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June 4, 1984

BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

- NPC Deputies on Open Policy
- For a Greater Variety of Consumer Goods





Sun Jingxi, 84, a famous educator, is happy when he's with his students.



Inside the children computer centre of the China Welfare Institute, Shanghai Branch.

SPOTLIGHT



Jinuo students in Yunnan gather round their teacher.



A doctor with the Beijing No.2 Cotton Mill gives children regular checkups.

Children at the kindergarten of the Yanshan General Petrochemical Works in Beijing put their room in order.



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COVER: Workers at the Shahe Wrist-
watch Factory in Shenzhen assemble
watches. Photo by Xue Chao

BACK COVER: The Baishan Hydropower
Station, now under construction in
Jilin Province. Photo by Chen Fu

HIGHLIGHTS OF THE WEEK

NPC & CPPCC Panel Discussions

In panel discussions, many NPC deputies cited ample facts to prove the correctness of China's open policy. They pointed out that China's economic laws and regulations conform to the interests of both the state and investors (p. 16). CPPCC members discussed China's reunification and raised criticisms and suggestions regarding the government's policy on intellectuals, united front work and other topics (p. 18).

China, Sri Lanka Find Commonality

During Sri Lanka President Junius Jayewardene's stay in China, he and President Li Xiannian found that their two countries have much in common and share identical views on major international issues (p. 9).

Establishing Basic Political Units

The establishment of township governments is vital to consolidating people's political power and accomplishing China's socialist modernization. By the end of last year, 22,897 townships had been set up and the work should be completed by the end of this year (p. 22).

Working for Better Consumer Goods

With the growth of the national economy people have greater disposable incomes, and China's light industry is hard pressed to produce varied, high-quality consumer goods to satisfy the growing demand. Management reforms and increased imports of advanced technology are helping to meet these needs (p. 24).

Special Concern for Children

Because children represent the hope and future of a nation, their healthy growth has become the concern of everyone. In recent years, the Party and government have instituted a number of measures to enrich children's cultural and material well-being (p. 4).

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Special Concern for Children

by XIN LIN
Social Editor

Of China's 1,000 million people, 350 million are under the age of 15. They are the hope and future of the nation, and their healthy growth has become the concern of the whole society.

In China, respecting the old and taking good care of the young is an age-old tradition. New China's socialist system has made it possible for us to offer much better cultural and material well-being for children. In recent years, the Party and government have attached much more importance to working for children.

In March 1981, the Secretariat of the Party Central Committee held a meeting calling on the whole society to show concern for the upbringing of children. It received an active response from all quarters. Two months later, the All-China Co-ordinating Committee for Children's Work was founded by 17 government departments and people's organizations, with the aim of "doing something really beneficial to the children." Soon afterwards, the Chinese Children's Foundation was set up. In the last three years, it has received 157 million yuan worth of donations from people and organizations at home and generous contributions from abroad.

In February this year, two special stamps named *Children* were issued, the first of their kind since the founding of New China. Although they have a face value of eight cents, each stamp is sold for 10 cents. The extra two cents will help raise 600,000 yuan for children's welfare undertakings. Zhu Xuefan, originator of these stamps and honorary president of

the All-China Philatelists' Association, said the aim of this special issue is to mobilize the whole society to care for the growth of children and carry forward the Chinese tradition of bringing up children well.

In the last few years there has also been a marked increase in items sold for children, such as special foods, clothing, toys and books, all of improved quality. The Children's Film Studio, the first in China, was founded in

Respecting the old and taking good care of the young is an age-old Chinese tradition. New China's socialist system has made it possible to offer much better cultural and material well-being for children.

1981 and has produced a number of excellent movies. There have also been more children's programmes on TV in recent years. More than 3,200 children's reading rooms have been built throughout China since 1981.

In March 1982, the Party Central Committee decided to build the National Centre for Children's Activities in Beijing on the site of a Qing Dynasty prince's large residence and park. Since then, more than 10,200 children's palaces and recreation centres have been built throughout the country.

China now has more than 950,000 primary schools teaching 139 million students. This accounts for 94 per cent of all school-age children. Efforts are being made to correct this and



make primary education universal in China by 1985.

Under the guidance of the China Association for the Popularization of Science, many urban primary and middle school students now carry out various kinds of scientific activities, including operating and programming computers. This is one of the measures taken by the government to help its future builders get in touch with new science and technology.

While improving education, the Chinese Government also pays attention to morality. Our educational policy stresses the moral, intellectual and physical development of our children.

China's children from the age of 7 to 13 have their own organization—the Young Pioneers—which now has 130 million members. Through interesting and educational activities, the organization teaches children to love their country, their people, labour and science and to take care of public property.

For the last few years, the Chinese Government has encouraged each couple to have only one child, a measure to bring down the natural population growth. These only children generally enjoy a more comfortable life. But some parents are too indulgent with their children, which is likely to make them spoiled and self-centred. These problems have already attracted the attention of many parents, schools and other departments. Efforts are being made to study correct educational methods which will help bring up a generation of people who care for others and public affairs.

Disabled Become Useful Citizens

I liked the Special Report "The Disabled Become Useful Citizens" in issue No. 10.

After reading this article, I recognized that the Chinese Government and society care very much for handicapped people. China has a very large population and a vast territory. Although you have made great efforts, you are still backward in this respect. Article 45 of the Constitution clearly sets out the rights of the handicapped, but I think you should emphasize the political work further. You must stress solving the problems of disabled people, as well as care for the handicapped people who have not lost their ability to work, make them work for society as soon as possible and use their talents. For those who have been given jobs, the factories should look after their housing conditions and family life. Only in this way can a disabled person be conscious of becoming a real citizen — someone who can support himself and work with a spirit of selflessness.

I think there are still some obstacles which must be removed before every disabled person can have a happy life like Shi Baoqing. But I hope they will all realize this in the near future.

Mitsuko Simizi
Osaka, Japan

Empty Comments

The contents of your comments are empty, disordered and lack material basis. For example, the article "Western Europe: Recession Breeds Racial Injustice" in issue No. 9 has the following shortcomings:

1. The article says, "Over the years about 12.5 million immigrants have settled in Western Europe for various historical reasons." It does not show clearly the specific number of the immigrants in each country. So the reader may have doubts of its accuracy.

2. It also speaks of the wave of strikes at the Talbot automobile factory. But the article does not indicate the size of the factory, the number of workers or how many automobiles they produce. It is very difficult for the reader to understand the state of affairs.

3. The article should show the differences in pay for foreign workers.

4. It says, "The foreign workers did the most dangerous and the dirtiest jobs." These words are so scant and empty that the comment is not convincing.

The article "United States: Reagan Seeking Re-election" (issue No. 8) says, "Forty million Americans are living below the poverty level." But this lacks detail, so it cannot be called a comment.

Bumitsura Cho
Saitama, Japan

Latin Americans' Comments

I think the front and back covers have really improved. This attracts more readers. Not only myself but my whole family like the column "Culture and Science" very much, because it has enriched our knowledge. I am a history teacher and I need this kind of information to teach my students.

The contents and layout of your weekly are fine. I can offer no comment.

I am not very familiar with how your magazine is distributed in my country. But, there are many other readers like me, and it is most important to get your weekly into the hands of the working class. I hope *Beijing Review* can be distributed in the provinces. By this, I mean to the peasants, who are the majority in my country.

Winston W. Guillen G.
Lima, Peru

Speaking as a new reader, I am impressed by the way you focus on a relatively large theme in such a small space.

I am really interested in all of the subjects you cover. The article about the South-South Conference in Cartagena especially attracted my attention.

I also liked your comments on the agrotechnical services companies. Thanks to your government's care for the peasants, you have a great output of rice, sugarcane, potatoes, etc. and your pesticide is very cheap, which makes your agricultural production grow and flourish. Truly, you have a marvellous country.

Hector Gutierrez V.
Bugá Valle, Colombia

Generally speaking, I would like to know more about demographic problems (birth rate, death rate, migration, etc), population and development. I am also interested in international politics, and the problems of socialism and modernization.

For a long time I have been satisfied with the valuable information service your authoritative weekly provides. It helps me understand your great and beautiful country.

Octavio Larrahondo M.
Roldanillo, Colombia

Second Session of Sixth CPPCC Closes

After 15 very active days, the Second Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) ended in Beijing on May 26 in an atmosphere of democracy and unity.

During the CPPCC session, the 1,700-odd delegates also attended the Second Session of the Sixth National People's Congress (NPC) as observers, where they heard and discussed a number of important reports, notably the one delivered by Premier Zhao Ziyang on the work of the government. With a high sense of responsibility, they played their role as supervisors of democracy in China. They spoke their minds on major state affairs, candidly criticized the work of the CPPCC and the NPC and submitted more than 1,000 motions, in which they aired their opinions and suggestions.

The session was seen as a fine example of the great vitality of China's patriotic united front in the new period of historical development.

A political resolution adopted by the session holds that Chairman Deng Yingchao's opening speech has provided the guidelines for the CPPCC's work. The resolution also reiterates the five principles for united front work, political consultation, democratic supervision, co-operation between Communists and non-Communists, making friends in all quarters, and self-education.

The resolution agrees with the principles and policies enunciated in the premier's report on the government's work, and supports the government's decision to pay special attention to the two major issues of economic restructuring and opening to the outside world.

In her speech at the closing ceremony, Deng Yingchao urged that the policies on intellectuals, especially middle-aged ones, be earnestly implemented, and continuous efforts be made to overcome the influence of the "Left" ideology.

The session added three new

vice-chairmen to the Sixth National Committee of the CPPCC. They are Ma Wenrui, First Secretary of the Shaanxi Provincial Party Committee; Mao Yisheng, a celebrated bridge designer and Vice-Chairman of the Jiu San Society; and Liu Jingji, an industrialist and Vice-Chairman of the National Federation of Industry and Commerce.

Deng on Problems About Hongkong

The Chinese Government has the right to station troops in Hongkong after resuming the exercise of sovereignty over the region, Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party, said in Beijing on May 25.

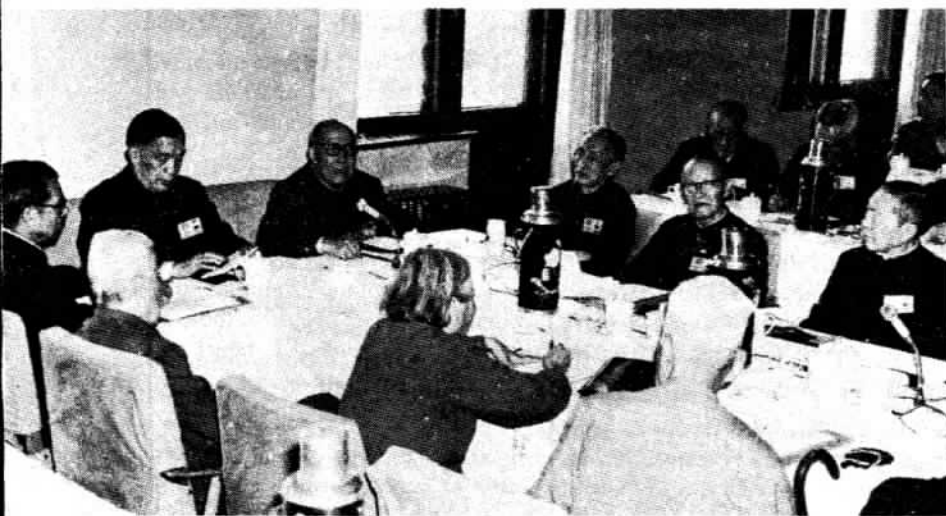
"This is a symbol of safeguarding the territory of the People's Republic of China and a symbol of safeguarding our state sovereignty, as well as a guarantee of Hongkong's stability and prosperity," he said.

"Since Hongkong is part of China's territory, why can't we send troops there? How can Hongkong be described as Chinese territory if we don't have the right to station troops there?" he asked.

Deng was speaking at a meeting with National People's Congress deputies and members of the Chinese People's Political Consultative Conference National Committee from Hongkong and Macao.

He said the Chinese Government's position on settling the Hongkong issue is fair and reasonable. He also said the NPC deputies and CPPCC members from Hongkong and Macao may rest assured that the Hongkong issue will

CPPCC delegates from the Revolutionary Committee of the Kuomintang at a panel discussion.



be settled satisfactorily provided the Chinese Government's policies are followed. Those who truly love the country and Hongkong will not be disappointed, he added.

