

Vol. 28, No. 44

November 4, 1985

BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

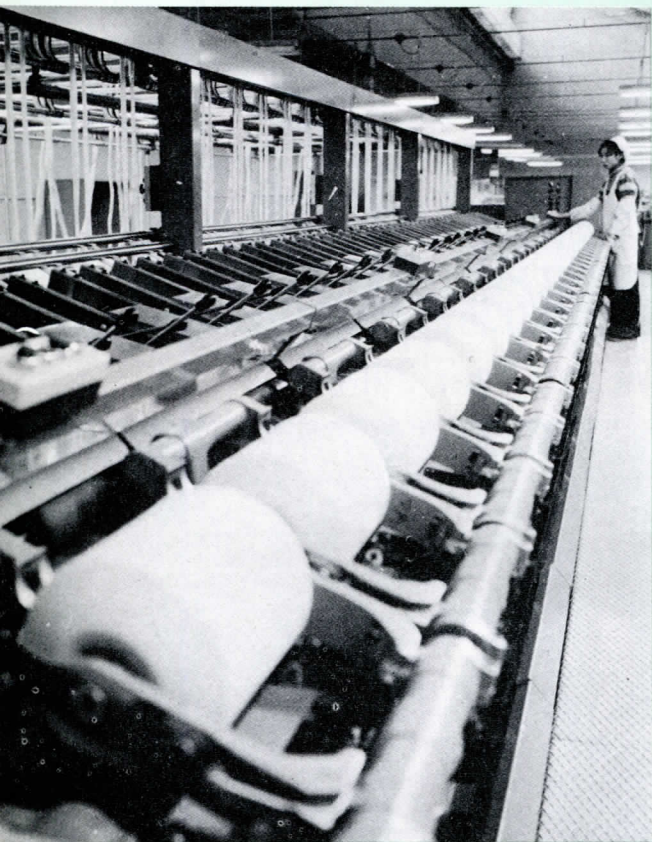
Zhao's UN Speech: Strive for a Better World

What Will China Be Like in the Year 2000?



*Key to a Successful
Joint Venture*

Three Successful Joint Ventures



An employee at the Woollen Industry Joint Co. at work at the spinning wheel.

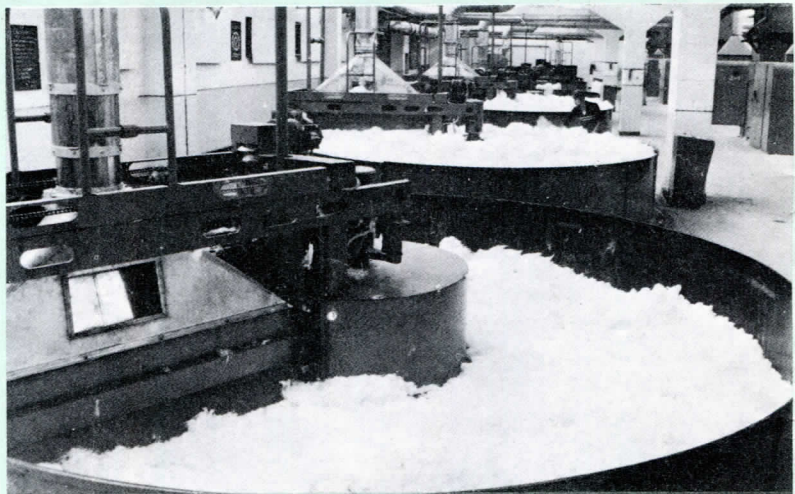
Three textile enterprises in northeast China run jointly by the China International Trust and Investment Corp. (CITIC) and Heilongjiang Province have greatly raised their productivity and markedly improved their product quality. The textile operations now turn out more than 40 kinds of fabrics, such as woll serge and linen. The three enterprises are the Lanxi Flax Textile Joint Co., the woollen Industry Joint Co. and the Harbin Textile Printing and Dyeing Joint Co.

SPOTLIGHT

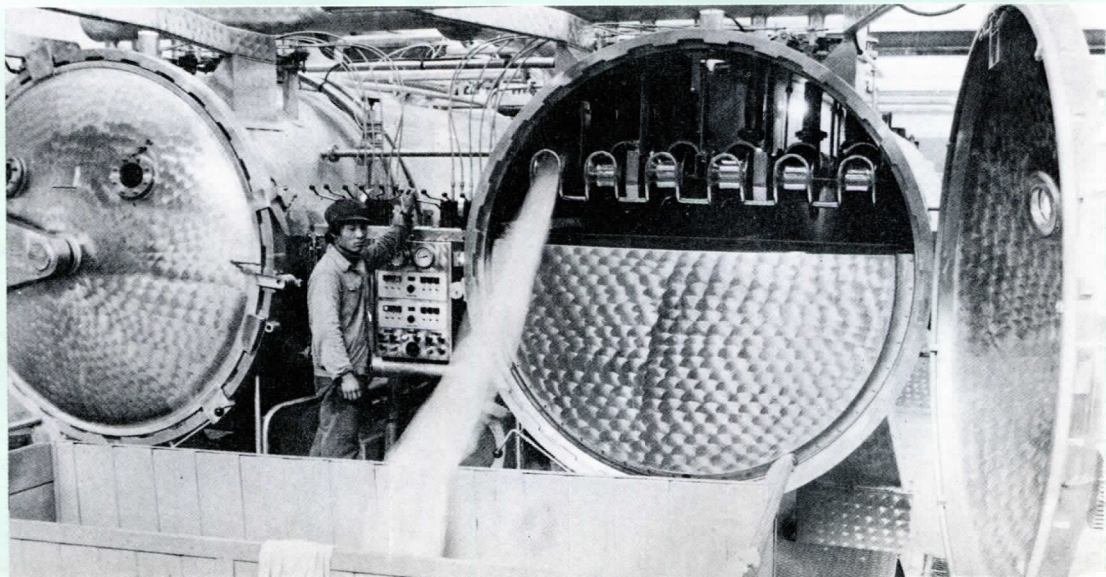


Rong Yiren (right), chairman of CITIC, discussing methods with workers from the Mid-fibre Textile Mill.

A section of the Mid-fibre Textile Mill, which is part of the Harbin Textile Printing and Dyeing Joint Co.



A worker of the Lanxi Flax Textile Joint Co. controlling the dyeing machine.



BEIJING REVIEW

Vol. 28, No. 44 November 4, 1985

CONTENTS

NOTES FROM THE EDITORS	4
Imbalance Hinders China's Trade	
LETTERS	5
EVENTS & TRENDS	6-10
UN's 40th Birthday Marked in Beijing	
Rally Calls for Reunion of Taiwan	
Economy Booms in First 9 Months	
Success Crowns Population Policy	
Legal Firms Spur Rural Economy	
Sino-Soviet Moves to Improve Ties	
INTERNATIONAL	11-14
United Nations: Within Its Walls, Peace Will Prevail	
Africa: Economic Horizons Become Clear	
Nassau: Britain Compromises on Sanctions	
Albania: Expanding Foreign Trade Relations	
Work Together for Better World	15
China's Prospects for the Year 2000	18
Joint Venture: Success Speaks for Itself	21
Mutual Trust Is Crucial to Co-operation	25
FROM THE CHINESE PRESS	27-28
BUSINESS & TRADE	29-30
CULTURE & SCIENCE	31-32
SPORTS	33
BOOKS	34
COVER: Chinese and American technicians from the Beijing Jeep Corp. are inspecting a new vehicle.	
Photo by Xue Chao	

HIGHLIGHTS OF THE WEEK

World Needs UN to Help Preserve Peace

Premier Zhao Ziyang, addressing the 40th anniversary session of the United Nations, said the world body is irreplaceable in the historical mission it shoulders and the impact it exerts despite its present weaknesses. He pledged China's support for the UN drive for a "better world," a world of peace, development, equality and international co-operation (p. 15).

State Leader Calls for Reunification

In marking the 40th anniversary of the recovery of Taiwan from Japanese occupation, China's vice-president called on the Taiwan authorities to co-operate with the Communist Party of China to reunify the country (p. 6).

China by the Year 2000

Highlights of a report given at a recent Beijing seminar on China's prospects by the year 2000. They present China's image in 2000, its strategy for development as well as a comparison of China's calculations with international forecasts (p. 18).

Lowering China's Trade Deficits

While its trade volume is increasing annually, China's trade deficits also have multiplied steadily. To reverse this trend and balance trade, China hopes its partners will implement trade agreements and lift unreasonable restrictions on the import of China's products (p. 4).

Joint Efforts Bring Success

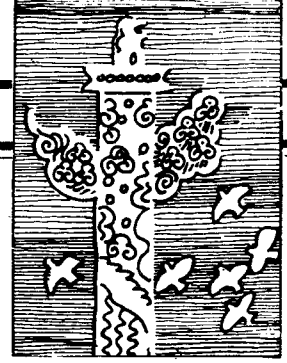
The story of the two-year-old Sino-American joint venture, the Beijing Jeep Corporation Ltd., tells of a success won through patience, understanding and effective management reform (p. 21).

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road, Beijing
The People's Republic of China

Distributed by **China International Book
Trading Corporation** (GUOJI SHUDIAN),
P.O. Box 399, Beijing, China

Subscription prices (1 year):
Australia..... A.\$ 22.00
New Zealand... NZ.\$ 30.00
Canada..... Can. \$ 21.00

USA US\$ 22.00
UK £12.00



Imbalance Hinders China's Trade

by **WANG DACHENG**
Economic Editor

It is gratifying to note that China's trade volume with developed countries has increased annually along with the development of its foreign economic and technological co-operation. However, its trade deficits with many of these countries have also multiplied steadily. Unless this situation is changed, it will inevitably hinder the development of China's trade with some of them.

Among its trade deficits, China's adverse balance of trade with Japan is the largest. In 1983, China registered a US\$1.6 billion deficit with Japan, the figure rose to US\$2 billion in 1984, and skyrocketed to US\$2.7 billion in the first seven months of 1985.

Since opening up business with the United States in 1972, China has continually found itself in the red, reaching an accumulative total of US\$14.6 billion by now. Gloomy statistics showed a US\$0.6 billion deficit in 1983, US\$1.5 billion in 1984, and US\$1.1 billion in the first eight months of 1985.

Trade between China and Australia has been swelling in recent years, but China's deficit left in the wake cannot be ignored. In 1983, China fell into a US\$399 million deficit, which doubled to US\$725 million in 1984. The first seven months of 1985 faced US\$331 million in deficits.

Large deficits also exist in China's trade with European Economic Community, Canada and New Zealand.

It is a known fact that China has consistently followed a trade policy of equality and mutual benefit, and of helping supply each other's needs. As a developing socialist country, China needs a large amount of funds, especially in foreign exchange. This explains why it hopes to obtain a reasonable balance between income and

To boost foreign trade, China hopes its trade partners will earnestly implement trade agreements and lift unreasonable restrictions on the import of its products.

expenditure in order to facilitate its foreign trade.

China's economy and technology are relatively backward. Its exports include oil, coal, minerals, agricultural and sideline products, textiles, handicrafts, hardware and some mechanical and electrical products. To reduce its trade deficit, China would like to see the developed countries import more of those products, ease their restrictions on imports from China and provide preferential treatment for its products to enter their domestic markets. Actually, China already has signed various trade agreements with some developed countries giving it preferential treatment. An important principle in all these agreements is that in order to prompt China's export, these countries will provide China with pre-

ferential treatment to increase its ability to pay in foreign currency.

But in practice this principle has not been closely followed. Some developed countries have built up strong tariff barriers. The United States, for example, has found various excuses to cut back on the volume of China's textiles and clothing exports. Japan has done the same by decreasing its import of raw silk and other products.

In the talks held between Australian Prime Minister Robert Hawke and General Secretary Hu Yaobang last April on bilateral economic relations, Hawke said his country would adopt measures to import more products from China to ensure a stable development of trade between the two countries. This was a sensible measure.

As for China, it will strive to turn out products of good quality, multifarious designs and tasteful packaging so as to increase its exports. China has welcomed foreign businessmen to co-operate with its companies in exploiting oil, coal, nonferrous metals, minerals and other products needed on the international markets.

China needs to import large amounts of advanced technology and equipment to boost its modernization drive. Therefore, China hopes that the developed countries will earnestly implement the mutually beneficial trade agreements and lift their unreasonable restrictions on imports from China, so as to boost and balance trade. Both sides, of course, will benefit in the end.

Getting to Know China

The study of China is an extremely large subject. It encompasses economics, politics, current events, history, culture, science and many other topics. Having said this, I think *Beijing Review* does extremely well in printing a wide variety of information from many different fields, as well as a view of the world through Chinese eyes.

I am 16 years old, and have been reading *Beijing Review* for eight months. I like your reports on the provinces very much, particularly the report on Guizhou in the August 12 issue. I also enjoy your "From the Chinese Press" section. I note that the English and the printing of the magazine are both excellent; there are far fewer spelling mistakes in it than in the average English daily newspaper.

In general, the English are very ignorant about any subject connected with China. The only exception to this is food; almost all towns in England have at least one Chinese restaurant (perhaps *Beijing Review* could have a column set aside about real Chinese food). People in Western countries are often prejudiced against the communist system, because they know little about China. Recently, however, the number of TV programmes on China has increased, and people are slowly becoming enlightened. Perhaps you could increase the distribution of your magazine by inviting a group of foreign journalists to your premises.

Oliver Wild
Stockport, Britain

Reports on People Are Good

The two articles from issue Nos. 32 and 33, "So Much Love

for So Many" and "Mathematician Hua Luogeng Dies," interested me so much that I feel compelled to comment. First, may I say to those who helped bring those two articles to the attention of the world congratulations and please keep it up.

