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BEIJING REVIEW

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A CHINESE WEEKLY OF
NEWS AND VIEWS

- Building the Shanghai Economic Zone
- Old People in China—Hopes & Problems



A Rising City

Changzhou, a developing industrial city in Jiangsu Province under the Shanghai Economic Zone, has in recent years given full play to the scientific and technological knowledge and skills. Old factories have been modernized, often with advanced technologies imported from other parts of China and from abroad, and 13,000 technical innovations have been made. Total output value in 1982 was 3,800 million yuan, average annual output value per capita surpassed 10,000 yuan and public revenue was 530 million yuan.



The Dongfeng 12 type-B195 diesel engine made by the Changzhou Diesel Engine Plant has been awarded gold medals twice.



A new street in Changzhou.

SPOTLIGHT



The Changzhou Comb Plant is now able to produce 400 kinds of combs and exports 5 million combs a year. Technicians study ways to improve the shapes of comb.



Combs with Beijing opera depictions.

The Changzhou Fluorescent Lamp Factory has improved its economic results by using imported equipment.



The scientific and technological workers of the Changzhou Bicycle Plant debugging a programme control for microcomputer.



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COVER: A corner of the Shanghai Baoshan Iron and Steel Complex under construction.	
Photo by Wang Hongxun	

HIGHLIGHTS OF THE WEEK

Flexible Policies for More Cities

According to a recent forum, flexible economic policies similar to those in the special economic zones will be practised in 14 more Chinese coastal cities. The forum discussed ways of accelerating the development of port cities by using more foreign funds and advanced technology (p. 6).

An Example in Economic Reform

The establishment of trans-regional economic zones is a major step in China's current reform of the economic system. Using the Shanghai economic zone—the first of its kind in China—as an example, this interview explains the hows, whys and whats of the reform (p. 16).

Co-operation With Foreign Oil Companies

This second report on the exploitation of the Nanhai Oilfield details China's fruitful co-operation with companies from Britain, Japan, the United States and other countries. The co-operation runs smoothly because of the sincerity of China and its foreign partners in fulfilling their contracts, which represent their interests (p. 25).

Reforms — Tide of the Times

Reforms of the irrational institutional structure, systems and working methods are being carried out all over China. The success of two factories now well-known throughout China indicates that the trend of reform and change is inevitable (p. 4).

Seeking Stable Sino-US Relations

A historical review of Sino-US relations by a Chinese scholar provides some background information in connection with President Reagan's upcoming China visit. The author discusses three major factors essential to the steady and sustained growth of Sino-US relations (p. 28).

Gerontology Progressing in China

In China, as more attention has been paid to studying the problems facing the aged, organizations dealing with gerontology have proliferated in recent years. Generally, old people in China are well looked after by society and their families (p. 31).

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Reforms Become Tide of the Times

by JIN QI
Economic Editor

Since ancient times China has had a saying that most reformers come to a bad end. This is because in the feudal society progressive reform always encroached to some degree on the interests of the ruling class, and was usually not tolerated by the supreme rulers. Many reformers, including Shang Yang, who introduced reforms in the State of Qin 356 B.C., and Tan Sitong, who failed in the reform of 1898 during the Qing Dynasty, were put to death by their political enemies.

The situation is different today. The Chinese Communist Party and the Chinese Government energetically advocate and support reform. Especially since the Third Plenary Session of the 11th Party Central Committee in 1978, improvements in the irrational institutional structure, systems and working methods have been made throughout the country, with excellent results.

However, there is no smooth sailing for these reforms. They have met with much resistance. Two cases in point are the experiences of Wang Zepu and Bu Xinsheng, two factory directors who are bold reformers and good managers.

Wang Zepu, 52, is the director of a seamless steel tube factory under the state-run Anshan Iron and Steel Company in northeast China. With 3,500 workers and staff on its payroll, the management of the factory was long in confusion. Many of its products were not up to standards.

When Wang was appointed director of the factory in February 1979, he decided the management must be reformed for the factory to show improvement. He pledged that he would change the backward outlook of the factory in one year.

Wang succeeded. Since 1979, the factory has overfulfilled its annual production quota every

With the energetic support of the Central Committee of the Party and the government, reform has become the order of the day. It is aimed at overcoming the problems of bureaucracy, lax discipline, low efficiency and absolute egalitarianism in distribution.

year and all its products have been up to standards. Last year it produced 150,000 tons of fine-quality seamless steel tubes, 2.5 times its designed capacity. It has joined the ranks of the nation's best for economic results. Now workers and staff in the factory are making efforts to catch up with and overtake advanced world levels.

Fifty-one-year-old Bu Xinsheng is the director of a collectively owned shirt factory in Haiyan County, Zhejiang Province. The factory has more than 600 workers and staff. For more than 20 years before 1978 the factory did processing for commercial departments. As its products had dull designs and colours, it could not even earn enough to pay its workers.

Bu Xinsheng began his reform in 1979 with the slogan, "Quality and reputation first." He led the factory to investigate the market and produce *Shuangyan* and *Sanmao* brand shirts, which are now much sought after in more than 20 big and medium-sized cities in the country. In 1983 the factory's output value and profits increased more than five-fold, and tax handed over to the state went up 3.6-fold over 1978. Its collective welfare fund and the income for workers and staff also increased by a wide margin.

Wang and Bu have much in common when it comes to running factories.

First, they are both enthusiastic and bold reformers. As factory directors, they know how to change the backward situation in their enterprises.

Second, they both took drastic measures to carry out a necessary personnel shakeup after they became directors. Wang replaced all the incompetent leading cadres in the factory's research departments and workshops with engineers, accountants and bookkeepers.

Third, they established clear-cut rules for the division of labour, so that every worker knew exactly his or her responsibilities. They established a strict reward and penalty system to enforce discipline. Combined with ideological and political education, these rules have enhanced the workers' sense of responsibility.

However, in Anshan and Haiyan County there had been some arguments about these reforms from the very beginning. Some people accused Wang and Bu of



"making arbitrary decisions and taking peremptory actions" and "using the managerial methods of capitalism." Some others seized their shortcomings and demanded perfection, or reported them to the superiors.

These criticisms did not die out until the ministers of the metallurgical industry and light industry and leaders of the two provinces expressed their support for the reforms. Now, Wang and Bu's experience have been publicized and praised throughout the country.

Generally, the management of China's state and collective enterprises is still rather poor. Bureaucracy, lax discipline, low efficiency and "everyone eating from the same public pot" are still very common. Eliminating these problems will inevitably threaten some people's vested interests, and will meet with resistance from those who are inclined to follow the beaten path or who are influenced by habitual "Left" ideas. This is not at all surprising. Nevertheless, reform is necessary for the country's modernization drive and it is what the people want.

Reform is now an established state policy, and has become a trend that no one can halt. The experiences of these two factory directors are nothing but two drops of water in this torrent of history. From their examples we can see that those who are against reform are sure to fail, while thousands of new-style factory directors and managers like Wang and Bu will appear and become resolute in this tide of reform.

LETTERS

Agriculture as Basis

I feel very satisfied after reading the article "Mao Zedong's Thought on Socialist Economic Construction" in issue No. 51, 1983. I really see a mirror before me. That is to say, I have come to distinguish the difference between the politics of socialism and that of capitalism. After careful reading of the article, I have come to see the characteristics of Mao Zedong's thought on socialist economic construction, or more precisely, the characteristic of the policy of "taking agriculture as the foundation." The policy, I think, is of great significance. In his lifetime, Mao Zedong showed great foresight in his thinking on agriculture. Now, China has become the model for the third world countries, particularly the African countries to follow. China's example shows Africa that a nation's all-round development must first depend on the peasants' perennial work.

That alone can raise the rate of investment for production, which in any country, under any system or any circumstances, is indispensable to development. In reading this article, one can also see that Mao Zedong wanted to prove two points. First, a nation's development is brought about by its people instead of money. Second, wealth is the result of development rather than its foundation.

But now most of us Africans still do not understand this agricultural policy. Ignorance in this respect is also a harmful cause of our underdevelopment. It's wrong to regard the lack of money as the sole cause of underdevelopment. Most of the African countries lack products which are indispensable to them but which cannot be imported from any foreign countries,

and this is due to lack of knowledge.

Mao Zedong's thought on socialist economic construction is great, and so is socialist politics.

Muampata-Kia-Lokakao
Zaire

The reports on economic development are of great help to me, as they acquaint me directly with the pace of socialist construction. China has bright prospects. Giving priority to agriculture is a brilliant policy. It is conducive to beautifying the country's land and enhances the life cycle of the environment in which human beings live and develop. The implementation of this agricultural policy shows people that China, which boasts 3,000 years of civilized history, is going into the future with a brand new look — characterized by green mountains, clear waters and lines of trees, as well as advanced culture and science. In this beautiful environment people are cultivating great and profound ideas. For myself, a person living in tiny Japan which lacks resources, I would like to express my great respect and praise for the Chinese people.

Kazihito Sakiyama
Fukuoka, Japan

More Coverage of Africa

Your magazine is mostly devoted to affairs in China and Asian countries. If you publish more reports on events in other parts of the world, particularly in Africa, it would be so much the better. Otherwise, the African people might stop reading your magazine.

I like reading the articles in *Beijing Review* because most of them are coherent and dialectical and inspire me a lot.

Isah Abbass
Zaria, Nigeria

14 More Coastal Cities to Be Opened

Flexible economic policies will be practised in 14 more Chinese coastal cities, according to a forum which closed in Beijing on April 6.

The flexible policies to be adopted will be similar to those now practised in the four special economic zones in south China.

The 14 cities are Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai (see map), situated along the coast from north to south China. Together with the four special economic zones opened earlier — Shenzhen, Zhuhai, Xiamen and Shantou — these cities will be centres of foreign economic activities.

After an inspection tour of the special economic zones in Guangdong and Fujian Provinces last February, Chairman of the Central Advisory Commission Deng Xiaoping said that China should implement its open policy on a broader scale instead of retreating from it.

The 12-day forum was jointly convened by the Secretariat of the Chinese Communist Party Central Committee and the State Council. Hu Yaobang, Zhao Ziyang and other leaders attended the meeting. Deng Xiaoping and Li Xiannian met with all the participants before the forum closed.

Participants discussed ways of accelerating the development of the port cities, of making use of more foreign funds and of importing more advanced techniques. Many participants proposed that flexible policies be adopted to increase the vitality of foreign economic relations in these cities.



- | | |
|----------------|---------------|
| 1. Qinhuangdao | 8. Shanghai |
| 2. Tianjin | 9. Ningbo |
| 3. Dalian | 10. Wenzhou |
| 4. Yantai | 11. Fuzhou |
| 5. Qingdao | 12. Guangzhou |
| 6. Lianyungang | 13. Zhanjiang |
| 7. Nantong | 14. Beihai |

For instance, some of the cities may take measures to set up economic development zones in designated sections away from the existing urban areas. Essential services should be brought to those designated areas to provide sites for Chinese-foreign joint ventures, co-operative enterprises and enterprises with exclusive foreign investment.

The forum also studied ways to develop the existing special economic zones quickly and effectively. The special economic zones should be built into areas with both highly developed production and high ethical standards, the participants agreed.

In discussing ways of expanding the Xiamen Special Economic Zone to cover all of Xiamen, the forum suggested that departments

under the State Council and the Fujian provincial government should help the city take positive and practical measures to pave the way for the expansion.

The participants also discussed matters related to the development of Hainan Island, training managerial and technical personnel and promoting socialist ethics.

Business Disputes Go to Court

Chinese courts at various levels tried 89,494 cases dealing with business, including more than 73,000 contract disputes, between 1980 and 1983. Business cases handled in the past four years involved 2.96 billion yuan.

In recent years the change in the economic management systems in both urban and rural areas has complicated the relationships among various economic sectors. Cases handled by business courts mainly involve disputes over economic contracts, the contract system in the rural areas, reparation of damages, foreign economic activities and tax payments.

About 400 million economic contracts were signed in China in 1982. Surveys of some regions show that 10 per cent of business disputes arose over these contracts. Last year 5,000 cases involving patent laws and trademark infringement were brought to trial and, some of which were handled by the people's courts.

In the past few years more than 200 business disputes have involved firms from Xianggang (Hongkong), Aomen (Macao) or overseas. These were settled through mediation and arbitration.

Business cases were first tried in China in 1979. The practice began so as to use legal means to improve economic management, coupled with administrative and economic measures. Since then about 3,000 business divisions have been set up in the Supreme People's Court, the more than 300 higher and intermediate people's courts and 87 per cent of the lower courts throughout the country. By the end of 1983 China had appointed 10,000 judges to handle business cases.

Rural Businesses Providing Jobs

Businesses run by rural communes, production brigades and peasants are providing jobs for the surplus labour force in China's rural areas and produced 13 per cent of the country's total industrial output value last year.



Workers in the meat-processing factory of Hongxu commune, Tengxian County, Shandong Province, package frozen rabbits.

These town-run enterprises usually process foodstuffs and fodder, produce building materials, undertake small construction projects and exploit small energy resources. Last year, all this was done to the value of 80,000 million yuan, making town-run businesses one of the pillars of the rural economy.

