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A GDR Leader Interviewed on Economic Achievements



**VICE-MINISTER DISCUSSES
SUPERVISORY WORK**



Sihe Township in Liuhe County, Jiangsu Province, is famous for its painting by local farmers. Through their paintings, the farmers express their desire to pursue beauty in life. Early this year, 35 local farmers were invited to exhibit more than 100 of their paintings at Missouri University in the United States.

Above: Farmer Wang Linshan painting at home.



Decorative paintings like the one in this kitchen are often found in farm homes in Sihe Township.

Photos by Gao Meiji

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COVER: Feng Tiyan, vice-minister of Supervision.

Chen Zonglie

HIGHLIGHTS OF THE WEEK

Democratic Party Member Takes Office

■ Feng Tiyan, vice-chairman of the China Democratic National Construction Association, was appointed vice-minister of Supervision five months ago. In an exclusive interview, he discusses his relations with Communist Party cadres at the Ministry of Supervision, his functions and powers, and his views on eliminating corruption among government officials (p. 20).

Seeing and Knowing the GDR

■ The trip to the German Democratic Republic by our staff reporters was highlighted by an interview with one of the top GDR leaders on the country's economic strategy and reform (p. 14). Also printed is a story on what they saw and learned during the visit (p. 16).

Key to Settlement of Kampuchean Issue

■ The Kampuchean issue is one of the tensest concerns of the international community. The author of this article puts forward his own viewpoint: The biggest danger in the current power grab comes from the puppet regime in Phnom Penh. (p. 13).

State Council to Act on Price Rises

■ The Chinese State Council approved steps, at its meeting on August 30, to improve price administration and achieve greater stability in the market. (p. 5).

Yangzhou — A Good Place for Investment

■ The city of Yangzhou in Jiangsu Province can trace its history back 2,500 years. Once a famous cultural city, it reached a peak in the Tang Dynasty, but due to frequent wars and social upheaval it went into decline until 1949 (p. 22).

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Multi-Candidate Election in Provinces

by LI LI

The elections of new leaders to provincial people's congresses and governments across the country, held every five years, came to an end in early August. For the first time, candidates were nominated by provincial deputies and their total number was greater than the number of positions at stake. Undoubtedly this marked a new step forward for democracy.

The elections were conducted in accordance with the Organic Law of the People's Republic of China on Local People's Congresses and Local People's Governments at All Levels revised at the 18th Session of the Sixth NPC Standing Committee in 1986. The law stipulates that multi-candidate elections of new leaders should be introduced at all levels of local people's congresses and governments. In order to stand, a candidate has to be nominated by over ten deputies participating in the voting. The law was first applied in the 1987 elections of new leadership at county and township levels.

In this year's elections, the multi-candidate system was applied to the election of: vice-chairmen of people's congresses and deputy governors in 28 provinces, autonomous regions and municipalities; chairmen of people's congresses in 11 provinces, autonomous regions and municipalities; the chairmen and governors of eight provinces and autonomous regions; the presidents of the higher people's courts in 13 provinces; and the procurator-generals of people's procurates in 11 provinces and autonomous regions. The number

of candidates nominated was 24 percent greater than the vacant positions, providing great selective room for the voting deputies.

In the preliminary round, 593 candidates were recommended by local Party committees, of whom 499 were elected. Of the candidates who were not elected, 26 had originally held posts of deputy-governor or above. In the second round, 99 were jointly nominated by deputies and decided to be formal candidates, 12 were elected.

Before recommending prospective candidates, local Party committees had consulted a great number of people. In one province, about 5,000 people took part in recommending or evaluating the work of possible candidates. At the same time, the Organization Department of the Central Committee of the Communist Party of China widely solicited opinions on prospective officials. Because of this widespread democratic consultation, candidates represented the wishes of the overwhelming majority of people, and so their rate of election was comparatively high.

The provincial people's deputies expressed a strong sense of democracy. They took to heart the democratic rights the law had given them and gave much thought to the fairness and accuracy of the voting. With the break from the outmoded convention that a candidate, once nominated, would definitely be elected, the notion that officials can only get promotions but never demotions was pushed aside. This will mean that the people's deputies can now play an effective

role in supervising the work of all government officials.

The elections have modified the profile of provincial leadership. The proportion of governors, and deputy governors (chairmen and mayors) under 50 has increased from 18 percent to 26 percent and the number with a college education from 69 percent to 74 percent. For the chairmen and vice-chairmen of the people's congress, the number under 60 years old rose from 8 percent to 30 percent and those with a college education from 33 percent to 44 percent. Of the 63 newly elected deputy governors (chairmen and mayors), the overwhelming majority had held leading posts at prefectural level or in municipal departments and bureaus, so they already possess rich experience and strong leadership capability.

More importantly, the newly elected provincial leaders seem to have a stronger sense of being public servants. Many of the new provincial governors and mayors publicized the specific objectives of their term in office. Some provincial governments clearly defined the responsibilities of each of the leading officials and made their goals known to the public, consciously placing them under the supervision of the people.

Of course, the recent elections were by no means perfect. Some laws have proved incomplete, and will need to be modified and supplemented with more detailed rules. Nevertheless, breakthroughs have been made in the implementation of the electoral law, and with it progress in democracy. ■

State Council to Act on Price Rises

At an August 30 meeting chaired by Premier Li Peng, the Chinese State Council decided to take measures to ensure that the rate of increase in prices of retail goods slows next year.

The council discussed and analysed the current market and pricing situation and voted unanimously to improve price administration and to achieve greater market stability.

The 10th meeting of the Political Bureau of the Chinese Communist Party Central Committee, held August 15-17, has adopted a plan for wage and price reforms which calls for the state to continue to control prices of a few key commodities and wages while allowing prices of most goods to be regulated by the market.

The council said this target is to be achieved within about the next five years, but added that the plan is still tentative and subject to revision.

Next year, the first year of the five-year (1989-1993) wage and price reform plan will see no radical steps being taken in price reform; the council urged all levels of government to explain this to the people.

The State Council also promised to hold off on initiating any further price increases for the remainder of 1988. Unauthorized increases in commodity prices controlled by the council or local governments will be forbidden, and enterprises or units that raise prices arbitrarily will be punished for breaching financial and economic discipline, the council said. Furthermore, leaders responsible for indiscriminate price increases will be subject to punishment.

In an effort to stabilize the

market and banking and to safeguard the interests of citizens, the council asked the People's Bank of China to establish savings deposits accounts which will guarantee that the interest rates for savings deposited for terms of three years or longer would not fall below, and might even slightly exceed, the rate of price increase. Specific measures will be devised and issued by the bank in the near future, the council said.

The council added that localities and departments must act to decrease investments in fixed assets; halt construction of non-productive public buildings, including hotels; and restrict the purchasing power of social groups. This year's volume of credit and the issuance of currency should also be controlled within the limits set by the state, it said.

Efforts should also be made to increase production of industrial consumer goods and to ensure supplies of every day necessities, especially meat, eggs and vegetables in urban areas, the council said. It asked governments at all levels to strengthen the management of the market and to crack down on activities, such as hoarding, speculation, and profiteering, which drive up prices. The council also urged localities to ensure state purchases of grain, cotton and edible oils.

At the meeting, Li asked governments at all levels to make conscientious efforts to shoulder these responsibilities and to take effective economic and administrative measures to halt price increases.

"The government should strengthen and improve macro-control during the reform, and directives and prohibitions should

be strictly enforced," he said.

He stressed the importance of establishing a new socialist commodity economy through laws and regulations as a task for the present and future.

Li also said that this year's unusual mixture of drought and flooding may cause a drop in grain output, and asked local governments to ensure good management of autumn crops to minimize the effects of these natural disasters.

Because adequate supplies of vegetables are so important for urban residents, the premier asked local governments to pay close attention to producing, purchasing, marketing and storing Chinese cabbage and other autumn vegetables by doing their best to stabilize the market and to improve supplies. ■

Sino-Czechoslovak Ties Strengthened

China and Czechoslovakia have made great progress in bilateral relations and will further consolidate their friendly ties and co-operation. This view was shared by Chinese leaders and visiting Czechoslovak president throughout their meetings.

Gustav Husak, president of the Czechoslovak Socialist Republic, is paying a six-day official goodwill visit to China beginning on September 3. He is the first president of Czechoslovakia to visit China for the past 30 years.

Chinese leaders Yang Shang-kun, Li Peng, Zhao Ziyang and Deng Xiaoping held friendly talks with Husak separately.

Yang Shangkun told the honoured guest that at present China's reforms are deepening and have entered into a new critical period. The Chinese people are continuing to advance their great cause of socialist

modernization with determination and confidence, he said.

On bilateral relations, Yang said that as socialist countries, China and Czechoslovakia share the same goal of development. To expand bilateral, friendly, co-operative relations in an all-round, sustained, stable and deep-going way conforms with the interests of both peoples, he added.

Yang expressed admiration for the great achievements made by the Czechoslovak people in their economic reforms and democratization of social life, and also spoke highly of Czechoslovakia's positive contributions to improving East-West relations and safeguarding world peace.

President Husak said it is important for Czechoslovakia to deepen mutual understanding, compare notes and strengthen co-operation with all socialist countries, while conducting reforms in its economy, social life and other fields.

Li Peng, in talking with Husak, stressed that it is imperative in establishing a planned socialist commodity economy to straighten out China's price system.

Li said: "We know this is a difficult job, and so we have taken a very prudent attitude towards it. In short, reform is a great undertaking."

Li stressed that the orientation for China's reform is decisive and the measures to be taken should be reliable, while full attention should be paid to the sustaining abilities of the people, enterprises and the society as a whole so as to promote the steady growth of the national economy; and to stabilize the economy is for a better advance.

Husak said Czechoslovakia pays close attention to the measures China is taking, including its price readjustment, and his country is willing to exchange experience with their Chinese

comrades and learn from each other so as to avoid detours.

Zhao and Husak agreed that reforms in different countries should be based on their own conditions, and China and Czechoslovakia may share each other's experience in this regard.

They briefed each other on the measures taken in the economic and price reforms in their respective countries and their ideas about the reforms in the years to come. They also discussed how to further the friendly relations and co-operation between the two parties, the two countries and the two peoples.

Zhao said that last year saw a turning point in the bilateral relations with the complete normalization of ties between the two parties and countries.

Husak held that the current economic and trade activities between the two countries are very brisk and both sides should further relations, including cultural ties.

On international issues, Husak said Czechoslovakia and China share many common or similar views. "I am pleased with this." he said. ■

New Province, New Programmes

The first session of the Hainan Provincial Conference of People's Representatives on August 25 elected Liang Xiang governor of Hainan, and Xu Shijie, chairman of the Standing Committee of the provincial conference of people's representatives.

Also elected at the session were five vice-governors and seven vice-chairmen of the standing committee.

After liberation in 1949, Liang Xiang, 69, served as vice-mayor of Guangzhou, secretary of the Guangzhou Party Committee

and vice-governor of Guangdong Province. He was one of the top leaders in the development of Shenzhen—China's first special economic zone—between 1981 and 1986.

"No rubber stamp." The Hainan Provincial Conference of People's Representatives will play a major role in the development of the island and not just serve as a "rubber stamp parliament," remarked Xu.

As Hainan opens more widely to the outside world, Xu told a press conference on August 26, the provincial conference will initiate contact, inspection, investigation and reporting systems, and send deputies to inspect the work of the provincial government, the people's higher court and procuratorate.

In formulating local laws and regulations, the provincial conference will learn from the experience of Hong Kong and foreign countries, Xu said.

Good conditions for investment. The main task in the next five years for Hainan Province is to speed the construction of infrastructure facilities and to create good conditions for investment, Liang Xiang stressed at the conference on August 25.

According to Liang, the installed capacity of the province's electric grid will be increased to 2.1 million kw in 1992 from the present 0.4 million kw. At the same time, the Fenghuang International Airport in Sanya in the southern part of Hainan will be completed in 1990. By 1992, the province will boast a comprehensive transport system through the co-ordinated development of land, sea and air transport facilities.

By 1992, all counties and cities will have automatic telephone switching systems, while Haikou and Sanya will have programme-controlled systems, and the total number of telephones will be

increased to 150,000 from 29,000. Around 1990 an earth satellite station will be constructed in Haikou to facilitate international telecommunications, Liang said.

He also pledged to improve the "soft" investment conditions by maintaining low tax rates, labour costs and land-use fees.

"Learn from foreign experience." Hainan will absorb advanced foreign experience in building its market economy, especially from Hong Kong. Liang said, adding that the province's economic system will differ from the traditional planned economy featuring a high degree of centralization in the rest of China. His government will learn from advanced capitalist countries how to build and manage its economic system.

Based on the law of value, Hainan's new-style economic system is to stress a more open market economy. Liang explained.

The new system will adjust enterprises and production in accordance with the demands of international markets. The task of the government is to organize and safeguard the new order, and guarantee the functioning of the market system. It will also use the law of value to solve problems which cannot be solved through market adjustment or by enterprises themselves, Liang said.

Economic zones. The province will make rational distribution of the essential factors for production in five large economic zones—the northern, southern, eastern, northwestern and south-western, Liang said.

Top priority will be given to the development of the northern one. This zone, which includes Haikou City and four counties, will emphasize the development of the textile, machinery, electronic, rubber, food and tertiary industries.

