

A CHINESE WEEKLY OF NEWS AND VIEWS

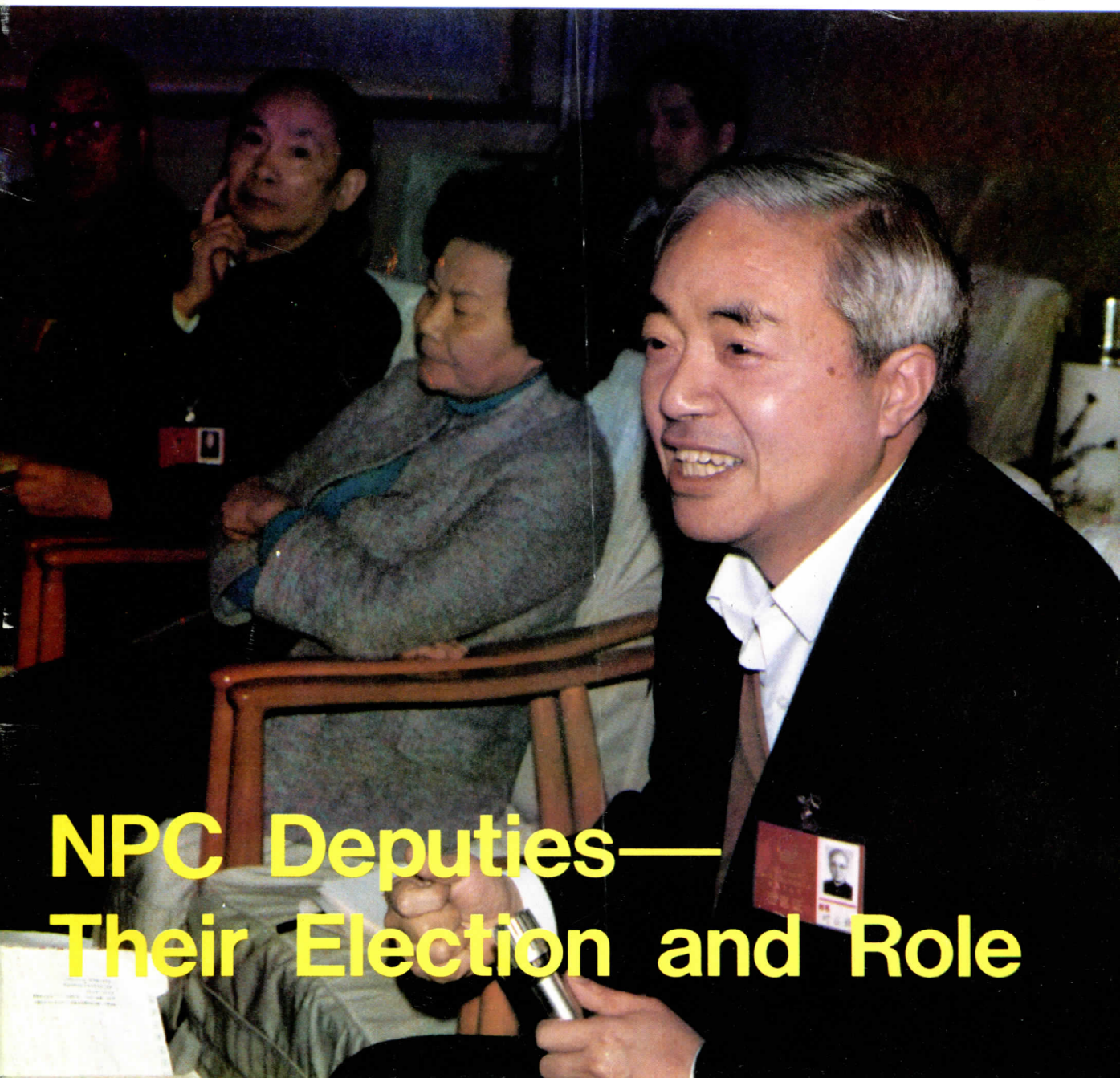
Beijing Review

北京周報

Vol. 33, No. 37

September 10-16, 1990

Li Peng on the Gulf and Cambodian Issues



**NPC Deputies—
Their Election and Role**



Two generations of family at Spring Festival.

Photo by Li Zhiyi



China's Position on Gulf Crisis, Etc.

□ Chinese Premier Li Peng stated in his report to the 15th Session of the Standing Committee of the National People's Congress, which opened in Beijing on August 28, that China opposes the military involvement of the big powers in the Gulf Crisis. Concerning other issues, China supports the suggested meeting of the four Cambodian parties to be held in Jakarta and maintains that US grant of the most-favoured-nation status to China is beneficial to both countries (p. 4).

Trade With USSR, E. Europe Booms

□ The first China Economic and Trade Fair With the USSR and East European Countries, in part a retrospect of the bilateral trade over the past four decades, marked a new stage in bilateral economic exchanges. With its huge transaction volume, the fair saw the implementation of various new forms of economic and trade co-operation. Exchanges with the USSR and Eastern Europe has become an integral part of China's foreign trade (p. 23).

China's People's Congress System

□ Deputies to the National People's Congress, the supreme organ of state power, are elected by the whole people. They are responsible for the people and subject to their supervision. A review of the system practised in the country (p. 13).

China Combats Illiteracy

□ In recent years, China has markedly reduced illiteracy among its citizens by raising the educational level of farmers and promoting rural economic development. But illiteracy among the women and minorities remain a serious problem (p. 18).

Structural Reform in Underdeveloped Countries

□ Many underdeveloped countries are now readjusting their policies and carrying out structural reforms in order to overcome economic difficulties. However, they cannot shake off poverty without foreign aid. It is hoped that developed countries will take practical measures to assist them (p. 8).

CONTENTS

EVENTS/TRENDS 4-7

- Li: Gulf Crisis Should Be Resolved by Peaceful Means
- Beijing Ignites Asian Games Torch For a Just Solution to the Cypriot Issue
- Home Again for 4,737 From Kuwait
- Achievements in Child Immunization
- Diversion Project Gets a Blueprint

INTERNATIONAL

- Underdeveloped Nations' Predicament 8
- Singapore: Path of Economic Development 9

CHINA

- China's System of People's Congresses 13
- The Anti-Illiteracy Campaign Goes On 18
- Trade With USSR, E. Europe Thrives 23

FROM THE CHINESE PRESS 26-27

BUSINESS/TRADE 28-30

TOURISM 31

CULTURE/SCIENCE 32-34

COVER: Shanghai deputies to the Third Session of the Seventh National People's Congress attend a panel session.

Photo by Li Shengnan

General Editorial Office
Tel: 8314318
TLX: 222374 FLPDA CN
FAX: 8314318
English Dept. Tel: 8315599 Ext. 546

Published every Monday by BEIJING REVIEW
24 Baiwanzhuang Road, Beijing 100037
The People's Republic of China
Distributed by **China International Book Trading Corporation** (GUOJI SHUDIAN)
P.O. Box 399, Beijing, China

Subscription rates (1 year):
Australia.....A.\$30.50
New Zealand.....NZ.\$40.50
UK.....£16.50
USA.....US\$30.50
Canada.....Can.\$30.50

Li: Gulf Crisis Should Be Resolved by Peaceful Means

China is firmly opposed to Iraq's invasion and annexation of Kuwait and to the military involvement of big powers, Chinese Premier Li Peng stated on August 28 in a report to the 15th Session of the Standing Committee of the Seventh National People's Congress which opened on the same day in Beijing.

Li said that China maintains the disputes between Iraq and Kuwait should be resolved by peaceful means within the Arab countries, utilizing the United Nations (UN) mediation role to its fullest. He said the Chinese government voted for UN Security Council Resolutions 660, 661, 662 and 664 and will work for their implementation.

The Security Council passed Resolution 665 on August 25 and China voted for it because China's motion to delete the wording "resort to armed force at a minimum level" from the draft had been accepted, he said.

China, he said, is opposed to military involvement by big powers because such involvement will do nothing but complicate and intensify the situation.

Li saw the Gulf crisis as an indication of the imbalanced global pattern of relations between states following the relaxation of relations between the United States and the Soviet Union. The crisis, he said, has also put a strain on the ties between the two powers.

The invasion of Kuwait by Iraq, the confrontation between forces deployed to the Gulf by the United States and some Western European countries and the Iraqi army has led to a serious crisis in the Gulf, attracting the attention of a worried world community. The crisis has also

increased the differences among Arab countries, he said.

Li said that the mixture of various contradictions in the Gulf crisis has made the situation there very complicated. He warned that there is the possibility of a military conflict or a long-term stalemate in the Gulf crisis.

The Cambodian Issue: Li said that China, Indonesia, Singapore and Thailand, which he visited not long ago, have come to a consensus on several basic points in the political settlement of the Cambodian issue. China and the three countries, he said, support the consultations between the five permanent members of the UN Security Council on the Cambodian issue and the documents resulting from such consultations; support Indonesia's recent suggestion that a meeting of the four Cambodian parties be held soon in Jakarta, presided over by the co-chairmen of the Paris meeting, so as to persuade the four parties to accept the UN

documents; and support the establishment, as soon as possible, of a supreme national council composed of various Cambodian parties with Prince Norodom Sihanouk as its chairman.

Li said that China and the three countries are unanimous in the opinion that it is very important to continue with the consultations and coordination among themselves on a political settlement to the Cambodian issue. He stressed that it is up to Viet Nam and the Hun Sen regime in Phnom Penh whether the Cambodian issue can be resolved quickly or not. He also said that Viet Nam is China's neighbour and China is willing to discuss the normalization of relations between the two countries after a just and reasonable settlement is found to the Cambodian issue.

MFN Status: On the issue of America's most-favoured-nation status for China, he said that in the United States, there is a rising sentiment in favour of ex-

Premier Li Peng presenting his report to the 15th Session of the Standing Committee of the Seventh National People's Congress, which opens in Beijing on August 28.



tending China's most-favoured-nation status. China hopes President Bush will maintain his decision and stand against any additional political strings that the American Congress may try to attach to such a status, he said. He said China has time and again pointed out that sanctions will hurt not only China, but also those who impose them. ■

Beijing Ignites Asian Games Torch

As the main torch of the 11th Asian Games was ignited by Jiang Zemin, general secretary of the Chinese Communist Party, at 8:05 hours on the morning of August 22 at central Beijing's Tiananmen Square, the prelude to the Asian Games officially started.

Three other identical torches were also ignited by Wu Shaoyu, minister in charge of the State Physical Culture and Sports Commission. The four torches were airlifted on the same day to four remote Chinese cities—Harbin in the northeast, Urumqi in the northwest, Lhasa in the southwest and Sanya in south China's Hainan Province—for a



A "Taiping Drum Troupe," composed of 75 young farmers from Gansu Province, rehearse for performances to be held in Beijing during the Asian Games.

month-long, nationwide torch relay back to the Chinese capital on September 20.

Hundreds of millions of Chinese people will participate in the torch relay activities and the Asian Games flame is to be formally ignited at the opening ceremony set for September 22.

Meanwhile, overall preparatory work for the Games is in full swing in Beijing. "All work serves the Games first!" Beijing

Mayor Chen Xitong called on various departments of his government to contribute their best to the Games.

Leading groups for the preparations have been set up in the eight districts of Beijing. Over the past few months, the city has spared no efforts to make itself cleaner and more orderly. About 710,000 square metres have been turned into green lawns. Many makeshift and dangerous buildings covering a total area of some 317,000 square metres were demolished. Construction of 15 more new avenues and highways has been recently completed.

Moreover, social, traffic and market order in the city has been put under stricter control and greatly improved. Across the nation, various provinces and regions have followed the example of the capital.

"All Chinese are hosts of the Asian Games," is now a national watchword. About 6,000 workers of the Tangshan Power Plant have worked overtime for 70,000 hours to check up and overhaul their installations ahead of schedule to guarantee an adequate power supply to the

Holding torches, four outstanding athletes break through the starting point, at Tiananmen Square, of the torch relay.



Games. Best quality *hami* melons have been sent to Beijing from the Xingjiang Uygur Autonomous Region, and Hunan Province has donated their specially made street cleaner vehicles and anti-mosquito pesticides.

A convoy of vehicles comprising 21 *de luxe* buses and 42 drivers has been organized by the Communications Bureau of the Shenyang municipal government. It will offer free service to the Asian Games for 50 days. Shanghai is responsible for the beautification of the buildings and environment at the Asiad Village. Two air-borne helium-filled balloons made by the Shanghai Aeroplane Research Institute will fly over the village and the principal stadium as the Games begin.

During and before the Games, about 50 exhibitions and various art performances and festivals are to be held in Beijing. All the participants in the Games will have a chance to enjoy the four major Chinese cuisines—Shandong, Jiangsu, Sichuan and Guangdong—and other Chinese local flavours at the Asiad Village. ■

For a Just Solution To the Cypriot Issue

Chinese President Yang Shangkun said in Beijing that China hoped that a fair and reasonable settlement of the Cypriot problem would be reached as soon as possible. Yang made the remark while meeting with visiting Cypriot President George Vassiliou on August 27.

As one of the five permanent members of the UN Security Council, Yang said, China supported the UN Secretary-General's mediation efforts to solve the conflict between the Greek and Turkish nationalities in Cyprus.

The Chinese President said

China is willing to make contributions to a just and reasonable solution to the problem, which will benefit the Greek and Turkish nationalities and help to maintain peace in the region. In reply, Vassiliou expressed his hope that China would play a more important role in settling the issue at an early date.

Vassiliou said China was the first country he had planned to visit after being elected as president of Cyprus because he feels that Cyprus and China enjoy a good relationship and that China has always given support to the people of Cyprus.

During their talks, President Yang spoke highly of the contributions of several Cypriot presidents to the development of Sino-Cypriot relations after Cyprus became independent. He said that he believes President Vassiliou's current state visit to China will elevate Sino-Cypriot ties to a new level. ■

Home Again for 4,737 From Kuwait

The last group of Chinese personnel, 187 in all, arrived in Beijing from Kuwait by a chartered plane on August 29.

