to employers, and graduates may independently look for jobs.

Why the Reform?

Early in the 1950s, to meet the needs of socialist transformation, New China instituted an enrolment and job assignment system under which the state enrolled students in a unified mandatory plan, covered all their educational expenses (including tuition, board, utilities and medical care) and assigned them jobs. Graduates who refused to accept the jobs assigned to them were no longer considered for jobs by the state.

The experience of more than 30 years has proved that this job assignment system has merits in that it produced a large group of talented people for socialist construction. But the system also has its demerits.

— China is a vast country with a large population. It is plagued by outdated transportation and information facilities and uneven economic and cultural development from one region to another. A full contingent of educated people is therefore needed, but it was virtually impossible for the state to make an accurate plan to meet the supply and demand for educated people. According to a 1983 survey of 21 provinces,

autonomous regions and municipalities directly under the central government, 13.3 percent of 1981 and 1982 college graduates did not use the knowledge they acquired at school in their jobs, and another 20 to 30 percent worked in jobs they were overqualified for. For example, one chemical factory workshop, furnished with Federal German equipment, was manned by two technicians sent by the German side, one a college graduate and the other a secondary technical school graduate. The Chinese side provided five college graduates, only one taking on a job fitting in with his training. This is not the only case of the waste of human resources in the old job assignment system.

— College entrance examinations were cut-throat competitions. But once a student entered the campus, he was halfway to success. The state prepared

everything, even a job, for him, no matter how well he performed at school. These students thus lacked incentive and often idled their time away.

— The job assignment system separated schools from the community. Universities and colleges had no idea about the kinds of graduates employers needed, and lacked the dynamism to compete to produce better students. Curricula and courses were set without consideration to society.

Economic and political reforms in recent years have brought changes to China's economic structure and promoted the development of all economic sectors, whether state-owned, collective, private or foreign-funded. They have also made the defects of the old job assignment system all the more obvious.

In the past, because universities

Before graduation, students from Nanjing University come to gain work experience with the "Beijing Review."

XUE CHAO



and colleges were financed by the state, students were assigned to the state-owned rather than any other sector, even though they were more needed elsewhere. Now, even in the state-owned sectors, things have changed. Reforms to the personnel system and the introduction of a system of recruiting people by invitation have given employers the right to choose the best qualified graduates possible. They are reluctant to simply accept the graduates the state offers them. The reforms have made it impossible to continue using the old job assignment system.

Enrolment Reform

To reform the job assignment system, the axe first needed to fall on the student enrolment system. In recent years, universities and colleges began enrolling students through three separate channels: they accepted students under the state plan, students to be trained under contracts with employers as well as students paying their own expenses (referred to hereafter as independent students).

To strengthen macro-controls over enrolment and leave much of the decision-making power with universities and colleges, the State Education Commission now has only two responsibilities: to seek an overall balance between graduates of various specialties on the one hand and the state investment and society's demand on the other; and to seek geographical balance in the number of students enrolled throughout the country. Enrolments for specific specialties, formerly in the hands of the State Education Commission, are now controlled by universities and colleges. Universities and colleges can enrol students from areas where they are most needed, and send them back after graduation.

In the past, the State Education Commission prepared enrolment plans in the light of the disciplines and facilities the universities and colleges could offer. It now prepares enrolment plans with consideration to the kinds of graduates most needed by society. For example, at the national working conference on higher education enrolment plans held in mid-March, the State Education Commission decided to increase enrolments into specialties with the greatest need, such as finance, business and law, and reduce enrolments into 23 other specialties, including mining machinery design, laser technology, physics, philosophy, journalism, education, religion and psychology in the coming three years. An excess of graduates in these fields has been turned out for three consecutive years from 1986 to 1988.

Training students on contract is a new enrolment method adopted on a trial basis in 1983. According to their teaching capabilities, universities and colleges agreed to train students for employers on a contract basis. Such contracts usually extend over a period of two to three years and in some cases more than ten years. Students so trained must pass the entrance examinations, have their school expenses covered by their employers and work for their employers upon graduation.

The enrolment-on-contract method has its merits. First, it makes up the shortcomings of the state enrolment plan and it is very flexible. Schools are ready to sign contracts with any organizations, whether state-owned, collective, or privately owned, as long as they provide the necessary funds. Second, the system channels idle social funds into education, thus relieving the economic burden on the state and promoting the development of higher education. Third, it helps co-ordinate the



HAN SHUMIN

Prospective employers display their wares at a careers fair. Enterprises involved in international business, foreign trade and joint ventures are much favoured by the graduating students.

process of enrolling, training and employing students. It links college education with the needs of socio-economic development, giving full play to the potential of universities and colleges.

More than 3,200 students were enrolled on a contract basis in 1983. The figure increased to more than 25,000 in 1987. More than 10,000 graduated last year. By 1987, the Ministry of Water Resources and Electric Power had sent more than 6,100 such students to universities and colleges, accounting for 25 percent of the schools' total number of students.

Independent students must also pass the entrance examination. These students cover all tuition fees (about 1,800 to 2,000 yuan an academic year) and are free to find jobs on their own upon gradu-

ation. Generally, anyone can study at a university or a college as long as the requirements of the entrance examination and tuition fees are met. Universities and colleges admit independent students according to their teaching capabilities.

The enrolment of independent students began in 1985. More than 10,000 independent student enrolments were registered in 28 provinces, autonomous regions and municipalities throughout the country in 1986. Last year some 33,000 such students sat for entrance examinations and more than 14,000 were admitted. This year, the State Education Commission made special arrangements for the enrolment of independent students. The number of such students is expected to increase. Beijing University, one of China's most famous universities, plans to admit its first group of independent students this year.

The admission of independent students represents a clear break from deep-rooted notions of "going to school at the expense of the state." It also constitutes an experiment on the feasibility of collecting tuition fees on future college students.