Being one of those who like to learn about different people from different walks of life, these two articles really interested me. The world has got so many things to learn from our late comrades. Rose Smith and Hua were hard workers, and it was because of this that their names and their achievements shall endure. If all the people of the world were hard workers like Rose and Hua, this world would be a wonderful place to live in.

Musonda Mwansa
Lusaka, Zambia

About Retired Life

I enjoyed reading the article about the happy retired life (in issue No. 35) of Guangzhou's elderly. With 75 percent of their pay as pension from their units, these people have a guaranteed income for life.

I admire Chinese retired life very much. Every morning the elderly do *taijiquan* (shadow-boxing) or other exercises before they go to the teahouse for drinks and conversation. I think it is good for retired people to exercise and do some manual labour, which will enrich their remaining years and give them the sense of contribution to their country.

Ryoichi Arai
Kitakyushu, Japan

Comment and Suggestion

I only read the articles that interest me most. They are "Culture

and Science," "Letters," "China" (in French edition), "International" and "Articles and Documents."

The articles in your magazine are both interesting and well-written. I have a better understanding about China since reading your articles.

I am especially interested in the articles from *Jian Kang Bao* (Health Newspaper) about the reforms of the scientific research establishments. Chinese medical science has drawn a great deal of attention from the whole world.

Advertising is a good vehicle for capturing more readers. "Recreation" and "Humour" columns should be added to your magazine.

Moussa Benyaïne Zoubir
Algiers, Algeria

More Coverage on Economic Zones

It is very nice to see your series of articles on China's special economic zones. I hope you can continue to report these areas' new developments and changes.

It is also very good that when you introduce a city, you also tell us about its subordinate counties. This helps the reader to find these areas on a map.

Ryoichi Arai
Kitakyushu, Japan

Circulation Should Be Expanded

Beijing Review is good. My only complaint is that very few people in England know about it.

Soviet and American publications are sold at all main newsagents and at street newstands. But *Beijing Review* is hard to find.

You need your own professional marketing organization in England.

Ivor Kenna
London, Britain

UN's 40th Birthday Marked in Beijing

One thousand representatives from all walks of life and foreign diplomats gathered in Beijing on October 24 to mark the 40th anniversary of the United Nations.

The gathering, which was presided over by Foreign Minister Wu Xueqian, was sponsored by the China Committee in Commemoration of the 40th Anniversary of the United Nations.

In his address at the ceremony, Acting Premier Wan Li, who is now presiding over the day-to-day work of the State Council while Premier Zhao Ziyang visits Latin America, said the purposes and principles of the UN Charter have conformed to the historical trends of our times and to the people's aspirations for peace and development. They are still of immediate significance for the resolution of some major international issues of the day.

However, Wan warned that the purposes and principles of the Charter are far from being realized, and many resolutions of positive significance have not been implemented. Some well-intentioned UN decisions have even met with unjustified boycotts and obstruction from a handful of countries.

"Therefore," he continued, "on fundamental questions of concern to the world, such as maintaining peace, curbing aggression and promoting development and co-operation, the United Nations has often appeared weak and powerless and has failed to play its due role."

The Acting Premier reviewed the work of the United Nations, main-



Acting Premier Wan Li delivering a speech at the rally in Beijing.

taining that people must demand changes. In particular, he said, on the two fundamental questions of peace and development, which are of global and long-term importance, the United Nations should follow the historical trend and effectively fulfil the important obligations conferred on it by the Charter.

Speaking at the rally, Manfred Kulesa, resident co-ordinator of the United Nations, said that although another world war had been avoided and no nuclear weapons used in the past 40 years, more than 150 civil and external wars had been waged since World War II, causing destruction and loss of lives in all parts of the world.

"We have counted more than 1,500 nuclear test explosions, and the piling up and deployment of weapons with the most horrifying capacity of overkill that has ever threatened the survival of mankind," Kulesa said.

He added that the unresolved

issues of the preservation of peace and nuclear disarmament remain the main challenges for all peoples and governments of good will, not in the least of which is the tremendous waste of human and material resources in a world spending more than 30 times more on arms than on development.

Other speakers at the rally were Wang Bingnan, chairman of the China Organizing Committee of the International Year of Peace, and Bi Jilong, president of the UN Association of China.

Meanwhile, Premier Zhao Ziyang made a special visit to the UN headquarters in New York to deliver a speech before the UN General Assembly on October 24. He called on all the peace-loving countries to unite and work together to maintain world peace and avert world war. Zhao reaffirmed China's opposition to all forms of nuclear arms race. (For full text see p. 15.)

To mark the occasion China has also issued a set of commemorative stamps, and opened a stamp and picture exhibition in Beijing last week.

Rally Calls for Reunion of Taiwan

China's Vice-President Ulanhu called on the Taiwan authorities to co-operate with the Communist Party of China for the country's reunification at a Beijing rally that marked the 40th anniversary of the recovery of Taiwan from Japanese occupation.

Addressing the October 25 rally

of more than 1,000 people, organized by the Chinese People's Political Consultative Conference (CPPCC), the vice-president hoped that the Taiwanese people would make joint contributions towards reunification with the motherland.

"We also hope all Chinese descendants, overseas as well as at home, will do their bit to promote the reunification of the motherland," Ulanhu said.

Forty years to the day, China regained Taiwan from colonial rule by the Japanese. It had been ceded, together with Penghu Islands, to Japan in 1895 after the armies of the Qing Dynasty lost the Sino-Japanese War of 1894-95, which had been launched by the Japanese to annex Korea and invade China.

Recalling the great changes that have taken place both in the world and China during the past 40 years, Ulanhu expressed regret that Taiwan was still separated from the mainland. He said this went against the will of all Chinese, including those in Taiwan.

He called on the Taiwan authorities to co-operate with the Communist Party of China once again to solve the Taiwan problem, as they did during the Anti-Japanese War, saying that such co-operation would be beneficial to both sides.

"Some Kuomintang people alleged that former co-operation between the two parties brought losses to their party. This is utterly untrue," Ulanhu said. "What caused losses to the Kuomintang was its hostility to the Communist Party."

"The Kuomintang has stood hostile to the Communist Party for scores of years," he continued, but it had gained nothing and only caused "harms to the motherland and itself."

Qian Changzhao, vice-chairman

of CPPCC and the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, said Taiwan could achieve greatness and stability only by reunifying with the motherland.

"I have been to Taiwan three times, and after making careful studies. I came to the conclusion that Taiwan's future is limited if it relies solely on processing imported raw materials," Qian said. "The only way for Taiwan to achieve stability is to reunify with the motherland so that its strong points and those of the mainland can both be brought into full play and complement each other."

Li Chunqing, who had attended the signing ceremony of the surrender of Japan in Taiwan as a reporter, recalled how the people in Taiwan had celebrated their return to the motherland 40 years ago. "Everyone cried instead of smiling. Everyone felt enormous pride to be back with the motherland," Li said.

He hoped one day he would be able to reunite with those people in Taiwan, whom he had met 40 years ago.

Economy Booms In First 9 Months

China's economy has embarked on a path of healthy development by slowing down its once overheated growth since the third quarter of the year, a State Statistical Bureau official announced recently in Beijing.

Addressing a press conference, bureau spokesman Ma An said that the rapid growth during the early part of 1985 had given way to co-ordinated development of production, capital construction and domestic market, and that the economic situation in the first nine months of this year was encouraging.

Since the beginning of the year, the Chinese government has readjusted the country's agricultural production pattern by reducing the acreage for grain crops and cotton, while increasing cash crops by a big margin. As a result, this year's output of grain and cotton will be lower than that of last year — when a record harvest was brought in — according to initial estimates. The output of cash crops, however, such as sugar, jute and bluish dogbane, tobacco, oil-bearing crops, meat, dairy products, and fish and sea products are all likely to increase. Therefore, it is expected that the gross output of agriculture will still surpass last year's, according to Ma.

In the first nine months, light industry grew faster than heavy industry, Ma said. The output value of light industry totalled 306.1 billion yuan, an increase of 23.6 percent over the corresponding period last year, while heavy industry output was worth 308.1 billion yuan, 18.7 percent more than the same period in 1984.

Output of heavy industrial products, especially machinery, fell, while light industrial production, especially consumer durables, registered a fairly large increase.

The energy and raw materials industries developed steadily. From January to September, primary energy production equalled 620.49 million tons of coal, an increase of 10.8 percent over the same period last year. The production of steel, cement, plate glass and soda ash also showed steady growth.

Transportation capacity was also on the rise. The volume of railroad freight increased by 5.3 percent, and the number of passengers was up by 3.6 percent compared with the same period last year, while the cargo-handling capacity of the seaports increased by 12.8 percent.

Construction of key state projects accelerated as the general

News in Brief

China's 17th satellite was recovered on October 26, after its five-day movement in orbit. This is China's 7th successful recovery of its satellites. The satellite was launched by a two-stage Long March-2 rocket, which was developed in the mid-70s. The 52-metre-long rocket can carry a two-ton satellite into orbits near the earth.

By the end of this year, 80 percent of China's 2,069 counties will have their own public libraries. The remaining 413 counties in remote areas will establish their first public libraries by 1990.

Last year, there were 2,217 public libraries run by authorities above the county level with a combined collection of 248 million books, up 28 percent from 1980. This figure does not include libraries run by universities, schools, government organizations, trade unions or military units.

In the last two years, the overall number of crimes dropped 36.4 percent with felonies down 7.4 percent. The total number of crimes was 750,000, of which 100,000 were serious. This makes the nation's crime rate one of the lowest in the world, said Ruan Chongwu, minister of Public Security.

However, serious larceny rose in the first nine months of this year, Ruan said. The minister attributed the rising trend partly to loopholes in the management system and the free market.

scale of capital construction was brought under control. More than 70 percent of investment in the 169 key state projects set for this year was made in the first nine months.

Both urban and rural markets were brisk in the first nine months, with big increases in retail sales of commodities, especially of consumer items.

The main task in developing the economy today, the official pointed out, is continuing to control investment in fixed assets as well as the growth of consumer fund, and increasing the production and supply of textiles, and meat and vegetables to make way for the New Year and Spring Festival.

Success Crowns Population Policy

China's family planning policy is not compulsory, for no policy can coerce several hundred million people to do what they are not willing to do, a noted Chinese population expert said recently.

Wu Cangping, professor at China People's University, made the remarks at a symposium on China's 1982 nationwide fertility survey that involved one million persons. The symposium, held in Beijing from October 14 to 18, was attended by more than 60 demographers and statisticians from Australia, China, India, Japan and the United States. The symposium also reviewed China's population policy, and the reasons behind its success.

According to the survey, the average number of children born in China had dropped to 2.6 per family in 1981, from more than 6 in the 1950s. The first-birth rate rose to 46.6 percent in 1981, from 20.7 percent in 1970, while the multiple-birth rate dropped to 28.1 percent from 62.2 percent.

Wu said that a series of social factors accounted for the declining birth rate. These include the development of the economy, culture and science, the rise of the educational level, urbanization, the improvement of living standards and the rise of women's status in society.

He pointed out that because of these reasons, the Chinese, especially women, have found the family planning a feasible policy for their country. Out of China's one billion people, 520 million people are between the ages of 15 and 49, some 250 million being female. Since October 1979 China has adopted a one child per family policy in order to curb the runaway growth of a population that has doubled in the last 30 years.

Wu's view was shared by some other Chinese experts. Lin Fude, Associate Professor of the population theory institute at People's University, maintained that the "educational level and fertility rate are correlated." Women at higher educational levels usually want to spend more time on studies, he said, and they are more career-minded and have more employment opportunities. Studies and work often prevent them from getting married early. What is more, educated women accept contraception more readily. They tend to seek interests other than confining themselves to raising a big family. Lin added that today's educated women would rather invest in their children's education than scatter the money on the upkeep of a large family.

According to the survey, 60.6 percent of China's 5.5 million illiterate women had more than three children in 1981. And the rate of illiterate women with three children or more was 50 percent higher than that for women with a primary school education; three times that of women with junior middle school education; 11 times that of senior middle school

graduates; and 24 times higher than that of college graduates.

According to Xu Gang, an official of the State Statistical Bureau, income and the local economic level affect the fertility rate because the economy often determines the employment and education level of women. The higher the per-capita industrial and agricultural output value, the lower the fertility rate, he said. Most provinces in underdeveloped northwest, southwest, central and south China have a higher birth rate. Most women living there bear four or more children, Xu said. In developed areas in the north, northeast and east, an average family has two children.

Making a comparison between Shanghai and Guizhou, Xu said that the per-capita industrial and agricultural output value in Shanghai was 16 times that in Guizhou Province. The fertility rate in Guizhou was 2.3 times that of Shanghai; its population, made up mostly of ethnic minorities, had a birth rate of 4.6 in 1981, the highest in China.

Demographers believe that with China's economy and education growing steadily, the prospects for family planning are becoming brighter.

Doctor Lee-Jay Cho, a population expert from the United States, described the survey as "successful and of high quality," saying the fertility data presented at the symposium are valuable for demographers the world over in their studies of China's population policy.

Lee-Jay Cho said that some people in the United States and some other countries have misunderstood certain aspects of China's population policy, due to ignorance of China's current population problem. He noted the survey would help clarify some of the misunderstandings.