Deng also discussed how to handle problems that may arise during the 13 years before China resumes the exercise of its sovereignty over Hongkong in 1997.

Hongkong began to be occupied by Britain in the late years of the Qing Dynasty through forcing the Qing government to sign an unequal treaty. By May 28, major progress had been made after 14 rounds of Sino-British talks on restoring China's sovereignty in 1997 on the basis of ensuring Hongkong's stability and prosperity.

Reformers Placed In Leading Posts

Personnel departments at all levels should, as quickly as possible, select and put in leading posts a large number of reformers who can create a new situation in work, a leading member of the Organization Department of the CPC Central Committee has pointed out.

The official stressed that the key to reforming lies in how to make the best use of talented people. Competition for products and technology is in essence a competition of talents, he said. The pace of China's modernization in the next two decades or so depends largely on the abilities of the decision-making group, composed of leading cadres at various levels.

Today, he said, cadre selection and promotion is in fact a matter of picking the best among the intellectuals (including those self-taught), especially those in the prime of life.

At present, the promotion of intellectuals to leading posts still



Zhu Zhenxiang (second from left) visits his old workshop in Shanghai. He was recently promoted to deputy manager of a Shanghai district industrial company because he boldly reformed the workshop.

meets with resistance in certain areas and departments. Because of lingering "Left" influence from the "cultural revolution," technical personnel are often hard-pressed and discriminated against. It is necessary, he said, to further clear away the "Left" influence and, while organizing leading bodies, emphasis should be on selecting cadres who are revolutionary, younger in average age, better educated and more professionally competent. To be more specific about their education, cadres should have professional knowledge of industry, agriculture, economics, trade, Marxist theory, science and culture.

In selecting cadres, undue emphasis must no longer be put on practical experience and seniority to the neglect of scientific and theoretical knowledge, on personal relationships and sentiments to the neglect of the needs of work and revolutionary cause, and on the opinions of individual officials to the neglect of the opinions of the majority, the official added.

He also called on departments in various localities to make breakthroughs in boldly picking and promoting young cadres who have

tempered themselves in practice. The moment a competent person is discovered, he should be resolutely and promptly promoted to an important leading position. Moreover, favourable conditions should be created for him to give full play to his talent.

As early as 1980, Deng Xiaoping, Chairman of the Central Advisory Commission, had already pointed out the defects of the existing system of cadre selection and promotion, which along with the work style of some cadres in organizational and personnel departments, was hampering the advance of people whose skills were badly needed.

Trade Pacts With 5 European Nations

In the next few years, Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic and Poland will help China develop its enterprises. In return, China will provide these five countries with light industrial products, especially textiles, according to *China Daily*.

The total trade volume between China and these five countries is expected to reach US\$900 million this year.

One hundred and one co-operative projects were discussed when a Chinese economic delegation visited these five countries from March 22 to April 26 this year. Among them, 79 projects, worth US\$80 million, were agreed on and technical and trade negotiations will begin immediately. These projects mainly involve machinery, metallurgy, chemistry, power, railroads, coal, building materials, commerce, textiles, food pharmaceuticals, light industrial products, agriculture and forestry.

China has decided to import a new technology which uses a column of air in place of a spindle from Czechoslovakia and refrigerated van design and manufacturing technology from the German Democratic Republic. It will co-produce heavy trucks with Czechoslovakia, buses with Hungary and Poland, fork lifts with Bulgaria and combine harvesters with the German Democratic Republic.

Trade between China and these five countries, in spite of its rapid expansion in the past year, accounted for only 2 per cent of China's total trade volume and less than 1 per cent of that of these five European countries. In order to realize the trade potentials and discuss establishing a mixed economic commission of vice-premiers, Chen Muhua, State Councillor and Minister of Foreign Economic Relations and Trade, will visit three of these five countries next month. She hopes to negotiate long-term bilateral economic and trade agreements.

Each of these five European countries has its own economic and technological strong points which China can learn from. For example, the German Democratic Republic exports 5,000 types of optical in-

struments to more than 100 countries every year. Czechoslovakia produces 500,000-kilowatt thermal generators and 440,000-kilowatt nuclear power equipment. The Balkan United Vehicle Enterprise of Bulgaria is the largest producer of fork lifts in the world. Poland exports power station boilers rated at 1,800 tons per hour. And Hungary produces Ikarus buses, high-quality medicines and pesticides and medical apparatus.

Delta Thriving On Open Policy

For five years running, the total industrial and agricultural output value of the fertile, subtropical Zhujiang (Pearl) River Delta in southern Guangdong Province has registered an annual growth rate of over 11 per cent, higher than the national average.

The new boom is attributable to the area's favourable climate, pro-

ximity to Hongkong and Macao, and, most importantly, the implementation of the central authorities' special policies for opening Guangdong and other coastal provinces and cities to the outside world.

According to statistics from the eight cities and 24 counties in the Zhujiang River Delta, the total industrial and agricultural output value in 1983 was up 73 per cent from 1978, with an average annual growth rate of 11.7 per cent. In Shenzhen, one of China's first special economic zones, this figure was quadrupled, and in Foshan, Nanhai and Huizhou doubled.

Foreign capital and imported advanced technology and equipment have also played an important role in quickening the delta's economic growth. In five years the area has signed 24,000 contracts with companies in Hongkong and Macao and foreign countries involving US\$4,000 million in foreign investment, of which US\$1,080 million have already

Peasants in Baoan County, Guangdong Province, produce electrical appliances in a factory operating in co-operation with a US company.



been put to use. The electronics industry alone has imported more than 2,000 sets of equipment and 30 assembly lines.

Many rural factories have upgraded their technology and equipment with foreign expertise, and a number of new enterprises have been established which are considered first-class in China and compare favourably with advanced world levels. One-third of the peasant-run factories in Shunde County, Guangdong, are making export commodities.

The distribution of goods has also been quickened, marked by multiple channels, fewer intermediate links and an openness to the outside world. Many state-run stores and supply and marketing co-operatives have been working closely with urban factories and rural industries on a wide scale, and the number of collective and individual commercial enterprises has grown rapidly.

By the end of last year, 260,000 households in the delta were engaged in individual industry and commerce, employing 300,000 people, and 80,000 citizens were specializing in transporting farm and sideline goods.

Agricultural commodity production has made much headway, too. The output of fish and fruit, for example, has grown noticeably. Nanhai County alone sells 85 per cent of its farm and sideline products as commodities. Foreign-exchange income from tourism in this area rose to US\$40 million in 1983 from US\$2 million in 1978.

Thriving commodity production has helped improve the people's livelihood. By the end of 1983, savings deposits in the delta totalled 5,450 million yuan, a 4.5-fold increase from the end of 1978. Interestingly enough, the first three sets of combination furniture worth 3,000 yuan each sold at the Nanfang Building in Guangzhou were all bought by delta peasants.



President Li Xiannian (second from right) in talks with Sri Lanka's President Junius Jayewardene (second from left).

China, Sri Lanka Find Commonality

President Li Xiannian has told the visiting President of Sri Lanka that China will, as always, abide by the Five Principles of Peaceful Coexistence and will conduct its relations with Sri Lanka on that basis.

Li was speaking at a banquet in honour of President Junius Richard Jayewardene, and Mrs. Jayewardene, whose trip to China from May 20 to 25 at Li's invitation was the first by a Sri Lankan head of state.

"In recent years," Li said, "the Government of Sri Lanka has made great efforts to exploit the natural resources of its country, pursued open economic policies and engaged in active international co-operation, thus bringing about a rapid growth of the national economy.

"Sri Lanka pursues a foreign policy of non-alignment and condemns power politics and policies of aggression and expansion," he said. "It stands for peace, disarmament and good-neighbour relations and works for South-South co-operation and regional co-operation in South Asia. The Chinese Government and people

very much admire Sri Lanka for the active role it is playing in international affairs and firmly support its just struggle to safeguard its independence, sovereignty and territorial integrity."

The two presidents discussed the current international situation and bilateral relations on May 21, stressing the promotion of unity and co-operation between third world countries.

On the international situation, the two sides held that the superpowers' hegemonic rivalry is the major source of world tension. They declared that enhancing unity between the peoples of various countries and forcing the superpowers to reach an agreement on total disarmament is the way to safeguard world peace.

They were concerned about the situation in South Asia and held that the countries in this region should choose their own governments and social systems through peaceful dialogue.

Both presidents expressed satisfaction with the development of friendly relations between their two countries.

Jayewardene pointed out that Sri Lanka was one of the first countries to establish diplomatic ties with China and that the two countries share identical views on major international issues.

He thanked the Chinese Government for its sincere assistance to his country.

Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party, who met Jayewardene on May 23, said that relations between the two countries have been good since they were established and the two countries have much in common. On the international issues, said Deng: "We have no divergence and argument; we have only friendship."

Jayewardene said Sri Lanka had speeded its economic development through the establishment of free-trade zones, a policy which has helped 60,000 people find employment.

He said he hoped to learn from China's experiences in opening its special economic zones.

Deng said China and Sri Lanka have much in common in this respect and have found a correct road in the use of special economic zones. "Closed-doorism" could not end a nation's backwardness, he said.

Meeting with Jayewardene on May 21, Premier Zhao Ziyang said that in the 1950s, while China was blocked by the imperialists, Sri Lanka signed a rubber and rice pact with China and Sri Lanka had always supported the restoration of China's seat in the United Nations.

Zhao said that China is willing to improve, enrich and vary its co-operation with other third world countries by learning from one another and making up one another's deficiencies.

The Chinese and Sri Lankan Governments signed two agree-

ments on May 22, one on the establishment of a joint committee for economic and trade co-operation, the other on scientific and technical co-operation.

Premier Zhao on International Issues

Premier Zhao Ziyang, at a press conference to outline his views on a number of international issues, has said that his visit to Western Europe is aimed at seeking friendship, co-operation and peace.

Zhao was speaking on May 23 to Beijing-based journalists from the six countries he will visit. His 18-day tour, which started on May 29, will cover France, Belgium, Sweden, Denmark, Norway and Italy, as well as the European Community headquarters in Brussels.

Sino-Western European Relations. Zhao said that Western Europe plays an important role in international affairs and China has always stressed developing friendly relations with the countries of this region, which share identical or similar views with China on

many major international issues and have been important trading partners with China.

There are broad prospects for development of economy and trade between Western Europe and China, he added.

Zhao said China and the countries of Western Europe have their respective strong points and it is entirely possible for them to learn from each other, make up for each other's weaknesses and co-operate on the basis of equality and mutual benefit.

He invited West European entrepreneurs and industrialists to co-operate with China in its large-scale construction projects in the energy, transportation, telecommunications, iron and steel, and non-ferrous metals industries, as well as in China's efforts to upgrade its existing enterprises.

Co-operation can take various forms, he explained, and joint ventures in these areas can vary in size.

On Disarmament. Zhao said China's position on disarmament is known to all. It stands for a reduction of arms and particularly the complete destruction of all nuclear weapons.

Premier Zhao Ziyang meets Beijing-based journalists from the six West European countries he will visit.



However, he pointed out, because the two superpowers possess 95 per cent of the world's nuclear weapons, they should take the lead in drastically reducing their nuclear and conventional weapons. Only in this way will it be meaningful to talk about universal disarmament, he said.

The Premier reminded the reporters that China has told the United Nations that once the two superpowers stop testing, manufacturing and improving nuclear weapons and agree on a drastic reduction of their nuclear arsenals, China will approve the convening of an international conference on disarmament involving all nuclear powers and participate in it.

Zhao said China's position on disarmament is conducive to easing world tensions, as well as tensions between the East and West.

He said he is ready to exchange views on this issue with West European leaders during his visit and he hopes that China will receive their understanding and support for its position.

On the Peace Movement in Western Europe. Zhao described this movement as an expression of the West European people's desire for peace and their refusal to be plunged into another catastrophic war. China sympathizes with them and supports this desire, he said.

Whether certain other countries may take advantage of this movement to serve their own interests is another matter, he said. The West European countries' efforts to strengthen their defenses for the sake of their own security are not contradictory to their efforts to safeguard peace, he said.