After the Gulf crisis broke out, the Chinese Communist Party Central Committee and the State Council were very concerned about those Chinese working in Kuwait and decided to evacuate them as soon as possible.

On August 24, the first group of 523 Chinese working in Kuwait returned. Since then, a total of 4,737 Chinese, primarily construction workers for contracted projects, have returned home on



The first group of Chinese, who had been working in Kuwait, deboard the flight which safely brought them to Beijing on August 24.

chartered planes or regular Air China flights. They flew to Beijing via Amman, capital of Jordan, and Sharjah in the United Arab Emirates.

In addition, 137 Taiwanese and five Hong Kong compatriots have reached Amman from Kuwait with the help of the Chinese Embassy in Kuwait. Except for one Hong Kong businessman who arrived in Beijing together with other Chinese personnel and then returned to Hong Kong, all of them were expected to fly home from Amman.

According to an official in charge of the evacuation effort, the home-coming operation proceeded smoothly and won praise from the returnees, who have all returned to their original work units.

A Chinese Foreign Ministry spokesman declared that as the Chinese Embassy personnel in Kuwait could no longer live and work there, they have been evacuated and returned home. This,

he added, does not mean any changes in the position of the Chinese government regarding the Gulf situation. ■

Achievements in Child Immunization

About 94 percent of the 20 million infants born in China each year get regular vaccinations within 12 or 18 months after birth, thanks to the co-operation of the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO).

The figure came from a sample survey jointly conducted early in March this year by the Ministry of Public Health, UNICEF and WHO. A total of 48,346 infants and children between 12 and 24 months of age were randomly selected from 230 counties in the country's 30 provinces, autonomous regions and municipalities.

According to Dai Zhicheng, director of the Epidemic Prevention Department of the Ministry of Public Health, the polio incidence dropped by 94 percent compared to that in 1978, diphtheria by 98 percent, whooping cough by 97 percent, and measles by 96 percent.

Dai said that in the past decade, the infantile mortality due to the above-mentioned four major infectious diseases dropped by 95 percent to a total of 639 cases in 1988 from 12,475 in 1978.

In response to WHO's Expanded Programme on Immunization (EPI), China has systematically promoted immunization work since 1980 by promulgating relevant regulations and decrees, unifying basic immunization procedures, issuing immunization certificates, constructing facilities for cold storage of vaccine, mobilizing social forces for the work, and training profes-

sional personnel.

By the end of 1987, nearly 1 million medical workers throughout the country had been engaged in immunization work. To improve their technical level, the Ministry of Public Health has run training courses for them, with foreign experts invited to give lectures. The ministry also formed a consultation committee on immunization technology to provide technical guidance and personnel training.

With the approval of the State Council in 1986, April 25 every year is designated as the national EPI Day. On these days, the mass media intensify the publicity of the immunization programme and free consultation on child care is available in the street.

With technical and financial assistance from UNICEF and WHO since 1982, the construction of facilities for cold storage of vaccines in China has been implemented. The cold storage facilities for vaccines now cover areas inhabited by 95 percent of the country's total population. Vaccinations have been provided on a weekly, monthly, bimonthly and quarterly basis.

China has seven vaccine manufacturers in Beijing, Changchun, Lanzhou, Wuhan, Chengdu, Shanghai and Kunming, which constitute a production network to serve the entire country. ■

Diversion Project Gets a Blueprint

Preliminary plans for a project to divert water from south to north China were approved at a recent appraisal meeting held by the Ministry of Water Resources.

In 1988, the Prospecting and Design Institute of the Huanghe (Yellow) River Water Con-

servancy Committee, in cooperation with local authorities in Sichuan and Qinghai provinces, organized aerial surveys, geological mapping, and hydro-meteorological and environmental surveys to formulate plans for the project.

The plans call for water to be diverted from the upper reaches of the Changjiang (Yangtze) River to the Huanghe River Valley. The Changjiang River, China's longest, has an annual flow of 1,000 billion cubic metres, 17 times that of the Huanghe River, which winds through nine provinces and regions from the northwest to eastern China.

The Huanghe River Valley is rich in mineral resources, and has important agricultural and animal husbandry industries. One irrigation area now under study has 1.3 million hectares of arable land. In Shanxi and Shaanxi provinces, 660,000 hectares of farmland need irrigation. It is estimated that the water supply in the upper and middle reaches of the Huanghe River Valley will fall short of need by 15-20 billion cubic metres in the year 2020.

The Huanghe River Water Conservancy Committee began to survey and study the project in the 1950s. The pace of the survey and design work accelerated in the 1980s.

Tan Yingwu, chief engineer of the project, reported that the water source for the project will cover 14 counties in Sichuan and Qinghai, including the upper reaches of the Jinsha, Yalong and Dadu rivers. The maximum annual volume of water diverted will be 20 billion cubic metres.

The designing of a subsidiary project to divert 5 billion cubic metres of water has already been completed. The designing work for the whole project will be completed in 1995. ■

Underdeveloped Nations' Predicament

by Guo Xianzhi

International attention is expected to focus on the second United Nations conference dealing with the world's least developed nations in Paris early in September. The conference will implement the spirit of a special UN General Assembly session on international economic co-operation held in New York in March, review the implementation of the programme to aid underdeveloped countries adopted by the first Paris conference in 1981 and set new goals for aiding the least developed nations in the 1990s.

The number of least developed countries today has increased to 42. Of them, 28 are in Africa, 13 in the Asian-Pacific region and one in Latin America. The total population of these countries is 419 million. Illiterate men account for 53 percent of the male population and illiterate women for 73 percent of the female population. In Niger, 80 percent of the male population are illiterate; in Burkina Fasso, 94 percent of the women are illiterate. During the 1980s, the population growth rate increased by an average of 27 per thousand. The highest increase was in Bangladesh with 38 per thousand. Next was Tanzania with 36 per thousand.

The economic situation in these countries is decidedly grim. World Bank statistics show that the combined gross national product (GNP) of the 42 countries was US\$89.887 billion or an average US\$205 per capita. The highest per capita GNP was

Botswana's US\$932, and the lowest was Mozambique's US\$64.5.

These underdeveloped countries have shared the heaviest foreign debt burden. In 1980, the total amount of foreign debt was US\$26.1 billion and increased to US\$68.9 billion in 1988, an increase of 163.7 percent. During the same period, the gross national product increased 43.7 percent and the export volume rose by 26.4 percent.

The majority of the people in the least developed nations live in abject poverty. Their clothing, food and living quarters are below average levels of developing countries and far below those of the developed nations. UN statistics indicate that underdeveloped nations' GNP has greatly declined since the 1960s. These countries have found themselves in an awkward situation mainly because of the irrational international economic order.

In today's world, the rich are getting richer and the poor poorer. Underdeveloped countries have almost no modern industries and their natural resources are limited. They are forced to export primary products such as agricultural and animal products or a small number of manufactured products. The prices of these products have declined again and again, leading to huge losses for the least developed nations. At the same time, prices of products for daily use and industrial products including industrial equipment have increased con-

stantly. The trade deficit of these countries in 1988 amounted to US\$9.6 billion. In the same year, repayment of interest and principal on the foreign debt was US\$3.2 billion. This forced the least developed countries to borrow new loans to repay the old, lapsing into a vicious circle.

Poor natural conditions have largely restricted the development of many least developed countries. Agricultural development in some countries has been seriously hampered by expanding deserts and successive droughts. Inland countries pay high prices to import and export goods through coastal countries. Least developed island nations have limited populations on a small area of land. Underdeveloped nations tend to have single-product economies. The agricultural products and by-products they export are sold at low prices. Market changes have also resulted in a reduction in agriculture in underdeveloped countries.

Some underdeveloped nations were at one time quite prosperous, but because of civil wars and strife caused by foreign intervention they fell behind in economic development. Their limited resources financed civil wars while the construction and continuing development of their countries was ignored. Some also tended to employ economic policies that did not suit their national conditions, thus restricting the development of productive forces.

Aiding least developed coun-

tries is a major topic of the international community. The programme adopted at the Paris conference in September 1981 appealed to developed countries to contribute 0.15 percent of their gross national product to aid least developed nations. The programme also called on the richer nations to make efforts to reduce the debt burden of the

least developed countries. So far, only a few countries have realized their promises. Therefore, the programme's target has not been fulfilled.

Having realized their own problems, many least developed countries are now readjusting their policies and carrying on structural reform in order to overcome difficulties and follow

the development steps of the world. However, they cannot overcome their economic difficulties without foreign aid. It is hoped that developed nations take the responsibility and introduce practical measures to help least developed countries out of their financial predicament. ■

Singapore: Path of Economic Development

by Xue Mouhong

Singapore has seen great development in its economy over the past 20 to 30 years. Its success has been due to its profitable use of direct investment from transnational corporations and the government's positive participation in economic activities.

Singapore's economy has developed greatly since its independence in August 1965. Among 120 countries or regions ranked according to per capita gross national product (GNP) in the World Bank's World Development Report 1989, Singapore occupied the 20th place, higher than New Zealand, Portugal and Spain. It was also listed among 25 high-income countries or regions in the world. In one sense, Singapore has turned into a developed country from a developing country.

There are several noticeable characteristics in Singapore's economic development.

Rapid Economic Growth

According to statistics, Singapore's average annual growth rate of per capita GNP from 1965 to 1987 was 7.2 percent, higher than 2.3 percent of developed capitalist countries, 4 percent of Japan, 6.4 percent of South Korea and 6.2 percent of

Hong Kong, and only lower than 7.5 percent of Taiwan.

In 1988 and 1989, its economic growth rate remained high at 11.1 percent and 9.2 percent respectively, occupying first place in East Asia and Southeast Asia, areas of the world that have seen the most rapid economic development. Since 1960, Singapore has doubled its GNP every 10 years. Its GNP in 1990 will be 1,041 percent of that in 1960, a tenfold increase.

In Singapore, per capita GNP increased to 19,415 Singapore dollars (US\$10,000) in 1989 from 1,330 dollars in 1960. Its inflation-adjusted per capita GNP in 1989 was 538.4 percent of that in 1960, up by four times.

At the same time, Singapore's industrial structure also saw a marked change. The country has changed from its entrepot trade role into a city state with an advanced manufacturing industry and modern service trades.

The total output value of Sin-

gapore's manufacturing industry in 1989 was 18 times that of 1960. The industry accounted for only 11.4 percent of the gross domestic product in 1960, but increased to 28.7 percent in 1989. Noticeably, the inner structure of the manufacturing industry also changed. In 1960, food, beverage, papermaking and printing were the major sectors, with their output value accounting for 42.8 percent of the total output value of the manufacturing industry. However, in 1989, the largest trade in the manufacturing industry was electronics and the oil-refining industry. These products accounted for 38.6 percent and 14.7 percent of the total output value of the manufacturing industry.

Service trades also developed rapidly. In 1989, the total output value in this sector increased by 10.2 times over 1960. Its inner structure, too, has also undergone major changes. The proportion of commerce has dropped to 24.7 percent in 1989 from 42 per-

cent in 1960. In contrast, financial and business services increased to 41.7 percent in 1989 from 18.1 percent in 1960.

Stable Prices

Despite a very high economic growth rate, Singapore has a relatively low inflation rate. According to the statistics issued by the World Bank in 1989, Singapore's prices increased an average of 1.3 percent each year from 1980 to 1987 and 2.4 percent in 1989. Meanwhile, prices in developed capitalist countries increased an average 5 percent between 1980 and 1987 and 5.1 percent last year.

Singapore has adopted many measures to keep its prices basically stable in a situation of rapid economic development. When necessary, it increased the exchange rate on its dollar to control the influence of foreign inflation factors. More importantly, it prevented a serious imbalance in the relationship between state financial income and market supply. This limited the appearance and development of domestic inflation factors.

The government of Singapore has always seen to it that its income exceeds spending. The government's financial surplus reached 1.8625 billion Singapore dollars in 1988, and rose to 4.364 billion dollars in 1989, equal to 30 percent of the country's financial income in the year. Even so, Singapore's minister of finance has stressed repeatedly that because Singapore is a small country, its economy is easily influenced by

unexpected outside factors. Therefore, it is not permitted to spend money extravagantly even if there is a great surplus. It must control government expenses within 25 percent of the gross domestic product and increase state reserves as much as possible in order to meet future difficulties.

In many developing countries, the huge losses of state-run enterprises bring a heavy burden to government finances. Singapore has more than 500 state-owned enterprises, which operate in accordance with the rules of a market economy. Although they see both profits and losses, in general their revenue exceeds spending.

Many countries suffer deficits because of too much social welfare. Some leaders of Singapore were influenced by Europe's social democratic trend of thought when they were young. But soon after they took office, they

sensed that Singapore could not afford to be a "welfare state." For example, initially Singapore dealt with its housing problem by building public housing to be rented at low rates. But this didn't last. Soon the emphasis was changed from renting to selling. The government called on the people to buy houses using funds from their Central Provident Fund, a kind of forced saving. In Singapore, employees and employers have to pay into the Central Provident Fund a certain percentage of their monthly wages. Currently, the employee pays out 23 percent of his wages and the employer pays 15 percent.

Regarding medical treatment, Singapore is privatizing its medical system. Now, staff and workers pay for all or part of their medical bills for outpatient services, and use their Central Provident Fund for hospital stays. In

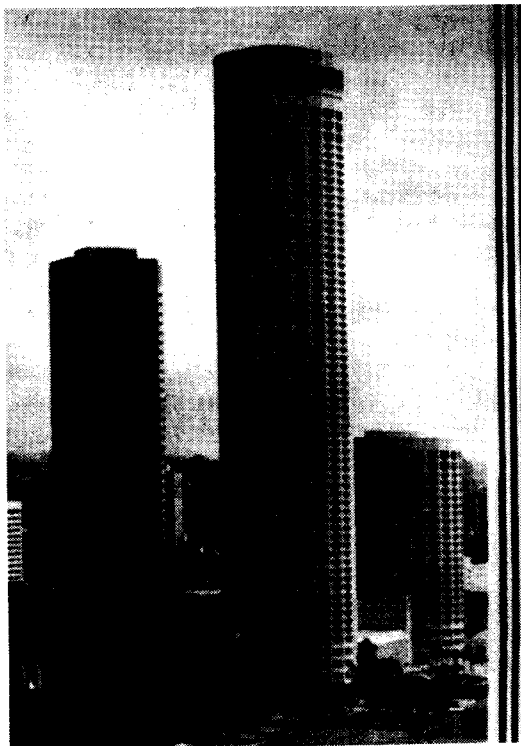
1960, health expenses accounted for 13.4 percent of government spending, but it dropped to 3 to 4 percent in the 1980s. Prime Minister Lee Kuan Yew has clearly stated that Singapore will not be like Sweden and levy high taxes to pay for social welfare. That, he said, would weaken his city state's competitive power and be unfavourable to economic development.

