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BEIJING REVIEW

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A CHINESE WEEKLY OF
NEWS AND VIEWS

Qualitative Escalation of Superpower Arms Race

Ten Major Changes in China's Economic Research



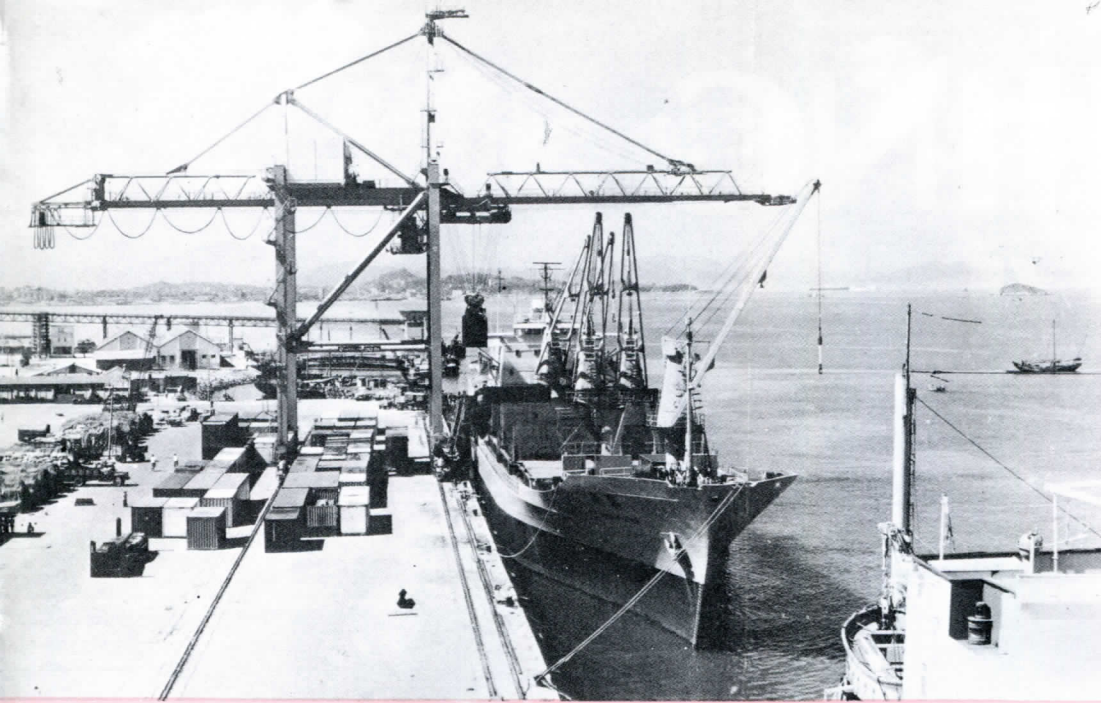
**Developing Fish
Farming**

SPOTLIGHT

Xiamen Today

A wharf at Xiamen's Dongdu Harbour. After the completion of 23 deep-water berths, the annual handling capacity of Xiamen Harbour will increase from 4 million tons to 15 million tons.

Xiamen International Airport.



The Xiamen Special Economic Zone has established trade relations with more than 80 countries and regions. Xiamen has stepped up construction of its communications and energy facilities, and improved its administration to keep abreast of its changing needs.

Workers at the Xiamen Synthetic Fibre Weaving Mill operating with jackquard looms imported from the Federal Republic of Germany.



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COVER: Fishermen hauling in a con-
siderable catch at the Xinanjiang Re-
servoir in Zhejiang Province.

Photo by Shao Shuchang

HIGHLIGHTS OF THE WEEK

Superpower Arms Race Enters a New Stage

Both the United States and the Soviet Union are researching and developing space weapons. This represents a qualitative escalation in their arms race, bringing about changes in their military strategies. The implications of the new trend have not yet been fully revealed, but it can be said for certain that it will profoundly alter the world strategic situation (p. 15).

Study of Economics Undergoes Vast Changes

Spurred by the cascading current economic reforms, China's study of economics is witnessing changes in 10 major aspects, from critical to constructive economics, from the categorical rejection of contemporary Western economics to its analysis and use, and from theoretical to applied economics (p. 17).

Price Reform: Good Beginning in 1985

Chinese grocery markets were gripped by price hikes soon after the government decontrolled the prices of non-staple food items earlier this year. But with pay rises and subsidies, city dwellers find it easier to cushion the higher cost of living (p. 6).

Seeking Steady Grain Production

Despite an estimated reduction in China's grain output for 1985, the nation's total agricultural output value is expected to remain steady, with peasants' average incomes showing modest increases due to the cultivation of more cash crops and the overall development of the rural economy. The current tendency to neglect grain production, however, must be checked, and measures must be taken to ensure the steady development of China's grain production (p. 4).

China's Fish Farming Jumps Upstream

China has been able to supply two more kilogrammes of fish to each person this year. This improvement can be attributed to the adjustment of fishing policies, the reform of China's economic structure, and the scientific methods of fish farming (p. 21).

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No Relaxation in Grain Production

by **WANG DACHENG**
(Economic Editor)

It is estimated that China's total grain output this year will be somewhat less than its all-time high of 407.3 million tons reached last year, making the 1985 harvest the country's second largest. Because of the planting of more cash crops and the growth of rural industry, the nation's total agricultural output value has remained steady, allowing the peasants' average income to increase to some degree. The sizable harvests in the last few years have enabled both the state and the peasants to store reserves. As the reduced output this year will not affect the balance between supply and demand, grain prices have remained stable.

The drop in grain output can be attributed to three main factors. First, the acreage sown to grain has been reduced. According to information collected from 11 provinces, the reduced area accounts for more than half of the reduction in output. When China had a number of bumper harvests several years running and when its grain reserves had been significantly increased, it was necessary for China to reduce grain growing areas to make room for more cash crops. The reduction this year, however, did seem to be too large. Second, serious natural disasters also adversely affected production levels. The grain output in the three northeast China provinces alone was reduced by 10 million tons as a result of serious summer flooding. And third, the peasants' enthusiasm for grain production was dampened by an unfavourable price system that made economic returns from grain grow-

ing poorer than those from industrial production and cash crop cultivation.

In recent years, a responsibility system has been adopted in the countryside in which remuneration

Although the problem of feeding 1 billion people has been basically solved, China's level of grain consumption is still very low compared with that of the developed countries. The increase of population at the rate of 10 million every year and the expansion of food stuff industry and animal husbandry call for continued efforts in grain production.

has been tied to output, agricultural taxes have been reduced or exempted, and the state monopoly on grain purchase has been replaced by purchases according to contracts and the market. These policies, designed to support and boost production, have stimulated the peasants' interest in grain growing. In 1984, China's total grain output went up more than 100 million tons over that of 1978, an average annual increase of 5 percent. At present, the average annual per-

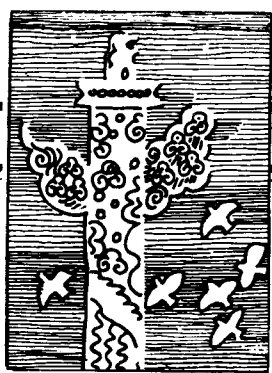
capita amount of grain in China has reached 400 kg. The problem of feeding the country's 1 billion people has been basically solved, which is by any standard an amazing achievement.

The enormous increase in grain production has paved the way for a more diversified, balanced and vigorous rural economy. It has also contributed to the country's overall economic development as well as political stability and unity.

Efforts in improving grain production, however, still should not be slackened. The Chinese people's consumption level is still very low compared with that of the developed countries. With the development of the foodstuff industry and animal husbandry, as well as with changes in people's diet, the demand for grain is expected to increase. Furthermore, some areas in China are developing more rapidly than others. The current per-capita amount of grain consumed in 16 provinces and autonomous regions is lower than the national average. Peasants in a few areas are still leading a difficult life. Moreover, China's population is expected to increase by about 10 million every year for the next few years, putting an added burden on grain reserves and production.

It is unrealistic for a large country like China to rely on imports to solve the country's food problems. In addition, China has a limited amount of cultivated land and there is not much cultivatable land that can be turned to good account. For all these reasons, the steady development of grain production is a basic state policy.

It is estimated that the country's



total grain output will reach 450 million tons by 1990 and 500 million tons by the year 2000.

Currently, some cadres and peasants emphasize the importance of rural industries at the expense of grain production. This tendency, however, has not gone unnoticed by the government. Chinese leaders have repeatedly stressed that the problem of feeding and clothing a population as massive as China's is not only a serious economic problem, but also an enormous political one as well. Without enough grain, there would be no political stability.

China will continue to work for a diversified rural economy while paying adequate attention to grain production. While readjusting crop composition, attention will be paid to correctly handling the relations between grain production and other crops in line with local conditions. It is necessary to maintain enough amount of areas for grain crops, and popularize agro-techniques to raise per-unit yield. Efforts will be continued to improve farmland irrigation and reduce losses incurred from natural disasters. The specialized grain production households should be helped in various ways so that they might expand production and raise labour productivity, thereby improving economic returns. These include readjusting prices in order to encourage better quality in grain production.

All these measures are meant to ensure the steady development of grain production.