Sino-Soviet Relations. Asked if the Soviet Union is a reliable partner for dialogue, Zhao said, "Only in the process of dialogue can one ascertain whether the partner is reliable."

"The Soviet side said that they

put off the visit (to Beijing by Ivan Arkhipov) because they were not well prepared," Zhao said. "Well, let's wait until they are well prepared. The postponement of Arkhipov's visit to China will not affect the next round of consultations on normalizing Sino-Soviet relations."

"On our part," he said, "we are willing to seek the normalization of relations with the Soviet Union on the basis of the Five Principles of Peaceful Coexistence. We also hope that economic and technical exchanges between the two countries will expand on the basis of equality and mutual benefit. We think this is in the interests of the Chinese and Soviet people and also world peace."

Sino-US Relations. Zhao said he believes that China's relations with the United States will not affect its relations with the Soviet Union, or vice versa.

Sino-US relations have improved to a certain extent as a result of the exchange of visits between leaders of the two countries, he said. But the main obstacle, the Taiwan question, still exists.

Only when the US Government earnestly observes the principles set out in the three joint communique can Sino-US relations develop steadily in the long term, Zhao stressed.

Sino-Vatican Relations. Zhao said since the Vatican still maintains "diplomatic relations" with Taiwan and has on several occasions interfered in China's internal affairs in complete disregard of China's sovereignty, it is very difficult at present to talk about improving China's relations with the Vatican.

Zhao also said that he had noticed that Pope John Paul's recent remarks on the Vatican's relations with China showed some changes in its positions. However, he pointed out, this question is complicated and its resolution will take time.

Ties With Dutch & Other EEC States

Premier Zhao Ziyang, in a meeting with the visiting Dutch Minister for Foreign Trade Frederik Bolkestein, has stressed that China wishes to expand its co-operation with the Netherland and other countries of European Economic Community (EEC).

The EEC, said Zhao at the May 25 meeting, is made up of developed countries each with advanced technology and varied advantages in different areas, while China is a developing country with a great potential market and rich natural resources. Developing relations and co-operation on the basis of equality and mutual benefit will help both China's modernization programme and economic prosperity in Europe.

China attaches great importance to its policy of developing relations with the EEC, Zhao said. China's greater economic co-operation with the US and Japan in the past did not mean China was interested solely in them — different factors were involved.

Zhao welcomed his first Dutch visitors since China and the Netherlands normalized diplomatic relations in February and hoped that Sino-Dutch relations would continue to develop.

Zhao pointed out that China would provide favourable market conditions for co-operation in advanced technology. He also hoped Dutch investors would show their competitiveness.

Bolkestein said that the Dutch Government also set great store by co-operation with China. He hoped that the scope in economic and technical co-operation would expand.

Viet Nam

No Basis for Anti-China Charges

by XINHUA COMMENTATOR

IN the past month or more, the Vietnamese authorities, as well as engaging in military actions in Kampuchea and along the Kampuchean-Thai border, have stepped up their military provocations along the Sino-Vietnamese border. Not unexpectedly, these provocations have been accompanied by fabrications that China had "invaded Viet Nam" and committed "very serious acts of war escalation" along the Sino-Vietnamese border.

The international community, as usual, was not interested in Hanoi's run-of-the-mill propaganda, but Moscow was an exception. In April alone, the Soviet press published more than 20 articles and stories on the Indochina problem that supported Viet Nam and attacked China.

The Vietnamese authorities have reasons for creating tension along the Sino-Vietnamese border. Condemned by world opinion for their dry-season offensives in Kampuchea and military incursions into Thailand, they have frequently provoked incidents along the Sino-Vietnamese border to divert attention from their aggression elsewhere. Also, Viet Nam relies on support from its Soviet ally for any major military operations in the Kampuchean-Thai border areas, and tensions along the Sino-Vietnamese border could put it in a better position to solicit more aid — or, at least, rope in the Soviet Union a little tighter. And last but not least, a Hanoi bogged down in the morass of domestic

difficulties is forced to create an artificial crisis to mobilize more manpower and material resources to bolster its war in Kampuchea.

In the words of one foreign correspondent, the Vietnamese authorities are "whipping up a feeling of crisis to shape world public opinion and to control the domestic situation" and "their current provocations against China are meeting Viet Nam's needs."

To conceal their true motives from the world, the Vietnamese authorities have had to invent these stories about a "Chinese invasion." They have even tried to elicit pity by asking "how could a country with a population of 60 million have decided to unleash a military clash with a state of one billion people?"

In addition, they managed to get other countries to speak for them, one of whom said: "Viet Nam would not be so foolish as to wage a two-front war by launching attacks along the Sino-Vietnamese border while starting offensives in the Kampuchean-Thai border areas."

These remarks, it goes without saying, were intended to mislead the world into believing that the Vietnamese authorities are "innocent victims." But in fact these arguments were not convincing either. Not to mention that throughout history smaller countries have attacked larger ones, the world knows from experience that China, being a country deeply engrossed in the four modernizations, needs and seeks a peaceful international environ-

ment. It knows, and points out, that China does not want to involve itself in a military adventure that might hinder the realization of its modernization plan. Even the Vietnamese authorities have said that China could not realize its four modernizations if it wanted to fight them.

There would have been tranquility along the Sino-Vietnamese border had it not been for the Vietnamese provocations. But the Vietnamese side has repeatedly created such incidents in the border areas to achieve its overall objectives. True enough, Viet Nam is not able to invade China on a large scale now that it is swamped in the war in Kampuchea. However, in the eyes of the Vietnamese authorities, to create limited tension by infiltrating and carrying out military provocations in the border areas can be profitable and harmless.

After the Chinese frontier guards withdrew voluntarily from their counter-attacks in self-defence along the Sino-Vietnamese border in February 1979, the Vietnamese authorities immediately moved large numbers of troops to the foremost frontier, and even occupied hills on the Chinese side and built fortifications at commanding points. Since then, Vietnamese troops have taken advantage of their favourable positions in height to shell Chinese border residents.

In addition, the situation on the two sides of the Sino-Vietnamese border is quite different. In the late 1970s, Hanoi cleared its border area of residents and turned it into a depopulated zone controlled by the army. Many of these former residents fled to China. In comparison, the Chinese side is

relatively heavily populated with people working and living normal lives.

The Vietnamese authorities have tried to exploit this situation, believing that any military provocations they create along the border will harm the Chinese. In the Laoshan and Zheyingshan areas, for example, Vietnamese raiders have killed and wounded many local Chinese residents, destroyed houses and disrupted farming. Local residents suffering from these Vietnamese provocations have strongly urged the Chinese frontier guards to retaliate

and defend their property and well-being.

China is not willing to fight; nor does it wish to have a tense situation on the Sino-Vietnamese border. But it will not allow anyone to carry out harassment and sabotage at will. Moreover, its frontier forces can defeat and wipe out Vietnamese intruders to the last man, even in the most difficult terrain. The recent Chinese counter-attack was just and well executed. The lies of the Vietnamese authorities, together with their armed provocations, will prove bankrupt in the end.

interests and immediately stop their attacks on shipping and take initiatives towards a peaceful solution before it is too late.

The current crisis has aroused the greatest anxiety in the West, which depends heavily on oil imports from the Gulf. It is reported that 20 per cent of the West's oil needs are met by Gulf producers, and Japan imports 65 per cent of its oil from the region. The United States, Great Britain and France are stepping up diplomatic activities to prevent the situation from worsening, as well as planning military intervention if necessary.

The United States has repeatedly stated that it has an obligation to defend Western interests in the Gulf and is willing to provide air protection for oil tankers plying those waters. The Soviet Union, which has condemned the United States for its intervention in Gulf matters, has sent naval forces to the region. This rivalry has made the situation even more explosive.

The Chinese people firmly oppose any military intervention in the Gulf by other countries, especially the superpowers, under the pretext of safeguarding sea traffic. In the currently tense world, armed action by one superpower is bound to lead to intervention by the other, creating an unpredictable and volatile situation.

The Gulf

Tension Rises After Tanker Attacks

by **REN YAN**

THE sinking of the Yugoslavian oil tanker *Fidelity* on May 19, the sixth tanker to have been attacked in the Gulf in a week, not only forebodes the escalation of the Iran-Iraq war but may also lead to the warfare spreading into neighbouring countries and to military involvement by the big powers.

The missile strike against the *Fidelity* followed air attacks on two Kuwaiti and three Saudi tankers, all of which have drawn a strong reaction in the Gulf countries. On May 17, an emergency meeting of the Gulf Co-operation Council foreign ministers was called in Riyadh to discuss the attacks. On May 19 the Arab Ministerial Council met hurriedly to review the situation and study joint action that could be adopted to deal with the crisis. Two days later, representatives of the six Gulf countries jointly sent a letter to the UN Security Council requesting an emergency meeting to discuss the intensified Gulf situation.

At the same time, Saudi Arabia and Kuwait strengthened their air defences to deal with any sudden attacks and to defend their oil-fields and installations.

Behind the rapid deterioration of the Gulf situation is the escalation of the 44-month-old Iran-Iraq war, in which neither side is gaining. Any further spreading of the war poses a grave threat to peace in the Middle East and the world.

It is widely hoped that Iran and Iraq will consider other countries'

Moscow-Washington

Military Rivalry Intensifies in Europe

by **WANG CHONGJIE**

THE Soviet Union and the United States, in contending for military superiority in Europe, have since last winter stepped up the manufacture and deployment of various new types of weapons,

particularly nuclear weapons, in Europe.

Following the disruption of the Geneva talks on medium-range missiles last November, US Pershing-II and cruise missiles have been shipped to Western Europe and some have already

been installed in the Federal Republic of Germany, England and Italy.

Washington has stood pat in carrying out the NATO plan for deploying medium-range missiles in Western Europe to counter the large number of Soviet SS-20 missiles deployed on the continent since the mid-1970s.

In an interview with the TASS news agency on May 20, Soviet Defence Minister Dmitri Ustinov disclosed that as a counter-measure against these moves, the Soviet Union has since last November restored and stepped up the deployment of SS-20s in its own territory and a number of tactical missiles with a longer range in the German Democratic Republic (GDR) and Czechoslovakia. Recently, it also deployed a supplement of similar missiles in the GDR and increased the number of its missile-carrying submarines off the US coast.

Moscow has also declared further counter-measures against future increased US nuclear build-up in Europe.

Washington says that the large number of SS-20s deployed in Europe, by outweighing the West not only in conventional but also in nuclear arms, has posed a military threat to the West. The measures taken by NATO, it argues, aim purely at "restoring the balance of power" between the East and the West.

Moscow, on the other hand, views the latest US deployment as a step to gain military superiority, and it is resolved not to let the United States "upset the military equilibrium already established."

In his interview with TASS, Ustinov declared that the counter-measures recently taken by his government against the US deployment restore the nuclear equilibrium on a still higher level. But he had to admit that the increased numbers of nuclear warheads aim-

ed at each other's targets have substantially reduced the time needed for measures to be taken in the event of a nuclear attack or an unintentional nuclear situation. This has also undermined the trust between countries and augmented the possibilities of a nuclear clash.

The continuous escalation of the nuclear rivalry is clearly not conducive to maintaining peace but can only increase the possibilities of a nuclear conflict. Nevertheless, both Moscow and Washington cling to their stubborn positions regarding the resumption of the Geneva talks.

Washington, while claiming it is always ready to resume the talks, has made it clear that it believes the Soviet Union can be brought back to the negotiating table only if the United States continues to deploy medium-range missiles in Western Europe and increase its strategic weapons.

Moscow has announced that it, too, is not opposed to reopening the talks. But it has repeatedly

stressed that before the talks can be resumed the United States must stop deploying its nuclear missiles in Europe and completely remove its medium-range missiles already in place.

There is no proof that the two superpowers actually would reduce their enormous arsenals through negotiations. On the contrary, their arms race and military rivalry will become more and more acute.

The shadows of the Euromissiles have already stretched beyond Europe and are now hovering over other areas. Moscow has repeatedly declared that it would react to the deployment of MX missiles and any other new strategic nuclear systems by producing similar weapons and that it would also take counter-measures against the US plan for developing anti-missile weapons, anti-satellite systems and other types of "star wars" weapons.

