



**Shanghai Leads in  
Modernization March**

**BEIJING  
REVIEW**

A CHINESE WEEKLY OF  
NEWS AND VIEWS





## HIGHLIGHTS OF THE WEEK

### Premier Zhao in Korea

Premier Zhao's visit has further enhanced the traditional friendship between the Chinese and Korean peoples (p. 5).

### Young Pace-Setters

A large number of talented young people have emerged throughout China. These "pace-setters of the new Long March" are rendering outstanding services to the socialist modernization drive (p. 6).

### Shanghai Leads the Way

A survey of the industrial achievements and problems of China's largest city (pp. 19-27).

### 100 Million Tons of Petroleum

The 1981 state plan of 100 million tons of crude oil was fulfilled four days ahead of schedule (p. 8).

### Taiwan Compatriots Form New Organization

The All-China Federation of Taiwan Compatriots has been set up to unite Taiwan compatriots at home and abroad and to promote reunification of the motherland (p. 7).

### Opinions From NPC Deputies

A wide range of questions were addressed by deputies at panel discussions of the recent session of the National People's Congress, China's highest organ of state power. Excerpts of their speeches on some major topics (pp. 14-17).

### A Look at the Global Situation

*Beijing Review's* choice of 1981's 10 major world events.

Xinhua correspondents abroad review international developments. Topics include

Kampuchea, Afghanistan and Poland; the Middle East after Sadat; the Pacifist Tide in Western Europe; Moscow-Washington relationship and North-South economic relations after the Cancun Summit (pp. 10-13).

### Chinese Puppetry

A national puppet festival brought different types of this ancient Chinese artform to the capital; a brief history of puppet shows in China (pp. 28-29).



Shanghai Leads in Modernization March.  
Photo by Sun Yi

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## Sino-US Relations

**There is a view abroad that China needs US help. What's your opinion?**

China and the United States established diplomatic relations on January 1, 1979. In the joint communique issued by both sides, the United States has recognized that there is only one China, that Taiwan is a part of China and that the Government of the People's Republic of China is the sole legal government of China. In the past three years, the relations between the two countries have developed fairly quickly, and trade, economic, cultural and scientific exchanges have steadily increased. This not only conforms to the common aspirations and interests of the Chinese and American peoples but is also conducive to peace and stability in Asia and the rest of the world.

In the modernization drive, China relies mainly on its own strength, since we always adhere to the principle of self-reliance. We import advanced equipment from other countries, including the United States, make use of foreign capital and go in for economic and technological co-operation with other countries—all on the basis of equality and mutual benefit.

The Chinese nation has a history of more than 5,000 years and its capability for survival is enormous. In Yanan during the late 1930s and early 1940s, we faced immense difficulties in food and clothing. We not only survived but led and carried the War of Resistance Against Japan to victory. After the founding of New China, we quickly restored our economy and developed our

construction despite the imperialist blockade and embargo. In the early 60s when China met with serious difficulties, the Soviet leading clique perfidiously tore up all their contracts and withdrew their experts who had been sent to help China in its economic construction. Not in the least intimidated, the Chinese people worked hard, overcame difficulties and made fresh progress.

With regard to the sale of US weapons to Taiwan, there is a view among some people that China will acquiesce because it is afraid of the Soviet Union and therefore needs US help. These people hold that Sino-US relations will not be affected if the United States sells weapons to Taiwan. This view is completely wrong.

China is not afraid of the Soviet military threat. Though its weapons and equipment are somewhat backward, China has

the tradition of defeating enemies armed with advanced weapons. When China advocates that all nations should unite to oppose hegemonism, it is not proceeding solely from its own interest.

The selling of weapons by the United States to Taiwan will constitute an encroachment on China's sovereignty and an interference in its internal affairs. Such an action will obstruct the return of Taiwan to the motherland and the peaceful reunification of the country. This is why the Chinese people are resolutely opposed to it.

I think the Chinese and American peoples, the people of other countries in the world as well as countries which love peace do not wish to see the deterioration, stagnation or retrogression of Sino-US relations which will result from the sale of weapons by the United States to Taiwan.

— *International Editor*  
Mu Youlin

## Economic Growth Rate

**China plans to increase its total industrial and agricultural output value by 4 per cent in 1982. This seems to be lower than that of the other developing countries. Why?**

The national economy should develop at a pace that is practical and feasible. The aim is to achieve better economic results than before and at the same time be able to accumulate strength and lay a sound foundation for future development. China's economic development is slow now, but it will gradually gain speed and

may be pretty fast in the latter half of the 1980s.

This requires a period of readjustment and reform. The major task of the Sixth Five-Year Plan (1981-85) is to strive for a fundamental turn for the better in the financial and economic situation. In the coming few years, the focus of attention will be on readjusting the economic structure, consolidating the existing enterprises, effecting the technical transformation of key enterprises and carrying out step by step comprehensive reforms in the economic management

# LETTERS

## Speeches by Chairman Hu

I liked Chairman Hu's speech on Lu Xun and the present situation (issue No. 40, 1981) and his speech at the meeting in commemoration of the 70th anniversary of the 1911 Revolution (issue No. 42, 1981). I liked them because they provided me with stimulus and vitality, calmed fears about China and raised my confidence for the future of the country.

**Alex G. Macaskill**  
Lanarks, UK

## International Situation

I fully agree with the viewpoint presented by Zhang Wenjin at the 36th Session of the United Nations General Assembly: Aggression and expansion by Soviet hegemonism continue to be the major threat to world peace and the struggle against hegemonism remains the primary task for the maintenance of world peace (see issue No. 40, 1981).

I wonder why *Beijing Review* has not provided additional information to further our understanding and enhance the struggle against the Soviet Union.

**Marylène Roux**  
Bordeaux, France

## Improving Employment

I found the report from the northeast on employment trans-

formation in issue No. 44 of 1981 very interesting. I would like to know if shares in the limited-liability enterprises recently established in Jiamusi can be bought and sold as in capitalist countries. Is it possible that one or a few individuals can obtain all the shares in a particular enterprise? I would like to see more articles on this subject in your weekly.

**Willem Vanleenhoff**  
Quebec, Canada

*The limited-liability enterprises in Jiamusi constitute a new form of collective ownership to provide more employment. The board of directors will meet regularly to discuss such major questions as business policy, distribution and capital construction. The economic activities of these enterprises are conducted in accordance with state policies. Therefore, it is impossible for one or a few persons to control the shares of an enterprise. Stock transactions are so far non-existent. — Ed.*

## Life of the Old

I have never been to Dalian, but I have met Dalian students studying in Sendi. In order to acquire a better understanding of China, I made friends with them and subscribed to *Beijing Review*.

The special feature "Growing Old in China" in issue No. 43 of 1981 telling of the life of old people in Dalian is very interesting and I was absorbed. Your country has

growth during the Seventh Five-Year Plan (1986-90) will be faster than that of the Sixth Five-Year Plan.

It can be expected that the last 10 years of this century will be a new period of economic resurgence in China. The speed of growth will be quicker, the results will be better, and the people's livelihood will greatly improve.

— Economic Editor  
**Wang Dacheng**

concern for the aged and the young.

**Makato Suzuki**  
Sendi, Japan

## Long or Short Articles

Some readers have requested *Beijing Review* to print the full text of important articles and documents. I don't think this is a good idea. Few people have the time to read them and those who do are frequently confused afterwards. Excepting the most important articles, I recommend that you publish excerpts. They make a deeper impression on the readers.

**Hiroshi Sakaguchi**  
Tokyo, Japan

I like the articles to be short, so that I may quickly scan the whole of the news. I also like the brief reporting of summaries of major policy speeches by prominent officials and of economic trends in business.

**R.M. Gordon**  
Green Valley, Arizona, USA

## Inspiring Reports

We like the articles in the column "Notes From the Editors" very much. I'm particularly interested in articles about the achievements of the Chinese proletariat and those about Chinese workers' successful efforts to eliminate poverty and improve their standard of living. I wish I could constantly read such inspiring reports.

**Victor Cesar Pavao**  
Ponladelgada, Portugal

I'm interested in the articles in "Notes From the Editors" and "Articles & Documents." The former provides concise answers to important questions. In addition to reports concerning worldwide arguments and discussions and China's socialist construction, the latter also contains articles helpful to the political and ideological progress of those who are fighting for the liberation of the people of all countries and yearn for world peace and oppose hegemonism and militarism.

**J.S.E.**  
Cerro de Pasco, Peru



## FOREIGN RELATIONS

## Premier Zhao Ziyang Visits Korea

THE Chinese Party and Government Delegation led by Zhao Ziyang, Vice-Chairman of the Central Committee of the Chinese Communist Party and Premier of the State Council, paid a friendship visit to the Democratic People's Republic of Korea from December 20 to 24, 1981. The visit has further enhanced the traditional friendship between the people of the two countries.

During the visit, President Kim Il Sung met and had a cordial talk with the Chinese guests. The Chinese delegation held talks with the Korean Party and Government Delegation headed by Premier Li Jong Ok. The leaders of both sides had a wide-ranging and in-depth exchange

of views on ways of further developing the relations between the two Parties and governments and on international issues of common interest and they shared identical views. Expressing satisfaction at the talks, President Kim Il Sung said: "We are of one and the same family and we don't anticipate any differences between us." Both sides pledged to strengthen bilateral friendly relations.

**"Two Koreas" Policy Opposed.** The Pyongyang Municipal People's Committee held a mass rally to welcome the Chinese delegation on December 23. In his speech Chairman Kim Man Gum of the municipal committee praised the Chinese people in their efforts to build a highly

democratic and civilized powerful socialist country. He expressed support for the 9-point policy put forward by the Chinese Party and Government to settle the Taiwan issue.

Speaking at the rally, Zhao Ziyang said: "The Party, Government and people of China are at all times concerned with the Korean people's sacred cause of independent and peaceful reunification of their fatherland. They resolutely support the correct guidelines and principled stand of the Korean Workers' Party and the Korean Government and strongly condemn the policy of 'two Koreas' pursued by the United States and the south Korean authorities. The United States should open dialogue with the Democratic People's Republic of Korea, withdraw all its troops and remove its military equipment from south Korea and stop intervening in Korea's internal affairs. Any attempt to freeze and perpetuate the division of Korea is bound to fail. The reunification of Korea is an inevitable trend which no force can stem. The Chinese Government and people will, as always, unswervingly support the Korean Government and people in their just struggle to oppose foreign intervention and achieve the independent and peaceful reunification of their fatherland till final victory."

The delegation visited President Kim Il Sung's birth place Mangyongdae, the Mangyongdae Revolutionary School and the Taean Heavy Machinery Plant in Nampo City. Zhao Ziyang, accompanied by Premier Li Jong Ok, laid a wreath before the statue of the late Chinese Premier Zhou Enlai in the city of Hamhung.



President Kim Il Sung meets Premier Zhao Ziyang.

## Pace-Setters in the New Long March

Li Denghai, a young peasant from east China's Shandong Province, earned nationwide fame for developing four new hybrids of high-yield maize. His achievements grew out of devotion to his work, which meant he laboured in the fields for more than 10 hours a day and read books about genetics and crop breeding at night. After 10 years' effort, two of his improved strains which yield 12,600 kilogrammes per hectare have been introduced to farms in 22 provinces.

Li has been named leader of his production brigade's agrotechnical team and has been awarded the title of "pace-setter in the new Long March."