Huge Trade Surplus

Singapore is short of natural resources. In order to develop its economy, it has to import a large quantity of daily necessities, raw materials, fuels, machinery and equipment.

Over the past 20 to 30 years, Singapore's for-

The tallest hotel in the world, standing 226-metre high and containing 73 floors, is located in Singapore. XINHUA



ign trade has undergone a series of noticeable changes.

First, the proportion of Singapore's foreign trade with neighbouring countries has dropped. But it has increased with the United States and Japan. Its foreign goods trade with countries of the Association of Southeast Asian Nations, except for Indonesia, dropped to 18.9 percent of total foreign goods trade in 1989 from 37.2 percent in 1960. Trade with Japan, meanwhile, increased to 15.3 percent from 6 percent and trade with the United States rose to 20.1 percent from 5 percent. This shows Singapore's foreign trade increasingly is turning towards the world market and away from regional markets.

Second, the proportion of machinery and equipment reached 44.2 percent of the value of its imports in 1989, compared with 7.2 percent in 1960.

Third, the proportion of finished products in the value of its exports increased to 86.4 percent in 1989 from 23.8 percent in 1960.

Fourth, domestic exports accounted for only 6.3 percent of the value of exports in 1960, but that rose to 63.4 percent in 1989, while the proportion of re-exports dropped from 93.7 percent in 1960 to 36.6 percent in 1989. This shows that Singapore has weakened its entrepot trade position while strengthening its role as a production base.

Fifth, Singapore's foreign service trade has seen a long-standing favourable balance. Take net income from tourism for example. In 1970 it was 240 million Singapore dollars, but in 1989 it was 3.5476 billion dollars. This surplus has surpassed an unfavourable balance in foreign goods trade, the difference increasing from 461 million dollars in 1985 to 5.19 billion in 1989. This is an important reason for Singapore's surplus in its balance of payments and its dramat-



Fifty Singapore men wave a 136.84-metre long dragon to celebrate the Chinese Lunar New Year.

XINHUA

ic increase in foreign exchange reserves. Singapore's foreign exchange reserves increased to 38.67 billion dollars (US\$19.8 billion) at the end of 1989 from 3.098 billion dollars (US\$1 billion) at the end of 1970.

In 1989, two-thirds of the total demand for Singapore's goods and services came from other countries. If there hadn't been such a great demand, Singapore would not have seen a growth rate of 9.2 percent that year.

Foreign Investment

These achievements attained by the government of Singapore can be attributed to its successful use of foreign capital and positive involvement in economic activities.

Faced with limited natural resources and markets, the government had no choice after its independence but to develop an export-oriented economy. And because the country was short of capital, technology, managers and ways to get information on the world market, the government decided to absorb investments of foreign transnational

corporations. It then managed to create a favourable political, economic and social environment for foreign investors.

Because of its efforts and its ideal location as an island city state, Singapore easily became a favourite of many transnational companies. In 1981, Singapore's enterprises had a total of US\$45.72 billion in capital, 36.7 percent of which was foreign capital. Of that, direct investment of foreign transnational companies accounted for 93 percent.

Another feature is that most of the foreign investment has been put into manufacturing industries. In recent years the electronics and electrical industries have been the important sectors for foreign investment.

Between 1962 and 1985, the number of foreign-owned enterprises and joint ventures increased greatly. In 1985, these enterprises contributed 79.3 percent of the total output value of the manufacturing industry, 76.6 percent of its net increased value and 88.6 percent of its direct export value. In addition, 66.5 percent of all workers in Singapore

were employed by these enterprises in that year.

Although the government has advocated opening up to foreign investment, it has been watchful that its economy does not become controlled by a country or a foreign group, especially by Japan. Lee Kuan Yew stressed at a world economic meeting held in Switzerland in February 1990 that the West European countries should not concentrate all their attention on East European countries. They should continue to invest in Southeast Asia to compete with the United States and Japan, and especially to prevent Japan's efforts to control Asia.

The government has also made efforts to support the development of Singapore's medium- and small-sized enterprises. It has decreased their taxes, providing them with loans or even aid given gratis to help them expand production, heighten technological levels, develop new products and open up markets to the world. These measures are to speed up the development of Singapore's national economy.

Singapore has also invested abroad. It was reported that the net flow of Singapore capital to other countries reached US\$2.5 billion in 1989, which accounted for 8.9 percent of its GNP last year. It should be noted that since 1985, the profits of investment remitted from abroad to Singapore have exceeded the amount that foreign transnational companies in Singapore have remitted to their own countries. There was an annual surplus of about US\$600 million for the government in 1988 and 1989.

The government of Singapore views its policy of depending on foreign investment to develop its economy as successful. Lee Kuan Yew said recently that his government took a risk in making the initial decision to absorb foreign capital. But Singapore has

survived the financial "minefield." And now, some countries are copying it.

Although the government has stressed free trade, it has not lost control of its economy. Instead, it has remained positively involved in the country's economic activities with its policies of developing an export-oriented economy and absorbing foreign investment. Some economists in Singapore say the government has been practising a pragmatic economic policy (economic practicalism of survival). For example, when many developing countries, suspicious of direct foreign investment, were following a policy of "import substitution," the government of Singapore decided to depend on foreign capital to develop an export-oriented economy. Singapore's success is a reflection of the practical spirit of its government.

However, there are some weaknesses in Singapore's economy. The country's small area and population have limited economic development. Also, its economy is vulnerable to outside factors. The tendency towards trade blocs in the world economy, the rise of protectionism and intensified competition are all problems faced by the government of Singapore. In a recent speech, Lee Kuan Yew stressed that his government was still facing the task of guaranteeing Singapore, an island city state without much room to manoeuvre, survival and success in its economic development in a changing international environment.

The government has made its economic development plan according to Singapore's characteristics and has stressed:

1. Speeding up its efforts in gaining more spaces for economic development. In addition to increasing its exports, it should invest in other countries. In order to remedy such weaknesses in its economy as a shortage of

land and resources, Singapore should regard the whole world as a stage for it to develop its economy. It is trying to increase its investment in Malaysia and Indonesia and wants the two countries to join it in forming a "gold delta." It is also planning to increase its investment in developed countries. Singapore has been one of the major investors in the United States.

2. Making efforts to develop its service trade. This takes into account the rapid development of the world service trade. Developing the service trade will also require less land and labour and will hardly be affected by protectionism and other factors. A service trade will also be able to take advantage of Singapore's improved transportation links and communication infrastructures.

3. Developing specialized products that are suited to production in small countries. As its industry becomes technology intensive as opposed to labour-intensive, it should copy Switzerland in developing some specialized flagship products for the world market.

In recent years, Singapore has repeatedly stressed strengthening the role of the private sector. It has even begun to privatize some state-owned enterprises. However, as it maintains its policy of positive involvement by the government in economic activities, the privatization process has proceeded slowly. Although some state-owned enterprises are selling some shares of their stocks, management rights are still in the hands of the government.

Singapore is a city state. There are both favourable and unfavourable factors in its economic development. Its experiences in economic development will provide a valuable reference for other nations though they may not be suited to all countries. ■

China's System of People's Congresses

As the supreme organ of state power, the National People's Congress, elected by the whole people, is responsible for the people and subject to people's supervision. It is the embodiment of democracy and representation. The deputies to the people's congresses at various levels represent the public interests in government affairs.—Ed.

by Our Staff Reporter Wu Naitao

In March every year, close to 3,000 deputies to China's National People's Congress (NPC) gather in the Great Hall of the People in Beijing to discuss the annual Report on the Government Work delivered by the premier as well as the work reports by the president of the Supreme People's Court, the chief procurator of the Supreme People's Procuratorate, and the ministers of the State Council. The deputies are also responsible for enacting legislation. In the process, they raise hundreds of motions, criticisms, opinions and suggestions. As progress is made in democratic and political construction, the deputies, elected to the supreme organ of state power by the people, are playing an increasingly important role in the government. Similarly, the tens of thousands of deputies to people's congresses at various levels throughout the country are helping to build the nation's political and economic infrastructure.

Among the NPC deputies are workers, farmers, intellectuals, Party and government officials, and people of minority nationalities. They include people who have performed meritorious deeds during the revolutionary wars and labouring people who struggled to keep their heads above water in old China. The NPC Standing Committee is composed of some 150 members.

They include Shi Laihe, a farmer of Liuzhuang Village in Henan Province who was a farm labourer before China's liberation, and Tomur Dawamat (Uyghur nationality), chairman of the Xinjiang Uyghur Autonomous Region, who lived by borrowing in old China.

Nian Jinglin, cited as a special model worker of China's commercial system, has been a deputy to the Sixth and Seventh National People's Congress. A salesman of the Tianjin Zhongyuan Co., Nian said, "Before liberation, I worked for a shop

At the public's suggestion, the NPC Standing Committee posted a signboard in front of the southern gate of the Great Hall of the People in July 1989.





Shi Laihe (first right), a Henan farmer, is now a member of the NPC Standing Committee.

selling Western-style suits, relegated to a lower social position and having little say in state affairs. Now, however, I sit by state leaders in discussing state affairs. I take the power available to me quite seriously, using it to bring the public's opinions to the congress." Wei Yu, China's first doctor of electronics, has been a deputy to the National People's Congress for two successive terms. Wei is now president of the Nanjing Engineering Institute and, concurrently, dean of the College of the Graduate Students.

The National People's Congress is representative of the nation's population. Take the Seventh National People's Congress for example. Of the close to 3,000 deputies, 684 or 23 percent are workers and farmers, 697 or 23.4 percent are intellectuals, 733 or 24.7 percent are cadres, and 267 or 9 percent are PLA men. Members of the various democratic parties, non-party personages, returned overseas Chinese and women all have their seats in Congress, so have all the 55 minority nationalities. With its wide range of representation, the National People's Congress is in a position to make decisions that reflect the interests of the broad masses of the people as well as

the special interests of various circles, strata and nationalities. It's clear that the National People's Congress has a solid foundation for democratic decision making.

According to Liao Hansheng, vice-chairman of the NPC Standing Committee, the current National People's Congress members include a large number of people who have made outstanding achievements during the reform, opening up to the outside world and socialist construction. One person is Zhang Xingrang, director of Shijiazhuang No. 1 Plastic Factory in Hebei. This worker-turned entrepreneur created the "full load work method" which greatly raised labour productivity at his enterprise and has been adopted in other factories. The direct participation of these model workers, mostly energetic young people, in the supreme organ of state power is a significant factor in the National People's Congress legal use of power and in the maintenance of close ties with the public.

Electoral System

All Chinese citizens who have reached the age of 18 have the right to vote and stand for elec-

tion, regardless of nationality, race, sex, occupation, family background, religious belief, education, property status, or length of residence, except for persons deprived of political rights according to law.

Since 1978, China has introduced a series of reforms to the electoral system.

China's first Electoral Law adopted in February 1953 stipulated that deputies to the people's congresses at the township and town levels be elected directly by the voters. The Electoral Law of the National People's Congress and the Local People's Congresses of the Peoples Republic of China, which was adopted in 1979 and revised in 1982 and 1986, expanded the use of direct election to the county level. This reform expanded the political rights of the public and strengthened the direct relationship between deputies and voters. It also facilitated the public's supervision of the work of the deputies to the county people's congresses and, through the deputies, the work of county government, people's court and people's procuratorate. Such a system helps overcome bureaucracy, strengthens construction of state political power, improves work efficiency and creates organs of political power with higher public prestige.

China, during its primary stage of socialism, is a populous country with a low level of economic development and education. The 1982 national census showed that 237.9 million people aged 12 and older were illiterates or functional illiterates. This, plus poor communications and transportation, requires that deputies to people's congresses above the county level still be elected indirectly. Under this system, voters elect deputies to the people's congress who, in turn, elect deputies to the next higher level. It is considered to

be the best method under the current conditions for voters to participate in democracy.

After 1953, the election of deputies to the people's congresses at various levels followed the system under which the number of candidates equalled the number of deputies to be elected. In order to give full scope to socialist democracy, the Election Law and Local Organizational Law promulgated in 1979 stipulated the replacement of the old system with a new one under which the number of candidates exceeded the number of the deputies to be elected. The election of local government leaders could still follow the equal-number election after preliminary elections. After a revision in 1986, the two laws stipulated that the election of both the deputies to the people's congresses at various levels and the local government officials should follow the new system. Candidates have to be 33-100 percent more in number than the number of people to be elected as deputies to the people's congresses at various levels and the local government leaders. This process offers voters more choices in elections; it is a viable road to full democracy.

There have been some changes in the electoral procedures and methods, including a change in the past practice wherein leading organs decided upon candidates through consultation. The revised Election Law and the Local Organization Law stipulated that various Party and government organizations may jointly or individually propose candidates, and the voters or deputies, numbering more than ten, may also nominate candidates. Proposed candidates are legally eligible for the preliminary election. Official candidates are chosen on the basis of the opinion of

the majority of the voters or deputies and after full discussion and consultation. In addition, there has also been a change in the way the candidates meet the public and answer their questions.