All this poses an increasingly grave threat to peace in Europe and the world at large.

Latin America

US Rate Increase Aggravates Crisis

by WAN ZHONGMIN

THE US decision to raise its prime interest rate by half a percentage point has sparked sharp criticism from the debt-stricken Latin American countries, which threatened to fight back by taking united actions on financial matters.

American banks announced the half-point increase to 12.5 per cent on May 8, the third such rise in two months. The prime rate is now at its highest since October 1982. The announcement immediately came under fire from the Latin American countries, es-

pecially Brazil, Mexico, Argentina and Venezuela, four of the largest debtor nations in the world.

The Brazilian Foreign Ministry, in a statement, accused the United States of "pouring cold water" on Latin American nations and wasting a good part of Brazil's endeavours to adjust its national economy.

Mexican President Miguel de la Madrid complained that "our hard-earned dollars from export and tourism have all been drained" by the increase in the prime rate.

Argentine President Raul Alfonsín described the US decision as

"a neutron bomb" hurled at the developing countries.

Gonzalo Barrios, President of Venezuela's ruling Democratic Action Party, charged that the United States is trying to maintain its own prosperity at the expense of other countries. The public opinion in Venezuela also condemns the US move as one aimed at shifting its deficits on to Latin American countries and forcing them to accept austerity measures prescribed by the International Monetary Fund.

The increased rate, the result of the huge US federal deficits, has put an even heavier burden on Latin American countries, whose foreign debt now totals US\$350,000 million (about half of the total foreign debt of the developing countries). A half-point increase adds another US\$5,200 million to their debt, including more than

\$1,000 million each for Brazil and Mexico and \$600 million for Argentina for payment of increased interest.

In recent years, many Latin American countries, while adopting austerity policies, have also held talks with creditor nations to reschedule their debt payments to improve their trade and financial conditions. But they must now use a big chunk of their trade surpluses to pay the increased interest. This not only dims their prospects for an economic recovery; it also pushes them into a more difficult position in trying to negotiate a debt rescheduling.

In view of such a difficult situation, Argentina's Alfonsín has proposed a Latin American summit to discuss possible united actions against the high interest rate.

dreds of thousands of people and millions of livestock died of starvation. Following several years of preparation, the UN conference on desertification was convened in Nairobi in 1977 and a plan of action to combat desertification was adopted, including 28 recommendations.

The main task of the current UNEP session is to assess the progress made in the action plan (1978-84) and to decide on realistic and effective actions to be taken during the next 15 years.

The current session is convened at a time when Africa is suffering another drought, more serious and widespread than the previous one. About 150 million people in 34 drought-stricken African countries are facing severe food shortages, among them millions of starving people in the 24 most seriously hit countries. More than 3.2 million tons of emergency food relief are needed to avoid mass deaths. The United Nations has set up an African crisis office in Nairobi to deal with the situation.

The delegates at the session have found that the existing plan of action to combat desertification has failed to achieve sufficient progress in the past seven years. Drought accelerates the effects of desertification, and more importantly, they discovered that human factors — the overuse of marginal lands, overgrazing, deforestation and poor cultivation — have increasingly accelerated both drought and desertification.

As many delegates pointed out, the growth of deserts can be stopped and there are already successful examples of national projects in a number of countries, including China. The key lies in the political will of the various governments, particularly those of developed countries.

The UNEP session has proposed a North-South dialogue on the environment.

UN Conference

Steps Urged to Halt Desertification

by YE ZHIXIONG

THE United Nations Environment Programme (UNEP) has unanimously urged every country to take measures to prevent and control the growth of deserts, a worldwide threat affecting 90 nations and every continent except Antarctica.

The UNEP governing council, whose 12th session is under way in Nairobi, called the halt of desertification a pressing task, which should be undertaken "for the common benefit of mankind."

"Currently about 35 per cent of the world's land surface is at risk and the livelihoods of the 850 million people who live there are directly threatened," said UNEP Executive Director Mostafa Tolba. "Three-quarters of the 45 million square kilometres that make up

the world's drylands are already affected."

According to the latest UN survey, 3,100 million hectares of rangeland, 335 million hectares of rain-fed cropland and 40 million hectares of irrigated land, totalling 3,475 million hectares (or the area of North and South America combined) are now affected by desertification. Each year, some 6 million hectares of land are turned into deserts and some 21 million hectares more are reduced to a state of near or complete uselessness.

The United Nations estimates that the direct loss to agriculture from desertification has reached US\$26,000 million a year.

The seriousness of desertification drew world attention during the severe drought in the southern Sahara from 1968-73, when hun-

China's Open Policy Remains Consistent

— Sidelights of the Second Session of the Sixth National People's Congress

by **JIAN CHUAN**
Our Correspondent

LAST year when China began to oppose ideological contamination, some people abroad wondered whether China might withdraw its open policy. They thought China would close the door which it had just opened to the outside world.

But during his visit to the United States this past January, Premier Zhao Ziyang told US businessmen: "China has opened its door and will never close it again." And after Deng Xiaoping inspected the Shenzhen and Zhuhai Special Economic Zones at the end of January, he pointed out, "In building special economic zones and in implementing the open policy, we should be clear that our guideline is not to withdraw, but to open."

During the current session of the 6th NPC, the highest body of state power, Premier Zhao pointed out in his report on the work of the government that China must resolutely implement the policy of opening to the outside world. Many deputies cited ample facts to prove the correctness of this policy, which must be continued for a long time to come.

Guangdong Province was the first to implement special open policies. Liang Lingguang, governor and a NPC deputy from the province, said at a group meeting, "The experience of Guangdong showed that the open policy was correct. In the past few years we

have built three special economic zones — Shenzhen, Zhuhai and Shantou — and signed 32,630 contracts using foreign capital. The total value of foreign investment is US\$4.64 billion, and US\$1.15 billion is already being used. Seventy-five guesthouses and tourist centres have been built or renovated. We have also imported

Premier Zhao's reaffirmation of China's open policy was strongly supported by NPC deputies. Many of them cited facts to prove its advantages.

advanced technology and equipment, which has updated the technical standards of our province and promoted the development of production. Our total industrial and agricultural output in 1983 was 45.5 billion yuan, a 51.7 per cent increase over 1978."

Wei Fuhai, mayor of Dalian and a NPC deputy from Liaoning, said he was very happy about the open policy. Dalian is one of the 14 cities slated for special open status. Wei said, "Dalian has already benefited from the open policy. Since 1979, the city has imported 330 items of technology and 7,384 sets of equipment using foreign capital. Most of these have yielded good results. Both sides were satisfied



Wei Fuhai.

and received some benefit. This shows that the open policy is essential."

As an important coastal industrial city, Dalian has many opportunities to use foreign capital and import advanced technology. Its ice-free port can handle 30 million tons of cargo a year. It also has a solid industrial foundation and a strong scientific and technological force. The open policy will attract more people from foreign financial and business circles and from Hongkong to make big investments. The mayor said representatives or letters had been sent to Dalian by 30 companies and banks from Japan, the United States, the Federal Republic of Germany, France and Hongkong, discussing matters relating to the establishment of the Dalian economic zone and various forms of economic and technical co-operation.

The city is preparing to open further to the outside world. Dalian Airport is being expanded. A runway for Boeing 747s is expect-

ed to be completed before the end of this year. The feasibility study for building a new port at Dayao Bay is under way. Construction of the projects to improve telecommunications facilities and the long-distance phone service is being stepped up, and the energy and electricity supply project has just started its construction.

Solid Legal Basis

Is it safe to invest in China? Are there any guarantees? In 1979 when China first announced its open policy, quite a few foreign investors were doubtful. And their doubts were not unfounded. Because China had been closed for so many years, it had opened its door without any economic laws pertaining to foreign investment

Yang Jingyu, deputy secretary-general of the Commission for Legal Affairs of the NPC Standing Committee told me that since 1979 the NPC and its Standing Committee has adopted 34 laws and related resolutions (excluding the Constitution), and 16 decisions to revise and amend existing laws. Six are major economic laws relating to foreign affairs — The Law on Joint Ventures Using Chinese and Foreign Investment, The Income Tax Law Concerning Joint Ventures Using Chinese and Foreign Investment, The Income Tax Law Concerning Foreign Enterprises, The Individual Income Tax Law, The Patent Law and The Trade Marks Law.

In addition, the State Council has drawn up a number of related administrative rules and regulations to ensure the correct implementation of these laws. The 1982 new Constitution stipulates, "The People's Republic of China permits foreign enterprises, other foreign economic organizations and individual foreigners to invest in China and to enter into various forms of economic co-operation

with Chinese enterprises. . . . Their lawful rights and interests are protected by the law of the People's Republic of China."

Yang went on to say that five principles were taken into consideration in enacting these six economic laws relating to foreign affairs and their detailed rules for implementation.

— Foreign enterprises, economic organizations and individuals are permitted to invest in China in various ways and are allowed to earn legal profits.

— Investors enjoy preferential treatment, including the reduction or exemption of income tax. Their entry and exit procedures are simplified. Part of the home market has been opened to their products. The profits of foreign investors may be remitted abroad.

— Disputes will be settled according to international practice or contracts. Contracts are protected by law once they are signed.

Trademark and patent rights of foreign investors are protected. The investors may use capital, or industrial rights as their investment or they may invest in kind.

— Investors in special economic zones may enjoy more preferential treatment than in other areas.

Yang concluded, "The present laws and regulations concerning economic relations with foreign countries are not complete, but the days are gone when there was no legal basis at all. Generally speaking, we now have laws to go by. These laws and detailed rules will fully ensure the security of foreign investors, and both the Chinese and their foreign partners will benefit economically."

Mutual Benefit

It is clear that operating joint ventures and co-operative business-

es will help China absorb foreign capital and import advanced technology and management expertise. But will the investors benefit as well?

During the NPC session, I interviewed several deputies from Hongkong and Macao who had invested on the mainland.

Chuang Shih-ping, a 72-year-old deputy to the NPC and chairman of the board of directors of the Hongkong Nanyang Commercial Bank, was one of the first bankers to invest in and grant loans for construction on the mainland. His financial involvement comes to 600 or 700 million HK dollars, for communications, tourism, electronics and textile projects, and various home and property deals.



Chuang Shih-ping.

In an interview Chuang said, "In the last few years the NPC has endorsed some important laws and regulations concerning economic relations with foreign countries. These laws and regulations safeguard the interests of investors. If the enterprises we invested in are operated well, we can recoup our investments. The loan worth several million HK dollars I granted to the Guangzhou Automobile Company to buy taxis, and a loan for rebuilding and re-equipping the hotels in Kunming and Hainan Island have already been paid back with interest. The investment I

made to build office buildings, holiday resorts and hotels in the Shenzhen Special Economic Zone has almost been recouped as well. Certainly, we have met with some troubles in our co-operation, such as bureaucratism, delays and petty disputes. These bad work habits have sometimes made investors hesitate. But now China is working hard to reform these unreasonable practices and oppose bureaucratism, and foreign investors will gain confidence."

Chuang was very glad to hear Premier Zhao reiterate the government's open policy in his work report. "I think by doing so, China will attract more and more interested people to invest in construction on the mainland. And my bank wishes to invest further. Not long ago we signed a contract with Guilin to jointly build a tourist centre. The bank has also invested in building the Huanglong Hotel in Hangzhou. The 500 to 700-bed hotel will cost US\$50 million, and is scheduled to begin construction later this year. We also have an eye on other projects."

Ma Man Kee, a 64-year-old deputy to the NPC and a Standing Committee Member of the Sixth



Ma Man Kee.

National Committee of the Chinese People's Political Consultative Conference, is president of the Chinese General Chamber of Commerce in Macao. In the first years after nationwide liberation in 1949, Ma was vice-chairman of the boards of directors of two investment corporations in Guangdong Province, and organized industrialists and business people in Hongkong and Macao to invest in sugar refineries and gunny-sack factories on the mainland. But his investment activities were suspended during the "cultural revolution." After

China began opening to the outside world in 1979, Ma and his friends invested in construction of the Zhongshan Hot Spring Hotel, a first-class hotel in Zhongshan city, Guangdong Province, with 400 standard apartments, 10 garden villas, a golf course and other large recreational facilities. The hotel opened for business at the end of 1980. The number of guests has gone up year after year, and the hotel earned 33 million yuan last year, second only to the Dongfang Hotel in Guangdong and the Beijing Hotel in the capital.