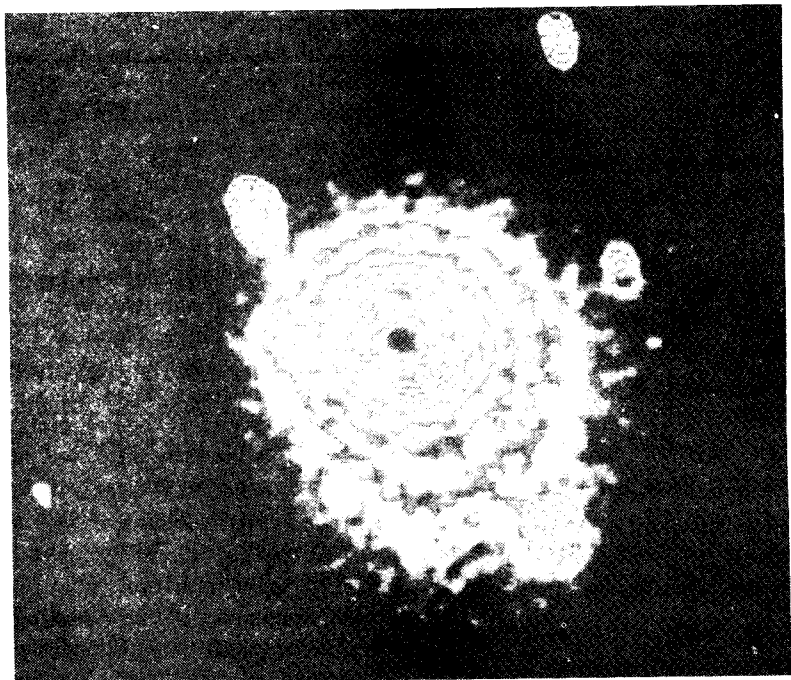
Peng Yu, vice-minister in charge

of the State Family Planning Commission, said the survey had proved that China's population policy has been supported by the people and has achieved good results because it was drawn up in light of the country's actual conditions.

Legal Firms Spur Rural Economy

Legal advice centres in rural Beijing are helping to promote commodity production by offering their services to local enterprises and households engaged in specialized production.

The 56 legal offices set up so far have handled more than 4,000 lawsuits in the past six months, said a Municipal Bureau of justice official.



Halley's Comet Soars Near the Earth

At 2:25 a.m., October 14, Halley's Comet came into the focus on a Yunnan Observatory telescope one metre in diameter. At the time this photo was taken with the aid of a CCD (coupled circuit) reception device, the Comet was moving through the Orion constellation, with the diameter of its visible part measuring 50,000 km. The comet is now about 2,378.6 billion km from the earth, flying towards it at 55 km per second.

These offices also act as legal advisers for 45 rural enterprises and families involved in specialized production.

Economic disputes have increased greatly with the rapid growth of the rural economy. Many involve disagreements over contracts. Local peasants and enterprises are eager to get help from legal experts when such disputes arise.

A toy factory in Shunyi County under the jurisdiction of the Beijing Municipality, for example, stopped production because of poor management. This resulted in an overstocking of cardboard boxes at a carton factory in neighbouring Pinggu County, which had a contract to supply boxes to the toy factory.

Thanks to help from the Mafang

Township Legal Office in Pinggu County, the carton factory won a lawsuit, and received more than 10,000 yuan in compensation from the toy factory.

Most of the offices were set up this year. More than a third of the 270 rural townships in Beijing will have their own law offices by the end of this year. Office staff come from legal departments or are trained local officials.

This year, they have helped mediate in 1,525 civil disputes and many of these were solved at the peasants' homes.

To disseminate knowledge of law, they give lectures, and often visit villages to offer legal advices.

To reduce the number of economic disputes, these firms also examine and notarize contracts for local enterprises and households.

Sino-Soviet Moves To Improve Ties

Although the 7th round of Sino-Soviet consultations earlier this month held on to a long-standing deadlock on several major issues, last month saw some progress when both sides agreed to increase contacts and to step up visits by non-government representatives of both countries.

Talks held between special envoys of the Chinese and Soviet governments in Beijing from October 4 to 18 did not resolve any of the major conflicts between the two countries.

"The Chinese side maintains that it is an objective fact that there are obstacles in Sino-Soviet relations," said Ma Yuzhen, a Foreign Ministry spokesman, at a weekly news briefing.

Ma said the Soviets refused to budge from their stand on three major obstacles that stand between Beijing and Moscow: Soviet sup-

port of the Vietnamese occupation of Kampuchea; the Soviet invasion of Afghanistan; and the presence of large numbers of Soviet troops along the Sino-Soviet borders and in Mongolia.

"Normalization of relations are out of question without the removal of these obstacles," said Ma.

On a more upbeat note, a Soviet delegation accepted an invitation by the Chinese National People's Congress (NPC) and visited Beijing last week. Both sides expressed pleasure at the resumption of relations between their two parliaments after a 20-year suspension. They exchanged views on legislative work, international issues and bilateral relations.

At a banquet in the honour of his Soviet guests, Peng Chong, vice-chairman of the NPC Standing Committee, told the head of the Soviet delegation that China will continue to pursue an independent and peaceful foreign policy and remains willing to establish friendly relations with all countries on the basis of the five Principles of Peaceful Coexistence.

"The peoples of the two neighbouring countries of China and the Soviet Union have a traditional friendship. To strengthen and expand this friendship is the common desire of the two peoples," he said.

In reply, the Soviet delegation head, Lev Nikolayevich Tolkunov, described the resumption of relations between the two countries' parliaments as an indication of positive improvement in Sino-Soviet relations.

He said increased ties in various fields would encourage both countries to share their experiences in building socialism.

During their visit in Beijing, which was a return visit to the one paid by a Chinese NPC delegation to the Soviet Union last March, the Soviets met with President Li Xiannian and NPC Chairman Peng Zhen.

China & the World

Zhao Ziyang Meets Rajiv Gandhi

The Chinese government hopes to improve its relationship with India, Premier Zhao Ziyang said recently.

During a meeting with Indian Prime Minister Rajiv Gandhi in New York, Zhao said the people of the two countries had fostered profound traditional friendship through mutual exchanges over the past 2,000 years.

China and India will hold "substantive discussions" on their boundary disputes in New Delhi from November 4 to 10, according to the Chinese Foreign Ministry.

China Denies 'Nuke Co-op' Allegation

A Chinese Foreign Ministry spokesman recently described as "completely groundless" an allegation by US Senator Alan Cranston that China was involved in nuclear co-operation with Iran and South Africa.

China neither advocates nor practises nuclear proliferation, still less will it help other countries develop nuclear weapons, he said.

Li Peng Visits Korea

Chinese Vice-Premier Li Peng headed a Chinese Party and government delegation on a tour of Korea from October 24 to 27. There they participated in celebrations of the 35th anniversary of the entry of the Chinese People's Volunteers into the Korean War.

United Nations

Within Its Walls, Peace Will Prevail

On the occasion of the 40th anniversary of the United Nations, more than 150 heads of state, special envoys and representatives attended the celebrations in New York.

by **REN YAN**

BEGINNING October 14, the United Nations held celebrations on the occasion of its 40th anniversary. The atmosphere at the UN headquarters in New York was strong and solemn, yet there was an undercurrent of warmth and mutual respect. Representatives from 120 countries, including about 65 heads of state and government and 43 special envoys, joined the celebrations. The attendance and worldwide interest indicated that the United Nations is far more representative today than it was when its Charter came into force 40 years ago.

During the anniversary celebrations, speeches or statements were delivered by Chinese Premier Zhao Ziyang, President Ronald Reagan of the United States, Prime Minister Margaret Thatcher of the United Kingdom, Prime Minister Rajiv Gandhi of India, Prime Minister David Lange of New Zealand, Soviet Foreign Minister Eduard Shevardnadze, French Minister for External Relations Roland Dumas, and many others. The assembly adopted by acclamation a proclamation that next year would be the International Year of Peace, a proposal submitted by Costa Rica, China, Pakistan and

44 other countries. The proclamation calls on all nations to join with the United Nations "in resolute efforts to safeguard peace and the future of humanity."

The UN General Assembly had planned to adopt a special declara-

tion for the anniversary, but there were objections from certain Western countries about clauses affirming the right to the self-determination of Palestine, and clauses regarding the establishment of a new world economic order. Thus, the member states failed to reach an agreement on a draft, and there was notable disappointment among most of the delegations.

Meanwhile, outside the walls of the UN, more than 5,000 children held demonstrations to express their desire for peace.

UN Secretary-General Perez de Cuellar in his speech said that no single national viewpoint could dominate or exclude another at the

Premier Zhao Ziyang with UN Secretary-General Perez de Cuellar at the UN Headquarters.



forum. The challenge was to hammer out agreements from differences, he said, and to harmonize actions in the attainment of common goals. The United Nations' work throughout the past 40 years has made it a unique instrument in the hands of all member states, he noted. He added that the affirmation of commitment to the UN Charter made during this session, and the designation of 1986 as the "Year of Peace," must be backed up by negotiations towards resolving major disputes, curbing the arms race and overcoming the crisis of slow development in the third world.

Jaime de Pinies, the current president of the general assembly, in his address appealed to the member states to "marshal the political will to commit ourselves to resolving existing conflicts, but to prevent the emergence of new ones."

To accomplish the task, he said, they must make full use of the provisions in the UN Charter. "If we do this," he said, "we will have taken a first step, a step of paramount importance, a step towards the revitalization of our organization as a genuine instrument for the effective maintenance of international peace and security."

Recent history has shown that the United Nations is an important international arena for international diplomatic activities, providing equal rights and opportunities to big and small countries to expound their policies and positions. It is also a place of mutual co-operation and bilateral contacts. Because it has been committed to solving international disputes and easing tension, it has helped to prevent the outbreak of another world war.

Back then, after the close of World War II, the United Nations held 51 signatories. Today, there are 159 member states. With the expansion and development of the

United Nations, there are today 40 subordinate organizations in various countries, with 26,500 employees, more than 6,000 of whom are at the New York headquarters.

However, the United Nations is not the "world government." It cannot force its members to implement its resolutions. Many important resolutions — especially ones concerning Afghanistan, Kampuchea, South Africa, the Middle East and disarmament — have not

been fully carried out. This has in turn aroused international dissatisfaction and much criticism of the United Nations and its power.

Just as the peace proclamation pointed out, to promote peace and security, the people of the world must stand together and take energetic action against the possibility of a third world war. And what better place to start than among the international corridors of the United Nations.

Africa

Economic Horizons Become Clear

African countries are making economic reforms, hoping to invigorate deteriorated economies.

by CHEN HEGAO

A GLIMMER of hope has appeared on the poverty-stricken African horizon. Many African nations have launched major economic reforms in the past few years, in a bid to turn around their failing economies. The reforms involve their economic structures, agricultural and industrial policies and financial systems.

During the last few years, the drought that swept more than 10 African nations, the worst in history, and a grey world economic climate have combined to destroy the African economy. Millions of people have died of hunger and 150 million are threatened by the danger of starvation. The devastated African economy has resulted in an enormous increase of refugees: 5 million, up from 400,000 in the early 1960s.

Africa's economy has developed at a slow pace, with the annual growth rate of its least developed countries being only 0.8 percent between 1981 and 1984. Overall, the continent's foreign debt has amounted to US\$170 billion.

To survive the crisis, African countries have begun to revitalize farm production. Agriculture has been largely ignored in Africa because of the devotion to industrialization after independence. Agricultural investment in some countries was less than 10 percent of the total for national development, while in others food price hikes were limited for fear of affecting urban living conditions, resulting in massive food shortages.

The gloomy economy alarmed African governments, forcing them to make farm production a priority. In recent years, agricultural investment has been expanded, technicians have been trained and income taxes on farmers have been cut. Last year, Togo reaped a record harvest, and food shortages in the Ivory Coast, Benin and Sierra Leone have become less acute. Cameroon also grew enough food despite its intensive drought.

Along with the agricultural push, African countries simultaneously began to transform their industrial structures. They have closed many state enterprises, expanded private business and have begun to cooperate with European countries

in training technicians, managers and workers, in an attempt to upgrade their backward industries. The Nigerian government has closed down those enterprises that proved unbeneficial, leaving only those that have an impact on the national economy and standard of living. In Benin, most of the state enterprises have been turned over to private operations.

"Open-door" policies have been adopted in some countries to encourage foreign investment and inspire joint ventures. In Africa, the governments have pooled sufficient foreign funds to explore forestry resources and establish joint ventures, which not only have created employment opportunities

but have opened channels to increase government revenue. Cooperation with the West also has helped East African countries drill more oil wells, thus easing the financial burden of total dependence on oil imports.

African governments also have brought their reforms to finance, an important factor behind any healthy economy. Currencies were devalued in Ghana, the Ivory Coast, Kenya, Morocco, Senegal and Zimbabwe last year, and Zambia this year. African heads of state are in the process of establishing an African monetary fund, which so far has been authorized US\$2 billion.

Due to the atrocities perpetrated by the South African authorities, a wave of condemnation and demand for sanctions against it has spread throughout the world. A United Nations Security Council resolution of sanction was adopted last July. Nordic countries, France, Canada, Australia and New Zealand, as well as many third world countries, have announced their punitive actions. Even the United States, whose government has advocated a policy of "constructive engagement" with Pretoria, finally took some limited measures to punish it last October under pressure both at home and abroad.

South Africa is a thorny problem for Whitehall. Prime Minister Margaret Thatcher is convinced an economic embargo would hurt South African blacks the most, increase racial hatred and stiffen the white government's resistance to change. During the summit meeting, it was reported that Thatcher crossed out all paragraphs referring to South Africa in her speech, thus avoiding a confrontation with the hard-liner states from the beginning.

Britain has a direct investment of US\$14 billion in South Africa, making up half of the total foreign investment in that country. Britain has already banned the sale of oil, arms and computers to Pretoria, but Abdul Minty, honorary secretary of Britain's anti-apartheid movement, charged that the arms and oil embargoes are frequently violated through oil swaps and inter-locking firms in the arms trade.