Enhancing Sino-US Relations

I enjoyed reading the article "Sino-US Relations: Opportunities and Potential Crisis" (*Beijing Review*, No. 41, October 14, 1985). As an economist and president of ADA Digital Systems, Inc., I can only envision opportunities ahead, because any crisis would be too costly for the United States.

The future economic relationship can be healthy and mutually rewarding. To enhance the relationship and improve the ability of both nations to meet shared global concerns, I have to stress the positive scenario for the best interests of the American and Chinese peoples. The US-China economic relationship is of substantial benefit to both countries by stimulating competition, expanding choices, adding to available resources (human and material) in each country, and increasing overall economic efficiency.

The China market is open and investment opportunities are available and guaranteed by the Overseas Private Investment Corporation. Americans need to improve our efforts to gain access to the China market. As to Taiwan, it is a province of China. I am sure that *Beijing Review* readers should know the reality of Sino-US relations.

Francis Shieh
Maryland, USA

Avoiding a "Brain Drain"

In your article "Hu Calls on Youth to Make Sacrifices," Party General Secretary Hu Yaobang is absolutely right when he urges the youth, particularly intellectuals, to "devote themselves to their country, its people... and subordinate

LETTERS

their personal interests to this goal" (*Beijing Review*, August 19, 1985).

But it is sad to say that the present trend now existing in our country is contrary to what it should be. Instead of making sacrifices for the benefit of the common people and our country, many young graduates and well-trained professionals are seeking greener pastures in other lands in hopes of fulfilling their selfish interests and of becoming rich, no matter what might happen to the socio-economic and political situations in their country, and despite the fact that such a "brain drain" is sure to have a detrimental effect on their country.

Samuel D. Cabe
Marawi, The Philippines

Comments on Transport

I learned very much from your article "Developing Road and River Shipping." According to the article, China's Special Economic Zones should put more stress on exchanging goods with other regions in China, while also importing foreign products and technology. In addition, the various areas in China should also improve the transportation of their local products.

I now appreciate the Chinese government's efforts at trying to solve this dilemma.

Japan's land transportation is over-developed. Furthermore, some state-owned railways are being inadvertently transferred to the private sector. The situations in the two countries reflect their different policies.

Nobuhiko Shimizu
Hokkaido, Japan

Price Reform: 6 Months Later

A major price reform is sweeping across China's nonstaple food market. By June 1, uniform price controls on meat, poultry, eggs and fish had been lifted in 35 major cities to make way for prices that fluctuated with market supply and demand. In the meantime, city residents have been issued monthly subsidies to offset possible price hikes. (For details, see *Beijing Review*, issue No. 20, 1985).

The changes made in food prices are but one of three major price-reform measures considered the key to the country's ongoing economic reform.

The other two measures involve readjusting grain purchase prices aimed at promoting reasonable agricultural patterns, and increasing short-distance railway transportation charges in order to shift some of the overflow passenger and cargo transportation burden to highways and waterways.

The reform's main goal is to facilitate commodity flow to pave way for expanded production and a better livelihood for the people.

Pork, the chief component of the Chinese diet, has been the inevitable focus of the food market price reform. The state has abolished its mandatory purchase quotas for pork, and pork producers now sign contracts with the state for the amount of pork they want to sell at prices that are no longer state-fixed but negotiable between buyers and sellers. This move has helped boost farmers' enthusiasm for raising pigs and other animals, and has enabled state foodstuff companies to erase their huge

amounts of red ink, the result of a system of over-subsidizing in which the state sold pork and other nonstaple foods at prices lower than those at which they were purchased from the producers.

The reform has sent food prices up, sometimes to alarming degrees. In Beijing, meat has increased 30 percent. Well-marbled cuts of pork sell for 3.8 yuan per kg, a hike compared to the previous price of 2.52 yuan. Vegetable prices soared as well, and are not expected to settle at reasonable levels for some time.

Higher prices have brought higher costs of living. According to a report made by Cheng Zhiping, director of the State Price Administration, at last month's 13th Session of the Sixth National People's Congress Standing Committee, China's total retail price index rose by 5.6 percent in the first three months of this year and 8.8 percent in the second over those of the corresponding periods in 1984.

In May, when price controls on meat and vegetable prices were first lifted, the retail price index rose by 9.3 percent point, which is an all-time high. It was not until the July-September period that the figure took a downturn because of intervention by state commercial operations.

The initial runaway price increases can largely be attributed to inadequate preparations. When local free markets were suddenly glutted with vegetables, holding the whole city market in their sway, state grocery companies simply did not know where to get

supplies to bring the soaring market prices down.

The country's unwieldy, though improving, economic system also compounded the problem. In Heilongjiang Province, for example, before a 100-kg pig becomes meat at consumers' dinner tables, it changes hands five times — first from the local pig collector to the county distributing agency, then on to the slaughterhouse before going to the city grocery company and retail stores. By the time it reached the consumers its price has gone up by 90 yuan, an expense covered by the consumers.

The free market has also opened the door to illegal money-making schemes. Many stores have been known to mix fat into lean meat and sell the combination at 100-percent lean pork prices.

These problems have stirred much discontent — and a fair amount of scepticism among consumers about the wisdom of the price reform. On the whole, however, the public seems to favour the changes, since at least for this year, the price reform has gotten off to a good start. In the process though prices of meat and vegetables have gone up, other essentials, such as grain, edible oils, cloth and most consumer goods remain stable. And the market is thriving. According to statistics, in the first six months of 1985, the volume of business on both the rural and urban markets totalled 3.339 billion yuan, a 65.5 percent rise over that of the same period of the previous year.

Farmers, delighted to see the prices of their produce settle at

sensible levels, have been highly enthused by the sudden flow of cash into their pockets and have since expanded production to meet the snowballing market demands. In Chengdu, truck farmers expanded their operations and supplied the city with 115 million kg of vegetables from January to August, averaging a delivery of half a kilogramme each day for every resident. This move alone augmented farmers' incomes by 4 million yuan.

For urban consumers, the emergence of market places full of vegetables, many of them fresh with morning dew, is indeed a dream come true. "In the past, when you went grocery shopping, you often came home either with an empty basket or food that was too withered or too old to eat," said a Beijing timber mill worker. "Now shopping is so much more convenient, and the vegetables are fresh and tender. I'm happy even though I'm paying more."

A large portion of the increased food bill has been offset by government-granted wage rises, as well as by the monthly price subsidies for city residents. Since last January, middle and primary school teachers have received salary increases, while the workers and government employees have had their wages increased by an average of 20 yuan since last July. According to Cheng, workers' wages this year have averaged a 17 percent increase over that of last year, while the rise in peasants' net income is expected to top 10 percent.

The guideline for the price reform is to "make initially incremental and prudent steps in order to ensure success." The State Council has accordingly announced that in order to avoid upsetting the relative calm in the market, no major moves in price reform are planned for 1986.

What is more important,

according to Cheng, strict measures will be taken to control the price index for retail goods, so that living standards for the majority of the people will not be affected by the market changes. Measures will also be taken to keep price increases at a pace lower than increases in family incomes, and to gradually improve the people's livelihood on the basis of expanding production.

Sino-Malaysian Relations Develop

As a sign of improved bilateral relations, a 200-member Malaysian delegation, headed by Prime Minister Mahathir Mohammed, visited China November 20-28. The delegation, which was one of the largest China has received in recent years, included five cabinet members and more than 100 Malaysian business people.

"The visit of such a large delegation signifies the progress made in promoting relations between our countries," said Chinese leader Deng Xiaoping at a meeting with Mahathir on November 22. "Because we are neighbours, it is important that we promote sound relations between our nations," Deng said. Both being developing countries, China and Malaysia should work for mutual understanding and co-operation. If developing countries strengthened co-operation and trade among themselves, they could form the world's single largest market, Deng said.

Third world countries, with vast land and human resources, should help each other and co-operate in a variety of ways, Deng stressed. "Such co-operation," he said, "could improve the economic growth in each country, and could also help overcome individual difficulties," Deng said.

During their talks, both Premier Zhao Ziyang and Prime Minister Mahathir stressed the importance of good international relations between nations of divergent social and political backgrounds. The difference in their systems is not important. What is important, they said, is whether they observe the Five Principles of Peaceful Coexistence. Zhao noted that bilateral economic and trade co-operation would gain further development if China and Malaysia make efforts based on equality, mutual benefit and mutual help to make up for each other's needs. There is still much room for expansion of bilateral relations, Zhao said.

Mahathir said he has gained a better understanding of China's policies and recognizes the "strong desire" of Chinese leaders to develop relations with Malaysia. He said the fact that he had brought along so many Malaysian business people attested to the sincerity of Malaysia's wish to expand trade and economic co-operation with China.

The two prime ministers discussed various possibilities for expanding trade and economic co-operation between their countries. Both said it was important to develop direct trade between the two countries, and to increase the trade volume. They also agreed that barter trade was an important way to increase trade between developing countries.

During the Prime Minister's Beijing stay, the two governments signed an agreement on the avoidance of double taxation and on the prevention of tax evasion. The agreement provides that China and Malaysia will avoid double taxation on profits, investment returns and income from labour service. Both sides also signed an agreement promoting and developing direct trade between China and Malaysia.

Responding to the question if

he had discussed with the Chinese leaders the issue of the Communist Party of Malaysia, Mahathir said, "We decided that we would talk about areas in which we could reach agreement, rather than those about which we hold different opinions." The Prime Minister added, "We concentrated more on trade relations than political problems. We feel we can get around those minor problems."

