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BEIJING REVIEW

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A CHINESE WEEKLY OF
NEWS AND VIEWS

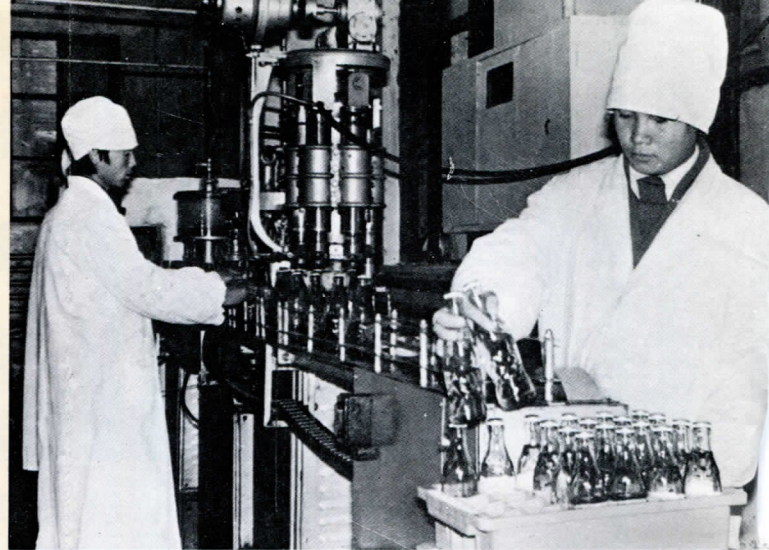
On US-Soviet Summit Talks

Shenyang: A Heavy Industrial City in Reform





A factory director (middle) and designers studying new products.



A workshop of the Zhenzhu-quan Mineral Water Plant.

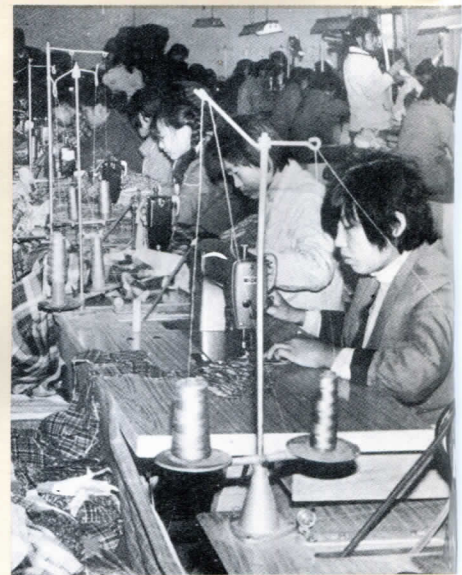
SPOTLIGHT

The Exhilarating Atmosphere in Huairou

Over the past few years, the economy in Huairou county, on the outskirts of Beijing, has developed rapidly. Initial results have been achieved in importing equipment, utilizing foreign funds, exporting goods and expanding tourism. The annual export volume of Huairou averages about U.S. \$ 5 million. These pictures were taken by our correspondent in Huairou factories that manufacture products for export.



Workers making chestnut cakes with equipment imported from Japan.



Making shirts for Australia.

Workers in the Huairou Porcelain Factory, whose products sell well abroad.



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COVER: A downtown shopping area in Shenyang.

Photo by Cai Haifeng

HIGHLIGHTS OF THE WEEK

Better US-Soviet Relations on the Horizon?

Both Reagan and Gorbachev have expressed their willingness to improve relations between their two countries. This has brought a cautious optimism of upcoming detente. However, serious differences remain on a myriad of critical issues which await the two superpowers' deeds for solution (p. 11).

For China's official response, see this same page.

China Holds First International Trade Fair

The November 15-30 Fourth Asia-Pacific International Trade Fair in Beijing was a success. Representatives from 26 countries and regions who attended the fair at the newly completed Beijing International Exhibition Centre, held extensive business talks, exchanged notes on technological advances and signed a number of contracts (p. 18).

China and Africa Share Common Interest

Both China and Africa were victims of imperialist and colonialist rule. Their common historical experience and present aspirations for national development have bound them tightly together. It is China's consistent policy to support the African people in their struggle for preserving political independence and developing national economies (p. 15).

Shenyang Finds Vitality in Economic Reforms

Since the introduction of the urban economic reforms, which, among other things, have allowed enterprises more autonomy, Shenyang, one of China's most important heavy industrial hubs, has begun to show more vitality, adding new lustre to the northeastern municipality (p. 20).

Reforms Rekindle Growth in Key Enterprises

In the midst of revamping their economic and administrative structures, China's large state-owned enterprises have found that in order to be successful, they need the strong leadership of competent cadres willing and able to exercise their new decision-making power. Though some of these enterprises have chalked up encouraging profits, there still remains considerable work to be done before the reforms can claim a resounding success (p. 4).

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Good Start in Enlivening Key Enterprises

by JIN QI
Economic Editor

Although many problems still exist, the latest figures published by the State Statistical Bureau show that since October 1984 when China began to shift the focus of its economic reforms from the rural areas to the cities, the country's overall economic situation has remained good.

This year, China's total product of society (TPS), gross industrial and agricultural output values, and its national income are each expected to rise more than 13 percent over 1984's figures. From 1981 to 1984, those rates increased respectively at an average of only 9.5 percent, 9.6 percent and 9.2 percent a year.

It is encouraging to note we have already made a sound beginning in reforming large state-owned enterprises, the most important and most complicated component of the national economy. Since these enterprises constitute the nation's economic backbone and are the leading factors of the economy, their galvanization is the most important facet of the entire urban economic reforms.

According to the State Economic Commission, China's 1,300 large enterprises can be divided into three categories.

First are the 195 enterprises, or 15 percent of the total, that have used their decision-making power to upgrade their products according to the market's competitive demands. These enterprises have carried out technological transformations that have yielded marked economic

results. In these enterprises, the production, management and development levels have all proven successful.

The second category is the largest, comprising 845 enterprises, or 65 percent, whose management reforms have so far spawned little improvement. Their sluggish performance is attributed largely to the fact that the decision-making power has not been fully delegated to them.

The remaining 260 enterprises, or 20 percent, are plagued with a variety of structural problems and have been unable to turn even a small profit. Some have even incurred losses.

Although the number of advanced enterprises in the first category is limited to 15 percent, their common experiences have proved the possibilities and provided the concrete way of successfully enlivening these key enterprises through reform. Their experiences have shown the need to establish a strong enterprise leadership. Its members must be skilled in management and devoted to their work; they must have the sense of market information and competition and the courage to open up product outlets for the development of the socialist commodity economy; they must be able to combine the duties and powers granted to their enterprise by the state with management reforms, while also tapping their enterprise's potential; they also should be able to replace the egalitarian distribution system with one in line with the principle of more pay for more work, while at the same time they should teach their workers and staff to foster lofty ideals and stim-

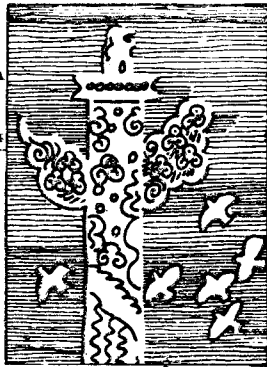
ulate their creativity and enthusiasm for work.

This group of advanced enterprises has set a convincing example for other enterprises and will help the laggards to catch up (see p. 20, our special report, "Shenyang: Old City Takes on New Look").

As a matter of fact, whether a key enterprise can be enlivened does not depend entirely on its own efforts but also on essential outside conditions. One such condition is the extent to which the government will grant the decision-making power to the enterprise.

For example, the State Council decided in May 1984 to grant enterprises ten decision-making powers. In some places and among some trades, however, these decision-making powers have been withheld by administrative companies established a few years ago and have not been put into practice in the enterprises under them. Such man-made obstacles to progress should be demolished immediately.

Even those enterprises that already have gained decision-making powers still face a series of troublesome problems. Because the parity in prices for many commodities is irrational and the state prices and market prices for raw materials are quite different, the gap in the amount of profits made by different enterprises has widened. Furthermore, those enterprises with small profits can retain only limited amounts for themselves. Currently, the average profit retained for each person in some such enterprises is only 100 yuan a year, which does not even cover bonuses, while that in some other



enterprises can be as high as more than 1,000 yuan. With high profits these enterprises can, among other things, upgrade their equipment, expand production and improve their workers' welfare. Obviously, it is unfair to let these two kinds of enterprises compete with each other under such circumstances.

With the advance of our economic structural reforms, the state organizations are now in the process of gradually replacing their direct administrative control over the enterprises with economic levers which are used indirectly to influence these businesses. Now, China has just begun implementing price and wage reforms, the most difficult part of the overall economic reforms. In addition, an overall taxation system has just been established, and our credit and loan systems and interest rates still need readjustment. In a word, our current economic levels are not quite effective, and a new economic operation mechanism must still be found. In this respect, a large amount of meticulous work needs to be done. Just as some people estimated previously, the transition of our economic system from the old to the new would not be completed without continuous efforts over three to five years.

There is a proverb that says, "A good beginning is half the battle." True. But we would rather remind ourselves that the other half of the battle may be more arduous, in which case we must be prudent and not treat the last half of the "battle" too lightly.

LETTERS

Applauding Deng and Chen Yun

The *Beijing Review* No. 39 carried speeches by Deng Xiaoping and Chen Yun at the CPC National Conference. I read these two articles again and again. They give a clear answer to the important questions that many people of the world are concerned about.

Deng Xiaoping pointed out: "We have begun to find a way of building socialism with Chinese characteristics. . . . The general orientation and principles are already established, but we still have to work out specific rules and regulations by trial and error." This means that China's direction will not change. Chen Yun's speech stressed the importance of improving Party conduct. He said: "I hope the Party's senior leaders will set a good example in educating their children."

I fully agree with Deng Xiaoping and Chen Yun. I would like to extend my respects to them.

Masuo Arashida
Osaka, Japan

Improving Management

We came to teach at the Beijing Management Cadre Institute/ British Council through a cultural exchange programme. It was an educational experience in exotic buildings, happy people, beautiful and graceful dancing and ancient culture—a wonderful introduction to China.

Our own contributions to the improvements of work situations through group activities, the discussions on the improvement of administrative systems through analysis, modern equipment and documentation, were very intel-

ligently received by directors, senior managers and teachers from all over China. If tomorrow's management problems are in their hands, the successful future of China is guaranteed.

We wish all who made our three-week visit so useful and pleasant, long happiness and good health.

Stan Cordell and John Bank
Cranfield, England

Comments and Suggestions

I subscribed to your fine magazine aboard the boat *The Sea Is Red* going down the Yangtze River last June, and am most happy to be a subscriber.

I simply wish to state my love and respect for your great country and its people. China has a magnetism difficult for me to describe. The people are generally kind and loving, the country beautiful and the food scrumptious—an excellent combination.

B. R. Zawadski
Manitoba, Canada

The articles that interest me particularly are: sports, stories about Chinese leaders, international relations, medicine and social life.

Long speeches are not interesting, though the last two pages of Deng Xiaoping's speech were fascinating. The inner front cover and the "Art" page should be in colour.

Please publish the life stories of Zhou Enlai, Zhu De, Deng Xiaoping and Mao Zedong. We are interested in these leaders.

Shaukat Baloch Advocate
Cargodha, Pakistan

Reform Heralds Economic Upturn

Since 1978, the year the Third Plenary Session of the 11th Party Central Committee adopted a series of new national economic policies, China has experienced its most economically productive years since the founding of the People's Republic in 1949, a senior Chinese official said recently.

Addressing the 13th Session of the Standing Committee of the Sixth National People's Congress November 18, Vice-Premier Li Peng said that China's robust economy indicates that the country is advancing steadily down a typical Chinese road towards socialist modernization.

During his speech, the vice-premier, who became a member of the Party Central Committee's Political Bureau two months ago, reeled off what he considered to be the reasons behind China's current thriving situation.

First, he said, after many years of erratic performance, China's economy is growing in a consistent and well-balanced manner. During the Sixth Five-Year Plan period, which ends at the close of 1985, China registered an unprecedented 10 percent annual growth rate in its GNP, industrial and agricultural output value and in state revenue. And 1982 proved a watershed year for state revenue, ending three years of steady decline and unveiling three years of sustained growth.

Second, Li said, after a few years of economic reform, China has corrected the once lopsided ratio between its various economic sectors. Agriculture, light industry and heavy industry now each account for one-third of the

national gross industrial and agricultural output value, a relationship that conforms with the country's current economic development.

Third, the reform has freed the national economy of its rigidity and has given the nation the momentum needed to tackle the central task of raising its economic efficiency. Although China has only 7 percent of the world's arable land, it has basically succeeded in providing its population—22 percent of the world's total—with food and clothing. As the reform, which began in the countryside, has worked its way into urban areas, industrial enterprises have been delegated more decision-making power, which has in diverse economic undertakings.

According to Li, the reform's fourth asset is its open policy, which has encouraged economic and technical exchanges with the rest of the world. From 1981 through 1985 China's import and export volumes will double those of the previous five years, with exports outstripping imports.

Fifth, the vice-premier said, increased state revenue has spawned improvements in both urban and rural living standards. In the last five years, individual spending power has grown at an average annual rate of more than 7 percent. With the growth of agricultural production and the increases in prices for farm and sideline products, farmers have enjoyed an even more rapidly improving livelihood. It is expected that this year per-capita income in the rural areas will top 370 yuan, more than double the 1980 figure.

Li called attention, however, to the expansive gap in peasant incomes, saying that although some have reached levels of relative affluence, many in underdeveloped areas still have trouble making ends meet.

Problems also exist in the national economy, Li said. Earlier this year the nation's economy was burdened with runaway industrial growth, ballooning investment in fixed assets and increases in credit and consumption funds, all of which caused a heavy monthly drainage of foreign exchange stocks from the state coffers.

Although inexperience has much to do with these problems, Li said, there are also two other major causes. An impatience for success has prompted leaders in many areas and factories to set overly ambitious targets and to compete with each other for high-speed growth. Such competition, Li said, had resulted in an overheated economy well beyond the country's financial capability.