Hainan will also designate some

areas as special zones for Taiwan investment, Liang added. ■

Peasant Takes on County Government

A case in which a Chinese farmer is suing the Cangnan County government of Zhejiang Province created a stir when the Wenzhou intermediate People's Court opened a hearing on August 25.

More than 1,000 people crowded into the Cangnan County movie theatre where the hearing was being held, while hundreds of others stood outside, keenly aware that the event itself was quite as stupendous as any outcome.

The plaintiff, 61-year-old peasant Bao Zhengzhao, accused the county government of demolishing parts of his private houses. According to him, in 1985 he put up three three-storey buildings with the approval of the urban construction office of Bao town.

However, in July last year, some 300 people, led by county officials, demolished the structures, alleging that he had not received a building permit.

The indictment was read by Bao Zhengzhao's son, who said many of their relatives and friends had tried to persuade them to drop the suit, convinced that ordinary people could have no hope of winning a case against officials.

"However, my father insisted, maintaining that the common people's right to sue the government is guaranteed by law."

The defendant, county magistrate Huang Deyu, claimed that Bao had built his houses on a dyke, which is a violation of regulations governing water conservancy facilities, and therefore he had ordered the houses removed. Magistrate Huang, at the same time, described the

plaintiff's determination to solve the dispute through legal procedures as right and normal, and expressed appreciation for his courage.

"This shows that the people's concept of law is undergoing a change," he told reporters.

According to the *Guangming Daily*, the Cangnan County government and Communist Party Committee had been opposed to the magistrate's appearing in court as a defendant.

"I made my own decision," the paper quoted Huang as saying. "The defendant is not necessarily a criminal. I am willing to contribute my bit to the development of China's legal system."

The presiding judge told reporters that the court had not met with any administrative interference so far. But he admitted that there had been controversy over whether to accept the case.

The hearing lasted more than five hours, until 10:20 in the evening.

On August 29 the Wenzhou Intermediate Court announced its judgement in favour of the local government by ruling that the demolition of Bao's home by the government was a legal and correct act. But Bao and his lawyer said they would appeal to the Zhejiang People's Supreme Court. ■

Matchmaking Loses Popularity

Beijing's matchmaking centres have fallen on hard times. The Computer Matchmaking Centre in the Working People's Cultural Palace in downtown Beijing dealt with about 400 people a day when it opened in 1984. This year it is down to a few dozen.

The lack of customers and shortage of staff has forced many

of the city's 80-odd centres to shut.

The Yuetan Matchmaking Centre in the western part of the city, for instance, helped only five elderly couples get married in 1985-86. It has since closed.

The problem, said a former employee of the centre, was age difference among the clients. Most of the men were in their 20s or 60s, while the women were in their 30s. Such differences led to a low success rate, she said. The centre could not help, so people stopped coming.

Many of the centres have failed because customers set unrealistic demands. A young university graduate refused to meet a woman who met all his requirements but was two centimetres shorter than his ideal height of 1.66 metres. A woman insisted on a mate 1.76 metres tall, under 40 and with an academic degree. She waited a year but not one of about 100,000 registered at her computer match-making centre could fill the bill.

The matchmaking business has also been challenged by the increase in ballrooms, teahouses and social activities which provided opportunities for people looking for mates. There are parties morning and evening, even in public parks. "It's more convenient to get to know somebody and choose a mate there," a man in his 40s said.

Traditional ways of thinking have prevented many elderly people from using the centres. "I don't want to make myself seem so callous and to disgrace myself by registering at a matchmaking centre," one elderly woman said.

In the Yuetan area most elderly single women are economically independent or are living with their children and grandchildren. They have no desire to start a new family and feel no need for matchmaking services.

But even elderly women who are not financially secure and would like to remarry are afraid of

interference from their new partner's children and so stay away from matchmaking centres.

Then, there is the social stigma attached to the centres. "Some people feel that those who register at our centre are cast-offs whom no one wants," a go-between complained.

Even when couples are brought together by a centre, they generally deny that it is the way they met, out of shame.

But a worker in the People's Cultural Palace computer centre said the slowdown is normal. "A lot of people poured in several years ago because it was difficult to find a mate. But now people are more liberal and there are more channels to meet others," she said.

"The matchmaking centre will still be a reliable go-between for people who find it hard to meet prospective mates." ■

Euthanasia Starts Quietly in China

Euthanasia, an alternative way of dealing with the last days of a patient's life, after being discussed and debated for nearly half a century in some developed countries, has now crept into the Chinese people's concept of death. Actually it was already being practised quietly in some places.

One big hospital in Shanghai, in classifying the 563 cases of death among its patients over a period of three years, found that 28 percent had died following requests from their families to stop remedial treatment so as not to prolong the suffering of their loved ones who were afflicted with a terminal disease.

Surveys made in some parts of China show that the idea of euthanasia is being accepted by more and more people. In Beijing, parties concerned conducted a questionnaire which revealed that

among 500 people, 399, or 79.8 percent thought that euthanasia could be practised in China.

On January 22, the Central People's Broadcasting Station presented a discussion on euthanasia attended by over 30 people from medical and philosophical fields, and also welcomed audiences to present their own opinions on this question.

Within four days, a letter came from Deng Yingchao, widow of the late Premier Zhou Enlai. She wrote, "You bravely broadcast ideas about euthanasia and invited discussion. I quite agree with your doing so. Several years ago I wrote in my will: Be sure not to give me any supportive treatment when my life nears its end and does not need to be prolonged by medicine."

Among 350 other people who wrote to the broadcasting station, those who approved of euthanasia made up 90 percent.

Many old people think, since death is inevitable, they should "live happily and die peacefully." According to a survey of 122 old men and women in Shanghai, 79.8 percent advocated that family members should respect requests for euthanasia if the aged patient was suffering greatly from an incurable disease; 67.8 percent felt that family members could propose using euthanasia if a disease has attacked the aged person's vital organs; and 94.5 percent called for government control through relevant laws and regulations in keeping with the practise of euthanasia developed in foreign countries.

Recently, the Shanghai Institute of Medicine and Ethics received a letter from a patient: "I am beyond cure. Prolonging my life means bringing losses both financial and spiritual to the state, my working unit and my sons and daughters." Therefore he demanded strongly to be "the first one who voluntarily seeks

euthanasia.”

At a national symposium on euthanasia in July, experts and professors attending the discussion from the fields of medicine, law and ethics advocated changing the traditional concept of death for one based on the standards of cerebral death.

They agreed that modern medicine not only prolongs life but also the process of death. According to the traditional concept, death results when the heart stops beating and the patient stops breathing. But with the technological developments in medical treatment, many a dying life has been revived, even while the patient is in a coma with loss of consciousness and feeling. Often this kind of supportive treatment may only prolong suffering and fail to benefit a patient in any significant way, they maintained.

Most participants felt that euthanasia accords with standards of morality because it values a patient's right to die, enabling him or her to rest in peace on one hand, while on the other hand it objectively reduces the burden on society and the family.

At the same time, enabling a terminally ill patient to die peacefully and painlessly of his own accord helps him realize his hope and maintain his dignity. It also conforms with humanitarian precepts, they said.

Although widely varying opinions about euthanasia were presented at the symposium, all participants agreed that euthanasia gives rise to very complicated medical and legal problems as well as very sensitive social and ethical reactions. They proposed to pursue wider and more profound studies and discussions, and called for “education on death” so as to help people understand that a human being has the right to die as well as to live.

Weekly Chronicle (August 29-September 4)

POLITICAL

August 29

■ The third session of the seventh National People's Congress Standing Committee opens in Beijing.

The session has heard and discussed the explanatory reports on eight draft laws including a law for protection of state secrets. The meeting agrees to add to the agenda a report to be given by Vice-Premier Yao Yilin on the preliminary plan for wage and price reform.

August 30

■ In a report to the third meeting of the seventh National People's Congress Standing Committee, Public Security Minister Wang Fang says China's present social order is far from satisfactory in some areas and the existing problems may persist for several years to come.

He admits that the incidence of major criminal cases is on the increase, but he says social order nationwide is basically stable.

September 2

■ The Political Bureau of the Central Committee of the Communist Party of China (CPC) holds its 11th plenary session in Beijing.

The session has discussed and passed on principle a document concerning how to strengthen and reform the ideological and political work in enterprises. The document will be submitted to the third plenary session of the 13th Central Committee of the CPC for deliberation after soliciting opinions from various circles.

ECONOMIC

August 31

■ A total of 6,364 factories and

mines covered within the state budget, or 17 percent of the total, are losing money, the State Statistics Bureau reports.

These enterprises suffered losses totalling 3.64 billion yuan in the first seven months of this year, up 27 percent from the same period last year.

September 1

■ More than 1,200 kilometres of local railways are under construction in China, the overseas edition of the *Renmin Ribao* (People's Daily) reports.

Another 3,000 kilometres are planned. By the end of 1987, about 3,200 kilometres of local railways had been put into operation, of which over 800 kilometres had been built in the previous four years.

CULTURAL

August 31

■ The Second Conference on Petroleum, Geochemistry and Exploration in the Afro-Asian Region opened in Beijing on August 28, with 169 representatives participating, of which 45 are foreigners.

The four-day meeting reflects the region's highest academic level in this field and is the largest international conference of the kind ever hosted by China.

September 1

■ The State Education Commission is planning to train large numbers of young people to learn useful techniques for rural economic development.

Under the “Prairie Plan,” which has been approved by the State Council, various schools in rural areas will pass on agricultural techniques and managerial knowledge to young farmers. The plan will be put into practice in 1,500 demonstration centres nationwide during the period from 1986-90.

KAMPUCHEA

Phnom Penh's Dangerous Power Grab

At present two problems loom large in Kampuchea: Vietnamese withdrawal and formation of a Kampuchean government thereafter. Now the real danger is that the Phnom Penh regime will monopolize the state power after the Vietnamese withdraw.

While the international community seeks a political solution to Kampuchea's conflict, two problems loom large in that war-ravaged country: the Vietnamese withdrawal and formation of a stable Kampuchean government thereafter.

Withdrawal is the sole basis for a political settlement of the Kampuchean tragedy. It is crucial that the government which follows will guarantee Kampuchea's independence, neutrality and non-alignment after the Vietnamese leave.

Viet Nam, which invaded Kampuchea in December 1976, has no right to interfere in the formation of the future Kampuchean government. It is, however, obliged to withdraw its troops at the earliest possible time.

But Viet Nam lacks sincerity in its handling of the Kampuchean issue. It has delayed its pullout to provide time to strengthen and legalize the Heng Samrin-Hun Sen regime it installed in Phnom Penh. It also has been meddling in the efforts to form an independent Kampuchean government by insisting its withdrawal must be linked with measures to stop international support of Kampuchean resistance forces and to prevent the Khmer Rouge from returning to power.

However, all that Viet Nam wants, as a host of facts has shown, is a Kampuchean government suited to its own taste and under its direct control—something

the Vietnamese have failed to achieve on the Kampuchean battlefield.

While spreading alarms about the non-existent danger of the Khmer Rouge exercising exclusive power, Viet Nam has been contriving to set up a future Kampuchean government with the present Phnom Penh regime exercising exclusive power, or a "coalition government" with the puppet regime as the core.

Vietnamese Foreign Minister Nguyen Co Thach recently described Kampuchea as "a cake in Phnom Penh's pocket." "How can you slice three-fourths of it off for others?" he asked. He turned down the proposal for a coalition government that would involve the four Kampuchean factions, terming it an "unreasonable demand."

Hun Sen, the Phnom Penh regime's prime minister, issued a seven-point statement at Jakarta in July refusing to dissolve the Phnom Penh regime. In the statement, he demanded that "the status quo in Kampuchea" be maintained and that the Khmer Rouge be excluded from any coalition as "the basis for national reconciliation."

He also attempted to confuse public opinion with his proposal for a "national reconciliation committee" headed by Samdech Norodom Sihanouk in place of the four-party provisional coalition government headed by Sihanouk.

Meanwhile, the three factions of the Coalition government of Democratic Kampuchea have made several fair and reasonable proposals and have won wide support. In March 1986, they issued an eight-point proposal, earnestly advocating that a national government of reconciliation be set up, and that the Heng Samrin-Hun Sen faction be included.

On June 25, the three factions issued a joint statement proposing for the first time that Democratic Kampuchea and the Phnom Penh regime be dissolved simultaneously.

During his recent visit to Tokyo, Sihanouk offered a proposal calling for the complete withdrawal of Vietnamese troops, dissolution of the Viet Nam-installed "republic" in Phnom Penh, and the dispatching of an international peacekeeping force to Kampuchea.

In a statement on August 15, Khieu Samphan, President of the Democratic Kampuchea side, announced his acceptance of international supervision after the Vietnamese withdrawal. He also promised that his faction would not seek a monopoly of power.

Viet Nam has been trying every possible means to beef up the Phnom Penh regime. Under cover of an announcement that it will pull out 50,000 troops this year, Viet Nam has transferred a large quantity of heavy arms to the Phnom Penh troops and put tens of thousands of its troops in the uniform of the puppet forces, or put them in the ranks of "militia."

According to reliable sources, Phnom Penh's troops have expanded to 70,000 within a year and the militia to tens of thousands, surpassing the number of the three Kampuchean resistance forces combined.