Since 1979, China has conducted three direct elections of deputies to the people's congresses at the county and township levels and two elections of deputies to county people's congresses. In the process of electing deputies to the Seventh National People's Congress held in March 1988, the revised Election Law was strictly followed. According to Liao Hansheng, chairman of the NPC Standing Committee Deputies Qualification Examination Committee and vice-chairman of the Standing Committee of the Seventh National People's Congress, there has been some improvement in the age structure of the deputies to the Seventh National People's Congress, the educational level is higher, with those of higher-than-college education making up 56 percent (as against 44.5 percent for the Sixth National

People's Congress). The higher quality of NPC deputies will ensure that the supreme state organ of power better fulfills its role.

The people's congress deputies, elected through direct election, are subject to voter supervision. Those who elect deputies to the people's congresses at various levels in various localities and the electoral units have the power to replace deputies they have elected. The replacement, however, is effective only when those in favour of replacement surpass 50 percent of eligible voters.

Inspection Tours

When NPC deputies make on-the-spot investigations and studies, it is one way for them to exercise their powers. Inspection by NPC deputies of previous congresses were usually arranged before the congress meets and dealt with topics to be discussed. In order that inspections be a regular practice and a rule, the General Office of the NPC Standing Committee in 1983 formally approved deputy inspection work in accordance with the decisions of the NPC Standing Committee meeting. Before each NPC session, or a local people's congress session for that matter, apart from finding facts, deputies also conduct investigations on a regular basis in localities, using for their authority the inspection certificates issued by the standing committees of the people's congresses at the same level.

The main content of deputies' investigation includes: 1. the observation and implementation of the Constitution, the laws, the administrative rules and regulations, or the resolutions and decisions of the people's congresses and their standing committees at the same or higher level; 2.

Dr Wei Yu is a two-term NPC deputy.



the plan and budget for social development and national economy approved by the National People's Congress and its Standing Committee; 3. major issues of common concern to the public; 4. the work of the government at the same level and its departments, court and procuratorate; 5. opinions, suggestions and demands of the state organs and their leading members put forward by the grass-root units and the masses of the people; and 6. the handling by the related state organs of motions, criticisms, opinions and suggestions raised by the deputies.

The on-site inspection of the deputies has enabled them to strengthen their links with the masses and directly listen to the voices and demands of the masses of the people. It helps them to participate in and discuss the state affairs. NPC deputy Zhu Siming, for example, learnt during an inspection tour that the production conditions of the Huaibei Saltworks in Jiangsu Province were poor and the workers lived in poor circumstances. At the Fourth Session of the Sixth National People's Congress held in 1986, Zhu put forward a proposal to "reinvigorate

the salt industry and improve the livelihood of the salt workers." This proposal caught the high attention of the relevant department of the State Council and the people's government of Jiangsu Province. Two months later, the saltworks was given 50 million yuan in bank loans and investment of the local government; the working and living conditions of the salt workers improved significantly. When Zhu Siming once again inspected the saltworks, he found gratifying changes that had taken place at the saltworks in a year's time.

Wang Desheng and other NPC deputies had wide-ranging conversations with farmers during their inspection tour of rural areas. They discovered that there was a shortage of funds and a lack of sustained growth for agricultural production. At the Second Session of the Seventh National People's Congress held in 1989, they suggested the related department take measures for increased agricultural production. The State Planning Commission, the State Science and Technology Commission, the Ministry of Agriculture, the State Pricing Administration and the State Land Administration studied

their suggestions and replied. The related departments were making arrangements for funds and for the production of chemical fertilizer and pesticides. Arrangement was also made for scientific and technological research into agricultural projects. Moreover, an agricultural investment law is being drafted and, as the financial situation of the state improves, the purchasing price of agricultural products will be appropriately raised.

Motions

According to the NPC Standing Committee, during the period of the Sixth National People's Congress (June 1983 to March 1988), deputies raised 830 motions and 14,215 suggestions, criticisms and opinions to the congress which involved politics, economic construction, and the structural reform, education, science, culture and ideological work of the state. After the opening of the Seventh National People's Congress, the number of motions raised by the deputies increased, reaching more than 400 in the last two years.

After the conclusion of each NPC session, the NPC special committee makes the best use of its time discussing and studying the motions and submit a report on the result of study to the Standing Committee. The General Offices of the NPC Standing Committee and the State Council then jointly hold a meeting to draw up the plan for handling the proposals put forward by the deputies and demand that the various departments reply to the deputies within the specified time. Many important opinions raised by the deputies in their motions have been accepted in making the laws such as those on compulsory education and fishery. Decisions have also been made on such items as the establishment of the Teachers' Day

Minority nationality deputies at the Second Session of the Seventh National People's Congress.





Deputy Du Dshun (first left), a foot disease expert with the Beijing Hufanglu Bathroom, inspects the Beijing Pharmaceutical Import and Export Co.

and the state supervisory organization.

At the Second Session of the Seventh National People's Congress held in March 1989, He Junhua and 31 other deputies proposed that children of high-ranking leading cadres of central authorities not be allowed to engage in business. From July 27 to 28, 1989, the Political Bureau of the CPC Central Committee held a plenary session and decided that children of the high-ranking cadres be banned from engaging in trade. By August 26, 1989, the children and spouses of members of the Political Bureau and Secretariat of the CPC Central Committee and members of the routine meeting of the State Council, who held posts in companies, had resigned their position.

Cheng Xu and 31 other deputies in Fujian Province suggested that the people's congress and its standing committee in Xiamen of Fujian Province be empowered to formulate laws and regulations of the Xiamen Special Economic Zone. The NPC Legal Committee held that in recent years, much headway has been made in the Xiamen Special Eco-

nomie Zone with a considerable amount of investments by Taiwan and foreign business people. To meet the needs of the development in the special economic zone, the Legal Committee agreed that the people's congress and its standing committee in Xiamen could work out the local laws and regulations to be implemented after they are submitted

to the provincial people's congress for approval provided they did not contravene the Constitution, the law and the administrative laws and regulations. The proposal put forward by Cheng Xu and other deputies has been placed on the agenda of the National People's Congress. In March 1989, Yi Meihou and 47 other deputies put forward a proposal for safeguarding and respecting the rights and wishes of overseas Chinese who make donations; they demanded in their proposal that the donation law of the overseas Chinese be formulated. After discussion, the Overseas Chinese Committee of the National People's Congress agreed that it was necessary to formulate the law. Since April last year, the Overseas Chinese Committee has investigated donations by overseas Chinese in Guangdong, Fujian, Zhejiang and Shanghai, organized a draft of the donation law of the overseas Chinese and solicited public opinion. The related department of the State Council has agreed in principle with the formulation of the law and raised many opi-

On May 15, 1989, at the Second Session of the Seventh Hunan Provincial People's Congress, Yang Huiquan (middle) was dismissed from his post as a deputy provincial governor because of his serious dereliction of duty in straightening out companies.



nions with regard to its content. The Overseas Chinese Committee is taking further steps to investigate and study the draft, solicit opinions and make amendments so as to enact a final law as quickly as possible.

When the people's congresses at various levels are not in session, deputies can make their suggestions or opinions known to the standing committees of the people's congresses at all levels through letters or personal visit. All suggestions and opinions are seriously considered.

Special Protection

The NPC deputies also have the right to address inquiries and recall the State Council or the various ministries and commissions under the State Council in accordance with the legal procedures when the National People's Congress is in session. Organizations inquired into must reply.

Deputies to the people's congresses at various levels also have corresponding rights.

The NPC deputies have enjoyed special protection in legal procedures. For instance, during the NPC session, deputies at the county level and above cannot be arrested or tried without the approval of the presidium of the people's congress of the same level. When the NPC is not in session, they cannot be arrested and tried without the approval of the standing committee of the people's congress of the same level. This special personal right of protection enjoyed by the NPC deputies helps ensure their full exercise of functions and powers and the avoidance of retaliation and personal persecution. It goes without saying that the right enjoyed by the NPC deputies does not mean that they can violate the law and engage in criminal activities or that they cannot be

investigated according to law.

The NPC deputies enjoy the freedom from investigation of their speech and vote at various meetings of the people's congresses. This is required by the nature of the NPC deputies and the task they undertake. With regard to affairs of the state, deputies create a vivid and lively democratic atmosphere and environment through their speeches which espouse different views and from their contesting votes. In this way, the activities of the state organs are under the supervision of the people. At the same time, the deputies are familiar with public feeling, pool the wisdom of the masses and provide a basis for working out correct policies and principles, laws, rules and regulations and specific measures. The deputies can fully and freely air their views which reflect the opinions and demands of the public. ■

The Anti-Illiteracy Campaign Goes On

by Our Staff Reporter Cui Lili

The joint campaign to wipe out illiteracy and disseminate agricultural science and technology not only helps raise the farmers' educational level but also promotes rural economic development. This is a new characteristic of China's literacy drive in the 1980s. This article introduces the achievements and experience gained over the last few years, and analyses the difficulties in eliminating illiteracy, among women and minority in particular, and the emergences of new illiterates.

In the last four decades, China has wiped out illiteracy for some 165 million people, reducing the 80 percent illiteracy rate of the early post-liberation years to a current level 20.6 percent. Even with the reduction, however, China still has 220 million illiterate and semi-literate people, making up one-fifth of

the total population. The problem has long perplexed Chinese leaders and, as part of their continuing effort, the Chinese government in 1990, the International Year of Literacy, has called for another drive to eliminate illiteracy among the 71 million youth and adults between the age of 15-40 and eliminate

illiteracy and semi-literacy among people 41 or older by 2000.

Statistics show that the public's enthusiasm for the goals of the drive is running high. In 11 provinces, autonomous regions and municipalities including Jilin, Heilongjiang and Jiangsu provinces, some 2.741 million



This retired teacher has made a great contribution to the anti-illiteracy campaign.

people attended literacy classes, many more than the planned target of 1.173 million for 1990. In Henan Province alone, 710,000 people have begun learning how to read and write this year, more than twice the expected number of 300,000.

Some 60 percent of China's counties reached their goal set for the late 1980s by keeping the illiteracy rate as low as 15 percent for people between 15-40 years of age. About 100 counties were praised for their excellent record in the campaign (one-sixth of them were poor or autonomous counties) and, since 1984, four counties and a province won five anti-illiteracy prizes from the UN Educational, Scientific and Cultural Organization (UNESCO) five years in a row.

Rules

Lucheng County in Shanxi Province abounds in valuable resources. Its developed economy and culture helped reduce the county's illiteracy rate among the 12-40-year-old people to 11 percent in 1979. Since the 1980s, moreover, the county government has enacted some effective rules and policies in order to quicken their progress. Their efforts brought the illiteracy rate down to 3.8 percent.

Regulations have been set in all towns and villages of the

county to encourage villagers to attend reading classes: Those who graduate from literacy classes have a preference in contracting to operate rural enterprises, forestry and land, in gaining loans and financial support, in employment, in joining the army, etc.

One typical example is that of a functional literate young man in Zhouwu Village who refused to join short-term classes for reading and writing but who wanted to open a restaurant in the town. He lost the opportunity because someone else with a higher level of education replaced him. Later, he joined the classes and learnt how to read and write 1,500 characters. In running a restaurant, he not only manages the operation but keeps the books. A high-spirited person, he said that he really did benefit from the literacy campaign.

Most counties, townships and villages in China have enacted similar rules and regulations to propel the campaign forward.

In 1988, the State Council promulgated the Regulations on the Work of Anti-Illiteracy. These stipulate that it is the right and duty of illiterates and semi-literates to receive a literate education, that the local governments at various levels are administratively responsible for the campaign and, that the elimina-

tion of illiteracy will be one of the main criteria for assessing the political work of cadres. The regulations have also clearly set standards and the rate of progress, and how teachers and funds to eliminate illiteracy will be used. Previously, the local governments in some provinces and autonomous regions such as Jiangsu, Fujian, Xinjiang, Gansu, Yunnan and Henan had enacted similar regulations.

Illiteracy and Poverty

The Lixian county government in Hunan Province made a meticulous investigation in 1987 of illiteracy among young people; these people accounted for 4.8 percent of the county's population. The investigation revealed that about 10,000 out of the 16,000 illiterates were head or main members of families. With little education and technology and poor management, they produced 750-1,500 yuan less in annual output value per hectare than their more educated counterparts. This created an economic loss of 4 million yuan for the county.

The local government was shocked by the results of the investigation and, since 1988, has drawn up several steps to wipe out illiteracy. The government emphasizes the combination of anti-illiteracy efforts with the teaching of production skills; it has organized such projects as pig-raising literacy classes, household management literacy classes and fruit cultivation literacy classes. Such classes first teach related technical terms and then culture and technology. In class, the students learn not only how to read and write but also how to make money. Genshan Village, for example, is bountiful in plum orchards. A class design to teach 35 illiterate adults and some old people how to reap high plum output was opened in 1988.

One of them, Hu Yuanhua, 52, had refused to join any literacy class under the pretext of old age and a heavy family burdens. Once he did join, however, he learnt how to read more than 600 characters and how to cultivate a plum orchard. Putting what he had learnt into practice, he harvested 6,500 kg in 1988, compared with his harvest of 5,000 kg in 1986, and earned about 10,000 yuan.

The need to become literates in order to get rich is now recognized by the majority of Chinese farmers and is the most remarkable feature of the current campaign to eliminate illiteracy. Today, there are 210,000 schools teaching both cultural knowledge and technical skills for farmers which were established by townships and villages on their own.

Promoting Civilization

The success of the campaign to eliminate illiteracy and provide education in rural areas has resulted in fundamental changes to rural culture. Now, the number of farmers with a primary educa-

tion or having become able to read and write account for more than 50 percent of the rural population. The rate of illiteracy and semi-literacy among the young people and adults has dropped to 18 percent. More than 100 million young people have finished their middle school or senior middle school studies, a figure which will be increased by 10 million each year. Most families now have members with a primary or middle school education or who have attended a literacy class.

The fact that the number of educated rural people is increasing daily not only helps develop the economy and improve the material lives but also helps farmers liberate themselves from ignorance, backwardness and superstition. It has also widened their field of vision and inspired them to improve their lot in life.