The State Education Com-

mission has also begun reforms to the college student allowance system which has been in use since the 1950s. Students enrolled under the state plan were qualified for varying levels of allowance, depending on their family incomes. The poorest students received the highest allowance, which was basically enough to cover school expenses. The system had its merits in that it financed poor students who might otherwise not have been able to complete their studies. But it also has demerits because, based on family income, it failed to encourage students to study hard and bred dependence on the state.

In 1986, some universities and colleges discarded the system and in its place established a scholarship and loans system. College students performing at a high level can win scholarships and, apart from students trained on contract and independent students, all students enrolled under the state plan may apply for loans if their families can not afford their schooling. The loans must be repaid within a certain period after graduation. The new system has been proved workable as it encourages students to study harder. It is now being popu-

larized in universities and colleges throughout the country.

Some universities and colleges have begun to collect tuition fees from students enrolled under the state plan of 1986. The coastal province of Guangdong Province stipulates that college students enrolled under the state plan in 1988 must pay 100 to 150 yuan in tuition fees each semester; this does not apply to those enrolled in teachers' colleges, institutes for minority nationalities and students majoring in such specialties as geology and oil exploration, whose future working conditions are believed harsh. Boarders must pay an extra 20 to 30 yuan each semester for rent and utilities.

Job Assignment System

Placement of college graduates is a problem with wide social implications. Reforming the old job assignment system will take a long time as it calls for a change in people's way of thinking. In the coming few years, the reform will concentrate on the following aspects:

—Granting universities and colleges the right to post their graduates. In the past the state monopolized the placement of all graduates. It now provides only an initial placement plan which universities and colleges can use for reference. Universities and colleges consult employers and map out a specific placement plan and release it to students after obtaining the approval of the State Education Commission.

—Introducing a "two-way choice," so that students may choose their jobs under the guidance of the state placement plan and employers may choose the best qualified applicants. This method is being used in all Chinese universities and colleges. Qinghua University was the first to try the method in 1985 with great success.

Guo Shilin (second left), a student of Naxi nationality at Yunnan University, discusses job prospects with other graduates.

ZHANG GUIYU



Specific measures are as follows: (1) one year before a group of students graduates, the university sends letters to major employers, briefing them on the academic standing of the would-be graduates and asking about their needs and then releases the information collected to students. The students, in turn, fill in job application forms in the light of the information. (2) on the basis of these forms, the university arranges an interview between students and employers, during which employers brief students on their requirements, job prospects, salaries and housing conditions. The employers may also examine students' academic standing and select the best qualified. Another method is to "post" graduates after correspondence with employers.

—Allowing graduates to seek jobs on their own, a method which has the favourable response of students. In order to get an ideal job, many students are interviewed by dozens of employers. The China International Trust and Investment Corporation based in Beijing offers attractive prospects for college graduates. An official of the company's personnel section said: "Every day, my section receives more than 20 calls from people seeking employment, and we interview a dozen or so and sometimes even 30 job applicants." In 1986, the company selected 100 college students from 600 applicants. At present, students who cannot find jobs on their own may be assigned through their universities.

—In recent years, some universities and colleges have tried to leave job-seeking up to the graduates. Shenzhen University in Guangdong Province, for example, set up "a placement guidance centre," responsible for recommending students to employers and arranging student-employer interviews. The centre



HAN SHUNIN

Banners saying "welcome" are seen everywhere at a graduate assignment consultancy meeting in Beijing

arranges only one interview for one student and takes no further responsibility for those who fail to get accepted.

Attitude to Job Choice

Reforms to the job assignment system have raised some worries about whether or not "college graduates will find jobs in the future." Experience has shown this worry is unnecessary.

A recent survey indicates that this year about 460,000 college and junior college students will graduate and the demand for graduates will exceed 700,000. The supply of junior college graduates will roughly meet the demand, while the supply-demand ratio for college graduates is 1:2. The city of Changzhou in Jiangsu Province needs about 3,000 college graduates this year. But after consulting 44 universities and colleges throughout the country, the city authorities found only 200 will be available. Judging from China's socio-economic development programme, China's higher education will lag behind the needs of economic development for quite a long time to come and college graduates will be in great demand.

However, major changes will take place in terms of job

opportunities available for college graduates. There will be a rapid decrease in job opportunities in government departments, large scientific research institutes, major cities and large enterprises, but a sharp increase in demand in grass-roots units and township enterprises.

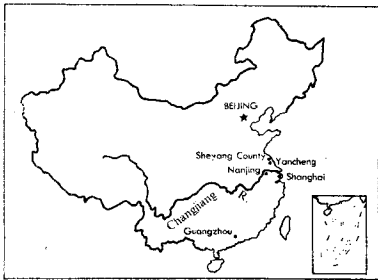
The problem is therefore not that college graduates cannot find jobs but that they seek jobs which they want most. Looking at the job application forms of many college graduates, it is obvious that most prefer to work in big cities and large, well-known organizations rather than with grass-root units in the countryside. Obviously their wishes are out of line with social demand. The only way to bridge the gap is to change the way college graduates choose jobs. Organizations needing college graduates should also adopt some preferential terms to attract them.

Of course, it is no easy task to change the way people think about jobs, especially when some regions are now economically quite backward and there is still a vast difference in working and living conditions between cities and the countryside. But it can be said with certainty that reforms to the enrolment and job assignment systems will change people's traditional way of thinking. ■

Doing Business by the Seaside

by Our Correspondent Dai Yannian

Northern Jiangsu's Sheyang County was one of the 140 cities and counties incorporated into the coastal economic development area when the State Council decided to expand China's open zones.