Town-run enterprises have developed quickly in the recent economic reforms. From 1979 to 1982 they supplied more than 8 billion yuan for capital construction in agriculture and buying farm machinery — equivalent to 73 per cent of what the state invested for capital construction in agriculture, forestry, animal husbandry and fishery in those years. They also spent about 7,900 million yuan on commune- and brigade-run collective welfare facilities.

Where town-run businesses are well-established, more than 60 per cent of the peasants' income comes from these enterprises. In most of these areas the peasants' yearly per capita income is between 400 and 500 yuan, higher than that of most urban residents.

These enterprises also form the material foundation for developing small cities and towns in China. At present, there are more than

10,000 small cities and towns in China composed mainly of commune- and brigade-run enterprises. They have the characteristics of the cities and the countryside, and of industry and agriculture. Some have become political, economic and cultural centres in their areas. They will be gradually developed into new kinds of medium-sized and small cities. The development of town-run business is important for China's urbanization and industrialization.

They also represent an important way of solving the employment problem. By the end of 1983, town-run business had provided jobs for 31 million people in China's countryside. It is estimated that by the end of this century China's countryside will have 450 million able-bodied people. By then, crop cultivation will be able to accommodate only 30 per cent of the labour force, and forestry, animal husbandry and fishery, just 20 per cent. Another 10 per cent can find employment in the cities, leaving 40 per cent looking for work in other directions. They can only be employed in industry, construction, transportation and communications, commercial undertakings and other service trades in the rural towns.

China has 800 million peasants and limited land resources. With the progress of the country's modernization programme, more and more work in the countryside will be done by machines. The emer-

gence of many town-run enterprises and their increasing importance in the national economy are natural characteristics of China's socialist modernization.

countries have made donations or provided equipment for the operations. During his recent visit to China, Prime Minister Yasuhiro Nakasone said that Japan would begin a nationwide campaign this month to collect money to help rescue China's giant pandas. Immediately after his announcement, the first shipment of equipment was sent to the Chinese Ministry of Forestry by the World Wildlife Fund of Japan.

Giant Panda Rescue Operation

Giant pandas, China's unique rare animals, are threatened with famine and death because the arrow bamboo, their main source of food, began to flower and wither last summer in their natural habitats. The rescue operations, which have gone on for more than six months, have drawn public attention.

According to the Ministry of Forestry and the China Wildlife Conservation Association, eight starving giant pandas have now been saved, and another sick panda is now receiving emergency treatment. Five pandas died in spite of emergency treatment, and

seven pandas were found dead from starvation.

The State Council has already set aside special funds for the rescue effort, and a special group, with Dong Zhiyong, Vice-Minister of Forestry, at its head was founded to save the pandas. Rescue organizations have also been set up in 26 counties in Sichuan, Shaanxi and Gansu Provinces, where the giant pandas are scattered. Thousands of people have taken part in the rescue work. Many more from all over the country have sent money to the Ministry of Forestry and the China Wildlife Conservation Association to help pay for the rescue efforts. Several hundred thousand donations have been received.

The panda rescue operation has attracted the attention of people all over the world. Governments, friends and organizations, and the embassies from Japan, the United States, the Federal Republic of Germany, Italy and some other

The giant pandas live in mountain areas, where the local people have been trying to take care of them. One hungry panda came down from the mountains looking for food and killed a sheep. The sheep herder hid himself and let the panda eat its fill.

The flowering and subsequent death of the arrow bamboo is not all that rare. It last occurred on a wide scale in 1975, when 138 pandas were found dead because of ineffective rescue efforts. There are an estimated 1,000 giant pandas in China.

Vice-Minister Dong said that the current situation is more serious than the previous one. But it is expected the loss will be kept to a minimum because of the timely rescue. Dong also said that pandas don't eat young bamboo, and it will take eight to 10 years for the



Upper: This starving panda gained 11 kilos during treatment, and now weighs 108.5 kilos.

Right: Workers in the Wolong Nature Reserve in Sichuan Province rescuing another giant panda.



young bamboo to mature. Therefore, the Wildlife Conservation Association must work out a long-term plan for the panda rescue operation.

More Moslems Make Pilgrimage

Altogether 313 Moslems from the Xinjiang Uygur Autonomous Region made the pilgrimage to Mecca in Saudi Arabia at their own expense last year. The number is the highest in Xinjiang's history, announced an official of the local nationalities affairs commission.

Most of the pilgrims were peasants and herders of the Uygur, Kazakh, Khalkhas, Uzbek, Tartar and Tajik nationalities.

Before nationwide liberation in 1949, only 20 or 30 rich Moslem landlords or merchants in Xinjiang could afford the expensive one-year journey to the holy city. This year more than 1,000 Moslems have applied to go to Mecca, the official said.

The increase in the number of pilgrims is partly due to the better transportation from Kashi to Karachi. This shorter route cuts traveling expenses by half. Formerly pilgrims had to go via Beijing.

No pilgrims were allowed to go from China to Mecca during the "cultural revolution" (1966-76). Private pilgrimages were resumed in 1979.

Yakup Mullah Shabilaji, Chairman of the Islamic Association of Urumqi and Vice-Chairman of Xinjiang's Chinese People's Political Consultative Conference, said he had made the pilgrimage before liberation. "Now the trip is easy and convenient to make. I am very pleased with this new development."

Viet Nam Told to Halt Provocations

China has demanded that the Vietnamese authorities immediately stop all provocations against it on its border with Viet Nam or they will be held responsible for any consequences, says Qi Huaiyuan, Director of the Foreign Ministry's Information Department.

Speaking on April 4 at the weekly news briefing, Qi said: "Our principle is we will not attack unless attacked, and if we are attacked, we will certainly counter-attack."

Qi recalled recent armed provocations by the Vietnamese authorities, which have created tension along the Sino-Vietnamese border.

"To safeguard the security of the frontier and to protect the normal production and livelihood of the people there, the Chinese frontier guards were compelled to

hit back at the Vietnamese aggressor forces for the sole purpose of self-defence," he said. "These actions were justified and necessary."

Qi said that the Chinese Government has consistently stood for maintaining the traditional friendship between the Chinese and Vietnamese peoples and worked hard to safeguard peace and stability along the border between the two countries.

"However," he said, "whenever the Vietnamese authorities intensify their military attacks in Kampuchea and create a serious situation along the Thai-Kampuchean border, they invariably raise an anti-China clamour and provoke incidents along the Sino-Vietnamese border in disregard of China's solemn position, trying to divert the attention of world public opinion and cover up their crimes of aggression."

Chinese Official on Sino-Soviet Talks

A senior Chinese official says that during the latest round of talks in Moscow both China and the Soviet Union indicated a readiness to continue efforts to normalize relations. But, he said, considerable differences still remain over how to achieve a real normalization.

Commenting on April 4 on the fourth round of Sino-Soviet talks held from March 12 to 26, Qi Huaiyuan, Director of the Foreign Ministry's Information Department, said that the two sides had also agreed that there was a positive tendency for bilateral exchanges to increase. They hoped to expand economic, trade, scientific and technical, sports and cultural exchanges on the basis of equality and mutual benefit, he added.

The talks proceeded in a frank and calm atmosphere, he said. The next round has been scheduled for October in Beijing.

Asked about the April 3 military coup in Guinea, Qi said: "China has already taken notice of the situation in Guinea. We have always followed the principle of non-interference in the internal affairs of other countries."

"As there is profound friendship between the peoples of China and Guinea, China attaches great importance to the friendship between the two countries," he added.

Regarding the proposal by the Democratic People's Republic of Korea that it and south Korea send a unified delegation to the Los Angeles Olympics, Qi said the proposal is a good one. He

added, "It will be conducive to easing tension in the relations between the northern and southern parts of Korea."

Qi did not comment on the planned withdrawal of Jardine Matheson and Company Ltd. from Xianggang (Hongkong). He said, however, that the inflow of capital is greater than the outflow.

He called reports of arms sales to Iran and Iraq by China utterly groundless and sheer fabrication, as was the report of a Pakistani nuclear device being exploded in China.

EC Delegation Meets Chinese Leaders

An official, goodwill visit by a European Parliament delegation for relations with China is under way at the invitation of the Standing Committee of the National People's Congress (NPC).

At a banquet in honour of the delegation, which arrived on March 31, Huang Hua, Vice-Chairman of the NPC Standing Committee, said that relations between China and the European Community have grown in the past few years with gratifying results in co-operation in various fields.

Last year China and the European Community decided to hold regular political consultations. China also established relations with the European Coal and Steel Community and the European Atomic Energy Community, thus extending its diplomatic relations to cover the entire European Community.

On the international situation, Huang said that the West European countries and China are faced with the common tasks of opposing hegemonism, safeguard-

ing national security and defending world peace.

Marie-Jacqueline Desouches, head of the European delegation, said that the frequent meetings between the two sides in recent years show the importance attached to the exchange of visits, and political exchanges between the European Parliament and the NPC of China.

China and Western Europe, although possessing different social systems, share identical views on many issues, said Mrs. Desouches.

Huang said that it is China's established policy to expand economic, trade, scientific, technical and cultural relations with the European Community on the principle of equality and mutual benefit.

"Co-operation between a united and powerful Europe and a prosperous and strong China is of great importance to world peace and stability, and also conforms to the aspirations of the peoples of China and the west European countries."

The EC delegation has representatives from six political parties, who, Mrs. Desouches said, may differ on some issues but share the view of extensive and effective co-operation with China.

Peng Zhen, Chairman of the NPC Standing Committee, told the delegation, "it is our common wish to safeguard world peace and defend our national security."

"There is no fundamental conflict of interest between us," Peng said. "On the contrary, we have a common desire to expand economic and technical exchanges and co-operation. We have identical or similar interests and basic conditions and needs of co-operation. There exist broad long-term prospects for the development of friendly co-operation between us."

Foreign Minister on 6-Nation Tour

Foreign Minister Wu Xueqian, two-thirds of his way through a six-nation official tour (Yugoslavia, Romania, Austria, France, Tunisia and Kuwait), has had cordial and frank talks with his hosts.

Yugoslavia. At a dinner in honour of Wu held by Yugoslav Foreign Minister Lazar Mojsov, the two foreign ministers agreed to further develop the friendly relations between the two countries, their Communist Parties and their peoples.

Mojsov said that relations between Yugoslavia and China, besides being stable and developing smoothly in all fields, "are characterized by trust and similarity or identity of views on a number of international issues."

Wu was in Yugoslavia on March 29 and 30.

He paid special tribute to Yugoslavia's magnificent efforts and contributions to strengthening unity among non-aligned countries and to giving full play to the non-aligned movement in safeguarding world peace.

On the international situation, Wu urged the United States and the Soviet Union to respect the will of the world's people and reach an agreement on massive reduction of nuclear weapons through negotiations.

He fully agreed with a speech by Mojsov about establishing a new international economic order.

The two foreign ministers shared identical views on every issue they discussed with regard to the international situation and disarmament.

During his visit, Wu met sep-

arately with Nikola Stojanovic, Secretary of the Presidency of the League of Communists of Yugoslavia, Mika Spiljak, President of the Presidency of the Federal Republic, and Milka Planinc, President of the Federal Executive Council. Their talks were described as cordial and frank.

Romania. At a banquet in Wu's honour, Wu and Foreign Minister Stefan Andrei reaffirmed their desire to strengthen friendly relations between their countries.

Andrei reiterated President Nicola Ceausescu's proposal for the maintenance of peace and security in Europe and said Romania will work towards curbing the deployment of US medium-range missiles and the proposed Soviet counter measures and towards the resumption of the Geneva talks between the Soviet Union and the United States.

Wu pledged support for Romania in its efforts to prevent the United States and the Soviet Union from deploying more nuclear missiles and to urge them to resume their talks on this problem.

The two foreign ministers exchanged views on major international issues and they shared identical views on every issue they discussed.

Ceausescu, who met with Wu on April 2, spoke highly of Sino-Romanian relations and expounded Romania's stand on major international issues. He supported China's suggestion that the United States and the Soviet Union substantially reduce their arms, especially their nuclear arsenals. He also stressed that a method should be found by which medium-sized and small countries can contribute to the disarmament question.

He appreciated China's efforts to improve Sino-US relations and normalize Sino-Soviet relations.

Austria. Wu's trip to Austria is the first by a Chinese foreign minister since China and Austria established diplomatic relations in 1971.

Wu said he was satisfied with the visit, and spoke highly of the friendship between China and Austria. There are broad prospects for economic, technical and cultural co-operation between the two countries, he said.

Wu met with Chancellor Fred Sinowatz and talked with his counterpart Erwin Lanc about major international issues and bilateral relations. The two foreign ministers agreed to further develop the friendly relations between the two countries.

Lanc said they had nearly identical views on major international issues.

Wu visited UNO-City and met with leaders of UN organizations. He also met with Austrian Vice-Chancellor and Minister of Industry and Commerce Norbert Steger.

France. In their talks, Wu and Claude Cheysson, French Minister for External Relations, exchanged views on disarmament and ways to relax international tension. They reached identical views on almost every issue.

They urged the two superpowers, which possess the largest nuclear arsenals in the world, to take the lead in drastically cutting their nuclear weapons.