Mahathir described his talk with China's four top leaders, including Chinese Chairman Li Xiannian and Party General Secretary Hu Yaobang, as pleasant and successful.

Mahathir and his entourage also visited Shanghai, Hangzhou, Xian, Guangzhou and Shenzhen before returning home.

Students Spurred To Renew Spirit

Chinese students were called on to remember and renew China's revolutionary tradition at a recent Beijing forum in commemoration of the 50th anniversary of the December 9 Movement.

The forum was attended by some 80 Party veterans and 120 students from 16 universities. All the veterans had personally taken part in the 1935 movement, when Chinese students, led by the Communist Party, took to the streets in Beijing to protest against Japanese aggression of China.

The five-day forum, which ended on November 27, is said to have strengthened the link between the two generations, who ended the forum finding much common ground in building up a modernized socialist China.

In a keynote speech at the forum, veteran Communist Party leader, Bo Yibo, urged students to carry on the December 9th tradition by standing in the forefront of the country's drive for modernization. He said unity and stability were the fundamental guarantees for building civilization, promoting economic reforms and implementing China's open policy.

Yuan Baohua, president of the Students' Union of Beijing University in 1935 and now president of the China People's University, compared the domestic situation of today with that of 1935, and urged today's university students to shoulder the historical duties society has placed on them.

Exchanging their views with the Party veterans, the students said that the forum had brought home the concern and expectations of the older generation and offered an opportunity for making a comprehensive appraisal of the Party policies and tasks facing today's youth.

"We should not just comment on the reforms like outsiders," said Zhang Qin, who is studying for a doctoral degree in nuclear physics at Qinghua University. "We should throw ourselves into the struggle and put forward considered and constructive opinions." Zhang's collegemate, Zhuang Qian, president of Qinghua University's postgraduate association, also said that while problems would arise during the reform, they could only be solved under the leadership of the Party. Complaining would not do any good, he said.

Vice-Premier Li Peng, who is also a member of the Party Central Committee's Political Bureau, saw this direct dialogue between leaders and students as a rewarding experience. In his speech, he hoped this could continue as an ongoing dialogue.

American Writers Dearly Remembered

A handsome donation by the late Marshal Zhu De to the state was recently allotted to the Strong-Smedley-Snow Society of China, as special funds for the study, translation and publication of Agnes Smedley's works.

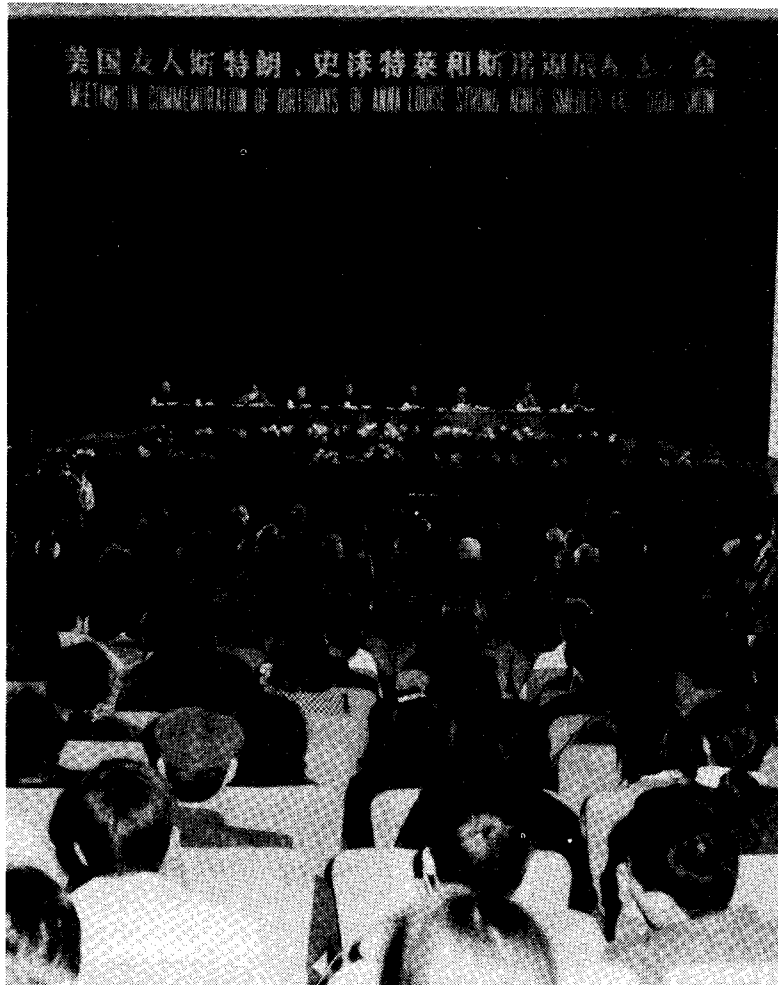
The 116,000-yuan donation was the total of Smedley's royalties from her books *China's Red Army Marches* and *China Fights Back*. The royalties were presented to Zhu De according to her will.

The donation was announced at a gathering held on Nov. 23 in the capital to commemorate the birthdays of the three noted American journalists and writers who dedicated much of their life work to China. It was the 100th birthday of Anna Louise Strong, the 93rd of Agnes Smedley and the 80th of Edgar Snow.

The meeting was attended by 600 people, including General Secretary Hu Yaobang and Tracy Strong, grandnephew of Anna Louise Strong, and Kang Keqing, widow of Zhu De and Vice-Chairman of the Chinese People's Political Consultative Conference National Committee.

Kang described the gathering as an expression of China's "deep feelings and high respects for all foreign friends who have helped us in the difficult years."

She said that Strong, Smedley and Snow, who came to work in China at a time when the Chinese people were fighting for emancipation, made valuable contributions to the promotion of world understanding of the Chinese revolution, and to the enhancement of friendship between the Chinese and the people of the United States and other parts of the world.



Several hundred American and Chinese participants listen to speeches dedicated to the work of the three American journalists.

"Their noble spirit of internationalist devotion and their sincere friendship towards the Chinese people will be enshrined in our hearts," she said.

In his speech, Huang Hua, president of the SSS Society of China, detailed the life of Snow and his contributions to the Chinese revolution.

"We can learn a great deal from Edgar Snow," Huang said. "Today, we should particularly learn from his strong will power, with which he exerted himself to seek truth, to promote the understanding and friendship between the Chinese and American peoples and among the peoples of the world, and to work indefatigably for the well-being of mankind and for world peace."

He urged Chinese youth to take the path the three American friends had chosen, and emulate them in learning and conduct in life.

Zhou Erfu, vice-president of the Chinese People's Association for Friendship With Foreign Countries, read a speech by Lu Dingyi, member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party.

Lu recalled the time when he met Anna Louise Strong in Yanan, where they were received by Chairman Mao.

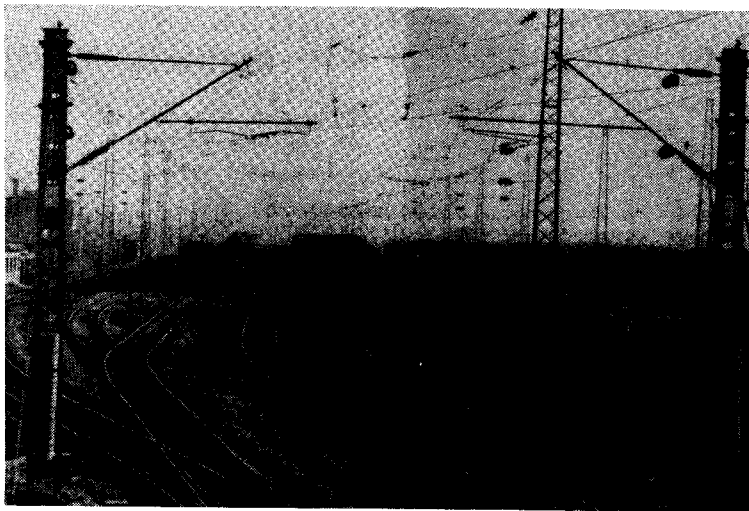
"The three of us sat around a table outside the cave," Lu said. "During his talk with her, Comrade Mao Zedong analysed the Chinese revolution and the world situation

News in Brief

Several hundred construction projects throughout China have been closed down in a recent nationwide quality inspection. Nearly 3,000 of 56,000 projects already completed or still under construction were found potentially dangerous, due to faulty design or workmanship. The inspection team ordered a stoppage of work at 721 projects. Another 207 will be torn down and rebuilt, and 1,516 need substantial repairs.

Twenty-three defendants charged with economic crimes, 21 of whom were government cadres, were tried recently in Beijing. They were charged with taking bribes totalling more than 256,000 yuan. Wang Lou, former Party secretary of Beijing's Miyun County Timber Company, received a 15-year sentence on charges of accepting bribes totalling more than 20,000 yuan.

China's coal output from local mines is expected to be more than 440 million tons by the end of this year, making up half of the nation's total. The country's local coal mines include more than 2,500 mines run by local governments, more than 50,000 owned by townships and villages, and more than 10,000 mines set up by self-employed miners.