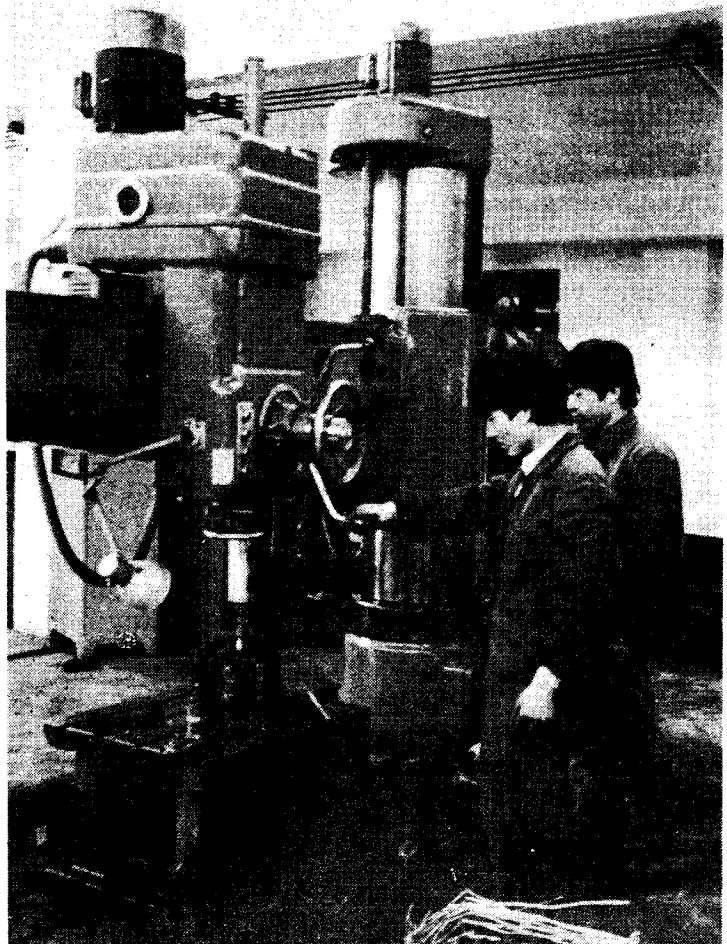
by the Chinese Communist Party, at the centre of an anti-Japanese base area behind enemy lines in

the south of China.

An official who received us at Nanjing Airport said regretfully

A workshop at the Sheyang County Textile Machinery Factory.

XUE CHAO



I first visited Sheyang county shortly after the founding of the People's Republic of China in 1949 as a reporter on a local newspaper. A few isolated fields were under cotton, but all that most of the salt-saturated soil could support was wormwood plants. At the time, there were just a few houses, and one could walk half a day without meeting a soul.

Returning for the first time in almost 40 years, the countryside has been transformed. The salt lands have given way to green crops, and the brick-and-tile farmers' houses have an air of well-being and satisfaction with life. Together with other reporters, I had been invited to Sheyang by the county government to witness its efforts to develop an outward-looking economy.

We arrived by plane in Nanjing, the capital of Jiangsu Province, and took a mini-bus to Yancheng, the county's administrative centre. In the early 1940s, Yancheng was once the headquarters of the anti-Japanese New Fourth Army, led

but confidently, "At present it is inconvenient to get to Sheyang. Although there is an airline from Nanjing to Yancheng, it doesn't operate every day. From this autumn an air route will open from Beijing to Guangzhou via Yancheng and make the trip from Beijing or abroad to the county far easier."

From Out of the Sea

Sheyang was once nothing but a part of the sea. After being silted up by the Changjiang (Yangtze), Huaihe and Huanghe (Yellow) rivers, people scratched a living by evaporating brine in the sun to make salt, and then slowly started to reclaim the land for farming.

Now the county has a population of 970,000, with 130,000 hectares of cultivated land, 40,000 of which are under cotton. Earnings from cotton account for two-thirds of the total from farming, and the per-hectare output has increased from 165 kg in 1949 to the present figure of 750 kg.

"If you come here in autumn you will see a silver ocean," said a local representative. "The local people call cotton the silver flower, and our county the silver county."

Last year Sheyang exported 8,600 tons of ginned cotton, 16.5 percent of the total exported by Jiangsu Province. To expand cotton exports, the county plans to build a cotton export base with one of the county's major farms as its centre. Covering an area of 10,000 hectares, it should yield 10,000 tons of quality cotton a year.

After leaving Yancheng, we arrived in Hede, Sheyang's county town. A narrow street and dilapidated houses were replaced by a wide cement road and modern buildings. We were lodged at the Sheyang Hotel,

where the service was as good as many large hotels in medium-sized and big cities: the rooms had TV sets and telephones, and the spring mattresses and fibre carpets were all made locally.

The three-day news briefing began with a welcome speech from the county Party secretary, Zhou Kan, and a brief introduction by county head Wang Zhancheng, who was to be our guide for our trip.

products are all up to the government's first-class standards, and this year the factory has exported three kinds of cotton fabrics. At present the factory is being expanded. A new workshop will hold 20,000 spindles and 280 looms.

Magistrate Wang said that to catch up with southern Jiangsu and the developed countries the factory plans to import 10 open-end spinning machines to produce



XUE CHAO

The Sheyang County Sofa Mattress Factory produces 10,000 SUHE brand high-quality double divans a year, which have proved popular across China.

Wang, 37, was a worker after he graduated from a middle school. After studying at university, he became deputy head of Linxian, a neighbouring county, and was elected magistrate of Sheyang County in 1985.

Industrial Growth

Since liberation, the area has developed much local industry. Established in 1958, the county's largest cotton plant is the Sheyang Textile Mill with 28,000 spindles, 272 automatic looms and 21 knitting machines, all operated by 1,900 people. Its yarn and cloth

4,600 tons of yarn a year, and 100 jet looms with a combined capacity of 8 million metres.

Sheyang's future plans are ambitious. It intends to build a cotton blanket weaving factory with a yearly capacity of 2 million blankets principally for the United Nations to distribute after natural disasters. Other projects include a yarn-dyed fabric mill with an annual output of 3 million metres, and expanding the knitwear plant to produce 3 million items a year.

Magistrate Wang said, "When we've finished, our production network will run from cotton growing, ginning, spinning, weaving, dyeing, printing to garment

processing. Similar networks will also be constructed from grain, silk, poultry, and aquatic products.