The numerically stronger and better-equipped troops of the Viet Nam-supported regime may pose

the most acute danger to the fair and reasonable formation of a future Kampuchean government.

Viet Nam has also been tightening its control over the Phnom Penh regime by placing its trusted followers in various departments of the regime. On August 20, Phnom Penh reshuffled its cabinet, changing 11 ministers including the defence and internal affairs ministers, in the name of "retirement" and "replacement."

Viet Nam is stepping up its drive for "Vietnamization" of Kampuchea by sending a great number of Vietnamese immigrants into Kampuchea by dint of the unequal treaty allowing "visa-free transit" between Viet Nam and the Phnom Penh regime.

There are now at least 700,000 Vietnamese immigrants throughout Kampuchea, many of them are actually in the reserve army.

Due to Kampuchea's tragic past, people are worried about a possible return to power of the Khmer Rouge after the Vietnamese withdrawal and this is understandable. But wise politicians will sense that the greater, more serious danger is that the Phnom Penh regime will relegate all powers to itself after the Vietnamese withdraw.

If Viet Nam's plot to "eliminate the Khmer Rouge" succeeds, there would be no opposition forces inside Kampuchea. In that case, the Heng Samrin-Hun Sen faction is certain to take over.

And more worrisome is that once the exclusive power of the Phnom Penh regime is recognized as legitimate, acceptance becomes a fait accompli. Legalization of Vietnamese aggression also becomes the cession of Kampuchean territory and islands to Viet Nam by unequal treaties, and domination of the strong over the weak's internal affairs.

All this only would mean that the efforts of the international

community for the past 10 years to achieve a fair solution to the Kampuchean conflict and to safeguard the principles of international law were wasted and

the ideals advocated by Sihanouk for an independent Kampuchea, a wish of all peace-loving peoples, cannot be realized.

by Chai Ximei

CYPRUS

Settlement of Disputes in Sight

Leaders of Greek and Turkish Cypriots resume intercommunal talk.

The talks in Geneva on August 24 between the leaders of the Greek and the Turkish communities of Cyprus, sponsored by UN Secretary-General Javier Perez de Cuellar, were the first in three years.

At the end of the talks, Cyprian President George Vassiliou said his first meeting with Turkish Cypriot leader Rauf Denktash created friendliness. Both leaders pledged to co-operate with the UN chief in efforts to reach a settlement by June 1, 1989. They will meet again in Nicosia on September 15 to continue the negotiations.

Vassiliou said the agreement he reached with Denktash "went further than expected." But he expressed "cautious optimism" over the forthcoming intercommunal talks. He pledged that the Greek Cypriot side would do everything it could to bring about a peaceful solution to the long-standing intercommunal problems.

Meanwhile, Perez de Cuellar also expressed satisfaction with the results of the Vassiliou-Denktash meeting, which he described as "beyond any expectation."

Cyprus is an island-state in the eastern Mediterranean with a population of 670,000 of which Greek Cypriots account for 80 percent and Turkish Cypriots 18

percent. Owing to a long history of foreign colonial rule, the Greek and Turkish communities still relate to Greece and Turkey respectively as their mother countries. Before the independence of Cyprus, the two communities sought to merge with their mother countries or to exercise separate autonomy. A Zurich-London agreement reached by Britain, Greece and Turkey pledged to guarantee the independence, security and territorial integrity of Cyprus.

After Cyprus became independent in 1960, its Constitution stipulated that the Greek and Turkish communities may exercise separately executive and legislative powers. After 1963, the government was composed entirely of Greek Cypriots. Although recognized internationally, it was opposed by the Turkish community. Bloody intercommunal fighting was brought on in 1963 by disputes over constitutional amendments and the distribution of powers, and in 1964, a UN peace-keeping force was sent to keep order.

In 1974, the then Greek military government plotted a coup in Cyprus. Turkey dispatched troops to the island on grounds of protecting Turkish Cypriots. As a result, Cyprus was divided into two separate parts, one occupied by Greek Cypriots, the other by

Turkish Cypriots. In 1975, the Turkish community established its own political institutions and economic system, and in November 1983 founded the Turkish Republic of Northern Cyprus. This broke up the Cyprian coalition government.

Later on, the United Nations passed a series of resolutions calling for an end to foreign intervention and the resumption of intercommunal peace talks. Such talks were held in 1977, 1979 and in 1985, but the two sides differed sharply over troop withdrawals and other knotty problems.

Several factors have led to the August 24 intercommunal talks.

First, the international situation as a whole is easing up. In particular, since early this year, Greece and Turkey have taken the road of reconciliation guided by the Davos spirit. In this general context of relaxation of international relations, the Cyprus problem, which is closely related to the two countries, has become naturally a prime concern of both sides.

Second, long-term contention between the two largest nationalities of a country is sure to be unfavourable for the country's economic progress. More than a decade of communal conflicts have brought serious losses to tourism on Cyprus.

Third, after achieving peaceful settlements in various "hot spots," especially the Iran-Iraq war, the United Nations has approached the problem of Cyprus with increased confidence and initiated effective mediation.

Fourth, discord in Cyprus has persisted for so many years and the international community has called for an end to it for so long, it now seems wise to try to resolve the problem through negotiation.

Of course, all sides involved still have a long way to go before a final settlement is reached. It is an

encouraging sign that, off to a good start, the leaders of the two communities have decided to

continue their talks unconditionally.

by Xian Wang

NAMIBIA

A Glimmer of Hope for Independence

Under the leadership of the South West Africa People's Organization, the Namibian people have struggled for independence for the past 22 years. There is some hope that it will be achieved in the foreseeable future.

Namibia, which lies in southwestern Africa, has been illegally occupied by South Africa. The core of the so-called Namibian issue is the realization of national independence. After four rounds of talks, Angola, Cuba, South Africa and the United States reached agreement on 14 basic principles in the implementation of the UN Security Council Resolution 435. This was a major step towards the settlement of the issue of Namibian independence.

Recently the four parties began a new round of talks in the Congolese capital of Brazzaville. Their discussions were serious, detailed and constructive. But they failed to meet their September 1 target due to differences over the withdrawal timetable of an estimated 50,000 Cuban troops from Angola. Cuba has proposed a 48-month period to complete the withdrawal while South Africa has demanded a Cuban troop pull-out within one year to match its departure from Namibia.

The United Nations has made persistent efforts towards a settlement. On May 19, 1967 the extraordinary conference of the UN General Assembly decided to set up the UN Council for Southwestern Africa which later turned into the UN Council for Namibia. On August 24, 1973 the

UN Council for Namibia declared August 26 Namibia Day. In August 1978 the former UN secretary-general put forward a proposal on Namibian independence based on a draft drawn up by the United States, Britain, France, Federal Germany and Canada. On September 29 of the same year the UN Security Council adopted Resolution 435. On October 30, 1987 the UN Security Council entrusted the secretary-general with arranging a ceasefire between South Africa and the South West Africa People's Organization (SWAPO).

Meanwhile various countries of the world have condemned South Africa's illegal occupation of Namibia and supported the struggle for Namibian independence.

It is under such circumstances that between May and August of this year, Angola, Cuba, South Africa and the United States held four rounds of talks on Cuban troop withdrawal from Angola and the issue of Namibian independence. The parties concerned—Angola, Cuba and South Africa—with the mediation of the United States, have agreed on implementation of Resolution 435 as of November 1 and the complete withdrawal of South African troops from

Namibia by February 1 of next year. However, the parties have now embarked on another round of talks regarding the timetable for a Cuban military pull-out from Angola, where SWAPO-led guerrillas are based.

President of the current UN General Assembly Peter Florin (Democratic Republic of Germany) and President of the Security Council for August, Li Luye (China), reaffirmed their determination to help ensure the realization of independence for Namibia. Speaking in the name of the UN Special Committee on Decolonization, Ahmad Farouk Arnouss called on the international community to remain "vigilant and take whatever measures necessary" to get Resolution 435 implemented. Any political solution to the question, he added, must be based on "immediate and unconditional termination" of South Africa's occupation of the territory and the free exercise by the Namibians of their right to self-determination and independence.

While expressing optimism about the current talks in Brazzaville, Nahas Angula, high official of SWAPO, said, "We know we must remain vigilant, and carry on with the war of national liberation in the event South Africa decides to back-track."

"We will keep our attention firmly focussed on what the enemy is doing on the ground in Namibia, where South Africa continues to perpetuate its illegal occupation and brutal tyranny against our people," he said. He also noted that, although the Pretoria regime has expressed its commitment to the current talks, it is at the same time reinforcing its occupation forces with additional heavy military hardware, including the installation of a sophisticated anti-air defence system at Oshakati, Ondangwa and

Grootfontein. The regime is also conducting naval exercises at Walvis Bay, the only deep sea port in Namibia, which Pretoria claims as part of South Africa. This is unfavourable to future talks on

the Namibian issue. Talks on a solution to the regional conflicts are the current trend and conform to the people's desire, but the road ahead is a zigzag one.

Chang Qing

SPAIN

Rising Star of the European Community

When Spain became a full member of the European Community, Spanish Prime Minister Felipe Gonzalez hailed the event as one of historic importance for both Spain and Western Europe in general. Subsequent developments seem to be proving him correct.

On January 1, 1986, Spain realized its decade-long aspiration of becoming a full member of the European Community (EC). After the accession of Spain and simultaneous entry of Portugal, the EC became the world's biggest market with a population of 320 million and exports and imports which surpassed those of the United States.

Spain has also benefited from its accession to the community. Historically, Spain ruled colonies several times its own size. But it remained a relatively unimportant country because of its backward social and economic structure and its lack of natural resources. In the 1970s, the country's annual economic growth rate was only 0.7 percent; the inflation and unemployment rates were in the double-digit bracket; and state-owned enterprises were losing money. But since the start of the 1980s and especially since Spain became a full member of the EC, its economic development has taken off. Inflation has dropped to less than 5 percent while the economic growth rate has risen to 4.8 percent, surpassing other West European industrial countries. Observers now look at Spain with new eyes and regard it as "Europe's Japan."

The explanations for Spain's

rapid economic growth vary. But it is largely attributed to two decisive moves by the Spanish government: First, the government introduced measures to adjust and stabilize the economy. These included privatizing state-owned enterprises and revamping the industrial structure to increase productivity; devaluing the peseta to increase the competitiveness of exports; cutting government spending to reduce financial deficits; and opening up the country to foreign investment. Second, the government campaigned actively to ensure that Spain plays its full role in the EC.

The new economic measures increased the ability of Spanish enterprises to compete in foreign markets, while making the most of the benefits of EC membership. Losing enterprises started to turn around while others increased their profits.

EC membership spurred the competitive spirit of Spanish enterprises, as well as the government's new measures. Having long been left out of the EC, Spanish enterprises lacked vigour and the will to compete. Gonzalez described joining the EC and opening Spain's door to other countries as "letting in the fresh air of competition."

by Liao Xianwang

GDR LEADER:

On Economic Construction and Reform

Gunter Mittag, member of the Political Bureau of the Central Committee of the Socialist Unity Party of Germany and vice-chairman of the Council of State of the German Democratic Republic (GDR), met with Dai Yannian, Zhang Taihuang and She Duanzhi, staff reporters of the 'Beijing Review' on August 11 in Berlin and answered their questions. Excerpts follow.

Question: Could you please tell us about the GDR's economic development and the improvement of the people's living standards in recent years, and cite the most important experiences you have had in these areas?

Answer: Proceeding from the resolution adopted at the Eighth National Congress of the Socialist Unity Party of Germany held in 1971 and the goal to further build socialism on a highly-developed level stipulated in the Party programme, we are implementing the general task of integrating economic policies with social welfare. In this, we have met with great success.

As for the progress achieved in the economy and social welfare, the years since the Eighth Congress of the Party have proved to be the most fruitful years in GDR history.

In 1987, compared with 1970, national income in terms of production output grew by 115 percent, that is, it more than doubled; the total value of industrial output rose by 128 percent, and labour productivity in the national economy by 105 percent.

Grain yield grew from 6.5 million tons in 1970 to 11 million tons in 1987.

From 1971 to 1987, 2,840,549 flats were built or repaired in the GDR. This means the living conditions of 8.55 million residents have been fundamentally

improved. That figure accounts for more than half of the total population of the GDR. Compared with 1971, per-capita income in real terms has more than doubled. At the same time, equally important, the price of daily necessities, rent, public expenditures and consumption prices in the service sector have remained stable.

With regard to our most important experiences, I can answer you briefly: our people fully understand the strategy of combining economic policy with social welfare and support it in their deeds by launching major economic initiatives in socialist labour competition. This is because people have realized that great economic achievements are the solid base for the Socialist Unity Party of Germany's policy,

which is aimed at bringing welfare to the people, strengthening socialism all-round and safeguarding peace. Besides, the will, optimism and the power of initiative of the GDR people are based on an important life experience: good working performance benefits everybody. In this sense, the guideline of integrating economic policy with social welfare propels the GDR's rapid economic growth and marked social progress.

Q: In a speech made in February this year, Comrade Erich Hon-ecker pointed out that the GDR's policy of reform since 1971 has yielded positive results. Could you brief us on the content of the reform and its development?

A: The positive results we have achieved are based on a reform

Gunter Mittag (centre on the left) at the interview with our staff reporters.



programme initiated in the early 1970s. Here I'd like to explain a few things. First, I want to point out that the fundamental changes made in the 1970s in the economic management system led to the establishment of combines as the basic unit of socialist large-scale production.