Shanhaiguan Opens Electric Switchyard

An electric switchyard went into operation November 20 one year ahead of schedule at the Shanhaiguan Railway Station. A key construction project in China, the yard has enabled the railway station at the end of the Beijing-Shanhaiguan Railway to double its passenger-train handling capacity and increase its freight-train handling capacity by 40 percent.

as a whole. It was during this talk that he made the famous statement, 'All reactionaries are paper tigers.' I still remember her ecstasy on hearing these words. And ever since, the name of Anna Louise Strong has been closely associated with this well-known saying by Comrade Mao Zedong."

Israel Epstein, member of the Standing Committee of the CPPCC National Committee, said in his speech about Agnes Smedley that in her heart a revolutionary flame had burned from her childhood as

a daughter of the oppressed and exploited working people.

"The joys, the sufferings, the anger, the hopes of the Chinese and other peoples under the heel of national and social oppression were not just sympathetically felt but were her own," Epstein said.

He said no image of Smedley was more typical than that of her striding in the ranks of the rifle-shouldering soldiers with her typewriter strapped to her back.

Rewi Alley, a New Zealand writer, said in a message sent to the meeting that Strong, Smedley and Snow became memorable because they had a spirit that carried them through all they set out to do — with that spirit the modernization of China will be a success.

To commemorate the three American friends, an exhibition was opened in the Museum of the Chinese Revolution in Beijing.



China & the World

Hu Qili Visits West Germany

The new-found friendship between the Chinese Communist Party and the German Social Democratic Party (SPD) is attributable to their common interests and similar views on many major international issues, said Hu Qili, member of the CPC Central Committee's Political Bureau and Secretariat, in Bonn before returning home November 28.

During his week-long visit to the Federal Republic of Germany, Hu exchanged views with SPD leaders on both domestic and international issues.

EC-China Business Week

A 180-member Chinese delegation headed by State Councillor Zhang Jinfu, including representatives of central and provincial trade officials and technicians, arrived at Brussels December 2 to attend the EC-China Business Week. The five-day meeting is set to discuss Chinese markets, business techniques, law and foreign exchange control.

China Expands International Railway Transport

China shipped 10.47 million tons of import and export goods this year through its international rail service, more than twice as much as in 1981. The freight volume in 1984 exceeded 8 million tons, a 61.8 percent increase over 1981. During the Seventh Five-Year Plan period (1986-90), the international rail freight volume will expand annually by an average 10-15 percent.

North-South

Co-operation Benefits Both Sides

Political dialogue and economic exchange between the developing countries and the developed ones will benefit both sides in the end.

by CHEN TEAN

FOREIGN ministers from the European Community (EC), the Central American Common Market, and the Contadora Group, ended their two-day second ministerial conference on November 12, issuing two political and economic communiques. The first document declared the readiness of the 21 participating countries to give support to solving all Central American disputes and to ending instability in the region.

The 10 EC member countries, and Spain and Portugal, will provide priority aid to Central America's regional development, according to the economic communique. This is the first time that political and economic co-operations between the EC and the Central American Community are systemized, giving hopeful signs for better relations between the North and South.

As the world's largest economic and trade group among the developed countries, the EC has been active in pushing for North-South dialogue. The EC has paid great attention to developing good relations with the third world countries, enabling itself to become the third world's largest trade partner. With 65 nations in

the Caribbean, Pacific and Africa, the EC has signed three economic treaties (Lome Conventions). Its co-operation agreements also go far into the Mediterranean and Latin American countries, the Association of Southeast Asian Nations and other developing countries. These mutually beneficial EC policies have achieved effective results and are expected to yield more.

A problem of critical importance that has caught worldwide attention, precarious North-South relations were put on the international agenda as early as 1974, when a Declaration on the Establishment of a New International Economic Order and the Programme of Action were endorsed at the Sixth Special Session of the UN General Assembly. However, 11 years have passed without any major breakthroughs in the lagging relations. Despite dialogues and other hopeful signs, improved North-South relations face strong opposition from many developed nations. Some have paid only lip service to the enterprise. A second group are sceptical about the possibilities of normalized relations, and do not believe that such an improved relationship will benefit them. The third group, which looks down on third world countries outright, are deaf to requests to eliminate the old

international economic order that does so much to harm the interests of the developing countries.

The world today is a unit consisting of both developed and developing countries. The two groups depend on one another. Closer links between them would not only benefit the South, but would also bring prosperity to the North. In their efforts to keep up with economic development, the developed countries are confronted with raw material shortages, commodity and investment saturation, and repetitive rises in the trade wars.

Developed countries can no longer turn to their usual method of shifting the crisis to developing countries, or squeezing them for their own interests, for this tactic has proven destructive. According to statistics, the exports from developed countries would be cut by 3 percent if the developing countries reduced their imports by 10 percent. It has finally dawned on some world leaders that the best way to maintain a comfortable status for their own people is by helping the less fortunate survive.

Currently, improved North-South economic relations and even enforced co-operation seems to be the most effective way to get out from underneath the economic embarrassment. With its recent conference with Central America, the EC has demonstrated that developed countries are capable of enhancing better North-South relations, based on mutual benefit and equality. It's high time that the door of co-operation between the North and South is opened.

Central America

Contadora Persists in Peace Pursuit

The most recent draft of a peace treaty in Central America goes unsigned as disagreements over military and security issues continue to surface.

by **YI MING**

"Beijing Review" News Analyst

THE mediation for a Central American peace treaty initiated by the Contadora Group of Panama, Colombia, Venezuela and Mexico, has run into difficulties since representatives of concerned parties were not able to come to an agreement on security issues at their recent meeting in Panama. The four group members and five Central American countries—Honduras, El Salvador, Guatemala, Costa Rica and Nicaragua—were to have completed a draft of the treaty by the second day of the meeting, held on November 19-21.

Faced with this stalemate, some observers believe that the process of negotiation should not continue indefinitely, while others contend the Contadora Group is not capable of settling the Central American crisis.

But, as the Venezuelan representative to the meeting put it, no ultimatum should be delivered to the peace talks. The El Salvadoran representative said because the accord was so important no time limit should be imposed on the talks.

The Nicaraguan representative believed the tasks of the group were numerous, they should not be confined to simply drafting a treaty. And the representative from Honduras expressed his country's willingness to hold talks with other countries in the region. And if necessary, he said, Hon-

duras is ready to sit at the negotiating table any time it is called.

Therefore, it is obvious that the Central American countries support the peace talks. They are willing to continue the talks until they finally reach an agreement under the sponsorship of the Contadora Group.

Since its inception in January 1983, the Contadora Group has held as many as 20 meetings to design peace in the region. It has contributed much to the defusion of tensions there, and has laid the groundwork for an overall solution. So the group has received worldwide support, including the United Nations, nations in the non-aligned movement, the Group of 77 and the European Economic Community. Last July, four South American countries—Peru, Argentina, Brazil and Uruguay—formed the Lima Group (later joined by the Dominican Republic), which has structured a common front of Latin American countries to back the Contadora Group's efforts to find a peaceful solution by the Latin Americans themselves.

In September 1984, a peace treaty was drafted by the group and set to be signed the following October by the countries concerned. Honduras, El Salvador and Costa Rica submitted amendments to the draft, however, and it was not until after a year of consultation that a revised draft was adopted at the September 1985 meeting of the nine Latin American countries. Nevertheless, there

were three sticky issues that called for further discussion: military manoeuvres, arms reduction and supervision and compliance of the treaty. The nine Latin American nations held another meeting last October, but failed to make any progress. So the meeting set the date for completion of the talks on November 20.

The November 19-21 meeting in Panama did result in an agreement on the supervision and compliance of the peace treaty, but the other two crucial problems remain unresolved.

On the question of military manoeuvres, Nicaraguan representative advocated that once the peace treaty was signed, all the military manoeuvres in Central America should be prohibited, yet Honduras and El Salvador disagreed. On the arms reduction question, Nicaragua held that, confronting the US military threat, its defence should be stronger than other countries in the region. But Honduras and El Salvador charged that Nicaragua had maintained an excessive army and military equipment.

In the revised draft peace treaty, there are provisions about the military manoeuvres. It also stipulates that from the date the treaty is signed, no country may buy new weapons, increase troops, and each country must submit for supervision an inventory of weapons, troop strength and military equipment.

Nicaragua had consented to the original peace treaty draft, but has declared that unless the United States gave up its support of Nicaraguan anti-government armed forces, it would not sign the current draft. Nicaraguan President Daniel Ortega said the revised treaty had provisions that would jeopardize Nicaragua's self-defence against US intrusion.

"The minimum requirement for reaching accords of supervision,

inspection and reduction of armaments is that the United States stop its aggression against Nicaragua," Ortega declared.

In view of these, the Contadora Group has appealed to the United States and Nicaragua to resume dialogues between the two countries. Washington and Managua conducted nine rounds of talks from June 1984 to January 1985, which helped to ease tension be-

tween the two countries.

According to reports from the US press, a confidential document revealed that the United States would rather have seen the peace mediation process at a standstill, than to have an unfavorable agreement signed. It seems, therefore, that the Contadora Group's appeal places its hopes, first of all, on cooperation from Washington.

Afghanistan

Major Shakeup in Karmal's Party

Although the recent reshuffle in the People's Democratic Party and the intensification of military campaigns in Afghanistan are aimed at prolonging Karmal's rule, neither is expected to be effective.

by **YA TAI**

THE ejection of three senior members from the Politburo of the People's Democratic Party of Afghanistan has been regarded by many as the most spectacular shakeup in Babrak Karmal's ruling government since Soviet troops invaded the country nearly six years ago.