Li said the Party and society in general had also suffered from some unhealthy tendencies. Local governments, he said, have been found requisitioning business funds, while factory officials have indiscriminately issued bonuses in cash or in consumer goods. Speculation, embezzlement, bribery and smuggling, tax evasion and other social ills also have adversely affected economic development and social life, he said.

Party and government organizations are now implementing a series of measures formulated by the Party Central Committee and the State Council to gradually solve these problems.

Deng Calls Next 15 Years 'Crucial'

The next 15 years will be crucial to China's economic development, Chinese leader, Deng Xiaoping, said recently.

In an hour-long meeting with visiting Pakistani Prime Minister Mohammad Khan Junejo on November 19, Deng said that practice in the past seven years had shown it was quite possible for China to quadruple its 1980 gross industrial and agricultural output value by the turn of the century, and to secure a relatively well-off livelihood for its people. By that time, he said, China will have bid farewell to poverty and will find itself in a much better position to catch up with developed nations in the next century.

Talking about his own role in the modernization process, Deng emphasized that all the country's policies have been formulated collectively. "I just offered some ideas," he said. "Without the collective, no in-

dividual is able to play a significant role."

Deng, who is chairman of the Party's Central Advisory Commission, also told Junejo that China was promoting more younger people to leading posts to guarantee the continuity of its present policies.

Referring to China's "one child per family" population policy, Deng said that the handful of people abroad who attacked this policy wanted to see China forever underdeveloped. The country's population, if uncontrolled, would top 1.5 billion by the end of this century, and such growth would exceed the country's economic development. Therefore, he said, China's population policy was of strategic importance.

Deng assured his Pakistani guest that no matter how developed China became, it would always stand by the third world countries.

China imports advanced technology, management expertise and capital in order to speed up its modernization drive and its approach to self-reliance, Li said. In the process, however, he said, capitalist ideologies and decadence will inevitably find their way to China. Li suggested that while continuing to invigorate the domestic economy and to keep the country's door open to the world, the nation must be resolute in its battle against economic crimes. In other words, he said, material development should be coupled with that of socialist ethics and culture. Only thus can China be kept in the socialist orbit and only thus can it achieve sound economic growth.

Low-Brow Diversion Causes Public Alarm

Nowadays it is not uncommon to find some local dwellers along the banks of the South China Sea having their TV aerials tuned to Hongkong programming, some even using special devices to block local TV signals.

In a recent letter Hu Qiaomu, a member of the Political Bureau of the Chinese Communist Party Central Committee, described the scene as "startling," especially because it shows that some people in coastal areas have

been seized with the idea of blindly imitating Hongkong ways.

"The tendency would seriously jeopardize the promotion of socialist culture and ethics and hamper the normal functions of China's mass media serving foreign audiences," he said.

In recent years, Chinese TV screens have been flooded with a rush of Hongkong and foreign television serials and plays, particularly on local TV stations. An investigation of seven local stations earlier this year indicated that out of 22 weekend programmes, 21 were plays produced by Hongkong or Japan.

TV stations are competing with each other to attract larger audiences. "I don't mean to reject indiscriminately all those Hongkong or foreign shows," Hu said. "But some low-brow television series and sex-related ones are designed to advocate decadent bourgeois and feudal ideas that contaminate the morals of the people, particularly the young."

Socialist television is largely seen creative work that gives expression to the voice of the Party and people. Its purpose is to satisfy the need of people for enlightenment, inspiration and education, as well as the need for aesthetic appreciation, recreation and relaxation. Anything that strikes a somewhat unhealthy tone should not be allowed to infiltrate our television art, he said.

Some artists are at a loss as to what to do about the growing sophistication of their audience.

But Ai Zhisheng, minister of radio and television, knows of one way out. "The 28-episode TV serial, *A Four Generation Family*, produced this year, has found a wide audience throughout the country. This indicates that as long as effort are made, the magic of Chinese television art will be gained," he said at a national award ceremony for TV dramas last month. Ai described

News in Brief

The State Council recently approved a plan to relocate 121 inland factories from mountainous regions to cities in less developed northwest and southwest. Nearly 2,000 large and medium-size plants and research institutes were moved deep inland in the 1960s for strategic reasons.

Lazy workers in state-owned shops and other service trades face "suspension if they do not mend their ways. Commerce Minister Liu Yi warned recently.

Liu called on China's 14.56 million workers in the service trades to step up their efforts to serve the people. He suggested that bonuses be withheld or docked for the indolence, and said some should be laid off altogether.

Literature for the Blind. China's first monthly magazine in braille has been published in Beijing. The creator, Xu Baicang, is himself blind. The subscription price for the non-profit journal is only 15 percent of the magazine's total overhead.

Seven Catholic priests were ordained at a ceremony held recently by the Shanghai Diocese in the Xujiahui Cathedral, Shanghai, with the approval of the bishops in their dioceses after rigid examinations. The new priests' average age is about 40, and they are from Shanghai, Ningbo, Hangzhou, Bengbu, and Jinan dioceses.

the play as an important event in the history of China's television art. *A Four Generation Family* is of great significance to the development of China's television plays, he said.

At the opening session of a national symposium on how to improve television programmes in mid-October, Xie Wenqing, vice-minister of radio and television, said raising the ideological and artistic quality of television plays must be given top priority.

He quoted a recent speech by Deng Xiaoping, in which the Communist Party leader said the sole criterion for evaluating ideological and cultural work was its social effect.

Xie said those engaged in television work should adhere to the Party's principle that literature and art should serve socialism and the people.

"Giving the audience something to enjoy on the TV after coming home from work is also serving socialism and the people," he said.

Xie said it was not necessary for all television plays to limit their themes to the country's current reforms. The Party's Central Committee, he said, has time and again stressed that writers and artists must have intellectual freedom in their work.

The vice-minister said he believed television plays were being produced too quickly, at the cost of quality.

According to Xie, production rose from 400 TV plays in 1983 to 800 in 1984. This year more than 1,300 TV plays will be produced.

While the public is calling for better TV presentations, Chinese writers are crying for a ban on the publication of "low-brow" books and magazines, which have been thriving in the past few years.

Though the print may seem

small, accounting for only 0.4 percent of all publications last year, their influence far exceeds their numbers.

The boom of this "pop literature" has hindered the development of Chinese literature, according to *Guangming Ribao* (Guangming Daily).

"Masterpieces, theoretical manuscripts and poems in particular, found it difficult to get published because bookshops were reluctant to take in orders, as was the case with serious artistic and academic journals," the newspaper read.

Wei Junyi, director of the People's Literature Publishing House, warned that "people will find it more difficult to buy books next year because paper has been in short supply since the emergence of the popular works."

She said the revival of pop literature, growing at an unprecedented rate in modern Chinese history, was not necessarily an inevitable product of the current reforms and open policies, as some have argued.

"Martial fictions, short stories and magazines were seen everywhere in the streets in Shanghai before liberation in 1949. But few publishers had paid attention to them and sales stood low," she said.

"After the founding of New China, such books were put under tight control. So when they suddenly reappeared after so many years, they fascinated the readers. Many began reading out of curiosity," explained the director, herself a respected novelist. "The tendency is bound to change as time goes by. I'm sure people have their aesthetic appreciations."

Pop work also has grown because some writers seek personal gain. They have produced quite a number of tacky stories that

pander to undignified tastes. "They lost sight of their responsibility to steer people away from the vulgar, for the sake of money," Wei said.

The problem has been compounded by some self-employed book peddlers, who sell only such books, caring only about money.

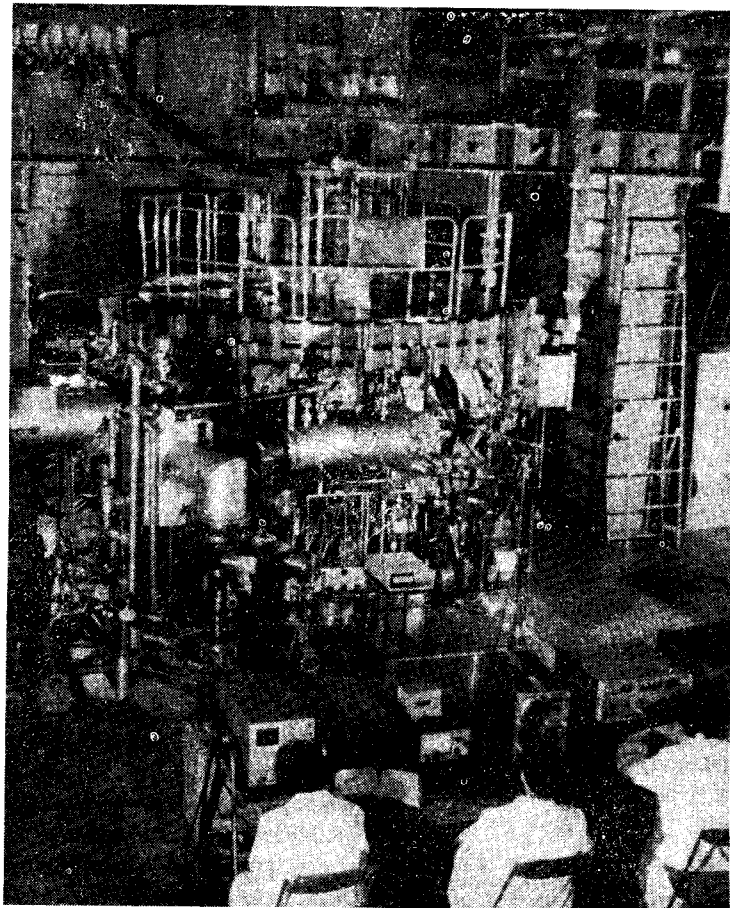
The situation has come to the attention of the Party and government and measures have been taken to curb the unhealthy materials. The State Publication Administration recently announced it would impose economic sanctions against any enterprises profiting from unhealthy publications. Unauthorized publications and the profits made from them will be confiscated, and offenders will be severely punished by law.

Garden Fete for China's Elderly

Those who had been to Taoranting Park in southern Beijing on a recent weekday were in for a big surprise. Seemingly overnight, the big park was taken over by elderly people, milling about on the lawns, or enjoying themselves beneath the trees and along the walkways.

A 20,000-strong contingent of elderly, between 55 and 80 years old, had come to enjoy the "Double Ninth Holiday for the Elderly," co-sponsored by the Office of Retired Veterans Affairs, the Chinese Elderly Sports Association, the Beijing Municipal General Workers Union, and the Health Centre for the Elderly. Most of the older people were military and Party veterans who had stepped down to make way for the younger people.

Despite their age, the group of elderly showed great interest in the various activities going on in the park that afternoon, on October 22, which happened to be the



Fusion Device Harnesses Hydrogen Energy

China's largest experimental device for controlled nuclear fusion, HL-1, has performed well since operation began in September 1984. Created by the Southwest China Physics Institute under the Ministry of Nuclear Industry, the HL-1 harnesses the rich energy released by hydrogen atoms in the process of fusion, and turns it into electricity. Photo shows the main machine of the HL-1.

Double Ninth Festival (the ninth day of the ninth lunar month). Some of them were gently rowing or peddling boats on the lake, some posed in front of scenic views for snapshots, some sat by the lake holding long fishing poles, waiting patiently for the fish to bite. Some holiday makers just sat on the benches or rocks, watching others play while enjoying the warm sunshine.

The Taoranting gathering was just one of the many activities organized for the elderly throughout China, in an effort to enrich the

lives of old people, whose number is increasing with each passing day.

According to statistics, there were 80 million people older than 60 in 1980, accounting for 8 percent of China's total population. The figure is expected to reach 130 million by the year 2000, making up 11 percent of the total. China has more old people than any other country today, and will most likely continue to have the most in the future. This presents yet another sociological challenge to the country with its huge 1-billion population.

The issue has caught the attention of the Chinese government. In 1983, Nie Rongzhen, who then served as vice-chairman of the Central Military Commission, said the government must "take the issue from a strategic point of view, strengthen its leadership, and make comprehensive plans to deal with it."

Much effort has been made in various localities to make the growing elderly population feel at home in a society to which they have contributed greatly. Special organizations have been established, facilities provided, and a myriad of activities organized for their benefit.

In Beijing alone, there are 850,000 people older than 60. By last July, senior citizen committees were established in 94 neighbourhoods. These committees offer services for old people, such as sewing, laundry and hair-cutting, medical care and organized sports activities. Neighbourhoods, too, often invite the retirees to take part in social and welfare undertakings and hold classes in calligraphy, painting, raising flowers and fish.

Universities for the elderly have been set up in some provinces. In Shandong Province, east China,

586 silver-haired people graduated last October from the Shandong University for the Elderly, established in 1983. More than 100 different textbooks were compiled especially for the aged students in courses such as history, geography, literature, natural sciences, calligraphy, fine arts, music, photography and horticulture. The university today has more than 2,000 students between the ages of 55 and 85.

To promote social support for the welfare of China's elderly, the Beijing municipal government approved the recent holiday for the elderly and more than 60 institutions and enterprises gave their support, providing entertainment facilities and services.

"Such activities are really excellent," said 65-year-old Liu Jianxin, a participant who had retired from the Beijing Municipal Public Security Bureau last year. "I hope there will be more of these activities. We old people sometimes feel lonely at home, you see, but here we can meet many old friends and have fun together," he said, while showing off the three fishing poles he had just bought.

"Yes, it's really wonderful," said another 73-year-old man from the Ministry of Nuclear Industry. "I hope we can have such a holiday every year in future."

At a recent gathering sponsored by the journal "Friend of Health" and the Chinese Elderly Sport Association in November, 286 senior citizens older than 80 were given awards for their health. Wu Tunan, a 102-year-old archaeologist, was among the award-winners.



China & the World

Chinese Flotilla in S Asia

Two Chinese naval vessels of the People's Liberation Army left Shanghai November 16 for a goodwill visit to Pakistan, Sri Lanka and Bangladesh, at the invitation of the naval forces of these countries. This is first Chinese naval visit abroad since the founding of the People's Republic.

China and Singapore Sign Agreement

China and Singapore signed an agreement late November to promote and protect investment, and to create favorable conditions for greater economic co-operation and investment in each other.

More than 20 projects in China with Singapore investment have been completed and others are in the implementation stage.