Minty presented to the Nassau summit a declaration favouring sanctions, signed by 160 British organizations claiming to represent more than 18 million people in the United Kingdom. In his opinion the South African government would not be open to persuasion unless it were subjected to powerful sanctions.

Nassau

Britain Compromises on Sanctions

The Commonwealth summit leaders agreed on a compromise to render sanctions against Pretoria, which will put the racist regime in further isolation. However, the sanctions fell short of hoped-for mandatory measures.

by **YI MING**

Beijing Review News Analyst

IN the final communique issued October 22 by the leaders of 44 Commonwealth states at the biennial summit meeting in Nassau, the Bahamas, the South African government was given six months to start dismantling its apartheid policies of racial separation, or face further sanctions. This was timely warning to the Pretoria regime, as news about killings of innocent people has come from that country almost every day.

The week-long summit was dominated by the South African

issue, with most leaders launching a long-expected drive for tougher sanctions against Pretoria, while Britain insisting on its opposition to any sanctions in the first five days of the meeting. The accord reached at the final session was a product of compromise. Although it fell far short of the comprehensive mandatory sanctions wanted by some member states, it nevertheless was welcomed by and large.

As Kenneth Kaunda, President of Zambia, said the Commonwealth had sent a signal to Pretoria that the member states were united in condemning it.

However, Thatcher put particular stress on the section of the summit accord that called on South Africa to initiate a process of dialogue, crossing lines of colour, politics and religion, with a goal to establish a non-racial and representative government.

In response to the call, P. W. Botha, president of South Africa, has made it clear that he will not accept any proposal of negotiation to be held within six months. He also continues to refuse a representative government of one man, one vote, in a unitary state.

Albania

Expanding Foreign Trade Relations

Recent months witnessed increased efforts by Albania to expand trade relations with other countries in a bid to boost its economic development.

by WANG XIANJU

ALBANIAN Foreign Trade Minister Shane Korbeci recently wrapped up a visit to Italy, during which he signed a 1985-86 trade agreement with his Italian counterpart Nicola Capria.

Under the provisions of the document, Albania will sell Italy minerals, confectionary, textiles, foodstuffs, light industry products and fuels. At the same time, it will buy raw materials, chemicals and machinery from Italy.

The two ministers also discussed the possibility of building an oil platform in the Adriatic Sea, with Italian aid, and linking Albania to the Italian-Greek power network. The two projects, if completed, would be a great help to Albania's efforts to explore its oil resources and export its electric power.

If Botha persists in his intransigence for another six months, according to the Commonwealth plan, a number of further sanctions, including a ban of airlines and a ban on new investment and agricultural imports will be put into effect by the group's member states. But the accord is a programme of voluntary sanctions, and Thatcher has said she will not take further action.

Still, many Commonwealth states believe that when the time is ripe London will act along with them, and that the accord is just the beginning.

Italy has been one of Albania's leading trade partners. Their two-way trade totalled US\$60 million last year and is expected to increase by 5 percent in 1985.

Prior to Korbeci's trip to Italy, French Secretary of State for External Relations Jean-Michel Baylet visited Tirana as the head of a 76-member delegation. His talks with Albania's foreign and foreign trade ministers centred on further economic and trade relations between the two countries.

Albania has maintained good relations with France since the end of World War II. Paris has supplied Tirana with advanced machinery such as equipment for chemical industry and generating units for the Koman Hydropower Station, the biggest of its kind under construction in Albania. Their trade volume was up to

US\$40 million in 1984 from US\$23 million in 1983.

Albania also has increased trade with Greece, Austria, Switzerland and other Western European countries. Its business with the West accounted for 40 percent of its total foreign trade last year.

Yugoslavia has remained Albania's largest trade partner despite long-standing ideological differences between Tirana and Belgrade. About 12 percent (US\$88 million) of Albania's overseas trade was done with Yugoslavia last year.

Recently a railway from Albania's northern city of Shkoder to the Yugoslav city of Titograd was completed and will soon be open to traffic. As it is the first railway linking Albania to an international railway network, it is expected to further develop Albania's economic ties with Yugoslavia and other European countries.

Albania has no trade relations with the Soviet Union, but it has continued business with the East European members of the Council of Mutual Economic Assistance, which was estimated at US\$300 million, or 40 percent of Albania's total foreign trade in 1984.

Under a trade agreement signed with Prague on October 10, Tirana will barter iron, nickel and chrome ore, asphalt, leather, tobacco, oranges and tomatoes in exchange for Czechoslovakian lorries, diesel generators, machine tools, bearings, tyres and steel-rolling machinery.

Progress has been reported in Albania's efforts to introduce advanced technology and equipment from abroad to boost its industrial production and ease domestic economic difficulties. But it is believed that the prospects for wider trade with the outside world are limited, as the country has relatively little export potential and still follows a policy of "refusing foreign loans."

Work Together for Better World



This is a statement made by Premier Zhao Ziyang at the UN General Assembly for the commemoration of the 40th anniversary of the founding of the United Nations in New York on October 24, 1985 — Ed.

Forty years have passed since the birth of the United Nations.

In world history it is rare for a political international organization to have such enduring vitality like that of the United Nations whose universality and importance grow with the passage of time. Despite twists and turns and its present weaknesses, the United Nations is irreplaceable in the historical mission it shoulders and the impact it exerts on the world. Today, we may say that the world needs the presence of the United Nations as much as the United Nations needs the support of the world. We are holding this august session to celebrate its birthday for the very aim of reaffirming the purposes of the United Nations and strengthen-

ing its functions in the hope that it will better play its due role.

It is the common aspiration of mankind to build a world of peace and security, prosperity and

A fundamental change has taken place in the pattern of the postwar international relations owing to the rise of the third world and the development of the Non-aligned Movement. The days when a few big powers could dominate the world are gone once and for all.

development, and equality and cooperation. The purposes and principles of the Charter of the United Nations are the very reflection of this aspiration. All peace-loving countries and peoples have made

unremitting efforts, and the United Nations has done a great deal of work under complicated and difficult conditions in order to realize these lofty objectives.

Over the past four decades, tremendous changes have taken place in the world, but they fall far short of our expected goals. Though no new world war has broken out, regional hot wars and the East-West cold war have been on and off. The colonial system has disintegrated, but there have been repeated encroachments upon others' sovereignty and armed conquests. All countries, big or small, should be treated as equals, yet power politics remains operative in international relations. Though the system of apartheid has been universally condemned, the perverse acts by the South African authorities are being intensified. While the wealth created by mankind has multiplied, there is a widening gap of wealth between the North and the South. The arms race has swallowed up an enormous amount of wealth and resources, whereas millions upon millions of men, women and children in some developing countries are suffering from starvation and diseases and struggling for their very existence. In a word, our present world is still fraught with contradictions, confrontations, turbulence and conflicts. There are many factors of insecurity and causes for anxiety.

The decision of the United Nations to take "United Nations for a better world" as the theme of the commemoration of the 40th anniversary of its founding accords with the aspiration and desire of the people of all countries,

irrespective of their colours. There are bound to be different explanations as to what kind of world can be regarded as a better world. According to the purposes of the UN Charter, a better world cannot be built without peace and development, and it calls for equality and co-operation among nations. These are its fundamental requirements.

The Charter of the United Nations has made it clear in its very first sentence: "We the peoples of the United Nations" are "determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind. . . ." Regrettably, however, the four postwar decades are years of East-West confrontation and spiralling escalation of the arms race. The international situation remains turbulent and the danger of war lingers on. In order to safeguard international security and prevent war, the East and the West should remove confrontation, ease the atmosphere and develop their relations. All countries, whether different or similar in social system, should coexist peacefully. Every country should recognize the right of the people of any other country to choose a social system as they think fit. No country should harm the security of any other country on the excuse of safeguarding its own. In international relations, no country should resort to the threat or use of force as a means to push its own policies. International disputes which are likely to lead to conflicts constitute a hidden danger for world peace and are sources of turbulence. The parties concerned should seek just and reasonable solutions by negotiations or other peaceful means. As an organization for maintaining world peace and safeguarding international security, the United Nations ought to play an active role in this respect.

At present, all the peace-loving

countries and peoples are faced with a common task, namely, to check the arms race. We are opposed to the arms race, be it conventional, nuclear, on ground or in outer space. Neither "deterrent force" nor "balance of terror" can ensure peace. On the contrary, they are bound to give rise to spiralling intensification of the arms race. There is every reason to ask the two superpowers that possess the largest nuclear arsenals to take the lead in drastically reducing their nuclear armaments so as to create necessary conditions for the complete prohibition and thorough destruction of nuclear weapons. Like many other countries, China pays close attention to the forthcoming summit meeting between the United States and the Soviet Union. It is hoped that in conformity with the demands of the people of the world, they will really abandon their attempt to seek military superiority and reach agreement through negotiations which is conducive to world peace and, furthermore, translate it into action.

A fundamental change has taken place in the pattern of the post-war international relations owing to the rise of the third world and the development of the Non-aligned Movement. The days when a few big powers could dominate the world are gone once and for all. The peace forces have outgrown the factors making for war. So long as all the peace-loving countries and peoples unite and work together, world peace can be maintained and a new world war averted.

Another important problem and major historical challenge facing mankind is whether or not common development and prosperity can be attained throughout the world, just like whether or not another world war can be averted. As a result of the heavy burden left over from the prolonged colonial rule and of the existing

inequitable international economic order, most developing countries have yet to lift themselves from poverty and backwardness. Revitalizing the economy of the developing countries and tapping the potentials in these vast areas with three quarters of the world's population will contribute significantly to the growth and prosperity of the world economy as a whole. This not only requires arduous efforts on the part of the developing countries to vigorously develop their national economies and actively strengthen South-South co-operation, but also calls for the restructuring of the international economic order and the promotion of North-South dialogue and co-operation. In spite of the exploratory efforts made at the Cancun Conference four years ago, no global North-South dialogue has been launched up to now, and no significant change has taken place in the current North-South relations. The United Nations should address this important question seriously and take effective measures in regard to finance, money, trade, debt and assistance so as to promote better North-South relations. This will be most helpful to the economic growth of both the North and the South and to the maintenance of world peace. We hope that more developed countries will join the developing countries in making their due contributions to this end.

Equal rights of nations, large and small, constitute the fundamental principle of the UN Charter as well as the cornerstone of the United Nations Organization. These equal rights should not be interpreted merely as the rights to speak and to vote in the United Nations. They should include the right of every nation to inviolability of its sovereignty and independence, and to non-interference in its internal affairs. In this regard, the present state of the world is not satisfactory. There are still attempts to impose one's will on

small states in disregard of their rights. What is worse, acts of invading and occupying others' territories and trampling upon their sovereignty have not yet ceased. The universality and efficacy of the United Nations lie in the equality of all its members. Only when the weak are free from being bullied by the strong and the small nations are respected by the big powers can the United Nations play its full role and world peace and stability be maintained.

As one of the founding members of the United Nations and a permanent member of the Security Council, China is clearly aware of its responsibility and obligations. We have always abided by the purposes and principles of the Charter of the United Nations, supported its activities in maintaining world peace and promoting international co-operation and stood for the strengthening of its functions and status in world affairs. China is a developing socialist country belonging to the third world. We have always supported the people of all countries in their just struggles to maintain peace and safeguard their sovereignty and independence and to oppose imperialism, colonialism, hegemonism and racism. We will, as always, make unremitting efforts for the just cause of peace, development, equality and international co-operation.

China loves peace and needs peace. It is essential to have an international environment of durable peace and stability in which to eradicate its prolonged backwardness and turn it into a modernized socialist country with Chinese characteristics where there will be prosperity for all. Pursuing an independent foreign policy of peace, China considers itself duty-bound to oppose hegemonism and safeguard world peace. China hopes to live in harmony with its neighbours and all other countries and wishes to see peaceful coexistence among all countries. China's

initiative in cutting the size of its military force by one million has once again demonstrated its firm stand against the arms race. China does not set up military bases or station troops abroad, nor does it seek hegemony or interfere in the internal affairs of other countries. It steadfastly pursues a policy of opening to the outside world and engages in reciprocal and mutually beneficial economic and technological exchanges with countries in the north and the south, the west and the east in the interest of common progress. China will always remain a reliable friend

and partner to all countries that work for world peace and promote international economic growth.

The United Nations has traversed a long course, but it is still faced with arduous tasks. All the member states and the peoples of all countries must continue their tremendous efforts to build a better world of peace, development, equality and co-operation. Let us work together in compliance with the purposes and principles of the UN Charter to attain this lofty goal. □

Facts & Figures

Collective and Private Economies

The collective economy, and the individual economy which is an essential and useful supplement to the public economy, have developed rapidly during the Sixth Five-Year Plan period.

According to the data provided by the State Statistical Bureau, 99 percent of the peasant households carried out the production responsibility system — a form of collective economy — by the end of 1984. The total number of urban residents who work in collective operations increased from 20.5 million in 1978 to 32.2 million in 1984; the total number of urban residents who were self-employed increased from 150,000 to 3.4 million during the same period. The proportion of the two sectors in the total urban workforce has increased from 21.7 percent to 29.1 percent.

Rural and urban collective-run enterprises have mushroomed in the past few years, as well as the private handicraft industry. The proportion of industrial output value turned out by state-run enterprises decreased from 80.8 percent of the country's total in 1978 to 73.6 percent in 1984, while the collective proportion increased

from 19.2 percent to 25 percent. The private sector made up 0.2 percent and other types of industry accounted for 1.2 percent (including enterprises jointly run by the state and collectives, state and individual, Chinese and foreign joint ventures, and enterprises run by overseas Chinese or entrepreneurs from Hongkong and Macao).