Silk production is a traditional trade in southern Jiangsu Province where mulberry trees—the silkworm's staple diet—thrive. Formerly, the saline-alkali land of Sheyang County precluded such farming, but now the county has 2,600 hectares of mulberry trees and 30,000 sericultural households. Although the county has two reeling mills which produce 200 tons of silk a year, it now plans to build a silk dyeing and printing works, and factories to manufacture and knit silk garments.

Sheyang also processes raw materials from other parts of China: the Sheyang Chemical Fertilizer Plant produces ammonium carbonate with coal from the north. Other important local industry includes mattress making, using jute, wool, silk and polypropylene to make carpets, and manufacturing 20 million plugs a year with imported Japanese and Hong Kong injection moulders.

Reclaiming the Beaches

Sheyang County has a coastline of 104 kilometres, with 73,000 hectares of beaches. Each year, because of silting the county expands by 660 hectares.

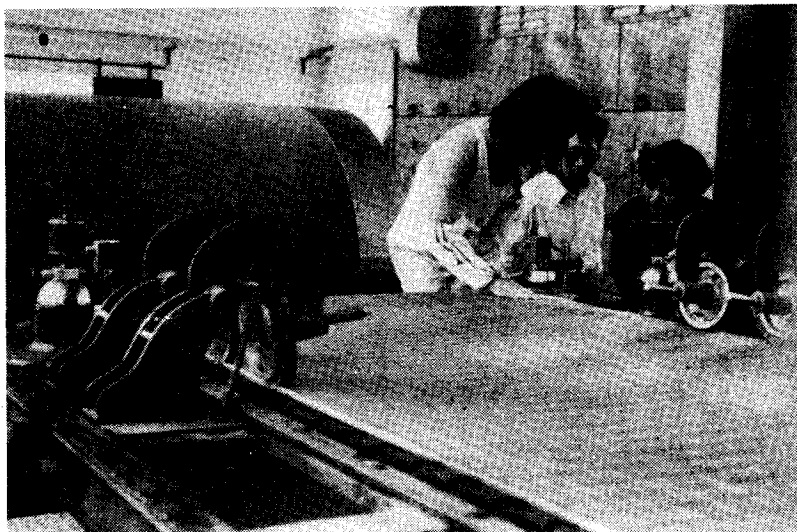
Now this land is being fast reclaimed for economic development. Ditches are dug to wash away salt, the field surface is raised and manured, and under the direction of Shi Caibin, director and engineer of the county forestry centre, trees are planted.

Shi graduated from a forestry school in the early 1960s. After leaving his hometown in southern Jiangsu, he came to Sheyang, determined to convert its beaches into oases. Now his centre has 266

hectares of fir trees and 333 hectares of bamboo.

Hitting an ecological balance is

economic results in both. As well, the trees attract crowds of birds who sing in the morning and catch



XUE CHAO

The Sheyang Static Electricity Flocking Factory manufactures ideal packaging materials.

important for Shi. "We introduced the principle of developing forest and livestock breeding together and have achieved good

insects all day. They save farmers from using insecticide," he said.

The forestry centre also has an experimental garden. In it are

Home of Red-Crowned Crane

Sheyang County and surrounding beaches are the home of red-crowned cranes and other rare birds who now have their natural habitat protected by the Yancheng Nature Protected Reserve, China's first coastland nature reserve.

According to the United Nations Crane Fund, in 1987 there were 1,080 red-crowned cranes in the world, of which 608 wintered in Sheyang.

When we were there, almost all

of them had migrated north for the summer, leaving only seven domesticated ones behind. Since 1986, red-crowned cranes have been artificially incubated and bred.

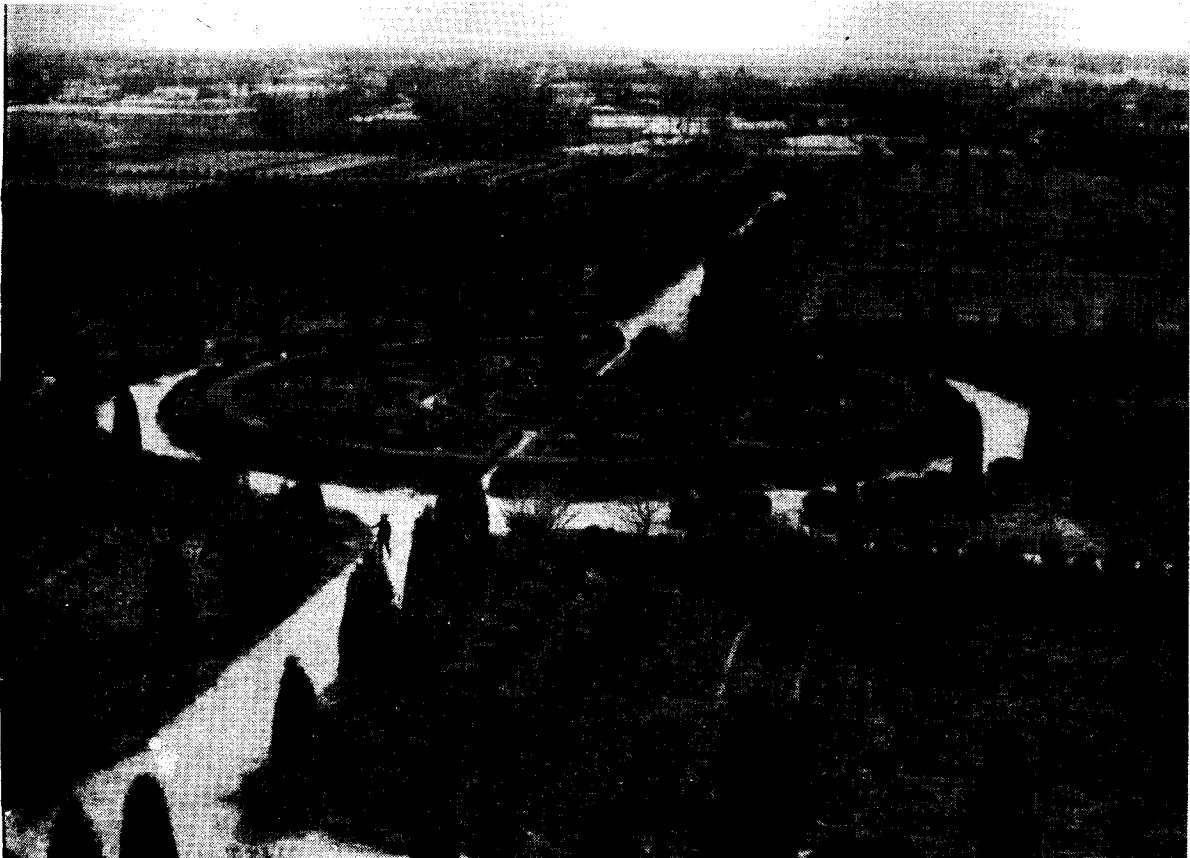
The nature reserve covers 240,000 hectares, and is home to more than 200 species of rare birds, including white-headed cranes, white cranes, white and black storks, swans, bustards and pelicans.