The Long March was the heroic journey of the Chinese Red Army from October 1934 to October 1935, when it broke through the Kuomintang army's encirclement and interception and marched 12,500 kilometres from east China to the northwest. Today the Chinese people describe their magnificent goal

of socialist modernization as "a new Long March."

Pace-setters in the new Long March are people who have performed outstanding services in the modernization drive. They are found in every walk of life — industry, agriculture, commerce, science and technology, culture and education, sports and public health. Their common characteristic is that they are ready to shoulder heavy duties and are selflessly devoted to the public interest and to helping others. Their outstanding deeds inspire others to follow their example.

Wang Xiaoni, a 25-year-old textile worker of the Jinhua Textile Mill in Shanxi Province, has worked diligently since she began at the mill at the age of 17. In just over seven years, she had fulfilled production quotas slated to take nine years and seven months. For her outstanding performance she was cited as an advanced worker and awarded the honorary titles of "standard-bearer" and "pace-setter in the new Long March."

Without reservation, she passed on her advanced techniques to others and, on her own initiative, she befriended a delinquent young worker who

had committed serious mistakes, in the hope that she could help him become a useful person to society. Just as she said, "I hope everyone will work hard and contribute to the modernization drive."

The number of advanced young people is growing throughout the country. In 1981 one million "pace-setters" were named, whereas in 1979 there were only 10,000.

Even more gratifying is that many advanced collectives have appeared. They are called "shock brigades in the new Long March." One such unit is a goods-delivering team of the Gaoyi Store in Harbin, northeast China. Consisting of eight women from 18 to 26, the team delivers goods to customers during the off hours free of charge. In the past five years, they have approximately covered 22,000 kilometres in delivering all kinds of goods with a total value of 65,000 yuan. They also cared for an old woman in their locality who was unable to go out shopping, taking turns to deliver vegetables and other daily necessities to her home until her death.

Young people account for nearly one-fifth of China's population of 1,000 million. They love their motherland and are socialist-minded, and an increasing number of them are working hard to become "pace-setter in the new Long March."

Those who have been influenced by the gang of four's anarchism and bourgeois ideology are a minority. Many of them are changing for the better, doing their best to catch up and keep pace with the times.



Dai Jianning (second from right), a pace-setter in the new Long March, is a technician in the Nanjing Switch Factory. He has made notable contributions in heat-treatment technology.

## All-China Federation Of Taiwan Compatriots Founded

The United Front Work Department of the Central Committee of the Chinese Communist Party held a tea party towards the end of last year to celebrate the founding of the All-China Federation of Taiwan Compatriots.

Peng Chong, Member of the Political Bureau and the Secretariat of the Party Central Committee, attended and gave a speech. In the past year, he said, we did a lot of work to realize the early return of Taiwan and the peaceful reunification of the motherland. New vistas have been opened up in this regard and the overall situation is developing in a favourable direction.

Peng Chong added that only by relying on the motherland can the Taiwan compatriots have a bright future. The return of Taiwan to the motherland and the realization of peaceful reunification of our country is the common aspiration of the Chinese people of all nationalities, including the people in Taiwan, and it is a historical trend which no force can hold back. It is bound to be realized, he declared.

He called on the federation to keep in close contact and unite with Taiwan compatriots by all possible means and work together for the peaceful reunification of the motherland.

The All-China Federation of Taiwan Compatriots is a patriotic people's organization. Its tasks are as follows:

— Unite and keep in contact with Taiwan compatriots and

their organizations at home and abroad and help them understand better the government's principles and policies concerning Taiwan and the situation on the mainland;

— Actively promote economic, cultural, academic and sports exchanges between Taiwan compatriots living in Taiwan or abroad and their compatriots on the mainland; strengthen the great unity between the Taiwan compatriots of all nationalities and their kinsmen on the mainland;

— Closely unite Taiwan compatriots living on the mainland, encourage them to study and work hard and give full play to their talents so as to make contributions to the motherland;

— Do a good job in conjunction with departments concerned in receiving Taiwan compatriots who come to study, visit their relatives and friends, or settle on the mainland;

— Help Taiwan compatriots who wish to contribute to national construction do business or invest on the mainland.

Lin Liyun was elected president of the federation.

## ECONOMIC

### A Boom City

The average annual industrial output value for each person in Nantong, a city with a population of 203,500 on the estuary of the Changjiang River in Jiangsu Province, has exceeded 10,000 yuan. This has catapulted Nantong to the front ranks of Chinese cities with the best performance in industry.

Taking full advantage of its geographical and natural con-

ditions, it has steadily developed its industry over the years. Located in a rich cotton-producing area, it has since the late 19th century become a centre of textile industry. After the founding of New China in 1949, old handlooms were replaced by automatic weaving machines, and production scale has increased several-fold. In addition, two modern printing and dyeing mills with a fairly high degree of automation were built. Now the city can produce 266 kinds with 3,212 designs of chemical fibres, woollen fabrics, yarn-dyed fabrics and silk. Some of these products enjoy a good sale abroad.

As energy supply is insufficient in this area, Nantong puts the stress on developing industries which consume little energy but yield quick returns. Today Nantong can produce 149 types of electronic products, including 14-inch TV sets, high-quality radios, radio-recorders. Eighty per cent of the parts are made in the city itself.

As Nantong is situated close to the sea, it has built new and expanded old wharves to raise transport capabilities in order to speed up economic development. It has also learnt from Shanghai and other advanced neighbouring industrial cities and improved management and efficiency.

The income of Nantong residents has steadily increased with the growth of production. Employment is no longer a problem. Soon after liberation, each wage-earner had to support on the average 3.7 family members, now the figure has dropped to 1.4. During the period from 1979 to 1981, living



quarters with a total floor space of 540,000 square metres were built, with a corresponding improvement in public utilities and city construction.

## 500,000-Volt Transmission Line

China's first 500,000-volt transmission line has been completed and it has begun transmitting electricity.

Extending from the Yaomeng Power Plant in the Pingdingshan<sup>1</sup> coal mining area of Henan Province to the industrial city of Wuhan<sup>2</sup> in neighbouring Hubei Province, the line is 600 kilometres long. It crosses the Changjiang and Hanshui Rivers and has three transformer substations along the way with a total capacity of 3 million kilovolt-amperes. At present, the transmission capacity is 500,000 kilowatts, but it will be increased to one million kilowatts in the future. It is China's biggest power transmission and transforming project in terms of voltage, distance and capacity.

The 750,000 kilovolt-ampere single-phase transformers, mutual inductance devices, protective relays, control devices and instruments and meters used in this project were all imported from Japan, France and Sweden. Other installations, such as towers, insulating porcelain and metal works, were manufactured in China.

The line, which links the power grids in Henan and Hubei Provinces to form a big network in central China, will improve power supply for industrial and agricultural production in this region.

The power industry is one of the key industrial branches which will be developed during the period of economic readjustment. In order to meet the

growing needs of the national economy, the state has over the past few years built a number of hydroelectric and thermal power stations and long-distance ultra-high voltage transmission lines.

Two other 500,000-volt transmission lines are now under construction. They are the 620-kilometre-long line from the Yuanbaoshan Power Plant in Inner Mongolia to Liaoyang in Liaoning Province, and the 200-kilometre-long line from the power plants at Datong and the Shentou coal mining areas in Shuoxian County, Shanxi Province, to Beijing and Tianjin.

Work on building another three 500,000-volt transmission lines has also begun. They are from the Huainan coal mining area in Anhui to Shanghai, from the Xuzhou coal mining area to Shanghai, and from the Gezouba hydroelectric power station to Wuhan.

## China Investment Bank Set Up

The China Investment Bank was set up in Beijing on December 23 of last year. Specializing in raising funds abroad for domestic investment and credit, it serves at present as an intermediate monetary institution in handling loans from the World Bank for small and medium-sized projects.

The charter of the bank stipulates that its business will include seeking long and medium-term loans from international monetary institutions and other sources. It will also provide investment loans for joint ventures using Chinese and foreign funds or join in investing for the Chinese side.

The bank makes its own independent decisions on signing contracts and agreements.

The honorary chairman of the bank's board of directors is Wang Bingqian, Minister of Finance, the chairman is Wu Boshan, Vice-Minister of Finance and concurrently President of the Chinese People's Construction Bank.

## Construction Achievements

**Oil Production Plan Fulfilled.** China had produced a total of 100 million tons of crude oil by December 27, thereby fulfilling the 1981 state plan four days ahead of schedule.

A number of new oil wells were drilled, adding to the nation's oil production capacity.

**Ten New Coal Mines.** Ten new coal mines went into operation throughout China last year, adding 8.39 million tons to the country's total coal production capacity. This is 24 per cent more than planned. These new mines, plus three rebuilt and expanded mines, have increased total production capacity by 10 million tons, 22 per cent more than 1980.

**First Civil Jet Airliner.** *Yunshi-0002*, the first civil jet airliner designed and manufactured in China, made a successful trial flight from Shanghai to Beijing





recently. The 178-seater airliner meets international civil aviation standards.

**New Midfibre Mill.** A midfibre mill was completed recently in north China's Shanxi Province. It has an annual production capacity of 1,200 tons of midfibre which can be turned into 4.56 million metres of polyester and viscose wool-blended midfibre fabrics.

**New Heat Supply Generating Unit.** China's first turbogenerating unit for both electricity and thermal heat was put into operation at the Jiangning Chemical Fertilizer Plant in Jiangsu Province, east China. Designed and made by China for small and medium-sized chemical fertilizer plants, this heat supply generating unit has greatly reduced the plant's coal and electricity consumption.

China now has some 1,500 small chemical fertilizer plants, each with an annual production capacity below 30,000 tons. If half of them are equipped with this new technology, 4 million tons of coal can be saved every year.

## SCIENCE

### Science Fund Established

Beginning January 1 this year, a science fund has been established by the Chinese Academy of Sciences.

The first of its kind in China, the fund will support efforts to tap the country's scientific potential, discover and train scientific talents, strengthen basic research and promote scientific undertakings.

At present, funds for scientific research are allocated

through administrative channels. This method has the following defects:

— "Eating from the same big pot." This means that the funds are given to all units equally without taking into consideration the relative importance of their research.

— The various departments act independently and do not exchange information. Hence the phenomena of wasted manpower and materials and duplicated efforts.

— Research workers, especially those who engage in the basic research, often encounter great difficulties when asking for allocations for their programmes. This dampens their enthusiasm and stifles talents.

The establishment of a science fund has the following advantages:

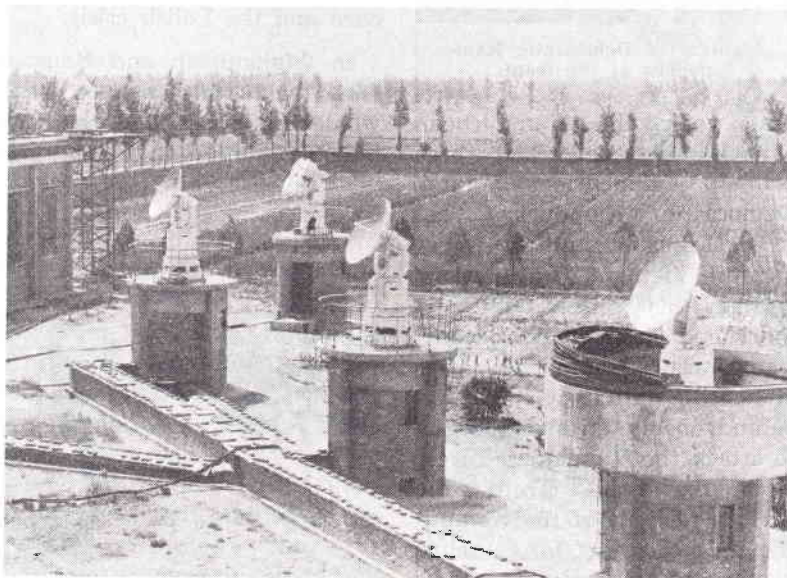
— It is open to all scientists throughout the country. Scientific workers in all departments and units may apply directly for the funds they need;

— The scope of support is clearly defined, the fund being used mainly to support basic research in the natural sciences and applied sciences; and

— Projects to be supported are concretely defined. The fund is primarily used to support projects of major scientific value, with new and original ideas, which can achieve desired results within a specified period (usually two or three, at most five years). It is also used to support important scientific branches that have not yet been developed or are weak in China. Border disciplines will be given special attention.