Ma's successful investments have given him full confidence in China. An 18-storey hotel with a revolving restaurant on the top, built jointly by Ma and Foshan city will open for business next month. Now Ma is negotiating a loan worth 100 million yuan to jointly build a large synthetic fibre factory.

He told me that the economic laws and regulations in China conform not only to the interests of the state but also the interests of investors. He said the number of joint ventures using Chinese and foreign investment will increase, and so will the number of investors. □

An Important Channel for Democracy

More than 1,000 motions have been put forward during the current session, many more than those raised in the last session.

by **WU NAITAO**
Our Correspondent

HUANG Dingchen, the 83-year-old Chairman of the China Zhi Gong Dang, told me at the meeting of the Second Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC). "I've been a member of the

CPPCC from its First National Committee till today. Over the last 35 years, there have been more and more representatives in the CPPCC. There were only 198 members in its First National Committee, with no one from Taiwan and just a few minority people. The Sixth National Committee has more than 2,000 members, 60 per cent of whom are representatives

from the various democratic parties or people with no party affiliation. They have played a big role in the organization."

The China Zhi Gong Dang is a democratic party composed mainly of returned overseas Chinese and their family members.

Of the 41 new members added at the current session, 75 per cent

belong to democratic parties or have no party affiliation, and 24 per cent are members of the Communist Party. Many of the new members are specialists, scholars, scientists and cultural workers who have made outstanding contributions to the modernization drive. They include factory director Bu Xinsheng, known for his innovation in business management, woman scientist Xiu Ruijuan, who has made important discoveries in microcirculation, and Li Dawei, a Taiwan pilot who flew to the mainland.

The Chinese People's Political Consultative Conference was founded on September 21, 1949. As the conditions for convening a National People's Congress (NPC) were not ripe at that time, the CPPCC exercised the functions and powers of the NPC, the highest organ of state power, and enacted the Common Programme of the Chinese People's Political Consultative Conference, which functioned as the provisional Constitution of New China. It elected the Central People's Government and proclaimed the founding of the People's Republic of China. When the First Session of the First National People's Congress was convened in 1954, the CPPCC turned itself into a patriotic united front organization practising socialist democracy through political consultation.

It comprises representatives from the Chinese Communist Party, the various democratic parties, and people with no party affiliation from all walks of life. Generally, the CPPCC calls its annual session at the same time as the NPC annual session, so that its members may voice their opinions on state policy decisions.

Sincere Co-operation

The unification of the motherland is much talked about at the current session. An Diwei, Vice-President of the Guizhou Provin-

cial Association of Science and Technology, said at a panel discussion, "We should not only have a sense of responsibility, but a sense of urgency on the problem of the return of Taiwan to the motherland. The older generation in Taiwan wants reunion, just as a falling leaf would reunite with the roots of the tree, but the younger generation lacks understanding of the mainland. We should do more work in this respect through various channels, that is, through the extensive social links of each CPPCC member."

Many members, including some high-ranking ex-officials of the Kuomintang and people of no party affiliation, said they hoped for another round of co-operation between the Kuomintang and the Communist Party to realize the reunification of the motherland and invigorate China. They spoke of their personal experiences in co-operating with the Communist Party, and are satisfied with the Party's sincerity and spirit of treating each other with all honesty and sharing prosperity and adversity.

He Huanfen, Deputy Mayor of

Wuhan and a veteran civil engineer, said, "When I first became the deputy mayor last July, I was afraid city leaders would not co-operate with me because I might not be trusted. In the meantime, I was also afraid of neglecting my civil engineering work. But I found later that I was fully trusted by the city Party leaders, even though I am not a Party member. I have full powers over my work and get things done with full confidence."

Shen Zui, one of the heads of the Kuomintang secret service before liberation, became a CPPCC member after released from prison in a general amnesty. He said, "CPPCC Deputy Secretary-General Yang Zhengmin, who is a Communist Party member, is the son of General Yang Hucheng. (Yang Hucheng was a patriotic general of the Kuomintang. In 1936, he and another patriotic general, Zhang Xuiliang, forced Chiang Kai-shek to agree to fight the Japanese invaders. Yang was killed in 1949.—Ed.) I killed his father, but he has abandoned all previous bad feeling towards me, and has never said a harsh word to me. In 1980, I asked for permission to go to Hongkong to visit my relatives.

Chairman Deng Yingchao talking to members from Hongkong and Macao.



When I received my pass, I cried. I have killed so many Communist Party members and patriotic people, yet the Communist Party has so much trust in me."

While discussing Deng Yingchao's opening address to the CPPCC session and Zhao Ziyang's report to the NPC on government work, CPPCC members voiced many opinions. Some raised rather sharp criticisms of the shortcomings in work.

On making use of foreign funds and the introduction of advanced technology, Wu Zhichao, standing member of the board of directors of the China International Trust and Investment Corporation, said that China must pay attention to proceeding from the actual situation, and set its sights on technologically transforming the existing enterprises, so as to develop its own independent industrial system.

Hongkong entrepreneurs Cai Zhangge and Luo Guixiang said, China has many talented people, yet their talents have not been fully utilized in production. The main

cause is that China lacks modern scientific management techniques. So, apart from the four modernizations of industry, agriculture, science and technology and national defence, we should strive for a fifth — the modernization of management.

The united front was not only a "magic weapon" during the war years, but is also a powerful weapon for the new period of economic construction.

On implementing the policy on intellectuals, Yao Xueyin, who is Chairman of the Hubei Provincial Federation of Literary and Art Circles, said, "The newspapers have printed a lot of articles on promoting capable people, yet

many of them have still not been properly used or put in appropriate positions. In some localities people repeat the phrase, 'Age is the gold medal, formal schooling is the silver medal, ability is the bronze medal, yet relationships to big shots are the trump card.' Obviously, appointing people by favouritism is the practice there, instead of appointing people on their merits."

Gu Bohua, head of the surgical department of Shanghai's Longhua Hospital, said, "In implementing the policy on intellectuals, it is important always to consider where he or she is most capable. As a veteran in surgery of traditional Chinese medicine, I know that it takes time to train a skilled person in traditional Chinese medicine. I have two students who have worked in the clinic for 21 years after graduating from a six-year course in a college for traditional Chinese medicine. They are quite promising professionally. Yet recently one was promoted to deputy director of Longhua Hospital, and the other was promoted to deputy secretary of the Party committee of the College for Traditional Chinese Medicine and concurrently the college's vice-president. They are busy the whole day with administrative work. I am old and in poor health. These two students were my 'arms' in my work. Now, without these two 'arms,' my personal ability falls short of my wishes. The Party and administration needs successors, but professionals need successors too!"

On educational reform, Beijing University Professor Guo Linge said work in this field had been going too slowly. The reason is that the leadership is too timid. In his opinion, effective reform requires constant efforts and bold innovations.

The CPPCC China Democratic League group discusses Premier Zhao Ziyang's NPC report.



Motions Which Receive Attention

Members of the CPPCC favour turning the motion groups which were set up during every session into standing work committees. They think this will help the CPPCC display its role as democratic supervisors and consultants. More than 1,000 motions have been put forward during the current session, many more than those raised in the last session.

People working in the CPPCC secretariat said there are two main reasons why the members are so enthusiastic in raising motions. First, a strong democratic atmosphere reigns the current session. And second, the 1,085 motions put forward during the last session were taken seriously. More than 85 per cent were handled with care, and 53 per cent of which were adopted.

At the last session in June 1983, Hu Ziang, Zhao Puchu and Huang Dingchen put forward a motion to form a centre for the health of the handicapped. It was quickly adopted, and the China Welfare Fund for the Handicapped was formed in March this year. The Fund has so far received 26 million yuan from the state and donations from people all over the country. It is planning to set up the proposed centre for the health of handicapped in Beijing.

Ni Songmao, a member with no party affiliation, is one of the Vice-Chairmen of the Fujian Provincial Committee of the CPPCC. Together with 16 other members, he raised a motion during the last session to build a deep-water harbour in the Meizhou Bay off Fujian. The proposal received the attention of the State Planning Commission, and has now been listed as one of the key capital construction projects in the Sixth Five-Year Plan. Ni said the Meizhou Bay is wide and is never clogged with ice or silt. There are a number of islets



New member Bu Xinsheng (left), director of the Haiyan Shirt Factory, talks to Professor Zhu Xinyu.

at its mouth, forming a natural barrier. Two hundred thousand ships can berth there, and 10-15 kilometres of the bay's coast can be built into docks for 10,000-ton ships.

Ni went on to explain. "Before the founding of the People's Republic, building a deep-water harbour in the Meizhou Bay was out of the question, because China's economy was not sufficiently developed. During the 10 chaotic years of the 'cultural revolution,' nothing could be done either. But now the country's economy has been developing steadily, people are beginning to look into the bay's potential. But Fujian Province's resources are limited. The harbour must be undertaken by the state, under a unified plan."

At the current session, Ni raised other motions on improving the united front work.

Another CPPCC member, Liu Yin, said that the united front was not only one of the three "magic weapons" during the years of revolutionary wars (the other two were the mass line and criticism and self-criticism), but is also a

powerful weapon for the new period of economic construction.

Working With Might and Main

The CPPCC organized its specialists and scholars into 15 work groups to discuss or investigate the state's political activities, economic construction, the united front and other important issues of concern to the masses. Since last September, these members have made suggestions to the CPC Central Committee and to departments under the State Council on how to improve work in these fields.

The group studying economic construction is comparatively large. The group leader, Sun Yueqi, is a specialist in exploiting resources. He is 91 years old, one of the oldest members. After on-the-spot investigation, he suggested building an economic zone in the western part of Inner Mongolia, centred around the Baotou Iron and Steel Company, and a gas plant near the coal mine in Weixian County, Hebei Province, so that Beijing can have more gas

supplies. His suggestions have been adopted.

I met this hard-working old man at the session. He was just back from Chongqing in Sichuan. There he and eight other members investigated the reform of the economic system. When I showed my admiration for his enthusiasm, he said it is only the duty of a CPPCC member. "The work group is an important channel for airing views. Government ministers often came to make reports or brief us on the situation. Important Party and government documents were also sent here. With our knowledge gained from on-the-spot investigation, we are able to make suggestions to contribute to the construction of the motherland," he told me.

In his speech to the session, Sun talked of their trip to Chongqing and suggested having a navigation competition on the Changjiang (Yangtze) River. At present, the navigation work is managed mainly by the Changjiang Navigation Bureau. Not only is the work inefficient, but the river's potential cannot be tapped.

Zheng Xiaoxie, a CPPCC member with no party affiliation, also belongs to the economic construction group. He called for the protection of the place where the first congress of the Kuomintang was convened in Guangzhou, and the objects associated with it. It is also the site of the first co-operation between the Kuomintang and the Communist Party. Zheng finds it of particular significance today, amidst talk of reunifying the motherland.

Many members who are in their 70s or 80s also take part in these work groups. They feel glad for having a chance to contribute their share to the construction of the country. They said that the last few years have been their golden age in serving their country. □

Setting Up Organizations of State Power at Basic Level

by ZHANG YOUYU

IT is of vital concern in the consolidation of our people's democratic dictatorship and the accomplishment of our socialist modernization to separate government administration from commune management and establish organizations of state power at the township level.

By the end of last year, 22,897 townships had been set up throughout China, of which 233 are minority nationality townships. The work to set up organizations of state power at the township level is expected to be completed by the end of 1984 all over China.

The new Constitution of the People's Republic of China changes the system of the rural people's commune, and establishes organizations of state power at the township level. This is absolutely necessary and correct. Ours is a socialist state under the people's democratic dictatorship, led by the working class and based on the alliance of workers and peasants. The basic task of the nation in the years to come is to concentrate its efforts on socialist modernization. To fulfil this task, it is necessary to improve and consolidate organizations of state power at all levels under the people's democratic dictatorship.

These basic-level organizations are the basis of the state's political power. They must put into effect the principles, policies, laws and

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directives of the state. It is especially necessary for them to solve local problems which concern the vital interests of the people. This being the case, strengthening the development of basic-level organizations of state power is vital to the improvement and consolidation of the state power under the people's democratic dictatorship, and is a guarantee for the realization of socialist modernization.