Hede Town, Sheyang's prosperous county seat.

Development in Jiangsu's Sheyang County

A tree nursery set up by the Sheyang Forest Farm on the county's coastal beach.

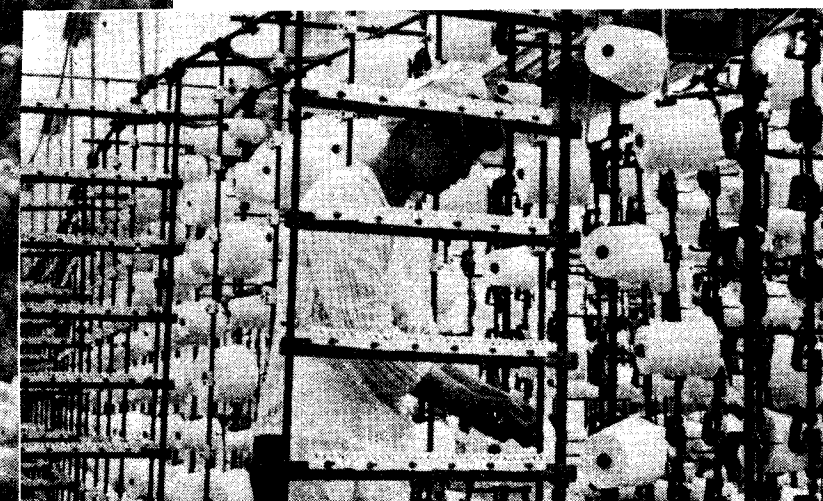
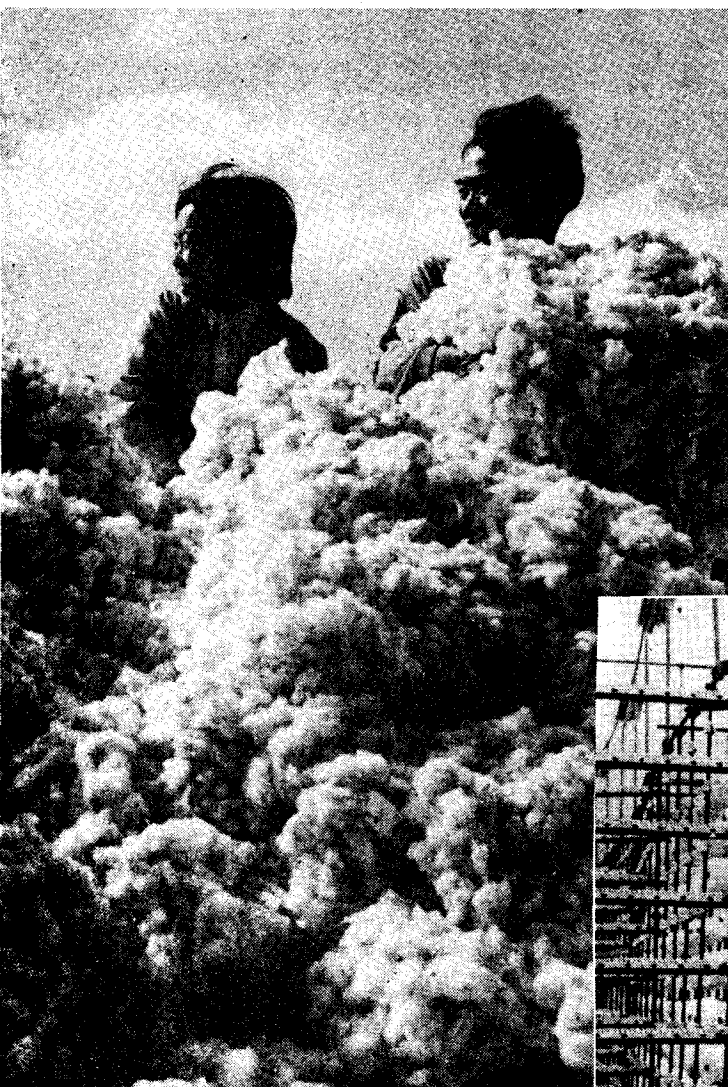


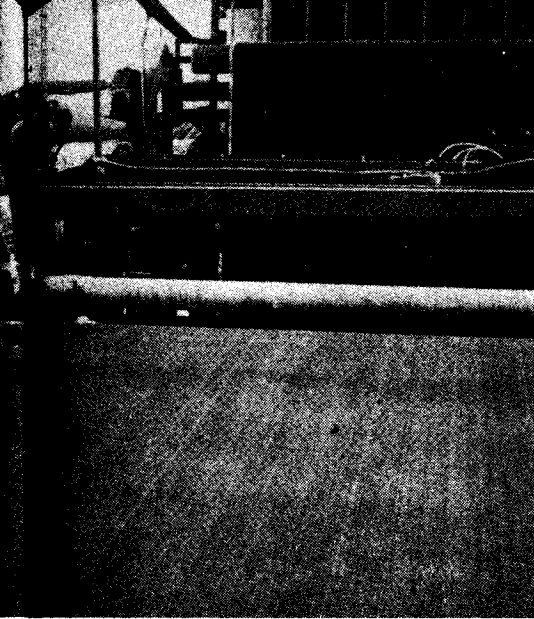


The Yancheng General Plug Factory imported advanced technology and equipment from Japan and Hong Kong to develop 184 new products.