No Trade Ties With Viet Nam

A Foreign Ministry spokesman recently denied any Sino-Vietnamese trade links, saying the conditions did not exist for the resumption of the trade. "Only by stopping Viet Nam's aggression and immediately withdrawing all troops from Kampuchea, can Sino-Vietnamese relations be possibly improved," he said.

US-Soviet Summit

Better Relations on the Horizon?

Whether the two superpowers inch closer depends more on their deeds than words.

by **YI MING**
"Beijing Review" News Analyst

THE outcome of the November 19-20 summit meeting between United States President Ronald Reagan and Soviet leader Mikhail Gorbachev in Geneva has been welcomed by the world because the two leaders expressed their willingness to improve relations between their two countries, although they admitted that serious differences remain over a number of crucial issues.

Reagan said in the closing ceremony that he went to Geneva in a bid to initiate new beginnings in US-Soviet relations. Gorbachev said during a news conference in Geneva that his meeting with Reagan had laid a foundation for exploring ways to normalize relations between the two countries. This was the political gain of the meeting, he added.

As most of the two-day meeting was filled with private talks by the two leaders who appeared to get along well with each other, an unexpected optimistic atmosphere prevailed. And the dialogue between the two superpowers has given rise to the hope that bilateral relations will improve.

The joint statement signed at the end of the meeting listed items for strengthening relations, such as an increase in cultural, educational and scientific and technological exchanges, as well as closer trade and economic ties. Each leader

will pay a visit to the other's country within the next two years, and dialogue between the two governments will be intensified at various levels on a regular basis.

The only concrete agreement in the joint statement was the simultaneous opening of a US consulate in Kiev, and a Soviet consulate in New York City.

It's been nearly a generation of time since relations were favourable between the two superpowers. During the last summit, held in June 1979, US President Jimmy Carter and Soviet leader Leonid Brezhnev signed as many as 11 accords between them. Nevertheless, following the invasion of Afghanistan by the Soviet Union at the end of that year, Washington imposed a grain embargo on the Soviet Union, and relations took a sudden turn for the worse. Since Washington put forward the Strategic Defence Initiative (SDI), commonly known as "Star Wars" programme, another layer of tension was piled on top of the strained mood. The stepped-up diplomacy and propaganda war between the two countries compelled many to conclude that no positive results would come out of the summit. Some even anticipated that there would only be a steel-eyed, tight-jawed exchange between the two leaders.

But as things turned out, Reagan and Gorbachev have spawned more hope than most people had ever expected.

Both Reagan and Gorbachev agreed in their joint statement that a nuclear war could not be won and must never be launched, and therefore neither must seek military superiority. However, the summit did not bring forth a solution to the key problem of the limitation and reduction of arms.



China Welcomes Summit Results

A spokesman of the Foreign Ministry November 22 spelled out the Chinese government's stand on the US-Soviet Summit.

"We hold that it is welcomed that the US and Soviet leaders expressed their willingness to improve the relations of the two countries. The United States and the Soviet Union have pointed out in their joint statement that serious differences remain on a number of critical issues," he said.

The spokesman said in Beijing that the government of China hoped "the two countries will henceforth truly forego the pursuit of military superiority, get down to serious negotiations and reach agreement on major issues of universal concern that will not harm the interests of other countries and will benefit a genuine international detente."

The spokesman added that these issues included substantially reducing arms, preventing the extension of the arms race to outer space and bringing a halt to intervention in troubled parts of the world.



The position of both sides remains the same. The Soviet Union insists that a halt to the SDI is the prerequisite to a substantial reduction of Soviet nuclear arms. Yet Reagan has said he will never give up his "Star Wars" programme. The joint statement only repeated the programme of the Geneva disarmament talks hammered out last January, adding that they agreed to accelerate the process of negotiations on nuclear and space weapons.

According to Ronald Reagan, the SDI will help to remove the nuclear threat from the world. Furthermore, he holds that the Soviet Union also has its own strategic defence plan, only it has not been made public. Gorbachev acknowledged, at his news conference, that if the Soviets developed their own space plan, it would get quick results and with much less expense.

As both sides have stuck to their stand on the SDI, no miracle will halt their moves towards the militarization of space, as French President Francois Mitterrand pointed out, who added that any negotiated curb on research and deployment of space-based defence systems would take a long time to achieve.

On regional issues, no progress was made to solve their conflicts either. The limited results from the summit did disappoint some Democratic representatives in the United States, though Congress in general was affirmative towards the outcome.

After the summit, Gorbachev and Reagan left Geneva for Prague and Brussels, respectively, to brief their allies on the meeting. The Europeans were especially anxious to know the outcome of the summit because their countries are situated on the firing line if a war between the two superpowers were to break out. The European leaders have waited for an agreement between the two superpowers to cut back

the nuclear missiles that so threaten their territories, and to usher in a new stage of detente.

But that period is not easy to come by despite hints in that direc-

tion at Geneva. And better relations between the two superpowers still await concrete action on their part to make good their public statements.

Harare

Third World Conference Urges Unity

The Third South-South Co-operation Conference, held in Harare, Zimbabwe, stressed that the resources and wisdom of the third world countries would help to develop their economies.

by REN YAN

THE Third South-South Co-operation Conference, which ended in Harare, the capital of Zimbabwe, on November 14, stressed that South-South co-operation was an instrument for effective negotiations and meaningful relationship with the North.

The four-day conference, attended by more than 60 officials and scholars from third world countries, was the first one of its kind to be held in Africa. It was co-sponsored by the Third World Foundation and the University of Zimbabwe, under the sponsorship of the Zimbabwean government. The first of such conference was held in Beijing, China in 1983, and the second in Cartagena, Colombia in 1984.

In his opening address at the conference, Zimbabwean Prime Minister Robert Mugabe said that "before the South can realistically and successfully take on the North, it is important to achieve the greatest degree of understanding, unity and co-operation" among the third world countries.

Mugabe also reiterated the similarity of experiences and problems

among the third world countries. "None have escaped the scourges of poverty, unemployment, malnourishment and injustice," he said. Therefore, these shared experiences were the "common denominator that justifies the quest for co-operation among us of the South," he noted. Mugabe also pointed out that the idea of South-South co-operation and North-South dialogue still constitutes the basic premise of a new international economic order.

Officials at the conference suggested that a third world bank and South-South bank be established to provide short-term and long-term funds to improve the economies of the developing countries.

A statement adopted by participants at the end of the session urged governments of the South to further their co-operation and collaboration, to identify areas of common interests and to promote and strengthen regional organizations.

"Co-operation within this framework will enhance the reduction of dependence on the North and thus promote socio-economic development for the benefit of the South as well as the North," the statement read.

On the foreign debt problem, members of the conference called on the governments of the developing countries to prepare as soon as possible a concrete proposal for handling this problem. At the same time, they said, "Domestic efforts must play a critical role in achieving economic and financial viability."

The conference also stressed the

vital importance of development and application of science and technology among third world countries.

The conference called for a massive international programme to assist African countries at a time when Africa itself was taking initiatives at national and regional levels to overcome its economic and food crises.

an uneven distribution. ADB's lending policy is without political bias and sponsors the continent's poorest countries regardless of their political structures. In fact, 80 percent of ADF project funding goes to these countries. This policy has slowed the speed of unbalanced development, and has paved the way for further inter-African technological cooperation and trade.

Being a development bank, ADB aims at structural adjustment, economic rehabilitation and basic construction. But it gives absolute priority to agricultural development, with 30 percent of its total project loans going to this sector. Emphasis is generally put on food production with a view to reducing import and gaining eventual self-sufficiency, increasing the income of the rural population and raising living standards. An essential chunk of ADB agricultural funding has gone towards local food production and irrigation schemes, which have greatly benefited the African people during the exceptionally serious drought in many parts of the continent.

Besides financial support, ADB also offers technical aid. Most African nations lack technicians, so ADB has conducted studies of the economies of most of its member nations and has offered advice to these countries in their dealings with Western institutions, such as the World Bank, International Monetary Fund and London and Paris Clubs. ADB has been known to assign technicians to countries to negotiate with foreign investors, make debt schedules or to draw up economic development plans. The African nations can therefore save their foreign exchange usually spent on hiring expensive Western consultants to do such work. When projects are beyond the ADB lending ability, it will serve as a go-between for the foreign investors and African nations.

African Development Bank

Boosting Economic Development

The African Development Bank has made major contributions to the recovery and development of the economies in many African countries, and has become the largest funding institution on the continent.

by **YAN XUETONG**

THE African Development Bank (ADB) in Abidjan, the largest institution of its kind in Africa, has become one of the most dependable, respected organizations, especially in recent years as Africa has suffered economic decline and rising foreign debts, on top of severe droughts and other natural disasters.

ADB was created by 33 African member states in September 1964, and began operation in July, 1966, loaning out US\$2.3 million in the first year. Today it has two main concessionary arms, the African Development Fund (ADF) and the Nigerian Trust Fund. It not only has 50 members from all African countries, excluding South Africa, but also 26 non-African members that have joined the bank. (China and Argentina had their applications formally approved on May 9 this year.) The participation of non-African countries brought about a quick increase of the bank's capital base,

which reached US\$6,400 million in 1984, with annual project funding growing to US\$514 million — 25 times that of 1967.

ADB has lent the African countries nearly US\$5,000 million, borrowed some US\$1,500 million in international capital market, completed 250 projects and launched about 70 new projects every year. All of the 50 African member countries have been financed by ADB with one or more development projects in agriculture, transportation, industry, telecommunications, public utilities, health and education. There are other ADB contributions that highlight its importance to African economic development.

Africa as a whole is an economically backward continent, although the development gaps vary among the 50 African countries because of differences in resources, population, territorial size and geographic location. Meanwhile, foreign aid to the continent is often given to certain nations on the basis of their political aspirations, causing

Despite these achievements, ADB still finds it difficult to collect capital payments of its African members. In the long run, this could damage the bank's development. ADB has planned to raise more capital by issuing bonds in

international capital markets. But up to now, there are still many obstacles in the area of issuing bonds. Though ADB has made great efforts on regional industrial projects, these projects have proven difficult to promote.

mission, governmental powers north of the border between Ireland and British-ruled Northern Ireland will remain in the hands of Thatcher's government.

The agreement provides that no alterations in the status of Northern Ireland can be made without the consent of the majority there.

Through the accord, London hopes to stabilize Northern Ireland, and to isolate the IRA and Sinn Fein Party by leaning on the cooperation and support of the Irish government. The Irish government, in turn, wants to provide the Catholic minority with a place to address their grievances.

Although the agreement gives Ireland a formal consultative role in governing Northern Ireland for the first time since 1921, it leaves effective power in British hands and binds Ireland to recognize British sovereignty over the province for as long as the Irish majority wishes.

Most Britons have shown support for the agreement since it came out. Several British opposition parties also have approved the agreement, so it seems likely to be passed by the British parliament. The Irish parliament will probably also adopt the agreement, which must also be registered with the United Nations.

The main opposition to the accord will come from Northern Ireland. Leaders of the Fine Gael condemned the agreement, and about 10,000 Protestants demonstrated their opposition in Belfast on November 23. Officials of the IRA and Sinn Fein Party also said the agreement would bring no peace to the area.

But many observers in London believe that if the agreement eventually wins support and cooperation from all sides, the struggle between the Catholics and Protestants will be eased.

Britain-Ireland

A Breakthrough in Diplomacy

After negotiating for more than one year, Britain and Ireland have at last come to an agreement on Northern Ireland.

by LI YUNFEI

BRITISH Prime Minister Margaret Thatcher and her Irish counterpart Garret Fitzgerald signed an historic agreement on British-ruled Northern Ireland in Belfast on November 15, giving Dublin a say in the affairs of the province for the first time since partition in 1921.

The long-awaited deal was a result of compromise on both sides, after more than one year of strained negotiations. Public opinion in Britain overwhelmingly indicates that the historical accord is a breakthrough that could end the relentless upheaval in Northern Ireland.

In 1921 the British government agreed that the 26 counties in southern Ireland set up "a free state." It declared independence in 1948, establishing the Republic of Ireland. The 6 counties in the northern Ireland, which has a population of 1.5 million, have been under Britain's rule. About two-thirds of the population in Northern Ireland are immigrants from England and Scotland who believe in Protestantism. Their political organization, the Fine Gael (United Ireland Party), stands for unification with Britain. But the other one-third is comprised of

mostly Irish nationals who believe in Catholicism. This faction, dominated by the Sinn Fein Party and the Irish Republican Army (IRA), advocates a state of Ireland and Northern Ireland.

Since the political power in Northern Ireland has always been in the hands of the Fine Gael, many Irish nationals have been unsatisfied. As a result of the contradicting politics and religion, Northern Ireland has been entrenched in endless violent conflicts spreading throughout Great Britain.

To solve the problem, both British and Irish leaders believe they must adopt certain measures. Many of the Irish are worn out by the situation and want an end to the conflict as soon as possible.

The recent agreement proposes the formation of an Irish-Anglo ministerial commission that still gives Britain the final say on Northern Ireland affairs.

The commission will be officiated by a joint secretariat of Irish and British civil servants based in Belfast, and new security measures to combat terrorism will be put in place.

While both Dublin and London will have the authority to advance views and proposals in the com-

China and Africa Are Fated Partners

China and African countries have no conflict of interests. Rock-firm in its support of African people's struggle to defend their independence and oppose racism, China regards the African nations as equals and never meddles in their affairs.

by **GONG DAFEI**

SINCE World War II, national struggles for liberation have surged through Africa; and independence has eventually dawned throughout the continent, except for Namibia, sounding the death knell for colonialism in Africa. As an awakened and struggling continent, Africa is growing into an important new force on the international stage.

Africa was enslaved by colonialism for more than 500 years, which was longer than Asia and Latin America. During this period, more than 100 million black Africans were sold as slaves to other continents in what Karl Marx said was capitalism's major primitive accumulation of capital. At that time, the African continent was reduced to an area where blacks were hunted like game for commercial purpose. This practice even established itself in the name of some African countries and areas, such as the "Gold Coast" and "Ivory Coast".