The work of state central planning and the balance of payments have improved constantly, and in recent years this has developed into a whole set of computerized systems connecting the State Planning Commission and the combines.

The reform in industrial and agricultural prices laid the foundation for fully implementing an economic accounting system and has helped apply the principle of self-funding on an ever more extensive basis.

A new labour law has further promoted socialist democracy in the field of labour. That is, trade unions have gained more power. This includes a role in preparing, signing and implementing collective contracts of enterprises. These contracts are the tested means for the working people to effectively participate in the planning and management work of enterprises, combines and various other units. They are signed as the basic agreement between the leader of an enterprise and the trade union leader of that enterprise. The authority of the Committee of Joint Chiefs of Trade Union Groups has also been strengthened.

National education, including training for adults, has developed into a unified system in keeping with the demands of modern productive forces.

The main content of these reforms is to accelerate the socialist intensification process more widely and put it on a sustainable basis. In this way we can make good use of the superiority of socialism, achieve



Gunter Mittag greets our staff reporters

steady economic growth and bring happiness to our people.

In these reforms that are already underway, the Socialist Unity Party of Germany has been trying to respond quickly to the problems that have arisen from the increasingly burgeoning development of productive forces. What is important is that we must keep pace with the times and take precautions against difficulties that can be foreseen in the course of development. Therefore, we never regard as already completed our work to formulate the strategic plan of building a developed socialist society in our country. It will be a process of deep political, social, ideological and cultural transition.

Q: How did the combines emerge and develop? How do they manifest their independence?

A: The formation and development of combines in the 1970s was a process of deep economic and political, rather than mere organizational, changes.

The combines arose from production units' associations,

which liquidated the administrative and managerial intermediaries between the industrial ministries and enterprises. Now, the general manager of a combine is under the direct leadership of ministers and he himself is the leader of the head factory of the combine. Combines as a whole practise economic accounting and take responsibility for their own profits and losses. At the same time, factories within combines are legally and economically independent.

The combines have gradually developed into economic units that can fulfil comprehensive national economic tasks by relying on their own resources. Combines do not merely produce; they now include major research, development and design sectors, powerful, specialized equipment-manufacturing departments, engineering departments, complete production of consumer goods enterprises and their own foreign trade connections. Combines have begun on their own to produce more and more spare parts that

are of decisive significance to the quantity and quality of their products.

So the economic circulation in the most important stage of the reproduction process has been roughly completed. Combines have stood tests under the conditions of intensification of the economy. Yes, without combines it would be unimaginable to effect the transition to intensification.

The independence of combines is manifested in the following areas:

Within the state central plan, combines themselves take on the responsibility for planning and management of the reproduction process for their own factories. They are responsible for drawing up economic contracts with part-suppliers and product-users. Economically, they guarantee product quality and quantity and the strict execution of contracts. Combines as a whole and their subordinate factories all implement a system of economic accounting. In addition, the principle of self-funding, including the part of funds that should be handed to the state according to plan, is playing a bigger and bigger role.

In short, combines are the

pillars of the GDR's socialist planned economy. They are the modern form of management of socialist large-scale production in industry, building, transport and communications. They have more and more become the catalyst for the rapid development of science and technology and the application of the results of science and technology in the economy.

Q: What measures has the GDR taken to raise the working efficiency of scientific workers and tap their enthusiasm?

A: The GDR attaches great importance to the role of scientific workers, because science and technology is the key link for realizing its strategic economic aims.

The integration of science and technology with production in the combines is the most important measure for raising the working efficiency of scientific workers. At present, more than 70 percent of our scientific and technical researchers are working in combines. About 50 percent of the Academy of Sciences' scientific personnel has established links with combines through economic contracts. Independent scientific research institutions practise

economic accounting systems. Combines pay for the scientific results and services provided by the Academy of Sciences and the institutions affiliated to the various universities and colleges through contracts. This means that scientific results and services, just like commodities, can be sold and purchased, their price being decided by their beneficial results.

All these steps, especially the result-oriented method of payment, play an important role in developing a creative spirit among scientific workers. Since the 1980s, the main form of material reward has been based on a wage policy that is oriented towards research results, in the form of a wage subsidy connected with the research theme. The amount of this subsidy usually accounts for 15-20 percent of a scientist's income. Those who have accomplished tasks of special importance receive a special reward—an extra bonus. The material incentive is closely related to the reward and moral encouragement by the state. These measures, in accord with the socialist principle of distribution according to work, have propelled our country forward in its struggle to achieve high-tech results. ■

GDR Through Journalists' Eyes

by Our Staff Reporters Dai Yannian and She Duanzhi

At the invitation of *Horizont*, an international affairs monthly published in Berlin, the German Democratic Republic (GDR), we paid our first visit to the country and the capital in the second week of August.

Berlin

As the centre of Hitler's Nazi Germany during World War II,

Berlin was almost reduced to ruins; most of today's buildings are either newly constructed or renovated.

A noticeable feature of the city construction is the carefully preserved traditional architectural style. This has been done so skillfully that it's almost impossible to distinguish the new from the old.

The city spreads around Nicolai

Church, built in the 13th century, now the oldest building in the city. The stone carvings and statues on the roofs of buildings and on the ground were all restored or kept intact.

Escorted by Comrade Wilfried Lang, responsible for covering events in East Asian socialist countries for *Horizont*, we visited some of the main attractions in Berlin, such as the Alexander



Berlin, capital of the GDR.

Plaza, the Marx-Engels Forum, the Republic Palace, museums, and the Soviet Soldiers' Memorial at Treptow. We were struck by the beauty and serenity of the city.

Meeting GDR Leader

Beside the Council of State Building is an old, lower building, in which the offices of the Socialist Unity Party of Germany are located. On August 11, Gunter Mittag, member of the Political Bureau of the Party Central Committee and vice-chairman of the Council of State, who is responsible for national economic affairs, met us for an interview. The Editor-in-Chief of the *Horizont*, Ernst-Otto Schwabe, was also present.

The vice-chairman greeted us at his office door with a smile. Aside from economic topics (see page 18 in this issue), he also discussed relations between the GDR and China. He said his country attaches great importance to developing friendly ties with China and that in recent years the relations have been very good.

Much progress has been made in all fields, he said.

The exchange of visits between Erich Honecker and General Secretary of the Chinese Communist Party Zhao Ziyang made a significant contribution to bilateral relations, he added. He stressed that the relations are based on common goals and characterized by equality and comradely co-operation. He said he is very glad to see how much China has achieved in recent years. He maintained that there is great potential and opportunity for China and the GDR to further expand and deepen their friendly relations.

In his briefing on the GDR's economic strategy, the vice-chairman put the advance of science and technology in the first place. He said the superiority of socialism must be more effectively combined with the scientific and technological revolution. Today microelectronics technology, modern computer technology and other new technologies are playing an increasingly big role in the national economy.

Since China is carrying out

reforms, we naturally turned to the topic of the GDR's reforms. He answered summarily that their reform was set in motion at the Eighth Congress of the Party in 1971 and has yielded good results.

Our several days' visit was all too brief; we left with this impression: the GDR and China, with different national conditions, are exploring their own paths of construction and reform in conformity with their own characteristics. Their ways of building socialism differ—which is only natural—and conform, in some aspects, as well.

Combine and Co-operative

We visited the Hans Beimler Locomotive and Electronics Works in Hennigsdorf, a small town near Berlin. According to leaders of the plant, in 1970, the factory, then having 9,000 workers, formed into what it is today—a combine—with eight other factories in other places. The factory itself became the head factory. The combine, under the guidance of central planning, formulates production plans and operates independently. It implements economic accounting and assumes responsibility for its own profits and losses. Part of its profit is handed over to the state each year, and the rest is at its own disposal.

The combine has become a large economic entity engaged in locomotive and electronics production and has established associations with more than 1,000 factories throughout the country. Faced with a serious energy shortage, the GDR plans to electrify all its railways by 1995. At present electrical locomotives account for only 22 percent of the total, and the combine is expected to play a major role in realizing that goal.

When citing the advantages of

combines, our host explained, "We can concentrate our forces, especially research and development, to a comparatively high degree, and we have helped some backward factories develop steadily into good partners in the national economy."

A combine as a whole is like an assembly line, with a head factory and several subordinate factories, which are usually part-suppliers. The Hans Beimler combine is an example.

The briefing given by our host made us feel we were on familiar ground. In recent years China has been trying to expand the autonomous rights of enterprises and promote horizontal association among enterprises to form "enterprise groups" that transcend the limits of areas and industries.

Our host went on to say that the factory started to export to China in 1954, and continued to do so throughout the most complex period in GDR-Chinese relations. Up to now, it has exported altogether 40 heating facilities, 186 industrial locomotives, 700 locomotives for mining wells, and electrical radiating stoves used for melting ultra-pure metals. This product, of the highest world standards, is exported also to the United States and Japan.

There are 220 such combines in the country, employing 40 percent of the nation's labour force. They belong either to the state or to the 15 prefectures in the country. Over the years the GDR economy has been growing steadily and the national income has increased at an average annual rate of 4.5 percent. This is the result of the GDR's reform and other effective policies, including that of organizing combines.

At the Mittenwalde Agricultural Co-operative, Manfred Nosak, chairman of the co-operative, said in the 1950s he joined the co-operative with 18 hectares of land

and he has been chairman for more than two decades. Now the co-operative, with 5,500 hectares of land, has 700 workers and staff. The main crop is oats, accounting for 80 percent, the other crops being barley and wheat. Corn is grown as fodder. The annual grain production and by-products of the co-operative can meet the consumption needs of some 50,000 GDR residents.

More than 95 percent of the work is done by machines with the aid of computers.

The chairman also told us that each member of the co-operative has 0.25 hectares of land for his own use on which he can raise

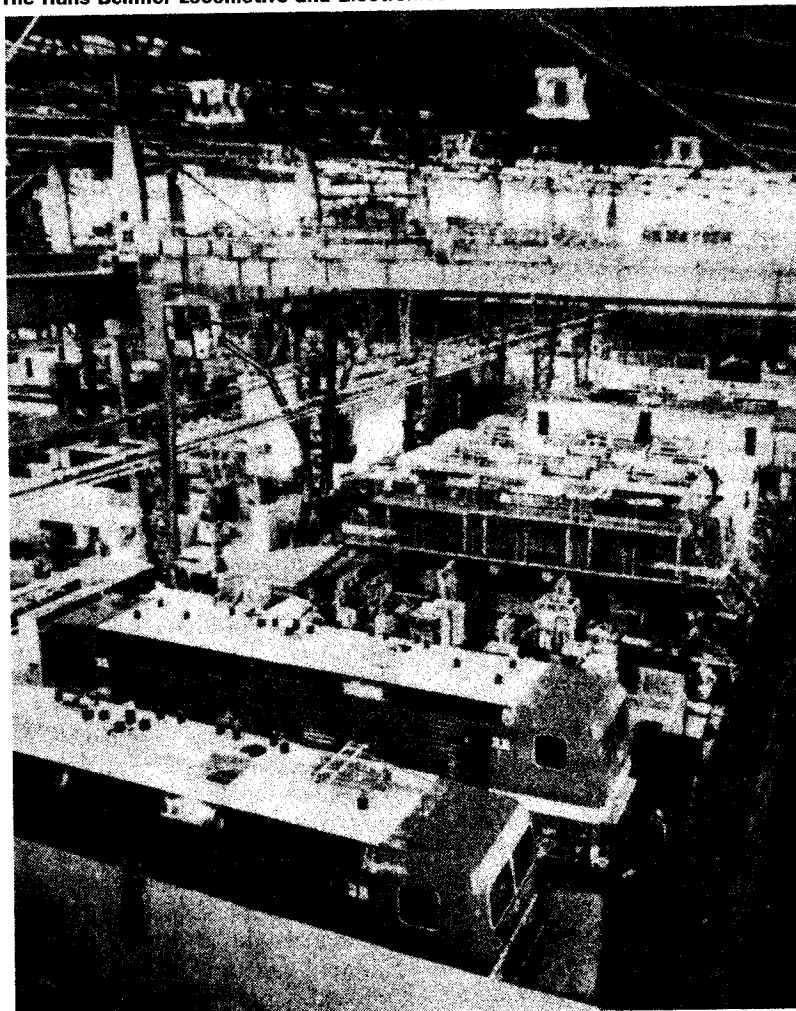
poultry or grow vegetables.

He added that there are 3,890 agricultural and animal husbandry co-operatives in the country, covering 88 percent of the cultivable land. The rest of the land is used for state-run farms. Grain output has scored record harvests successively in recent years.

Housing Construction

We were particularly impressed by the GDR's efforts to improve people's housing conditions. Each residential area built includes

The Hans Beimler Locomotive and Electronics Works in Hennigsdorf.





Weekend pleasure-boating on the Spree River.

shops, restaurants, schools, kindergartens, gymnasiums, clubs and other service facilities.

We visited a construction site in Potsdam, where the historic Potsdam Agreement was signed. Comrade Brock, manager of the Potsdam State-Run Housing-Construction Combine, told us that assembly-line methods are used. Every part of a building is made separately in advance and is assembled on the site. We saw bath-room units, inside which bath-tub, toilet, pipes, heaters, etc. were all in place, waiting to be installed. We learned that it takes two months to construct a building consisting of several dozens of flats from design to whitewashing. By the third month the building is ready for use.