They expressed their satisfaction with the development of Sino-French relations, particularly the increase in the volume of trade last year.

Wu, whose visit lasted from April 4 to 6, also had talks with Claude Cheysson in his capacity as President of the EC Council of Ministers. This was the first political consultations at the

ministerial level between China and the EC.

President Francois Mitterrand met with Wu on April 6.

China's NPC Admitted to IPU

The National People's Congress (NPC) of the People's Republic of China has been admitted to the Inter-Parliamentary Union (IPU) at the 134th session of the union's council in Geneva on April 2.

I. El Sayed, IPU council president, invited the Chinese NPC delegation headed by Geng Biao, Vice-Chairman of the NPC Standing Committee, to attend the council's session.

In his welcoming remarks, Sudan's el Sayed described China as a power in the world and predicted that it would be a balancing factor in the IPU. "The presence of a Chinese delegation in the IPU and its activities will play an important role," he said.

Geng Biao said that the admission of the National People's Congress of the People's Republic of China, which represents 1,000 million people, to the IPU has "opened up a new and valuable avenue for China to enhance inter-parliamentarian contacts and exchanging views and experience with its new and old friends."

He said, "We subscribe to and are ready to observe the statutes of the IPU and will join you in the efforts for the realization of the lofty purpose of the union and the promotion of international peace and co-operation."

The 100-member union, which has been called the "second United Nations," was founded in France in 1889 to promote links between parliamentary bodies. Its 71st conference was held in Geneva from April 2 to 7.

United States

Shifts in Its Asia-Pacific Policy

by XI LINSHENG

LAWRENCE Eagleburger, former US under-secretary of state, recently said that the United States might have to turn away from Europe and towards the Pacific Rim countries because of the grave differences between Washington and its West European allies. Although following unfavourable reactions in Western Europe to his statement, he changed his tune, emphasizing the importance of the Atlantic alliance to US politics and security, it is nonetheless clear that in view of global strategic needs, Washington will have to get involved in the Pacific Rim.

During the last 10 years and more there have been major shifts in US foreign policy towards the Pacific area. In 1969, then President Richard Nixon delivered a speech — the Nixon (or Guam) Doctrine — in which he declared Washington would adopt an austerity policy regarding Asia and pull back troops from continental Asia to the Guam Island line. At the same time it strengthened its military presence in Europe, where its rivalry with Moscow picked up shortly after the Viet Nam War. Later, President Jimmy Carter, following his predecessor's policy, considered a reduction in US troops stationed in south Korea.

Two events changed the US perception of the Asian situation. The first was the invasion of Kampuchea in 1978 by Viet Nam, backed by the Soviet Union. The second was the invasion of Afghanistan by the Soviet Union the following year. In the wake

of this military adventurism, the Carter administration recognized that the Middle East and Asia are areas of strategic importance to US interests. It made efforts to safeguard US interests in these regions but its military strength was insufficient at the time to cover Asia and the Pacific Rim. However, once Ronald Reagan took office, the United States, in a change of tactics, strengthened its military presence in these regions.

The Reagan administration has several reasons — economic, political and strategic — for readjusting its foreign policies. Since the 1970s, the Asia-Pacific region has experienced a rapid economic growth. While the growth rate of gross national product (GNP) in 1979 in the United States and Western Europe was between zero and 2.5 per cent as the Western economic crisis began, in Asia GNP grew by 4 to 5.5 per cent. In the past few years, the value of US trade with Asian countries has surpassed that with Europe. In 1982, exports to Asia and the Pacific Rim accounted for 34.8 per cent of US foreign trade, while its exports to Europe accounted for only 25.7 per cent. Some Americans have even said that the world's economic focus has shifted to Asia and the Pacific Rim.

From the point of view of international politics, Washington and Moscow are stalemated in Europe. Although Europe is still the key to US foreign strategy, conflicts between Washington and its West European allies over their policies towards the Soviet Union and their views on East-West relations have intensified. Western

Europe has exhibited more and more political independence.

At the same time, the United States has been facing an increased challenge in the Asia-Pacific region, with it and the Soviet Union locked in fierce rivalry. Reagan's hard-line policy towards the Soviet Union has won wide support from many Asian nations, Australia and New Zealand, making it possible, and necessary, for Washington to expand its military force in the region.

After World War II, US military strength in the Pacific was superior to that of the Soviet Union, but since 1978 the Soviet Union has greatly strengthened its forces in the region. Soviet troops stationed in the Far East have been increased from 20 divisions in the mid-1960s to 53 divisions today. The number of tanks has tripled and the number of combat helicopters quadrupled.

The Soviet Pacific Fleet, once lagging far behind the US Seventh Fleet, now comprises 820 warships, 455 aircraft, several aircraft carriers and numerous nuclear submarines. The Soviet fleet is active from the North Pacific and the Sea of Okhotsk down through the Sea of Japan, the South China Sea, the Western Pacific and the Straits of Malacca, where it can link up with Soviet warships and fighters in the Indian Ocean.

As well, the Soviet Union has built up its military strength on the four northernmost islands of the Japanese archipelago and in the Sea of Okhotsk, near the US Aleutian Islands. It has deployed 126 SS-20 medium-range missiles, which can hit Japan and North America.

Faced with this situation, the Reagan administration has decided

to readjust its foreign policy regarding the Asia-Pacific region. First, Washington has increased its military presence in the Pacific Ocean, strengthening the Seventh Fleet with nuclear-powered aircraft carriers and submarines equipped with cruise missiles. Second, US troops have been increased to 150,000 and more combat aircraft have been sent to Asia. Third, Washington also strengthened its intelligence forces and reconnaissance work to keep a close watch on Soviet air and naval movements in the northwestern Pacific, and fourth, more military bases have been built in Asia. These efforts are aimed at preventing Moscow from gaining a military superiority in Asia.

Washington sees this region as an important factor in the recovery of the Western economy. In recent years, it has held frequent consultations with Japan and south Korea, and had regular meetings with ASEAN countries to discuss economic matters. Apart from large amounts of US investment and economic assistance, it plans to increase its foreign trade with the Asia-Pacific region from US\$150,000 million to \$5,000,000 million in 10 years.

The United States has had frequent diplomatic exchanges with Asian and Pacific countries since Reagan took office. Washington is trying to strengthen economic co-operation with Asian countries, and build a force capable of effectively checking or countering Soviet expansion, especially by paying much attention to Japan and Korea.

The United States, moving away from its original cool and aloof attitude, has established foreign ministerial meetings with ASEAN countries. The Reagan administration firmly supports ASEAN's stand on the Kampuchea issue and is providing the ASEAN countries with more economic and military assistance.

The US Government has also given a new impetus to the Australia-New Zealand-US (ANZUS) military alliance, which had been quiet for a long time. At a recent ANZUS council meeting, the three countries reiterated their common obligation and task to safeguard Pacific security.

With the United States paying greater attention to the Asia-

Pacific region, the two superpowers will inevitably speed up their military buildup and intensify their rivalry in this part of the world. People all over the world are closely watching what influence will be exerted on the US-Soviet rivalry in Europe as Washington readjusts its foreign policy and what influence it will exert on the US-European relationship.

Viet Nam

Hidden Intentions Revealed

"Renmin Ribao" Commentator

SINCE late last month, Vietnamese occupation troops in Kampuchea have been launching furious attacks along the Thai border. Viet Nam has not only sent its regular troops into Thailand but it has also been employing a large number of tanks and artillery, including new type of Soviet-made weapons. It has brazenly built fortifications within the Thai border, wilfully trampling upon Thai territory and arrogantly scorning Thai sovereignty. This is the most serious military intrusion by Viet Nam into Thailand in recent years.

It followed a visit by Viet Nam's Foreign Minister Nguyen Co Thach to the ASEAN countries and Australia, during which he made an attempt to drive a wedge between the ASEAN countries, to disrupt the tripartite unity of Democratic Kampuchea and to sow discord between the ASEAN and other countries—all part of a "new course of action" aimed at destroying the Democratic Kampuchean patriotic forces fighting against Vietnamese aggression. However, his clumsy tricks failed, further revealing Viet Nam's aggressive and expansionist intentions. The

Vietnamese authorities rejected ASEAN's proposals for a gradual withdrawal of Vietnamese troops from Kampuchea, calling them an unacceptable unilateral withdrawal, and instead put forward a precondition for negotiations with the ASEAN countries, namely, the destruction of the patriotic forces of Democratic Kampuchea.

Naturally, Thailand and the other ASEAN countries have condemned and repudiated the Vietnamese suggestions, as has world opinion. Having failed at diplomatic deception, Viet Nam resorted to armed intervention to intimidate Thailand.

At one point, people were wondering why Thach pretended to be deaf and dumb, avoiding talks with Thai Foreign Minister Siddhi Savetsila after returning to Thailand from Australia. The reason is completely clear now. Vietnamese troops were already deployed along the Kampuchean-Thai border for an offensive. It is obvious that Viet Nam's large-scale intrusion into Thailand is a last-ditch measure following the failure of its political tricks.

Viet Nam's invasion of Thailand has exposed its mask of hypocrisy and the bankruptcy of its

deceptive tactics. The truth can be seen clearly now. During the current dry season, Viet Nam did not launch an early military offensive in the Kampuchean battlefield and along the Thai-Kampuchean border as it had done in recent years. This was an attempt to deceive the international community and to seek fresh opportunities by lulling its neighbours. During his stay in Indonesia and Australia, Thach proclaimed Viet Nam's willingness to discuss the Kampuchean issue and adopt a realistic attitude, and pledged not to invade the borders of any ASEAN countries. These statements were lies. At no time did Viet Nam want to solve the Kampuchean problem reasonably; it simply tried to cajole ASEAN into accepting its proposals, which were aimed at destroying the patriotic forces of Democratic Kampuchea and at bringing about the permanent occupation of Kampuchea.

The Vietnamese authorities have used various opportunities to allege that China and not Viet Nam is the "main threat" to Southeast Asia. But its invasion along the Thai border, its armed provocations along the Sino-Vietnamese border and its continual aggression against Kampuchea all show the world that the true threat to this region comes solely from the Vietnamese authorities, who harbour hegemonist ambitions.

Political deception and military attacks have been the tactics constantly used by the Vietnamese authorities for a long time now. They will adopt any tactic that will meet their aggressive needs. However, the unjust nature of their war will show that no matter what tactics they adopt they will not be able to achieve their indefensible ambitions. The recent attacks along the Thai border have not only been repulsed by Thai troops and people; they have been condemned strongly in the interna-

tional forum. One may safely predict that if the Vietnamese authorities continue to defy inter-

national justice and public opinion, they will come to a dismal end.

(April 6)

The Balkans

Seeking Ties Amidst Confrontation

by WU XIJUN

HIGH-LEVEL officials from Bulgaria, Romania, Turkey, Yugoslavia and Greece held two rounds of talks in Athens in January and February on co-operation in politics, economy and culture. The two meetings did not end with any agreements on essential issues, but they brought new hope for Balkan co-operation. The Romanian press called the meetings concrete action for furthering confidence and security and promoting co-operation between the Balkan countries and Europe. They were also seen as a major stage in preparing for a Balkan summit.

There have been readjustments in the balance of power in the postwar period. Romania and Bulgaria now belong to the Warsaw Pact, Turkey and Greece belong to NATO, Yugoslavia pursues a non-aligned policy and Albania follows its own peculiar policy. As a result of this and historical conditions, differences exist between the Balkan countries on the issues of ideology, social systems, allies, nationalities, territory and borders. Any two Balkan countries have issues to resolve. These political, economic, military and national contradictions shroud the entire Balkan Peninsula.

In recent years the Balkan countries have come to feel that they belong not only to the East or West blocs or to Europe, but to the Balkans. Accordingly, they have increased links with one another and at the same time they

have played down contentious issues and stressed good intentions, good-neighbour relations and patience, paying attention to the development of the economic relations as a way of stabilizing political relations.

In the mid-1970s, the proportion of each country's trade with other Balkan countries was: Romania 4.5 per cent, Yugoslavia 4.6 per cent, Bulgaria 3.8 per cent, Albania 19 per cent, Turkey 2.5 per cent and Greece 2.9 per cent. In the late 1970s these proportions had risen: Romania 6.9 per cent, Yugoslavia 4.9 per cent, Bulgaria 7 per cent, Albania 31 per cent, Turkey 7 per cent and Greece 6.5 per cent.

The leaders of the Balkan countries have recently made frequent visits to each other's countries. Since 1982 the top leaders of Romania, Yugoslavia, Bulgaria, Turkey and Greece or the heads of government have exchanged visits. An Albanian economic delegation has also exchanged visits with Turkey and Greece. Albania has improved relations with other Balkan countries, too.

However, during the current period of complicated international relations, the Balkans cannot avoid being involved in the tensions. Development of relations between the Balkan countries is limited, according to some political circles. Although they are stressing good-neighbour relations and co-operation and there has been some economic co-operation, political co-operation between the Balkan countries is limited by difficulties arising from complica-

tions implicit in existing ties with the Warsaw Pact and NATO alliances and in historical differences.