China and Africa have gone through many of the same historical encounters which have brought them closely together. This is why Chinese Party General Secretary Hu Yaobang has said that China and Africa share a common fate. Fundamentally speaking, they have no conflict of interests in bilateral relations or in international affairs. China and various African countries have much in common. Both of them stand in firm opposition to imperialism, colonialism and racism; oppose hegemonism and

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big power domination of small countries; stand for world peace; advocate closer unity between third world countries; favour reform of the unfair international economic order; maintain that practical measures be taken to promote South-South co-operation; and are willing to further improve bilateral relations.

Mutual Support

In the past four decades, Africans have waged a heroic struggle for independence and against racism. A prominent feature of China's relationship with Africa is its unswerving support for that struggle.

Many African countries have had to gain their independence through armed struggle. Violence in Algeria, Angola, Mozambique, Zimbabwe and other countries was lengthy and harsh, due to the great disparity of military strength between the people's armed forces and the enemy. China supported them with military and other aid until they won victory. The Namibian people are still fighting for their independence, and China will continue to support them until they win that battle.

Even after African countries won independence, they were still confronted with imperialist, hegemonist and racist sabotage. China stood by the African people in their counter-attacks. In 1956 when the Suez Canal War broke out, the Chinese government announced that it would not sit by and watch the sovereignty and territory of Egypt encroached upon by any kind of invasion. When foreign mercenaries invaded Guinea in 1970 and Zaire in 1977

and 1978, the two countries received Chinese moral and material aid.

China also condemned the South African authorities for their raids against neighbouring countries and for their support of subversive and armed sabotages by the anti-government forces in those countries. On behalf of the Chinese government, Chinese Premier Zhao Ziyang recently announced that China would do whatever it could to help the front-line countries in southern Africa to consolidate their political power and guarantee their national security.

In Africa, the national independence movement has entered an historical stage of fighting for economic independence. And during this new struggle for economic development, the African people will yet again enjoy the support of the Chinese people.

When the African countries suggested establishing a new international economic order, the proposition was warmly received by China. When this question was opened for discussion at the 6th special session of the United Nations in 1974, Chinese leader Deng Xiaoping attended the session and spoke in warm support of the proposition.

With the further development of its national economy, China will give more aid to Africa. But in the meantime, China is studying better ways to strengthen economic and technological co-operation with Africa. During his visits to the 11 African countries in 1983, Premier Zhao Ziyang came up with the four principles of equality and mutual benefit; better practical results in their economic co-opera-

tion; more diversity in that co-operation; and mutual development.

Another crisis confronting African independence is the South African government policy of racial discrimination and separation through apartheid. Like their African brothers and sisters, the Chinese vehemently oppose this form of oppression. China severed all economic and trade relations with South Africa as early as in 1960, when the South African authorities decided to ban the African National Congress of South Africa and the Azanian Pan-Africanists Congress. At the United Nations and other international conferences, China has always proposed comprehensive mandatory sanctions against South Africa by the international community.

South African authorities recently announced their state-of-emergency law to beef up their racist rule. This has aroused great indignation from the Chinese people, and the Chinese government has condemned the new atrocities of the South African authorities.

China believes that nations that support each other are repaid for their duty in the end. When China was struggling for the rehabilitation of her legitimate position in the United Nations, the African countries made relentless efforts on China's behalf. Without the co-operation of various African countries, China would not be able to fully carry out its foreign policy that defends world peace, promotes development and opposes hegemonism. When an African friend once thanked China for its long-term support, the Chinese Party General Secretary Hu Yaobang replied, "We really don't deserve this, because we are very good friends and comrades-in-arms; we helped you and you have helped us too. Help and support are reciprocal and the trust and hope you cherish for us are in-

dications of your support for us. Our help and support for you don't deserve mention because we are not rich and are still backward and what we have rendered is insignificant. Of course, with the passing of time, the outlook of our co-operation and mutual support will become brighter."

Equality

Another characteristic of Sino-African relations is the stress on equality. Premier Zhao Ziyang in 1982 said to Cape Verdean President Aristides Pereira, "The Chinese government has always held that countries, big or small, should be equal in international affairs, and no big powers and outside forces have the right to interfere in the other country's internal affairs. We are also consistent in the view that countries, big or small, have their own strong and weak points and therefore they should learn from each other's strong points to offset their own weakness."

The Sino-African relationship over the past 30 or so years testifies to the truth that China means what it says.

Keeping a hands-off policy on internal affairs is the principle China implements in dealing with the African countries. China strongly believes that revolution cannot be exported, and respects the African people's choice of social and political systems. China respects independent African domestic and foreign policies. And the Chinese aid to and co-operation with various African countries are based on respect for the African sovereignty; they are free from any conditions or privileges.

Diplomatically, China follows the principle of maintaining independence and keeping the initiative in its own hand while respecting the rights of African nations in making judgements and decisions independently with regard to

world affairs. China and African nations have much in common when it comes to international affairs, but differences do exist. China does not require African nations to speak or do things in favour of China and holds that the African people have the full right to make friends of their own and receive aid from any country, in the light of their own position and interest.

China's non-interference in the internal and external affairs of other countries is unique and has won the praise of the African nations. During his visit to China not long ago, Tanzanian President Julius K. Nyerere, an old friend of China, said, "Whether in providing aid to us or in contacts at international conferences, China has never sought to influence our policies, nor has it shown any intention of harming our sovereignty and dignity. Things should be done in this way. It deepens our respect for this country and strengthens our friendship with her, as we are quite familiar with the pressure from some big powers."

In dealing with the African countries, China is careful not to show an arrogant attitude as a big country. On the contrary, it often shows concern for the difficulties facing the African countries, is quick to understand their situation and learns from their strong points. The late Premier Zhou Enlai set this relationship firmly into place. Between the end of 1963 and early 1964, Zhou visited 10 African countries, including Ghana, which was reeling under an aborted coup, with President Kwame Nkrumah wounded in an assassination attempt. But Zhou went there as scheduled to show his support and trust for President Nkrumah. No rituals were held at the airport upon Premier Zhou's suggestion, and the Chinese premier stayed in the same palace with Nkrumah. Later, during Zhou's visit to Ethiopia, the Ethiopian leader, Haile

Selassie, moved the meeting place far from the capital to Asmara, away from external pressure. Keeping the friendship of the two countries in mind, Zhou readily flew there to meet him. During the talks, the Ethiopian side said it recognized the People's Republic of China, but added it needed some time to cope with the possible opposition from the United States before Ethiopia could normalize relations with China. Premier Zhou immediately expressed understanding on behalf of China. Ten months after Zhou's visit, the two countries established diplomatic relations. During his visit to the 10 African nations, Premier Zhou stressed that they were not backward in every aspect, despite several hundred years of colonial rule. On the contrary, he said, China had much to learn from their many strong points.

Unity

Chinese support for the African countries in their struggle for independence is coupled with strong backing for unity among the African countries.

The African history for the pursuit of independence, from pan-Africanism to the Organization of African Unity, fully demonstrates that the African people understand the proverb, "Unity means strength." At present, the African nations are devoted to building their national economies while at the same time are faced with external interference against their independence and sovereignty. Under these circumstances, unity among the African countries is of paramount importance.

Because of the many historical problems and ideological influence left over by colonialist rule, there exist some internal and external conflicts and differences among the African people. If they could approach their problems in the spirit of mutual understanding, and enter into peaceful

negotiations, free from any external pressure, they might reach fair and just solutions. Even if some of the problems cannot be solved for the time being, they still could adopt a restrained attitude to prevent the situation from worsening.

The Chinese leaders have on many occasions explained to their African friends this proposition and have made it clear that China would stay away from infighting among the African nations while at the same time oppose any foreign intervention in the African affairs.

In 1977 when Somalia and Ethiopia were locked in a conflict over territory, the Chinese government announced its resolute opposition to foreign military intervention, and made it clear that it had no prejudice for either side. Meanwhile, the Chinese government encouraged the two countries to stop fighting and enter into negotiations. Regarding the question of Western Sahara, China insists the conflict be solved through negotiations free from any outside interference. China also hopes to see peace and national unity in Chad as early as possible so that people there would be able to recuperate, build up their country and consolidate their hard-earned independence.

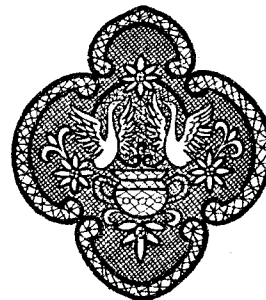
During his visit to Africa, Premier Zhao Ziyang told the leaders of the African National Congress of South Africa and the Azanian Pan-Africanist Congress that China supported and would treat equally the various national-liberation organizations in southern Africa and hoped that they would unite to fight their common enemy.

The Organization of African Unity symbolizes the unity of Africa. China has always given support to OAU efforts for the independence, liberation, unity, cooperation and development of African countries. Earlier, when

OAU was scarred by its differing member states, the concerned Chinese leaders told some African leaders that division among the OAU would bring disaster to the African people. Since then, the OAU has pulled itself out of the difficult period.

In a talk with a distinguished guest from Africa, Party General Secretary Hu Yaobang outlined China's attitude towards African unity. He said the Chinese people cherished their friendship with Africa and hoped the African nations would live together harmoniously and be on guard against aggression and subversion from outside. A divided Africa would be a weak Africa. He said China wanted to see African countries strengthen their internal unity to build themselves into democratic, independent and prosperous states.

The Chinese leaders emphasize unity among the African people because the future of China is closely tied up with that of Africa. To progress, the African nations must work more closely together. China believes this is possible since historically they were united in their fight against colonialist rule. A united and prosperous Africa would provide enormous support and inspiration for the Chinese people who are also in the process of cranking up its modernization drive. African unity is also an important contribution to world peace and the progress of humanity.



China's First International Trade Fair

by JIN JIZHU
Our Correspondent

THE Fourth Asia-Pacific International Trade Fair, held November 15 to 30 at the Beijing International Exhibition Centre and attended by 26 countries and regions, has now closed, but the event and its many excellent exhibits are still the talk of the town.

The recently completed modern exhibition centre is the largest of its kind in China, covering an area of 150,000 square metres. This was also the first time China had hosted the Asia-Pacific International Trade Fair. During its two weeks some 600,000 people visited the fair, business talks and technical exchanges were conducted and a large number of contracts were signed. The success of the fair indicates that China has opened its door ever wider to the outside world and become ever more active in international trade and scientific and technological exchange.

Home-made huge balloon flying over the fair.



The Chinese hall attracted greater attention at the fair. Thousands of visitors crowded into the hall when it opened every morning, packing its 3,000-square-metre exhibition room to the limit.

Chinese Hall Attracts Attention

The great variety of exhibits was one of the hall's great attractions. Apart from the main exhibition area, there were 3,300 square metres of open display ground and a 2,800-square-metre subsidiary hall, making a total of 9,100 square metres for the 8,000 exhibits, arranged in six categories — machinery, electronics, large industrial products, textiles, food and arts and crafts.

Near the entrance of the Chinese hall a micro nuclear reactor produced by the China Atomic Energy Research Institute caught people's attention. According to Guo Chengzhan, an engineer with the micronuclear reactor development centre of the institute, work on such reactors began in 1982. Two years later the institute brought out its first product, which won the approval of a panel of selected experts. Produced in only a few countries, the reactor represents an advance in China's peaceful use of atomic energy. Simple in structure, nonpolluting, economical and convenient to use, the reactor is expected to last 12 years and can be used for analysis and research of trace elements in mining, medical science, biology, pharmacology, food, industrial manufacture, oceanology and archaeology. The International Atomic Energy Agency is said to be considering recommendation of the Chinese reactor to other countries.

Numerous exhibits demonstrated the development of Chinese science

and technology, including the multi-purpose Y-12 airplane, a semi-submerged oil rig, a Long March III missile capable of launching stationary communications satellites, high-quality C-wave and KU-wave ground-receiver television systems, Great Wall 0520 personal computers for Chinese script processing and input, laser communication devices and microwave acupuncture and moxibustion apparatus. These products show that China's industry is moving towards high quality and advanced technology.

The many electronic products on display — communications apparatus, electronic medical instruments, radar and satellite ground stations — won acclaim not only from Chinese but from foreign visitors. Some Soviet and East European visitors could hardly believe they were looking at Chinese products. A first secretary in the United States embassy was very excited to see the satellite ground station receiving American TV programmes and decided to place an order for the system. Businessmen from Canada, the Federal Republic of Germany, India, Iran, Singapore and Sri Lanka immediately sought ways to order telephones, laser measuring apparatus, personal computers and satellite ground stations and discussed the possibilities of co-producing such products.

The Chinese garment industry, which has hitherto been considered rather backward, also made a good showing at the fair. Stylish silk dresses, *qipao* — the traditional Chinese dress with a slit skirt — and embroidered blouses looked elegant; pure-wool turtleneck sweaters for women, V-neck sweaters for men and other types of wool sweaters and skirts were in tasteful colours and patterns. Some foreign

traders and manufacturers remarked that Chinese clothes were now ready for the world fashion market.

Aiming at the Chinese Market

All products displayed by foreign countries and other regions were representative of their type, many technically advanced and suitable for export. They included exhibits of machinery, electronic, metallurgy, mining, the chemical industry, textiles, transportation, building, energy resources and medicine. The Indian hall, second only to the Chinese in size, exhibited cranes, air compressors, metal-can makers, water-spray and irrigation equipment, buses, tractors, motorbikes, television sets, refrigerators, air conditioners, personal computers and other technically advanced machinery and electronic products. This is an indication of the third world's march towards modernization.

Many products in the US hall were on display to the Chinese for the first time. Some of them represented state-of-the-art technological development, such as clinical radiation equipment and space photographic techniques developed by Eastman Kodak Company.

The Soviet participants brought not only traditional machinery, equipment and instruments, but also achievements in new technologies, laser techniques and other products that they believed would be in demand on the Chinese market, such as textile machinery and a model of the jumbo jet II-86. During the fair China National Machinery Import and Export Corporation and Soviet representatives signed a contract for the sale of 200 CTE looms by the Soviets.