The fund will be drawn mainly from national revenues. Donations by individuals or units at home and abroad will also be accepted.

The fund committee is headed by Lu Jiayi, President of the Chinese Academy of Sciences. Its two vice-chairmen are Yan Dongsheng, Vice-President of the Academy, and Xie Xide, a professor of Fudan University in Shanghai.



Antennae of the microwave interferometer made in China.

## Global Problems — A Look Ahead

At the end of 1981, Xinhua correspondents abroad filed comments on some of the major international questions. The following is a survey of their views. — Ed.

### Kampuchea, Afghanistan and Poland

**The Character of the Kampuchean Situation.** During the



Fighters of Democratic Kampuchea at the front.

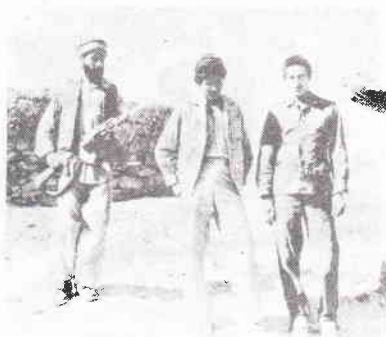
past year, the Kampuchean situation has developed three primary dimensions: First, Democratic Kampuchea has strengthened its military forces and the Vietnamese aggressors' strategy of "quick fight and quick end" has failed. Second, Democratic Kampuchea has launched military operations behind enemy lines and begun to attack the Vietnamese forces from the rear. Third, the various factions of the Kampuchean resistance forces have begun to co-ordinate their efforts.

In 1982, the Kampuchean struggle will develop greater breadth. Military opposition will continue and the three factions of the Kampuchean resistance forces will experience greater success in their struggle against the Vietnamese aggressors. Although there may be sharp differences in their unified struggle, they will continue fighting against hegemonism and the Vietnamese aggressors. The Soviet Union and Viet Nam will use soft and hard tactics, which will result in appeasement in some quarters and greater resistance to military aggression.

(Yang Mu reports from Bangkok)

**Kremlin's Three Burdens.** The Soviet hegemonists will be weighed down by several burdens during the coming year. These include the continuing occupation of Afghanistan, support for the Vietnamese invasion and occupation of Kampuchea and the Polish crisis.

In Afghanistan and Kampuchea, the Soviets are faced with worsening crises and the turbulent situation in Poland has



Two Soviet prisoners of war captured by Afghan guerrillas.

produced a state of anxiety.

(Wang Chongjie reports from Moscow)

### Middle East After Sadat

**An Epicentre of the World's Trouble.** The Middle East has remained turbulent during the past year. Israel destroyed the Iraqi nuclear reactor station, bombed Beirut, intruded into Saudi airspace and annexed the Golan Heights. The United States and the Soviet Union have steadily increased their military presence in the region. These events indicate that the superpowers' rivalry and Israel's aggressive and expansionist policy are the root causes of the Middle East crisis. After President Sadat's assassination, the superpowers launched a new round of contention in the region. Because of repeated conflicts in Lebanon and the long war between Iraq and Iran, the Middle East situation continues to be an epicentre of the world's trouble.

**Realignment in the Arab World.** The United States and the Soviet Union will continue to contend for greater spheres of influence in the Middle East in 1982. Since the United States, Egypt and Israel signed the Camp David accords and the Soviet Union invaded Afghanistan, the Arab world has been divided into three parts: Egypt, hard-line and moderate countries. However, recent developments in the region have pushed the Arab world towards a new alignment. Readjustments between the Arab countries may have significant impact on the prospects for peace in the Middle East. Generally speaking, however, it will be difficult to make any major breakthrough before



Israel completely withdraws from Sinai in April this year.

**New Channel for Peace Negotiations.** The common concern is how to open a new channel for peace negotiations in the Middle East. Successful negotiations must include a resolution of the Palestinian problem. This cannot occur without the participation of the Palestine Liberation Organization and the Arab countries concerned and a reorganization of the Palestinian people's right to self-determination. The Saudi proposal has provided a realistic basis for resolving this problem. People are seeking to build a "bridge" by combining the Saudi proposal with the Camp David accords and Western Europe's initiative. Unfortunately, Israel continues to be intransigent. In this respect, it all hinges on the stand Washington takes. However, even if a new channel for negotiations is opened, the Middle East will continue to be a source of global tension for a long time.

*(Cheng Peiming reports from Cairo)*

The countries of the Gulf consider the restoration and strengthening of Arab unity and the elimination of superpowers' intervention to be primary objectives. This is a positive trend.

*(Wang Genbao reports from Kuwait)*

In the new year the Begin authorities may seek a pretext to sabotage the Camp David accords and launch a blitzkrieg against Lebanon.

*(Yu Kaiyuan reports from Beirut)*

### **Pacifist Tide in Western Europe**

**Cause.** The pacifist tide in Western Europe is not accidental. It results from the

## **Ten Major World Events in 1981**

1. Leaders from 22 states met in Cancun for a "North-South Dialogue" about international economic problems.
2. Three Kampuchean factions conducted talks about ways to wage a united struggle against Viet Nam. The Kampuchean Communist Party announced its dissolution.
3. Reagan, entering the White House, tries to alter the strategic balance between the US and the Soviet Union.
4. Egyptian President Sadat was assassinated.
5. Poland's crisis sharpened and martial law was proclaimed.
6. Numerous Iranian leaders were assassinated, which continued to destabilize.
7. The French Socialist Party took over the government after winning the election.
8. A Soviet submarine was discovered and detained in restricted waters near Swedish military installations.
9. West Europeans conducted massive peace marches.
10. The United Nations General Assembly selected Javier Perez de Cuellar of Peru UN Secretary-General.

military arms race between the Soviet Union and the United States, conflicts between the United States and Western Europe and contradictions among the West European countries themselves.

Confrontation between the two superpowers in Europe has become more intense. European fear noticeably increased after Ronald Reagan decided to produce the neutron bomb and after he made a statement about the possibility of limited nuclear war in Europe. The superpower confrontation and Reagan's actions have generated major concern on the part of Western European citizens and politicians. Tensions have also increased because Western Europe is enmeshed in an economic depression. Millions are unemployed, prices of goods have risen and many people are dissatisfied with their governments. People are also greatly concerned about the amounts of money being allocated for military purposes. All

these factors have given rise to the new wave of European pacificism. The Soviet "peace offensive" has also played a role.

**Influence.** The pacifist wave is significantly influencing



"Shall we dance?"

Cartoon by Miao Di

political affairs in West Germany. However, the pacifists hold differing political views. Most of them are young and they are not organized into a disciplined political unit, therefore they do not constitute a significant threat to the parties in power.

*(Zhu Minxin reports from Bonn)*

The British pacifist movement has not noticeably influenced the nation's foreign and defence policies. Public opinion polls indicate that most people support the British Government's effort to maintain a strong deterrent force to deal with the possibility of Soviet armed expansion. Most citizens support the government's 3 per cent increase in military expenditures and its plan to deploy new weapons.

*(Yang Yi reports from London)*

French public opinion demonstrates that the influence of the pacifist tide cannot be underestimated. But generally speaking, most West European countries do not appear to be making major changes in their policies because of the recent wave of pacifist demonstrations.

The West European countries will not significantly change their relations with the United States. Their relations with the Soviet Union will probably continue to be cold and tense because everyone is aware of the potential for a Soviet military invasion. Soviet "peace offensive" and economic enticement are not without attraction, but they cannot produce any major results.

*(Yao Yun reports from Paris)*

### Moscow-Washington Relationship

**Reagan's Policy Towards the Soviet Union.** Reagan, like his predecessors, has always regarded the Soviet Union as America's primary rival for hegemonism. But unlike some former presidents, Reagan has taken a hard-line in his dealings with the Soviet Union. As a result, relations between the two countries have become more tense.

Because the military strength of both sides is approximately equal, US presidents have generally used preventive measures to check Soviet expansionism and avoided confrontation. The United States continues to provide the Soviet Union with grain and technology. It has also made concessions to curb or soften the Soviet Union. As new problems have arisen (such as the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea) the US Government has not taken any definitive measures to counter Moscow. Actually, Washington is on the defensive. The Reagan administration has been trying to change its predicament, but the situation remains much the same.

Moscow has used a variety of methods to pursue its objectives. Sometimes it resorts to internal subversion, on other occasions, it has dispatched its own troops or hired mercenaries to invade other countries. These tactics have caused global disturbances and undermined US interests.

The Reagan administration has mounted several counter-attacks: Firstly, using a position of strength policy. While carrying out its economic recovery scheme, the US Government

has increased its military strength and sought to restore the domestic prestige of its army. Secondly, seeking moderation with Moscow on the basis of strength. While emphasizing the importance of its military buildup, the US Government has agreed to negotiate with the Soviet Union. Thirdly, using the "fire brigade" to deal with the "arson groups." Wherever the Soviet Union and its mercenaries set fires, the United States is preparing to extinguish them with a rapid deployment force aided by friendly states. Washington has been trying to consolidate its position in the Middle East and Central America.

**Weakpoints of the United States.** Washington will find it very difficult to push its hard-line and produce results in a short period. The first reason is that the Reagan administration has been encountering economic difficulties. The administration is also encountering resistance to its domestic policies and its approach to foreign affairs and national defence. The second reason is that Washington is hampered by inadequate strategic resources. And the third is that the United States is far from the scene of potential confrontations with the Soviet Union and its proxies. Furthermore, the number of US military forces is limited and troop morale is low. In addition, the relationship between the United States and its European allies is confused.

As a superpower, the United States has another weakness, namely, blindly worshipping weapons and not knowing how to generate mass support. The US Government does not understand the important role the



third world countries play in fighting against aggression and expansion of the big and small hegemonists. Although Reagan claims that the United States respects the sovereignty of other nations, he has consistently displayed an "unjust" and "irresponsible" attitude towards them. He has also interfered in their internal affairs. Washington's influence is waning in the third world because of US support for Israel, South Africa and other reactionary regimes.

If the United States refuses to readjust its policies in time, the Reagan administration will find it increasingly difficult to push its hard-line and eliminate its weaknesses. This could lead to additional problems in Western Europe. The Soviet Union will almost certainly pursue greater influence in the Middle East, Southern Asia, Africa and Central America should anything unexpected happen. This will increase the possibility for new international crises.