The township used to be the basic-level organization of state power in the rural areas, as stipulated in the Constitution adopted in 1954. In 1958, people's communes, which combine government administration and economic management, were founded. Consequently, the township Party committees were replaced by commune Party committees, and the township people's councils by commune managerial committees. It was then generally believed that the people's commune would be the best organizational form for building socialism and gradually moving to communism, and would develop into a basic unit of the future communist society. Many people also predicted that communism would be realized in China in the not too distant future.

In China's later Constitutions, which were adopted in 1975 and 1978, the organization of state power at the township level was replaced by the people's commune, which was affirmed as the basic-level unit of political power in the rural areas. The 1978 Constitution also clearly stipulated, "People's congresses and revolutionary committees of the people's communes

are organizations of political power at the grass-roots level, and are also leading units of the collective economy." By integrating government administration with economic management, this was meant to allow economic organizations to exercise the functions and powers of the state power organizations, thereby gradually abolishing political power bodies. This would qualitatively change the functions of the state, which would lead to the gradual withering away of the state itself.

But facts have proven that this was a product of ultra-Left thinking which had deviated from the realities of China. It is true that in Marxist theory, the state is relegated to the historical category. In the future, there will certainly be a time when the state exists only to guard against foreign invasions, and will no longer function as an organization of political power at home.

The state will wither away eventually. Its function of governing the people will give way to that of allocating materials, and the current society, which is governed by political power, will give way to the communist society without political power. But this is something which will only happen in the future. Currently, there are neither the conditions nor the possibility for this change.

Combining government administration and economic management has played a certain role in improving rural collective economic organizations, strengthening grass-roots political power in the rural areas and developing the socialist economy. But, on the whole, the negative aspects of the system outweigh its positive aspects.

Because the leading cadres in a commune had to devote themselves to economic work and busy themselves with production, as

they were leaders of the leading bodies of the collective economy, they inevitably slackened their efforts in the construction of political power. That being the case, a lot of work was neglected or done badly. The principles and policies of the central authorities could not be carried out completely and correctly, and problems concerning the vital interests of the people in each locality could not be appropriately solved.

But because the leading cadres were also the leaders of the organizations of political power, they

The system of integrating government administration with economic management was a product of ultra-Left thinking which had deviated from the realities of China. Although the system has played a certain role in developing the rural economy, on the whole, its negative aspects outweigh its positive aspects.

were inclined to use administrative means to manage the economy. As a result, the peasants had few or no rights at all of democratic management, and could not carry out economic activities on their own. This eventually dampened the peasants' enthusiasm for production and held back its development.

To change this situation, we must separate government administration from economic management. Once this work is completed, the forms and titles of economic organizations may vary. If the masses still prefer to use the name people's commune, the commune may remain, but only as a

collective economic organization. Its previous functions as a grass-roots political unit will be taken over by the organizations of state power at the township level. Only in this way can the Constitution and laws of China be effectively safeguarded, the principles and policies of our Party and state be implemented, and the political, judicial, cultural, educational and other administrative work be conducted well. At present, it is particularly important to improve social security and protect the people's rights.

But, to separate government administration from economic work does not mean that the township organizations of state power need not to attend to economic work. Today, economic construction is the focus of work of our Party and state. There are no exceptions for any organization at any level. The Organizational Law of Local People's Congresses and Local People's Governments at Different Levels stipulates that the township people's congresses decide on plans for economic construction in their respective administrative areas, in line with the state plan. Also, the township people's governments manage the economic work in their respective administrative areas. But they will not directly control the production, management and other concrete matters of collective economic organizations, as the people's communes did before government administration was separated from economic management.

The organizations of state power at the township level should also protect the legitimate rights and interests of the collective economy, and encourage, guide and help its development. Meanwhile, they must supervise the collective economy, to ensure that it accepts the guidance of the state plan and abides by the relevant laws. □

China's Thriving Light Industry

China's consumption rate, which used to be quite low, is now increasing all the time. Its light industry is working hard to produce varied, high-quality consumer goods to meet the growing demand. In order to do this, China must step up imports of advanced technology, speed up the technical transformation of existing factories and improve the quality of these enterprises.

For More & Better Consumer Goods

— An interview with Yang Bo, Minister-of Light Industry

Question: In recent years, the supply of consumer goods has increased dramatically. What are the changes in the consumption patterns of the Chinese people, and how is the production of consumer goods progressing?

Answer: Since the Third Plenary Session of the 11th Party Central Committee in 1978, with the growth of the national economy and the increase in the people's incomes, China's markets have been

thriving. Previously, people would rush to purchase any consumer item. But now they can make careful choices of their goods.

People are especially particular about nutritious food, fashionable clothing and high-grade consumer goods, and they like to live in spacious rooms. The demand for basic necessities has been more or less met. Production of new types of products, such as household electrical appliances, goods for

tourists and materials for audio-visual education, is being stepped up. And buyers and producers are paying much closer attention to the quality of consumer goods.

Clearly, what were once low-level consumers in China have become high-level, quality-conscious buyers. The emphasis in the production of consumer goods is also moving from quantity to quality and diversification. This is no doubt an inevitable process in China.

All these changes have been achieved by readjusting and restructuring the national economy and vigorously developing the production of consumer goods.

Because we overlooked the improvement of the people's livelihood and neglected the production of consumer goods for a long time in the past, the state is now giving priority to the growth of light industry, which receives special consideration in the supply of energy, raw and semi-finished materials, and in transportation, investments, loans and foreign exchange. This has enabled light industry to make great progress in capital construction and the production of consumer goods.

Between 1979 and 1985, the central authorities and local governments invested 10,300 million yuan in the capital construction of light industry, and 120 large and medium-sized projects were completed. At the same time, heavy industry provided more equipment and technology for the existing light industrial enterprises, and several hundred heavy industrial factories switched to the manufacture of light industrial

Customers inspect "Snowflake" refrigerators, produced by the Beijing Refrigerator Factory, which have become much sought after.



products. Combined with the collectively owned enterprises energetically developed in the past few years, the scale of light industry is expanding rapidly. By the end of last year there were more than 70,000 light industrial enterprises in the country, a 7.4 per cent increase over 1978; they employed 12 million workers and staff, a 17.1 per cent increase.

Last year, the output value of light industry came to 306,000 million yuan. Of this, the output value of departments under the Ministry of Light Industry was 119,000 million yuan. This is a 70 per cent increase over 1978. The proportion of the output value of light industry to heavy industry was 1 to 1.34 in 1978. It was close to 1 to 1 in 1983, thanks to the rapid development of light industry in recent years. We can now say that China's light and heavy industries have embarked on the road of proportionate and steady development.

Q: Which sectors of light industry have made the most rapid progress?

A: Durable consumer goods, foodstuffs, clothing and some new emerging sectors have progressed most rapidly. Of the durable consumer goods, the "three old pieces" (wrist watches, bicycles and sewing machines) have made great advances in the past five years. Apart from some brands which are always in great demand, production can now fully meet the needs of consumers. The "three new pieces" (refrigerators, washing machines and electric fans) have also developed rapidly.

Production of "Three Old and New Pieces"

	unit: 10,000	
year	1978	1983
Wrist watches	1,351	3,469
Bicycles	854	2,758
Sewing machines	486	1,087
Electric fans	112.5	1,046
Washing machines	0.05	366
Refrigerator	1.6	19

The foodstuffs industry has also grown, thanks to good crop harvests for several consecutive years. The output value of sugar, canned foods, wine, dairy products and monosodium glutamate (MSG) grew at an average annual rate of more than 10 per cent. The total output value of the foodstuffs industry reached 79,400 million yuan in 1983, behind only the machine-building and textile industries in China.

In the clothing industry, the production of synthetic, woollen and silk fabrics increased by a large margin. Sample surveys show that in 1983 urban workers bought 15 per cent more synthetic garments, 29 per cent more woollen clothes and 9.8 per cent more silk items over the previous year.

Because new materials and techniques are constantly being developed, new branches of light industry are springing up vigorously. In plastics for example, output has risen 64.5 per cent in the past five years. Plastic sheets have been widely introduced in growing vegetables, cotton, wheat and other crops. In 1983 plastic film covered 7,000 hectares of vegetable fields in China.

Q: How is the production of consumer goods developing?

A: Judging from the consumer market, the long years of short supply have given way to brisk buying and selling. What was once a seller's market has turned into a buyer's market.

According to a survey by the commercial departments, about one-fifth of China's 406 light industrial products are in short or intermittent supply, while four-fifths are basically almost always available or even exceed demands. Previously, the production of light industrial products only met the people's demand for large quantities. But now, as more and more people can afford to be careful consumers, we should pay attention not only to output, but also to improving the quality and variety of the products for sale. This, in turn, will improve our economic returns. This is a necessary trend for the growth of light industry in the days to come.

Since 1979, some 1,000 new light industrial products, with about 10,000 new varieties and specifications, have been put on the market every year. The quality of most products is improving, and nearly 1,000 famous brands have sprung up. Some of the traditionally

Peasants in Hebei Province on a buying spree for synthetic fabrics.



famous-brand products have won national prizes, including *Maotai* liquor produced in Guizhou Province, Jingdezhen porcelain from Jiangxi Province, *Sailing Boat* brand carpets made in Tianjin, *Double Crane* brand computer paper from Shandong Province, *Temple of Heaven* brand shirts made in Beijing and *Conch* brand shirts from Shanghai.

At the 1983 national new products evaluation exhibition, the quality of 119 light industrial products (not including those made in textile and printing and dyeing mills) was judged to be up to advanced world levels. Some products have been awarded prizes at international appraisal meetings. The dry white wine produced in Shacheng in Hebei Province won a silver medal at the 14th international white wine appraisal meeting last year. A violin manufactured by Dai Hongxiang of the Beijing Violin Factory won a gold medal at the First International Violin Competition held in the Federal Republic of Germany last year.

But the growth of China's light industrial production is still unable to meet the increasing purchasing power and improved living standards of the people in the cities and countryside. We should vigorously promote the production of consumer goods beneficial to the enhancement of the material and cultural wealth of socialist society. While adapting to the changes in Chinese consumers and energetically developing new products, we should also offer firm guidance in the production of these products.

Q: What are the problems facing the growth of China's light industry?

A: There are three main problems. First, our work does not easily adapt to the demands of the changing circumstances. In recent years, China's market has changed considerably. We have reaped rich

crop harvests for several years running, and the rural market has put forward many new demands. We have not done enough to produce more high-quality, low-priced light industrial products for the peasants. We have also been lagging behind in the purchase and processing of farm produce and raw materials.

Second, the level of management in many enterprises is low, and their economic performance is poor. Between 1982 and 1983 the increase in profits was lower than the growth of output value. Prices for raw materials and fuel went up, but prices for some light industrial products went down. The result was that production costs increased while profits dropped.

Backward management and ignorance of technology among workers and staff members held many businesses back. They lacked an effective responsibility system, and suffered from an irrational internal structure.

Third, the outdated equipment and production techniques in most enterprises can't keep pace with the demands to improve quality and increase varieties and designs.

We should carry out a carefully planned consolidation and technical transformation of our existing enterprises, energetically import advanced technologies and boost the production of light industrial goods by relying on scientific advances.

Shashi — A City of Light Industry

Three decades of socialist construction, especially the reforms of the management system in recent years, have resulted in a rapid growth of light industry in Shashi, which has been an important trading port on the middle reaches of the Changjiang (Yangtze) River.

by **YANG XIAOBING**

Our Correspondent

SITUATED on the middle reaches of the Changjiang (Yangtze) River in Hubei Province, Shashi was once an important trading port where foreign imperialists plundered China's farm produce and commodities. The Jiangnan Plain was thick with cotton, which was taken to the textile mills owned by foreigners, while China's own industries made little progress in the region.

By 1949 when the People's Republic of China was founded, there were only eight small factories and a few workshops in Shashi, and the output value of its industry and handicrafts amounted

to only 13 million yuan a year.

But today, Shashi has a population of 240,000 and it has become a growing city producing light industrial products and textiles. The city now has 281 factories employing 100,000 workers. Its total annual output value is over 120 times what it was in 1949. The textiles, household electrical appliances, machinery and utensils for daily use, carpets and other consumer goods produced in Shashi are sold throughout China and abroad.