In Shanggao County in Jiangxi Province, where primary education has been universal, the literacy rate among young people and adults reached 91 percent as early as 1982. The popularization of primary education brought great changes to the

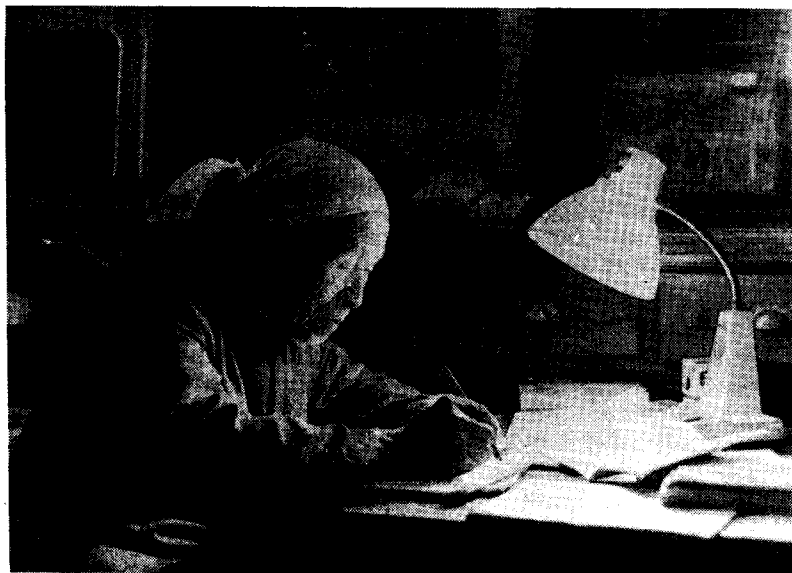
farmers' mental outlook and helped to foster a large number of people who enjoyed painting, photography and literature. The county now has more than 260 recreational, sports and academic groups and societies with a total of 10,000 members. Moreover, since the early 1980s, 26 artistic works and 77 photos created by farmers have been exhibited at province-run exhibitions or published in provincial magazines or newspapers. Of these, 61 were exhibited or published in national exhibitions or magazines, 12 won national prizes and 11 were sent on exhibit abroad. More than 160 farmers published their literary and journalistic works in newspapers or magazines run at the prefectural level or higher.

In Jianyang County in Fujian Province, the illiteracy rate among young people and adults is as low as 2.7 percent. The reason for this is that every town in the county has its own cultural centres, libraries, theatres, broadcasting stations and television transmission stations, while every village has cultural rooms and clubs. Twenty-one young people in Huilong Township who received basic education donated 400 books to a reading room. In Xitou Village, 23 literacy class students developed work-study programme with the help of the village committee and constructed lighting for nightly sport activities.

Farmers in the county learnt about population and family planning and how to breed and bring up healthy offsprings. They take a positive attitude towards birth control. This has brought down the annual population growth rate to less than 13 per thousand. These achievements earned the county the title "An Advanced County in Implementing the Nation's Family Planning Programme."

As the campaign to eliminate

Guo Jiaoshun, only semi-literate in the 1950s, is now a local school teacher and often writes articles for newspapers and broadcasting stations.



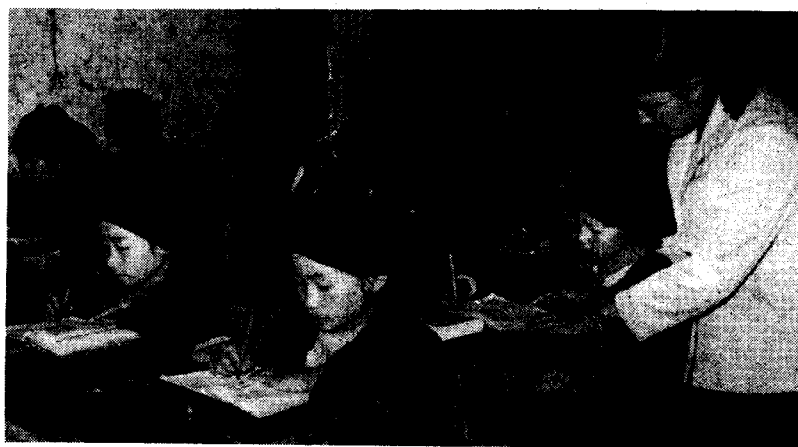
illiteracy has continually developed, farmers' quality has improved. A positive social practice of mutual help is being promoted in the rural areas. Li Tongxin from Weizi Town in Lucheng County, Shanxi Province, ploughed 66.7 hectares of land free of charge for soldiers' dependants, members of revolutionary martyrs' families and old people who had no relatives to support them. Zhao Haiying from Dongyi Township runs a home to take care of four old people. The Beicun Village with its pension, stipend and child-care system was praised as an excellent unit for social welfare and security system by the Ministry of Civil Affairs.

In Minority Areas

History has left some 85 million people of China's 55 minority nationalities living in areas with a harsh natural environment. Their living standards are low and culture and education backward. Moreover, the illiteracy rate among the young people and adults is double that in other areas.

The elimination of illiteracy in these minority areas has, since national liberation, drawn the attention of central and local governments. Songtao Miao Autonomous County in Guizhou Province is one example. The county is in a poor, backward, out mountainous area. Of its population, some 39 percent are minority people. In 1980, it was common to find people who could neither read and write nor properly use chemical fertilizer and insecticide.

In the early 1980s, the county government determined to put cultural and educational study on the top of its agenda. It hired teachers, found full-time cadres and brought in textbooks and funds in an effort to guarantee swift elimination of illiteracy.



A special class for the Hani girls in Yunnan Province.

On the basis of a well-run primary education, the county government adopts the following major means in its campaign to wipe out illiteracy. The governments at various levels, villages, groups and individuals will contract for certain educational targets and will be awarded or punished according to the way they fulfil the targets. Schools are run in different forms, including part-time classes for reading and writing in residential areas, the teachers' visits to scattered villagers, the organization of local groups for people to help each other study and the mobilization of family members to teach and learn from each other. Elimination of illiteracy will be combined with national customs and habits. For example, as the Miao people like to sing in antiphonal style on holidays and other days of celebration, the teachers collect and collate folk songs for publication in both Miao and standard Chinese languages. This makes it easier for students to learn characters. In order to consolidate the achievements gained and to help farmers rid themselves of poverty, the county runs dozens of cultural and technical schools. Statistics show that some 10,000 people in the county have joined such schools in order to learn one or two

forms of practical technology after they finished their literacy classes.

In 1988, the UNESCO awarded Songtao County the International Reading Association Anti-Illiteracy Prize for its contributions to the anti-illiteracy fight.

Since the early 1980s, the illiteracy rate in minority nationality areas has dropped sharply. In the Inner Mongolian Autonomous Region, it dropped to 13.7 percent in 1988 from 57.1 percent in 1964, and in Gansu Province which is inhabited by the people from a dozen minority nationalities, the illiteracy rate among the people of 12-40 years old decreased from 48 percent in 1982 to 28.46 percent in 1988.

Among the Women

Statistics show that a total of 100 million women have rid themselves of illiteracy in the past 40 years, or 70 percent of the nation's total. But illiteracy among women still makes up some 70 percent of the illiterate population. Experts on the problems facing women say that one of the reasons for the slow decrease in illiteracy among women is the traditional way of thinking that boys are more important than girls. The idea that a woman's task is to cook meals



Mr. M. Bon (right), Director-General of UNESCO, congratulates the deputy head of Bazhong County, Sichuan Province, on the county's selection for the Noma Literacy Prize.

and raise children at home and that education is unimportant to her is still widespread in rural areas. Many women themselves have this idea. This not only obstructs the education of older women but also influences the girls in so far schooling is concerned. Investigations show that of those primary or middle school dropouts every year, 70 percent are girls. Nationwide, there are 2.24 million school-age girls out of school, or 83 percent of the nation's total. The majority of new illiterate people, therefore, are women.

Chinese women constitute half the population. Their educational level is thus directly linked with social progress and development. An uneducated woman will find it difficult to protect or to use her deserved rights in her social, political and economic life. She will find it difficult as well to make her due contributions and to give proper education to her children.

In July 1990, the UNESCO held the Symposium on Basic Technical Training for Women and Girls in China's Yunnan

Province. It was attended by representatives of ten Asian countries. The UNESCO planned to invest US\$1 million in this project and hoped to put into practice projects in the ten Asian countries within three years. This project basically requires that women and children should be rid of illiteracy and master certain technical ability in order to increase their family income. Xuanwei County in Yunnan Province is one of the pilot areas for the project. The county will continue to carry out the campaign to eliminate illiteracy among women and girls and train them in the trade of cultivating cured tobacco, raising bees and making national costumes.

China plans to hold national symposiums on the compilation of textbooks for eliminating illiteracy among women and on training women in basic technical skills in October and December this year respectively.

Preventing a Recurrence

Last March, the UNESCO

held the Conference of Education for the Whole People of the World in Bangkok, Thailand, in order to co-ordinate the International Year of Literacy. Its main purpose was to promote primary education and eliminate illiteracy among adults in various countries, especially in the developing countries, in the last decade of this century. The Chinese representative talked about China's new illiterates at the conference. He pointed out that primary education had been popularized in most parts of China, but less than 60 percent of the school-age children entered school in 3 percent of all counties nationwide. Also a rapid change in agricultural production structure had provided more employment opportunities for children. This had resulted in more students quitting school, making it more possible that they would remain illiterate. These people, totalling 2.7 million, accounted for 3-4 percent of all school-age children, a number equal to more than half the number who rid themselves of illiteracy every year.

The indisputable fact is that if primary education is not popularized, illiteracy will not be wiped out.

China is now trying to popularize primary education in remote, mountainous areas and in areas inhabited by minority people by opening boarding schools and mobile schools. At present, China has more than 5,000 boarding schools. In 1986, the National People's Congress promulgated the Law on Compulsory Education and set a target for the nine-year compulsory education based on different local conditions. The State Council also drafted the Rules on the Implementation of Compulsory Education and the Law on Protection of Children in order to stem the trend of school dropouts. ■

Trade With USSR, E. Europe Thrives

by Our Staff Reporter Li Ming

The first China Fair for Economic Relations and Trade With USSR and East European Countries was instrumental in exploring new methods of co-operation. It highlighted the good prospects for future trade between China and the two areas —Ed.

Victor Mihainovichi was dazzled by the endless array of exhibits as he stepped into the Exhibition Hall of Heilongjiang Province. A native of the Soviet Union's Far East, Victor is one of the many foreign business representatives attending the first China Fair for Economic Relations and Trade With USSR and East European Countries held on June 6-15 in Harbin, capital of northeast China's Heilongjiang Province. Mihainovichi and his colleagues saw the fair as a milestone in the history of trade between China and the USSR and Eastern Europe and predicted there were good prospects for bilateral trade.

Except for Taiwan Province, each province, municipality and autonomous region of China sent delegations to the fair. They contributed 10,000 varieties of commodities and, in total, proposed several thousand co-operative projects. The fair, called a success by the organizers, generated 3.8 billion Swiss francs worth of transactions.

Mutual Support

On June 12, the Henan delegation clinched a barter trade contract

valued at 20 million Swiss francs with its Romanian counterpart. The International Trade Co. of Henan Province will trade 10 million Swiss francs worth of textiles, electronics, light industrial and 13 other products for Romanian chemicals, automobiles, steel and eight other products of similar value.

Barter trade, a traditional form of commodity exchange between two partners to make up for each other's deficiencies, has played an important part in China's trade with USSR and East European countries. Due to historical reasons, the Soviet Union and East European countries enjoy economic advantages in iron and steel, machine-building and other heavy industries while China is comparatively devel-

oped in its light industry. The respective strengths of the two sides provide a chance for meeting the partner's need based on equality and mutual benefit.

The fair displayed 27,000 varieties of commodities in 18 categories, most of which were contributed by China and the remainder by the Soviet Union and Eastern Europe. The transactions indicate that China chiefly exports clothing, electronics, light industrial products, cereals, oils, foodstuffs, building materials, ceramics and machinery and imports chemical fertilizer, timber, steel and other raw materials, farm machinery and automobile parts.

The fair also highlighted the changes which have occurred in bilateral trade. For instance,

Members of the organizing committee cut the ribbon at the fair's opening.

Photos by LI MING



with the rapid development and continual upgrading of its own machine-building industry in recent years, China has gradually cut down on the import of machinery from the USSR and Eastern Europe. Instead, this time, the China National Machinery Import and Export Corp. sent a large delegation to the fair, an indication of the strength of China's machine-building industry.

Victor Mihainovich said that the former trade negotiations he attended were only businesses on paper. This time, however, China put its best products on exhibit at the fair. He said it was really a feast for the eyes and helped business talks to proceed smoothly. Mihainovich, who thinks highly of China's products, said they enjoy a ready market in the Soviet Union.

Diversified Co-operation

The Guangdong Jianlibao Group Co. Ltd. is a well-known beverage business in China and its products enjoy international fame. Deng Qiao, the company's vice-president, said Soviet customers like Jianlibao beverages very much and have wanted to trade with his company for a

long time. Located in south China, however, the company found it difficult to conduct barter trade with the Soviet Union. The two sides, therefore, tried to explore a new channel of co-operation. At the fair, the company signed a contract with the Public Beverages Agency of the Chita Region to jointly build a Jianlibao beverage factory in the Soviet Union. The venture will involve a total investment of 9 million Swiss francs, with the Chinese side contributing 40 percent and the Soviet side, 60 percent. The Chinese partner is to provide technology and equipment while the Soviet partner land and factory buildings.

Like the Jianlibao company, many other businesses attending the fair took the opportunity to set up new forms of trade.

The International Engineering and Technology Co-operation Co. of Heilongjiang Province was founded in order to develop co-operation with the Soviet Union and other countries by taking advantage of China's cheap labour and advanced technology. At the fair, it concluded a number of co-operative, joint management contracts. On June 9, it signed a contract with the Vladivostok

Emerald International Engineering Co-operation Co. to jointly produce lamps in the Soviet Union. The company will provide glassware and technology for the production of lamps and the Soviet side the metallic parts. The products will be sold both in the Soviet Union and in third countries.