*(Peng Di reports from Washington)*

**Moscow's Policy.** After taking office, Reagan declared that he would place greater emphasis on military strength and superiority in armaments. The US Government has taken some steps in this direction. Nonetheless, Washington's hard-line policy towards Moscow is somewhat contradictory. The Reagan administration has lifted the partial grain embargo against the Soviet Union and begun preparations to reduce his proposed military budget. Moscow thinks it can split the United States and its West European allies and it has been trying hard to make use of the ambiguous relations between Washington and Israel.

Washington and South Africa and the proposed US arms sales to Taiwan.

In contrast to Reagan's hard-line policy, Moscow has pursued a policy of "moderate gestures" and "big sticks." While blasting "moderation" and "disarmament," the Soviet Union has refused to make any concessions, especially regarding its military superiority in Europe. Moscow's attitude has stimulated the wave of pacifism and anti-nukes sentiments in Western Europe.

*(Yu Minsheng reports from the UN)*

**Superpowers Rivalry Will Sharpen.** Since Reagan's inauguration, the global arms race and rivalry between the two superpowers has intensified. The American-Soviet talks on the reduction of medium-range nuclear weapons in Europe recessed in Geneva on December 17, 1981. The negotiations will resume on January 12, this year. Talks on strategic weapons limitation will be held in February and March. But all the negotiations are not expected to produce any short-term results. Some Soviet experts estimate that Moscow and Washington probably will not reach any agreement during the next two years. They suggest that the talks may make some progress during Reagan's last year in office. During 1982, Moscow and Washington will probably embark on an all-out arms race and global rivalry. Their rivalry in Europe and the Middle East will be upgraded. New crises and upheavals may appear in the new year.

*(Wang Chongjie reports from Moscow)*

### **After the Cancun Summit**

Many developing countries are experiencing sluggish eco-

omic growth or even declining production. This has aggravated the economic problems of the developed countries. Although the Cancun summit provided a good opportunity for solving problems, no solutions emerged. Nevertheless, Mexican President Lopez Portillo called on all countries to turn the political concept of the Cancun summit into action.

Viewed from Mexico and other Latin American countries, the foreign trade and monetary problems existing between Latin American and developed countries will become more pronounced. New struggles for more equitable financial arrangements are inevitable.

*(Li Yingxi reports from Mexico)*

The world will be confronted in 1982 with two major issues: the maintenance of peace and the promotion of development. They are related. Whether North-South relations develop smoothly depends on two aspects: One is whether the developing countries can strengthen their co-operation, co-ordinate their position and maintain their struggle; the other is whether the developed countries, especially the United States, can understand the tide of the times and take the interests of the whole into account. Primary obstacle to future global negotiations comes from the United States.

The North-South dialogue has strengthened people's conviction: Only when the developed and developing countries share the spirit of co-operation and consultation can they achieve definitive progress.

*(Yu Enguang reports from the UN)*

## Views on Some Important Issues

—Excerpts from speeches at the NPC and  
CPPCC Sessions' panel discussions

*At the Fourth Session of the Fifth National People's Congress, held at the end of last year, deputies aired their views and raised suggestions concerning various aspects of the life of the state, ranging from economic legislation to film-making. In their panel discussions they examined Premier Zhao Ziyang's report on the work of the government and other reports as well as draft laws and other issues. The following are excerpts from some deputies' speeches:*

### Taking Planned Economy as The Key Link

**Gong Xiangcai, a deputy from Zhejiang Province:** In our reform of the economic management system, we must uphold the principle of taking socialist planned economy as the key link. Regulation by the market can only play a supplementary role.

Now, some departments and localities have a tendency to stress too much the role of regulation by the market; some negative phenomena harmful to the socialist economy have appeared. In the period of readjustment, some departments even relinquished their hold on products which can be manufactured and marketed in a planned and organized way and forced some enterprises to engage in competition by illegal means; some enterprises made use of their control of raw material and enforced a technical blockade; some increased the number of their sales agents, threw lavish dinners and gave gifts at the meetings to confirm orders of goods with a view to attract more buyers. All these problems should be solved through correctly handling the relationship between regulation by planning and regulation by market.

### Control Population Growth in Big Cities

**Deputies from Beijing and Tianjin** showed great concern for the rapid growth of population in big cities. They said they thought "the

problem has reached the point that it must be solved without delay."

Between January and October last year, the population in Beijing increased about 120,000, a statistical survey showed. The growth resulting from human factors (such as people moving into the city) accounted for 42,408, and natural growth, 77,420. This figure represents the quickest growth in recent years. What is more, the population of Beijing, which has actually surpassed 10 million mark, is still growing. The deputies were of the opinion that the problem cannot be solved by Beijing alone but needs the energetic support of the State Council.

Other deputies said that they could not understand why maritime, grassland or livestock research institutions build offices in Beijing instead of at sea ports and on grassland.

**Gu Le, a deputy from Tianjin,** said that the population in cities which have more than 500,000 people increased by 11 per cent in the past two years, a rapid growth mainly caused by human factors—people like to live in big cities because the material and cultural life there is better than in small cities and towns.

The deputies suggested that, besides earnest family planning, population growth from human factors must be brought under strict control and that satellite towns must be built in a planned way in suburbs. Efforts must be made to ensure that working and living conditions and transportation are improved in these satellite towns so they will be attractive to people.

### High Level of Cultural Development

**Guangdong deputies Wu Lengxi, Guan Shanyue, Shi Hui and Lin Xiaoqun:** Guangdong is affected by outside influence more than any other place in the country. The corrosive influence of bourgeois ideology is rather serious in both the ideological and economic fields. To correct these unhealthy tendencies, the major tasks are to overcome laxity and flabbiness on the part of the leadership, strengthen ideological





Qian Sanqiang, a noted scientist, speaking at a NPC panel discussion.

and political work and strive for a high level of socialist cultural development. The deputies suggested that the number of art galleries, libraries and theatres be increased, and that art and literary creative works emphasize new attitudes among the people and good performances associated with the modernization drive.

**Luo Tingbao, a deputy from Hunan Province,** said: Now some localities and enterprises overlook political work in the course of publicizing the responsibility system. Intentionally or not, they focus the workers' attention on money, which corrupts the ideology of the workers and undermines the interest of the state. We should combine material incentives with ideological work so as to ensure smooth development for the national economy.

**Xie Tieli, noted film director and a deputy from Beijing:** Now that the peasants have more money, they not only want more material goods but also more and better films. Work in this field is far from adequate.

He suggested that departments in charge of film production send people among the peasants to find out their preferences in subjects and styles before film production is organized.

**Deputies Chen Haosu, Wang Chonglun, Lin Liyun and Zhao Ximing** suggested in a draft motion that March every year be designated "National Courtesy Month." They said hard and continuous work is needed in the long-term task to achieve a high level of socialist cultural development. Larger scale activities to influence the public are needed. In the coming one or

two years, stress should be placed on upgrading environmental sanitation, maintaining good public order and improving attitude of service personnel.

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## Education

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Many deputies pointed out that, in order to meet the needs of the four modernizations, it is necessary to develop education in an energetic way and open up the country's intellectual resources.

**Zhou Mingxi, a deputy from Hunan Province,** said that the state should do its utmost to allocate more money for educational undertakings and to tap intellectual resources. At present, as the state has financial difficulties, it can only increase its annual educational allocations gradually. Efforts must be made to improve all educational levels, from preschools to colleges. The training of teachers should be stressed.

**Deputy Chen Guoda** said that there are now too few universities and secondary vocational schools in China. Because it is impossible to open a sufficient number of schools at present, the existing ones should do all they can to enrol more students.

**Deputies Li Jingfu, Zheng Guojuan and Lu Jiayi** were of the opinion that the universities should set up a wider range of specialized courses. The work of forecasting the country's needs for trained people should be strengthened and the specializations should be readjusted in a planned way according to national need. Moreover, teaching must be combined with scientific research and the study of basic theories be integrated with that of applied sciences.

**Deputies Ni Guyin, Zhao Rongxia, Ma Xiufa and Liu Fonian** suggested that key primary and junior middle schools should be abolished, and that the number of key senior middle schools should be reduced so as to concentrate resources and ensure quality. They also urged stepping up the structural reform of secondary education, that is, reducing the number of ordinary middle schools and establishing more vocational schools. They called on all departments to pay attention to and support the operation of secondary vocational schools so that the task may not be left to the educational departments alone.

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## Support for National Minority Areas

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**Yin Fatang, a deputy from Tibet,** said that production should be strengthened of goods



National minority NPC deputies and CPPCC National Committee members from the Xinjiang Uygur Autonomous Region drink tea together during a break.

the state political life, economy and the development of socialist culture.

Following are some excerpts of their speeches about streamlining the state administrative organizations:

### Overlapping Institutions

**Wang Bingnan, President of Association for Friendship With Foreign Countries:** In the early days after the founding of the People's Republic, the State Council had four commis-

sions and 30 ministries. Now it has some 100. But it has not had a corresponding increase in its working efficiency.

**Xie Bangyuan, Deputy Director of the Administrative Bureau of Government Offices Under the State Council:** There are about 1,000 ministers and vice-ministers and 5,000 bureau directors under the State Council alone. Some ministries have as many as 20 vice-ministers. Too many deputies and figure heads will tend to shirk responsibility and work inefficiently.

**Wang Li, Professor of Chinese Literature Department of Beijing University, and Ni Zhengao, legal advisor in the Ministry of Foreign Affairs:** There should be clear stipulations on the number of deputies for leading bodies at all levels, including the State Council and its ministries. Regulations on retirement should be drafted as quickly as possible and be implemented in earnest.

**Wang Shijie (head of the united front department under the Gansu provincial Party committee and vice-chairman of the Gansu committee of the CPPCC):** For each ministry in the central government, there is a corresponding bureau in each province. When Premier Zhao Ziyang said in his report that the State Council must set an example in the reform of administrative structure, he hit the nail on the head.

**Li Xuexian, vice-chairman of the Guangdong Provincial People's Congress:** At present, there are too many institutions and administra-

specially needed by the people of the national minorities. He suggested that the production of these goods be included in the state plan and urged the central government to hasten the construction of the railway leading to Tibet and improve the civil air service.

**Ci Ren, another deputy from Tibet,** said that education in Tibet has developed in the past 20 years. In the past there was not a single regular school in Lhasa, the capital of Tibet. Now, the autonomous region has set up more than 30 secondary vocational schools and three colleges. But there are too few teachers, and those teaching now have no formal training.

He expressed hope that, in order to quickly develop education in Tibet, the Ministry of Education would plan to send teachers to work and lecture there. In the future, priority should be given to Tibet and other remote border areas when assigning jobs to university graduates.

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*The Fourth Session of the Fifth National Committee of the CPPCC (Chinese People's Political Consultative Conference) was held at the same time as the Fourth Session of the Fifth National People's Congress. The CPPCC National Committee members attended the NPC session and heard all the session reports, motions and drafted laws. They put forward numerous suggestions concerning the reform of the economic management system, the streamlining of the state administrative organizations, the drafting of various laws and regulations as well as the development and improvement of educational, scientific, cultural and medical work. These suggestions touched upon all aspects of*

live personnel. This inevitably leads to foisting responsibility on to each other. In the past, the judicial department of Guangdong Province had only 30 people. Now it has changed its name and employs more than 100 people. As its functions and those of the law court are not clearly defined, they sometimes counteract each other.