In the reshuffle carried out on November 21 at the party's 16th plenum, former Afghan Defence Minister, Abdul Qadir, and former Foreign Secretary, Ismail Danish, were dismissed from the Politburo, and Ghulam Dastagir Panjsheri, an important party leader, was relieved of his title as a full Politburo member.

All three had played important roles in setting up the Karmal regime. Qadir personally drove a tank into the presidential palace of Sardar Mohammed Daoud during the 1978 coup that paved the way for the installation of the Soviet-backed regime in Kabul. Observers have viewed the administrative shakeup as a sign of divisions in the People's Democratic Party,

which have forced Karmal to take "disciplinary measures" to strengthen his position in the party. According to some accounts, Panjsheri has led a group within the party opposed to Karmal. Though, ostensibly, Panjsheri was removed from the Politburo on "health grounds," his role in opposing Karmal is a more likely factor contributing to his removal.

According to Western diplomats, Qadir, who was earlier sacked as

Australia

Sandwiched Between Partners

Because differences of opinion between the United States and New Zealand — two-thirds of the Australia-New Zealand-US Security Pact (ANZUS) — have cropped up recently, the pact's third leg, Australia, is caught in the middle and uncertain about which way to lean.

by **XIN PING**

AUSTRALIA has been cautious in taking a stand in the US-New Zealand imbroglio sparked by New Zealand Prime Minister David Lange's announcement that

defence minister, was involved in a palace shoot-out last summer following a dispute over the Afghan army's role in fighting resistance forces.

It is also reported that several police and security officials were promoted in the shakeup. General Najib Ullah, chief of the Afghan secret police, was appointed secretary of the central committee and party spokesman. His deputy, Ghulam Farooq Yaqoob, head of the interior ministry's special police, was promoted to full member of the Politburo. Defence Minister Nazar Mohammed and Nationalities Minister Sulieman Laeq also became full members of the Politburo.

The promotions, observers believe, indicate that the Karmal regime is trying to tighten its reins on the power in Kabul by beefing up its internal security institutions.

They also said the reshuffle came in the midst of the winter offensive of the Soviet troops against the Afghan resistance forces, in which the Soviets mobilized 15,000 troops and deployed numerous modern weapons for the action. Both the reshuffle and the military actions were aimed at prolonging Karmal's rule, but neither is expected to be effective in reaching that goal.

his nuclear prohibition legislation will be introduced in the New Zealand's parliament this month.

The first hint of a falling out between the United States and New Zealand came last February when Lange banned American

warships from New Zealand ports. Lange had earlier announced that only verifiably non-nuclear ships could use his country's harbours. Because Washington refused to state whether its ships were outfitted with nuclear arms, Lange prohibited them from entry. In what has been regarded as a US response to Lange's move, visiting US Assistant Secretary of State Allan Holmes, special US envoy sent to Australia to brief that government on the Geneva summit, said he would not offer New Zealand the same privilege of a briefing.

In his response to Lange's request for verification of which ships were nuclear-armed and which were not, Holmes said: "We feel strongly that we cannot proceed as an ally with two navies." "We have one navy with worldwide responsibilities," he said. "Ail our other allies around the world recognize the importance of our ability to continue to operate on a worldwide basis," he said.

The United States earlier also rejected the visit of a New Zealand envoy sent to deliver an advance copy of the nuclear prohibition legislation to Washington, saying it was already aware of the general contents of the legislation.

In order to ease the tension between his government and the United States, Lange on November 25 disclosed that a revision had been made to the nuclear prohibition bill that would remove requirements for statutory committees to approve ship visits. The changes, Lange said, should remove Washington and London's objections to the legislation.

Australia, now sandwiched between its two ANZUS partners, has so far avoided siding with either the United States or New Zealand. Australian Foreign Minister Bill Hayden has reportedly neither agreed to join Lange in criticizing the US government's refusal to accept the advance copy of the New

Zealand legislation, nor has he agreed to join the United States in pressuring New Zealand against adopting the legislation.

"There is a need for us to see the nature of the legislation before making any assessments or comments," Hayden said on November 25.

However, in the face of the growing anti-nuclear movement at

United States

Trade Policies Remain Sensitive

Although the US government has adopted some measures aimed at easing the enormity of the US trade deficit, the problem remains a considerable headache for the Reagan administration.

by ZHANG LIANG

ANOTHER trade bill aimed at controlling inexpensive imports to the United States was passed out of the US Senate on November 20. The measure was billed as "constructive" and as an outgrowth of bipartisan support for a "sensible trade policy, in contrast with other protectionist bills designed for partisan political gain."

According to its more than 30 Republican and Democratic Senate sponsors, including Senate Majority Leader Robert Dole, the bill, called a trade-law reform bill, intends to promote greater use of US retaliation as a means of prompting other nations to alter restrictive trade practices. The measure also establishes a new definition of what is considered "dumping," or the excessively inexpensive sale of goods imported from nations with non-market economies, and improves legal protection for US patents, trademarks and copyrights against international piracy, while expanding patent law protection for agricultural, chemical and manufacturing processes.

home and abroad, Australia's representative to the United Nations recently sponsored an adopted resolution approving a comprehensive nuclear test ban treaty.

Such a move might be considered a tilt in the direction of New Zealand's squarely anti-nuclear corner. The United States, however, is one of Australia's longest running allies, and such a rebuff seems unlikely.

The bill is a compromise measure that reflects both the growing Congressional call for trade sanctions and the hesitancy of others, like Reagan, to submit to protectionism. And it was proposed as a way to avoid an embarrassing showdown between the White House and the Congress over the trade issue. The US House of Representatives and the Senate each has passed a bill restricting textile and apparel import, and they will soon hold a joint session to work on the two versions of the bill for final Congressional approval. But Reagan has said he would veto the bill if it is passed by the Congress.

The textile bill, however, is only one of more than 300 measures aimed at blocking imports. At present, protectionism is causing a clamour in Congress, with many members having called for a limit to the amount of imports by imposing import tariffs. Even among those who have traditionally stood for free trade, many have become converts to the notion of protecting US industries by blocking imports.

(Continued on p. 33.)

A Qualitative Escalation in the Superpower Arms Race

by SA BENWANG

CONCERNED people around the world are closely following the development of space weapons initiatives by the United States and the Soviet Union, repeatedly demanding that the two superpowers stop such competition.

In recent years, the United States and the Soviet Union have each launched programmes for the development of space weapons. This new trend has raised the curtain on a new stage in the US-Soviet arms race, marking yet again a qualitative escalation. This is manifested in contest between the two to extend their military power into outer space, characterized by expansion from a battle-support role to its overall militarization. Furthermore, their stress on improving military strength has shifted from an emphasis on offensive nuclear forces to a new generation of laser directed energy weapons used for both offensive and defensive measures. The rivalry for superiority has turned from the nuclear domain to that of outer space, and their military strategy has added space strategy to conventional and nuclear strategies.

The "High Frontier"

During the four postwar decades, the United States and the Soviet Union have been stepping up their arms race. However, whereas previously their rivalry has been restricted to a contest for the domination of land, sea and air, now it is extended to outer space.

With the formulation of new outer space weapon projects, both the United States and the Soviet Union have started developing their outer space military power and have initiated a large-scale scrambling for the occupation of the "high frontier"—outer space. In their view, those who command outer space will exercise global control. Because of the enormity of such a prospect, space arms competition has become the

The US and USSR are scrambling for the occupation of the "high frontier." In their view, those who command outer space will control the world.

central issue in the arms race between the two superpowers.

Overall Militarization

The US-Soviet outer space competition began early in 1957. According to Western press reports, by the end of 1984, the United States had launched 1,029 satellites and space ships, and the Soviet Union 2,020. The space material launched by the two countries accounts for more than 94 percent of the total. From the very beginning, their space activities have had an obvious military purpose. About 70 percent of the satellites launched by the Soviet Union and the United States have either directly or indirectly been used for military purposes. Of this outer

space equipment, many have been spy satellites (for photo or electronic reconnaissance), early warning satellites (for nuclear attack symptom surveillance), communication satellites (for strategic and tactical command and communication), geodetic satellites (for military targets survey) and navigation satellites (for pinpointing location of nuclear submarines, warships and aircraft). Until now, the use of these satellites has been confined to an auxiliary battle-support role.

Outer space weapon systems that are now being researched and developed by the United States and the Soviet Union are advanced space-based strike weapons, capable of attacking targets not only in outer space, but also on the ground, on the sea and in the air.

New Generation of Laser Weapons

The emphasis on strategic arms build-up has turned from the modernization of offensive nuclear force to developing a new generation of directed-energy weapons, which combine offensive and defensive uses, strategic and tactical purposes, and frontline and auxiliary battle-support systems into one.

Since mankind entered the nuclear age in July 1945, with the first explosion of an atom bomb, offensive nuclear forces have played the starring role in military strength and development. The two superpowers have each developed an offensive nuclear "triad" consisting of intercontinental ballistic missiles (ICBM), submarine

launched ballistic missiles (SLBM) and strategic bombers, as the pillars of their military forces. Although in the 1960s the two countries had deployed land-based anti-ballistic missile (ABM) systems, they have since either dismantled or halted further ABM deployment because of their ineffectiveness in dealing with large-scale nuclear attack.