According to Ye Lingyun, a co-ordinator of the fair and deputy head of the Import and Export Department of the Ministry of Foreign Economic Relations and Trade, the fair was characterized by extensive exploration and development of diversified and flexible trade forms suitable to the Soviet and East European markets. Barter trade used to be the only channel of trade between China and USSR and Eastern Europe. With the growing trade volume between China and these countries, however, there has been an increasing demand for more flexible trade arrangements. Given this situation, China discussed with the Soviet Union and East European countries the possibility of developing such forms of co-operation as processing supplied materials, direct compensatory trade, comprehensive compensatory trade and joint ventures. Such changes have opened up new possibilities for the further development of trade between China and these countries.

Spot Exchanges

Beginning in 1991, spot exchange trade will replace barter trade as the chief form of bilateral trade between China and USSR and Eastern Europe. Indeed, at the fair, spot exchange had already taken centre stage as many business representatives tried to use the opportunity to practise the settling of accounts with spot exchange. A foreign trade company in the Maritime Territory of the Soviet Union

Foreign businessmen examine the material at a machinery exhibit.



wanted to order down-padded jackets from a Shanghai business but found no barter product satisfactory to the Shanghai company. After negotiations, the two parties decided to settle the transaction with spot exchange. According to statistics, of the 330 million Swiss francs worth of transactions concluded in the first three days of the fair, US\$12 million represented spot exchange trade.

In recent years, China has used barter trade with all East European countries except for Yugoslavia and Poland. The method accommodates large transactions and facilitates the arrangement of production and transportation. Although it has played an active part in the bilateral trade, it does have disadvantages. For instance, there needs to be a balance in the structure and value of import and export commodities. Also, transactions often fail to be clinched because one party cannot trade its own commodities for what it needs. Moreover, in recent years, with the reform in the economic and trade systems of the Soviet Union and East European countries, such transactions cannot meet the development of bilateral trade and therefore needs to be changed.

After the spot exchange trade is introduced next year, barter trade will continue to be used for special trade, border trade and inter-enterprise trade between China and USSR and Eastern Europe.

Victor Mihainovich is an enthusiast about spot exchange trade. Presently, he said, his region's chief trade partners are concentrated in Heilongjiang Province because barter trade limits trade to the nearby Chinese province; it does not allow for trade with south China. He predicts that spot exchange will greatly help to expand the scope of trade.

Broad Prospects

After visiting the fair, Wang Binqian, state councillor and minister of finance, said the success of the fair indicated the bright prospects for the trade between China and USSR and East European countries. He hoped such fairs would take place in the future.

The fair, a retrospect of the trade between China and USSR and East European countries over the past four decades, as well as an opportunity to strike new deals, also marked a new starting point for bilateral economic exchanges. With its huge volume of transactions, the fair was the opening round of various new forms of economic and trade co-operation, and China's trade with the USSR and Eastern Europe will become an integral part of China's foreign trade.

The fair also indicated that the focus of China's economic exchange with the Soviet Union and East European countries is shifting to economic and technological co-operation. Such changes have taken place in the following ways:

- Small to large projects. Of the contracts concluded at the fair, a considerable part are large co-operative projects, such as the eight economic and technological co-operation contracts valued at 102 million Swiss francs which were signed between the Heilongjiang Oriental Group Co. and a Soviet integrated company composed of six businesses.

- Co-operation in service trade to industrial production. Mutual co-operation has developed from jointly run restaurants, photo studios and traditional Chinese clinics to the establishment of brick, building materials and beverage factories and sugar refineries.

- Ordinary technical co-operation to more extensive technological co-operation. Co-

operation between the two sides has expanded from the areas of cooking, medical massage, acupuncture and farming to colour photograph printing, production of photo copy machines, radio cassette-tape recorders, colour TV sets and chemical products, and oil exploration.

With the strengthening of worldwide economic integration and regional economic co-operation, the northeast Asia area is becoming a potential economic powerhouse on the Pacific coast. The development of co-operative relations between China and USSR and Eastern Europe not only tallies with the need for regional co-operation and development in northeast Asia but is also strategically important for promoting the region's economic integration and the entry of Eastern Europe into the Asian-Pacific market.

The similarity between China and USSR and Eastern Europe in terms of national conditions, their close geographical location and the supplementary nature of their natural resources, industrial structures and product mix make it possible for China to develop substantial trade with the Soviet Union and Eastern Europe. Moreover, the economic and foreign trade structural reforms carried out in recent years provide a more flexible nature, more colourful content and more diversified form for such trade.

The Beijing (northern border) Railway, completed in August this year, will serve as yet another European-Asian continental artery much like the Far East Railway. Compared with the latter, however, the new rail line will save transportation time and thus reduce freight costs. After it opens to traffic, the railway will create more favourable conditions for economic exchange and trade between China and USSR and Eastern Europe. ■

Major Tasks For Industry

GUANGMING RIBAO
(Guangming Daily)

The speed of development must be kept under control in the major task of industrial development in China.

If the gross national product (GNP) in the year 2000 is to be four times that of 1980, it must increase by 70 percent in the next ten years, with an average annual growth rate of 5.5 percent. The ideal annual growth rate of the gross value of industrial output would be between 8 and 8.5 percent.

The output of key industries will need to enter a new stage. By the end of 2000, the annual growth rate of coal, petroleum, generated energy and steel should be 3.4 percent, 2.2 to 2.5 percent, 8 percent and 4.2 percent respectively. The auto industry will develop into an important pillar of China's industry. But investment in favour of basic industries in the 1990s should not sacrifice light and textile industries. High technology should be used to develop these products.

Industries need to speed up product replacement, heighten product quality and develop a variety of products. The machine-building and electronics industry, for example, should use every means to get 90 percent of China's key products up to advanced international levels.

A major problem in China's industrial development is the low utilization ratio of production capacity. If the original value of every 100 yuan in fixed assets reaches the medium level, annual profits and taxes made by state-owned enterprises throughout China will increase by 25 billion yuan. Drawing from the lesson when funds were

decentralized during the 1980s, the government in the 1990s will centralize necessary funds to invest in key projects by means of financial distribution, encouraging deposits and issuing bonds. The state will also allow some enterprises to collect funds by issuing stocks, taking out loans and buying shares. In addition, unreasonable prices for energy and some key raw materials will be readjusted.

A favourable price system of common means of production and manufactured goods for daily use will be formed through the market mechanism. In order to improve the structures of products for export, efforts should be put into the expansion of labour-intensive product exports and the development of high-tech products for export.

(July 14, 1990)

Changing the Chinese Diet

ZHONGGUO NONG MU YU YE BAO
(China's News on Farming)

The long-term goal in the development of China's food industry is to set up a favourable food structure. Currently, there are two methods under study.

One is to increase the amount of animal products in the diet. By the end of 2020, each person in China will absorb 2,600 calories a day. Of that, the proportion of calories from animal products will increase to 23 percent from just 7.9 percent in 1988. Protein accounts for 75 grams, and the proportion of animal protein will increase to 30 percent from 16.1 percent in 1988. That of soybean protein will go up to 15 percent from 9.5 percent. The end result will be a gradual rationalization of the

food and nutritive structures.

The second method is to increase the amount of animal and bean products in the diet. Of the total amount of protein absorbed by one person each day, animal protein will account for 25 percent, soybean protein 25 percent and fine-quality protein 50 percent. This is a food structure with tangible Chinese characteristics.

By the end of 2020, great changes are expected to take place in the food structure. The per-capita annual grain consumption will increase to 450 kg, of which the grain ration will be reduced to 170 kg from 249 kg. The country's total grain consumption is expected to be 680 million tons. The proportion of fodder in that amount will increase to 40 percent from the current 20 percent. One-third of the food Chinese people now eat will be replaced by animal and bean products.

(July 26, 1990)

New Co-operatives In Rural Areas

LIAO WANG
(Outlook Weekly, Overseas Edition)

Special economic co-operative organizations have been set up in some rural areas of China by farmers with an eye towards a profitable economic future.

Two years ago, Lu Guoxin, a farmer in Hejian County in northern China's Hebei Province, established a cotton research society with 12 other cotton growers. The aim of the society was to introduce new technology and new seedlings, open up markets and raise economic efficiency. With new technology and new seedlings, cotton planted by the society's

members was strong in resisting disease and had a high yield. The society quickly earned the trust of the local people. Today, the society has a membership of 1,300 households with a total cotton-growing area of more than 700 hectares.

In southwest China's Sichuan Province, the number of special economic co-operative organizations has reached 19,600 with 390,000 members. Chuxian area in Anhui Province in east China has also established 650 such co-operative groups with 2,500 members.

Such new co-operative organizations are the result of the development of a commodity-based economy. These organizations differ from the co-operatives which emerged in rural areas during the 1950s. The new economic organizations are based on the contract responsibility system, and farmers joined voluntarily to resist natural calamities, bear market risks and raise productivity.

(January 8, 1990)

Key to Democracy: Social Production

GUANGMING RIBAO
(Guangming Daily)

Democracy is one of the popular topics at present in China. Yu Chongji, deputy head of the Chinese Society for the Study of History and research fellow of the Documents Research Office of the CPC Central Committee, has this to say:

"When talking about democracy, one must pay full attention to the fact that China was once a sea of small producers. Even now there are still many small producers and their ideological influence is tremendous. One is often puzzled by the

problems when reading modern Chinese history: why fighting against autocracy usually brings about small producers' anarchism; and why fighting against anarchism usually results in the patriarchal system. The key to solving these problems is to develop socialized production which has a high level of organization, democracy and centralism and exercises personal initiatives. Only in this way, can real democracy that people yearn for be realized. On the contrary, the deep-rooted influence of most small producers will, for a long time, relapse into a patriarchal system and ultra-democracy and vice versa. Of course, there are problems in raising people's educational level and political consciousness, and in perfecting the legal system.

"There is a gap between China's democracy and what the people expect even though there are systems of people's congress and multi-party co-operation and political consultation under the leadership of the Communist Party of China. But still to be resolved is how these systems can play their full role and how to perfect the legal system. We should develop social large-scale industry through reform and push democracy forward uninterruptedly."

(May 20, 1990)

Changes in Military Spending

JINGJI YANJIU
(Economic Study)

Calculated in terms of comparable prices, China's military spending between 1951 and 1978 increased at an average rate of 5.4 percent a year, while between 1979 and

1988 it decreased at an average rate of 2.8 percent a year.

The real military expenditure index has progressively dropped in the past ten years.

There are two stages in the reduction of the military expenditure index. The first stage was a normal decline between 1979 and 1983. With the military expenditure index for 1978 at 100, the real military expenditure indexes between 1979 and 1983 were 130.1, 106.8, 90.4, 93.1 and 92.2 respectively. The reason for the high figure in 1979 was China's defensive counter attack against Viet Nam's aggression. In the later period, the figure dropped to the 1978 level of 90 percent. During this period, the military expenditure index decreased at an average rate of 1.6 percent a year. The second stage was between 1984 and 1988. Again using the 1978 military expenditure index of 100, the real indexes were 91.5, 89.1, 88.1, 85.7 and 75.2 respectively, with an average annual decrease of 4 percent.

Between 1981 and 1988, defence spending amounted to 3.52 percent, 3.4 percent, 3.05 percent, 2.6 percent, 2.24 percent, 2.06 percent, 1.85 percent and 1.56 percent respectively of the gross national product (GNP).

The proportion of military spending in the government's overall spending has declined progressively.

Before 1988, the annual proportion of military spending in the government's overall spending was kept at about 18 percent, except for 1958, 1959 and 1960. In those three years, the proportion was 9 to 12 percent a year. But starting in 1980, it decreased year by year. For instance, military spending was 16 percent in 1980, 11.7 percent in 1984 and 8.2 percent in 1988.

(Issue No. 6, 1990)

Santak Trade Mark Ruling

A final ruling on the one-year-old dispute regarding the trade mark registration in China between the Santak International Scientific Apparatus of the United States and the Sendon Co. of Hong Kong, was announced at a news briefing held in Beijing on August 21 by the Trade Mark Examination Commission of the China Administration for Industry and Commerce.

The Santak company appealed the registration of the "Santak" trade mark by the Hong Kong Sendon in China. This resulted in the withdrawal of the "Santak" trade mark coded No.335383 registered by the China Patent Agency (Hong Kong) Co. Ltd. on behalf of the Hong Kong Sendon.

A commission official said that the case lasted more than a year and attracted wide attention both at home and abroad. After receiving the appeal, the commission conducted a 10-month investigation and organized a public hearing between the two sides. In the end, it gave a ruling based on the Paris treaty on the protection of industry property and related provisions of China's Trade Mark Law.

The commission is ready to prohibit the use of the "Santak" trade mark by the Hong Kong company because it violated the principles of fair competitiveness.

Since China's reform and opening up to the outside world, the number of disputes regarding registration of over-

seas trade marks is growing. In order to protect the legitimate rights and interests of foreign enterprises in China and to create a favourable investment and operation environment, the government has expeditiously handled a dozen or so cases.

The Trade Mark Examination Commission is the legal trade mark dispute arbitration agency of the Chinese government, and its decision is final.

by Liu Jianjun

Processing Zone Invites Investors

After two years of preparation, the Qingdao Export Processing Zone (QEPZ), the first of its kind designed according to international practice, is inviting investors to participate in the construction.

Wang Shaohua, deputy director of the office in charge of the zone, said that his area plans to develop 86 hectares within the next five years and expects a total developed area of 282 hectares by 2010. It will be able to accommodate some 300 to 400 foreign-funded enterprises.

Located in the north of the Qingdao Special Economic Zone near Jiaozhou Bay, the QEPZ is an attractive site for foreign businessmen. Since April of this year, for example, a Hong Kong firm has signed a US\$55 million contract with the Qingdao Textiles Corp. to establish a joint venture for polyester short-staple fibre and polyester filament in the zone. The United States has concluded a land

development contract valued at US\$30 million with the processing zone and also invested US\$600 million to build an enterprise of its own. This enterprise is expected to have an annual output of 250,000 tons of duplicating paper valued at 1.7 billion yuan.