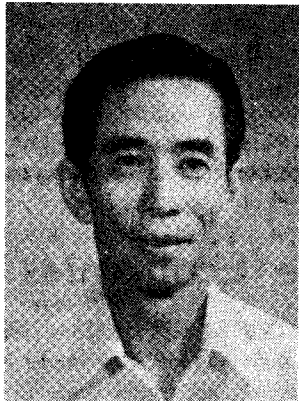
During this period, commercial departments opened up many channels for circulation while grass-roots supply and marketing co-ops returned to a collective nature. The collective and private economies in commerce, catering and service trades have expanded fast. By the end of last year, 2,248 trade centres of various kinds had been established in urban areas and there were 56,000 trade fairs throughout the country.

The proportion of retail sales provided by the state-run economy dropped from 90 percent of the country's total in 1978 to 45.6 percent in 1984, while its collective counterparts rose from 7.4 percent to 39.6 percent and the individual and rural sectors sales to urban residents increased from 2.1 percent to 14.6 percent.

China's Prospects for the Year 2000

"China by 2000," a key scientific and technological research project, was completed early this year by a group of Chinese experts and scholars. Research Fellow Wang Huijiong of the State Council Technological and Economic Research Centre outlined their reports at a recent Beijing seminar. "The Mainland and Taiwan."

Following are excerpts of Wang's speech — Ed.



by WANG HUIJIONG

AFTER World War II, a world economic growth began. But, while people were rejoicing in their optimism, the Club of Rome sent a warning in 1972: "If the current increase in world population, industry, pollution and grain production and the decrease in natural resources continue, the globe will reach its development limits, and this will result in a possible sharp change and the de-control of population and industry some time within the next century."

This warning captured worldwide attention. A world futurism association cropped up in 1973. The European Economic Community organized a special "future-oriented" group, specializing in exploring the co-ordinated development of the developed industrial societies and the developing countries. In 1977, former US President Jimmy Carter called the US Congress to spend a full year studying the changes in world population,

natural resources and the environment by the end of this century as a preliminary for a long-term research plan. Their report was called "Global 2000."

China began to research on China by 2000 in late 1982. Its main report and 12 sub-reports were ready by early 1985.

China's Image by 2000

Population. The report predicts that, from 1983 to 2000, if China keeps its annual population increase rate at 0.95 percent, the total will be expected to reach 1.2 billion. If the annual increase rate climbs to 1.15 percent, the total population will be held within 1.25 billion; but if the increase rate soars to 1.34 percent, the number will really be 1.28 billion.

Statistics for 1949-82 show that, except for the three years from 1959-61, the lowest increase rate was 1.16 percent in 1979. Rates also varied from 1.2 percent to 1.26 percent from 1976-78, while the other 26 years all registered increases far higher than 1.34 percent. Besides, between 1950-57, and from 1962-73, the increase rate surpassed 2 percent. Even worse, people who were born in those two periods will reach child-bearing age by the end of the century. Therefore, it will be hard for China to achieve its population goal of 1.2 billion, although good work has been done in recent years. The total might be kept to 1.25 billion if every means is tried. By 2000, the world

population will be about 6.3 billion. China, with 1.248 billion, will account for 19.8 percent of that figure.

By 2000, the report predicts that China's infant mortality rate will drop to 20 per thousand, from 35 per thousand in 1981, while the average life span will rise to about 72 years from 68 in 1982. As for age structures, China's current young population would then become stable. The 0-14, 15-64 and over-65 age groups would be 24.3%, 68.8% and 6.9% of the population respectively. Therefore, China's population structure outlook may be bright by the year 2000, and many of its old-age problems could be avoided.

Education, Science and Technology. At the end of this century, primary schooling will be popularized in the country's countryside, secondary schooling will be universal in towns and cities and senior middle school education will spread in the big cities. It is predicted that from 1983 through 2000, the number of post-graduate students and college graduates will rise to more than 10 million. It is also predicted that the number of scientists and technicians will reach about 9.3 million, up from 6.85 million in 1983, and that they will be younger than ever before.

China has much scientific potential—in 1964 its first atomic bomb test succeeded, and 15 space satellites have been put into orbit since 1970. China's other successes include the launching of a long-range carrier rocket and an experimental communications satellite. With reforms now in progress in its scientific and technological structure, China's scientific and technological potential will be fully tapped.

A Better Life. By the year 2000,

China will attain or surpass the goal of "meeting the basic needs" in living standards set for the developing countries. The basic needs of its people in most part of the country will not only be satisfied, but there will also be signs of affluence. National consumption levels will be a little higher than today's middle-class urban standards, and annual per-capita consumption will surpass 700 yuan — four times more than 1980's 227 yuan. Urban per-capita consumption will reach more than 1,200 yuan, while the figure in rural areas and towns will be more than 600 yuan. Durable consumer goods such as TV sets, cassette recorders, refrigerators and washing machines will be popular in cities and towns.

By the end of this century, the living-standard gap between urban and rural areas will be narrowed, from 2.7:1 in 1980 to 1.8-2:1. But regional differences will still remain quite large, especially between the developed coastal regions and the more remote, inland areas.

However, the regional differences are natural, and compare well with the developmental history of other countries. The difference in per-capita income between Connecticut and Mississippi, for example, was US\$4,871 to US\$2,547 in 1970, but rose to US\$13,748 to US\$7,778 ten years later. Taking all factors into consideration, China will try to avoid creating large regional gaps.

Economy Strengthened. In 1980, China's total output value reached US\$280 billion, ranking it eighth-highest in the world. According to our calculations, China's national output value will reach US\$1,200 billion by 2000, 4.2 times the 1980 figure, with an annual average increase of 7.4 percent. If China's population expands to 1.25 billion then, its

annual per-capita gross output value will be 1,600 yuan. Its national income will be 1,450 billion yuan, 3.9 times the 1980 figures and an average increase rate of 7.1 percent, with per-capita income rising to 1,160 yuan.

If these possibilities are realized by the end of the century, China's economy would rank fifth or sixth in the world, although its per-capita output value will still be low. According to statistics gathered by the World Bank in 1980, China's per-capita output value was US\$290, placing it 133rd on a list of 159 countries. It will be difficult for China to rise into the top 80 nations by 2000. Its hope is pinned on reaching the goal of being a developed country by 2050.

Industrial Set-Up. All through 1980-2000, the development of China's infrastructural construction, building materials, manufacturing and service industries will speed up. Agriculture and mining, on the other hand, will slow down. Agriculture's share of the country's gross output value will drop to 20 percent, while that of the service trades will rise to about 26 percent from 16 percent in 1980.

International Environment. To reach its economic goals by 2000, China needs a peaceful environment. In the meanwhile, world political and economic changes will influence China's construction. The report says that the current three-world pattern will continue; the superpowers' race for hegemony will not stop; and the position of third world countries in world affairs will be strengthened. The political situation in the areas around China is becoming more and more favourable. With the three-world pattern in existence, the world economy will be further polarized and more economic blocs will appear. The tripartite confrontation of the three economic powers in capitalist world — the United States, Japan and Western

Europe — will maintain, while the developing countries will step up their economic co-operation. The economy of Asian-Pacific countries around China has been developing rather rapidly in these years, and its importance is growing. In a word, the changes in the world economic pattern will be beneficial to China's open policy and its socialist construction.

Ecology and Environment. Since the 1970s, the interrelation of the environment and the development of human society has been the focus of world attention. It is predicted that the problems of natural resources damage, acid rain, rising density of carbon dioxide and the city population explosion will become even more serious. Forests now cover 31.3 percent of the world's land, but the figure is only 12 percent in China. China's annual per-capita hydraulic resources is 2,700 cubic metres per year, far below international standards. China has 130 million hectares of arable land, and 220 million hectares of pastures. But China's soil erodes at a rate of about 5 billion tons every year.

If enough attention is paid to these problems, and all the Chinese people are mobilized to plant trees and grass, China's forest coverage rate might possibly reach about 18 percent by 2000. Losses of natural pastureland may be stopped and the grasslands used more efficiently. Soil erosion might be allayed, and the ecological environment may gradually be able to gain a good recycle. Anyhow, monitoring on changes in environment, soil alkalization and desiccation must be strengthened.

Strategy and Policy

To reach its goals, China should make detailed analyses of its reality, restrictions and changes in the development process. Correct strategies and policies will be

formed with an eye on the long-term and overall interests. The question is to co-ordinate well the restrictive factors among the various stages in the long process and between the partial and the whole so as to achieve the set goal.

China's long-term policies should aim for simultaneous development of the economy, society, science and technology, and ecological balance. Ecological and environmental problems won't have much negative influence on the developing countries in the short run, but attention should be paid then in long-term planning. At present, for example, pollution is becoming more expensive to deal with, although China's urbanization has not been very fast at all. Therefore, economic development should be put higher on the agenda than environment protection for the near future. However, ecological environment must be taken into account from a long-term strategic point of view. The research report suggests that China adopt policies to "control the spread of pollution and give priority to improving environment." In their first 10 years, these policies would stop the spread of pollution and environmental damage, and help solve urgent environmental problems; in their second decade of implementation, China would employ advanced technologies to protect and improve the environment in a planned, step-by-step programme.

On the social development, the report makes three major observations. First, as to the interaction between China's economic structure and its development, the Party Central Committee announced its decision on economic structural reform last year. Another decision on the reform of science and technology management system came March 1985. Second, talented people are very important to social development, yet in the near future, contradiction will still exist be-

tween the scale of investment in education and that for economic construction. Third, though the coastal areas may profit quickly with little investment, construction in the hinterlands must be given serious consideration.

The report concludes that when the economy becomes powerful and living standards improve, China should pay close attention to energy, transportation and communications. China has rich natural resources, but its per-capita averages of these resources are pitifully low. Besides, these resources are not evenly distributed throughout the country. China, the report points out, should make scientific, economical use of its natural resources through comprehensive utilization of advanced science and technology.

Today, China boasts 400,000 industrial enterprises. Formerly they relied mainly on increased investment, more equipment and more labour to raise production while little progress was made in improving the quality, technology and management. In the near future, China's economic development will focus on updating the technology of its existing enterprises to improve the quality of their products and boost their economic results.

The service trades now play the same role as manufacturing once did in relation to agriculture. Therefore, the development of the service trades is especially underlined in the report.

The development of science and technology is also stressed. The report suggests that in light of actual conditions, China combine new technology with traditional industries, speed up the import of advanced technology and the shift of military technologies to civilian use, and spread the use of technology from the coastal areas to the

hinterland, from the laboratory to the production line.

Comparison

Both the American futurist book *Global 2000* and the EEC's *Into Future* contain predictions of China's population, national gross output value, energy production and grain output by the end of the century. Some of their statistics are quite different from ours. For example, China's grain output last year already surpassed the amount predicted in *Global 2000*. But its projection of China's GNP in relation to the rest of the world approximates that given in our research report.

The World Bank posits three possibilities for China's economic development by the year 2000. First, China could reach its goal of quadrupling annual industrial and agricultural output value after a very intensive study of investment efficiency, economical use of energy and changes in consumption structures. To accomplish this, the increase rates of China's GNP, national income and industrial and agricultural gross output value must respectively be 6.6 percent, 6.3 percent and 7.2 percent. In the second scenario, China cannot quadruple its annual industrial and agricultural output value, but its gross national product, national income and industrial and agricultural gross output value increase at average annual rates of 5.4 percent, 5.1 percent and 6 percent respectively. According to the third scenario, China speeds up development of its service trades in order to achieve the same per-capita GNP figure that would have been reached if industry and agriculture quadrupled their output value. In this view, the average annual increase rates for GNP, national income and industrial and agricultural output value would respectively be 6.6 percent, 6.2 percent and 6.4 percent by the year 2000. These figures coincide with our research report. □

Joint Venture: Success Speaks for Itself

Joint venture in China is still a trial. In the wake of economic reform, the promulgation of the foreign economic legislation and the improvement of China's overall investment climate, co-operative efforts here are by degrees becoming less troublesome. Presently, there are 1,614 joint ventures, in various stages of development, in China. In 1983, there were only 188. Through the continued efforts of the Chinese and their foreign partners, most of these enterprises have chalked up sound economic progress. This article, and another on p. 25 of this issue highlight the problems, progress and development of two of these ventures. — Ed.

by **JIAN CHUAN**
Our Correspondent

THE Beijing Jeep Corporation Ltd. — a Sino-American joint venture and one of China's largest joint ventures — began operating in January 1984 after four and a half years of negotiations and has proved to be unexpectedly efficient. The average number of jeeps made by each worker at the Beijing Jeep Corporation jumped from 1.7

to the level of 5.18 one year after it went into business. Meanwhile, the investment recovery rate has also proven to be favourable at 22.9 percent in terms of RMB and 16.3 percent in terms of US dollars.

The dramatic progress of Beijing Jeep is testament to the fact that opening to the outside world and domestic reform can go hand in hand, with each helping promote the other. In order to effect cooperation both parties need to

show patience, understanding and sincerity.