The building combine receives set targets and funds from government departments. The completed buildings are assigned by the departments concerned. Building combines like this are found in all areas in the GDR.

Since 1971, about 2.84 million flats have been built or renovated in the GDR. Two-thirds of the newly-built flats were assigned to workers. Every 1,000 people have

415 flats and the average living area per person is 26.8 square metres. This year the country plans to build another 211,000 flats and by 1990 the housing problem is expected to be completely solved. By then the number of newly-built or renovated flats will reach 3.5 million and 10.5 million people out of the 16 million population will move into new houses.

Rent is so low that it accounts for only 3 percent of a worker's net income. The rent collected is only one third of the management expenditures and the rest is subsidized by the state.

Holiday villages scattered outside Berlin can also be viewed as part of the housing construction. Many families spend their weekends there. We went pleasure-boating on the Spree River and saw beautiful little houses along the banks, surrounded by trees, flowers and lawns.

Our colleague Nobert Stein invited us to visit the small villa belonging to his parents. His father is retired and his mother works in an electronic tube factory. Their villa occupies an

area of 350 square metres, but they pay only a small amount of rent — 10 pfennigs for 1 square metre (1 GDR mark = 100 pfennigs). Small as it is, the villa contains all the necessary utensils and facilities — a bed room, kitchen, toilet, tap-water and electricity. It cost 6,000 marks to buy all the building materials for the villa, equal to their four months' pension and wages. There are altogether 450 villas in the neighbourhood. They were built in 1984, when the GDR celebrated the 35th anniversary of its founding by announcing that 10,000 private villas had been built in the country. And the 10,000th villa is in this area. The Party and government support and encourage the building of villas.

As Vice-Chairman Mittag said, "Our Party regards the construction of houses as the core of our social welfare policy. Only in this way can people as the main productive force display good working performance."

The GDR comrades did not feel complacent before these achievements. They remarked that some things which could have been done have not been done yet. Many of them are thinking of how to maintain their country's status as a leading industrial nation and how to further speed up its development. We wish them success. ■



CORRECTION: In the last issue, the map on page 18 incorrectly labelled Zhangjiagang as Zhangquangang.

Democratic Party Member Becomes Vice-Minister

—An interview with Feng Tiyun, vice-minister of Supervision

by Our Correspondent Lu Yun

Feng Tiyun, vice-chairman of the China Democratic National Construction Association (CDNCA), one of China's eight democratic parties, was appointed vice-minister of Supervision five months ago. During the CDNCA's Fifth National Congress in late June, *Beijing Review* secured an exclusive interview with him. Questions were raised on his relations with Communist Party cadres at the Ministry of Supervision, his functions and powers, and his views on eliminating corruption among government officials.



Feng Tiyun.

Multi-Party Co-operation

Feng Tiyun began by saying that some foreign observers are surprised not only that there are no rows and struggles between the political parties and groups of China, but by the very fact that the Communist Party of China (CPC) has implemented a system of multi-party co-operation and political consultations. Clearly an explanation was needed, he said.

The multi-party co-operation system could be traced from the years of revolution and reconstruction onwards. During the arduous war years and the run-up to 1949, one of the biggest weapons in the CPC's armoury had been the ability to form a united front with various other organizations—including the eight democratic parties.

Founded in 1945, the CDNCA comprised patriotic industrialists, businessmen and intellectuals. With the other Chinese democra-

tic parties, it rallied around the CPC for a period of close co-operation in the initial post-liberation period and a number of people from the democratic parties or of no political affiliation held leading posts in the government. This co-operation was restored and developed after the Third Plenary Session of the 11th CPC Central Committee at the end of 1978.

Feng Tiyun said that now the CPC and the democratic parties agree on the need for socialist modernization while at the same time attempting to represent the interests and aspirations of different social strata and groups in China.

Although minor contradictions exist between them, Feng said, these can be satisfactorily resolved in pursuit of a common goal, especially as the CPC has always

consulted the democratic parties on important policy decisions.

The various democratic parties have their own political programmes, organizations and regular activities. Feng noted that the participation in government work by leading members of the democratic parties conforms with the fundamental work and orientation of the CPC.

The CDNCA has 41,000 members, mostly drawn from economic, technical and academic circles. Feng perhaps is typical. Born in Ningbo, Zhejiang Province, he studied at the Law College of Suzhou University in his early years. In 1946, aged 21, he became director of the Zhengda Match Factory and deputy manager of the privately owned Yucheng Bank in Ningbo. Since 1949, he has been vice-chairman of the Ningbo Municipal Political Consultative Conference (MPCC), vice-chairman of the Zhejiang provincial MPCC, and deputy secretary-general of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). On February 16 this year, the State Council appointed him vice-minister of Supervision. He thus became the first leading member of a democratic party to become a vice-minister since the "cultural revolution."

Mutual Benefits

Feng maintained that his participation in government work showed the respect and trust the

Communist Party holds for the democratic parties. He said there were advantages for both sides. Opinions and suggestions gathered by the democratic parties are reported to the government, and they in turn can publicize and implement government decisions among the social groups they represent.

Feng Tiyun stressed that his appointment did not mean the formation of a coalition government with the CPC, nor that he will implement CDNCA decisions in his job. He said he acted in accordance with the policies of the State Council and the decisions of the Ministry of Supervision. If his opinions were accepted, then they became the ministry's policy—not necessarily to be taken up by the CDNCA.

At a recent press conference attended by Chinese and foreign correspondents, Feng declared satisfaction with his job and added he had full confidence in Wei Jianxing, the minister of Supervision, and the three other vice-ministers. As to whether his position was more than titular, he said that when Wei and the vice-ministers had been off on business trips to other parts of China, he had been empowered to handle all the ministry's work.

Eliminating Corruption

The Ministry of Supervision was set up in June last year to be responsible for investigating and dealing with the violation of government discipline by state officials from State Council to township level. (The Central Commission for Discipline Inspection is the body responsible for investigating and dealing with violation of CPC disciplines, and the Supreme People's Procuratorate investigates legal violations.)

Feng Tiyun said he believed

that the more prosperous the economy was, the more honest officials would become. After all, he added, there were many honest officials in China. However, the growth of the commodity economy and opening to the outside world had brought with it some corruption among government officials. One of the primary tasks for the Ministry of Supervision had been establishing supervisory organizations throughout the country at provincial, prefectural, municipal and county levels. With preparations for these in full swing, attention was now being focused on the 46 ministries and commissions of the central government.

Feng said that unhealthy tendencies in society had raised difficulties in the elimination of corruption among government officials, especially as the existence of these unhealthy tendencies was closely related to the newly emerging commodity economy. Particular features he singled out as responsible were the imperfections of various rules and regulations and the problems of price structuring in the transition from the old economic system to a new one.

The administrative and supervisory offices at the grass-roots level involve a wide range of complicated work, he said, and many of the several million law-enforcement personnel had not received any of the necessary professional training. The comprehensive efforts needed to fight official corruption should include the following measures:

- Ensuring above all that the leading organizations and their members are beyond suspicion of graft and play an exemplary role.
- Paying close attention to the drafting of regulations to ensure they can be practically applied, especially as regards the dereliction of duty and disciplinary sanctions for government func-

tionaries suspected of bribery.

- Offering education and training to law-enforcement personnel and government functionaries to improve their political and professional qualities.
- Ensuring that positions in economic supervisory departments are filled on merit, with selection procedures handled openly in the future.
- Opening government and public affairs management departments to public scrutiny, so that public opinion can exercise supervision.
- Establishing centres of inspection to which the public can report incidents of bribery and other grievances.
- Raising the wages of government functionaries.

"I am not an eminent person, neither have I made any particularly special contributions. It's the needs of multi-party co-operation that have pushed me into this important post, and now I am duty-bound to fulfil my obligations," said Feng.

During the "cultural revolution," Feng was framed as a "reactionary capitalist" and worked in a match factory for 12 years. He said the experience, however, had proved of use. By working conscientiously, he had gained both the trust of his fellow workers and an understanding of their wants and needs. This had implanted a sense of responsibility in him towards ordinary working people whom he constantly bore in mind in his work as a vice-minister.

Feng also tries to discover grass-roots feelings. Recently he was in Yunnan establishing a local supervisory organization. Provincial leaders approached him with a list of special difficulties in developing the region, which were borne out by Feng's observations. His next step will be to appeal on their behalf at the National Committee of the CPPCC—

which proves, Feng maintained, that the channels for political consultation have opened even for remote areas.

"Supervisory work is a kind of service," Feng said in summing up. Supervision was needed to ease the passage of reforms, open China to the outside world, and organize the modernization of the economy. All of which could be gathered under the single banner

of serving the people.

If there was one way to do this best, Feng added, it was ensuring all matters were handled impartially. Investigations by government officials should proceed carefully and patiently, and if no evidence was found against a suspect, he or she should be released without a smear on their character. At the same time, law-enforcement personnel in possession of evidence of

malpractice should be able to act without fear of interference from higher bodies.

Feng's own route if he meets with obstruction is directly to report to CPC Central Committee. But he hopes he will never have to go that way: "I've got a unique opportunity to participate as a member of a democratic party in the government — and I intend to take full advantage of it." ■

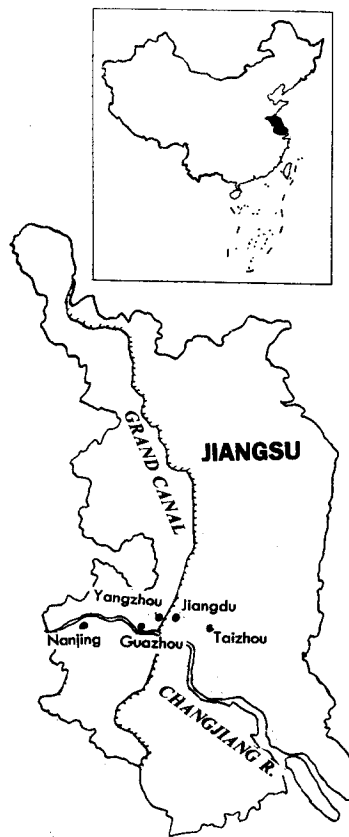
Yangzhou: A Good Place for Investment

by Our Correspondent Li Rongxia

The city of Yangzhou in Jiangsu Province looks south to the Changjiang (Yangtze) River, north to the Huaihe River and straddles the Grand Canal. Its history dates back almost 2,500 years, but it reached its peak in the Tang Dynasty (618-907 AD). A hub of water and land transport, it was China's largest commercial centre and one of four major ports linking the country with Japan, Southeast Asia and the Middle East.

At the same time Yangzhou's culture blossomed. In 742 AD, the first year of the Tang Dynasty Emperor Tian Bao's reign, the Buddhist monk Jian Zhen (Ganjin) voyaged from Yangzhou to Japan. He failed five times, but finally succeeded on his sixth attempt and is now widely recognized as having introduced *ritso* Buddhism to the Japanese.

During the Southern Song Dynasty (1127-1279), Puhaddin, a



A worker at the Yangzhou Lacquerware Factory carves an inkstone. ZHANG YUGUANG



16th-generation descendant of Mohammed, spent ten years in the city preaching Islam. Another famous traveller was Marco Polo,

who during the Yuan Dynasty (1206-1368) assumed the post of governor-general for three years.

One of the principal reasons for Yangzhou's prosperity was its strategic position for the passage of salt and grain between north and south. With the development of sea navigation, railways and the social upheaval and wars of the 19th and 20th centuries, Yangzhou went into decline.

With the founding of the People's Republic in 1949, however, the city regained its momentum. It has become an industrial centre backed up by a sound development of agriculture and commerce. And in March this year it received a further boost when it was declared open for business to the rest of the world.

Yangzhou administers 12 counties and districts covering a total of 12,000 square kilometres with a population of 8.9 million. Only 88 kilometres northeast of Nanjing, Jiangsu's capital, it acts as a gateway to the north of the province. It has a temperate climate, with an average annual temperature of 15°C.

With an annual industrial output of 17.193 billion yuan, Yangzhou comes 11th in the league of China's 20 cities with an industrial output of more than 10 billion yuan. In 1987, its total industrial and agricultural output reached 20.7 billion yuan.

The city has rich natural resources—it is known locally as the "Land of Fish and Rice." With many rivers, lakes and ponds, as well as a network of irrigation channels, its water area totals 200,000 hectares. It also has 620,000 hectares of fertile farm land. Because of this, Yangzhou is an important production base for cereals, aquatic products, poultry, eggs, pigs, ginkgo, tea, fruits, silk, flowers and trees.

Rich oil deposits have been found in three counties under Yangzhou's jurisdiction, and a

large carbon-dioxide gas field has been discovered to the city's southwest. Covering 25-40 square kilometres, the prospective daily output of a well is estimated at 200,000-300,000 cubic metres with a purity of 90 percent. This is the largest carbon-dioxide gas field discovered in China and should prove of great economic value.

There are 99 historical sites in Yangzhou, of which 30 have been opened to tourists. The best natural scenery can be found at Shouxihu Lake in the northwest of the city. Four kilometres long, it is surrounded by green trees and pavilions. Other well-known sites include the Pingshan Hall, the Daming Temple, the Jian Zhen Memorial Hall, the Gulin Hall and Ouyang Ancestral Temple and the Western Garden.