The Japanese hall featured atomic energy generation and other advanced techniques. Masara Inoue, director of the Special Trade Fair Division of Japan Ex-



Young computer fans are attracted by the China-made terminals.

ternal Trade Organization, who served as manager of the Japanese hall, said that the Japanese exhibition was designed with the idea that energy development was an urgent issue in China's drive for the four modernizations. China, though rich in petroleum and coal resources, still had to develop atomic energy. Japanese businessmen hoped to engage in large-scale technical exchanges and trade talks with Chinese atomic energy specialists. The US and France had already entered into talks and trade with China in atomic energy, and Japan had to catch up. This explained why 350 out of 500 representatives from Japan at the fair were specialists in atomic energy and related fields.

Europeans Also Active Participants

Four of the fair's participants — the German Democratic Republic, the Federal Republic of Germany, Sweden and Finland — did not belong to the Asia-Pacific area. A director of Hoffmann Ltd. of the FRG told reporters that though they were not part of the Asia-Pacific region, they wanted to take advantage of every opportunity to hold exhibitions in China. China, in his view, is a huge potential

market. To make their products known to the Chinese and promote business, they have to use all possible means. It was important for them to take part in the Asia-Pacific International Fair because they could not only show their products to the Chinese but also convince the Chinese through comparison of their products with those from other countries that theirs were of better quality and could do well in China.

Change and development in the Asia-Pacific region are of world interest as economic growth in the region has shot up remarkably since the 1960s and, especially, 1970s. From 1970 to 1980 the average annual economic growth rate worldwide was 3.7 percent, but in the Asia-Pacific region it was 5 percent. According to figures released by the UN Conference on Trade and Development, the region's percentage of export volume in the world's total grew from 14.5 percent in 1970 to 19.4 percent in 1982 and that of import from 15.1 percent to 19.4 percent. The fair, visual evidence of the change and development in the Asia-Pacific region, helped increase understanding within the region and expand ties between the region and other parts of the world. □

Shenyang: Old City Takes on New Look

SHENYANG, one of northeast China's most famous industrial hubs, is also one of the seven provincial cities to which China's central government has delegated a degree of economic autonomy similar to that practised in the country's provinces. In the two years since the municipal government started its programme on the urban economic

restructure, Shenyang's economy has taken on added lustre. Though problems such as an inadequate infrastructure and an underdeveloped service industry still plague the city, Shenyang companies, both large and small, have chalked up significant profits, making residents and officials there optimistic about the city's future under the new programme.

they can meet their potential in full, revamp their technologies and raise their efficiency. Second, work has been done to improve the city's administration and to make Shenyang an economic and social development centre, thereby providing the necessary conditions for the enterprises and to facilitate trans-regional and trans-departmental economic relations between enterprises.

Reforms Renew a Languid Economy

— Interview with Zhang Di, Chairman of the Shenyang Municipal Economic Restructure Commission, by our correspondent Han Baocheng



Zhang Di.

BR: First of all, would you please describe Shenyang's urban economic reforms and the city's progress since enacting those reforms?

Zhang: Of course. Shenyang is one of China's largest heavy industrial cities centring around machine-building, metallurgical, electrical, chemical and construction industries that began to develop in the 1950s. Shenyang, which has a total population of

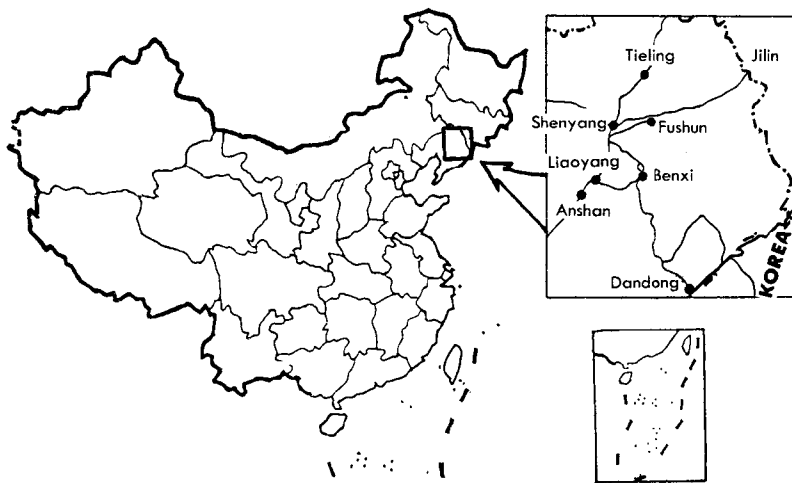
5.26 million, is home to 4,567 industrial enterprises that employ 1.225 million people. Among its industrial enterprises, 151 big and medium-sized ones owned by the state constitute the city's major economic pillars. These businesses employ more than 40 percent of the city's total workforce, produce about half of its industrial output value, and deliver to the state about 50 percent and 66 percent of the city's profits and taxes respectively.

Shenyang is one of the seven cities designated by the central authorities to experiment with urban economic reforms. Since 1984, these reforms have focused on enlivening 151 key enterprises by two ways: First, efforts have been made to change the over-concentrated management system while remaining attentive to the needs of a planned commodity economy. The changes have entailed giving the businesses the authority needed to make many of their own decisions, so that, as independent commodity producers,

they can meet their potential in full, revamp their technologies and raise their efficiency. Second, work has been done to improve the city's administration and to make Shenyang an economic and social development centre, thereby providing the necessary conditions for the enterprises and to facilitate trans-regional and trans-departmental economic relations between enterprises.

Within the enterprises themselves, efforts have been concentrated on changing the multi-headed, inefficient leadership, the egalitarian distribution practices and the over-rigid planning and management, in order to stimulate the workers' enthusiasm and creativity. In the last two years, those efforts have achieved a degree of success. Of the 151 major enterprises, 49 or 32.4 percent have shown marked improvements in their performance, characterized by rapid technological progress, improvement in management, development of new products and increased competitiveness of their products. In 1984, the average output value of these enterprises increased 22.7 percent over that of 1983, and their profits increased 58.1 percent. In the first half of this year, their output value and profits again went up 22.1 percent and 67.9 percent respectively over the corresponding period in 1984. But 67 or 44.4 percent of these enterprises made less noticeable progress, and 35 or 23.2 percent have not shown any improvement at all.

Despite the absence of noteworthy success in some of the enterprises, the economic returns have in general been satisfactory.



Last year, the city's total industrial output value reached 11.49 billion yuan, 18.4 percent more than in 1983. Profits and taxes generated in the city also increased 22.3 percent, and its income increased 17.5 percent. In the first half of 1985, its industrial output value again went up 18.3 percent as compared with that of the same period of last year, while the amount of industrial profits and taxes increased 33.3 percent.

BR: What conditions has the municipal government created for invigorating the performance of the enterprises?

Zhang: First of all, in order to encourage industrial growth, government administration has been separated from enterprise management, giving more self-governing authority to the enterprises and changing the past practice of the government being the final arbiter in the enterprises' production and distribution decisions.

In order to effect this change, the city readjusted the structure of enterprise-related municipal economic management departments. For example, Shenyang's machine-building administration replaced some of its departments directly involved in managing enterprises with an information centre and a planning section. In addition, the city's machine-building administration merged its supply and marketing section, whole-set equipment

section and import and export office into a single independent economic entity—the machine-building industrial trade centre.

In accordance with related State Council decisions, the city government also delegated 10 specific decision-making powers to the enterprises. These include the authority over management, finances, bonuses, personnel—with the exception of appointments and dismissals of major factory leaders—and pricing for surplus products. In the field of planned management, the city government has reduced its involvement in mandatory planning and expanded that of guidance planning and market regulation.

These changes, of course, do not mean that state control has been completely eliminated, but rather the control has gone from direct to indirect. To ensure the lively growth of the enterprises within the guidelines of state planning and to guarantee the co-ordinated development of the national economy, the government's control over the enterprises is now realized mainly through taxation, pricing, credit funds, wages and certain legal and administrative means. The purpose of these methods is to ensure the implementation of state policies and plans. For instance, because credit funds increased too rapidly at the end of last year, the state strengthened its

control over the insurance of credit funds at the beginning of this year. To pool idle funds in society for their own technological transformation, some enterprises in Shenyang issued bonds. The city government first of all recognized this as a useful way to open up its financial market. At the same time, the city authorities enacted rules for controlling the issuance of bonds, clarifying the limits, amount and the use of the funds raised. Because of the support of the city government, things have proceeded smoothly. Although about 1 million bonds have been issued in Shenyang, the planned savings deposits in the state banks have not been affected.

BR: It has been reported that the Shenyang market has become more brisk since the introduction of the reforms. What I have seen seems to confirm those reports. Have you anything to say regarding Shenyang's recharged market?

Zhang: Yes. To open the market is another condition the city government created for the enterprises. The city government figuratively opened three doors to the city, the various trades and the factories, facilitating horizontal economic exchanges between the enterprises, between the city and the countryside and between the various regions. The aim is to create a competitive environment in which the enterprises will thrive. Apart from the market for consumer goods, which was opened a long time ago, Shenyang's market for the means of production and for technology, as well as its monetary and labour service markets have also been opened. It is hoped that such a policy will enable the city to play its role as the largest economic and trade centre in north-east China.

Such a role for Shenyang was unimaginable in the past, because at that time a socialist economy was not considered a commodity economy. For instance, under it

the means of production could not be bought and sold on the market, but could only be allocated by state planning at fixed prices. Now, however, with the exception of coal, iron and steel, petroleum, timber and cement, all other means of production can be brought to the market. At present, there are more than 1,600 organizations that deal in the transactions of production means in Shenyang. Major goods produced outside state plans, that is, the portion of goods produced above the state quotas and the portion within the plan that can be marketed by the enterprises themselves (e.g. 2 percent of rolled steel), can also be sold on the market at negotiated prices. These measures are conducive to the development of production.

The opening of Shenyang's monetary market is meant to establish a multi-tiered monetary system with the People's Bank as its core, the specialized banks as the backbone and the investment and trust corporations as supporting components. The purpose is to speed up the circulation of funds. At the same time, collectively owned credit co-operatives have also been opened in towns and the countryside. At present, Shenyang has 10 urban credit co-operatives, which had by the end

of last May accumulated 87.41 million yuan of savings deposits and granted 33.81 million yuan of loans. At the end of last year, the amount of savings deposits in the city's 104 rural credit co-operatives reached 340 million yuan. The rural co-operatives have earmarked 410 million yuan for loans in 1985. These credit co-operatives have played a positive role in promoting the development of township-run enterprises and of the individual economy.

Shenyang's technology market was opened a year ago. At first, there were only compensated transfers of technological results. Now, however, the business scope has been expanded to include technological services, technological consultancy, information and materials supply as well as training of technical personnel and foreign language translation. At present, there are 200 organizations engaged in transacting technological commodities. Of these, 66 are owned by the state, 120 are owned by collectives, 13 by individuals and a spare-time one named Sunday Technological Service Corp. The items being bought and sold on the market are from industry, agriculture, medicine and financial departments. Last year, the total volume of business in this area

reached 105 million yuan and is expected to be more for 1985.

Shenyang has 161 scientific research and designing institutes, 70 institutes of higher learning and 140,000 scientific and technological personnel. Many of Shenyang's larger enterprises have their own research organizations. In the past, however, achievements in scientific research could not be turned to full use. The opening of the technology market, however, means outlets have been found for putting to use the results of scientific research and, with this change, the big enterprises and research institutes have increased their income and the smaller enterprises can now use the newly acquired techniques to upgrade their production.

Shenyang's labour service market was opened recently and, at present, its business is limited to providing private tutors and housemaids.

BR: What measures have been taken for small businesses?

Zhang: Small business reforms started early in 1983, when the city adopted a series of flexible policies for them. Among these policies were management autonomy, independent accounting, sole responsibility for their own gains and losses, and democratic management. These policies produced quick results.

In June last year, Shenyang conducted an experiment in which it leased some unsuccessful small enterprises to individuals. At present, 33 state-owned and collective enterprises are leased to individuals. Most of these enterprises had sustained losses because of poor management. The new lease agreements were carried out in the following way: First, the enterprises to be leased published bid notices announcing the length of lease, the conditions for bidding and the rights and responsibilities of the successful bidder. Second, an appraisal committee was set up

The opening ceremony of the Shenyang International Investment Symposium.



to interview and examine the bidders' qualifications. Third, the contracts were signed and notaries obtained (a lease-holder needed two guardians). And finally, departments in charge of the enterprises to be leased met with the workers in the enterprises to announce the contracts. With the last procedure, the lease-holder became the legal representative of the enterprise.

After the notices for leasing 10 enterprises were published in November last year, 152 people responded with bids. Among them were scientific and technological research workers, engineers, teachers and cadres in the enterprises. Twenty people won the bids, and they have only the right to use the businesses' property. The lessors collect the rents on behalf of the state or the collectives. In the case of state-owned enterprises, they share surplus profits with the individuals who have leased the enterprises at a 7:3 ratio after paying income tax and other taxes to the state. As for the collectively owned enterprises, the ratio is 5:5. Should the leased enterprises suffer losses or cannot meet the base quotas for profits, the lease-holders are required to give the fixed amount of rent. So far, however, none of the leased enterprises has suffered losses. Because the lease-holders have to shoulder the risk of bankruptcy and liquidation, they have put all their might and main into improving their operations and in raising their economic efficiency.

At the beginning of this year, the city government promulgated provisional regulations concerning bankruptcy. Shortly after these regulations were put into effect, the city branch of the Bank of Industry and Commerce issued bankruptcy warnings to three small businesses hovering on the brink of bankruptcy. Although they were an experiment, the warnings shook



A shopping area near the Shenyang Railway Station.

the city's industrial and commercial circles.

Many problems need further theoretical and political study. Rental, for example, is still determined on a less than scientific basis. If it is too low, the leaseholder will find it an easy job to handle. Also, as most of them do not have the necessary earnest money, there would be no legal guarantees for paying their businesses' debts should they become bankrupt. There are still no clear stipulations with regard to the debts and the employees of bankrupt enterprises.

BR: Could you please tell us something about the plans of the city authorities?