Some Japanese enterprises have also expressed willingness to invest in the zone. Representatives of the Qingdao processing zone will go to Tokyo to hold a meeting with potential investors. ■

IECEE Endorses CB Inspectors

The China Electrical Equipment Attestation Committee announced August 6 in Beijing that nine inspection stations attached to the committee had been accepted into the IECEE after a strict examination by the International Electrical Equipment Committee.

The nine inspection stations or CB testing rooms are: the Beijing Household Electrical Appliances Inspection Station, the Radio and Television Products Inspection Station, the Shanghai Low-Voltage Electrical Equipment Inspection Station, the Shanghai Electrical Wire and Cable Inspection Station, the Shanghai Power-Operated Tools Inspection Station, the Shanghai Electronic Products Inspection Station, the Guangzhou Household Electrical Appliances Inspection Station, the Guangzhou Electronic Products Inspection Station and the Guangzhou Electrical Equipment Safety

Inspection Station.

All the electrical equipment which has CB certifications after being inspected by these stations will be accepted by the 25 member states of the IECEE. This will help China export electrical equipment.

After China has joined the IECEE, the quality of the import goods with CB certificates are also guaranteed. ■

China, Indonesia Expand Trade

The government trade agreements China signed with Indonesia on August 8 provided each other most favoured nation status and indicated that economic co-operation between the two countries would enter a new development stage.

Statistics show that the trade value between the two countries totalled US\$800 million in 1989, US\$580 million in the first half of this year with imports and exports on the part of China respectively up 80.7 percent or 74.6 percent over the corresponding period last year. This makes China second only to Singapore in ASEAN trade with Indonesia.

Both China and Indonesia are developing countries. Over the past few years, their economies have developed rapidly. Rich in natural resources, they have strong, complementary economies and a variety of exchangeable commodities. China exports to Indonesia soybeans, maize, sugar, tea, tobacco, leather, herbal medicine, cotton, coal, machinery, equipment, medicine, chemicals

and light industrial products, and in return imports timber, rubber, fertilizer, steel products, paper pulp and coffee beans.

The mutual investment and co-operation between the two countries has only recently begun. Although there have been only a few projects with small investment, there is great potential. Indonesian projects in China, for example, involve the production of shoes and socks, dyestuffs and printing. Talks on co-operation in fishing, gold mining, joint management of a cotton mill and export of high-grade metallurgical technology service have been completed. Another five projects are under negotiation.

Trade relations between the two sides dates back to the Han Dynasty (206 BC-220 AD). After the founding of New China in 1949, the two governments signed three trade agreements, two payment agreements, eight economic and technological co-operation and loan agreements. Trade and economic relations have since developed rapidly. The amount of exchanged goods has increased steadily. Many trade and economic delegations have visited each other. An economist noted that the signing of the trade agreement will provide wider prospects for economic and technological co-operation between the two countries. ■

Qingdao Imports Philips Goods

The city of Qingdao, Shandong Province, signed a US\$1

million contract with the Philips China Hong Kong Group on August 17, for the purchase of Phillips Sopho-S programme-controlled numerical telephone exchange system. It is aimed at meeting the needs of harbour communications as soon as possible.

As one of China's five largest ports, the Qingdao Harbour handled 31 million tons of cargoes last year, the fourth largest handling capacity among China's ports. With a total of 4,000 telephone lines, the special project, which is expected to be completed by the middle of next year, will improve the harbour's telephone and communication service with foreign countries, and provide the needed conveniences for future development.

A Philips Group official said that in order to make the most of the new equipment in the shortest possible time, his company also plans to train management personnel and telephone operators for Qingdao. ■

China Signs Oil Contract With US

The China National Offshore Oil Corp. signed a new oil contract for exploration of the 40/06 region near the Zhujiang (Pearl) River with the Amoco Co. of the United States in early August in Beijing. This is the seventh contract China concluded with the company.

The new contracted region is located in the ocean area about 200 kilometres south-east of Hong Kong. The ocean

depth is between 200 to 500 metres deep. Under the contract, Amoco will first do seismic survey over a line of 3,000 kilometres and then decide upon the next stage of the project to be undertaken.

Co-operation between the two sides for offshore oil exploration began in 1979 when Amoco undertook exploration of China's sea areas. The American company has concluded six oil contracts with China, making itself one of China's major partners in offshore oil development. The two partners have co-operated well and made many progress in their work. In addition, Amoco plans to make full use of its advanced technology to develop China's largest offshore oilfield discovered in 1987. ■

China, Japan, US Build a Cable

Representatives of China, Japan and the United States held a memorandum-signing ceremony in Tokyo on August 13 for the agreement on building a Sino-Japanese submarine optical cable system.

With a total investment of US\$64.6 million, the 1,300-kilometre cable will be laid between the Nanhui County of Shanghai in east China and Kyushu City of Japan. To be completed before the end of 1993, the system will contain at least 7,560 telephone lines linked with the optical cable systems in China, the Pacific Ocean and other parts of the world. It will greatly expand China's international communications capacity.

At the ceremony, the three sides also signed an agreement memorandum to install commercial, numerical business equipment for international satellites. Under the agreement, they will use international satellites to open commercial numerical businesses in China (Beijing and Shanghai), Japan and the United States beginning in 1991. ■

Suzhou Holds Silk Festival

China (Suzhou) Silk Tourist Festival & Trade Talks (1990) will be held September 25-29 in Suzhou, Jiangsu Province.

The main purpose of the festival is to publicize Suzhou silk and develop the trade. The festival will introduce the history of Suzhou silk industry and the production process, from the cultivation of cocoons to the silk weaving. During the festival, tourists will have chance to visit the Museum of Suzhou Silk, a clothing exhibition displaying mainly silk clothes, an exhibition on fine Suzhou silk products, a demonstration of embroidery art and other activities. At the same time, trade talks regarding silk orders will be held.

Suzhou, the capital of silk production, has a silk production history of more than 2,000 years. The city now has a complete system of silk production, scientific research and management and its silk products are in great varieties. With an annual output of more than 200 million

metres of silk, Suzhou is the biggest silk producer in China.

by Zhang Xiaolian

DAP/NPK Factory In Operation

The DAP/NPK Factory of Sino-Arab Chemical Fertilizers Co. Ltd., a joint venture established by China, Tunisia and Kuwait, began operation in Qinhuangdao City, Hebei Province in September.

The factory was built by the French Sipe Batignolles Co. and the China National Chemicals Construction Corp. With French technology and equipment, it has a designed annual capacity of 480,000 tons of DAP and 600,000 tons of NPK. The completion of the project will play a positive role in improving the nation's chemical and agricultural industry.

The factory, which began construction in March 1988, has a total investment of US\$58 million. Its annual output value is expected to reach 600 million yuan or 2 million yuan in per-capita terms. Productivity will be much higher than that of similar enterprises.

This is the first large-scale co-operative project by the three countries. Its completion and operation will not only bring economic returns to the three partners but promote economic and technological co-operation and friendship between third world countries.

by Kou Zhengling

Wutai Mountain — A Summer Resort

The curtain rose on the First International Tourist Month on Wutai Mountain on July 25, 1990 in Taihuai Town, Wutai Mountain, Shanxi Province. At the opening ceremony, tourists from nine countries and regions including Japan, France and Australia and thousands of domestic travellers had the opportunity to enjoy such special folk dances as gongs and drums, land boat, coloured ribbon, *yangko* dance (a popular rural folk dance) and walking on stilts.

Traditionally, China's four famous Buddhist mountains are Wutai Mountain, Emei Mountain in Sichuan, Jiuhua Mountain in Anhui and Putuo Mountain in Zhejiang. Wutai Mountain ranks first among the four because of its long history of building temples and grand monasteries and because of the splendid Buddhist culture there. Today, numerous monks and nuns welcome worshippers from all areas are found at the mountain's 47 temples. Pilgrims and tourists coming in an endless stream from the world over prostrate themselves before the image of Buddha.

According to legend, Wutai Mountain used to be the centre of Taoist and Buddhist rites for Bodhisattva Wenshu, a disciple of Buddhist ancestor Sakyamuni. During tourist month, Bodhisttva Wenshu's birthday falls on June 14 by the lunar calendar or August 4 by the Gregorian calendar each year. In usual practice, all kinds of temples held various Buddhist activities to celebrate the one-month period

beginning from June 1 (July 22) by the lunar calendar. During the peak tourist period, some large Buddhist activities are held such as, praying-for-world peace dharma conference, commemoration dharma conference for Bodhisttva Wenshu's birthday, Buddhist diamond dance inherited by Tibetans and the prayer dharma conference for the blessing of guests. In fact, devout Buddhists like to prostrate themselves before Buddha; curious visitors can also take part in the ceremony just as if they were followers of Buddhism. Tourists can also appreciate the beautiful temple music and chant the scriptural activities of Buddhist monks and nuns during the evening of the tourist month.

Wutai Mountain is not only a Buddhist holy land but also a scenic spot. It has a plateau covered with lush grass and trees, animal and poultry including cow, horse, donkey and mule leisurely eat grass as they take a rest under the blue sky. One can enjoy the sun and sea of clouds rising to the east of Wutai and appreciate the bright mountain flowers in full bloom to the south of it. Wutai Mountain has cool temperatures in the summer with lush vegetation as well as a touch of humid air. Wutai Mountain is thus dubbed "cool mountain," an ideal summer resort.

Tourist developments in Wutai Mountain have taken a big step in recent years. Hotels offering services to foreigners were built, communications improved and many tourist guides trained. As a result, sightseeing tourists are flocking to the area. Yang Jianfeng, director of the Shanxi Tourist Administration, said that the activities carried out during

the First International Tourist Month on Wutai Mountain were only the first step. If the activity this year was successful, it would be continued annually. He expected it to become the largest and most influential activity in Shanxi in support of the province's tourist trade.

by Li Ping

Art Festivals for Overseas Tourists

Catering to the needs of overseas tourists during the 11th Asian Games, China arranged shopping and art festivals in cities such as Beijing, Shanghai and Guangzhou.

The Beijing Exhibition Centre is not only a festival hub but also a main shopping centre during the games. From September 1 to October 10, famous, special and high-quality commodities from all parts of China are available at the centre which also offers numerous delicacies and recreational activities. The shopping festival in Guangzhou will be held at the Central Hotel on September 26-October 5 and the Shanghai Shopping Festival at the Friendship Store between September 26 and October 10.

An Art festival will also take place from September 27 to October 31 in Guangzhou, Shenzhen and Zhuhai. The Dongfang Amusement Park in Guangzhou will be the main venue for the festival. Performances will highlight folk and local characteristics and will chiefly be given in the open air. More than 30 art troupes will participate in the art festival, most of which will come from national minority areas.

by Han Baocheng

Han Pottery Figurines Discovered in Shaanxi

Northwestern China's Shaanxi Province is world-famous for the terra-cotta warriors and horses found near the Mausoleum of Qinshihuang, First Emperor of the Qin Dynasty (221-207 BC). Recently at the Yangling Mausoleums located on the north bank of the Weishui River, archaeologists made a new exciting discovery—the tombs of an emperor and his empress of the Han Dynasty (206 BC-220 AD). They contain a multitude of small pottery statues estimated to number in the tens of thousands, judging from the 24 pits already examined. The tombs are believed to have been built in the middle of the 2nd century.

According to Wang Xueli, chief of the Qin and Han Dynasties Research Office of the Shaanxi Archaeological Institute and head of the Han Tombs Archaeological Team, the group of figurines discovered at the Yangling Mausoleum is of the highest level and on the largest scale of any Han Dynasty sculptures ever found. The rich content will provide important materials for studying Han politics, military affairs, economy and culture. In terms of academic value, it will constitute a brilliant chapter not only in Chinese but also in world history of ancient sculpture.

The 24 pits, arrayed in the shape of a rectangle running east to west, are on the southern side of the Empress Tomb. Each pit is four metres wide, seven metres deep and dozens or hundreds of metres long (the longest extending 291 metres). There is a sloping passageway at each end of the pit and a terrace six metres underground. Planks are laid on the bottom of the pit while wooden pillars stand at the both sides of the terrace. The platforms are covered with more planks which are surfaced with

reed mats. This is the chamber of figurines. Experts say such grand, meticulously built pits are rare in other Han ruin sites.

Archaeologists in a trial excavation of four of the pits unearthed over 300 pottery figures. All are naked males about 60 centimetres tall with creamy reddish skin. Analyzing the oddments of silk scattered about, experts surmise that the reason for the nakedness is perhaps that the bodies were made first, then silk clothes put on them. In two thousand years, the silk has rotted away leaving the figurines naked. This constitutes a sharp contrast with the Qin terra-cotta figures which had their clothes and other accoutrements molded on.

The realistic sculpturing impressively brings out the beauty of the human body. The figurines have surprisingly well-proportioned builds with fully developed muscles

and smooth skins. Even their eyebrows, eyes, noses, lips, ears and hair styles are life-like. According to a witness, a group of figurine heads sorted out in No.3 pit are rich in facial expressions representing different ages and characteristics. Some of them have a broad forehead and wide mouth, while others have delicate features; some are mature and staid, others appear young and innocent; some look bold and unconstrained, some quiet and sedate; some are smiling, some meditating. The artistic achievements of the prime period of the Han Dynasty are marvelously displayed.