In the 1980s, the United States and the Soviet Union resumed their research and development of strategic defence systems with space-based laser (directed-energy) weapons. Directed-energy and other high-tech systems can not only be used to destroy large numbers of attacking ballistic missiles, but also bear the potential for building a new generation of weapon systems with both offensive and defensive capabilities. Used defensively, laser weapons can destroy strategic ballistic missiles and neutralize cruise missiles, and can even be integrated with anti-satellite (ASAT) and anti-bomber systems, making an overall defence system. Used offensively, laser weapons can launch space-to-space, space-to-air and space-to-surface attacks. Laser weapon systems are characterized by high speed (speed of light), high accuracy (almost 100 percent accurate), total effectiveness (hard to protect against), limited side effects (no radio-activity) and multiple uses (for strategic, operational and tactical purposes, in survey, control and battle). If the problems of energy and durability can be solved, laser weapons can be developed into the most advanced form of weaponry since nuclear arms.

Race for Outer Space Control

The arms race has shifted from a race for nuclear superiority to one for the control of outer space.

Having developed for the last 40 years, nuclear arsenals possessed by the two superpowers have reached a high level of perfection, with both the United States and the Soviet Union reaching a saturation point in their number of nuclear weapons. The power ratio of the warheads now approaches the theoretical realm. At least for the duration of this century, both the United States and the Soviet Union will continue their efforts to improve the accuracy and durability of their nuclear arms. Both,

The qualitative escalation of the arms race in outer space will certainly have a profound effect on the world's strategic situation, first and foremost in the military realm.

however, have come to realize that neither will be able to break the present military balance by relying solely on improving nuclear weapons.

Some analysts hold that both the United States and the Soviet Union now consider strategic defence a possible end to their stalemate. If either establishes an effective strategic defence system, and captures an overwhelming "first strike" capability, it could get them military upper hand over its counterpart.

Space Strategy

The main components of military strategy will include space

strategy, as well as conventional and nuclear strategies.

Nuclear strategy has developed and evolved with the improvement of nuclear arms. Since World War II, nuclear strategy and conventional strategy have been the point of convergency in the military strategies of the United States and the Soviet Union.

Now it is inevitable that the development of outer space weaponry will spark transformations in military strategy, operational theory, war patterns, and defence organization and establishment. In fact, the U.S. Strategic Defence Initiative itself constitutes a major revision to the nuclear strategic concept of mutual assured destruction (MAD), and suggests a change from a theory of "nuclear deterrence" to a "war-fighting" strategy. Succeeding the battlefronts of ground, sea and air, outer space will become the "fourth front." The theory of contending for control of outer space, the tactics involved in waging war in outer space and the new military force of outer space have been designed and put forward. Some are currently being developed. Early in 1964, the Soviet Union established its Space Defence Command under the National Air Defence Force, while the United States established its Air Force Space Command and Navy Space Command in 1982 and 1984 respectively. In September 1985, the United States formally established the United Space Command.

The curtain has been raised for a new round in the arms race between the United States and the Soviet Union. Its implications have not yet been fully revealed and its future is difficult to predict. However, the qualitative escalation of the arms race in outer space will certainly have a profound effect on the world's strategic situation, first and foremost in the military realm. □

Ten Major Changes in China's Study Of Economics

by MA DING

CHINA'S current economic structural reform is a great experiment and is also a profound social revolution in Chinese history. Propelled by this deluge of reforms, changes have taken place in the study of economics in the following 10 aspects:

From Critical Economics to Constructive Economics. Marxist political economy faces different tasks in different historical periods. A century ago, when Marx wrote his monumental work *Capital*, he analysed mainly the capitalist mode of production and the corresponding relations of production, the relations of exchange and the relations of distribution, thereby uncovering the objective laws of economic movement governing the advent, growth and decline of capitalism, and proving that socialism is the inevitable result of the clashes and contradictions between the capitalist productive forces and relations of production.

But in the 20th century, after socialism has changed from a scientific theory to reality, the main task confronting Marxist political economy is no longer to criticize the old capitalist world but to facilitate the more strenuous historical task of building a new socialist world. And the study, therefore, must be focused on how to develop the social productive forces and increase the national wealth, how to maintain a steady growth of the economy, and on how to make the socialist economy operate smoothly. For these questions, no ready answers can be found in *Capital* or any other Marxist classics.

Therefore, while studying the problems of the socialist economy, Chinese economists are using the Marxist stand, viewpoint and method to develop a science of economics for building socialism in the light of China's reality.

From Theoretical Explanation of Economic Policies to Scientific Analysis. Marxist political economy has a strong, distinctive class nature and practicality, and it is

In the past, Chinese economists only contented themselves with explaining, elaborating and justifying the economic policies in force and seldom thought deeply about them, criticized them or analysed them scientifically.

geared to serve the practice of the proletariat and the broad masses of other people. Political economy, on the whole, is also a science that correctly reflects the objective laws governing social economic movement. In the past, Chinese economists only contented themselves with explaining, elaborating and justifying the economic policies in force and seldom thought deeply about them, criticized them or analysed them scientifically. Under such circumstances, one group of economists after another tried to rationalize the "great leap forward" in 1958, the repudiation of "bourgeois rights" during the "cultural revolution," and the rash advance in 1978. Experience has proved that this sort of practice can only stem

the development of the science of economics and, what is worse, will inflict heavy losses on our socialist economic construction.

In a socialist society, instead of setting economic science in direct opposition to economic policy, we must unify the two and use the former as the basis for the latter. To achieve this, we must sincerely carry out the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," so that our economists can air their opinions and views freely and make various suggestions and plans for solving our economic problems. This will help us lay our present economic policies on the solid basis of the science of economics.

From Rejecting Contemporary Western Economics to Analysing and Using It. By and large, bourgeois political economy has passed through two stages of development — classical economics and vulgar economics. Contemporary Western bourgeois economics is but a continuation of the traditional vulgar economics and is still, in essence, vulgar and unscientific. This, however, does not mean that it has no rational or valuable parts at all. Marx, Engels and Lenin not only critically assimilated the cream of classical economics but also made concrete analyses of each school of vulgar economics and affirmed the rational and valuable elements.

For a long period of time in the past, however, owing to the ultra-left political line and traditional conservative ideas, Chinese economists took a one-sided approach to different economic theories. They only stressed criticizing the

vulgar, apologetic and reactionary features of contemporary bourgeois economics and neglected the fact that it is still, in certain aspects, practical, reasonable and scientific. Today, in re-evaluating contemporary bourgeois economics, they are using the scientific approach which the authors of Marxist classics adopted towards traditional vulgar economics.

In my opinion, as far as the different schools of contemporary Western economics are concerned, the following results of their thinking especially should not be ignored: J. M. Keynes' method of macro-analysis and his theory on using a policy of fiscal and monetary expansion to stimulate the active reaction of circulation and consumption on production; the study of the neo-Cambridge school on the inter-relationships between income distribution and economic growth; the theories of the comprehensive neoclassical school, which stresses combining the analysis of macro-economy with that of micro-economy and emphasizes the importance of state interference in economic activities while taking care to make use of the regulatory role of the market mechanism; the analysis made by the neo-laissez-faire school on the market mechanism and the harm done by excessive state interference in economic activities; and input-output analysis, linear programming and other forms of measurement used in metrological economics. To criticize, analyse and use the results of the above-mentioned Western economic theories in a scientific way is definitely of important theoretical and practical significance for enriching Marxist economics and building socialism with Chinese characteristics.

From Studying Relations of Production to Studying Productive Forces. Productive forces and the relations of production are two inseparable aspects of social production. Without understanding the

nature and the level of development of the productive forces in a certain historical period, it is impossible to have a full understanding of that period's whole system of relations of production. Precisely for this reason, while studying the capitalist relations of production, authors of Marxist classics never viewed them as abstract or isolated, never brushed productive forces aside.

Formerly, in the study of political economy, our economists concentrated on the isolated, one-sided examination of the relations of production to the neglect of the productive forces. This not only made the productive forces an "abandoned baby" in the science of economics but also led our study of political economy into a blind alley.

In recent years, people have made extensive studies of the laws governing the economic operation of the productive forces (including the law of saving labour time, the law governing the constant rise in labour productivity, and the law of the proportionate development of the various branches of the national economy), and a new branch of learning — productive forces economics — has come into being. But the law governing the movement of the contradiction between the social productive forces and relations of production in socialist society and the interaction between the two has not received adequate stress, and profound studies are still required.

From a General Study of Economic Relations to Concrete Analysis of Economic Operation Mechanism. Since socialist economic relations have inseparable links with the socialist economic operation mechanism, the study of political economy must not only include the social relations of production but also the operation mechanism of social economy. Economic operation mechanism

was once the weakest and most neglected link in our study of economics. Chinese economists used to study the socialist relations of production from only three aspects — ownership, exchange and distribution — in an abstract, general and static way. They failed to make concrete, deep and dynamic studies of the socialist relations of production from the angle of economic operation mechanism. Thus they were unable to gain a comprehensive, correct understanding of the relations of production or to come up with effective counter-measures to the various problems which arose in the course of operation.