The varying attitudes in the Balkan countries towards the idea of a Balkan nuclear-free zone are an obvious example. Some countries and political forces are afraid that political co-operation will break up the military and political balance within and outside the Bal-

kan region. Therefore, despite talk about co-operation and peace, they find it difficult to actually resolve political issues or to settle major problems independent of the European situation. The outlook seems to be that the Balkan countries will promote bilateral and multilateral co-operation in certain areas and hold meetings at different levels to create conditions for a summit sometime in the future.

Eastern Europe

Economies Take Turn for the Better

by SU ZONG

SINCE the beginning of 1983, Bulgaria, the German Democratic Republic (GDR), Hungary, Poland and Czechoslovakia while tiding over difficulties, have seen steady economic development.

At the end of the 1970s, because of rises in the costs of energy and raw materials, and the influence of the West's economic crisis, these countries met with varying economic troubles. Their pace of economic growth slowed, and some economies even stagnated or declined. Also, matters were not helped by inefficient economic structure and management. However, beginning in 1983, most of their economies took a turn for the better, with the rate of growth no longer declining and in some cases even climbing.

According to statistics released by these countries in January, national income began to increase in 1983 and industrial production rose on the average more than 4 per cent, marking a peak in the past four years.

The Bulgarian and GDR economies have been developing smoothly as planned and at a relatively high speed. This is in contrast to other European countries, both in the East and West, which

have suffered serious economic difficulties during the same period. Last year Bulgaria's national income rose 3 per cent and the gross value of industrial output 4.6 per cent, with machine-building, electronics and chemicals expanding rapidly.

The GDR's national income rose 4.4 per cent last year, with the production of industrial goods increasing 4.6 per cent. The country has performed especially well in using energy and raw materials sparingly and applying scientific and technical advances to raise efficiency.

Last year, the Czechoslovak and Hungarian economies climbed out of a recession that lasted several years. In Czechoslovakia, national income rose 2.2 per cent and industrial production 2.7 per cent. Grain output reached 11 million tons, a record harvest.

Hungary roughly fulfilled planned growth of 0.5 to 1 per cent in its national income and 1 to 2 per cent in its industrial production. It also reduced its foreign debt and improved foreign exchange reserves. All this ensured a basic balance of international payments and the maintenance of current living standards—the country's two main economic goals.

In 1983, Poland succeeded in checking the massive decline in

production which troubled it for several years running. National income rose 3.8 per cent and the value of marketing industrial goods jumped 6.5 per cent. At the same time, it enjoyed a good grain harvest, and the shortage on markets was relieved.

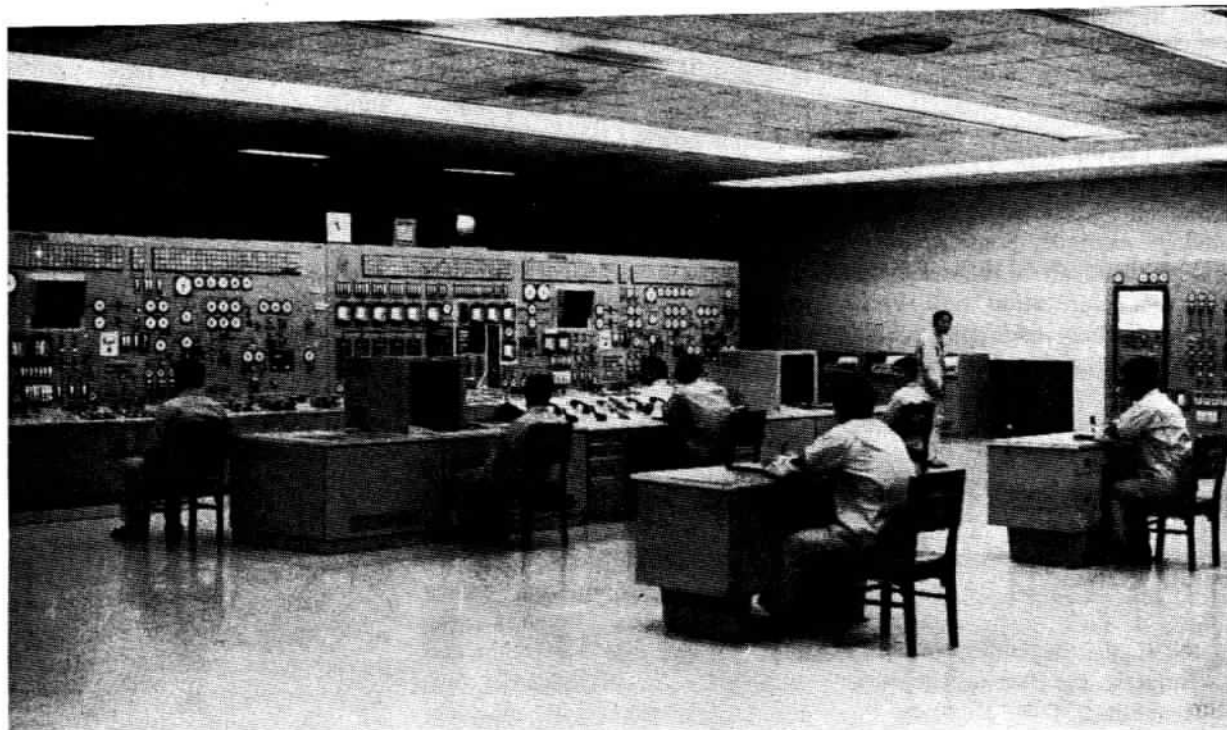
These improvements are the result mainly of the readjustments and reforms made by these countries in the past four years. They applied effective policies to combat rises in the costs of energy and materials, worsened foreign economic conditions and domestic economic imbalances. Measures were adopted to readjust economic structure, and reduce capital construction. The need was stressed to apply scientific and technical advances, practise thrift and tap potential, so as to gain greater economic results. Imports were limited, exports encouraged, and a reduction in foreign debt demanded. In addition, efforts to develop agriculture have proven successful.

Moreover, these countries have carried out varying reforms of their management systems. The number of administrative levels was reduced, the power of enterprises expanded and wage systems improved, all of which have helped spur production.

However, the five countries still face certain problems. They face shortages of energy, raw materials and funds.

Furthermore, with the exception of Bulgaria and Czechoslovakia, the East European countries are burdened with heavy debts, which, according to the West, total US\$40,000 million.

The growth targets for national income set in these countries' 1984 economic development programmes are slightly higher than those in 1983. These countries are expected to continue their present policies so as to further develop their economies.



The central control room of the thermal power plant at the Shanghai Baoshan Iron and Steel Complex.

Economic Reform

Facts Behind the Shanghai Economic Zone

—An interview with Wang Lin, director of the planning office of the Shanghai economic zone under the State Council

Question: Why has China set up the Shanghai economic zone?

Answer: China is now carrying out a well-planned step-by-step reform of its economic system. A major issue we are facing is how to set up trans-regional zone through fully exploiting the role of the central cities.

In the past, China's economic management was basically handled in accordance with administrative departments of various trades or geographical administrative divisions. The administrative management organizations and enterprises were often mixed together. This weakened economic ties between different localities and caused re-

gional blockades and overlapping construction. Experience has shown that this kind of management system did not suit the national conditions and held back the growth of productive forces.

With the detailed division of labour and the increase in specialized production, departments, regions and enterprises are becoming more and more interdependent economically and technologically.

Particularly in a socialist country like ours, where the economy is still developing, we must energetically encourage the commodity economy in urban and rural areas and organize production and circulation to form a unified

socialist market, in accordance with the inherent economic relations in socialized mass production. Cities must serve as industrial centres in this endeavour.

Premier Zhao Ziyang told the First Session of the Sixth National People's Congress in June 1983, we must "take cities as centres and organize economic activities according to the inherent laws of economic growth, break down the barriers between regions, departments and town and country . . . and gradually form inter-trade and trans-regional economic zones and network."

I believe that the economic zone is not a definite geographical area.

but a conception of a regional location. It is a place where economic relations are relatively close. It has no definite boundaries, but an approximate location. Perhaps the economic zone might better be called an economic network, with a major city as its hub, and not an administrative region.

Q: Could you please give some details about the Shanghai economic zone?

A: The Shanghai economic zone includes ten cities — Suzhou, Wuxi, Changzhou and Nantong in Jiangsu Province and Hangzhou, Ningbo, Shaoxing, Jiaxing and Huzhou in Zhejiang Province — and 55 counties under these cities, with Shanghai as its centre (see sketch map). It is located on the Changjiang River delta, facing the East China Sea, with the Taihu Lake in the middle. It therefore has very favourable natural conditions.

The Shanghai economic zone covers 74,000 square kilometres, 0.77 per cent of China. Five per cent of China's population, 50.59 million people, live in the zone. It boasts 38,900 enterprises, and its output value for industry and agriculture makes up 15 per cent of the nation's total. It provides one-fourth of the state revenue and handles one-third of China's foreign trade. The Shanghai economic zone is the richest area in China.

Q: Why did the State Council



choose Shanghai as the first place to establish an economic zone?

A: Shanghai has always been China's economic centre. It has close relations with other cities on the delta, and this has been so throughout history. The other nine cities are actually satellites of Shanghai. The economic development of Shanghai will bring along these nine cities, which will, in turn, hasten development in the surrounding counties and countryside. The thriving Shanghai economic zone will also promote the economic growth of the whole country.

There are already examples of success in the economically developed countries, where the development of one region assisted the growth of other regions. In the United States economic development began in the east, centred around New York, and then moved west. In the last 20 years it has spread to the south. Japanese economic development also began in Tokyo and then spread to other parts of the country.

Q: What are the advantages and special features of the Shanghai economic zone?

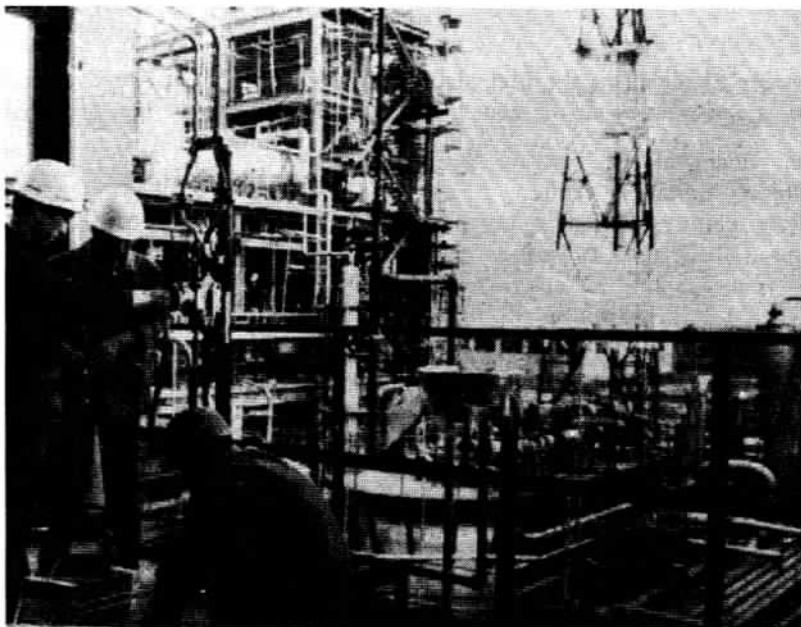
A: The Shanghai economic zone is not only endowed with favourable natural conditions, but has been one of the most civilized regions in ancient and modern history.

Today the position of the Shanghai economic zone is very strong in China:

The output value of agriculture in the zone accounts for 8 per cent of the nation's total; grain (mainly rice), 5.7 per cent, cotton, 10.6 per cent, and silk cocoons, 27 per cent.

Twenty per cent of the country's metallurgical industry, 27 per cent of the chemical industry, 20 per cent of the machine-building industry, 38 per cent of the textile industry and more than 50 per cent of the ship-building industry of the nation are concentrated in this zone. The total output value of industry makes up 20 per cent of the nation's total. The Shanghai economic zone has a wide variety





The second phase of construction of the Shanghai Petrochemical Complex is under way.

of industries, and the quality of many products is among the best in the country. They also enjoy a good reputation abroad. Goods shipped to other parts of the country from this area account for 45 per cent of the nation's total.

The average per-capita output value for industry and agriculture in this economic zone is US\$ 1,000 a year.

Twenty per cent of all the commodities China exports also come from the Shanghai economic zone. It has established economic and trade relations with 160 countries and regions. It also serves as the export collection and distribution centre for a dozen or so provinces and cities in east and central China, and as a transfer station for imported technology.

It has favourable transportation facilities. The zone is located at the estuary of the Changjiang River, in the centre of China's coast. Railways and highways link the zone with other parts of the country. CAAC international flights from Shanghai airport go to the capitals of most major countries, and ocean-going vessels can reach any port in the world.

The level of culture and education in the region is high, and its scientific and technological level ranks first in the country. It has 82 institutions of higher learning with 126,000 students, and 580 scientific research institutes with 500,000 technicians.

Each city in the Shanghai economic zone has its own special strengths.