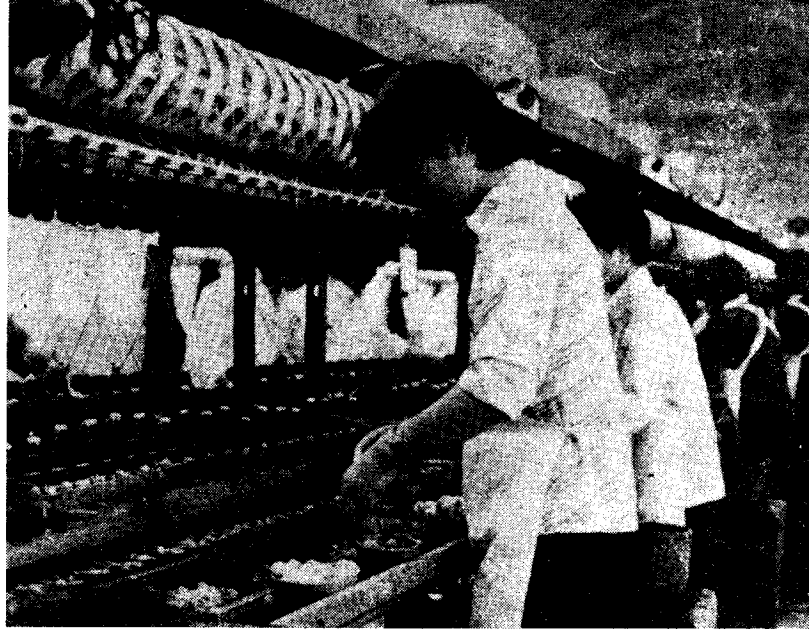


Sheyang produces more than 35,000 tons of quality cotton a year for export.





The Sheyang County Carpet Factory operates with advanced British equipment.



The Sheyang Reeling Mill produces 140 tons of silk a year.



County Head Wang Zhanheng (first, left) discusses with crab expert Huang Jintian (first, right) how his experience can be shared with others in the county.



The Sheyang Textile Mill produces US\$4 million worth of exports a year.

Prawns raised along the beaches are a traditional export of the county.

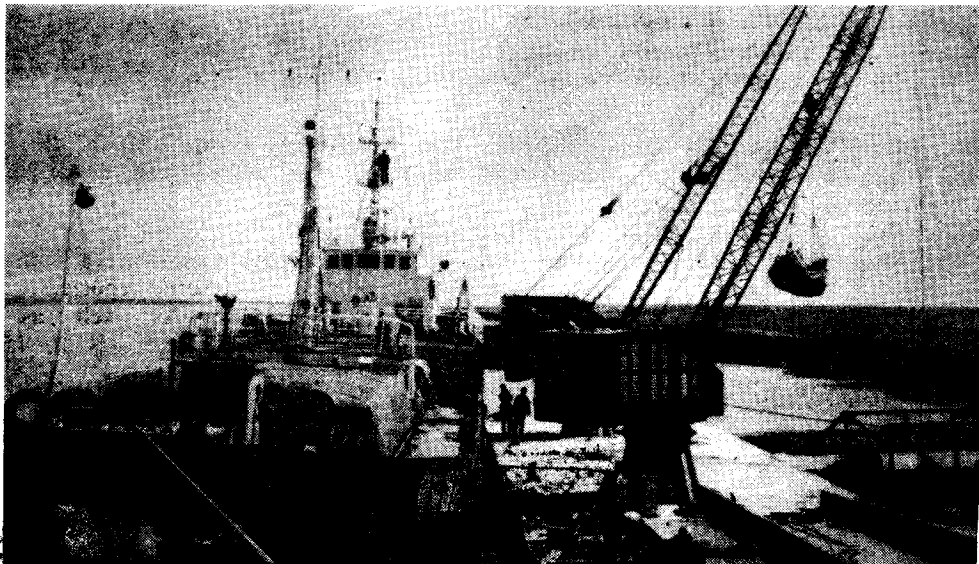




Beaches in Sheyang County are a natural habitat for the rare red-crowned cranes.



Cattle grazing on the beach.



Sheyang's busy port.

grown more than 330 kinds of precious flowers and plants including the maple, yangtao, cypress, weeping locust, lilac, Japanese cherry, and an attractive Chinese rose plot with 60 varieties. Shi said, "Successfully growing these flowers and plants proves that beaches can be greened and beautified."

to growing reeds, and there are plans to build a high-yield reed production base with a large pulp mill and a paper mill.

Crab Cultivation

Dotted across the beaches are square ponds. Some are used for

inland rivers. In 1984, aquiculturist Zhao Naigang from Anhui Province was the first person worldwide to cultivate young crabs in semi-salt water. Huang Jintian, a technician from the county, adopted the technique for large-scale cultivation.

Last year, the Sheyang Cultivation Co. contracted Huang to grow prawns and crabs and achieved a bumper harvest. Huang, a graduate from the Shanghai Aquiculture College, earned 100,000 yuan and was cited as a model worker in Jiangsu Province. He has provided young crabs for many units and households and helped them greatly increase their income. The county plans to build a 2,600 hectare prawn farm and a 330 hectare crab centre.

Eel raising is still a riddle at home and abroad. It is believed the eel lays its eggs in winter in sea about 350 metres deep. Young eels (or elvers) then appear in February and March in the coastal waters before migrating up rivers. In Sheyang, people catch the needle-like elvers to farm in ponds. They take six months to mature and are welcomed as a delicacy in Japan, Federal Republic Germany, Britain, America and Hong Kong. To increase output, the county has plans for a 6,600-hectare indoor eel-raising centre.