The rapid growth of light industry in Shashi is the result of three decades of socialist construction, and especially of reforms in the backward ways of management in recent years.

Considering the Needs of Consumers

Goods are produced to be consumed. But, this universally acknowledged principle was long overlooked in China.

There are three printing and dyeing mills in Shashi. Previously, these mills paid no attention to the quality of their products, blithely following the state plan year after year. The local commercial wholesale station was the sole agent handling their products, and these mills had no worries about selling their goods.

Things have changed in recent years. The state has begun giving priority to the development of light industry, and more consumer goods are being manufactured. The people have also become more demanding consumers. For instance, the Chinese people used to dress only in gray or blue. But now they want more styles, designs and colours. However, Shashi's printing and dyeing mills, unaware of the change, continued to produce the same old blue and gray. More than 20 million metres of outmoded cotton cloth were kept in stock, thus holding back the turnover of circulating funds.

Bad business compelled these mills to pay closer attention to changes in the market, readjust their production plans and switch to manufacturing more marketable products. By these methods, difficulties have gradually been overcome.

In March 1983, the three printing and dyeing mills jointly set up a sales department, and followed a policy of turning out products based on sales volume, and improved their planning and management. Diversified sales channels were opened up, including commercial departments with foreign interests, rural supply and marketing co-operatives, garment processing units and individual traders, in addition to the local commercial wholesale station. The sales department has gained a better understanding of the market. Also, in accordance with the principles of ensuring the output value and the profit quota assigned by the state, it has proposed plans for readjusting the varieties and designs of cloth produced and helped work out a unified production plan for the three printing and dyeing mills. The production plan is compulsory in nature, and if these printing and dyeing mills fail

to fulfil their assignments, they face economic punishments.

With production geared to sales, the mills took on a new look. Previously, one-fifth of their products were unsalable. But now their sales volume is 4 per cent higher than their output and the warehouses are finally emptying. The pure plain cotton prints and perfumed cloth for bed sheets produced by these mills fall short of demand, and last year they gained 15 per cent more profits than their planned target.

The reform means that the mills have shifted to an all-round management system, instead of paying attention to production only. While they carry on production according to plan, market regulation plays its due role. Thus the mills are able to maintain innovative growth and improvement.

"No. 1 Workshop"

Speaking of innovation, we must say something about the "No. 1 workshop."

Each of the light industrial and textile enterprises in Shashi has an organization specializing in designing new products. It is named "No. 1 workshop." It means that design takes precedence over other production procedures.

The "No. 1 workshop" of the Shashi Bed Sheets Corporation made a deep impression on this correspondent. The corporation has 3,500 workers and staff and produces 3 million bed sheets and decorative cloths for bedrooms a year. Its fine quality, uniquely styled bed sheets are famous at home and abroad, and sell well in Japan and some West European countries.

The "No. 1 workshop" of this corporation has 57 technicians responsible for designs, mixing colours and production techniques. Through investigation and study, they have a good grasp of con-

Shoppers in Chengdu buying TV sets.





An aerial view of the textile industrial zone of Shashi.

sumer trends and constantly weed through the old to bring forth the new. For instance, they found out last year that people are demanding new colours and designs for their bed sheets. They designed a kind of mercerized bed sheet in a jacquard weave, featuring large patterns. The sheets are bright and silky, and the patterns give an almost stereoscopic effect. At the sales exhibition held in Beijing last autumn, these sheets become the items in greatest demand.

The corporation has provided favourable conditions for the "No. 1 workshop." It subscribes to 50 different newspapers and magazines published in China and abroad. It has set aside the equivalent of US\$270,000 in special funds to import equipment, and it has given the designers one month off every year to go out and sketch from nature and cultivate new ideas.

The designers are enthusiastic about beautifying life, and have never missed a chance to learn from their surroundings. Some-

times they go out to sketch famous mountains and lakes for a whole day. And once when Wang Guoqing, a designer, saw a woman wearing a beautiful dress, he followed her to get a closer look at the design until she shouted, "What are you doing?"

The beauty of nature has given the designers an aesthetic framework. The tropical forests of Xishuangbanna in Yunnan Province, the peonies of Heze in Shandong Province, graceful sailing boats and the picturesque scenery in ancient Jinzhou have all become subjects for these sheet designers. They have created many distinctively Chinese products by boldly using the traditional techniques of ink and wash and batik printing.

The designers in the "No. 1 workshop" concern themselves not only with colour and form, but also with reasonable prices. Previously, their bed sheets were made of spun yarn. Last year, they successfully designed a kind of sheet using coarse yarn. Now customers

can buy their pretty sheets at just two-thirds of the original price.

At present there are 500 specifications and 1,000 varieties of bed sheets manufactured in Shashi, presenting a wide choice for customers.

The corporation has often received money and letters asking for bed sheets from customers in other parts of the country. Xiong Yuebo, a director of the corporation, took a train trip last year. When a traveller learnt that he was a director of the Shashi Bed Sheets Corporation, he immediately gave the director several dozen yuan and asked him to buy some bed sheets. Director Xiong told me, "Although our sheets are well received by our customers, we should never slacken our efforts to develop new products. Otherwise, we will be tossed aside one day."

Improving Management

Many light industrial enterprises in Shashi have grown out of small, simple, crude workshops in which they began. The most important

factor in their transformation and reorganization has been improved management, centred on raising the quality of their products. The growth of the refrigerator factory in Shashi is a good example.

Formerly, the factory produced lamps and kerosene stoves. It switched to refrigerators in 1974. Although this was a correct decision, its management was not good enough to make the most of it. Up to 1982, the factory produced only 2,500 refrigerators and lost 800,000 yuan, and each worker in the factory owed the state an average of 3,000 yuan. The workers could not receive their bonuses and wanted to be transferred to other factories. It was a very difficult situation. Early in 1983, engineer Fu Qingzhang was appointed director of the factory. He began to consolidate and reform the work system as soon as he arrived.

He found the management in chaos and the quality of the products very poor, and little attention was paid to the cost and quality of the products. About 50 per cent of the inner containers of the refrigerators were unusable, but nobody knew the reject rate because the factory kept no records.

Fu and his colleagues started by keeping records of materials, energy and work-hours consumed and implemented a system of economic accounting. Rewards and punishments were offered according to the production results of each worker.

The high reject rate showed that the factory lacked a proper inspection system, so the quality inspection group which used to be affiliated to the technical section became an independent section and the number of inspectors was increased from 4 to 19.

In July 1983, the factory produced 8,000 refrigerators, netting a profit of 110,000 yuan. It has received orders for 30,000 refrigerators so far this year, and it has imported advanced equipment to boost its production capacity. This is one sign of its growing prosperity. Another is that the workers and staff are no longer clamouring for transfers. Instead, the factory director showed me many applications to enter the factory, some being engineers and graduates from secondary specialized schools.

Intellectual Investment

The Shashi Textile Company,

which employs 40,000 people, is one of the strongest industries in the city. It has 30 factories, and its fixed assets account for 40 per cent of the city's total. But in 1979, it had only 337 technicians, or less than 1 per cent of all its employees. This was far from enough.

What was to be done? Over the past 30 years the state had assigned only seven or eight college graduates a year to the company. It seemed easier to train the technicians themselves.

The company has in the last few years invested 1.2 million yuan in setting up four institutes of higher learning and secondary technical schools, and sent its workers to study in TV university, spare-time university and specialized training courses in rotation. In this way it has trained 200 technicians. It is expected that by 1985 twice as many trained technicians will be working there as when they began the programme.

Already, the returns on their intellectual investment have become evident. For instance, none of the technicians in the No. 3 Knitwear Factory had received specialized education before. But now the company has its own "No. 1 workshop," developing new products and experimental workshop manned by the newly trained workers. Each year they design and test 30 new products, and 30 per cent of the company's products are updated and upgraded. In recent years, the factory has taken on an entirely new look, and its profits have gone up year by year.

Gu Guangfa, a maintenance worker in the cotton mill, was a clever youngster, but had only a middle school education. After he studied mechanics at the TV university, he broadened his theoretical knowledge, instituted some technical innovations and raised productivity at his mill. He is now a capable, valued technician. □

Visitors to the 1983 New Products Exhibition in Beijing were drawn to floral-pattern sheets produced in Shashi.



Advantage of Han Characters

from "JIEFANG RIBAO"
(Jiefang Daily)

HAN characters (now commonly used in China) conform to the demands of language as a tool in the present information era. This can be seen by the following:

A prominent feature of the written Han language is the high concentration of common words. There are about 6,300 characters commonly used in the modern Han language; of these, 560 are the most commonly used, 807 are commonly used, and 1,033 are less commonly used — 2,400 in all. Ninety-nine per cent of the characters used in books and periodicals for general readership are among these 2,400.

Much of the Han vocabulary

consists of compound words made up of two or more characters. So very often new words are composed from familiar characters. The 44,300 commonly used words are made up from 3,730 characters.

The written Han language has a specific writing method according to the order of strokes. From this specific method, Wang Yongmin invented the 26-key, 5-written-type code for the Han language in 1983. The code divides the radicals of the Han characters into five basic types, according to how they are written. In this way, 7,000 Han characters and more than 2,000 words can be classified and programmed into a computer according to their written types, by using the 26-letter Roman alphabet. An article with more than 900 characters can be typed within 10 minutes.

Peasant Invites Legal Consultant

from "NANFANG RIBAO"
(Nanfang Daily)

RECENTLY, Guo Liu of Gaoyao County, Guangdong Province, hired a lawyer to be his consultant for one year. Guo is a peasant engaged in a specialized line of production. His contract says that the lawyer will draft and negotiate economic contracts according to Guo's requirements, and will help him in legal activities such as mediation, arbitration and lawsuits.

Guo's 18-member family has nine able-bodied labourers. He and his four sons are experts in

digging up underground wood. In 1980, together with some friends and relatives, he opened a wood mill. The plant's annual business now comes to more than 200,000 yuan a year. Because Guo did not have much education, he lacks knowledge of China's economic laws. The contracts he signed with the clients were often not well drawn up. Last year he was involved in three contract disputes involving 54,000 yuan.

Therefore, in accordance with the stipulations on the Interim Regulations for Lawyers of the People's Republic of China, and in a spirit of safeguarding the legal interests of specialized households

in the rural areas, the Gaoyao County legal consultant department dispatched a lawyer to be Guo's legal consultant all the year round.

Oh, He Is the Deputy Mayor

from "RENMIN RIBAO"
(People's Daily)

FOLLOWING is a letter from Yang Heng, a reader from Qingdao.

"At the end of last year, I travelled from Qingdao to my sister's house at the Shengli Oil Refinery in Oilu, because I was going to have a baby. During my time there, my factory leadership asked me to hurry back because I had to take part in an exam for promotion. As my sister and brother-in-law were too busy to accompany me, I just went by myself.

"On January 16, I boarded a train to Qingdao. As Spring Festival was drawing near, the train was very crowded, because people working outside their hometown usually go home for a reunion during the festival. With the baby in one arm and my suitcase in my free hand I felt very tired, and there were no seats available. Then a man of about 40 beckoned me to him and gave me his seat. 'You have a baby with you; you'd better take the seat.' He also helped me move my suitcase and take care of the baby. Just when I was going to thank him, he disappeared into the crowd to help other travellers.

"After two or three hours on the train, the passengers began to thin out, and only then did he come back to sit by my side. He asked me in concern, 'Where do

you get off? Where do you work?
How are things in your factory?
Is the kindergarten run well?
How old is the baby?"

"When the train arrived at Qingdao at seven in the morning, he volunteered to carry my suitcase along the platform. I saw a car coming to receive him. He

gave me a lift. When the car arrived at the city people's government, somebody greeted him as 'Mayor Hu.' It was then that I realized he is the deputy mayor, Hu Yansen. Without a pause, he hurried to somewhere to attend to his work. As my home was on his way, he sent me home in his car."

Recruiting Workers From Urban Areas

from "GONGREN RIBAO"
(Workers' Daily)

THE Shizhuang Brigade on the outskirts of Shijiazhuang, capital of Hebei Province, is going to employ 60 job-waiting youth from the city in the near future for its 3,600-square-metre air-conditioned hotel.