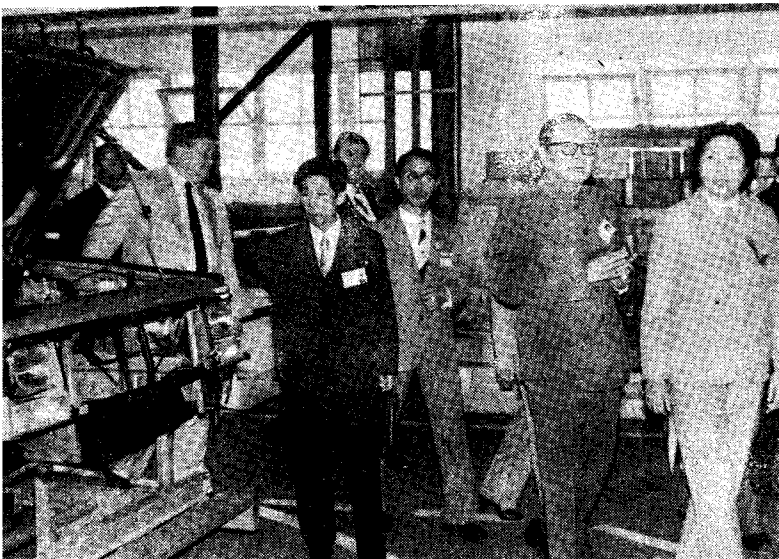
Marathon Talks

The Chinese partner — the former Beijing Motor Vehicle Plant — was the only Chinese plant that produces light cross-country vehicles. Since it went into operation in 1965, Beijing Motor's products have generally been popular in China. The type of car produced by the plant, however, was getting to be seen as technically out-of-date and stylistically dull, and was therefore not competitive on international market. In an effort to reverse the plant's slide into obsolescence, its management was anxious to look for funds and techniques to update its equipment and improve its products.

China's open policy, effective since 1979, provided the managers with an opportunity to fulfil their hope. The group contacted car manufacturers in Japan, Great Britain, France and the United States, and only after comparing bids from companies from each of these countries did they choose the American Motors Corporation (AMC) as their partner in a joint venture.

At that time, however, there were still people involved with the Beijing company who had misgivings about entering into a joint venture with foreigners — a result of the mental shackles imposed by years of "leftist" ideas. Arguments on the potentially destructive effects of dealing with a capitalist country were debated on all sides before Beijing Motor began one on one discussions with AMC.

President of the board of directors Wu Zhongliang (second from right) and State Councillor Chen Muhua (first from right) visiting the jeep plant.



Among the management at AMC, skeptics also tried to dissuade the corporation from co-operating with China, saying China's political situation could prove to be unstable. Others, however, saw the opportunity to co-operate with the Chinese as a prime way to step up AMC's competition with the Japanese.

By the time two sides had decided to begin negotiating in earnest, doubts and misgivings still cast a dark shadow over the negotiating table. Obstacles also came from China's old economic management system. Feng Xiantang, the vice-president of the board of directors of Beijing Jeep, said the then Beijing Motor had more than ten government sections overseeing its operation and interfering with its work. When it came time to approve a feasibility report, however, no one in these ten agencies would take the responsibility of approving the plan until more than a year after the report was submitted. From 1979 to May 1983, the factory reported to its leaders on the situation of their talks with AMC more than 300 times, averaging one every five days, but heard little in response.

A turning point in what loomed as a stalemate emerged in 1982,

when the Chinese formed a five-member group of department heads which complete negotiating and decision-making authority in the talks with AMC. The adjustment simplified the procedures and accelerated the pace of the negotiations, leading finally to a contract signed on May 5, 1983.

According to the contract, the term of the joint venture is 20 years. The Beijing Jeep is one of China's largest, with 101.75 million yuan in registered capital, of which the Chinese side invests 68.65 percent and the American side 31.35 percent. Vice-President Feng Xiantang said: "Now that more people understand China's open policy and now that China has reformed its management and economic systems, there will be no more marathon talks like the ones we experienced with AMC."

Feng was right. In the first half of this year, China established about 600 joint ventures — 40 percent of China's total. Most of these 600 took less than a year to get the contracts signed.

Management Reform

On January 15, 1984, eight months after signing the contract,

American and Chinese managers discussing plans in one of the workshops.



the Beijing Jeep Corporation Ltd. went into business. Problems, however, did not end when the negotiating table was abandoned, for in Beijing Jeep's early stages, the company met one difficulty after another.

One early problem was the reduction in work force imposed after the joint venture was established. Beijing Jeep's labour force was to be fixed at 4,000, which meant 20 percent less of Beijing Jeep's production workers. The reduction in labour was compounded by the requirement that the factory's 1984 output and output value were supposed to exceed 1983's by 30 percent respectively. The idea of increasing production by 30 percent while reducing the number of workers confounded the Chinese, who had previously followed the "more workers, more production" maxim. Although the Chinese managers proposed a compromise plan to hire 300 more workers to see the factory through the transition period, the board of directors balked at it.

This prompted the factory to overhaul its management. With the help of the American general manager and eight managers, the corporation instituted a series of reforms. The following are the bases of those reforms.

Management. With reference to the advanced management experience of AMC, Beijing Jeep re-grouped its more than 30 departments into six that would oversee business management, production, finances, marketing, quality and technology and one office under the general manager. With only one manager heading each department, the new structure established direct management lines with clear responsibilities for each manager, and eliminated the previously vague management distinctions that occasionally adversely affected production.

Finance. The corporation then streamlined its accounting and financial operations under the single management of the finance department, where previously each department had been responsible for its own accounting. The new system has resulted in the company decreasing its reserve and saving money. In 1983, Beijing Motor needed 70 million yuan a year in loans. In 1984, however, Beijing Jeep borrowed only 30 million yuan.

Information. Using AMC's quality control methods as an example, all of Beijing Jeep's department now make daily reports of their production statistics, finances and quality checks. The daily reports make feedback from management and other departments a more integral part of the factory routine and has also improved quality control, while raising the utility rate of each work hour. In addition, computers have stepped up the company's filing of product data and finances, bringing the corporation's network planning and management programme up to the level of the American corporation's.

Labour, wages. Both the company's wage and bonus systems were reformed along the lines of the merit; incomes changing with

	1983	1984
staff labour productivity	28,720 yuan	70,843 yuan
annual per-capita jeep output	1.7 jeeps	5.18 jeeps
average per-capita profit	7,100 yuan	9,100 yuan
capital turn-over rate	87.5 days	38.7 days
utility rate of work hours	70 percent	82 percent
attendance rate	92 percent	96 percent

contributions. Those who work harder are paid for it.

All these reforms have brought tangible results. In its first year of operation, Beijing Jeep reached the planned 30 percent production increase, while the number of production workers and management had been reduced 60 percent from 10,000 to 4,000. Last year the factory's output value reached 263.18 million yuan and it produced 22,418 jeeps. Other economic indexes are as those listed in the above chart.

The 1985 annual plan for the jeep plant's industrial output value is 334.2 million yuan. Jeep output for the year is scheduled at 31,000. By the end of September 1985, the plant produced 23,830 jeeps, put-

ting its total output at 263.172 million yuan for the year thus far. 1985 production will exceed the planned amount, and the investment recovery rate will exceed the planned rate by some 30 percent in terms of RMB and over 20 percent in terms of US dollars.

The Americans involved in the venture have noted their satisfaction with Beijing Jeep's progress, saying they think the operation is sure to get the automobile world's attention.

Eliminating Misunderstandings

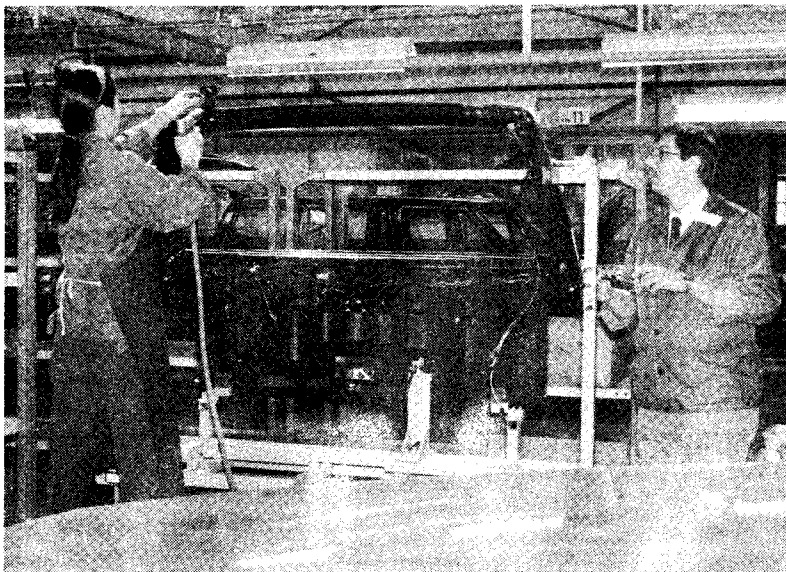
According to the joint venture's contract, for the first five years of operation, the corporation will continue to manufacture current products, while in the meantime, the two sides will collaborate on the design of new jeeps.

In June 1984, the board decided that the new jeep would be based on AMC's YJ type, and that the general body design would be according to the demands of the Chinese side.

After several months of work by both Chinese and American engineers, however, it was found that the vehicle designed, according to the decision of the board of directors, was defective in such areas as its exhaust system, noise, visibility and speed, none of which could match international standards. Because of the failure of the collaborative effort, AMC sug-

Beijing Jeep's board of directors discussing plans at a recent meeting.





Employees at work on a production line.

gested that the idea of joint design be postponed until after Beijing Jeep could perfect its production of the AMC jeep XJ model, which had been under production in the United States since September 1983.

The Chinese, however, took AMC's suggestion as a symbol of the Americans' unwillingness to cooperate on a jointly designed vehicle, and as evidence of AMC's desire to control China's market. The proposal was, therefore, pigeonholed.

Although the necessary steps were hard to take, both sides were committed to seeing their venture work. Persuaded by their American partners, the Chinese reconsidered the proposal and solicited opinions from potential clients in China. To their surprise, the Chinese found the XJ provoked a positive response from the surveyed customers, and soon orders for the XJ poured in from across the country. The encouraging response, along with some needling from the Americans, prompted the board of directors in October to revise their June decision and to manufacture the XJ type four-wheel-drive vehicle, with the intention of replacing the American parts with Chinese products later on.

Assistant General Manager Zhao Nailin said the series of compromises at Beijing Jeep attests to the Chinese and American desire to see their partnership succeed. "The readjustment of the product design was a rational move that showed the sincerity of the two sides," Zhao said. "The Americans showed their sincerity by letting the Chinese come up with a new design, a move that also demonstrated their faith in China's business management and technical skills," he added.

The change in plans to manufacture the AMC XJ benefits both sides. To the Chinese, it means that not only are they producing their new vehicle three years ahead of schedule, but that they are also making a vehicle that is technically advanced and dependable, and whose manufacture saves time and money, propelling a portion of China's automobile industry out of the 1950s into the 80s. For the Americans, the arrangement means lower production costs, an increase in output and the beginnings of a competitive edge in Southeast Asian car market and Asian market as a whole.

According to the contract, the American's investment in the plant's technology will be con-

tinuous. It is expected that after 1986, the XJ which is a four-wheel-drive, long-axle minitruck, and its variations will be produced by Beijing Jeep. Within the 20 years of the joint venture, AMC will provide its Chinese partners with its techniques, with the aim that by 1988, more than 80 percent of the XJ's parts will be manufactured in Beijing, and that by 1990, the factory will be producing 40,000 XJs a year, 25 percent of which will be exported.

Despite the problems and the setbacks that plagued the partnership in its early stages, the two sides were able to find a way around them. A former general manager, R. Chatterton, said that such problems are inevitable in such a novel undertaking. But he said, at Beijing Jeep, the Chinese and Americans have been able to surmount their differences and get down to the business of making jeeps that perform.

Making a Bet

In early 1985 the board of directors set an eight-month deadline on the manufacture, installation and testing of the equipment for the painting, welding and general assembly lines. The eight-month date loomed as an near-impossible target. But the Chinese were undaunted.

Of the three production lines, the painting line is imported from the British Haden Drysys Limited. Outside China, the manufacture, installation and testing of the equipment for a painting line takes at least ten months. When Sten McEvoy, a British expert who came to China to give technical advice for the line, heard of the construction period (from late February to April 15) the Chinese had imposed on themselves, shook his head and said it was "impossible, impossible."

"You don't believe it?" asked Li Huan, the Chinese manager of the



Fresh off the line, some of Beijing Jeep's latest products ready for sale.

technology department. "How about a bet?"

"Alright," McEvoy said. "It's a bet."

D. H. Lowry, the American manager of the corporation's technology department, volunteered to act as the judge. He marked the date—April 15, 1985—on his desk calendar with a red circle.

Since arranging the bet, whenever McEvoy met Li, he would express his confidence in winning. "I still don't think you'll finish the line on time."

"April 15 hasn't come yet. Just wait," Li would retort.

By early April, the engineering

work was whipping along, changing in appearance daily. When it was finally completed on April 15, McEvoy was of course astonished. He admitted his defeat, saying that such efficiency was unimaginable in Great Britain. The Chinese people, he said, both kept their word and worked at above average levels of efficiency.

The speedy completion also changed Lowry's impression of the Chinese. In the past, he used to doubt the capabilities of his Chinese partners. Those doubts have since dissipated. Lowry commended the Chinese for making the production line appear as if out of nowhere. He said the feat gave

him new insight into the Chinese workers' enthusiasm and talent.

By mid-July, 1985, the work on the welding and general assembly lines was finished; by early September, they had been installed; and on September 26, the first vehicle with American parts left the assembly line.

The former general manager Chatterton has said he has been very satisfied with the corporation's work. "I think (Beijing Jeep) will become a highly efficient company," he said. "With no strikes and dedicated workers," Chatterton added, "Beijing Jeep can be as good as any American automobile operation."

Mutual Trust Is Crucial to Co-operation

by HAN BAOCHENG

Our Correspondent

WITH a little co-operation and a dash of ingenuity, even companies lodged deep in barrels of red ink can pull themselves out of the mire far enough to see the light of day and some profits. The Hubei Parker Seal Co., a joint venture set up by the Hubei Auto Industrial Co. and the Parker Hannifin Co. of the United States, is one such industry that was able to find its way out of the red.