Currently we are studying the specific economic operation mechanism characteristic of China's planned commodity economy (a combination of planning and the market mechanism), the different kinds of economic levers (price, taxation, credit and loans) and economic incentives (salary, subsidy and bonus), in an effort to improve the operation of the entire national economy, as well as that of each department, and to enhance the economic operation mechanism of each enterprise.

From Qualitative Analysis to Quantitative Analysis. Economic relations of any kind form an organic unity of quality and quantity. For correct and accurate handling of economic relations, it is necessary to combine qualitative analysis with quantitative analysis. In *Capital*, Marx's analysis of the economic relations (value, surplus value, wages, profit, average profit, production price, interest and rent) in capitalist society has set us an example of combining qualitative analysis with quantitative analysis.

However, Chinese economists on the contrary ignored this fine tradition of Marx in making theoretical analyses. While criticizing the mistake of bourgeois economists in

stressing quantitative analysis to the neglect of qualitative analysis, we went to the other extreme of one-sidedly stressing qualitative analysis to the neglect of, or even discarding, quantitative analysis. This turned our qualitative study into abstract, empty commentary. The result was, theoretically, we were unable to found Marxist economic metrologics and, practically, it rendered our economists incapable of gaining a correct understanding of conditions throughout the country and therefore unable to provide solutions to the important problems which arose in our everyday lives.

In fact, some theoretical problems of the greatest importance in our socialist economic construction, such as the proportion between the three major departments of the national economy — agriculture, light industry and heavy industry; the proportion between the means of production and the means of subsistence — the two major components of social reproduction; accumulation and consumption; speed and efficiency; and the over-all balance of the national economy, need not only qualitative analysis but especially, quantitative study. Only in this way can we make socialist political economy more and more accurate, practicable and complete.

Marx once pointed out that a science could not reach a very high level unless it had successfully employed mathematics. Fortunately in recent years Chinese economic theoretical workers, particularly economists engaged in practical work, have realized the importance of making quantitative studies of economic relations. Premier Zhao Ziyang said in 1982 that in the future, the State Council would not discuss documents sent in by economic departments if they presented only qualitative analysis but no quantitative information.

From Theoretical to Applied Economics. Reviewing the history of our studies of socialist political economy since the founding of the People's Republic in 1949, we may conclude that our whole study centred on theoretical economics, and even up till now the deviation of stressing theory to the neglect of application has not been thoroughly corrected.

In my view, the starting point and the end-result of our study of socialist economics should centre on applied economics. The study

Without research in applied economics, theoretical economics would become a rootless tree and a sourceless fountain, and its study would never deepen. Neglecting the study of applied economics cannot help advance socialist economic construction one iota but will only impede it.

of socialist theoretical economics should, eventually, serve applied economics, while the study of applied economics should supply information and data to the research in theoretical economics. Without research in applied economics, theoretical economics would become a rootless tree and a sourceless fountain, and its study would never deepen. Neglecting the study of applied economics cannot help advance socialist economic construction one iota but will only impede it.

Now, we are shifting our focus of study from theoretical economics to applied economics. First of all, we must strengthen the study of different departmental economics, such as of industrial, agricultural, commercial, transpor-

tation, construction, and labour economics and of national economic planning. Second, we must strengthen the study of different kinds of peripheral economics, such as social, demographic, educational, geographical, tourist, public health, physical cultural, military and information economics. Third, we must strengthen in particular the study of technology economics, since it is of the greatest practical significance but still the weakest link in our study of applied economics. The study of technology economics is divided into macro and micro studies. The former investigates our country's industrial set-up, product mix, technology structure and regional economic structure, while the latter studies the ideal size of an enterprise and the rational organization of its productive forces.

From Microeconomy to Macroeconomy, From Short-Term Planning to the Study of Long-Range Strategy. This is to bring up the problem of laying particular emphasis on research into socialist economics from two different angles — space and time. In the past, our study stressed microeconomy and paid little attention to macroeconomy. We regulated the macroeconomy mainly by relying on mandatory plans and administrative measures by state organizations which exercised rigid and excessive control over our enterprises and restricted their development.

Currently, China's economic structure is undergoing a change from an old model to the new. The product-type economy (with the state allocating all the products) under a mandatory plan is being turned into a planned commodity-type economy and, along with this, the means of regulating the macroeconomy are being changed from administrative to economic ones (price, taxation,

credit and loans). This calls for strengthening our study of the macroeconomy. It is all the more urgent now because of the super-high speed at which the national economy has grown in recent years. This has quickly swelled the need for investment and consumption, giving rise to problems of investment-starvation, premature "consumerism," serious price fluctuations, market shortages and overextended bank credit. Given this, while strengthening our efforts to enliven the microeconomy, we must redouble our efforts to achieve stronger control and better regulation over the national economy through economic means and quickly bring about more normal conditions of circulation in the whole national economy.

After World War II, the major capitalist countries attached great importance to the study of strategy for economic development—a crucial problem which we have neglected. For over three decades since the founding of the People's Republic, we have drawn up only short-term (annual) plans and medium-range (five-year) plans, but failed to project a long-term plan. It was not until 1979 that Chinese economists began to take up the study of economic development strategy. The 12th National Party Congress held in 1982 formally laid down the strategy for China's economic development over the two decades between 1981 and the end of this century; this is, "while steadily working for better and more economic results, to quadruple the gross annual value of industrial and agricultural production" by the year 2000.

Currently, we must make further studies. We must find out the implications of this strategy, the measures for reaching its target, the relation between economic strategy and the strategy for social and cultural development, and the connection between

the world-wide new, technological revolution and our own economic development strategy, so as to make our strategic system for economic development more scientific and consummate.

From Isolated, Narrow-Scope Study of Economics to Comprehensive, Plural-Faculty Social Economic Studies. Society itself is a complicated system composed of a multitude of factors. Within this system the different factors depend on and restrict each other's development. Needless to say, the

Economic study must also absorb the techniques of research of other branches of learning, particularly the results and methods of contemporary systems analysis, cybernetics and informatics. This will help us effectively make an overall social analysis of our economy.

economy is not the only factor functioning in this system. Given this, our economists must consider not only the social effects brought about by economic growth but also the influence of social environment and other social factors on economic development. This calls for a study of all the social factors related to economic activities, such as culture and education, medical service and public health, science and technology, environmental pollution, the use of natural resources, energy and transportation, and the tertiary industries. In the last few years, while drawing up a long-term plan, we have already linked economic development with all the other aspects of social development.

Economic study must also absorb the techniques of research

of other branches of learning, particularly the results and methods of contemporary systems analysis, cybernetics and informatics. This will help us effectively make an overall social analysis of our economy, help co-ordinate the different factors of the whole society (in the economic, political, cultural and psychological fields) and enable them to progress simultaneously.

From a Unitary Knowledge Structure to a Multiple Knowledge Structure. All economists must acquire basic knowledge of theory, history and statistics—the three tools for analysing economic problems. Of the three, theory is the most important, since historical and statistical data themselves can't talk, and must be explained by theory. To explain complicated social economic phenomena, one must acquire a knowledge of history and statistics.

Currently, the structure of knowledge among Chinese economists is seriously lop-sided. Many economists have basically acquired a systematic theoretical knowledge of Marxist economics but lack knowledge of history and statistics.

In discussing the knowledge structure of China's present-day economists, many people showed more concern about China's future economists. They pointed out that in order to train economists with a wide range of knowledge, a strategic rearrangement must be made in the curriculum for the study of economics. The teaching of Marxist economic theories should be stressed; at the same time, qualified teachers must be appointed and adequate time assured to facilitate the study of history (including that of Chinese economics, of Chinese economic theories, of foreign economics and of foreign economic theories) and statistics (including theoretical, economic and mathematical statistics). □

China's Fish Farming Jumps Upstream

Traditional Chinese pond farming has been internationally acclaimed as energy-efficient, economically profitable, waste-recycling and conducive to the maintenance of a sound ecological order. The UN FAO believes the method should be popularized around the world, especially in the third world countries.

by **WEI LIMING**
Our Correspondent

This year the average Chinese finds himself with two more kilograms of fish on the table than was there two years ago. Yet, it is no easy task to keep up such a growth rate when considering the enormous Chinese population of 1 billion is swelling at an annual rate of about 10 million.

The government department in charge of aquatic production attributes the improved fish market to the adjustment of fishing policies and the reforming of China's economic structure. China has abandoned its traditional method of aquatic production which stressed the quantity and fishing of marine products to the neglect of

the quality and breeding of freshwater aquatics, thus ushering in a new period of fishing development.

Traditional Fish Farming

China is the number one producer of freshwater fish in the world. Its fish farming techniques date back more than 2000 years, when the first book on fish farming was written by Fan Li, a minister of the Yue State.

Endowed with numerous rivers and lakes, China abounds with inland water bodies covering a total area of 16.7 million hectares teeming with more than 800 species of fish.

Chi Yingjie, deputy secretary-general of the China National Aquatic Production Association, said China's freshwater fish farm-

ing mainly involved pond cultivation of carp. Some of the characteristics of pond farming are as follows:

— The pond not only offers a place for fish to grow but also a place to produce fish feed. For example, manure can be used to cultivate planktons, which in return can be used as feed. In so doing, the body of water can be fully used at comparatively low cost.