In Shanghai. The completion of the Baoshan Iron and Steel Complex, together with the existing iron and steel enterprises, will turn the city into a base producing 10 million tons of iron and steel a year. After the technical transformation of the existing enterprises Shanghai will be able to produce steel plates and tubes, and several million tons of various kinds of high-grade special rolled steel. All this will meet the needs of the zone as well as those of the other parts of the country.

The heavy-duty machinery plant equipped with a 10,000-ton hydraulic press and factories manufacturing equipment for big power stations in the Minhang industrial district on the outskirts of Shanghai can produce many kinds of large machines and electrical equipment.

The electronics industry in the district is highly developed and the manufacture of computers and large integrated circuits has developed considerably. The production of micro-computers has recently made rapid progress.

The petrochemical plant in Jinshan can turn out several hundred thousand tons of raw materials for chemical fibres. The already developed light and textile industries have long been important to the Shanghai economic zone and the country as a whole.

Because of all these strengths, Shanghai can set a national example in catching up with the advanced world level. During the period of the Seventh Five-Year Plan (1986-1990) Shanghai will further readjust its production setup and proportions, increase economic returns, speed up the development of high-grade, precision, sophisticated new products and contribute even more to the state.

In the other nine cities. Suzhou and Hangzhou, known as "heaven on earth," offer fabulous scenery, historical sites and a strong tradition of silk-making.

The large integrated circuit plant in Wuxi and the corduroy, tractors and diesel engines made in Changzhou have enjoyed a high reputation on the domestic and international market.

Shaoxing is rich in mineral resources, and its weaving and plaiting, wine-making and other traditional foodstuffs are universally acclaimed.

With the establishment of the Shanghai economic zone, these cities will absorb technology from Shanghai's enterprises through trade reorganization in the city. They will then be able to produce even more quality products.

At the harbours. The Nantong and Ningbo harbours will be expanded into important ports in the Shanghai economic zone. They

OILFIELD CONSTRUCTION IN THE SOUTH CHINA SEA

Another well, with a daily output of more than 1,000 tons of crude oil, is working in the Sino-French co-operative zone of the Beibu Gulf in the South China Sea.

Photo by Xu Jun





This computer centre was set up at the end of 1981 in the Zhanjiang oil base area. The large vector computer system is capable of handling one million operations a second.
Photo by Xu Jun



The transfer depot for casing pipes in Shenzhen's Shekou industrial area.
Photo by Xu Jun



Ocean-going ships at anchor in the Zhanjiang deep-water port.
Photo by Xue Chao



Modern equipment for blowing cement into an underwater well.
Photo by Xue Chao



The oil rig *Nanhai 2* operates in the Sino-British oil drilling zone in the Zhujiang (Pearl) River mouth basin.
Photo by Xue Chao



The audio-visual education studio of the TOTAL Corporation Training Centre.
Photo by Xue Chao



Students from a primary school run by the workers and staff of the Zhanjiang oil base put on a performance.
Photo by Xue Chao



A class at the Zhanjiang Technical Secondary School.
Photo by Xue Chao



The ARCO Company Training Centre.
Photo by Xue Chao



A supermarket in the residential quarter for foreign guests.
Photo by Xue Chao

Overlooking the foreigners' residential area.

Photo by Xue Chao





The oil drilling rig at work.

Photo by Xue Chao



Wanjingshanzhuang — a newly established potted plant garden in Suzhou.

will share the task of collecting and distributing commodities with Shanghai harbour, and provide good port facilities and services for domestic and foreign trade.

But the Shanghai economic zone also has its disadvantages. It is poor in natural resources. Most of the raw and semi-finished materials have to be shipped from the interior, and it currently has acute shortage of electricity and coal.

When the reorganization and readjustment of the economic structure is completed, technology-intensive production will be developed. The good ports will make it practical to import raw materials from other countries and ship out processed goods.

Q: What is being planned now for the development of the Shanghai economic zone?

A: Our main purpose is to develop a Chinese-style socialist economic management system which is rational in its division of work, and closely integrates the urban and rural areas. To this end, our planning office is paying close attention to the regional plan and economic integration.

In the year since this zone was established, we have worked out

unified plans for development which will exploit the superiority of each place, and promote economic integration between the cities on the principle of voluntariness and mutual benefit, with no change in the subordination of the enterprises to the cities.

Our planning is focused on energy, transportation, foreign trade, technological transformation of the existing enterprises and comprehensive harnessing of the Changjiang and Huangpu Rivers and the Taihu Lake.

In the past year various cities

in the zone have been conducting economic and technological cooperation. The local government in Wuxi has established close ties with 274 factories and 106 research institutes and institutions of higher learning in Shanghai.

A system of joint meeting involving 14 fields such as chemistry, textile, machinery, instruments and meters, electronics, statistics, banks, transportation and harbours, has been set up in the economic zone. This is a loose-knit, democratic consulting organization on the basis of mutual benefit. It has been readily accepted by all departments concerned, and they find it useful in solving problems which crop up in the co-ordinated development plans.

Because of regional separation, in the past the Shanghai, Nantong, Ningbo and Zhangjiagang harbours had not been properly co-ordinated. A joint committee of the four harbours was set up early this year to unify plans for utilization.

In order to make better use of the rich water and navigation resources in the economic zone, the Huangpu and Changjiang Rivers and the Taihu Lake were surveyed last year, and a programme for harnessing them is in the making.

Control and Beautify Lake Taihu

by ZHANG ZEYU
Our Correspondent

THE crystal clear waters and emerald green hills of Lake Taihu, the fourth largest freshwater lake in China, make it ideal for tourism. No visitor even mentions the lake without praising its beauty. The Taihu basin is also rich in fish and rice, earning it the name "paradise on earth."

However, Lake Taihu also has

the troublesome habit of overflowing its banks. The local people have long wished for a way to solve this problem. The founding of the Shanghai Economic Zone has paved the way to realizing their long-cherished hope.

Where Does the Problem Lie

Lake Taihu, covering 2,460 square kilometres, sits astride Jiangsu and Zhejiang Provinces.

Thirty million people farming 1.67 million hectares of land live in its 36,000-square-kilometre basin, which stretches over 43 counties and cities — as big as a medium-sized country. Of the 10 cities in the Shanghai Economic Zone, seven lie within the Taihu basin. The value of their yearly industrial and agricultural output is one-seventh of the nation's total, and the annual revenue is one-fifth.

Lake Taihu, so far unpolluted, is rich in aquatic resources, and good for irrigation and water transportation. But during the rainy season, the local people often end up with too much of a good thing.

Since the founding of New China in 1949, the Taihu basin has flooded many times. In 1954 a particularly severe flood put 520,000 hectares of cultivated land and some surrounding cities under water. In 1983, although the rainfall was not heavy, 200,000 hectares of land flooded. Early last November some of this farmland was still under water.

According to the Mayor of Suzhou, a city close to the lake, not long ago he received many letters, appealing for help. He decided there could be no more delays in solving this problem.

The work to control Lake Taihu began in 1958. Although much money has been spent on water conservation projects over the past 25 years, little has changed. The steps taken were not radical enough to control the flooding. And each city around the lake took its own measures, with no unified plan.

But in January 1983 the Shanghai Economic Zone Planning Office was set up. It is in charge of co-ordinating the economic and social development of two provinces and one municipality. Now the problem of how to control the lake

effectively has come into its agenda.

In its first planning meeting in August 1983, leaders of the two provinces and the municipality and concerned specialists expressed their determinations to solve this problem.

The Taihu basin is higher in the west and lower in the east. Because there are hills to the west, the floodwater rushes down to the lake. To the north, south and east of the lake are plains and

Lake Taihu is often faced with the threat of flooding. The local people have long wished for a way to solve this problem. The establishment of the Shanghai Economic Zone has paved the way to realizing their long cherished hope.

low-lying areas. In 1954 an estimated 9,700 million cubic metres of water ran into Taihu, which is only able to hold 4,500 million cubic metres. Obviously, the surplus water must be drained off before it ever reaches the lake.

After a general survey of the Taihu basin, a tentative plan to control the lake by using a river system was mapped out. The 57-kilometre-long Taipu River in the southeast of the lake will be dug to flow into the Huangpu River. One section of 41.5 kilometres long has already been completed in Jiangsu Province, and other parts in Zhejiang Province and Shanghai are under way. When completed, the river is expected to drain 2,100 million cubic metres of water.

The Wangyu River, which runs from the northern tip of Lake Taihu to the Changjiang (Yangtze) River, will be widened. This is expected to raise its drainage capability from 500 million cubic metres to about 2,000 million.

Construction of an embankment around the lake has been accelerated.

The Hongqi River will be dug to divert the heavy rainfall in Hangzhou, Jiaxing and Huzhou into the Huangpu River, emptying into the East China Sea.

The construction of the projects in the Hangzhou-Jiaxing-Huzhou area to divert water into the sea is continuing. When completed, these projects will handle 2,200 million cubic metres of water.

To the west of Lake Taihu, drainage projects able to handle 1,100 million cubic metres of water are planned for the canal area.

When the plan is completed, Lake Taihu will be a flowing lake. That is, it will be able to store and drain off water. Flooding will be brought under control, and more high-quality water can be diverted to the Huangpu River at any time, greatly improving the water supply in Shanghai.

The project will also help develop water conservation, navigation, fish breeding, and tourism. On the lakeshore, flood-prone areas will be turned into stable, high-yield fields. The Taihu basin will be more prosperous.

To build these water conservation projects 2,670 hectares of cultivated land must be used, and some residents will have to move. But compared with the benefits these projects will bring, the cost is not too high. The words "United to control Lake Taihu through mutual help and accommodation" written in the plan have been taken as the principle for action by the units involved. □



Oil Exploitation in South China Sea (2)

Co-operation With Foreign Countries

This is our second special report on the Nanhai (South China Sea) Oilfield. The first, "On the Eve of a Massive 'Battle,'" appeared in issue No. 15. — Ed.

by **JING WEI**
Our Correspondent

FOLLOWING TOTAL (France) and ARCO (United States), other oil companies from the United States, Britain and Japan have signed 15 contracts with China since last May, beginning co-operation on an unprecedented scale between Chinese and foreign enterprises.

During my visit, I met with authoritative persons from many countries, to find out the details of this co-operation.

Fruitful Co-operation

"Generally speaking, our co-operation with China is going

smoothly," said Philippe Picard, acting general manager of the TOTAL Chine. Picard manages the exploration department and is acting as general manager while that official is back in France.

According to the contract signed by China and TOTAL, both share the investment, the success or failure. During the exploration the Chinese are investing 51 per cent, and TOTAL is serving as the operator.

"It is clear that there are rich oil deposits in the Beibu Gulf," said Picard. "Among the 14 wells we've drilled on seven structures, four on one structure are high-yield wells." "This is the result of our sincere co-operation since May 1980," he added. Picard said the oilfield was being appraised and study of further exploration was under way.

Immediately after signing the

contract, both parties established their own corresponding institutes. Decisions on major problems, such as operating plans, drilling designs, selecting contractors, are all made by personnel from both institutes, after discussion. Through co-operation, the two partners have exchanged technology and experience. And through normal operations and discussions, the French have transferred some techniques to China.

While talking about the problems, Picard said, "Some of the Chinese employees are used to doing things in conventional ways. They don't understand the special requirements of operating on the sea and don't work efficiently. As the rent of a rig is rather expensive, wasting time increases the investment."

"It's natural to come across problems during co-operation,"

said D.C. Harding, general manager of the British Petroleum Development Ltd. (BP). "But after negotiation, they were solved. Our co-operation both in technology and in living is going on smoothly."

Common Desire

In the office building for co-operative ventures in Zhanjiang, I interviewed Osamu Inoue, director and general manager of the Zhanjiang office of the Idemitsu China Oil Development Co. Ltd. He said that before the first meeting of the joint administrative committee, he was worried that the Chinese would raise some difficult problems. But his Chinese partners were unexpectedly sincere and the meeting was a great success.

Now the 1984 plan has been approved without problem by both partners and preparations for the first exploratory well are under way. By this summer, Inoue expects, Idemitsu will increase its staff in Zhanjiang from 13 to 30.

He considers it a great honour to take part in tapping the Nanhai (South China Sea) Oilfield, the Japanese director said. As early as 1971, the Chairman of the

China National Offshore Oil Corp.

ESTABLISHED with the approval of the Chinese Government, the China National Offshore Oil Corporation (CNOOC) is exclusively in charge of exploring and exploiting the offshore oil resources in the People's Republic of China, in co-operation with foreign enterprises. The CNOOC is a state corporation invested with judicial powers.

Its main business is to demarcate the co-operative areas in the offshore region set aside by the state, to work out solicitation of bids and bilateral talks, to negotiate with foreign enterprises and enter into contracts, to organize affiliated companies and other specialized co-operations to fulfil their contracts, and to assist relevant departments, regions and enterprises to sign contracts to

manufacture equipment and provide other services.