Zhang: I think the major responsibility of the city government now is not to manage enterprises but to create a favourable climate in which those companies will prosper. The city need also to concentrate on providing conveniences for the livelihood of its residents and on improving the various public facilities. The city should also concern itself with opening up all channels for commodity circulation and in providing protection for the normal production of the enterprises. But, since we are

now in the period of transition from the old system to the new, it is impossible for the city government to pull out completely from the affairs of the business community. Even in the future, certain administrative interference will still be needed.

Over the past 30-odd years, authorities in Shenyang gave a great deal of attention to developing the city's heavy industry, and somewhat neglected the development of its commodity economy and the people's livelihood. As a result, many problems in these areas remain unsolved. Every urban resident, for example, had only 4.28 square metres of floor space; for every 3,000 people there was one public bus; and for every 100 people there were only 3.4 telephones. Before the reforms, the city also had serious traffic and pollution problems, and even now it does not have a large enough stadium for international tournaments. These drawbacks adversely affected both the city's residents and its businesses.

Since 1978, the city authorities have allocated large amounts of money and manpower to improve the city's overall environment. From 1979 to 1984, an average of 1.7 million square metres of res-

idential quarters was built every year. In the next five years, the figure is expected to be raised to 2 million square metres per year, with the aim of bringing the average amount of floor space per resident to 5.5 square metres by 1990. At the same time, the city also intends to build a number of hospitals, schools, kindergartens and commercial and service networks.

With regard to pollution control, the city has recently stepped up its tree planting. Trees and grass have been grown along the city's main thoroughfares, new residential and industrial areas. In order to cut down on the amount of coal smoke polluting the area, 70 percent of the Shenyang households now use gas for cooking and heating. By 1990, it is hoped that gas supply will be available to all the households in Shenyang. In order to further combat its pollution problem, central heating has been installed in Shenyang's Tiexi District, where a large number of factories are located. During the Seventh Five-Year Plan (1986-90), a few sewage treatment plants and garbage disposal stations will be built, and concentrated efforts will be made to revamp a few large enterprises that are serious polluters.

The city has also begun the construction of its central ring road in order to eliminate traffic congestion. In the next five-year plan, we will build an outer ring road, a new railway station, an international airport, and a highway connecting Shenyang with Dalian, another industrial city located on Liaoning Province's coast. In the field of telecommunications, 40,000 programme-controlled telephones will be installed by 1987. The number will reach 100,000 by 1990. At the same time, direct telephone services will be opened between Shenyang and other major cities in China.

Shenyang's service trades are

now quite backward and in need of improvements. As a first step, we intend to construct department stores, hotels and various trade centres. In addition to constructing new apartment buildings, we also intend to renovate 35 old streets. We also plan to create an environment conducive to foreign

investment with the aim of expanding economic and technological exchanges between Shenyang and other countries. Such ambitious plans will require the city government's concentrated efforts; it must free itself of the burdensome routine work of enterprise management.

Innovators Improve Industrial Outlook

by HAN BAOCHENG
Our Correspondent

XU Yongpan is an ambitious and somewhat unpredictable man. In May 1984 when Xu, 52, was appointed director of the Shenyang Electric Wire and Cable Factory which has 12,800 workers and staff members, the city government gave him a car. Instead of revelling in his newfound luxury like many would do, Xu continued pedalling through the downtown area on his bike every day and gave the car to his retired predecessor. Later, in another surprise move, when Xu was awarded 3,000 yuan as a bonus, he donated it to the factory's kindergarten.

In addition to being generous, Director Xu is also an efficient and skilled manager who has time and again proven his ability to get things done and to make things work.

Xu began working at the Shenyang wire factory 35 years ago when he was only 17 years old. Since then he has served in a number of capacities, from common worker to section head, to head of the factory's technological and production departments and as deputy director. In that time Xu accumulated rich managerial experience which he has been able to demonstrate more completely since the government delegated more decision-making powers to the enterprises.

When appointed director, Xu's



Xu Yongpan.

aspirations led him to make a series of changes at the factory. Determined to make his factory a competitive success, Xu made it clear to the factory's workers and staff that his goals included record production and income highs after one year and that the quality and output of its 25 major products were to catch up with international levels within three years. Though admirable to many of his workers, these goals seemed lofty and slightly unrealistic. Soon, however, the doubters became believers.

In 1984, the factory's output value increased 19.7 percent over that of 1983, which was 14.3 percent more than the factory's all-time high. That same year, its profits exceeded 100 million yuan, 98.9 percent more than in 1983 and 8.7 percent more than the record. Among its 25 major products in 1984, the quality and output of 11

caught up with advanced international levels. In the first half of this year, the factory's output value again increased 37.9 percent as compared with the same period of last year, and the profits and taxes it handed over to the state jumped by 95.9 percent. It is estimated that by the end of this year, 10 more products will reach international standards.

In running the factory, Xu says he concentrates on three things: "First, I try to make timely decisions on key problems that affect the factory's performance. Second, I look for talented people and give them responsible positions that will enable them to maximize their talents. And third, I devote a great deal of attention to medium- and long-term plans so that the factory will have the stamina for further development."

In personnel affairs, not only does Xu look for talented people, but he is also not afraid to make controversial appointments. Han Shaoshi, for example, is an engineer who for a long time was overlooked by many because he often quarrelled with his colleagues and superiors. Instead of ignoring him, Xu recognized his abilities and promoted him to director of the factory's cable winding branch. Due to Han's efforts, the branch's management quickly improved and its output value doubled in six months.

Chen Gangyi, also an engineer who was recently appointed deputy director of a branch factory, attributed his success to the rights and responsibilities conferred on him by Xu. Recently, Chen's branch undertook a 1.9-million-yuan technical transformation project, for which Chen was given full responsibility. Every aspect, from designing and choice of equipment, investigations abroad and negotiations, to the layout of the factory buildings, were all to be done according to Chen's

specifications. "I am so trusted by the leaders," Chen said, "I have no excuse for not doing my job well."

In order to stimulate the enthusiasm of his subordinates, Xu Yongpan divided the factory's original eight workshops into 15 branch factories according to their products. Some of those factories, though still subordinate to the general factory, were allowed to register with the industrial and commercial administrative departments, open independent bank accounts and conduct independent business. According to Xu, having smaller accounting units makes the factory's management easier. With the divisions, the main management is now responsible for the factory's mandatory planning, major technical transformation projects, development plans, quality control, pricing, disposal of fixed assets and the number of staff and workers. Other powers, such as the marketing of above-quota products and acceptance of processing tasks, have been delegated to the branch factories in an effort to enable them to adapt quickly to market changes.

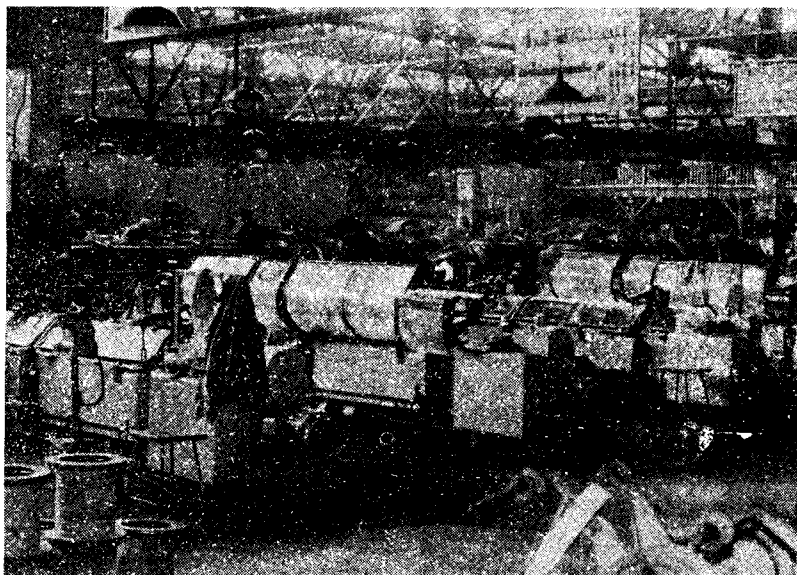
Since the introduction of the reforms, the factory's production has

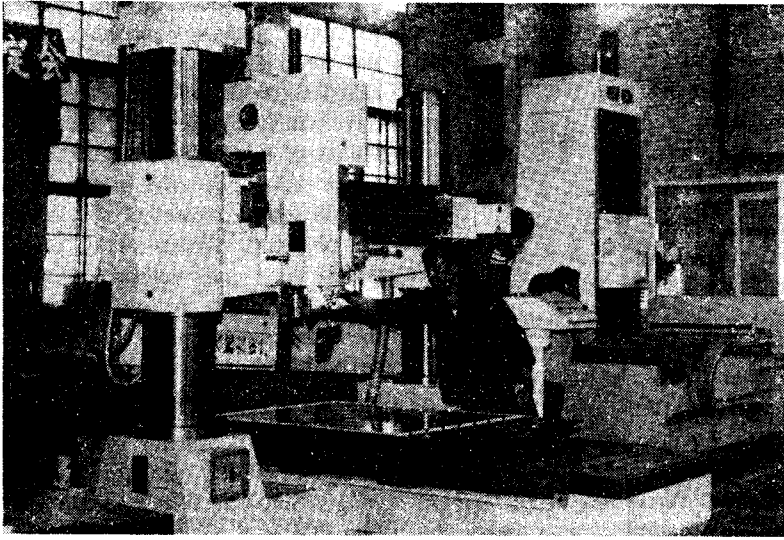
accelerated, allowing the factory to make greater contributions to the state. In addition, wages and salaries for the workers and staff have nearly doubled, and the availability of housing has begun to improve. Last year, the factory built 20,000 square metres of residential housing into which many of its technicians and veteran workers moved. In the future, much to the workers' joy, the factory plans to build 30,000 square metres of housing each year.

Like Xu Yongpan, 41-year-old Zhang Chenglun, director of Shenyang's Sino-Czech Friendship Factory is also a reformer. The Sino-Czech factory is China's biggest drilling and boring machine builder and employs 9,000 workers and staff. Before the reforms, the factory was hovering on the brink of collapse. In April last year, however, Zhang Chenglun assumed the directorship and started to turn things around. He first drew up a general plan to streamline the factory's management, personnel affairs and distribution practices. With the implementation of his plan, the factory's future has taken on a brighter hue.

In reforming the cadre system, Zhang abolished life-long tenure

A workshop of the Shenyang Electric Wire and Cable Factory.





New drilling machines made by the Sino-Czech Friendship Factory.

and introduced an appointment system. He dismissed or demoted those who were not up to their posts and promoted some bolder ones committed to blazing new trails. After the reforms, the number of middle rank cadres in the factory was reduced from 241 to 169.

With regard to distribution, Zhang struck out against the egalitarian dictum — “everybody eating from the same big pot” — and introduced a responsibility system. Zhang Chenglun said, “My responsibility requires me to be resolute and daring in making decisions concerning production management and administration. As the legal representative of the enterprise, I must be responsible to the state, the enterprise and the workers.”

The work in the factory's former casting workshop was arduous and made more difficult by its serious pollution. As workers there were paid the same wages as those in other workshops, many of them, especially the young, often asked to be transferred. Last year, under Zhang's direction, the workshop became a separate branch factory with the general factory providing it preferable treatment in wage reform. The general factory also

helped the casting workshop solve some of its problems that directly affected the workers. The environment in the branch factory has begun to improve, particularly since dust-removing equipment was installed to purify the air. The branch factory has also built two bathrooms and a club for the workers there. Workers who have contracted light silicosis from exposure to the quartz dust are now given one month of paid vacation in sanatoriums.

Zhang Chenglun emphasized the importance of improving the factory's economic returns through modern management, and organiz-

ed a modern management society to serve as a think tank for factory leadership, to develop new products and improve the quality of products.

Last year, the factory's major economic and technical indices reached or topped the best ever records. Compared with 1983, its profits increased 190 percent and the money it handed over to the state was up 100 percent. In the first seven months of this year, profits again jumped by 137 percent and the amount handed over to the state went up 92 percent over the same period of 1984. Because of such improvements, Zhang's factory was recently cited as an advanced enterprise by the Liaoning provincial authorities and Zhang Chenglun himself was elected deputy secretary of the Shenyang city Party committee.

In the process of the reforms, enterprising people like Xu Yongpan and Zhang Chenglun have come to the fore and have been promoted to leading posts in major enterprises. They have introduced sweeping reforms in line with the characteristics of their respective factories and have dared to pit their factories against competitors. In the process, each has made a considerable contribution to his city's progress.

Pooling Talent in Central Liaoning

by JIANG MIN
Our Guest Correspondent

WITH the intention of spurring their common economic development, seven of Liaoning Province's heavy industrial cities, including the provincial capital, Shenyang, have joined together in a programme of economic co-operation. The seven cities, all located in central Liaoning, have embarked on the plan in a bid to dismantle detrimental barriers be-

tween regions and departments. To date, their efforts appear to be successful.

China's "Ruhr Basin"

Situated within a radius of 100 kilometres, the seven cities — Anshan, Fushun, Benxi, Liaoyang, Dandong, Tieling and Shenyang — are home to 8,743 industrial operations that account for nearly 50 percent of the province's total industrial output. The cities, whose industries are mainly involved in

coal, steel, iron ore and chemical fibre production, are linked to Japan and Southeast Asia by Liaoning's largest port city, Dalian, which lies to their south. To the north, they are linked by railway with Jilin, Heilongjiang, the eastern part of Inner Mongolia and the Soviet Union, while the western railways connect the area with Tianjin and Beijing.

The seven cities are rich in natural resources and have a solid industrial foundation, making them one of China's most important heavy industrial bases. According to Wang Chaoren, a member of the seven cities' economic and technological co-operation liaison office, the area is considered one of China's two "Ruhr Basins." (The other is Shanxi Province in north China.)

Wang said the area's major industrial producers include the Anshan Iron and Steel Company, the Liaoyang General Chemical Fibre Company, the Fushun Oil Company and the Qinghe Thermal Power Station. Each of these enterprises is the largest of its kind in China. Last year, the area's total industrial and agricultural output value reached 42.89 billion yuan, or 60 percent of the province's total.