**Lin Zongcai, Vice-President of the Beijing Iron and Steel Engineering Institute:** Our college has over 4,000 students and more than 3,000 teaching staff, among whom, 1,400 are teachers. If every teacher teaches six hours every week in conformity with the stipulations of the Ministry of Education, we need only 450 teachers. □

## A Morality Lesson

**T**HE development of socialist spiritual civilization begins with the children. This school year, China's primary schools have set up ethics classes. In Shanghai's Third Central Primary School, Mao Peilei has been teaching morality lessons for first grade pupils. Following is the dialogue from one of these sessions.

**Teacher:** Hello, today we are going to talk about loving labour. First of all, I'd like to tell you a story about Uncle Lei Feng, who while off duty worked on a construction site.

(The picture of Lei Feng at the site is displayed by the teacher.)

One Sunday, Uncle Lei Feng volunteers to work on a construction site.

He is sweating as he pushes a wheelbarrow of bricks. How do you think he is feeling?

**Pupil:** He is happy.

**T:** How do you know?

**P:** He is smiling.

**T:** Right. Uncle Lei Feng is happy to work. Now, let's look at other people in the picture. What about them?

**P:** They are smiling too.

**T:** Yes. They are all working happily. They view labour as a pleasure.

(A card is shown. On it is written: "Work Is a Pleasure.")

**T:** Now, tell me why are they all happy?

**P:** Because they know people can move into new housing before long.

**P:** Because they are doing their duty by building new apartment buildings.

**T:** You are both right. Work can bring hap-



**Teacher Mao Peilei accompanied by some students.**

piness to others, so it is glorious.

(The card "Work Is Glorious" is shown.)

[The teacher's questions are meant to help deepen the pupils' understanding of the story.]

**T:** Well, since work is happiness, do you all love work?

**P:** Yes, we do.

**T:** I know you all have hard-working hands. You help when you can. Now, what can you do with your hands?

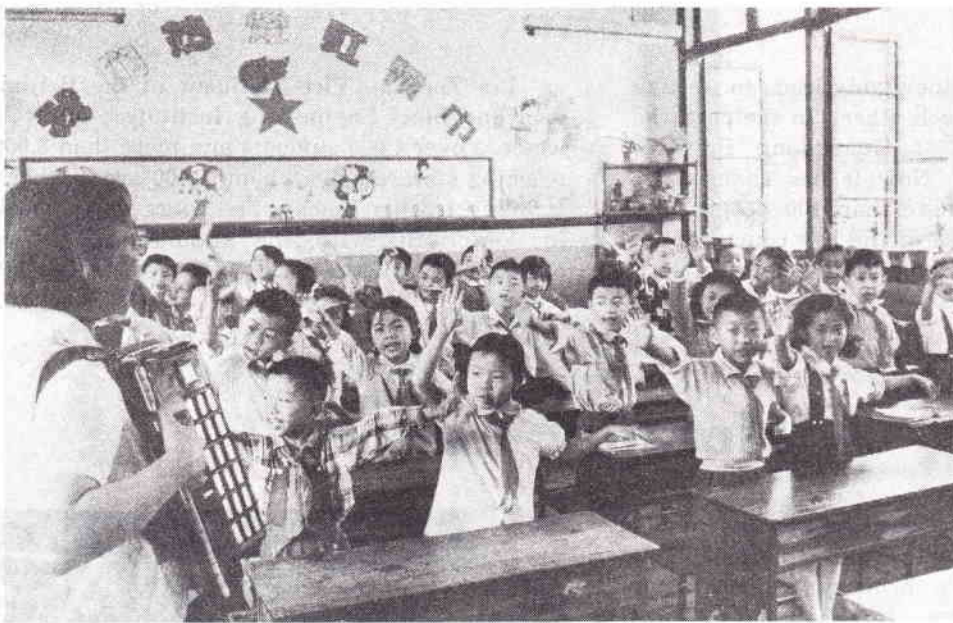
**P:** I sweep the floor and wash the dishes.

**P:** I wash vegetables and empty the trash.

[The idea has been brought home to the children.]

**T:** You are all good helpers! Now, shall we sing the song *I Have a Pair of Hard-Working Hands*?





The children singing in their ethics class.

**P:** (Singing in unison) I have a pair of hard-working hands, hard-working hands. They can do everything, everything...

(The singing enlivens the atmosphere of the class. Following the song the teacher takes out a pair of socks.)

**T:** I am very glad that you are so helpful at home. These are Yao Yang's socks. There was a hole on one of them and he mended it himself. Is it well done?

**P:** Yes.

[Through home visits, the teacher has found an example which she thought would impress the pupils.]

**T:** Now I'd like to suggest some rules for our class. First, do what you can for yourself. (Shows a card) At the parents' meeting, many of your parents told me: "My child is too slow in putting on clothes." Can you improve?

**P:** Of course.

**T:** How about practising right now?

(Six children are asked to have a competition of putting on coats.)

**T:** The second rule is: Help do housework at home. (Shows a card) Some of your parents said: "I'm always busy mopping, cooking and washing up. I need more time to help my child prepare school materials and review lessons." Your parents are so busy and there is so much to do at home, what will you do?

**P:** We'll do those things mother has no time to do.

**P:** I'll help mother cook.

**T:** Good. We should help with those things we can. Now the third rule concerns what we should do about our school. Do you know what it is?

**P:** Everyone should contribute to the school.

**T:** Yes. (Shows a card) Do your part for the school. Raise your hand if you have contributed to our class. Don't be shy.

(Almost every child raises his hand.)

I know you have all helped out a lot. Good. Now, let's sing the song *A Lot of Helpers in Our Class*.

**P:** (Singing in unison) Who swept the floor? Who cleaned the windows? There are lots of helpers in our class.

**T:** The parents and teachers have selected the outstanding labour-loving students. We'll award them red stars.

(Some pupils are given a red star on which the child's photo is mounted.)

Well, children, through today's discussion, we've realized that work is a pleasure and it is glorious. Let's read aloud our three rules.

**P:** (In unison) Do what you can for yourself. Help do housework at home. Do your part for the school.

[The teacher not only introduces some abstract ideas to the children but also raises concrete standards of behaviour.]

**T:** I am confident that when you grow up you'll do what Uncle Lei Feng did — use your two hard-working hands to build our socialist country into a more beautiful place. □

# Shanghai Leads in Modernization March

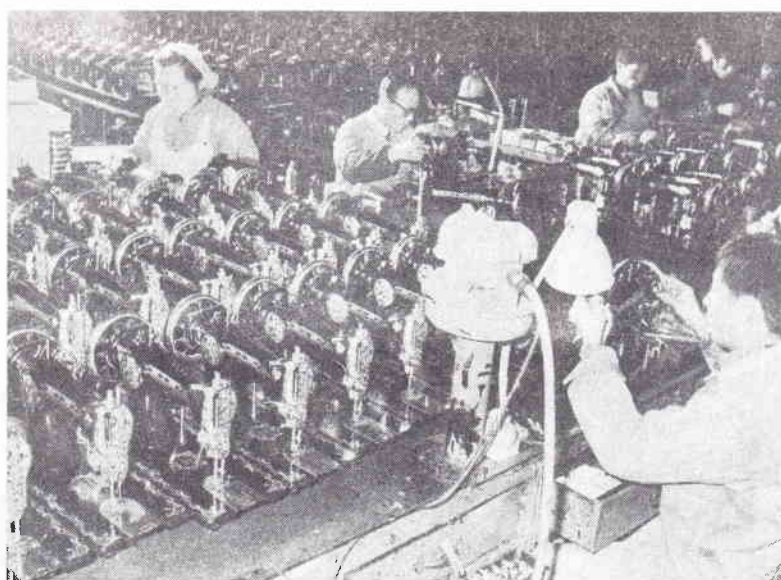
by Our Correspondent Xia Zhen and Jian Chuan

Shanghai, which has undergone numerous vicissitudes, is a model to emulate, to catch up and to seek economic co-operation with in China's modernization drive. This is not only because, as China's largest industrial centre, it plays a decisive role in the national economy, but also because it has accumulated rich experiences in the development and management of a modern socialist economy. Furthermore, its economic results are superior to other parts of China. Recently, Premier Zhao Ziyang called for blazing a new trail in economic development. Central to this task is the need to improve economic results.

In the new historical period, Shanghai has a twofold economic mission: Modernize itself and help localities in the interior advance. What is Shanghai doing to fulfil this mission?

**I**N China's economic life, Shanghai's existence has never been so widely known and strongly felt as it is today. Even the elderly and children living in the remote and mountainous areas know and like Shanghai commodities.

Since the beginning of this decade, Shanghai has annually shipped 10,000 million yuan (about 7,000 million US dollars) worth of industrial goods to other parts of China, still supplies fall short of demand. After increasing their selling of surplus grain to the state, some peasants have expressed the wish to buy certain famous brand Shanghai products which



"Feiren" (Flying Man) sewing-machines produced by the Shanghai No. 1 Sewing-Machine Plant.



## SPECIAL FEATURE/SHANGHAI'S INDUSTRY

are in short supply, such as Yongjiu (Forever) bicycles or Feiren (Flying Man) sewing-machines.

Last spring the State Council called on the nation to "learn from Shanghai, the coastal provinces and the advanced." Responding to this call, an increasing number of people have visited Shanghai on study tours, seeking technical assistance and proposing economic co-operation. Also a special radio series on enterprise management in

Shanghai was broadcast, and the magazine *Shanghai Enterprises* began publication.

People naturally link the popularization of this new example with China's current policies because a model invariably reflects the intentions embodied in policies and this is particularly true in China. Viewed from the angle of policy, what strong points does Shanghai have which are worth popularizing?

### The Test of History

SHANGHAI'S modern industries have a history of 140 years. But from the Opium War in 1840 to liberation in 1949, besides its light and textile industries which were fairly developed, Shanghai only had industries for processing goods and machinery repair. Metallurgical industries were practically nonexistent. As a result of imperialist aggression and the decadence of the old regime, national industries were on the verge of extinction by 1949.

Shanghai, the birthplace of the Communist Party of China, has a fine revolutionary tradition. During the new-democratic revolution, it was a seed-bed for the revolution. In the period of socialist revolution and construction, it was the focus of major political and economic struggles. The Party and people there were tested and tempered in struggle.

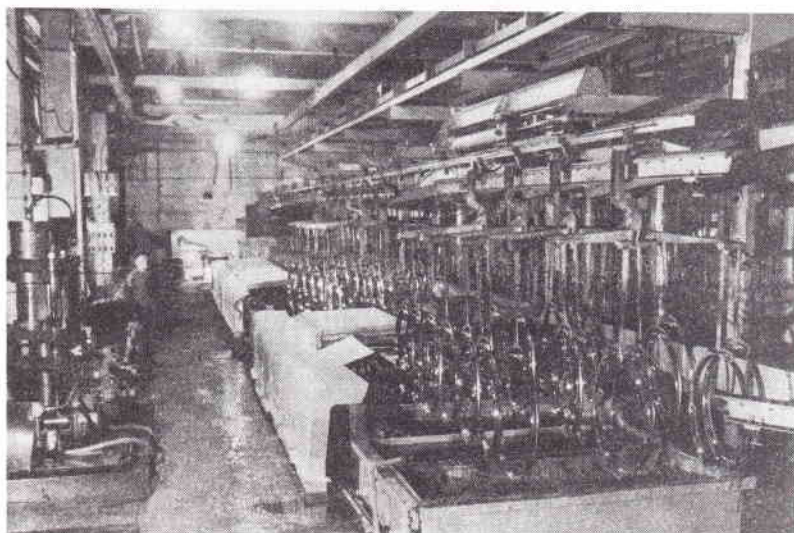
Revolution and construction over the last 32 years have fun-

damentally altered this city and ushered in a new epoch of vigorous development.