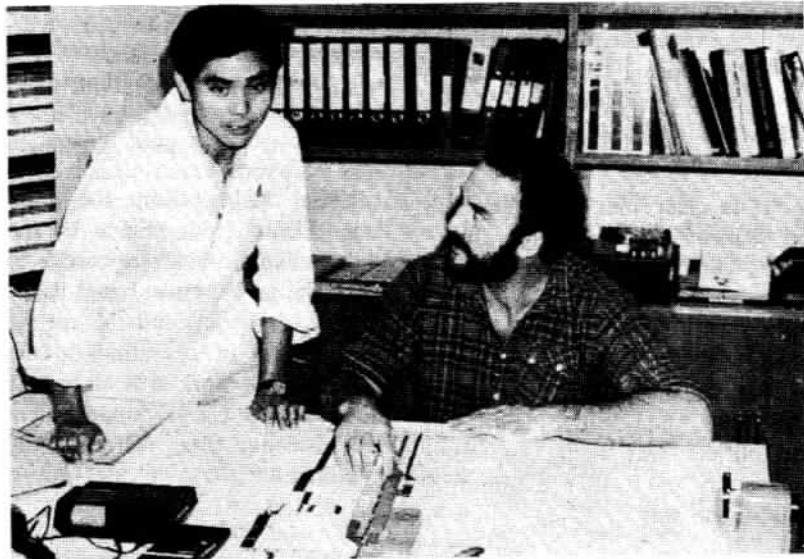
The corporate headquarters is located in Beijing, while its four branches—the Bohai Sea Oil Corporation, the Nanhai West Oil Corporation, the Nanhai East Oil Corporation and the Southern Huanghai Sea Oil Corporation—are in Tianjin, Zhanjiang, Guangzhou and Shanghai, respectively. Each regional corporation is empowered by the CNOOC to implement the co-operative contracts.

Under the CNOOC are institutes for offshore oil research and project design. Specialized corporations will also be established to sign contracts on offshore oil projects on their own or co-operatively with foreign and domestic enterprises. The CNOOC has also established agencies abroad as representatives of the corporation.

Board of Idemitsu told Premier Zhou Enlai that he would be very

happy if his company could participate in oil exploration in China. "We expect a great deal in the South China Sea," Inoue said. "We feel happy because our long-term desire has been realized."

Representatives from China and the British Petroleum Development Ltd. discussing work on the Nanhai 2 platform.



"The co-operation between China and foreign corporations is wonderful," said Wang Yan, general manager of the Nanhai West Oil Corporation, one of the four regional corporations under the China National Offshore Oil Corporation. Some of the companies which began working with China earlier, such as TOTAL and ARCO, have established training centres in their base areas which have trained scores of Chinese specialists in technology and foreign languages. The companies which came last year have also worked out training programmes.



Teaching and learning from each other — a class in the Nanhai Technical School.

Foreign corporations have not only invested heavily, but have also sent experienced experts and brought in state-of-the-art equipment. "This demonstrates their determination to co-operate with China and contribute to the tapping of the South China Sea," Wang Yan said.

I asked him why co-operation has been going so smoothly. "It is the common desire of economically exploiting the oil as soon as possible," the general manager said. "The foreign corporations want to regain their investment and earn early profits, and the Chinese wish to provide the modernization drive with oil as soon as possible."

Mutual Benefit

The policy of China today protects the economic rights and interests of foreign investors, in accordance with their contracts, Wang Yan said. "Since co-operation always involves two sides, their relationship should be equal and beneficial to both of them." The Regulations of the People's Republic of China on the Exploitation of Offshore Petroleum Resources in Co-operation With Foreign Enterprises (for full text see *Beijing Review* issue No. 8, 1982) stipulates, "The Govern-

ment of the People's Republic of China protects, in accordance with the legislations in force, investments by foreign enterprises participating in the exploitation of offshore petroleum resources, their share of profits and other legitimate rights and interests, and their activities in co-operative exploitation. The foreign contractor may export the petroleum it receives as its share and/or purchases and remit abroad the investment it recovers, its profit and other legitimate income according to law." The regulations also stipulate, "The equipment and materials imported for the implementation of the petroleum contract shall be exempted from customs, or levied customs at a reduced rate, or given other preferential treatment in accordance with state regulations."

On several occasions Premier Zhao Ziyang has pointed out that China's political situation is stable and its policies are continuous. The Chinese Government honours contracts and keeps its promises. At a time when the relevant law is not yet perfect, the contracts are acting as law. The legitimate rights and interests of foreign investors are guaranteed.

"While implementing the contracts, we always do our best to

protect the foreign investors' rights and interests concerning specific problems," said Wang Yan, who is praised as enthusiastic about co-operation by his foreign partners. The contract represents the interests of both parties and it should be the basis of sincere co-operation. An important reason for the fruitful co-operation in the western South China Sea is the sincerity of both parties in fulfilling their contracts, he added.

I asked whether China's rights and interests might be damaged by this co-operation. "Of course not," said Wang. "We all clearly remember how we suffered in the old days when China lost its sovereignty and dignity. That's why we pay such close attention to protecting the state's rights and interests."

The regulations on offshore oil exploitation, which conform with the general international practice, clearly state that China owns all oil resources and administrative rights within the co-operative area. The boundaries of the co-operative offshore areas and the selection of foreign partners are decided solely by China. After the oilfields begin production and the initial investment has been regained, the fixed assets belong to China, and when conditions are ready, China can become the operator implementing the contract.

Major issues arising during co-operation are to be examined and approved by the Chinese, who have the right to take part in and supervise all co-operative activities. Any information obtained by co-operative ventures cannot be divulged, sold, transferred or published without the permission of the Chinese authorities.

"These regulations will effectively protect China's rights and interests," Wang Yan said. "The situation is fundamentally different from what it was in old China, when our country was trampled on."

Seeking Stable and Durable Sino-US Relations

by ZHUANG QUBING

THIS is an uncommon year in the history of Sino-American relations. Premier Zhao Ziyang visited the United States in January. President Ronald Reagan is coming to China later this month. This is the first official exchange of visits between the government heads of the two countries since the establishment of diplomatic relations. It is an event of great importance.

The Chinese people are warmly looking forward to President Reagan's arrival. They believe his visit will certainly promote the development of friendly relations between the two countries and benefit world peace.

At this moment it is significant to review the development of Sino-US relations, and to look towards their future.

Development of Relations

China and the United States are situated on opposite sides of the Pacific Ocean. The development of their relations since 1972 has the following two characteristics.

First, the issuing of the Shanghai Communique broke the ice that separated them. Soon after, relations grew fairly rapidly. Politically, the two countries gradually changed from being enemies to increasing contacts and finally establishing formal diplomatic ties.

Since then, relations have been expanding. Economically, with the US-imposed trade embargo lifted, trade between the two countries grew so fast that the United States is now China's third largest trading partner. American businesses

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have begun to invest in China and the scientific and technological cooperation between the two countries has likewise grown steadily. At the same time, contacts between people have increased daily.

Second, there have been ups and downs in relations, which are unstable because of difficulties and obstacles. Richard Nixon's trip to Beijing in 1972 marked a turning point in relations. Each country

The Taiwan issue undoubtedly is the main obstacle to enhancing Sino-US ties and also the major reason for the failure to attain steady development in their relations. This obstacle must be removed.

set up a liaison office in the other's capital, and trade became brisk. But, for a variety of reasons, the United States and China failed to attain full normal relations quickly. In the absence of formal diplomatic ties, it was impossible for bilateral relations to grow extensively. This went on for seven long years.

It was not until late in President Jimmy Carter's term that the two countries formally established diplomatic ties. On January 1, 1979, after a long, hard negotiation, the agreement was signed. This represented a significant advance of Sino-US relations.

Afterwards, Chinese Vice-Premier Deng Xiaoping and US Vice-President Walter Mondale, and many other senior government officials, exchanged visits. Treaties and agreements on consular matters, trade, civil aviation, maritime transportation, science and tech-

nology and culture were concluded. The volume of trade rose sharply and bilateral relations greatly expanded.

But later on, relations between the two countries became tense and even tended to regress, mainly because the United States adopted the "Taiwan Relations Act" and continued to sell arms to Taiwan. The signing of a joint communique on August 17, 1982 eased these tensions. But, trade talks on textiles broke down, and still other problems cropped up.

In May 1983 the United States announced positive measures on the problem of technology transfers. In July the two countries reached a textile agreement. In September US Defence Secretary Caspar Weinberger visited China and Chinese Foreign Minister Wu Xueqian visited the United States the following month. All these positive steps paved the way for Premier Zhao Ziyang's trip to America last January and President Reagan's forthcoming visit to Beijing. Encouraging progress has been made in the relations between the two countries over the last year.

Historical Experience

Although China and the United States established a liaison in 1972 after 22 years of antagonism, it took seven years to normalize relations. This is rare in the history of world diplomacy. Thanks to the joint efforts of both countries, relations have now advanced and borne fruit. But this is a hard-earned gain. The past 30 years' history of Sino-American relations offers some lessons for the future.

Whether China and the United States are on good terms has

a great bearing on their vital interests and the entire world situation. The improvement in Sino-American relations, for instance, has provided a more favourable international environment for China in its modernization programme. And it has helped improve US position in the Asia-Pacific region and elsewhere in the world. Furthermore, the growth of Sino-American relations in recent years has contributed to international peace and stability and played a positive role in promoting tranquility and economic prosperity in the Asia-Pacific region.

However, if Sino-American relations were to deteriorate or even regress, it would not be difficult to imagine the adverse effects on both countries and on the international situation.

It is necessary to handle relations between the two countries with a long view, in light of the long-term interests of both nations and the world. When Chairman Mao Zedong, Premier Zhou Enlai and President Nixon seized the first opportunity and firmly decided to break the impasse of protracted separation and antagonism, a seemingly impossible feat at the time, they pushed forward the tide of history. Their great farsightedness has won public acclamation to this day.

When the two governments resolutely removed difficulties and obstacles to establish formal diplomatic ties, they also demonstrated the long-term vision of their leaders.

It is necessary to build relations between the two countries on the basis of the Five Principles of Peaceful Coexistence, respecting each other's sovereignty and territorial integrity and not interfering in each other's internal affairs. These principles were duly recognized in the three Sino-American joint communiques signed in 1972, 1978 and 1982. Under these principles, by developing extensive

contacts in politics and economics, science and culture, overcoming existing difficulties and obstacles, it is still possible to arrive at a realistic and appropriate solution to the problems remaining between the two countries, despite the complexity of the situation. Agreement on the three joint communiques and the trade pact on textiles was reached only after extensive exchanges, in keeping with this spirit.

Remove Obstacles to Developing Relations

It is obvious that to secure the steady and sustained development of Sino-American relations, it is necessary to expand those positive aspects contributing to relations and scale down or eliminate the negative aspects.

Some observers say the difference in political and ideological systems between China and the United States is the major obstacle blocking friendly relations. This is incorrect. China and Japan and many West European countries are on good terms, although their political systems and ideologies are different. Although there are differences between China and the United States in diplomatic strategy, especially in their respective positions and policies towards the third world, there are no serious military threats or political confrontation between them. Furthermore, the two countries are at different stages of economic development and can supply each other's needs.

Of the many factors affecting Sino-American relations, the major one is the Taiwan issue. It undoubtedly is the main obstacle to enhancing Sino-American ties and also the major reason for the failure to attain steady development in their relations. This obstacle must be removed.

The governments and peoples of China and the United States

still must make great efforts to develop their relations in many ways. Political ties can hardly be separated from economic and cultural ties; they often enhance and affect each other.

On the whole, to remove this obstacle and further develop relations between the two countries, three main points must be upheld.

The first is to conscientiously implement the principles and provisions laid down in the three Sino-American joint communiques. These communiques are the legal foundations on which to develop Sino-American relations. They embrace wide-ranging issues, but Taiwan is at their centre.

Some Americans want to bypass the Taiwan issue during discussions of how to develop Sino-American relations. Some others say China "pays undue attention" to this issue. Still others say the August 17 joint communique and the US "Taiwan Relations Act" do not contradict each other. These viewpoints, regardless of their different motives, contradict the basic principles guiding Sino-American relations and are therefore incorrect.

In fact, since Sino-American talks at the ambassadorial level began in 1955, the representations made and reconciliations reached by the two countries have always been inseparable from the issue of Taiwan. Neither will it be possible to sidestep this issue in the future. China attaches special importance to this issue because it concerns the great cause of national reunification, and involves the question of state sovereignty and non-interference. Any act that impedes China's reunification can only hurt the feelings of the Chinese people.

The "Taiwan Relations Act," when stripped of its disguise, is a plan to create "two Chinas." It is

incompatible with the spirit of the three joint communiqués. The Chinese Government has time and again declared that it will strive to reunify the motherland by peaceful means. But what means is used is purely China's own affair, and can in no way become subject to an international commitment imposed upon China.

After the US Congress passed the "Taiwan Relations Act," the Chinese hoped that the American president would use his power of discretion, so that the principles and commitments duly acknowledged by the two nations in the three joint communiqués can be implemented, especially with regard to arms sales to Taiwan. Only in this way can the gap between China and the United States be narrowed and gradually bridged, mutual confidence be created, and bilateral relations promoted.

The second point is to expand economic, trade and technological co-operation. China and the United States are the biggest developing and developed countries in the world. There is still great potential for expanding mutual co-operation.

By the end of 1983, there were already 20 joint ventures using Chinese and American capital. Thirteen American companies have joined Chinese-foreign joint ventures for offshore oil exploration. Bilateral trade reached US\$22.2 billion in the five years after the establishment of diplomatic relations.