In October 1983, with an initial

investment of US\$990,000, the Hubei Parker Co., as one of the first joint ventures in central China's Hubei Province, began manufacturing its rubber seals, 85 percent of which were slated for export, mainly to the United States and Canada.

Early in the course of its operation, Hubei Parker's prospects began to look grim. In 1983, the company's high production costs for Hubei Parker's rings were about 100 percent higher than the international market prices for the same products. By the end of 1984, the company's rings were still non-

competitive, albeit less so, at a cost of 26 percent more than the other seal rings on the international market. Consequently, this major section of Hubei Parker began to lose money.

Disturbed by these losses, the Chinese management devised a plan. They suggested to the partnership's board of directors that in order to offset the losses, Hubei Parker raise its prices for its rings even further and that the Americans finance the remaining portion of the deficit.

Not surprisingly, the Americans vetoed the proposal and countered it with another plan. That plan, which was later approved by the board of directors, suggested that the price for the seals remain the same, that output increase 30 percent in 1986, that wage, construction and equipment funds all freeze at the original levels, and that the company reduce its shipping costs by importing materials from Japan rather than from the United States as it had been doing previously. With this plan, the Americans estimated that by the end of 1986, Hubei Parker would have turned a profit large enough to compensate for its past losses.

So far the plan has been successful, if only mildly so. The factory is expected to chalk up about 30,000 yuan (US\$9,804) in per-capita output value by the end of 1985. Furthermore, the plant's utilization ratio, which under the American plan was supposed to reach 75 percent, is expected to reach 84 percent by the last quarter of 1985.

According to Hubei Parker's Deputy Director Cai Guoning, co-

operative effort made by the company's partners in trying to turn around its financial situation contributes to successful joint ventures. "As long as both sides consider each other's needs and wishes, a solution to a problem can always be found," Cai said. Mutual trust, he said, is the joint venture's most reliable guarantee of success.

As illustrated by the plan to pump new life into Hubei Parker's ailing export market, such trust is routine at Hubei Parker, Cai said. The Americans and the Chinese at the company make a point of taking one another's suggestions seriously. When, for example, the company learnt it was going to need to import 16 vulcanizing machines to stiffen their rubber seals, the Chinese suggested that they import only three, and the other 13 be produced in Hubei. The plan was approved, and to date the company has used seven China-made machines, all of which are now operational.

Another example of such trust and co-operation came recently, when the Chinese at Hubei Parker discovered that China's petroleum



A worker of the Hubei Parker Seal Co. polishing the rubber seal rings.

industry needed a particular type of seal ring that had to be imported from the United States. Although the formula for the rings was protected by patent laws that prevented it from being copied, the Chinese asked their American partners if they would entrust them with the secret of the special rings, so they might make the rings in China. The Americans agreed to the request on the basis that the Chinese would not divulge the contents of the formula to any other potential manufacturers.

In May 1985, Hubei Parker's board of directors met in Wuhan. At the meeting, George Stephens, vice-chairman of the board of directors, said now both Hubei Parker's management and production teams were on track. The seal rings being manufactured at the Wuhan plant were as good as those made in the United States, he said. Stephens said overall, he was optimistic about Hubei Parker's future.

Chen Weizhen (left), director and chief engineer of the Hubei Parker Seal Co., checking the quality of the rubber seal rings.



Veteran Revolutionaries on Retirement

from "LIAO WANG"
(Outlook Weekly)

MEMBERS of the Standing Committee of the Political Bureau of the Party Central Committee Hu Yaobang, Deng Xiaoping and Li Xiannian invited 21 retired Party members to lunch on September 23. Peng Zhen, Deng Yingchao and Bo Yibo were also present.

Following a reception by Chinese leader Deng Xiaoping, the guests, whose average age is 82 years, were toasted by Hu, who lifted his glass and said, "Long live the veterans, a long, long life to you."

On behalf of the guests, Deng Yingchao returned the toast, saying "To the health and long life of you standing committee members. May you live to be 100 years old." During the lunch, He Changgong, who joined the Communist Party in 1922, said, "I'll be 85 years old this December, and I am fully in favour of abolishing life tenure for leading cadres. This should be established as a rule from our generation. We must set a good example for our descendants."

Holding his glass, he toasted Deng, Hu and Li and said, "To your good leadership."

Bo Yibo, vice-chairman of the Central Advisory Committee, said, "The standing committee members of Political Bureau and the retired leaders of the Central Advisory Committee have held two activities together. The first was a photo session advocated by Deng Xiaoping. The second was this luncheon,

proposed by Hu Qili. The two events are not much for people who have worked together for nearly half a century. The two events, however, are not without profound meaning."

With unabashed humility, guest Yuan Renyuan, 87, also commended the elimination of life tenure. "The waves in Yangtze River create new waves," he said. "Our successors will improve on what we have done. It is natural for the old to step down from their posts to make way for the young. We do not merit praise."

Hu Yaobang, however, did not agree. "Why shouldn't you be praised?" Hu asked. "You charged

forward in front of others when you were young. You have never been afraid of death, and you have devoted your lives to the revolutionary cause. Now you have set the example of leaving your leading positions."

After expressing her best wishes to all the participants, Deng Yingchao said, "I would like to say a few words. First, we had a successful meeting that will further the Party's work. Second, we have retired only our positions, not our aspirations for and confidence in communism," she said. "We worked together for the Party when we were young, and we may compete with each other when we are old. We will keep the genuine qualities of Party members and devote our whole lives to the Party's cause."

A Victim's Personal Account

from "RENMIN RIBAO"
(People's Daily)

WHEN Liaoning Province in northeast China was struck by serious flooding in August, many area residents suffered huge losses. People all over the country held out their helping hands. The following are excerpts from Liaoning resident Li Jie's diary, written during the disaster.

August 25

At 10 pm, the neighbourhood committee gave us the evacuation notice. Ten members of my four-generation family took the special train and left Panshan for Jinxian County. How will the county treat us? I am really not sure.

August 26

At 3:10 am the train arrived at the Jinxian train station. On getting

off the train, I heard a caring voice over the loudspeaker: "Comrades, friends, you have suffered so much. We have been very worried since hearing about the floods. Now we are here to help and care for you." I was so moved, I could no longer hold my tears.

By dawn we moved in with Wei Shaobo's family in Yudong village. Wei had vacated three rooms for us, including a "couple's room" out of consideration for my wife's poor health.

At 7 am, Wei's wife brought us clean clothes and took all the dirty ones away to wash.

For dinner we had boiled corn, prepared especially for us.

August 27

In the morning, Wei brought his television and cassette tape recor-

der to our rooms, thinking we might be bored. He brought his electric fan to our rooms, because he thought we might be hot. He gave us mosquito-repellent incense, fearing we might be bothered by the insects. . . .

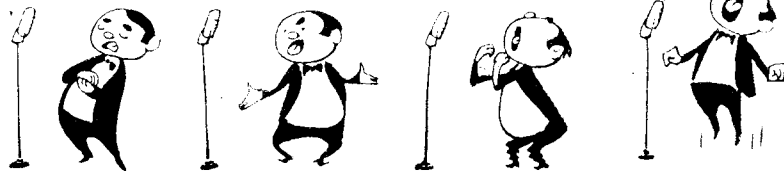
After breakfast, Wei took my family to Tianchi Lake on Beishan Mountain for sightseeing, and then to visit a fishing pool and lotus pond.

In the evening, we found Wei's wife had changed our covers and sheets.

August 28

My children returned to school. They got new text books and stationery.

We had a rich dinner. Wei poured me a cup of wine and said, "Don't worry. You can rebuild your home. While there is life, there is hope. When you set up



A Tiring Tenor.

Cartoon by Ah Hua
(Reprinted from "Humorists")

your house, don't hesitate to tell us what you need—labour or money. From now on, we are real brothers. Bottoms up." I drank a little. My tears began rolling down. . . .

Yang said social sciences, natural sciences and technological sciences should be available in one school so students and teachers from the various disciplines can interact and learn from one another. Yang also said such a network of universities would provide an outlet for creative energy, while also providing the proper atmosphere for research on politics, economics, science and technology of the country concerned.

Yang said his plan could be implemented by adjusting current universities: No new facilities need be built. He said, for example, Harbin Industrial University, where lessons were given in Russian before liberation, could expand into a Soviet Union-oriented comprehensive university with English being taught there as a second language. Dalian Industrial, Qinghua and Tongji Universities, Yang said, could be enlarged into Japan-, American- and FRG-oriented universities. While either Chinese People's University or Beijing University, and the University of Science and Technology could be modelled after Western schools with an emphasis on Chinese schools of thought and research centre with Chinese characteristics.

Adapting China's Higher Education

from "SHIJI JINGJI
DAOBAO"

(World Economic Herald)

YANG Shouzhun, the former Chinese ambassador to the Soviet Union, proposed recently that China establish five universities, four of which would be modelled somewhat after universities in the United States, the Soviet Union, Japan and the Federal Republic of Germany (FRG). The fifth one, according to Yang's plan, would incorporate the good points of the four countries with those of a Chinese university.

By the year 2050, Yang said, there will be five strong nations: China, Japan, the United States, FRG and the Soviet Union. It is now time for China to set about emulating these countries' strengths, he said.

China lags behind the advanced

countries in its ability to train professionals. While more than 100 out of 10,000 people are receiving higher education in Japan, the Federal Republic of Germany, the United States and the Soviet Union, only more than 10 out of every 10,000 do so in China.

China should emphasize the development of these five universities, Yang said, in an attempt to meet its growing need for specialized personnel.

"If the five schools have 100,000 students, they have to employ 3,000 professors with doctoral degree, including 200 to 300 foreign and visiting professors, and 13,000 teachers with master's degree," Yang said. "By the end of this century as a result of the programmes, a large number of teachers, researchers and managers will have mastered two foreign languages and be lecturing in those languages. . . ."

China Expands Overseas Air Service

China's national airline, the General Administration of Civil Aviation of China (CAAC), is planning to expand in the next few years, to include air service to Argentina, Brazil, Canada, the German Democratic Republic, Italy and other countries.

Since 1979 when China just began to open to the outside world, CAAC has increased its international routes from the original 12 to the present 26 lines. In addition, CAAC has signed air agreements with 46 countries and established business relations with airlines in 180 countries and regions.

To meet the needs of expanding its international service, CAAC has bought advanced navigation equipment and more than 40 planes of the latest models from the United States, Britain and the Soviet Union this year. CAAC has replaced its Boeing 707s and Tridents with Boeing 747s, MD-82s and A-310s and has planned to bring in more modern planes to update its

air service in the next three years.

While expanding its passenger transport, China also plans to develop its air freight transport operation. At present, transport routes scheduled for expansion are the Sino-Burmese, Sino-Philippine, Sino-Singapore, Sino-Australian and Sino-Ethiopian routes, which are the least travelled of the routes. In the first seven months of this year, the freight volume on China's other international air routes and on the Hongkong line was up 48.3 percent and 36.4 percent respectively over the same period last year. It is expected that the total air transport volume this year will be 40 percent bigger than that of last year.

AIPPI Symposium Held in Beijing

With the help and support of the International Association for the Protection of Industrial Property (AIPPI), the Chinese Group

of the International Association for the Protection of Industrial Property sponsored the Beijing Industrial Property Symposium from October 30 to November 2.

About 200 members of AIPPI from 27 countries and regions, including the United States, the Federal Republic of Germany, Japan, the Soviet Union, Britain, France, India and Argentina attended the symposium. Mr. Vincent, executive president of AIPPI, and Mr. Briner, secretary-general of AIPPI, also were present at the symposium along with 100 Chinese representatives.

In addition to discussing the protection of industrial property, symposium delegates also received a briefing by the Chinese departments concerned on the country's new patent and trademark laws, patent litigation and trademark agent work.

The Patent Agency of the China Council for the Promotion of International Trade, established in June 1984, processes patent applications for foreigners, foreign enterprises and organizations. The agency also files patent applications abroad for Chinese units and individuals for inventions made in China.

Since the implementation of the Chinese Patent Law in 1984, the Patent Agency of the China Council for the Promotion of International Trade has handled more than 2,000 patent applications.

Beijing Seeks Foreign Funds

Although Beijing does not enjoy the preferential treatment of the special economic zones and 14

One of CAAC's recently-purchased A-310s en route.



of China's coastal cities, its favourable investment climate has kindled the interest of some foreign business people. In the first nine months of this year, Beijing signed 58 contracts valued at US\$790 million on co-operative enterprises and joint ventures with foreign investors, almost doubling the total number for the past six years.

Yu Xiaosong, director of the Beijing's Economic Relations and Foreign Trade Committee, said that regarding the use of foreign capital, priority will be given to Beijing's tourist facilities. Foreign business people are welcome to invest in medium-sized hotels and their accessory facilities, such as amusement centres and golf courses, Yu said. Foreign investors also are welcome to build tourist facilities near the sites of cultural and historical relics, he said.

According to the committee director, priority also will be given to food industry, including the processing and preservation of agricultural and sideline products; the import of improved varieties of plants and fine breeds of animals, the import and updating of technologies for the electronics, light and textile industries, and the building materials industry. In addition, foreign businessmen are also welcome to invest in the construction of the city's infrastructure facilities, including telecommunications, sewage treatment projects, subway technologies and all necessary equipment.