Over 3,000 kilometres of roads run across Yangzhou and its surrounding area. Recently, a 100-km-long highway linking the city to Nanjing was opened.

A passenger dock at Yangzhou's port came into operation in 1986, and three berths, one for 10,000-ton-class cargo ships and two for 500-ton-class cargo ships, are under construction. Along the 176 kilometres of the Changjiang that flows through the area are six cross-river ferries. In all, the city

has 5,000 km of navigable waterways.

The city's telecommunications system has been updated in recent years. A single-mode optic fibre cable has been laid between Yangzhou and Gaoyou, thus bringing the number of telephones able to dial each other to 30,000. It is estimated that 4,000 telephones linked via a programme-controlled exchange will soon be able to join the international telephone network.

Yangzhou has 7,225 enterprises with 1.01 million workers and staff on their payrolls. Its major concerns are machinery manufacturing, light industrial products, textile, food and chemicals. Additionally, Yangzhou's lacquer ware, carved jade and toys enjoyed a high reputation on international markets.

Its building industry has developed quickly. Its 225,000 workers and staff have been responsible for the construction of one-sixth of the buildings in Shenzhen, Guangdong Province.

In 1987, 8.2 billion yuan of Yangzhou's 17.193 billion yuan industrial output was created by rural enterprises. At present, these number 13,911, employing 876,000 workers. They produce 5,000 different products, of which

A clothes-processing workshop of the Yangzhou Feichi Group.

ZHANG YUGUANG



268 are sold abroad.

In 1976, Yangzhou, along with other areas, became one of the first Chinese export bases. Now the city sends more than 400 different products abroad. Foodstuffs head the list, but they also include textiles, clothing, light industrial products, handicrafts, chemicals, medicines and machines.

Heading for the World

Since 1978, Yangzhou has signed 103 agreements involving foreign capital. Total investment stands at US\$120 million, of which US\$56.806 million has been used in 11 Sino-foreign joint ventures, 43 companies processing supplied materials and engaging in compensatory trade, 23 international leasing agreements, and two enterprises operating abroad.

In addition, local enterprises have been active in developing international markets. One example is the Yangzhou Lacquerware Factory. This traditional handicraft with its combination of simplicity and fine workmanship not only sells well overseas but is often presented to state guests. Factory director Hou Yanyu, said 87 percent of the company's output is now sold to more than 60 countries and regions, mainly in Western Europe and Southeast Asia.

The Yangzhou Bus Factory can now turn out 1,500 buses every year. Its recently developed high-quality tourist model won a Gold Cup at the National Transport and Industrial Products Exhibition. Zheng Sicheng, director of the factory, said: "Next year, we are aiming at international markets, so this autumn we are taking our new products to the Guangzhou Export Commodities Fair to solicit orders."

Director Zheng proudly showed off the construction site for a new



New buses waiting to leave the Yangzhou Bus Factory.

ZHANG YUGUANG

factory building, which when finished will cover 22,000 square metres. It will be equipped with an imported production line and should produce 4,000 buses a year.

The Yangzhou Toy Industrial Company mainly produces stuffed toys. Of the 48 million it produces each year, 85 percent are exported to more than 50 countries and regions. In January, the Jiangsu Toy Enterprise Group was founded to co-ordinate 29 toy producers and designers and financial organizations. Through economic and technical co-operation, efficiency has been raised and the companies have all proved more competitive.

Preferential Measures

"To attract more foreign investors, we have worked out various preferential measures. Our aim is to give them certainty of success if they invest in Yangzhou," says Shi Guoxing, Yangzhou's deputy mayor.

These measures include:

- Overseas-funded enterprises that produce export goods, hi-tech products, or conduct new developments in farming, forestry and animal husbandry are exempt from local income taxes.

- Overseas-investors who set up enterprises to develop energy resources and transportation pay local income tax at half the standard rate for five years.

- Overseas-funded enterprises with a net profit of less than 1 million yuan a year are exempt from income tax for five years. From the sixth year on, they will pay income tax at half the standard rate.

- Overseas-funded enterprises producing export goods and hi-tech products with their own housing property are exempt from urban housing taxes for five years.

- Foreign-funded enterprises are exempt from land use fees for eight years and are required to pay these fees at half the standard rate from the ninth year on; export-oriented and technically advanced enterprises are exempt from land use fees for 15 years, they need to pay at half the standard rate from the 16th year; foreign-funded businesses operating jointly with township enterprises are exempt from land use fees.

- Water and power supplies will be prioritized for overseas-funded enterprises.

- Overseas-funded enterprises will be guaranteed complete independence in management and the hiring of employees. ■

Destination Seoul: China's Olympic Hopes

Chinese gymnast Lou Yun.

Hu Yue

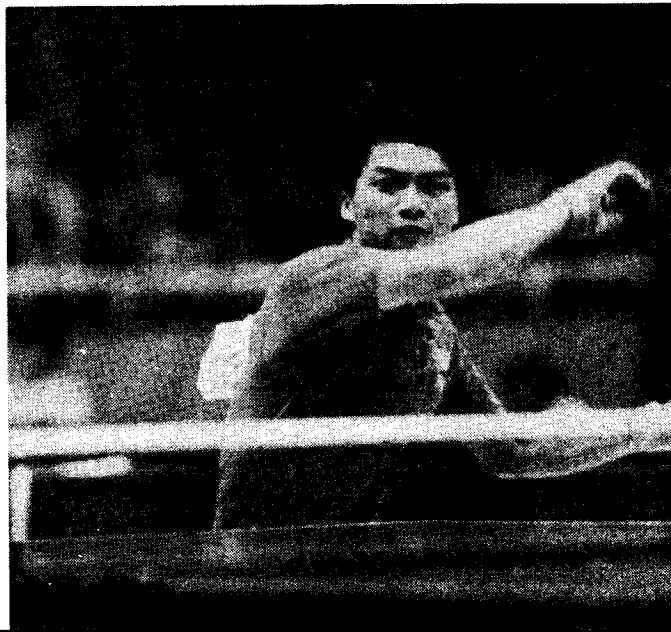
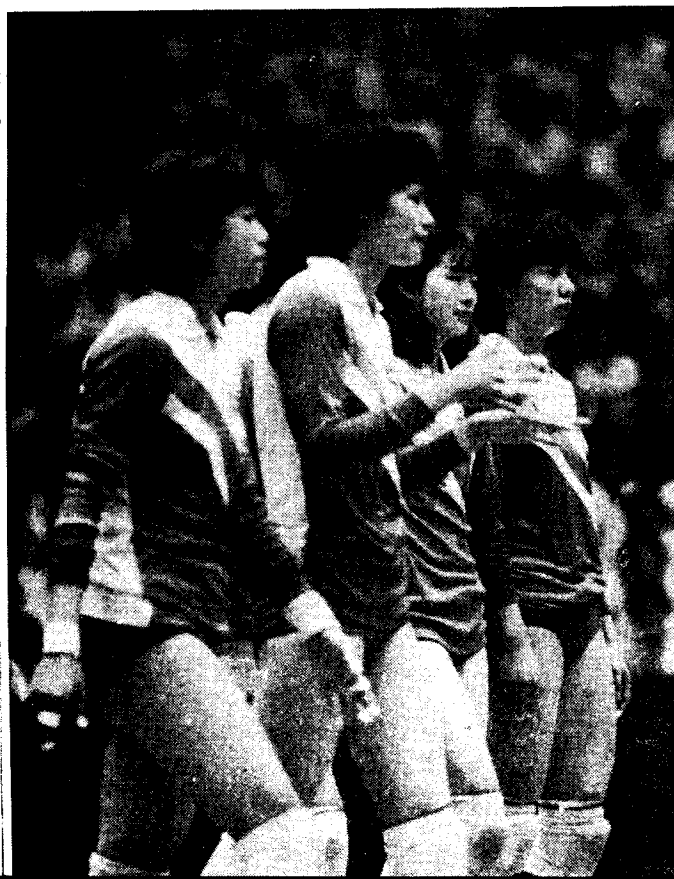


The Chinese women's volleyball team, winner of many international competitions. From right: Jiang Ying, Wu Dan, Hou Yuzhu and Su Huijuan.

Wang Jingying

Jiang Jialiang, men's singles champion at the 38th and 39th World Table Tennis Championships.

Guan Tianyi





1,000-metre runner Wang Xiuting.

Guan Tianyi

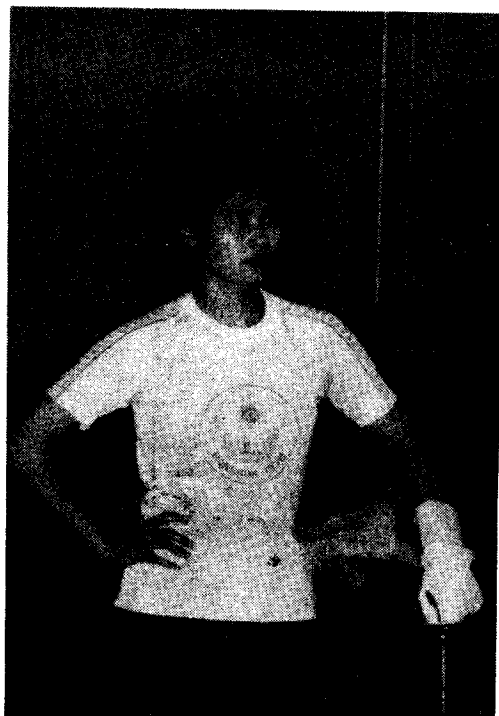


Yang Wenyi broke the 50-metre freestyle world record at the 3rd Asian Swimming Championships.

Cheng Zhishan

Ma Xiangjun, a world record setter at the 34th World Archery Championships.

Liu Dingrui

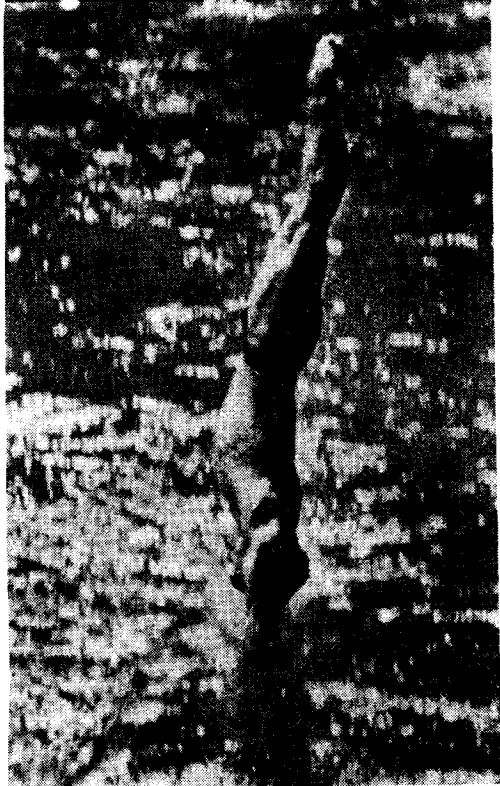


Fencer Luan Jujie.

Wang Jingying



Gymnast Xu Zhiqiang.



Tan Liangde, winner of numerous international diving competitions.

Han Li

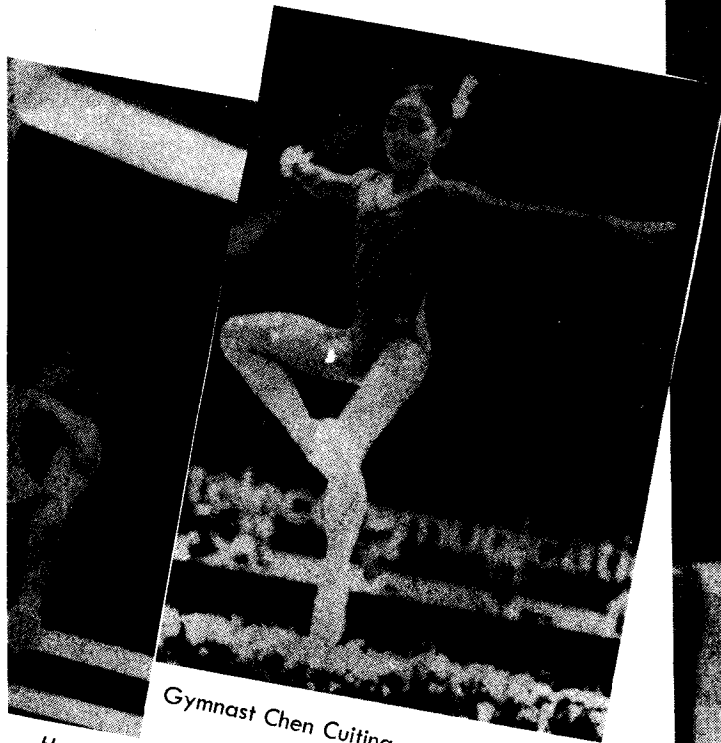


Marksman Wu Lanying equalled the world flying butterfly two-way 200-target event with 197 hits.

Zhang Xionghui

Freestyle gymnast He Xiaomin.