During socialist transformation (1950-56) Shanghai stood on the front line in struggle between the proletariat and the bourgeoisie. After repeated tests of strength between the classes, corruption and attacks by lawless capitalists were overcome and socialist transformation of capitalist industry and commerce, handicrafts and suburban agriculture was accomplished. Shanghai, which had been overrun like a colony and divided into concessions by foreign powers, was transformed into a new socialist city.

Shanghai demonstrated its dynamism during the 10 years (1957-66) of all-out socialist construction. By relying on a small amount of investment and its existing industrial base through readjustment, reorganization and construction, Shanghai established most of its 145 industrial branches during this period. As an old industrial base, it assisted the nation's socialist construction with equipment, funds and technology. Since the founding of New China (mostly in these 10 years), Shanghai has moved 300 factories to localities in the interior and provided one million technicians and workers.

During the "cultural revolution" (1966-76), the gang of four, which had risen to power from Shanghai, kept the city under their control. They tried hard to turn it into a counter-revolutionary base for the usurpation of supreme power in the Party and the state, and thus brought disaster to Shanghai. The Shanghai people resisted in various ways and struggled against the gang of four and its remnant forces and substantially reduced the losses.



A Shanghai plant manufacturing "Fenghuang" (Phoenix) bikes has automated the process of electroplating.



Since the downfall of the gang of four in October 1976, the Party Central Committee has made the strategic decision to shift the focus of work to the four modernizations and adopted the policy of readjusting the economy. Shanghai shoulders two important tasks in this effort: modernizing itself and helping the underdeveloped areas in the interior to develop and catch up.

Table 2

Output of Major Industrial Items

Products	1980 Output	Compared With 1949 (fold)
Steel	5.21 million tons	1,002
Steel products	4.13 million tons	275
Metal-cutting machines	16,900	24.5
Cotton yarn	2.12 million bales	2.9
Cotton cloth	1,600 million metres	2.5
Sewing-machines	2.26 million	502
Bicycles	3.76 million	854

Table 1

Shanghai's Basic Statistics (1980)

Total area:	6,185 square km
Urban area:	158 square km
Total population:	11.46 million
Urban population:	6.01 million
Workers & staff members total:	4.47 million (including 330,000 scientists & technicians)
Number of enterprises:	7,149
Retail shops:	34,000
Industrial output value total:	62,616 million yuan
Light industry:	32,937 million yuan
Heavy industry:	29,679 million yuan
National income:	28,300 million yuan
Handling capacity of port:	84.0 million tons
Value of exports:	6,300 million yuan

Over the last 32 years, Shanghai has built up a comprehensive industrial base which integrates big, medium and small enterprises. It has most types of industry, a high level of specialization in production and a certain level of science and technology (see Table 1).

Today, Shanghai is one of China's largest economic centres. Its economic strength has grown tremendously. Its industrial output value was 26-fold higher than that of 1949. Production of some major industrial goods has increased even faster (see Table 2).

Shanghai plays a vital role in the nation's total economy. In

1980 the value of Shanghai's industrial fixed assets accounted for only 5 per cent of the national total; industrial output value, one-eighth; value of exports, one-seventh; revenue, one-sixth; the volume of industrial goods distributed to outside markets, 45 per cent. Per capita national income amounted to 2,486 yuan (about 1.500 US

dollars), 6 times the national average.

From these figures it can be deduced that Shanghai's management of technology and industry is effective for it has achieved these economic results. (Poor economic results remain a common failing of China's economic work.) The Party and government have called on enterprises to blaze a new trail in economic development through readjustment and reform; the heart of the call is the need to improve economic returns.

Shanghai's experience is of significance to others because it has obtained results.



A technician (centre) from Shanghai passing on skills to workers of the Yinchuan No. 2 Woollen Mill in Ningxia.

## Advance Amidst Readjustment

**N**O model is perfect and Shanghai also has its deficiencies. Influences of many years of "Left" ideology, imbalance between some major economic sectors, stress on economic construction to the neglect of people's livelihood, unwieldy structure and industrial pollution — all these affected Shanghai to some extent.

Since 1979 when the readjustment of the national economy began, Shanghai has carried out concrete work in order to grad-

the portion of heavy industry has dropped from 50.7 per cent in 1978 to 44.4 per cent in 1981. In 1980, total industrial output value was 62,616 million yuan, an increase of 17,666 million yuan over 1976, of which 68 per cent of the increase is from light industry.

Heavy industry is now adjusting its orientation, changing from serving mainly its own capital construction to serving the development of production of consumer goods, the techno-

ity of 596 kinds of products, Shanghai products were considered the best in 270 divisions. In addition, 154 kinds of its items were judged to be equal with advanced world levels.

During the readjustment of the industrial structure and in line with the principle of specialization of production, the industrial departments in Shanghai have developed various forms of economic integration and co-operation between city and countryside, between regions and between enterprises. At present, 300 economic agreements have been signed and progress is being made in the setting up of these economic integrations. The emergence of these integrated operations is beneficial to rational utilization of factory buildings, equipment and work force and to the tapping of production potential. Initial changes have reaped notable economic results.

The question of how Shanghai's economy should be developed is now under study. Since Shanghai has a solid industrial foundation and a substantial scientific and technical force, but is located a considerable distance from most natural resources, some experts recommend that the tasks of producing ordinary products be shifted to localities in the interior. Shanghai can then concentrate its efforts on manufacturing top-quality and technology-intensive products, such as computers, precision machines, instruments and meters, quality steel products, synthetic fibres and large ships.

**Readjust the orientation of investment, speed up urban construction.**

Owing to the long-standing tendency to stress production and neglect the people's wel-



Delegates from all over China at a wholesale clothing fair deciding whether to place orders.

ually solve these problems and has achieved some successes.

**Readjust the economic structure, increase the production of consumer goods, improve the people's livelihood and serve economic construction.**

A change has taken place in the situation in which the development of light industry for many years lagged behind that of heavy industry. In Shanghai's total industrial output value, the portion of light industry has increased from 49.3 per cent in 1978 to 55.6 per cent in 1981;

logical renovation of the economy and the expansion of exports. For a time in early 1981, this change caused a decline in production but an upswing is reported for the fourth quarter.

Light industry is developing in the direction of increasing the production of medium and high-grade goods which are in demand. Quality is improving; designs and varieties are increasing. In 1980, the city trial produced 2,324 new items and 30,000 products with revised designs or specifications. In nationwide appraisal of the qual-

fare, Shanghai is faced with a mountain of problems in the area of urban construction and the citizens' livelihood. Acute shortage of housing, poor communication service, inadequate public utilities and pollution—all these problems have surfaced and have hampered Shanghai's utilizations of its advantages as an old industrial base.

While readjusting its economic structure in recent years, Shanghai has realigned its investment priorities. Since 1979, the city has cancelled or postponed the construction of 339 industrial projects and thus eliminated 2,000 million yuan in expenditures. Investment in non-productive projects such as housing, environmental protection, and public utilities has increased from 18.6 per cent of the total investment in 1979 to 20.3 per cent in 1980. A total of 397 projects were wholly or partially completed in 1980. Housing units with floor area totalling 3.04 million square metres were finished, 40.9 per cent more than 1979.

Treatment of industrial pollution has also begun. Since 1980 pollution control has been tightened: 60 per cent of the city's chimneys have been installed with purification devices and poisonous pollutants like mercury and cadmium have been controlled.

**Reform the management system, stimulate the economy.**

Since 1980, 1,284 major industrial enterprises have been designated experimental units and invested with greater decision-making power. Initial results show that the rate of increase in their production and profits is higher than before they became experimental units and also higher than that of other enterprises. Of the profits they obtained, 92 per cent were hand-

ed over to the state, 8 per cent were retained for reinvestment and bonuses for workers and staff members.

Under the guidance of the state plan, importance has been attached to the regulation of production by market mechanism and the law of value. In 1980, the city set up 500 sales and service outlets and 60 rural fairs in order to facilitate the circulation of commodities. In addition, markets for transaction involving some means of production have been opened. They have established ties with 14,000 units and signed agreements with 103 companies for sale of their products.

Of the 193 kinds of materials which are distributed according to the plans of materials departments, their sales volume outside the plan constituted one-fourth of the total volume. The purchasing volume outside the plans of commercial and supply-and-marketing departments made up about one-third of the total purchasing volume.

**Expand export trade, ship more products to international markets.**

Since 1979, Shanghai's foreign trade has developed rapidly;

the value of exports rose to 6,300 million yuan in 1980. Changes have also taken place in the export mix. Formerly, agricultural and sideline products were the bulk. Now, textile and light industrial products constitute 70 per cent of the total export volume; machinery and chemical products, 19 per cent. Exports not only go to third world countries, but are beginning to penetrate the markets in the first and second world.

In order to enable their products to meet the international market's demands, Shanghai's enterprises have devoted particular efforts to increasing varieties and improving quality of products and paid attention to imports of technology. In recent years, they have adopted diverse methods of trade such as compensatory trade, manufacturing goods according to requirements set by foreign businessmen, joint ventures with Chinese and foreign investment, and sales service networks set up abroad. All this has created favourable conditions for a further expansion of Shanghai's foreign trade.

## “Learning From Shanghai”

ACCORDING to incomplete statistics, between April 1981 when the State Council issued the call for “learning from Shanghai” and October, 122 groups (3,400 people) led by leading members from provinces, cities and prefectures have taken study tours of Shanghai's enterprises. Shanghai has signed 122 contracts for integrated economic projects with 26 provinces and cities of the country in the forms of compensatory

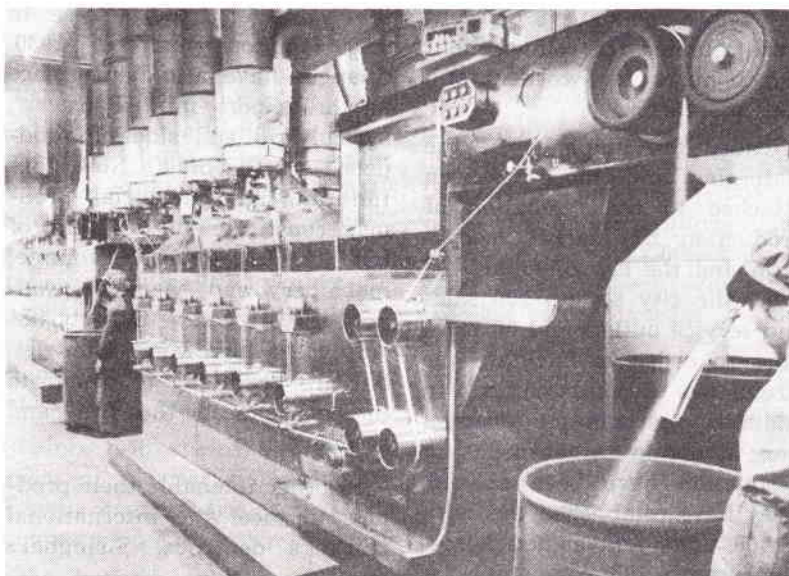
trade, joint enterprises and technical co-operation. This is the initial stage of “learning from Shanghai.”

What is to be learnt from Shanghai? A brief account follows.

### Specialization and Co-operation

Shanghai provides an example of socialized mass production. As its division of labour is be-





The Shanghai No. 13 Synthetic Fibre Plant's renovated equipment has increased production.

coming increasingly elaborate, its level of specialization in production is getting higher and higher, reflecting the general trend of modern economic development.