The final use Sheyang's beaches are put to is raising livestock. The Sheyang Bull Farm has concluded a contract with an agricultural development corporation from California to build a beef cattle centre with 1,000 hectares of pasture. The farm will import pregnant cows from the United States. It plans to raise 13,000 head of cattle a year, butchering 4,000 of them. More than 70 percent of the beef will be exported.



A glasshouse for breeding eels.

CHEN XIAOJIN

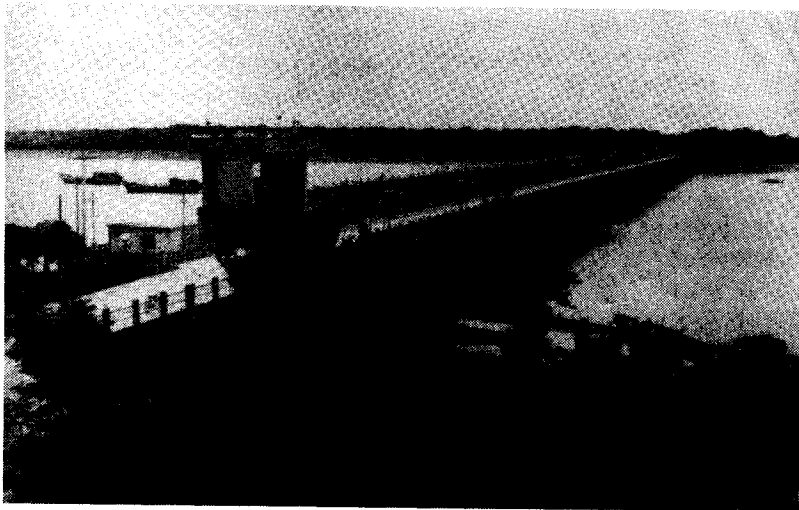
The county has planted 8,000 hectares of reeds on its beaches, an important raw material for making paper and artificial silk. It is estimated that the county has 13,000 hectares of beaches suited

salt and others for cultivating fish, crabs, prawns and eels.

In general, crabs lay their eggs where the river meets the sea. Once they hatch, the young crabs then move upstream to mature in

Harbour Expansion

The Sheyang River connects with the Grand Canal in its upper reaches. At its mouth stands a 25-arch dam. Built in 1956, together with a sea wall it forms a screen to keep the land from being salinized by the sea.



The Sheyang River dam.

CHEN XIAOJIN

It has benefited the social and economic development of the area, but now is something of a hindrance to the county's development. Five thousand-ton ocean-going ships cannot enter the Sheyang River, and the once-busy Sheyang Harbour—known as the small Shanghai of northern Jiangsu—has long been in demise.

Since it opened to the outside world, however, the people of Sheyang have realized the importance of a harbour—especially given their unique location. The port is 80 nautical miles from Liangyun Harbour in the north, 280 nautical miles from Shanghai in the south, and, at 460 nautical miles, is the nearest port

in China to Japan's Nagasaki Harbour. The development of the harbour will not only benefit Sheyang County and Yancheng City but also 30 counties in northern Jiangsu and eastern Anhui.

Since its expansion was approved in 1978, the harbour has built

four wharves and trades with 24 domestic harbours including Dalian, Shanghai and Guangzhou. With an unloading and loading capacity of 1 million tons a year, it is being developed into a medium-sized foreign trade port.

Several 1,000-5,000-ton-class wharves will be built for the 5,000-ton-class conventional boats and 10,000-ton ocean-going vessels. The unloading and loading capacity will increase to 4 million tons in 1989-90, 6-8 million tons in 1995 and 10 million tons by 2000.

At the same time, the inland rivers connecting with the harbour will be harnessed with pilotage routes and new locks, opening them to 1,000-ton boats and forming a perfect sea-river,

transport network.

A 250,000 kw power station will be built near the harbour to provide electricity for the area from coal brought by ship. With preconstruction work under way, the first 125,000 kw generating unit should go on stream in 1991.

"Rich in natural resources, Sheyang County has a bright future. But without opening to the outside world it would be impossible to develop," magistrate Wang said. "Now we warmly welcome people from other countries to help us develop the county jointly. All partners will enjoy preferential treatment."

Of course there are risks: the electrostatic flocking, spring mattress and carpet production lines imported in the last few years could only be secured through leasing and high interest rate loans. But provided there are no serious setbacks, all capital and interest should be repaid within three years. And with support from the state and local governments, Sheyang's future economic well-being—founded on cotton, but diversifying rapidly—appears guaranteed to carry the county into the next century. ■



to include

The Underlying Costs of Rising Prices

"GONGREN RIBAO"

(Workers Daily)

Rising prices, especially the soaring price increases for vegetables and other non-staple foodstuffs, have made people ask why there should be this sudden surge in costs.

One explanation stems from the excessive expansion of demand due to the big increase in social purchasing power. This has meant that agricultural products and by-products, and some consumer goods for daily use have been in short supply in recent years. Combined with an increase in the cost of materials and energy resources, and some problems in price control, prices thus rose sharply.

This explanation, however, does not get to the core of the matter. For a start, by the end of 1987 the total savings deposits of residents in China amounted to 307.5 billion yuan—a figure which suggests that people do not simply spend all the extra money they may have earned.

The major reasons for raw materials and energy resources going up in price are the excessively large scale of capital construction and the irrational system of transport and distribution characterized by high rates of profit accumulation.

Although the government has emphasized time and again that construction should be related to the state's capacity, many people are still over anxious to achieve quick results and catch up with the developed countries. This stimulates their enthusiasm for capital construction. But as construction proceeds on too large a scale for the available resources, it results in prices being driven up.

Then there are the problems of

China's transport and distribution system. According to national figures, the trade with biggest profits in recent years has been transport and distribution. A cursory look at the passage of goods shows why. For instance, in the area where Wulong tea is grown, the wholesale purchasing price is three yuan per kilogramme, yet it retails at 60 yuan. Many readers have complained at book prices. What are the reasons? An increase in the cost of paper is one factor, but the key one is distribution costs amounting to 40 percent of a book's price.