Taking advantage of being situated near a city, the brigade has paid much attention to developing its industrial and sideline production. The brigade-owned Huaxing Industrial Company is now running 16 businesses, including a restaurant, a hotel, a grocery store, a butcher shop and a knitwear mill. All this has wrought a

fundamental change in the economic structure of the brigade. The brigade's total income last year was 1.65 million yuan, three times that of 1980. Its average per-capita income reached 856 yuan.

In the wake of the development of production, all the work forces in the brigade are now employed, and urban residents began to move to the rural areas when they saw the shortage of labour power there. Since 1982, 62 contract workers have been recruited from the urban areas.

The contract workers work eight hours a day and enjoy the same welfare benefits as the commune members.

An exam on calculating with an abacus will help the wealthy Shaoling Production Brigade in Qinhuangdao to recruit young people from urban areas.



'Snow Man' Study Makes Progress

from "KEXUE YU REN"
(Science and Man)

CHINA's "Snow Man" Study Society has made great progress in its work since it was established in August 1981 in the Shennongjia Nature Reserve in Hubei Province. It has expanded its study to a dozen other provinces and autonomous regions, according to an article written by the secretary-general of the society.

In the Shennongjia Nature Reserve the society has collected numerous reports from witnesses in the last few years. They have also copied some plastic impressions of foot prints, discussed and studied droppings left by the "snow man" and examined the places where the "snow man" sleeps and eats. Its members have also made a detailed investigation of the environment. But the achievement they are most excited about is that three of them actually saw a giant "snow man" with their own eyes.

The society has not confined its study to Hubei Province. Members have studied evidence in Sichuan, Shaanxi, Zhejiang, Henan, Yunnan, Guizhou, Hunan, Anhui, Guangxi and Tibet. They also found clues in Jiangxi and Fujian Provinces, and plan to conduct an investigation in Xinjiang.

A great many sightings of the "snow man" have been made by Tibetans in the Himalaya Mountain area, the largest virgin forest in China. Xiao Diyan, a member of the society and the Tibet Writers' Association, gathered much material from people of all walks of life in Tibet.

Prize-Winning Films in 1983

The 1983 film awards have drawn to a close. Winners of the Ministry of Culture prizes included 16 feature films, 12 popular science films, one operatic film, two dubbed films, two cartoons and seven newsreels.

Winners of China's two other film awards, the "Golden Rooster" — an academic award chosen by specialists — and the "Hundred Flowers" — an award determined by public opinion polls — have been announced.

Our Niu Baisui and *Under the Bridge*, by the Shanghai Film Studio, and *Behind the Defendant*, by the Changchun Film Studio, won first prizes for feature films.

A comedy full of wit and humour, *Our Niu Baisui* tells of how Niu Baisui, a production team leader, joins with five slow-starters when the production responsibility system is introduced in their vil-

lage. Through encouragement and hard work, he leads them to the path towards common wealth. The film has a strong rustic flavour which has intoxicated film buffs, rural and urban alike.

Under the Bridge concentrates on a self-employed household. The hero, Gao Zhihua, is a bike repairer who has fallen in love with a self-employed tailor. The heroine, Qin Nan, is kindhearted and courageous. She had been swept by the torrents of the 10-year domestic turmoil to the countryside, where she gave birth to an illegitimate child. Because of this, she was looked down on.

Gao challenges traditional ideas and eventually marries Qin, relieving her of her past burden and starting a new life together with her.

Centred on this love story, the film shows that contemporary

young people are not wasting their lives in thoughts of the past, but are making up their lost time by working hard, confident about the future.

A close-up of the controversy and problems in the current reforms, *Behind the Defendant* shows the distressing difficulties and intricate contradictions a machine factory director encounters. Li Jiangchuan has to cope with the complicated relationships around him, and is slowed down by petty matters. He is obliged to send gifts to curry favour with the suppliers of coal to his factory. The corruption and bureaucracy then in vogue fetters the director. The film sheds light on the complications and importance of the current reforms, making a detailed portrait of its hero.

The Burning of Yuanmingyuan and *Reign Behind the Curtain*, based on events in the late Qing Dynasty (1644-1911) and made jointly by the China Film Co-production Corporation and the Hongkong New Kwun Lun Film Production Company, Ltd., won special prizes.

In recent years, more and more feature films have been produced. From 1949 to 1965 China made 603 films, and from 1977 to 1983, 558 films. The annual film output increased from 21 in 1977 to 127 in 1983, topping the 120-film-a-year target set in the Sixth Five-Year Plan (1981-85). To date, China has shown its films in more than 70 countries and regions, and has carried away prizes at a number of international film festivals.

Three features characterized China's film industry in 1983.

The leading actor Liang Qiangong (left) and director Zhao Huanzhong of "Our Niu Baisui" accept their awards.



Taiwan Writer Commemorated

A *Selection of Lai He's Works* will be published soon by the China Broadcast Publishing House. Zhu Ziqi, the executive secretary of the Chinese Writers' Association (CWA) announced at a meeting commemorating the 90th anniversary of the birth of the Taiwan writer.

Lai He (1894-1942) was born in Zhanghua County, Taiwan. He came to the mainland and worked as a doctor from 1917 to 1919. After returning to Taiwan, he took part in the new cultural movement encouraging patriotism and resistance against the Japanese, and enjoyed high prestige in Taiwan's cultural circles.

In his 20-year writing career, Lai He published 14 short stories exposing the oppression of the Japanese invaders, encouraging people to fight against them and condemning injustice in society.

His style was incisive, yet he was free in the use of folk language, and tempered his serious subjects with touches of humour. Above all, his works left people feeling his deep concern for his country and his dignity as a Chinese.

Lai He fought to liberate the island from Japanese rule. He was also a founder of Taiwanese literature and a pioneer of vernacular writing in Taiwan. Full of national feeling, he closely linked the destiny and future of Taiwan with that of China as a whole.

Zhu said he hoped people on both sides of the Taiwan Straits would carry on Lai He's spirit of anti-imperialism, patriotism and identification with the people. They should unite to develop a national culture and make greater contributions to the prosperity of national literature, the reunification of the



Director Bai Chen (right) explaining the plot of "Under the Bridge" to the leading actor and actress, Zhang Tielin (left) and Gong Xue (centre).

First, 60 per cent centred on present-day life. They delved more deeply into the contradictions they exposed. They reflected the changes taking place in the new era from different angles, full of the spirit of the times and a rich sense of life.

A Story That Should Not Have Happened, *Our Niu Baisui*, *Country Couple* and *The Three-Kilo County Magistrate* brought to light the problems of rural economic reform. *Blood Boils*, *The Final Choice* and *Behind the Defendant* boldly disclosed the maladies of the existing economic system and the problems of the leading organizations. *Under the Bridge*, *Girls' Dormitory*, *Our Fields*, *Ward 16* and *Merry Bachelors* did not fall into the old, sentimental rut in describing the young but gave a well-rounded view of the nation's young people thinking about the past and the present, and confident about the future. *A Devoted Soldier* ventured off the beaten track in depicting China's modern army.

Secondly, people from different social strata and occupations and of different dispositions have all been portrayed. From the Communists bent on straightening out

the Party's work style in *A Story That Should Not Have Happened*, to the slow-starters in *Our Niu Baisui*, the five educated youth in *Ward 16*, and the host of college students in *Girls' Dormitory*, all kinds of Chinese people are shown. These characters have come from everyday life, and the audiences can see themselves on the screen. Even *Crossing the Chishui River* *Four Times* portrays the old generation of revolutionaries, including Mao Zedong, in a real and credible manner.

Finally, as a comprehensive art, the film industry has made headway in the past year. Emphasis has been laid on the comprehensive utilization of direction, shooting and sound effects. Speeches and songs about the theme have given way to details — psychology and backdrops — to strengthen the truthfulness of the images and environment. For example, the resounding echoes of the oil press in the valley and the rumbling of the trains blend with the destiny of the heroine in *Country Couple*, serving as a familiar artistic language.

In addition, critics point out that few of the 1983 film productions are marred by alienation from reality or by sloppy work.

country and rejuvenating the motherland.

Zhu told the meeting more than 50 collections of literature from Taiwan Province have been published in China in the last five years, and anthologies of some well-known Taiwan writers will also come out.

Xu Juemin, director of the Institute of Literature Research of the Chinese Academy of Social Sciences, said the new literature in Taiwan was part of China's modern literary movement, fostered when Taiwan was under Japanese rule, and influenced by the May 4th Movement of 1919. Lai He's great achievement was his contribution to the new literary movement of Taiwan.

Xu said Lai He's literary activities were characterized by his distinctive national dignity, his accurate representation of the people and the talent he showed in various writing styles. He said we should carry forward the cultural heritage of Lai He and other writers of the older generation, and introduce them to readers on the mainland. He welcomed Taiwan writers and literary scholars to co-operate with their colleagues on the mainland to make Chinese literature flourish.

Hu Feng, also a noted literary critic and adviser to the CWA, said that the establishment of a new literary movement in Taiwan and the emergence of so many writers with a strong sense of national dignity can be partly attributed to the life-long struggle of Lai He.

At the Beijing meeting, writers read Lai He's couplet commemorating Dr. Sun Yat-sen, a great revolutionary pioneer, and many of Lai's poems.

The meeting was jointly sponsored by the CWA, the Institute of Literature Research, the Taiwan Democratic Self-Government League, the All-China Federation of

Taiwan Compatriots and the Central People's Broadcasting Station.

Fossils Indicate Continental Edge

Fossils found in the eastern part of the Karakorum Range on China's border with Pakistan may settle a heated discussion between Chinese and foreign geologists over the exact location of an ancient supercontinent's northern edge.

According to the theory of plate tectonics, the southern supercontinent, known as Gondwanaland, broke up and drifted apart from 225 million to 65 million years ago to form what is today's South America, Africa, Antarctica, Australia and the Indian subcontinent.

The Indian subcontinental portion followed a northward movement and eventually locked into the Tibetan Plateau, cutting off the Tethys Seaway, a body of water stretching from Europe to Burma, of which the Mediterranean is a remnant.

What hadn't been settled was the exact location of the "sutural zone"—the point where the chunk of the old Gondwanaland became part of the new Asia.

This is where the fusulinids come in. Fusulinids, now extinct, were one-celled organisms that have proven extremely useful to geologists because their fossilized shells can indicate similarities between widely separated rock formations.

In the 1970s, the Yarlung Zangbo (Brahmaputra) Valley in Tibet was believed to be the sutural zone, after the discovery in that region of fossilized cold-water single-tunnelled fusulinids, which never lived beyond Antarctica.

Chinese geologists, however, after doing further fieldwork, decided that the sutural zone was actually about 250 kilometres to

the north of the Yarlung Zangbo between Bangong Lake in western Tibet and the Nujiang River in the east. This theory was received with skepticism.

Then, in 1982, geologists found numerous samples of cold-water single-tunnelled fusulinids in calcareous sandstone of the Permian Period in the Karakorum Mountains, providing evidence that Gondwanaland had extended at least that far.

The following summer, just north of the same geological stratum, they found what they now believe is conclusive evidence—the fossils of double-tunnelled fusulinids, which unlike their Antarctic cousins, lived only in the warm waters of the Tethys Seaway. This, at last, pinpointed the sutural zone.

Musical Score, 1,800 Years Old

A fragment of wood slip with ancient musical notations has been dated back to the Eastern Han Dynasty (25-220 A.D.) by historian Niu Longfei, making it the oldest music score found in China.

The inscribed wooden fragment, one of several found in 1920 near Dunhuang in northwest China, was neglected and shelved for some 60 years until Niu, from the History Department of Lanzhou University, began to study it not long ago.

Niu translated the musical notations, written originally for a five-stringed instrument, for the modern four-stringed *pipa*. The melody is reported to be elegant and beautiful. Niu believes the discovery may prove that the developed music of south China was introduced early to Dunhuang, an important centre on the Silk Road.



Bamboo Grove.



Pine Forest.

ART PAGE

Gouaches by Jiang Jianguo

Born in Hongkong in 1935, Jiang Jianguo is now in charge of the art designing department of the Beijing Museum of Natural History. His bright and colourful works reproduce picturesque landscapes with powerful strokes.



White Pagoda Mountain in Lanzhou.



The Huangshan Mountain.