Last year the Reagan administration decided to ease restrictions on technology transfers to China. Since then the number of items for technology export has increased. Contacts between Chinese and American banks have also increased. China mainly relies on its own funds for economic construction, but upholds its policy of opening to the outside world. With the development of its economy, China will gradually expand the use of foreign

capital. It is willing to enter into large-scale economic co-operation with the United States in such projects as building large hydroelectric and nuclear power stations.

But there are still some problems impeding increased economic co-operation. Although the US Government has made certain efforts to rectify certain legislation discriminating against China, there are still some laws which should be amended or repealed as soon as possible. China is adopting some new measures to amplify laws, rules and regulations in order to expand its economic ties with foreign countries. The recently published Patent Law is a case in point. China and the United States have recently reached an agreement to avoid double taxation.

The third point is to increase contacts and exchanges between the people and leaders of both countries, and to enhance mutual understanding, in the interests of safeguarding world peace.

China and the United States are big nations. As such, they bear an important responsibility for maintaining world peace. China pursues an independent foreign policy and judges international events according to the circumstances of each case, free from the control of any other countries. But safeguarding world peace is always the main objective of its foreign policy.

China and the United States have common ground on certain foreign policy issues, such as their attitudes towards the problems in Afghanistan and Kampuchea. They also have differences, as in some policies towards the third world.

There is no relationship of strategic co-operation between China and the United States. Nor will China play an equidistant role between the United States and the Soviet Union. But this does not prevent China and the United States from seeking common ground while re-

serving their differences regarding some major international issues, so as to contribute to safeguarding world peace.

Contacts between the Chinese and American people and scientific and cultural exchanges have increased considerably in recent years. Chinese students in the United States far outnumber those in other countries. The number of Americans from all fields visiting China on business or as tourists has steadily increased. The understanding and friendship among people exerts an important influence on the development of relations between the two countries. The exchange of visits between high officials has also increased, greatly enhancing mutual understanding, friendship and co-operation.

Viewed as a whole, Sino-American relations have expanded on a fairly wide scale in politics, economics and culture over the past 12 years. Conditions have also become favourable for enhanced relations in the years to come. After long contacts, the two countries have a better understanding of each other's affairs and policies. The friendly feelings between the two peoples have a solid foundation.

The international environment is also favourable to the enhancement of Sino-American diplomatic relations. Seeking a stable and durable relationship is the common desire of the Chinese and American peoples. As Deng Xiaoping said, the friendly co-operation between these two countries, with a combined population of more than 1,200 million, is not only conducive to the development of both countries, but will also become a powerful factor for maintaining world peace and promoting the progress of humanity.

— From "Shijie Zhishi"
(World Affairs), issue No. 8.

Old People in China: Hopes and Problems

The increase in the number of retired cadres and workers has prompted the various government departments, provinces, municipalities and autonomous regions to pay due attention to studying the problem of the aged in recent years

by DU RENZHI

ALTHOUGH the population in China is not yet made up of enough old people to qualify as an "old age" population, it is predicted that the number will come to 130 million by the year 2000, or 10.7 per cent of the total as a result of family planning and the rise in life expectancy. What problems will this create in the 21st century?

According to the 1980 statistics, China had about 80 million old people, or 8.7 per cent of the total population.

The Constitution stipulates that old people have the right to material assistance from the state and society; it also says that

children who have come of age have the duty of supporting and assisting their parents and that maltreatment of old people is prohibited. There is a tradition in China of showing respect for old people. It is still an important element in building up our socialist material and spiritual civilization. For a long time, it has been mainly the family that cares for the aged and as long as the family remains a productive and living unit, it will continue to play (with the aid of the state and the collective) the major role in this task. This should inspire young people to work harder for progress and foster a lofty sentiment that when they grow old they too will be treated with respect.

Family planning encourages

each couple to have one child only. Thus, in 20 years from now, a middle-aged couple will be obliged to look after four old people and one child, which will mean a heavy burden on the couple. It will inevitably affect their work. To lessen this burden, society at large should gradually take over the work of looking after the aged. It is, therefore, necessary to make preparations in advance for solving this problem in a planned way.

In urban districts, the government will first set up according to the size of the city one or more apartment houses for the aged which will handle their board and lodging, clothing and transportation. Enterprises and undertakings too, may set up apartment houses for retired employees.

Today, in many rural areas, especially villages on the outskirts of big cities, people may retire at a certain age. According to statistics from 11 provinces and municipalities, there are over 426,000 old people in 3,457 production brigades receiving pensions. With the development of the rural collective economy, all people living in the vast countryside may retire and receive pensions when they grow old.

Renmin Ribao reported on October 17, 1983, that the nation had altogether 10,600 homes for the aged in the countryside, most

Ren Yizhi, a 100-year-old former Red Army fighter, telling children stories about the Long March.



of them were brick houses with spacious courtyards and flowers and trees; the old people there were well fed and clothed and received medical treatment when needed. They did some work if they liked and could. In the villages on the outskirts of Beijing, there were in 1981 some 170 homes for the aged; however, only a few were really well run.

Why? First, a lack of funds for capital construction. About 100,000 yuan to 200,000 yuan is needed to build a home for 50 old people and the state can only afford a subsidy of about 6,000 yuan. Construction of these homes in future will have to be financed by public accumulation which will grow only with the development of production. These homes must be set up in light of local conditions; the state may provide a special subsidy in places where there are especially great difficulties.

Second, lack of understanding on the part of the cadres and the masses. Leading cadres at various levels do not have a proper understanding of the significance and effects of running homes for the aged in the countryside. And because of limited financial support, the aged in many such homes have lower living standards than other rural inhabitants; moreover, service is rather poor. Many old people who can take care of themselves would rather live by themselves than live in these homes. Some old people cannot move into these homes because relatives who want to receive inheritances will not let them do so, although these relatives are not in the least prepared to care for the old people. There are also some aged people who do not wish to go to these homes because they do not like cremation after death, which is the usual practice. Thus, these problems must be solved by helping the cadres and the masses to see things in the proper light



Chen Zhipeng (left), a retired cadre in Ningxia, is active in mediating civil disputes.

and work out rational rules and regulations on this matter.

All retired cadres and workers receive a pension, so they need not worry about their living. Many of them have not entirely lost their ability to work. To make them live in a more meaningful way and with an eye to developing the productive forces, we must let them continue to play a part in socialist construction. Since each of them has some specialized skill, they should be organized to do their bit for socialist construction. Some cadres and workers, if so required, may go back to the forefront of production. Those who are in a position to write down their experiences in production may be organized to do so. Some specialists and researchers may continue to do scientific research work and make new inventions. Still more can be organized to take part in social work or service trades.

One often hears in China that a person should study as long as he lives. Must the aged, too, continue to study? Yes. They, too, need to continue their studies because the society they live in is in constant progress, because science and technology are developing

rapidly, the scope of knowledge is constantly being enlarged and the knowledge acquired by the aged in the past is gradually becoming outdated. Those who are not well-learned need all the more to carry on their studies. The scope of knowledge is vast and even if one lives a long life and keeps learning, many things are still beyond one's ken. Thus, as long as one's heart is still beating, as long as one has not lost one's faculty of memory and thinking, one must study whenever there is the opportunity.

Men all live in society and a collective throughout their life. After years of work for society, they will feel lonely and bored once they get old and retire. It is best if the aged are organized into associations or clubs where all kinds of recreational facilities are provided, where they may attend meetings, concerts, lectures or contests and live happily with a sound body and a sound mind in their remaining years. This would benefit both old people and society.

A study in recent years by biologists and physiologists shows that both in theory and practice people should be able to live for

150 or more years, which is the natural span of life. But, in reality, only a very few live to 100 while most people are weak and senile in their 70s and 80s. The main cause is that their way of life does not follow the laws of biology or physiology. Every time one does a thing that violates a biological or physiological law, one's natural life span will be shortened; the greater the number of such violations, the shorter one will live. Thus, if one is to live through one's natural life span, one must first lead a life that is rational; that is, in accordance with the laws of biology and physiology. Rationalization in this respect has two aspects, material and mental. In the material aspect one must have proper nourishment and eat neither too much nor too little, and one must have a proper amount of physical exercise.

Mentally, one must first assume an optimistic attitude towards life. One must not get angry, get too

Four daughters-in-law take good care of their paralysed mother.



Ancient Tablets Reveal Respect for the Old

The discovery of 26 inscribed ancient bamboo tablets in Wuwei County in Gansu Province shows that as early as in the Western Han Dynasty (206 B.C.-8 A.D.) respect and care for the aged had already come under a law.

The first batch of tablets with the imperial decree regarding the "royal walking stick" were unearthed in 1959. Many scholars, including the great historian Guo Moruo, showed great interest and did research work on them.

The gist of the decree is that the royal court would present people over 70 with royal walking sticks—a specially made stick with a turtledove carved on the upper end. Anyone possessing such a stick would enjoy special favours in society, such as a social status on a par with officials earning 600 *dan* (a Chinese unit of weight) of grain a year. When entering the palace,

they would not be required to walk fast and would not have to act according to protocol. Any official or civilian who dares to beat or insult the aged, the decree said, was guilty of lese-majeste and would be beheaded. Small traders possessing royal walking sticks were exempted from taxes.

The decree also made explicit provisions for the care of widowers, widows, orphans and the childless, the old, the very young, the sick and the handicapped.

Studies also showed that in the 130-odd years between Emperor Xuan (73-49 B.C.) of the Western Han Dynasty and Emperor Ming (57-75 A.D.) of the Eastern Han Dynasty, the laws on respecting and caring for the old had been established, amended and modified many times to gradually make them perfect.

excited, or feel depressed. There is some meaning in it when people say that to get angry will harm one's body and that to be too impatient or easily fly into a tantrum will harm one's liver. One should listen to good music often or take part in some recreational activities. Music makes one feel good and many musicians and music-lovers have had long lives.

In a class society where contradictions are numerous, people are often worried and frustrated and get angry easily. Class struggle is still in existence here in our socialist society, but most of the contradictions are contradictions among the people. Although we may also have troubles and wor-

ries about such things as our children's education and employment, and the generation gap, these problems can be handled and solved in a reasonable way and it is less likely that we will get upset or hurt mentally.

Other objective factors, such as noise, air and water pollution, too, damage our mind and body and they should be tackled in all seriousness to give people an environment that is quiet, clean and comfortable. Other important factors include amiable family life, friendly neighbours and cordial contacts with relatives and friends, which together with adequate physical exercise will help old people enjoy good health and live

long. These people will then be able to contribute to the drive towards socialist modernization.

Gerontological studies are already under way and as long as the whole society pays attention to

this, intensifies investigations and studies in this field, and proceeds from our own reality, this branch of science will certainly become well established and develop quickly.

in Tianjin the scientists' association, the academy of social sciences and other units are making preparations to set up similar organizations. In many places, lectures for old people have been organized.

A New Look in Gerontology

by WU YUANJIN

GERONTOLOGY has made progress in China in recent years and is assuming a new look, which finds expressions in three aspects:

(1) Gerontological organizations are being set up in all parts of the country. The Tianjin Municipal People's Government, for instance, has approved the establishment of a gerontological committee run jointly by 30 bodies, including government departments, mass organizations, scientific research institutes and the press. The size of the committee and its basic tasks have been determined. Both Hebei and Heilongjiang Provinces have officially founded gerontological committees. Similar committees are being established in Shanghai and in Henan, Liaoning, Jiangxi and Anhui Provinces. Other provinces, municipalities and autonomous regions will soon follow suit. The ministries and commissions under the Central Government and all the provinces, municipalities and autonomous regions have set up bureaus to care for aged cadres.

In April 1983, with the approval of the State Council, the State Physical Culture and Sports Commission founded the Physical Culture Association for Old People. Similar associations have been founded in other places. There are as many as 10 million

old people taking part in physical exercises. In some units, old people who have retired have formed literary societies, glee clubs, reading clubs, and historical societies depending on their personal interests and what they are specialized in. In a number of big and medium-sized cities, mass organizations of all kinds for old people have mushroomed. In Beijing, for instance, there are the Tianqiao Health Protection Association for the Aged in Xuanwu District, the Retired Workers' Centre in Chaoyang District, and the Old Folks' Centre in Xicheng District. There is an Aged People's Research Society in Shanghai; and

(2) Old people are being taken care of while their specific needs are taken into consideration. Various organizations have been set up to serve them. Beijing and Tianjin, for instance, have service networks looking after their households, delivering provisions and coal and helping with household chores. The Ministry of Commerce has issued the call that there are shops or special counters serving the needs of the old people.

Statistics show that in 1983 alone, local authorities appropriated about 730 million yuan to build living quarters for 32,000 retired cadres; 16,000 sick beds were added to take in old cadres. More than 6,400 recreational centres for old cadres have been set up in 25 provinces, municipalities and autonomous regions. In the

Old and childless people on a visit to the West Lake in Hangzhou organized by their commune.