Over the past 30 years, Wang said, the cities in central Liaoning have made important contributions to the country's economic construction. Shenyang alone, he said, has supplied other parts of the country with 257,000 piece of metal-cutting machines, 619,000 tons of mining equipment, and large quantities of transformers, electric wires, cables and airblowers, as well as more than 130,000 technical personnel. In addition, Shenyang has delivered to the state 36.9 billion yuan in profits and taxes, which is six times the amount of the state's investment in the area. Between

1949 and 1983, the Anshan Iron and Steel Company produced 84 million tons of rolled steel, and at the same time it sent about 50,000 cadres and technical workers to support the development of iron and steel works in other parts of the country.

Wang said that as trade, finance, research, culture, and transport and communications centres for northeast China, these cities play a vital role in the entire province's development. Making the most use of their economic assets, Wang said, will be vital in realizing Liaoning's economic and social development plan and in promoting economic development in northeast China as a whole.

The co-operation programme between Liaoning's seven major industrial cities was initiated in December 1984 when officials from Shenyang invited their counterparts from Dandong, Liaoyang, Benxi, Tieling, Anshan and Fushun to a meeting to discuss the possibilities for a somewhat independent development approach. Guided by the principles of equality and mutual benefit, relative independence and common development, representatives to that meeting established the Central Liaoning Cities Economic and Technological Co-operation Complex. At the same time, the group also decided to co-ordinate the area's mining, metallurgical and machine-building industries and to gradually develop Anshan and Benxi as mining and steel bases; Fushun and Liaoyang as chemical industrial centres; and Shenyang into a modern machine-building industrial base.

After the liaison office, a permanent establishment of the complex, opened on January 1, 1985, contacts between the seven cities have become more regular and frequent. The cities first brought together their different trades to promote co-operation in special

areas. In the first half of this year, groups with different trades met to discuss ways of pooling their talents. The machine-building departments of the seven cities also sponsored a joint trade and technology fair in Shenyang, at which 472 scientific research transfer projects were displayed. That group also put up 83 technological problems for bidding. At the same time, the cities also set up a higher education co-operation committee, which has trained 100 university graduates specializing in computers, industrial and civil engineering, enterprise management and petroleum production.

Improved Returns

According to preliminary statistics, by the end of June this year, 127 co-operative agreements had been signed within the seven-city economic complex, bringing renewed vitality to some sagging operations.

One example of instructive co-operation was the Dandong Heating and Power Company, which joined forces in the area of compensatory trade with the Fushun Mining Bureau. According to the arrangement, the Dandong company provided 10 million yuan for the Fushun Mining Bureau's technical transformation. In return, the Dandong company is to receive 130,000 tons of coal each year from its new partner. As a result, 80 percent of the households in Dandong are soon expected to have gas for cooking and heating as against 40 percent before the arrangement. At the same time, Dandong will get more than 100,000 tons of coke from the coal.

The success of this and other reciprocal arrangements, in which Liaoning's seven major industrial cities have pulled together their talents and strength in an effort to offset their weaknesses, portends a profitable future for the province as a whole. □

Unhealthy Tendencies in Meetings

from "GONGREN RIBAO"
(Workers' Daily)

IN the course of China's present reform, the central authorities have made repeated efforts to cut down the number of documents and meetings. Various meetings, however, in which representatives do not deal with matters relating to work, are far too plentiful. Among these meetings, there are four styles:

1. "The migratory bird meeting," in which the meeting places are set according to season—south China in winter and cool places in summer.

2. "The tourist meeting" is one in which those involved make a special point of holding a meeting in a scenic spot or a place of his-

torial interests. After one-day or only hours of meeting, the delegates become tourists.

3. "The dinner-party meeting" is a meeting at which members "meet" over fine food and service.

4. "The briefcase meeting" is one in which those involved try their best to secure advantages through pull or influence.

Required meetings must be held. Rules and regulations for meeting should be established, and the meeting's agenda should be arranged rationally. The people's congresses at various levels have set up the necessary rules and regulations. Its meetings are simple and effective. If all meetings are held like the people's congresses, the unhealthy tendencies would soon be checked.

What Youth Want to Read

from "YANGCHENG
WANBAO"
(Yangcheng Evening News)

A RECENT poll of 20,000 young readers throughout the country by the magazine *Hope*, published in Guangzhou, shows that young people have a rising interest in books and magazines devoted to topics that directly affect them. Of those surveyed, 71 percent said they read youth-oriented magazines. Before 1983, that figure was only 41 percent. Those who prefer such publications top even those who take literature and sports as their favourite magazine topic. Those expressing an interest in moral culture also increased in number from the 1983 figure 19.15 percent to 36.4 percent.

In addition, compared with the years prior to 1983, there has been an increase in demand for books in the fields of political theory,

Social Science Research in China

from "NONGMIN RIBAO"
(Peasants' Daily)

Research institutes: Apart from the Chinese Academy of Social Sciences, 29 social science research institutes operate in China.

Researchers: About 15,000 people specialize in the study of social sciences, and more than 200 national social science societies have been established in the country.

Study scales: While reviving and developing traditional study

philosophy, political economy, history, science and technology.

Also worth noting is that literary and popular science works, which were once listed as the most popular items before 1983, lost around 10 percent of their audience. About 81.35 percent of the respondents said that they would stop reading these magazines should they fail to reflect the times and open to improvement.

In replying to the question "What kind of profiles do you prefer," 80 percent said they preferred articles on high achievers who overcame adverse circumstances, who had succeeded through hard work and self-education.

The current reforms attract more interest from scientists and technicians than from soldiers, individual labourers and college and middle school students.

The poll also shows that college and middle school students, as well as soldiers, are more concerned about domestic and international affairs than are individual labourers, who, like peasants, expressed an interest in articles on love affairs, marriage, and family problems.

subjects, Chinese researchers are paying more attention to the newly emerged disciplines and applied social sciences.

Reference books: Considerable amounts of books and related materials dealing with the social sciences are available in China. China publishes more than 400 magazines and periodicals on social sciences. About 15 million copies of books on social sciences have been collected throughout the country.

Young Couples Want One Child

from "ZHONGGUO
QINGNIAN BAO"
(China Youth Newspaper)

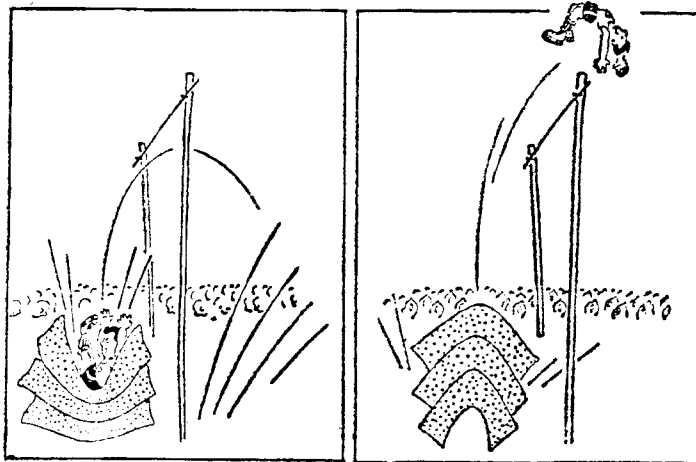
EVEN if I could have more than one child, I would only want one," a young worker said.

As the national economy improves, urban people are having fewer children. Statistics for the last few years show that 83 percent of families in big and medium-sized cities in China have only one child, while some couples, many of whom are intellectuals, opt to have their children five or six years into the marriage.

Many young people have said they feel that while they are young they should devote their energy to study and work. If one has many children, one is less able to spend as much time on these activities.

According to the current living standards, a child's expenses are as high as those of an adult. Raising a child entails a decrease in living standards. Raising more than one child could mean a sharp drop. As a result, many parents are now paying attention to the "quality" rather than the "quantity" of their children.

Such thinking is also becoming popular in rural areas. A survey of 100 specialized households managed by young couples in a county around Tianjin showed that most were unwilling to have more than one child. Another recent survey of 370 rural parents in Zhigong, Sichuan Province, showed that although 42 percent said they wanted a second child, none wanted a third child. Chinese peasants have gradually come to believe that fewer children will help them become rich more quickly and give their children a better education.



Record on the Rebound.

Cartoon by Lai Zushun
Reprinted from "Thorny Rose"

China's Centenarians Abound

from "RENMIN RIBAO"
(People's Daily, Overseas Edition)

REMOTE areas in China's northwest, southwest and central south provinces are home to most of the nation's centenarians.

The Bama Yao Autonomous County in the northwestern part of Guangxi Zhuang Autonomous Region is famous for its residents' longevity and has 37 people who have lived at least 100 years.

China's 1982 third national census showed that 70.5 percent of China's 3,765 centenarians were women. These elderly come from various ethnic groups, including 2,303 Hans, 801 Uygurs, 117 Zhuangs and 117 Tibetans. There are 18 Tajik centenarians living on the Pamir Plateau.

Experts hold that a balanced diet low in calories, fat and animal protein and high in fibre content and carbohydrates is the most important factor adding to these people's extended lives.

Another factor contributing to their long lives is a good environ-

ment. Researchers have found that most old people in Xinjiang and Guangxi live in mountainous areas 500-1,500 metres above sea level, where the annual rainfall is 1,250-1,500 mm, the average temperature is 17-20 degrees centigrade, and the average annual number of hours of sunshine can be as high as 1,400-1,800.

Researchers also believe that trace elements are also important to longevity, which help protect the heart and blood vessels and prevent coronary disease and tumours. The selenium, iron, cobalt, molybdenum contents found in grain and soy products in the above-mentioned areas are much higher than in the rest of the country.

Another reason for long life, the researchers say, is heredity. A study of the families of the 177 old people in Guangdong Province showed that 80.6 percent of their family members lived longer than the average. Another survey of the parents of the 227 elderly in Hunan Province showed that none of their parents married close relatives.

Aircraft Industry Proves Promising

The volume of China's export aviation parts industry is expected to reach US\$25 million in 1985.

China's aircraft processing industry, which started only recently, has attracted the attention of more and more aircraft companies around the world. With the exception of the Soviet Union, the Chinese aircraft processing industry has processed aircraft components for all the major aircraft countries, including the United States, Britain, France, the Federal Republic of Germany, Canada and Italy. Its business covers the processing of small parts, such as screws and nuts, and hatches and ailerons.

The quality of the processed aircraft accessories has been universally acknowledged. The Boeing Co. of the United States, for example, issued a licence to the Chinese aircraft industry for processing certain aircraft products. The McDonnell Douglas Corp., also of the United States, issued

certificates on two occasions to the Chinese aircraft industry and spoke highly of the Chinese processed products. The Pratt and Whitney Co. of Canada, presented a Chinese aircraft factory with a special medal.

With the improvement of the quality of the Chinese processed products, the number of orders has also increased. For instance, the Boeing Co. originally ordered 70 forward controlled hatches according to the contract. Boeing, however, recently signed another contract for 150 more hatches. The Chinese factory not only can process simple parts, but can also turn out highly complicated key components. China will produce 150 aircraft hatches for the ATR-42 planes of Italy and tail fins for the B-737s. It will also refit MD-82s for the United States in Shanghai.

The Chinese aircraft processing industry has signed contracts for the purchasing of foreign aircraft, the cost of which are to be paid

with the money it will obtain, through compensation trade, from the service charge by processing supplied materials, designs and samples for other countries.

China Holds Trade Talks in Osaka

The Chinese Investment and Trade Symposium was held in Osaka, Japan, from November 25 to 30 attended by 96 representatives from 14 Chinese cities.

At the symposium China presented 200 projects for co-operation with foreign firms. These projects involve machinery, electronics, chemicals, light industrial products, foodstuffs and building materials. Following are the characteristics of the projects:

— Most involve only middle levels of investment that can be approved by the city authorities. Funds used for the building of accessory facilities are within attainable limits;

— Most of the projects involve updating existing enterprises. If they import advanced technologies and managerial expertise, the businesses are expected to obtain higher economic returns;

— All these projects are productive. Through co-operation, both sides would be able to exploit their respective advantages and get their products into the international market.

The investment and trade symposium was sponsored by the Osaka Prefecture, Osaka, the Japan-China Economic Association and a number of Japanese businesses. Representatives from 400 Japanese enterprises and commercial companies attended the symposium, during which 1,000

An undercarriage hatch built for the American DC-9 by the China National Aero-Technology Import and Export Corp.



business talks were held, far exceeding the scheduled figure.

Wool Company Wins Success

A dozen foreign tourists swarmed to the counter to choose their woollen knitwear. A fat old man threw on a burgundy cashmere sweater and grinned from ear to ear, while his companions looked on and teased him. This scene was spotted at the sales counter of the factory of the Xinjiang Tianshan Woollen Spinning and Knitting Co., Ltd. in northwestern China.

The wool company, set up as a joint venture in 1981, is financed by the Xinjiang Urumqi Woollen Mill, Peninsula Knitters Ltd. of Hongkong, Rawcott International Ltd. of Hongkong and Toyo Boshi Kogyo of Japan. The Chinese side owns 62.3 percent of the shares in the venture and the Hongkong and Japanese firms own the remaining 37.7 percent. The life span of the venture is scheduled for 15 years. The annual output of the venture is 392 tons of lambswool yarn, 74 tons of cashmere yarn, 1 million sweaters and 200,000 cashmere sweaters.

The woollen and cashmere products are made from quality cashmere and lambswool. The company has imported woollen spinning cashmere carding, low-temperature dyeing and other advanced technologies and equipment from Japan. In the past four years, the quality of the company's products has constantly improved and more than 96 percent of its products are up to export standards. The "Tianshan" brand cashmere knitwear is of top quality and fashion and is popular with customers. This brand has been marketed in more than seven West European countries, the Soviet Union, Japan, Singapore, Canada and the United States as well as Hongkong and Macao.

The venture has, apart from paying off all its foreign exchange loans granted by the Bank of China, netted a profit of 17 million yuan. By the end of last June, the company recouped more than 100 percent of its total investment.

The venture has worked out some regulations for the workers, including a reward and penalty system. In the past few years, 381 of the 1,370 workers of the venture have been awarded for their excellence, and 102 of them penalized, while 28 of them discharged altogether.