Cheng Zhishan

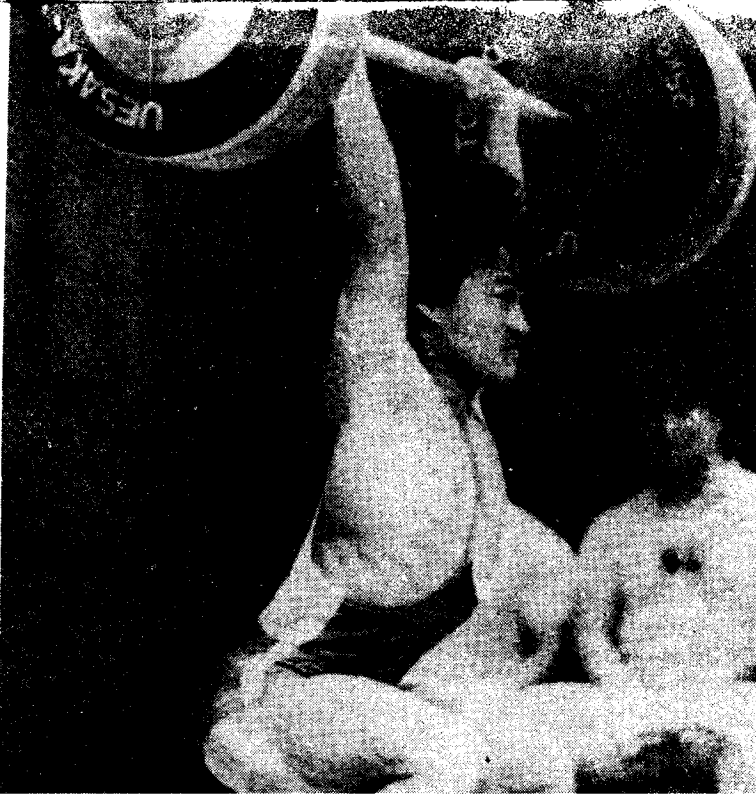


Gymnast Chen Cuifeng.

Han Juce

Han Juce



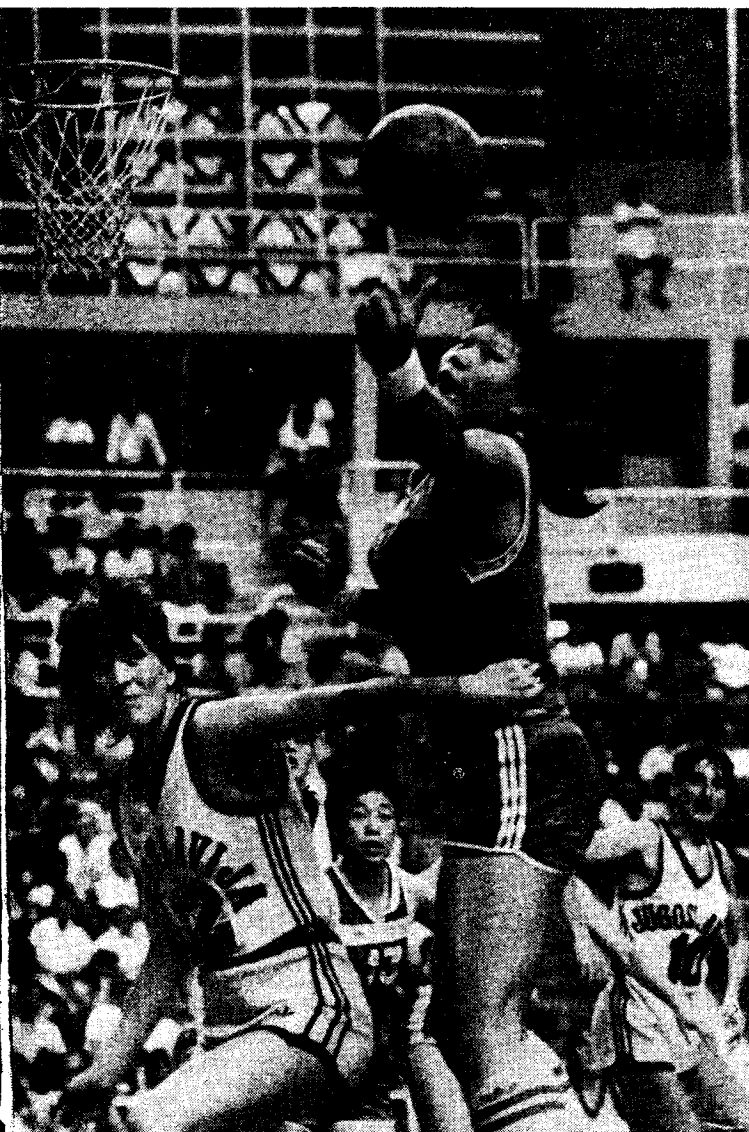


Discus thrower Hou Xuemei.



He Yingqiang, a world record breaking weightlifter in the 56-kg class.

Tang Yumin



Shot-putter Li Meisu.

Tang Yumin

Centre Zheng Haixia (right) rises above the opposition at the 1984 Olympics.

Zheng Zhensun

New Problems With the Apprentice System

"GONGREN RIBAO"

(Workers' Daily)

Some enterprise leaders have been complaining that most young employees now have no interest in serving an apprenticeship, while many skilled craftsmen consider training new workers as just another unnecessary burden. As a result, relations between masters and apprentices in China deteriorate day by day.

This complaint is partially justified. With the introduction of one reform on top of another, such as leasing, contract responsibility and optimum organization of labour, a crisis has occurred in traditional craftsman-apprentice relationship. Almost overnight it has been replaced with the values of a commodity economy.

This worries management and leaves older workers bemused, but is regarded by the young workers as unimportant.

What are the reasons for this?

One apprentice summed them up. After leaving school, one of his classmates became a commercial traveller earning several hundred yuan a month. As an apprentice, however, his monthly wage is a few dozen yuan.

Clearly, with the development of a commodity economy in China, salary has been becoming a major standard for judging occupations. Now an apprentice who depends solely on his skills cannot earn more money than a self-employed labourer.

With this in mind, many new workers take more than one job. They consider it more worthwhile to do business after work than learn a craftsman's skills.

During the 1950 and 1960s, the apprentice system worked harmoniously. Skills were passed

from one generation to the next, and a large pool of craftsmen grew up, giving great impetus to the growth and development of enterprises.

At that time, however, possession of a skilled trade was the principal means of advancement. Enterprises operated a rigid hierarchical system, with wages increasing from one grade to the next. So craftsmen were keen to pass on their knowledge and apprentices were eager to learn.

The tradition of living on one's skills alone acted as a unifying force, drawing the older, more experienced workers and their younger pupils together.

China's reform programme has

disrupted this system. With the implementation of contract responsibility and the optimum organization of labour, ever more workers are changing their occupation, place of work, or both. They no longer regard their unit as a lifetime home.

As a result, the bonds tying skilled workers to apprentices have loosened, and the incentive to study has dissipated.

In addition, training classes run by enterprises, and the increasing amount of automation and mechanization have narrowed the gap between the young worker and the experienced craftsman. With skills founded in the manual crafts, the latter can no longer meet the needs of the apprentice in the workplace.

(June 23, 1988)

Urban Opinions on China's Reforms

"LIAO WANG"

(Outlook Weekly)

To discover the views of urban residents on China's reform programme, a survey of 3,000 people in 13 cities was recently conducted.

Worries: When asked what concerned them most, 70.9 percent answered prices, 50.4 percent said wages, and 52.5 percent said the state and Party's recent policies.

Discontent: A great majority of the people surveyed—83.7 percent—said they were displeased with corruption within the Party and official bureaucracy.

It is undeniable that over the past few years some leading officials have proved corrupt, embezzled funds, taken bribes or exploited their positions of power for personal gain.

However, it is not right to tar all officials with the same brush, nor simply to label this problem "the style of the Party" just because the Communist Party of China is the governing party.

Changing views: As reforms have been carried out in many areas, many long-held views are being displaced. An enterprising spirit, enthusiasm, optimism, self-esteem and self-confidence were the qualities 82.1 percent believed should be pursued. Only 10.3 percent considered that modesty, kindness, courtesy, restraint and magnanimity should be encouraged. The idea "he who is content is always happy" was supported by 53.7 percent.

Hopes: 42.2 percent of those surveyed wanted bigger incomes: 26.4 percent hoped the legal system would be strengthened; and 25 percent wanted to raise their social status.

(No. 21, 1988)

Japan Lends China 810 Billion Yen

Between 1990 and 1995, the Japanese government will lend China 810 billion yen, Japanese Prime Minister Noboru Takeshita announced in Beijing on August 25.

According to the Loan Bureau of the Ministry of Foreign Economic Relations and Trade, this is the third major loan made to China by the Japanese government.

It is 10 billion yen greater than the total for the two previous loans of 1979 and 1984.

Of this sum, 770 billion yen will be used in 40 projects for basic industrial facilities, including seven power stations, six railways, six ports, six chemical fertilizer works and three airports, as well as improving telecommunications, urban gas and water supplies, and the underground railway project in Beijing.

The remaining 40 billion yen has been earmarked for the development of Hainan Province and the Huangdao region in Qingdao municipality.

To maintain a balance of trade, last August the two countries signed a 100 billion yen credit agreement to promote China's export industries.

The credit comes from two sources: 70 billion yen will be offered by the Overseas Economic Co-operation Fund of Japan. Repayment will be spread over 30 years at an annual interest rate of 2.5 percent. The other 30 billion yen will be provided by the Export-Import Bank of Japan at 4.8 percent for 20 years. In both cases, no repayments will have to be made for the first ten years.

China will use this money to modernize export-oriented enterprises in the fields of machinery, light and textile industries, agriculture, animal husbandry

and fisheries, and raw materials production.

With the agreement already in effect, contracts for importing machinery have been signed and technological exchanges and commercial talks are underway.

It is estimated that when 300-odd projects are completed, they should generate more than US\$1 billion a year in foreign exchange earnings.

by Li Ping

Japanese Director Praises China

Jiro Yamana Cfa, deputy president of Daiwa Securities, congratulated China on its AAA credit-rating with Japanese financial institutions and A or AA rating with American ones on a recent visit to Beijing.

Coming to China to celebrate the fifth anniversary of Daiwa's establishment of a representative office in Beijing, he told *Beijing Review* that international companies were now rapidly revising their view of China's credit worthiness.

With the rapid development of the Chinese economy in recent years, China's overseas borrowing has increased, he continued. Repayments are expected to peak in 1992, and then drop off each year so there is no need to fear a debt crisis. Japanese and other overseas investors should all be able to reap the benefits.

Daiwa Securities, the second largest securities company in Japan, issues, buys and sells bonds and shares. It set up a China Committee in May 1980 to examine trade prospects, and in December 1983 established its representative office in Beijing.

Since then, Daiwa Securities has helped issue bonds abroad for the China International Trust and Investment Corp., the Bank of

China, the Bank of Communications and the Ministry of Finance. These have helped raise 100 billion yen, US\$300 million and 300 million Deutschmarks for China.

Daiwa has also advised trust and investment corporations from Fujian, Shanghai, Guangdong and Tianjin on issuing bonds overseas.

by Yao JIanguo

High-tech Products To Go on Show

More than 3,400 new products of technology will be on display at the first China Technology Fair to be held in Shenzhen from October 15-25, Wang Zhixi, deputy director of the Technological Import & Export Bureau under the Ministry of Foreign Economic Relations and Trade, announced on August 23.

The entire spectrum of Chinese industry will be sending their latest products: computers and electronic goods, textiles, chemical and metallurgical instruments and equipment, light industrial machinery and so on.

With the aim of promoting exports, not only will China's latest scientific and technological achievements be up for scrutiny, but many proven items will be on show.

Of the 3,400 products, 215 have been patented at home and abroad, 844 have won prizes within China, and 91 have won prizes around the world.

Another of the fair's goals is to demonstrate the rapid development of China's science and technology. Although designated a developing country, between 1981 and 1987 more than 5,000 of the 50,000 technological items developed in the country reached international standards, and 900 are world leaders.

Because of this, China's technological exports have expanded fast over the past few years. In 1987, it signed more than 100 contracts to export technological products worth US\$100 million — three times the total exported from 1979-86.

Technological exports in the first half of 1988 were valued at US\$78.7 million, with customers from both developed and developing countries.

Shenzhen intends to make the fair an annual event. An open invitation has been issued to all countries to make the fair a truly international show of latest technology.

by Yao Jianguo

Trade Talks to Blossom in Yangzhou

A combined foreign trade symposium and flower festival will be held in Yangzhou, Jiangsu Province, from October 5-9.

Around 200 foreign businessmen will be invited to discuss business and technical exchanges. The Yangzhou authorities have drawn up a list of export commodities and more than 100 projects for technological co-operation in machinery, electronics, textile, medicine and chemical industries. Many of the commodities will be shown in an exhibition of samples.

Well known for its flowers, Yangzhou's first flower festival will run concurrently with the trade talks. Many events have already been organized.

There will be exhibitions on Marco Polo, the "eight eccentrics" (artists) of Yangzhou, and local painting and calligraphy. Films, plays and concerts have been arranged, including one where 10 children will simultaneously play

the *zheng*, a 21- or 25-stringed plucked instrument.

The event coincides with the 1,300th birthday of the famous Tang Dynasty painter Monk Ganjin, who braved the seas to spread Buddhist teachings in Japan and died there. An exhibition of his works, a commemorative meeting and a cornerstone laying ceremony for Qiling Tower, will be held.