Beijing was among the first cities designated for to open up to the outside world in 1979. By the end of 1984, Beijing had signed contracts worth US\$1.3 billion with foreign investors for importing 900 projects. Beijing has absorbed foreign capital and imported technologies and equipment from 30 countries and regions around the world, with Japan ranking first, followed by Hongkong, the United States and the European Economic Community. At present, 30 percent



On September 28, during the Mid-Autumn Festival, an attendant of the catering department of the Great Wall Sheraton Hotel-Beijing, in the attire of a maid from the imperial palace, seating foreign guests at the hotel's festival banquet.

of these projects already have been put into production. From January to August this year, the city signed contracts for importing another 155 projects worth US\$150 million. This, plus those used in the previous six years, brought the value of Beijing's total foreign investment to US\$2.25 billion.

While absorbing foreign capital and importing technologies and equipment, Beijing has set up 11 ventures and six Chinese-owned enterprises in Japan, the United States, Nigeria and Hongkong. Five other ventures will begin operating later this year.

Cotton Export to Poland Resumed

After a 30-year hiatus, China resumed exporting cotton (an estimated amount of 17,000 tons) to

Poland this year.

In the 1950s, China exported only a small amount of cotton to the country. Later, because domestic production fell short of demand, China became a cotton importer for a fairly long period and its exports to Poland were thus suspended. Recently, however, China reaped bumper cotton harvests for years running, and its cotton output in 1984 totalled 6.08 million tons, a 31.1 percent increase over the previous year. Consequently China is now one of the world's major cotton exporters.

A trade official from Poland said the Chinese cotton was strong and with fewer impurities than cotton from many countries. Poland intends to import 20,000 to 30,000 tons of cotton from China each year. Apart from the medium-length fibre and long fibre cotton, Poland also will import a considerable amount of cotton yarn and cotton grey cloth, he said.

Women's Literature – A Creative Force

A notable phenomenon in contemporary Chinese literature is the ascendance of women writers to its foreground.

Because of the abundance and popularity of the material published by China's women writers, a number of periodicals and magazines devoted to female authors have emerged. Publications such as *Female Writers*, a quarterly put out by the Ningxia People's Publishing House, and *Women's Literature*, a monthly from the Shijiazhuang Publishing House, carry stories and articles that portray the special problems and concerns of contemporary Chinese women. At their best, these pieces often demonstrate the unique ability of China's women to observe and learn from their own lives and those of the people around them. The stories, with their distinct and meticulous writing, help readers better understand Chinese women and writers in general.

Women's literature has flourished in the last few years as have the rest of China's arts and literature. During the 10-year "cultural revolution," many forms of literature and art were criticized. As a consequence, writers — men and women — were obligated to abandon their craft. Since 1978, however, with the resumption of political democracy and freedom, women's literature has become an important component in China's literary circles.

From 1978 to 1979 women's literature developed at a feverish pace, with a group of middle-aged women writers taking the lead. Most of the works by these women

tell of the wounds and losses wrought on society by the excesses of the "cultural revolution." *The music of the Forest*, by Zhang Jie, who worked in an industrial ministry, tells of a musician forced to work in a forest zone even though he is suffering from cancer. Despite his illness, the musician uses his limited time to teach a worker's son how to play an instrument. The musician dies, but the boy goes on to study music in a Beijing conservatory.

Zong Pu, a writer criticized for a love story she wrote in 1957, recently wrote *Melody in Dreams*, a tale of two intellectuals suffering from the ultra-left policies. Veteran writer Ru Zhijuan's *A Badly Edited Story* and Liu Zhen's *Black Banner* tell of how the relationships between leaders and the masses changed after liberation.

while Dai Jing, a middle-school teacher, describes the life of middle-aged intellectuals in her story *Longing*, which caused strong reaction among intellectuals and garnered the attention of the policy-making department for intellectuals.

These middle-aged women writers are joined by a group of younger writers, who also have achieved a degree of literary acclaim with less conventional ideas and more detachment. These authors, whose works are generally creative and full of vitality, explore diverse themes and characters in both realistic and abstract genres. In their novels, authors Ye Wenling and Tie Ning explain the great changes in peasants' lives and the thinking that arose after the implementation of new rural policies in 1979. In

Author Ru Zhijuan (right) exchanging views on writing with another author, Wang Xiyun.





Tie Ning, 28, author of the novel "Xiangxue" about the life of a country girl after 1979.

Xiao Jin, another young author, Hang Ying, describes the life of a shopgirl, and that of a blind girl in *Sparkling Eyes*. In *Evening in a Maple Forest*, Hang explores how the elderly find companions, while Zhang Xinxin in her piece *Junzilan* criticizes greed sparked by the new economic policies. Zhang also co-operated with a male writer in recording the lives of a group of ordinary people during the 1980s in the capital in *Beijing Profiles*.

Among the most prominent features of women literature is their varied themes and the depth of their thought. These women writers are recognized not only for their portrayal of women, but for their portrayal of society in general. Zhang Jie for example, in *Leaden Wings*, illuminates the current struggle between two schools of thought in industry — one for reform and the other against — while *At Middle Age*, by Shen Rong, describes the difficulties intellectuals face even after the downfall of the gang of four.

In addition to social problems,

young writers describe the travails of young people who once worked as rural labourers and who, after returning to the cities, had a hard time finding work and spouses. These works include *The Wasted Years* by Zhang Kangkang, *Life in a Small Courtyard* and *The Stage, a Miniature World* by Wang Anyi.

Many of the works published by women writers today are love stories. Zong Pu, who has written several love stories about women intellectuals, in *The Walnut Tree* tells the story of a woman so dedicated to her job and helping others that her love life suffers under the strain. In *Rain*, Wang Anyi tells of a naive young woman's search for happiness and true love. *Northern Lights* by Zhang Kangkang looks at love from a different angle and describes the worries of young women before they marry. *Love Must Not Be Forgotten*, by Zhang Jie, is about a widow who, after the man she loves marries his benefactor's daughter, is forced to bury her love deep in her heart.

Many of these women authors dare to deal with difficult social problems. In most of these works, the women writers combine a breadth of vision with exacting writing and poignancy to make for not only good reads, but valuable ones as well.

Their publications in particular show how Chinese literature is flourishing these days and how women intellectuals are developing with the rest of the nation. These women have found a voice within them that says they want much the same things as many men — to express themselves freely and to be their own masters. Should they persist in publicizing these views, women's literature in China will undoubtedly unfold to reveal a gem of unlimited value.

Altitude Affects Memory Efficiency

The shortage of oxygen in areas of high elevation negatively affects memory, says a group of Qinghai scientists who recently completed a three-year survey on an altitude and recall.

The survey, begun in 1982, was conducted in Qinghai Province in northwest China and confirms the widely recognized, but as yet untested, hypothesis that the higher the altitude the quicker the average memory fails.

The scientists surveyed 1,613 people who live in areas from 2,200 metres to 4,000 metres above sea level. Their study showed that oxygen in these areas was 21 percent to 32 percent less than oxygen in areas at or slightly above sea level, and that the less oxygen available, the less an average person is able to recall.

The scientists also compared the memories of 25- to 45-year-olds from the Qinghai-Tibet Plateau with those in coastal cities, and discovered that high altitude residents' memories failed on the average 10 years earlier than their counterparts in low-lying areas.

The survey was conducted by the Qinghai Teachers' University and a hospital attached to the Qinghai Medical College.



The Rejuvenation of Ethnic Sports

Six traditional ethnic sports were listed as competitor events, and another several dozen as performance sports, at the first ethnic sports meeting of Beijing this September.

Zhao Zongqi, secretary of the Beijing Ethnic Sports Federation, said the rejuvenation of these ethnic sports was important to Beijing's sports history and indicated the government encouragement to ethnic sports activities. He stated, however, that all participants must be residents of Beijing.

Since many ethnic minorities have made Beijing their capital — such as the Mongolians and the Manchurians — Beijing has become the most important city for ethnic populations.

To ensure the existence of ethnic sports, a special sports federation was established in Beijing in October 1984. It began collecting and studying ethnic sports and its staff members read reference books

about sports in the Qing Dynasty (1644-1911), during which the Manchurians were in power. To get first-hand information they also visited elderly men from different minorities, minority-inhabited districts and schools. Dozens of events were finally categorized with new competition regulations. Today, some of them are practised in about 20 units and schools.

Zhao said these events were simple to perform since they didn't require special grounds or facilities. The sports themselves are characterized by a sense of game play and cultural tradition, rather than fierce competition.

"Hunting," is one example of a game that evolved from a form of Manchu hunting when hunters would throw rocks at animals to capture them. Two teams, each with three people carrying small baskets on their backs with white caps on their heads, chase each other trying to throw small sand

packages into the rivals' baskets. It is supposed to train the athlete in accuracy and judgment.

"Wooden ball" is a popular game among the Hui people, the second most prominent minority group in Beijing, with a population of 110,000. Two five-member teams take part in the competition and each team has a goalkeeper. Each team tries to score higher by hitting the ball into the other's gate with a wooden board. Hui people believe this particular sport trains one's spirit of co-operation.

Another interesting Manchu game is "on-land boat racing." Manchu has a boat-racing festival every July 15 of the lunar calendar. After the Manchus migrated to areas where there was no river, they began to celebrate the festival on land. Five people compose a "boat," each side with bamboo poles. The curious thing about it is that while the "helmsman" runs backwards, the other four must run forwards, which requires perfect co-ordination of the whole team.

The "double-flying" running race, another Manchu game, is similar to the on-land boating. The Qing Dynasty Emperor Qian Long (1736-95) watched an annual skating performance of his guards in the middle of lunar October in Beihai Park — formerly a court garden. The performance included speed skating, figure skating and football on ice. "Double-flying" requires two people to skate together side by side with their two inside legs bound together. Later on it developed into a running race.

It is expected that the games will become popular enough to join other performances in the Third National Ethnic Sports Meeting scheduled for next year.

A "hunting" game is played.



Out of Obscurity – the Works of Zhang Wentian



Zhang Wentian and his wife in 1976.

The Selected Works of Zhang Wentian (in Chinese) was published by the People's Publishing House in August 1985. Recognized as a "great Marxist" and "outstanding revolutionary," Zhang (1900-76), a major leader of the Communist Party of China, contributed much to China's revolution and consequent construction. This selection of Zhang's works includes 70 articles written between 1931 and 1974. Fifty-one of these articles have never before been published.

Between 1931 and 1935 the Party lost serious ground in its revolutionary cause. Zhang's five articles from that period include "The Closed Door in Literature and Art," "On Our Propaganda" and "On the 'Declaration' of the Soviet Government and the Fight Against Opportunism." Although these articles bear some marks of

"leftism," they also reflect major policy differences between Zhang and the then leaders of the central authority.

The selection also contains the resolution Zhang drafted for the Party's Zunyi Meeting held in January 1935. The meeting criticized "left" errors and established Mao Zedong's leadership of the Party's central authority and the Red Army.

The selection also includes 32 documents, reports, letters and telegrams as well as articles Zhang wrote when he was in charge of the day-to-day work of the Party Central Committee after the Zunyi Meeting. It is during this period that Zhang drafted the resolution for the Central Committee on the strategies and policies of the establishment of the national united front against the Japanese invaders and wrote "At the Front of the National War of Self-Defence," which details the two lines adopted by the Communist Party of China and the Kuomintang in the War of Resistance Against Japan.

The selection also includes 20 articles Zhang wrote between 1941 and 1959. After he finished his investigation in the countryside in 1943 Zhang wrote "Return From My Journey," advocating the pursuit of truth. In 1956, when he was the First Vice-Foreign Minister, Zhang wrote "Some Questions on the Implementation of China's Peaceful Foreign Policies."

Also included here is Zhang's speech delivered at the Lushan Meeting, the Eighth Plenary Session of the Eighth Party Central Committee held in 1959. The speech, published here for the first

time, criticises the "left" error of the "Great Leap Forward" and resulted in Zhang's dismissal from all of his leading posts. Only after the Third Plenary Session of the 11th Central Committee in 1978, was Zhang's name rehabilitated.

For the period of 1961-64 the selection contains seven articles on the development law of socialist society. In these articles, Zhang says after the establishment of socialist mode of production, the contradiction between production forces and relations of production is reflected in the contradiction between production and the demands of society. It is wrong, Zhang says, to regard the struggles between two classes and two lines as the key contradictions of society.

The last five articles of the selection are chosen from those Zhang wrote while under house arrest during the "cultural revolution." At the time when the erroneous theory of "the continuous revolution under the dictatorship of the proletariat" prevailed, Zhang, however, said the main task of the proletarian political power was to conduct socialist economic construction.

He also wrote that suppression should not be employed in handling contradictions within the Party and that leaders should tolerate criticism and not only listen to flattery. The main points of these articles have been proven sound by the test of history. Zhang's bravery and foresight are commendable for having written such articles at a time when such thoughts were out of favour.

北京英文第四十四期（一九八五年十一月五日出版）



Mountain Path.

by Weng Guangxing



On a Threshing Ground. by He Yun

All the following works were engraved by peasant artists in Qijiang County, Sichuan Province. With their primitive designs and exaggerating way of presentation, the engravings effectively convey aspects of the Miao People's life, labour and love.



Oxen for Sale.

by Chuan Longquan

Woodcuts by Peasants

ART PAGE



Playing the Leaf As an Expression of Love.

by Xiong Yongzhen



Miao People at a Traditional Celebration.

by Xiong Lianping

蓝天
BLUE SKY

BLUE SKY TOOTHPASTE

Blue Sky Toothpaste, produced by the Tianjin Toothpaste Factory, is a refreshing way to brush your teeth and fight tooth decay. The spearmint flavour keeps your breath fresh for hours. It was awarded the state gold medal for fine quality in 1981.



**CHINA NATIONAL LIGHT INDUSTRIAL PRODUCTS IMPORT
& EXPORT CORP., TIANJIN BRANCH**

172 Liaoning Road, Tianjin, China Cable Address: "INDUSTRY" TIANJIN Telex: 23142 TJLIP CN