In the machine-building industry, the division of labour is made in accordance with different categories of products and similarity of technology. Some factories produce complete machines; others specially manufacture castings, spare parts, forgings, accessories, or components; a few just do a certain process like electroplating. This presents a striking contrast to the autarkic practice commonly seen in other localities of the whole process from the manufacturing of components to assembly of the whole machine being undertaken by one enterprise.

Deputy mayor Han Zheyi pointed out that since the accomplishment of socialist transformation in 1956, Shanghai's industry has undergone four large-scale readjustments and reorganizations. These restructurings have been carried out in line with the principle of specialization and co-operation

and in accordance with the needs of national construction and the new market conditions. Now, Shanghai has 71 specialized industrial companies, running 2,256 enterprises. They total one-third of the industrial enterprises and produce two-thirds of the city's industrial output value.

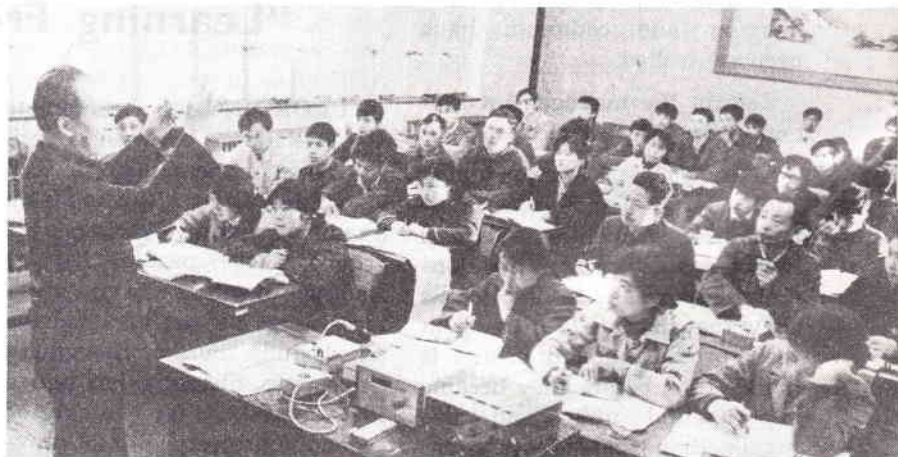
The combination of specialized production in enterprises with co-operation between enterprises has created favourable conditions for adopting new technology, simplifying enter-

prise management and raising productivity. This also has facilitated specialized scientific research and market surveys.

### Expanded Reproduction

People often think that the development of production requires the building of plants, recruitment of more personnel and purchase of new equipment. In fact, this is a common practice in other localities. In contrast, Shanghai, by relying mainly on the existing enterprises and by improving technology and management, has raised productivity. This is the example Shanghai has set.

Between 1949 and 1980, Shanghai turned over 291,000 million yuan to the national government while it received from the state a total capital investment of 23,200 million yuan, or only 8 per cent of its contribution. Industrial investment was 14,100 million yuan: deducting the investment in the construction of the Baoshan Iron and Steel Complex and in enterprises outside the city proper, the actual national investment in the city's industries amounted to only 9,600 million yuan. In light, textile and handicraft industrial bureaus, the



An assistant engineer in Shanghai explaining integrated circuits to the students learning how to repair digital watches.

accumulative total of taxes and profits turned over to the state in the last 31 years was 96,600 million yuan while capital construction investment from the state was only 1,200 million yuan.

Since Shanghai's liberation, the increase of output value derived from investment in capital construction accounts for about one-fourth the total while that from tapping the potential of old enterprises makes up three-fourths. To accomplish this, Shanghai relied on technological renovations.

The Shanghai No. 12 Cotton Mill still uses a spinning frame which was produced in 1921; it turns at high speed. Deputy chief engineer Wei Zhanmo explained that through repeated technical renovations of their key parts, such as spindles, this type of spinning frames has been transformed into a machine using new spinning technique of high rpm and medium package with a Chinese character. The adoption of this new technique requires twice as much labour as in foreign countries to produce a bale of yarn, but the per-unit output by each spindle is one-third higher and the consumption of electricity per bale is one-third less. This suits the conditions of China where funds and fuel are in short supply but labour is in abundance.

Although the number of spindles has been reduced from 2.43 million in the early post-liberation years to 2 million at present, the annual cotton yarn output has increased from 740,000 bales to 2.12 million bales and the average denier has been raised from 23 to 28.

### Paying Attention to Ideological Education

Zhou Bi, chairman of the municipal economic commission, reiterated that China aims not only to build a socialist material civilization but also to develop a socialist spiritual civilization. As the number of young workers and staff members is increasing, it is particularly important to educate them and to foster in them lofty revolutionary ideals and high morality. They must not consider everything in terms of money or indulge in seeking material enjoyment without any thought of making contributions.

In a Shanghai bicycle plant, some peasant representatives from Yuncheng County of Hubei Province came to visit the workers. One of them, Yang Xiaoyun, had sold five tons of surplus grain to the state from the last harvest. He wrote to *Renmin Ribao* expressing his desire to buy a Yongjiu (For Ever) bicycle. The paper published this letter; this evoked discussion in the bicycle plant. What should be done? The factory Party committee organized a meeting for the workers. After discussion they unanimously decided to meet the peasants' demands through increased production. Yang Xiaoyun's wish was fulfilled and these peasants' representatives had come to express thanks to the workers and discuss with them problems in launching an emulation drive. As a result of this discussion, the plant for the third time raised its production target.

In the Shanghai Machine Tool Plant which produces precision grinding machines, the equipment used is quite sophis-

ticated. In a large constant temperature workshop, there is first-rate equipment while the cadres still worked in old, dark rooms. In recent years, when there was extra money derived from economic reforms, the cadres preferred to use the money first in developing production. They maintained a correct attitude in handling the relationship between the overall interests and their partial interests.

When visitors praise Shanghai for its great contributions, the Shanghai people often say: 'Shanghai's development is inseparable from the assistance it receives from the whole country.' As a matter of fact, most of Shanghai's industrial raw materials come from other parts of the country, and without the support of those localities, Shanghai could not advance.

When visitors express their determination to learn from Shanghai, the Shanghai people often say: "We still lag behind other localities in many fields." This is not merely modesty. In fact, Shanghai's manufactured goods are not only subjected to stiff competition on international markets but are challenged by many latecomers in the domestic market. Although 45 per cent of Shanghai's products were the best in the nationwide evaluation of the quality of the same kind of products, "gold medal" did pass to new hands sometimes. Many of its products still lag behind those of other localities. Leading cadres often remind Shanghai workers and staff of the above facts and their weaknesses in other aspects, so that they will not become complacent but will keep forging ahead.



## New Mission of an Old Industrial Base

*What are the tasks, special features and prospects of the city's industries during the current economic readjustment? These questions were addressed when our correspondent recently interviewed Zhou Bi, the chairman of the Shanghai Economic Commission. — Ed.*

**Question:** China's current economic readjustment is scheduled to last at least until 1985. Is this readjustment also necessary in Shanghai? What is its aim?

**Answer:** The goal is to solve the serious imbalance in our national economy, a nationwide problem which is the result of many years of influence from "Left" ideology. Shanghai is no exception.

Shanghai is an old industrial city and has its own special characteristics. Having a good harbour and an advantageous location on the rich Changjiang (Yangtze) River Delta and central to China's coastline, it has traditionally been a commodity distribution centre. Its industry has been fairly developed and efficient. Its economy, however, has some imbalances.

Before liberation, Shanghai had some light industries, but practically no heavy industry. Its present industrial complex, which is rather complete, was set up during the period of the all-round development of socialist construction (1957-66). At that time we emphasized the development of all branches of industry while paying inadequate attention to the balance between them. The result is that 6 million people live in an area of 158 square kilometres in the city proper with over 4,000 factories and 20,000



separate production units. Problems such as heavy traffic, pollution, and inadequate public facilities and housing are serious. Obviously, readjustment is essential to Shanghai; otherwise its industries cannot continue to advance.

However, Shanghai's readjustment is being carried out under the conditions that the whole national economy is undergoing readjustment and the rate of increase of industrial production should be stable. This requires us to take the partial and the overall interests into consideration. As the economic ability of the country is still weak, there is an increasing demand for Shanghai products, funds and technology from the state, and Shanghai should make greater contribution. On the other hand, the state's support to Shanghai is limited; readjustments made by Shanghai should be gradual and without infringing upon the interests of the whole country. As Premier Zhao Ziyang said: During the period of readjustment, Shanghai must breathe while swimming, not pant on the shore.

What should Shanghai

achieve by 1985 through this readjustment? I think Shanghai should rationalize its industrial and products structure, reform its economic management system and renovate its outdated equipment, thereby achieving a base for future sustained, stable and co-ordinated development in economic construction. On this basis, the urban dwellers' standard of living can be further improved. Pollution of the Huangpu River caused by electroplating plants, printing and dyeing factories and air pollution such as that from steel mills must all be controlled. These involve altering energy sources, renovating equipment and environmental engineering and will take money and time.

**Q:** Industries are over-concentrated in the city proper. Is it possible to move some of them to the outskirts?

**A:** It's not easy to change the location of factories, only a small number of them can be moved out of the city or stop operation. In August 1980 a chlorine leakage from the Liaoyuan Chemical Plant threatened the safety of the nearby residents. I went to the plant with several other leading comrades of the city. At first we planned to move it out of the city, but we discovered that more than 100 factories in the city depend on it for caustic soda. If this chemical plant stops production, all other factories will be affected (both their production and employment) and Shanghai's total production might decrease. Thus far we haven't decided whether to move the plant out of the city or not. But we have adopted steps to reduce the production load on this plant and improve its management so as to prevent a second accident.

Readjustment of the disproportionate sectors of Shanghai's



economy can only be carried out on the condition that the overall interests are not impaired. It takes time and patience to find solutions.

**Q:** What is the primary task in the current readjustment of the city?

**A:** First of all, we must make rational use of the existing industries and do our best to carry out technical renovations so as to improve economic results, increase the variety of products, upgrade quality and increase the income of the enterprises. At the same time, we must gradually change the location of some industries and tackle questions of environmental protection.

While it is required to meet domestic needs for its products, Shanghai should also do its best to develop foreign trade so that more Chinese industrial products enter the world market. There should be an increase in the types of exported goods. Light industrial products and textiles should be further supplemented by heavy industrial products, particularly machinery. There is a recession in the world market, but we should not slacken our efforts. Our products are well-received in the third world countries, because these products suit their needs. In the past, Shanghai had close trade relations with many foreign countries. So long as our products are competitive, export trade is promising.

**Q:** In 1981 the investment in capital construction and orders for heavy industrial products were drastically cut. Do you think this will cause a cutback in production?

**A:** Only temporary. It is important to grasp the essentials in order to move ahead. The primary problem in 1981 was to

stabilize the economy. Curtailment of capital construction, reduction of expenditures, increased production of consumer goods, withdrawal of banknotes from circulation, and reduction of financial deficits were all aimed at solving this problem. Results are already apparent.

The central authorities had already taken notice of some resulting problems of extensive reproduction. Construction of some engineering projects (including some imported ones) that had been postponed or suspended but are feasible will be continued. Heavy industry will be oriented to serve the technological renovation of existing enterprises. Therefore, in working out the 1982 plan, we will take into account both capital construction and technological renovation. Production task for heavy industry will be increased to some extent.