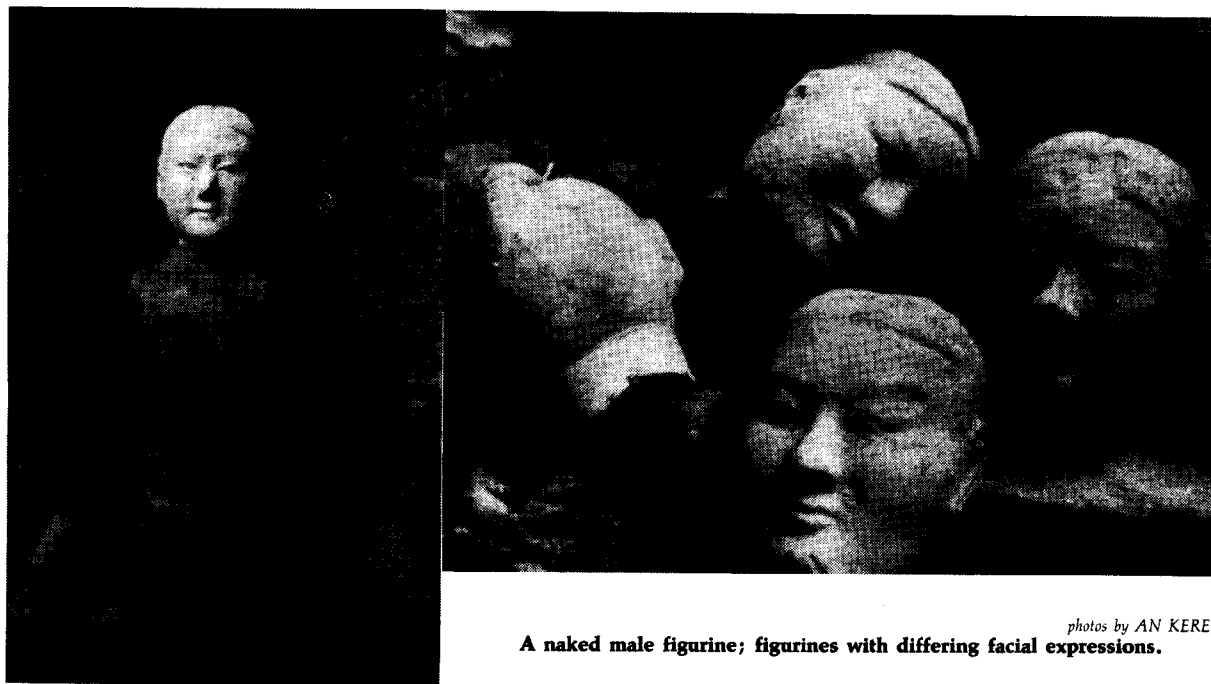
A veteran archaeologist in charge of excavating the Han tombs in the 1960s made a special tour of the site. "Compared with the figurines of warriors and horses found up till now," he said, "the discovery this time is not only the largest in number of figurines, but also the finest in sculptural attainment. They are precious and unforgettable."

"There used to be a theory abroad that China had no indigenous tradition of sculpture until Buddhist figures were carved after Buddhism was introduced to China during the Eastern Han Dynasty (25-220)," said Wang Xueli. "The discovery at the Yangling Mausoleum has refuted this view and will add a splendid chapter to China's art history."

Besides the pottery figurines, archaeologists unearthed a large quantity of weaponry such as iron spears, iron swords and bronze arrowheads, farming tools like iron adzes and chisels, bronze coins, ornaments and other artifacts. All objects are on a scale of one third of the original life-size. Small as they are, the craftsmanship is marvelous. The less than 2-centimetre bronze arrowhead, for instance, is as im-

Archaeologists excavating a figurine pit at the Yangling Mausoleums.





photos by AN KEREN
A naked male figurine; figurines with differing facial expressions.

pressive as the realistic arrowhead at the Mausoleum of Qinshihuang in regard to shape and smoothness of finish. The coins, one centimetre in diameter with a square hole in the centre, have characters clearly engraved on them. They are the smallest ancient bronze coins so far found in China. Experts say the large hoard of finely wrought iron and bronze implements reflects the large scale and developed standards of farming and iron and copper smelting and are of vital importance for studying the socio-economic conditions of the Han Dynasty.

Because the figurines are not clothed, their identities are hard to determine. The many other miscellaneous relics also add to the difficulty of accurately identifying the nature of this figurine group. What puzzles archeologists most is that none of the figurines unearthed has arms. ■

Soviet Circus Quite A Hit in Beijing

Many Chinese are told a foreign fairy tale in their childhood: In straitened circumstances, a poor man set free

his four pets, a cock, a dog, a cat and a donkey, so that they could find a way to make a living themselves. Fortunately, the four worked together wholeheartedly in their vagabond life and eventually became good friends.

The tale was reproduced when the Grand Soviet National Circus presented its performances in China from May to August. The donkey carried the dog on its back, the dog carried the cat and the cat carried an agitated cock. As the group sauntered around the ring, cheers, applause and laughter almost drowned the musical accompaniment.

"We hope to promote friendship between the peoples of the world by demonstrating the friendship between animals," said Vitari Tihorov, one of the performers.

Invited by China's Ministry of Culture and jointly sponsored by the China Performing Arts Agency, the China Acrobatic Troupe and a Shenzhen company, this was the first grand China tour of the circus since 1956. In 1956, the Moscow Circus presented 137 performances in China, to the great enthrallment of Chinese audiences. The late Chairman Mao Zedong attended one of the performances and re-

ceived all the performers. During the present tour, the circus put on more than 100 performances, touring Wuhan, Guangzhou, Shenzhen, Shanghai, Shenyang, Tianjin and Beijing. Wherever it went, it caused a sensation.

"We are pleased and encouraged as well by the enthusiasm of the Chinese audiences," said Efim Karpanski, director of the circus.

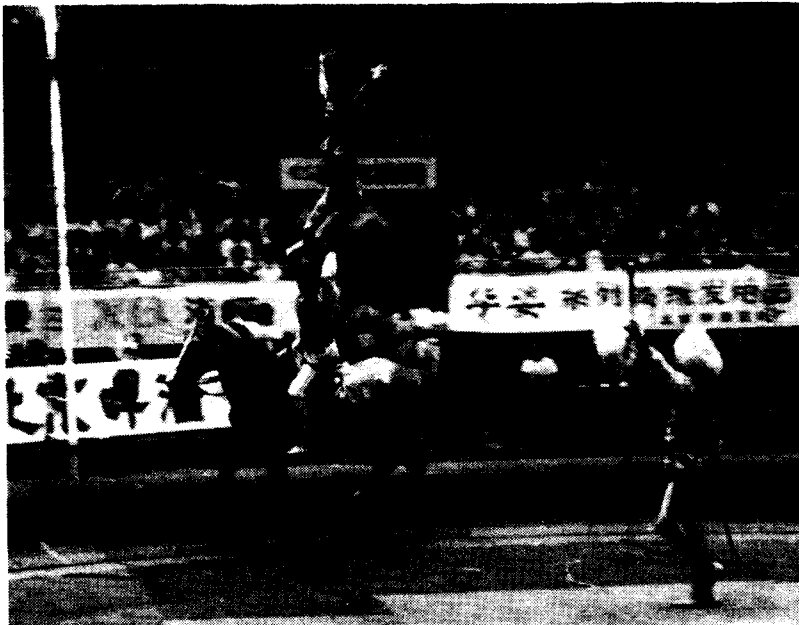
"Because this is the first time in three decades that our circus made its appearance in China, we are aware of our responsibility. However, as it is known, Chinese acrobatics, especially the traditional acrobatics, has won great acclaim throughout the world in recent years and many Chinese acrobats have been awarded international prizes. Therefore, as we are excited about the tour itself, we have drawn up a cautious play-bill so that we can provide Chinese spectators with our best animal-taming programmes and acrobatics they are unfamiliar with. Events have proved that we have not let the Chinese audiences down," Karpanski remarked.

Animal training acts were the most highly welcomed. Chinese have always considered the tiger as the king of animals and in ancient

Chinese legends anyone who killed a tiger was regarded as the incarnation of strength and courage. People's Actor Stepan Denisov, however, was entitled "the king of kings" by the Chinese audience by virtue of his tiger act. With two iron rods about one metre long, Denisov commended 12 tigers to roll about, stand up on two feet, salute the audience and so on. When asked how he trained the animals, Denisov answered, "With my knowledge."

Vitari Tihorov and his wife presented an item with performing bears. Rough as the black bears were, they looked charmingly naive and courteous under the direction of the couple. One bear kept standing on its two hind legs, waving greetings to the audience. Especially hilarious was when Tihorov and the bear slapped each other in a mock quarrel. Another highly developed skill of the animal was to walk steadily on stilts with its front or rear legs.

Tihorov has special feelings for a black bear called Masha, because it once saved his life. It happened when he was training bears. One of the bears flew into a rage and was about to strike him with its paw. Masha pushed Tihorov aside in the nick of time, but received the full force of the blow and was left bleed-



Horsemanship.

XU XIANGJUN

ing.

The camel performance showed that the circus not only displayed skills, but aesthetic values also. Accompanied by music and special stage lighting, the camels and the performers, dressed up in ancient Oriental costumes, presented a beautiful picture of peoples who lived far away and long ago.

Performances of docile doves, foxes pulling a cart, a porcupine, whose long stiff prickles were dubbed called the "newest hairstyle," and horses dancing to music aroused much laughter and applause.

The Soviet acrobatics were varied and exciting. "Gymnastics in the air" showed the superb skill of an actress on a rotating ring hanging in the air, reminding Chinese of the legendary moon Goddess. Cukanov, a Silver Lion Prize winner of the Second Wuqiao International Acrobatics Competition, performed a trick-cycling act. Agaronov and his wife came on with an incredible display of juggling. Agaronov, half Chinese, was particularly happy to show the Chinese his flawless skills. "I love China," he said.

by Feng Jing

Beijing Chemicals Imp & Exp Corp.

During nearly 40 years' international trade and co-operation, our corporation has established trade relations with foreign businessmen from over 100 countries and regions in the world, we have followed international practices, adopted flexible and varied trade forms and maintained our credit and trustworthiness.

Our corporation deals in the import and export of industrial chemicals, plastics, resins, dyestuffs and auxiliaries, pigment and intermediates, paints, printing ink, agricultural chemicals, rubber products and chemical reagents.

According to the commodity and market situation, our corporation adopts various trade

forms including commodity trade, compensation trade, processing with provided materials, co-operative management, and joint venture management.

Technological and trade co-operation from businessmen and friends from all countries in the world is welcome.

Address: 190 Chaoyangmennei Dajie,
Beijing 100010, China
Tel: 551316
Cable: SINOCEMIP BEIJING
Telex: 222448 BCIEC CN
Fax: 552917

Chinese Paintings by Jiang Lingtao

Jiang Lingtao, born in Qinhuangdao, Hebei Province in 1954, now works at the Qinhuangdao TV Station. A self-taught fine artist, he specializes in Chinese paintings that express ancient Chinese figures.



A General Shooting From Horse's Back.



An Old Man Playing a Music Instrument.



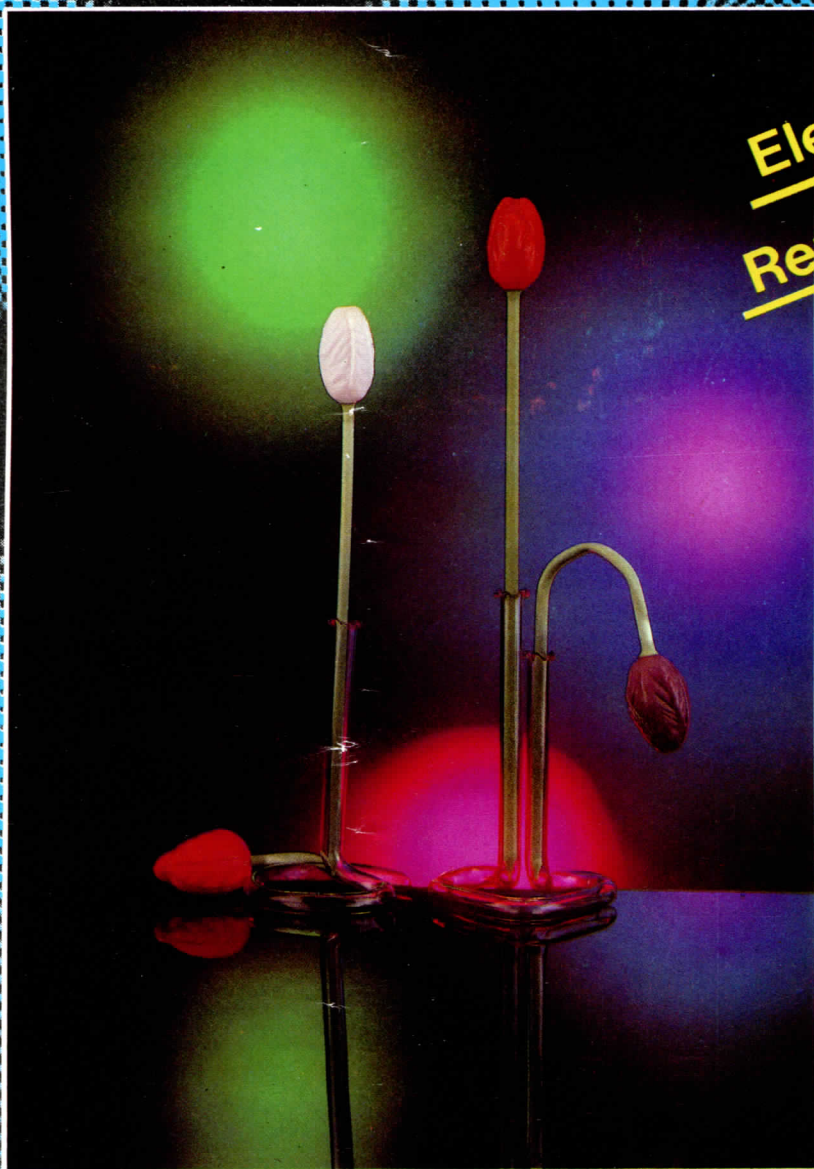
An Ancient Beauty.

Plum Blossom Glass Tulip

Helps to beautify your home and
create a comfortable feeling.

Elegant

Refined



TIANJIN LIGHT INDUSTRIAL PRODUCTS
IMPORT & EXPORT CORPORATION

Address: 164 Liaoning Road, Tianjin, China

Fax: (22) 700196

Telex: 23203, 23142 TLIP CN



ISSN 1000-9140