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vast countryside, over 2.5 million households, or nearly 3 million childless old people now enjoy the Five Guarantees: food, clothing, housing, medicine and funeral expenses. In the better-off communes and production brigades, old people have an even higher living standard. In Shanghai, over 20,000 production teams — 71 per cent of the total — on the outskirts have introduced a pension system for 240,000 old members. In China, under socialism, all old people are well taken care of.



Workers in a grain store sending noodles to an old woman.

(3) Old people are being organized to take part in various social activities and play a part in society. As Deng Yingchao, Chairman of the National Committee of the Chinese People's Political Consultative Conference, has said: "The aged should keep their revolutionary youthfulness and be good at playing the part old people can play." In Liaoning Province alone, by the end of 1982, over 3,000 retired cadres were given some work. In Anhui, more than 160 retired cadres took part in the fight against economic crimes; about 700 joined fact-finding and advisory missions; and over 2,000 were engaged by departments to act as mediators in disputes or as advisers on technological matters. In Shanxi, a certain department invited over 370 retired cadres to help write provincial or county histories and another 500 or so to work as after-school activities counsellors. Senior engineer Bao Hongyue of Cangzhou, Hebei, completed over 60 engineering project designs after retirement. Tianjin's 200-odd retired engineers, including 40 senior engineers, have given many enterprises advice on over 50 projects; some of them were invited to Yunnan and Inner Mongolia to help tackle technical problems and were hailed as "men of talents who never grow old."

There are about 100 million people in China today — civil servants, workers, intellectuals, peas-

ants and others — who have retired. They all have made contributions at their respective posts, and some have made extraordinary contributions and are a tremen-

dous wealth and one of the intellectual resources of our Party and the state. It is necessary to get them organized and give full scope to their talents.

Never Too Old to Learn

by XU JIE

THE University of the Aged, under the Red Cross Society of Shandong Province, has been founded to keep retired cadres in good health and enable them to work for socialist modernization. This new type of institute of higher learning has the support of different professions. Among those who have volunteered to work for it are about 60 professors, lecturers, doctors, technicians and specialists from Shandong University, Shandong Agricultural Institute, Shandong Teachers' College, Shandong Red Cross Society Hospital and the hospital affiliated to the Shandong Medical College. Some government organs have provided their assembly halls as classrooms.

Within a few days since a short recruiting notice was made public, more than 900 retired cadres in the province applied to enter the university, the oldest one being 85. Another 80 old people from across the country also applied for enrolment through the post. Zhang Qianlun, a retired teacher in Jiayuguan Pass in Gansu Province travelled all the way at his own expense to Jinan, the capital of Shandong Province, to study at the university.

Entrance to the university requires only a simple formality. Cadres and employees, retired or working in provincial departments and in good health, are admitted, all expenses paid.

This university offers nine specialized courses, based on old people's interests. There is a weekly



Old people competing in a marathon race in Shanghai.

Running Their Way to Good Health

In September 1983, more than 1,000 old people from 19 countries and regions took part in the 15th International Aged People's Long-Distance Race at the foot of Mt. Fuji in Japan. Among the 10 runners who first reached the destination in the 10,000-metre and 25,000-metre races were three Chinese. They and three other Chinese contestants were all members of the Old People's "Long March" Long-Distance Running Team in Beijing.

The "Long March" team, based at the physical culture and sports commission in Beijing's Xicheng District, has more than 800 members. It is made up of 11 sub-teams, including a team for the deaf-mutes and a special team for scientific workers. Every year its headquarters sponsors several contests, such as track and field competitions, cross-

country race, a Spring Festival cross-city race and an international friendship race. The sub-teams organize two to five races every month, each covering several dozen kilometres.

The "Long March" team was informally organized by a few old men after the 1975 Spring Festival Cross-City Race in Beijing. Growing month by month, it has become one of the biggest clubs of its kind in China. By following graduated scientific exercises, these old people have become very fit. One of them who had suffered tuberculosis, hardening of the arteries, chest pains and paralysis, has now become a marathon contestant after daily exercises. An old woman who could not walk steadily because she was too fat jogs more than 4,000 metres to work every morning. This has made her fit as a fiddle.

two-hour lecture and the courses last two years. The nine courses are:

(1) Hygiene and health protection. This covers the neurology

and psychology of old people, their cardiovascular, respiratory, digestive, endocrine and urinary systems, and blood; the function of the eye, ear, nose and throat; the

prevention and treatment of common diseases among old people; and a lecture on the adverse effects of smoking and drinking.

(2) Physical culture. A course on the relationship between movement and rest, and on shadow boxing, breathing exercises and medical massage.

(3) Nutrition — how to give old people the necessary nutrients during the different seasons and how to cook for old people.

(4) Horticulture.

(5) Literature (mainly classics).

(6) Calligraphy.

(7) Chinese fine arts.

(8) History and geography.

(9) National science — on modernized defence, industry, agriculture and science.

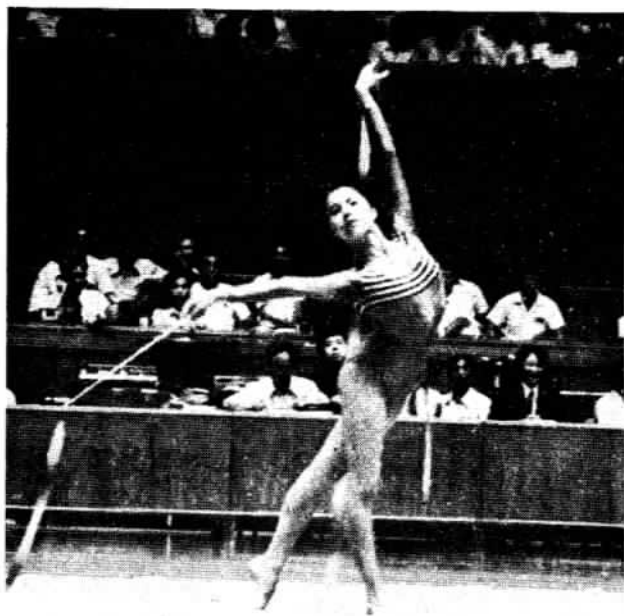
The first course is compulsory, the rest are optional. All courses are arranged by season to especially arouse the interests of old people, most of the students come to class regularly. The calligraphy course originally has an enrolment of around 300, but the actual number of students who attended was more than twice that number.

The university is presently organizing its students into different groups according to where they live and the courses they take to make it convenient for teachers to give after-class help. □





Huang Xianyuan.



Li Weihong.

Rhythmic Gymnasts Make Progress

In just four years China's rhythmic gymnastics team has gone from obscurity to a place in the upcoming Olympics, thanks to the hard work of the women athletes and the impetus of the Beijing Physical Culture Institute.

Rhythmic gymnastics was merely a hobby for some in China until 1980, when a rhythmic gymnastics championship was held that May in Beijing. It attracted participants from sports institutes and schools all over China. The sport, which combines gymnastics, dance and music in a style particularly suited to the female form, soon grew in popularity.

Now rhythmic gymnastics is included in the curriculum of many schools and spare-time sports academies. Last year the first university and middle school students' rhythmic gymnastics contest in Beijing attracted 540 participants

from 54 teams. The Physical Culture Institute of Beijing has run several classes for training teachers in the sport, limited more by the lack of instructors than by any shortage of students.

Many girls who had studied gymnastics switched to rhythmic, which help build strength, speed, stamina, agility, flexibility and musical and dance expression. Huang Xianyuan and Li Weihong, who will represent China at the upcoming Olympics, are good examples.

Huang, 18, began to learn Chinese boxing when she was five. At 14, already involved in gymnastics and diving, she took up rhythmic gymnastics. Huang won the clubs and rope exercises two years later at a national meet, and was the all-round champion at the Fifth National Games in Shanghai last year.

Li, 24, began to study gymnastics in a children's spare-time sports school when she was 11 years old. In 1976 she took part in the International Juvenile Gymnastics Championships in France. In 1979 she joined the rhythmic gymnastics class of the Beijing Physical Culture Institute, determined to help the new sport develop in China. After years of hard work, Li has earned a place on China's Olympic team.

The rest of China's rhythmic gymnasts are not far behind Huang or Li. In May 1981 China selected its first national team for the 10th World Rhythmic Gymnastics Championships in Munich. In their first world appearance, the team came in 16th.

One year later, at the Four Continents Rhythmic Gymnastics Championships, they beat a strong Canadian team to come in second behind Japan.

Last November, at the 11th

World Rhythmic Gymnastics Championships in France, the Chinese team moved up to place eighth. The women entered the competition hall like a flock of flying swallows, colourful ribbons in their hands, and leapt and danced to the strains of uniquely Chinese music.

In the individual all-round competition Huang placed 21st and Li came in 39th, giving them both the chance to do even better in Los Angeles this summer.

Revival of Mural Painting in China

Mural painting, once one of the glories of ancient Chinese culture, is enjoying a renaissance after a century of decline.

Over the last three years, hundreds of works have been produced for hotels and other institutions. The largest, measuring 6 metres by 64 metres, is in the lounge of the Guangzhou Export Commodities Fair exhibition hall.

Yuan Yunfu, head of the Special Arts and Crafts Department of the Central Institute of Arts and Crafts in Beijing, said mural painting initially spread as Buddhist temples proliferated throughout China. However, he said, the current revival is promoted by the tourist boom as a result of China's open policy.

Murals were first painted in China over 3,000 years ago, when they were used to decorate imperial courts or coffin chambers. The art reached its peak during the Tang Dynasty (618-907), when murals graced more than 400,000 Buddhist temples. The world-famous Dunhuang murals in Gansu Province, northwest China, cover 120,000 square metres. Dozens of other ancient murals in temples or coffin chambers are also now open to tourists.

Mural painting withered following the Qing Dynasty (1644-1911). Many ancient works in wooden temples decayed, or were destroyed in constant wars.

In addition, fewer and fewer artists painted murals when a scholarly style of painting that emphasized the harmony of brush and ink became popular. Murals were considered a time-consuming chore for craftsmen.

After the founding of New China in 1949, artists tried to revive the mural tradition, but few institutions commissioned their works because of shortages of funds. Their efforts seldom progressed beyond sketches or models.

The new boom began in 1979 when 40 mural painters and craftsmen, led by Zhang Ding, president of the Central Institute of Arts and Crafts, created 13 large murals for the newly constructed Beijing International Airport terminal. The works were completed in 10 months.

The largest at the airport terminal, 27 by 3.4 metres, by Yuan Yunsheng, is "The Song of Life." It depicts a hundred men and women of the Dai nationality in southwest China splashing water on each other, playing, dancing and bathing during a traditional festival.

Though some new works do use Western abstract styles, Chinese mural painters seem more enthusiastic about exploring ancient styles and themes. A typical work is "The Light of Wisdom," by Yuan Yunfu in Beijing's Yanjing Hotel. It shows 25 outstanding art treasures from various dynasties, including warrior figures from Qin Shi Huang's tomb, chimes from the Warring States Period (475-221 B.C.) and the Dunhuang Buddhist Frescoes.

Although mural painting has not developed over the past hundred years, Chinese handicrafts have developed rapidly, especially since

1949. Mural painters now have a wide range of media and techniques.

Glazed tiles are now employed to combine traditional Chinese ceramics with the art of painting. Each hand-painted tile helps form an overall design resembling Western mosaics, which are made by inlaying pieces of coloured material to form pictures or patterns.

Early this year artist Fan Zeng, in collaboration with the Beijing Arts and Crafts Factory, completed ceramic murals of 18 celebrated Buddhist monks. The murals are now on permanent display in the Guangjiao Temple at Nantong, in Jiangsu Province. A figure in black is painted on a snow-white background of glazed tiles, 2.2 by 1.3 metres. Though the black is glazed, it looks as if it were done with brush and ink in the traditional Chinese painting style.

Western acrylics are also used in some of the new works, but Chinese artists prefer to blend the new medium with traditional mineral pigments to give their works a distinctive flavour.

While creating new works, Chinese artists are also rescuing ancient murals facing destruction through corrosion and negligence. In Tibet, ancient religious frescoes have been restored, although some artists felt this devalued the murals.

Travelling to remote mountainous areas, artists in Yunnan, Xinjiang and Tibet have made more than 500 reproductions of ancient murals in temples or grottoes for display in Beijing and other cities.

As impressive as the current revival is, most of the new works are for indoor display. Outdoor murals are rare. Li Linzhuo, a teacher of the Central Academy of Fine Arts, said, "A further flourishing depends on more investment from more public institutions."

Traditional Chinese Paintings



The Yandang Mountains.



A waterfall and a Sea of Clouds.



Tianchi Lake in Xinjiang.

Simple and elegant, exhibiting ease and verve, Wang Kangle's works are bold and vigorous and show an individual style under the base of traditional skills. In his early years, Wang, now in his late 70s, had Huang Binhong and Zhang Daqian, both masters of traditional Chinese painting, as his teachers. He often visits the famous mountains and great rivers of China to paint despite his age and the tiring journeys.

Born in 1907 in Fenghua County, Zhejiang Province, Wang works at the Shanghai Research Society of Cultural and Historical Data of the Chinese People's Political Consultative Conference.

ART PAGE

Tianjin's PLUM BLOSSOM Glassware



梅花



PLUM BLOSSOM



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