CCPIT to Hold Fairs Abroad in 1986

The China Council for the Promotion of International Trade (CCPIT) will hold a Chinese economic and trade exhibition in Moscow in July 1986. The fair will be the largest of the 13 exhibitions held overseas by the CCPIT in 1986 and also the third exhibition put on by the council in the Soviet Union since 1952. The exhibition will cover a total floor space of 2,500 square metres.

The CCPIT also will hold export commodity and machinery products fairs in Japan, Cameroon and Ethiopia and participate in international fairs in the German Democratic Republic, Switzerland, Canada, Malaysia and the United Arab Emirates next year. In order to promote economic and trade exchanges between China and other countries, the CCPIT hopes that more Chinese economic and trade fairs will be put on abroad in 1986.

China has been holding its own exhibitions and has participated in the international fairs abroad since 1951. Up to the end of this year, China will have held 442 exhibitions in 117 countries and regions. From 1979 to 1985, 140 exhibitions were put on in other countries, accounting for 30 percent of the total.

In recent years, the commodity structure of Chinese exhibits on display in other countries also changed greatly. The volume of machinery products, electronics, instruments and meters has markedly increased, while that of primary products such as raw and semi-finished materials, farm and sideline products has noticeably decreased. Chinese exhibits not only have been warmly received by the governments and people in other countries, but have also won awards from fair sponsors.

Foreign guests at the product showroom of the Tianshan Woollen Spinning and Knitting Co., Ltd.



Examining China's Economic Progress

The Outline History of China's Socialist Economy (1949-84) (in English, French, German, Japanese and Spanish)

Edited by: Liu Suinian and Wu Qungan

Published by: Beijing Review

Distributed by: China International Book Trading Corp. (Guoji Shudian) P.O. Box 399, Beijing, China

In the 36 years since the founding of the People's Republic of China, China has made considerable achievements in its socialist revolution and construction. The country also has logged numerous successes in which the superiority of the socialist system has been demonstrated. The road China has travelled, however, has not been an easy one, for the country has made many mistakes and has learnt many lessons. By reviewing the history of this period from an economic standpoint, and by examining the experiences and lessons dealt out since 1949, China can perhaps avoid further setbacks, while its economy keeps up its steady growth.

A recently completed book entitled *The Outline History of China's Socialist Economy (1949-84)* provides insight into China's economic past. The book is edited by Professor Liu Suinian, deputy secretary-general of the State Council, and Professor Wu Qungan, a researcher for the Food and Agriculture Organization of the United Nations. It will be published by *Beijing Review* in five languages, including English and Japanese. Noted Chinese economist, Xue Muqiao, who is also a leading member of the Economic Research

Centre for the State Council, wrote the book's preface.

The Outline History of China's Socialist Economy represents the first attempt by authors to research the history of China's socialist economic development and is divided into five parts: Rehabilitation (1949-52); The First Five-Year Plan (1953-57); The "Great Leap Forward" and Readjustment (1958-65); The "Cultural Revolution" (1966-76); and A New Plan for Socialist Modernization (1976-84).

Part I. The Rehabilitation of the National Economy (1949-52). New China has come a long way from the semi-colonial, semi-feudal society it was 36 years ago. As illustrated in this book, soon after liberation the state sector of the socialist economy had replaced the production relations of bureaucratic capitalism, feudalism and imperialism. During this period, the nation rehabilitated its economy in only three years by stabilizing commodity prices, readjusting industry and commerce, and enacting various socialist reforms.

Part II. The First Five-Year Plan (1953-57). During this period, China established its socialist economic system, following the completion of the socialist transformation of agriculture, handicrafts, and capitalist industry and commerce. It was also during this period that the production forces developed, social order was reinstated and the people's lives began to show marked improvement. By 1957, after the production quotas for the First Five-Year Plan had been over-fulfilled, the initial foundation for the socialist industrialization was laid. Here, the authors also analyse the formation and character-

istics of China's socialist economic system.

Part III. The "Great Leap Forward" and Readjustment (1958-65). During this period, China was looking for new approaches to socialist construction. The book discusses the mistakes made during the "great leap forward" and the tortuous course taken to readjust the beleaguered economy. Despite the setbacks suffered during this period, the authors contend that the nation's overall economic construction still gained significant achievements from the lessons it learnt during the period. The authors also maintain that the economic planners should set realistic production targets. Economic construction, they say, should be balanced and relations of production should adapt to the developing levels of the productive forces.

Part IV. The "Cultural Revolution" (1966-76). In this section the authors analyse damage done to the national economy by the political turmoil of the 10-year "cultural revolution" and appraise the guiding ideologies and implementation of the Third and Fourth Five-Year Plans. The authors also say that the situation at all levels improved during the period when Premier Zhou Enlai and Deng Xiaoping were in charge of the day-to-day work of the Party Central Committee. So far China has paid little attention to "cultural revolution" from an economic viewpoint.

Part V. A New Plan for Socialist Modernization (1976-84). After the downfall of the "gang of four," the Communist Party of China restored the nation to order and re-established and developed the Marxist line. Great historical

(Continued on p. 34.)

Alvin Ailey Stuns China

Excellent, touching and thought-provoking—these are the three most common adjectives used by Chinese audiences to describe the performances given by the Alvin Ailey American Dance Theatre during their first tour of China, which lasted from October 31 to November 10.

The 30-member company headed by founder and artistic director Alvin Ailey, 54, and which has dancers from various ethnic backgrounds, including Black Americans, Japanese, Philippine and West Indians, gave performances in Beijing, Nanchang and Shanghai. Under the Ailey's instruction, the artists offer a blend of Afro-Caribbean dance, modern dance, ballet and jazz movements, much to the delight of their Chinese audiences.

The group's opening number, *Night Creature*, is set to the music of American composer Duke Ellington, who said of the piece: "Night creatures unlike stars, do not come out at night—they come

on, each thinking that before the night is out he or she will be a star." *Cry*, a virtuoso solo performance by Donna Wood, which Alvin Ailey choreographed as a birthday present for his mother, was dedicated to Black women, particularly mothers. *Memoria*, also choreographed by Ailey, was dedicated to Ailey's friend Joyce Trisler, a poet, for her strength, beauty and creativity.

According to veteran dance critic Ding Ning, the Alvin Ailey performance struck a responsive chord among its Chinese audiences. "Their performances in China were the company's best. The dancers brought vitality, creativity and originality to each performance," said Ding, head of the Artistic Research Office of the Central Ballet. "Their dances helped the Chinese audiences understand American culture."

Bai Shuxiang, a noted Chinese ballerina with the Central Ballet,

also spoke highly of the troupe's imaginative, unique and expressive performance. The number *Cry*, Bai said, embodied the Black people's character of struggling for existence and emancipation in skillful body movements, dance idioms and vigorous rhythm, evoking the passion of the human soul in its longing for freedom.

Among the viewers who lost themselves in the dances was Chen Ailian, a prominent choreographer of traditional Chinese dance who has won several prizes in domestic and international dance competitions. A researcher on traditional and folk culture, Chen found the American dance movements performed by Ailey's company somewhat similar to those of traditional Chinese dances. The company's performances, she said, reflected some of Oriental dances special flavour and made her realize that while exploring the rich resources of Chinese traditional and folk arts, how to adapt them to the modern sense of beauty is very important to the liveliness and vitality of the Chinese art.

Through their rhythmic body movements, Ailey's dancers expressed an aggressive spirit and the conviction of human values and strength, and created a huge stir among Chinese audiences. Although people's understanding and appraisal vary, they all have been inspired by the verse "This little light of mine, I'm going to let it shine" in *Revelations*, for, after all, the entire Chinese people are striving to contribute their shares to present-day modernization drive.

Comedy Captures 'Fun' Family

Judging by the usually high decibel level of the laughter from its audiences, the Wuxi comedy, *The Future Daughter-in-Law* is a hit.



Wuxi comedy evolved from folk art and usually depicts the lives of ordinary people. The actors and actresses, with their humour and exaggerated style of acting, who speak in local dialects, attract audiences in droves from throughout China.

The Future Daughter-in-Law, a farce about the differences and misunderstanding among a family's three generations of daughters-in-law, gives its audiences not only a hearty laugh, but food for thought as well. Grandmother, 70, the eldest daughter-in-law, who, though kind-hearted, thinks the family should listen to her, as the eldest. Jia Yuezheng, the second generation daughter-in-law, however, has other ideas. As a popular primary school teacher, Jia scorns what she considers her mother-in-law's obsolete ideas, though she does want to have a say in the family. Jia's husband, He Yimin is a filial son,

who also loves his wife dearly. It is not easy for him to please his mother and his wife, as the two do battle, at the same time. Throughout the play He racks his brain for compromise between the wants of his mother and those of his wife.

The first act opens when Jia Yuezheng has a run in with her mother-in-law as she prepares the home for the future daughter-in-law. While decorating the sitting room, Jia would cover a table with a table cloth. Grandmother, however, finds her selection a poor one and criticizes her for it. In preparing the dinner, grandmother bought huge amounts of fish and meat for good luck, while Jia bought only the needed amount. He Yimin gets caught in the middle of these and other confrontations and succeeds in finally alienating both of them.

Wuxi farce also combines Chinese operas and pop songs. When

He's wife and mother get into one particularly heated battle, and mother leaves home, He breaks into the pop song, *The Night at a Military Harbour*. When he is out looking for his mother, he sings an ode of lamentation from a Beijing opera. When he is looking for his lost coins, his moves look very much like those of a professional conjurer — turning the table cloth this way and that to try to produce the lost coins from it. He Yimin's aptness at catching the minute psychological moves makes the comedy a really beautiful performance.

The Future Daughter-in-Law has been running for two years in many cities along China's east coast and Beijing to packed houses. Professor Chen Baichen, China's most famous comedy playwright, said the Wuxi farce is of enduring importance and is worth studying seriously — between guffaws.

(Continued from p. 32.)

Marxist line. Great historical changes have taken place in China since the excesses of the "cultural revolution" were overcome. The national economy ended its fluctuation and the policy of "readjustment, restructuring, consolidation and improvement" was instituted. The decision of the CPC on Reform of the Economic Structure, adopted in October 1984, initiated an economic programme focused on urban reform. Since then China's economy has developed steadily and China has embarked on a road of building socialism suited to its situation.

The Outline History of China's Socialist Economy first chronologically analyses the main problems of each period. In line with the general situation and tasks of each of these periods, the authors also explain the process of economic development in general as well as the various decisive factors affecting this development. In doing

so, Liu and Wu disclose the reasons behind China's economic growth, and provide readers with a comprehensive understanding of the country's economic situation.

Second, in devoting separate chapters to different periods, the authors sum up the basic achievements and lessons acquired by the country since 1949. Although the authors expound the superiority of the socialist system, they also point out and analyse the shortcomings, mistakes and economic lessons to be drawn from each period.

Third, because the author's analyses are reinforced with documents, official speeches and government statistics, their work is one of credibility and significance.

In addition to analysing the overall economic picture during these periods, the book also records the periods' major events and delves into the various factors related to economic development.

In compiling this comprehensive work on China's economic trajec-

tory, the authors sifted through large quantities of historical documents, many of which contained figures published here for the first time. Liu and Wu, who have devoted much time to the study of New China's economic history, began collecting material for the book in 1960. Their work was later suspended, however, during the "cultural revolution." In 1977, the research department of China's economic history of the Institute of Planned Economy under the State Planning Commission was re-established, and the researchers were able to complete their book.

The Outline History of China's Socialist Economy is a well-organized and lucid work that readers interested in the study of China's economic history will find of value.

— by Wang Jiye*

* Professor Wang Jiye is the first deputy director of the Institute of Planned Economy under the State Planning Commission.



The People of Miao Nationality
Dressed in Their Holiday Finery.



Playing by the River in Summer.



Portrait of Lu Xun.

Born in 1937 in Chengdu, Sichuan Province, Pu Guochang is now teaching at the Guizhou Provincial Arts School. Full of the rich local flavour of life, most of Pu's works depict the minority nationalities in Guizhou Province.

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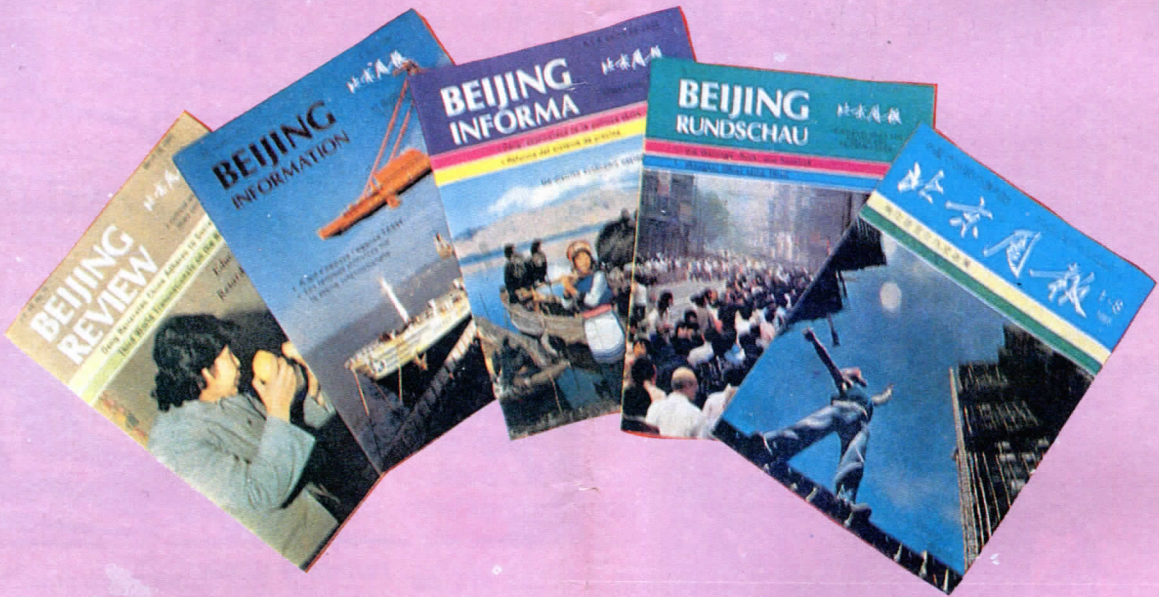
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Women of the Dong Nationality.

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