During the Sixth Five-Year Plan period, the speed of economic development will not be high, but will be "steady, reliable and sustained" as described by a leading comrade in the central authorities. That is to say, we should strive for the best economic results.

**Q:** The Central Government has called on Shanghai to pass its experiences on to the interior and to support others' economic construction. What do you think of this proposal?

**A:** Our main concern is how to have economic co-operation with other provinces and cities. In this regard we have some positive and negative experiences to learn from.

In the late 50s, Shanghai set up jointly operated factories with Jiangsu, Anhui, Shandong and Jiangxi, and later with

Nanjing and the southwestern provinces. At that time we proceeded from the need of Shanghai to get raw materials from them, and did not take into account the economic development of the other parties. We did not adopt a method of true economic co-operation, so these jointly operated factories did not last long. In the end all of them were handed over to the localities.

Beginning from 1979, we decided to utilize the method of economic co-operation. Shanghai dispatched technicians, skilled workers and managerial personnel to other provinces and cities to help the local factories learn techniques and improve management and efficiency. The expenses of these personnel were covered by factories which received help. The results were satisfactory.

Now many provinces and cities hope to set up jointly owned enterprises with Shanghai or turn their factories into branch factories of Shanghai companies, using Shanghai's trade marks. This creates some policy problems such as the co-ordination of finances and fair distribution of economic benefits to the parties concerned. We have started on a trial basis the first group of jointly run enterprises. Such joint undertakings will be set up step by step because Shanghai enterprises have to look after their own technological transformation first. Nevertheless, economic co-operation is correct and we are going to improve work with other provinces and cities.

*("Beijing Review's" next special feature will cover the methods Shanghai will utilize in its industrial readjustment. — Ed.)*

PUPPETRY

*Princess White Dragon*

Puppetry in China is not only a device for entertaining children but also a media for presenting dramatic performances. At the third nationwide puppet festival held in Beijing in November and December 1981, 20 troupes brought to life a menagerie of characters. Among the ambitious productions was the fairy tale *Princess White Dragon* produced by the Jinjiang Puppet Theatre of Fujian Province.

It is spring and beautiful Princess White Dragon who lives in the crystal palace of the Dragon King at the bottom of the Dongting Lake is worried. Her father, the Dragon King, travelled to earth to grant rain every year, but he is too old and weak to go this time. The princess is concerned, for she knows the people need rain for their crops. She



The princess thrusts a sword at the Ghost King.

The Ghost King who is threatening the people with drought and who envies the beauty of the princess finds out about their mission. He transforms himself into a handsome prince; the fox, a woman match-maker; and little ghosts, his entourage. They obstruct the princess' route and the match-maker steps forward to introduce her to Ghost King. She tries to entice the princess with sweet words and with gold and silver jewelry. She rebukes her, and the Ghost King in rage orders his entourage to capture her.

Little White Dragon manages to escape but he is distressed at the plight of his sister. Fortunately the veteran fairy Nanji comes along and helps him to draw up a rescue plan.

Princess White Dragon pretends to agree to the marriage proposal. Hearing this, the Ghost King celebrates by banqueting with his fellow ghosts. When the Ghost King becomes inebriated, Little White Dragon barges in brandishing a sword. In the scuffle, the Ghost King is fatally wounded by the princess. The journey is resumed,

and spring rains are granted in time to save the people's crops.

Puppetry demands turning the feelings of characters into visible actions. In this show, puppeteer Yan Sarong manipulates the delicate and kind-hearted princess with such finesse that her personality and emotions are transmitted without the aid of music or a narrator.

FOR YOUR REFERENCE

*Chinese Puppet Shows*

Puppetry has a 3,000-year-long history in China. A legendary tale recounts how Emperor Muwang of Zhou Dynasty (976 B.C.-921 B.C.), on his way home after hunting in the Kunlun Mountains, was entertained by a puppet show of songs and dances given by a master Yan Shi.

Sima Qian, the eminent historian in Han Dynasty (206 B.C.-220 A.D.) wrote in *Historical Records*. "... wood puppet and clay puppet are talking to each other."

Dramatic performances using puppets were reported after the Han Dynasty. In *Tong Dian*, a book of Tang (618-907) Dynasty, the author recorded: "... puppets perform songs and dances. Until late Han Dynasty they were only presented at mourning ceremonies; later they were shown on occasions of celebrations and feasting."

By the period of the Three Kingdoms (220-280) puppetry had become a diversified art. Puppeteers could make exquisite miniatures and Ma Jun was awarded the title of "skil-



Princess White Dragon with her brother.

requests to go in her father's place. Dragon King consents and dispatches her brother Little White Dragon to accompany her.

ful master of the world" for his craftsmanship in this field.

Puppet shows became increasingly intricate. By the mid-eighteenth century, combat between two generals could be brought to life by puppets.

In Beijing, puppeteers used to present performances in the open air. Supporting a box-like puppet stage with a shoulder pole, the operator presented a one-man puppet show, beating drums and gongs, singing and delivering all the parts.



A rod puppet.

Puppetry is a tradition in China and enjoys great popularity. Different types of puppets are used. The most common are:

- **Rod Puppets.** Their heads are about 0.2 m and their bodies about 0.7 m high. While performing, an operator carries high with one hand the rod running inside the body to the head and moves its arms with the other hand through two separate rods. (The feet of the puppets are usually not shown.) Arm rods for the puppets vary: some are inside the clothes while others are outside: the latter allows for more lifelike movements.

In Sichuan Province, there are rod puppets almost life-size. The operator fastens the head rod to his waist and moves the hand rods with his two hands. Small rod puppets about 0.3 m are popular in Hebei, Henan and Shanxi Provinces. As they are easier to manipulate, one puppeteer often performs two roles at the same time.

- **Marionettes.** They have jointed limbs and a complicated control system. Each part of their bodies are manipulated from above by a silk thread. There may be as many as 21 for one marionette. Their sophistication of motion cannot be matched by other puppets.

- **Hand Puppets.** These are the smallest of the three types. Through the hollow cloth body, the puppeteers' fingers fit into the heads and the arms and give them animation.

Fujian Province is renowned for its numerous puppet styles.

## EDUCATION

### Exchanges With Foreign Countries

While expanding educational exchanges with other countries, China has shifted the emphasis from student exchanges to cooperative research.

Over the past year Chinese universities and colleges have sponsored a number of international symposiums on Chinese history, classical Chinese and higher mathematics. Some 400 Chinese scholars have attended more than 200 academic seminars abroad in the past two years.

Systems engineers from both Qinghua University in Beijing and Michigan University in the

United States are working together to analyse the sources and possible corrective measures for pollution of Shanghai's Huangpu River. The project is financed jointly by the Chinese Government and the US National Science Foundation with some assistance from the Shanghai Environmental Protection Bureau.

Since 1976, China's Ministry of Education has sent 6,709 students to study in 52 countries. About 80 per cent of them are in science and engineering; 1,378 have already completed their studies and returned home. An additional 1,000 have been sent abroad by the Chinese Academy of Sciences.

In the future, priority will be given to students of agronomy, animal husbandry, light industry, economic management and energy. Special consideration will also be given to those studying law and other social sciences and humanities. Most Chinese students pursue postgraduate work abroad, having completed undergraduate training at home.

Nearly 2,000 foreign students from 76 countries are now studying in more than 40 Chinese universities and colleges, half of them in liberal arts and the other half in medicine, science and engineering. Moreover, 1,800 foreign students have attended short-term courses in China last year.

Exchanges of teachers have also been expanded in the past few years. Some 120 Chinese professors and associate professors are now lecturing abroad and another 40 have accepted invitations last year to lecture overseas. In China, some 500 foreign friends are teaching languages and social sciences, and another 300 come to give short-term courses each year.



### A Handy Reference

**China — A General Survey**, new revised edition, by Qi Wen,

*English text edited by Zhao Shuhan and Yang Lixing, (also available in French, German and Spanish),*

*Published by Foreign Languages Press, 251 pp., paperback,*

*Distributed by Guozi Shudian (China Publications Centre), P.O. Box 399, Beijing, China.*

This timely new revised edition of *China — A General Survey* marks the continuing progress China has made towards modernization since the first well-received edition published by the Foreign Languages Press came out in 1979 to offer English-speaking readers a broad picture of China's geography, history, politics, economy and culture.

That picture has now been sharpened and expanded through revisions of previous material, updated statistics and charts and additions such as the new section on commerce which explains pricing policies, marketing and supply — from the Ministry of Commerce to the grass-roots level. The economy chapter also reports on China's most recent foreign trade policies and her growing tourist trade with 530,000 visitors in 1980.

Many of these new tourists to China would be well served by allowing *China — A General Survey* to serve as a guide to a country whose civilization is one of the world's earliest and whose modern history is one of a remarkable transformation from a backward and poverty-stricken

society to a new socialist state of 1,000 million people.

The most drastic revisions in the new edition have been made in the chapter on economy — especially in the sections on industry and agriculture — which provides comprehensive statistics as developments move rapidly since the policy of readjusting the national economy instituted in December 1978. The history chapter sketches Chinese history from the Peking Man (about 400,000 to 500,000 years ago) to the founding of the People's Republic on October 1, 1949; the geography chapter covers China's natural resources, climate and topography; and the politics chapter provides basic information on the organization of government and political parties under the Constitution of the People's Republic.

In culture, new information about China's immensely attractive postage stamps and an expanded section on sports — which reflects the importance of physical culture in China as witnessed by the national excitement over the Chinese Women's Volleyball Team's recent victory in the World Cup Championship — are welcome changes. Another interesting addition is the new section on religion which notes Chinese followers of Buddhism, Christianity and Islam and that religious practice in China is protected by law.

*China — A General Survey* lives up to its name by serving as a handy reference on questions about China on subjects as varied as the number of species of its birds, the rights and liberties of its citizens, the output of major crops from 1949-

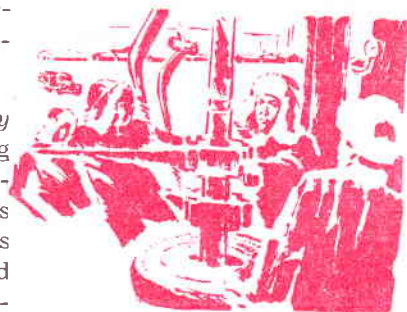
1980, the number of tons of crude oil produced annually, the distance covered by its postal service, the number of colleges and universities, family planning and medical and welfare services, national minorities and the year China launched its first satellite.

The new revised edition presents facts and data clearly, acknowledging both China's problems and accomplishments. This direct and open approach can only gain even more respect for China from readers who may be being introduced to the country for the first time through this general survey.

A final noteworthy improvement in the new edition is the design of the book itself. The flat, dull colours of the jacket of the original edition have been replaced by an eye-catching glossy cover with bold green lettering. A generous number of handsome colour photographs accompany the text.

It would be helpful in future editions to see more detailed maps and an index. In the meantime, the publication of a new revised edition of *China — A General Survey* should be welcomed by all English-speaking people interested in following China's progress.

— Sara Grimes





### Huang Zhou's Kaxgar Sketches



Huang Zhou, born in 1925 in Hebei Province, is Vice-President of the Research Institute of Traditional Chinese Painting. He is a former member of the People's Liberation Army. He has painted numerous portraits and landscapes of the Xinjiang Uygur Autonomous Region. These sketches were made during a trip to Kaxgar in southern Xinjiang.



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