On display at the autumn fair for local produce will be many well-known and high-quality agricultural, sideline and industrial products. Regional food will be available in abundant supplies, and famous local cooks will demonstrate their skills.

There will be an exhibition of local handicrafts. On display will be the representative works by 30 masters, some of whom will demonstrate their skills in painting, paper cutting, silk flower making and lacquerware carving.

In addition to visiting Yangzhou's regular tourist sites, special bicycle rides and tours along the ancient Grand Canal will be offered. Other events include a flower exhibition, the unveiling of a statue of the writer Zhu Ziqing as part of his 90th anniversary celebrations, and a fashion show with 300 new garments on display.

by Li Rongxia

News in Brief

■ From 1979 to the end of June 1988, China reached agreement in principle to borrow US\$10.9 billion in governmental loans from 19 countries. So far, contracts for US\$7.2 billion have been concluded, and US\$5.66 billion are in effect. US\$5 billion of this money has been put to use by China.

The loans have principally been intended for energy, communic-

ations and transport projects, and to promote the development of raw materials and agriculture.

■ China's Ministry of Foreign Economic Relations and Trade has recently stipulated that 18 kinds of goods cannot be processed or assembled with supplied raw materials.

The list includes cotton yarn, grey cotton cloth, cotton-polyester fabric yarn, grey cotton-polyester cloth, pearls and their products, drawnwork, bleached cotton and cotton-polyester cloth, rabbit hair and its products, salted and canned mushrooms, toilet paper for Hong Kong and Macao, corrugated paper, cambric, flaxrn grey cloth, tungsten products, leather protection gloves, anti-mony oxide, pure woollen carpets, rare-earth products containing yttrium oxide, fresh and freezeed goods for Hong Kong and Macao, and commodities whose export quotas from China are limited by foreign countries.

The lower level authorities, however, will be granted more power to examine and approve businesses to process supplied raw materials other than the above-mentioned 18 kind of goods.

■ Liang Xiang and Ray Mabus, the governors of newly founded Hainan Province and the American state of Mississippi, signed a summary of talks in Haikou, the province's capital on August 30.

At the talks, the two sides discussed co-operation and technical exchange in agriculture, animal husbandry, fish raising and processing, forestry, fertilizers, energy and transport through the establishment of joint ventures and co-operative or exclusively Chinese- or American-funded busonesses.

As Hainan and Mississippi have similar climates, geography, and resources, large potential exists for mutual development and co-operation.

Athletes Head for Olympics

Horse-vault king Lou Yun. "I am my own opponent," said Lou Yun during a training session in the Beijing Stadium.

The 24-year-old Lou Yun has achieved fame in international sports circles for his skill, steadiness and flexibility on the horse-vault and for his stretched one-and-a-half somersault.

In 1981, Lou Yun won four gold medals for the first time at the Japan Cup and Kyoto gymnastics invitational competitions (two of the four were for the horse-vault), causing a sensation throughout international gymnastics circles.

Since then, Lou took almost all championships in the horse-vault event in every important competition he entered in China and overseas. He won gold medals at the 13th and 14th World College Student Games, at the 23rd Olympic Games, at the 24th World Gymnastics Championships and at the 9th and 10th Asian Games. In 1987, he won 10 golds in major international competitions. Lou said it was a most valuable year in his career. He was chosen as one of China's ten top athletes in 1987 and was also elected a deputy to the Seventh National People's Congress.

Lou Yun is short and strong. When he made his first appearance on the national team at the age of 14, many had doubts about his future. But Lou's coach Yang Mingming recognized the strength of his legs and his capacity for excellence.

He studied diligently and trained hard to develop his horse-vault and free exercises. "Lou Yun has an indomitable spirit and strength, but he is also ready to acknowledge his shortcomings," coach Yang said. "That is why he could develop his skill so quickly."

Lou Yun is now striving to

perfect more difficult and beautiful new movements with the hope of winning gold medals again.

Woman diver Gao Min. "I won't fail," the 18-year-old girl said confidently.

Since winning the first championship in the women's springboard diving event at the 5th World Swimming Championships in 1986, she has never lost another championship title.

Representing China, 1.60-metre-tall Gao Min visited North America and Eastern European countries in 1985. An authorita-

tive Canadian diving expert proclaimed her "the best woman springboard diver in the world."

After her win at the 1986 World Championships, Gao went on to win championships in the 1987 World Cup diving contest and the 6th National Games. At that time, foreign sports circles were predicting a "Gao Min era" in women's springboard diving in the coming years.

Gao Min is not best known for her difficult movements, but her movements are refined and strong. She is particularly skilled at achieving a rhythm in her movement. That and her calmness make her successful in diving.

by Zhang Wei

Remembering Father of Human Race

The birthday of Fuxi—the father of the human race according to ancient Chinese legend—fell on June 26 this year (May 13 on the Chinese lunar calendar). That day, Fuxi's birthplace of Tianshui in Gansu Province was decorated with commemorative streamers and posters, and offerings were made in the Fuxi Temple. Thousands of men and women, old and young, poured into the temple from different directions to worship their earliest ancestor.

Tradition has it that in remote antiquity, there were many clans, one of the best known of them headed by Fuxi. Fuxi is tradition-

ally believed to be the incarnation of the dragon.

The dragon, of course, is a mythical creature. Its origin can be traced as follows: In ancient times, primitive men were unable to explain various natural phenomena such as wind, thunder, rain and lightning. They could do nothing before these phenomena but hold them in awe and veneration, hoping that there was a god with absolute power to protect them.

Certain primitive people selected a natural object—often an animal—as the emblem of their clan. In Fuxi's day, various clans worshipped the phoenix, lion,

A stone carving in the Wu Liang Temple with representations of Fuxi and Nuwa.





An image of Fuxi.

tiger, leopard, deer or fish. Fuxi's own clan worshipped the snake. When hit by natural or man-made calamities, they prayed to the totem for protection.

Gradually, the people of Fuxi's clan realized that their venerated symbol looked weaker than the animals worshipped by other clans. And snakes can only crawl, while tigers and lions can run like the wind. Eventually, Fuxi's clan created a new totem—an imaginary animal which was based on the snake but possessed the best qualities of other animals. The dragon totem was more powerful than any other—no earthly creature could match the animal.

Later, legend tells us, disastrous floods killed everyone in the world—except for Fuxi and the legendary Nuwa. The two married and saved the human race from extinction. All Chinese people are said to be descendants of the dragon, of Fuxi and Nuwa.

For centuries, the Chinese people honoured Fuxi and Nuwa as their earliest ancestors. A stone carving in the Wu Liang Temple, which was built in the Eastern Han Dynasty (25-220 AD), contains representations of Fuxi

and Nuwa with human heads and snake bodies that are entwined.

Legend describes Fuxi as a god-like figure—big and tall, creative and resourceful. He is credited with many inventions. After observing spiders catch insects in their webs, he figured out how to use ropes to make nets for hunting and fishing to replace the stones and sticks previously used to catch fish, birds and animals. This invention gave great impetus to the productive forces of primitive society.

Based on the primitive technology of making fire by drilling pieces of wood, he developed ways to preserve, use and control fire. He also developed different cooking methods—including roasting, broiling and steaming—and popularized the habit of eating cooked foods. This marked an end to the primitive habit of eating birds and animals raw, and the beginning of civilization.

According to legend, Fuxi's greatest contribution to society was the eight diagrams—symbols for the natural phenomena of sky, earth, water, fire, mountains, thunder, wind and marshland. He taught people to read and draw these symbols, and in doing so to explain the natural phenomena and the relations among them. This helped people understand some of the laws of nature governing disasters and thus to avoid some natural calamities. For thousands of years, the eight diagrams helped the Chinese people develop and enrich their culture.

Listing Common Chinese Characters

During the early months of this year, the State Spoken and Written Language Commission issued one table listing 3,500 characters often used in modern Chinese and the written forms of

7,000 commonly used Chinese characters. The tables are an important achievement in the study of Chinese characters and the promotion of their standardization.

Chinese characters have gone through a long process of evolution beginning with the inscriptions found on 6,000-year-old pottery unearthed in Banpo, east of the ancient city of Xian (see chart 1). Pictographic characters

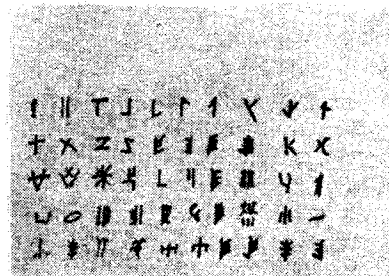


Chart 1. Symbols of inscriptions found on colour pottery unearthed in Banpo, east of the ancient city of Xian.

were found on 4,000-year-old pottery discovered at Dawenkou in Shandong Province (see chart 2)

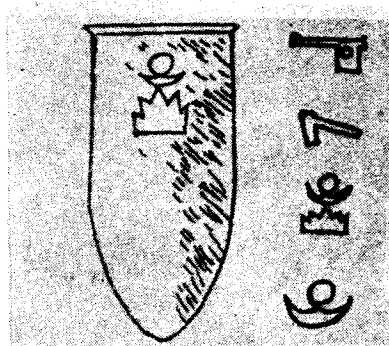


Chart 2. Pictographic characters found on pottery discovered at Dawenkou in Shandong Province.

and later inscriptions such as those on the bones or tortoise shells of the Yin and Shang Dynasties (C.16th-11th century BC) developed. The characters were formed from pictographic shapes which later became symbolic strokes (see chart 4).

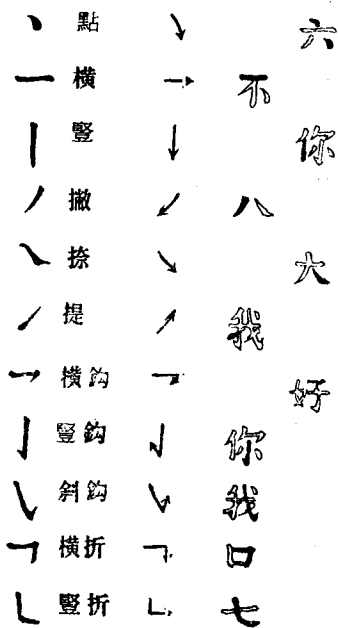


Chart 3. Eleven basic strokes.

The transformation of Chinese characters from pictographic shapes resulted in the formation of square-shaped symbols so Chinese characters are often called "square-shaped characters." They may be written using 11 basic strokes, as illustrated in chart 3.

The *Kang Xi Dictionary*, a famous dictionary of Chinese characters compiled by imperial court of the Qing Dynasty in the 18th century, contains over 47,000 Chinese characters. The *Cihai*, (or Encyclopaedia of Words and Phrases), a comprehensive book that has the characteristics of both a dictionary and an encyclopaedia, contains about 15,000 characters. The largest *Dictionary of Chinese Language* lists nearly 60,000 Chinese characters, and the *Xinhua Dictionary* covers 8,500 characters.

The Chinese government sets the standard for literacy at 2,000 characters for city dwellers and 1,000 for rural residents.

The written forms of Chinese characters are rather complicated. One character can have from two to dozens of strokes, not many characters contain fewer than five strokes and complicated characters can have more than 30 strokes. In the 1950s, China popularized 2,236 simplified characters which have been adopted by



Chart 4. Evolution of forms of Chinese characters.

Singapore, Malaysia and Thailand.

Over the years, experts in Chinese script have attempted to standardize inscriptions to better meet the need for social communication, by eliminating variant character forms and changing rarely used script for place names.

Chinese characters are compactly structured, with strokes written in regular order. To better meet the needs of character retrieval and teaching services, rules are set for the arrangement of each component and for the way of writing each stroke.

In recent years, many achievements have been made in the analysis of the components and structure of Chinese characters, and in gathering statistics on the frequency of word usage by computer and other modern techniques and methods.

However, many misused characters, complex original or variant forms of Chinese characters which were phased out in the 1950s still appear in trade marks, advertisements, signposts, newspapers and publications, and in films and TV shows—a result of those chaotic years of the "cultural revolution."

In 1985, an interested group in Anhui Province conducted a survey on words used on signposts, advertisements and shop signs on 12 streets of six cities and counties. They found that non-standard characters generally accounted for 16 percent and

sometimes, even up to 23 percent of the total number of characters used. At their suggestion, students in teachers' colleges and primary school pupils and teachers initiated activities centred on finding wrongly used characters.

The efforts of experts in Chinese language and script have led to the formulation of the tables of commonly used modern Chinese characters mentioned earlier. Materials used in the table include a list of the earliest 4,261 characters in the "Glossary of Words Used in Prose in the Vernacular" compiled in 1928 by the famous educator Chen Heqin, and about 20 statistical surveys conducted during 1940s to 1980s. Among them, the table of frequently used modern Chinese characters completed in 1985 covers ten fields: recreation and sports; history and philosophy; politics and economics; news and reporting; literature and art; building and transportation; agriculture, forestry, animal husbandry and fishery; light industry; heavy industry; and general knowledge. After its completion, the table was examined by *Renmin Ribao* (*People's Daily*), *Beijing Science and Technology News*, and the literary quarterly *Dangdai* (*Present Era*), published in July 1987. About 99.48 percent of the characters were used in these publications, a fact which supports the reliability of the table as a useful tool in the studying of Chinese language.