It is also said that there are eight steps from purchasing a live pig and the selling the pork on the markets. Naturally, each intermediate stage wants to make profits and the final price is impossible to control. Clearly it would be cheaper to reduce intermediate links as quickly as possible to let supply and demand meet directly.

Some policy errors have also been responsible for price rises. Take bicycles for example. Several years ago, the policy of selling brand-name, quality products at higher prices was adopted. But shortly after, bicycles of inferior brands increased in price accordingly.

A different kind of policy decision led to problems with rolled steel. A move away from the emphasis on heavy industry in the belief that it had developed too quickly was followed by a large number of major construction projects. The supply of steel fell short of demand and so up went the prices.

Clearly, the underlying reasons for price rises need close examination as they vary from one commodity to another. There is also no denying the fact that the price of some commodities has

deviated from their value and should be readjusted immediately. Some commodities will have to rise in price over a short period due to their shortage.

(April 22, 1988)

No-Smoking Drive Has Little Effect

"JIANKANG BAO"

(Health Newspaper)

China's stop-smoking movement has had little success in recent years. This can be attributed to three main factors:

1. The government has failed to place restrictions on the tobacco industry. Tobacco is an industrial crop and tobacco growers, cigarette factories and shops profit from it.

2. The dissemination of anti-smoking knowledge has lacked total support. Some smokers even reject basic scientific principles. For instance:

—Smoking means waste of money. Some people say, "I have never found that non-smokers tend to become well off," and "I have never seen a smoker in straitened circumstances because of smoking."

—Smoking is harmful to health. Some people say, "I have never seen a smoker fall seriously ill," or "I have never found a person with the confidence to keep well his or her whole life who does not smoke."

3. Stop-smoking activities have become a mere formality while strict measures are lacking. To achieve good results in China's stop-smoking drive, the government should immediately formulate laws on tobacco growing and on cigarette making, marketing and smoking. In addition, no-smoking areas should be established in public places.

(March 29, 1988)

China's Merchant Navy Expands

China's international freight fleet increased its monthly voyages from 89 to 108 in July, according to Liu Zhu, deputy general manager of the China Ocean Shipping Co. Container ships made 63 of these passages and bulk vessels, 46. The number of routes plied rose from 37 to 41, with calls at 51 ports around the world.

In the next half of this year, China is expected to open up new container routes between Shanghai and the Mediterranean via the

ports in Spain, France and Italy.

To strengthen its merchant navy, China has US\$200 million of inter-governmental low-interest loans from Britain and Federal Germany to build five container ships. Each with capacity of 2,700 standard containers, they are expected to all be in operation by early 1990.

China also has plans to set up representative offices, joint ventures and contract business companies in Canada, Singapore, Brazil and the west coast of the

United States to increase overseas orders.

China's international freight trade started in June 1986 to meet the demands of foreign trade development. Since then, China has adopted fixed quotas for ships, routes, berths, time, and goods and its freight volume has risen fast. In the early 1980s, of the total volume of freight handled by Chinese ships, 10 percent was from other countries; now the figure is 30 percent. Punctuality has also improved: 75 percent of ships now arrive on time, compared with 60 percent in 1986.

by Yao Jianguo

Opening Pars — Xinji City

Xinji City's exports should reach 70 million yuan this year, a 55 percent increase over 1987.

Famous for its barium salts and fireworks, Xinji stands at the centre of Hebei Province, 60 km from the capital, Shijiazhuang. Its other products include cotton, furs, fruit and clothing, which are exported to over 30 countries and regions.

The Xinji Chemical Plant is one of China's largest manufacturers of barium salts such as barium carbonate, barium sulphate and barium nitrate. Its products are of international standard, and account for 50 percent of the country's total export in this market. From 1953 to the end of 1987, 496,300 tons were sent abroad, earning US\$127 million in foreign capital.

This May the plant reached an agreement with the Iwai Corporation of Japan to import dry grain-making equipment with an

annual output of 5,000 tons. The equipment is expected to be in operation by the end of this year, increasing the plant's capacity to produce barium salts from 5,000 tons to 10,000 tons.

In the Wang Kou area of the city, there is a 400 year history of fireworks production. Very much export oriented, more than 100 varieties are manufactured. These have proved popular for their magnificent colours, sound and safety in Japan, France, Thailand, Canada, the United States and the Federal Republic of Germany.

With an annual export value of US\$1 million, Xinji has recently been designated a fireworks production and export centre by China's Ministry of Foreign Economic Relations and Trade.

In a bid to double its current exports by 1990, last April the city decided to build three export centres to develop the production of high-quality cotton, fruits and animal by-products, and to set up nine enterprise groups in the fields of barium salts, fireworks, garments, handicrafts, fur and textiles.

by Yao Jianguo

Hebei Xinji Market.





ART PAGE

Porcelain Sculptures by Wang Ping

Wang Ping was born in Guizhou Province in 1954. She is an art editor for *Huaxi* magazine.

Wang is a self-taught artist. Her works, which reflect a richness gained from national and folk art, display an attractive blend of oriental mystery and modernity.





Xinji Chemical Works in Hebei Province

The Xinji Chemical Works, built in March 1947 and armed with advanced technology and equipment, is one of China's largest production and export bases for barium salt. The plant produces Wuzhou brand chemicals including barium carbonate, barium sulphate, barium nitrate, sodium sulfide, sulfur, and sodium thiosulfate. Its products have a ready market in various provinces, municipalities and autonomous regions on the mainland. Six products are sold to over 30 countries and regions.

The plant's barium salt output and exports rank second in the world. By 1982, all the products of the plant were awarded High-Quality Product titles by Hebei and state authorities. Its sulfur won a state silver award. Three barium salt products received high-quality export honours from the Ministry of Foreign Economic Relations and Trade.

Wuzhou brand chemicals are well worth your consideration.