— As different species of fish live at different water levels, many species can be stocked and raised simultaneously in the pond. This mixed method increases the density of farming.

— Staggering the age of fish in the pond by harvesting the old and leaving the young to mature offers a continuous supply to the market.

— The pond can simultaneously be used to cultivate fodder for animals, gradually developing a rational ecosystem.

Chi said traditional Chinese pond farming had been internationally acclaimed as energy-efficient, economically profitable, waste-recycling and conducive to the maintenance of a sound ecological order. The UN Food and Agriculture Organization believes the method should be popularized around the world, especially in the third world countries.

Present Situation

This year China has succeeded for the first time in artificially propagating its four major species of

Members of specialized fish households in Rongnian County, Hebei Province, landing a good haul of freshwater fish.





At the aquatic products market in Changshu, Jiangsu Province, which is open for business around the clock, about 15,000kg of fresh fish are available for purchase every day.

black, grass, silver and variegated carps.

During the 1950s and 1960s, China built 13 large commercial fish farms at the Zhujiang (Pearl) River Delta, Hangjiahu Plain, Dongting Lake, Poyang Lake, the Great Bend of the Huanghe (Yellow) River, Sanjiang Plain, the Sichuan Basin and other places.

China now has about 6,000 state-owned enterprises and undertakings employing 400,000 workers and staff responsible for fish production and management through-

out the country, in addition to more than 300 communes or townships, and more than 4,000 brigades that specialize in fish farming.

However, owing to the lack of knowledge about the importance of water bodies and the erroneous guideline enforced during the "cultural revolution," individual fish farming among the peasants was seen as "development of capitalism." To boost grain production, some regions went so far as to destroy water areas by filling up lakes and ponds, demolishing the ecological equilibrium. As a result, fish output in some areas went down year by year.

In 1979 China began to implement a policy that gave equal attention to breeding and fishing. The government introduced such rural economic policies as the contract system in which remuneration is linked to output. All these have helped fish production, and by 1981, the freshwater fish volume was four times that of 1979.

At present, Chi said, state-owned enterprises produce half of China's freshwater fish, while more than 4 million specialized fish farmers produce the other half. China has 3.27 million hectares of water area, about 20 percent of the country's total, devoted to fish farming. Its total output of freshwater fish in 1984 reached 2.25 million tons, accounting for 36 percent of its total fish products.

In the past two years, China has conducted comprehensive experiments in 700 hectares of land on the Zhujiang River Delta, raising the per-hectare yield from 5.84 tons to 9.41 tons.

Last year Zhao Naigang, a fishery specialist of Anhui Province, succeeded in artificially propagating river crab in a man-made pond that mixed fresh and sea water, a project that has been widely considered an important breakthrough in freshwater farm-

ing. His research won him the nation's first-class scientific and technical award.

Today China has five universities and colleges that specialize in fishery production, 13 secondary fishery schools, and a fishery academy that has affiliated research institutes on the Yellow Sea, the East China Sea, the South China Sea, the Changjiang (Yangtze) River, and the Zhujiang and Heilong Rivers. In addition, each province, municipality and autonomous region has its own fishery research organizations staffed with 14,000 researchers.

Fish Doctors

In 1952, Jiangsu and Zhejiang provinces, known for their successful fish and rice production, were hit by fish epidemics. The disaster changed the entire course of US-trained Ni Dashu's career. A graduate of the zoology department of the University of Pennsylvania in 1948, Ni had published several papers on protozoology that drew worldwide attention.

Before the founding of New China in 1949, there were few researchers studying fish diseases in China. Taking on the challenge, Ni went to the provinces and stayed there for three years, holding classes for the local peasants in an effort to eliminate the diseases. Ni went on to become the founder of pathological fishery research in China.

"After more than 30 years of hard work by Chinese scholars, more than 100 fish diseases have been brought under control," Ni said.

Ni divided the history of China's research on fish diseases into three stages. In the 1950s, research centered on parasitic diseases. In the 1960s, the study of bacterial diseases came into focus, and since the 1970s, the research has turned to viral diseases.

The death rate of grass carp, a large part of the Chinese diet, was about 90 percent before the 1970s, Ni said. But towards the end of the decade, the Chinese scientists discovered ways to build up immune systems in fish and today 80 percent of the fish are immune from diseases for as long as 14 months, increasing the survival rate of grass carp from 10 percent to 70 percent.

Ni also discovered another place suitable for grass carp — the rice paddy. Raising grass carp in rice paddies, he said, not only protects the fish from disease, but also increases the output of rice.

The grass carp living in rice fields eats weeds and insects. So in a sense the fish do much of the work for the farmer. The carp digests and absorbs only 30 percent of the weeds it takes in and excretes the remaining 70 percent, which actually turns into manure for the rice. Grass carp also eat mosquito larvae, thus contributing to a healthy environment in the countryside.

Ni said Chinese research scientists involved in fisheries were different from their foreign counterparts because they paid more attention to the application of their results to production. The 79-year-old professor is now working on methods to shorten the growth period of grass carp. "I want to help the peasants benefit," he said.

New Breeds

Peasants in suburban Wuxi, Jiangsu Province, discovered that blunt snout bream (*megalobrama amblycephala*) was easy to breed, and tasted delicious. They began raising the fish in the mid-1960s and the output of blunt snout bream now makes up 11 percent of the area's total fish.

The wild species, found in the middle and lower reaches of the Changjiang River, was domesticated in 1960 and made available to

other regions and countries in 1964.

To create a wider variety of fish species, Chinese scientists began to practise with hybrid species in the 1950s and have since developed more than 60 hybrids. They have created new breeds such as the *Heyuan* and *Feng* carp. These hybrids, when raised together with other species, not only grow better, but help the other species grow bigger.

Tong Dizhou (known as T.C. Tung in the West) and other Chinese biologists began experimenting on new breeds through biological engineering in the 1970s. They have created a hybrid by combining carp nucleus and crucian cytoplasm, and another hybrid by combining grass carp and blunt snout bream. The first hybrid already has had its third generation of offspring.

Through genetic engineering, Chinese scientists are trying to create new varieties that grow fast, taste good and are resistant to disease. Wu Qingjiang, director of the Aquatic Animal Research Institute of the Chinese Academy of Sciences, said that while many countries were experimenting in this field, "we want to be in the van."

The Nile tilapia that China imported from Africa, he said, could grow well only in warm southern provinces, but not in the cold north. To solve this problem, they are trying to transplant the most cold-resistant cell lines of the Nile tilapia into nucleus-removed egg cells to create new species suitable for the north.

Wu and his partners said the Chinese government has shown great support for their "test-tube fish" and has listed the biological engineering project on the agenda for the Seventh Five-Year Plan to begin in 1986.

Nile tilapia has been available in Beijing market for years. This

black fish tastes as good as Chinese crucian carp and has become another popular dish found on many dinner tables throughout China.

Technology Import and Exchange

To further enrich the Chinese diet, Pan Jinpei, deputy director of the Aquatic Animal Research Institute, said China had introduced many other breeds from abroad, such as rainbow trout from Korea, and gengoro-buna (*phytophagous* crucian carp) from Japan. These imported species have "settled down" in more than 20 provinces and municipalities.

To promote technical exchanges with other countries, China sponsored the Asian Symposium on Freshwater Fish Culture in Beijing last October, attended by more than 130 fish experts from nine Asian countries and regions, as well as from the Federal Republic of Germany, the United States and the Soviet Union. More than 100 papers about freshwater farming and feeding, fish diseases and breeding were exchanged at the symposium.

In 1978 China, the UN Development Programme, and the UN Food and Agriculture Organization co-sponsored a comprehensive fish farming training and research centre in Wuxi, a city known for its long history of fish farming. More than 150 technicians from third world countries have received training at the centre. □

CORRECTION: For "the Fine Gael" mentioned anywhere in the article "Britain-Ireland: A Breakthrough in Diplomacy" which appeared in our last issue on page 14, the correct party should have been the "Ulster Unionist Party."

The last sentence of the third paragraph of the same article should read: "Their major political organizations are the Social Democratic and Labour Party and the Sinn Fein Party, which is the political wing of the Irish Republican Army (IRA). Both parties advocate unification of Ireland and Northern Ireland." And the fifth line in the last but one paragraph should read: "about 100,000 Protestants. . . ."

Tianjin Has Something for Everyone

Although Tianjin is generally known as an industrial city, its scenic spots and sites of historical interest also have a place in the city's development. Its traditional handicrafts have always attracted Chinese and foreign tourists.

by **LU YUN**
Our Correspondent

TIANJIN, 120 kilometres south-east of Beijing, has become a "boom-town" with something for everyone, Chinese and foreigners alike.

One of the three municipalities directly under the central government, and with a population of 7.83 million, Tianjin has grown into China's second largest industrial port city. Since it was designated as one of the 14 sea-board cities open to foreign investment and trade last year, there has been a great increase in foreign business activities, while tourism has been booming. Tianjin's historical sites and handicrafts have created a magnet for foreign vacationers. Another lure to tourists is the stone-built section of the Great Wall that cuts through Jixian County in Tianjin's suburbs.

During the heydays of the 12th century, the seaport then called Zhigu, was found to be easily accessible by both land and water, making it an important strategic import and export region. It was built into the city of Tianjin in 1404. During the Qing Dynasty (1644-1911), Tianjin developed into a commercial region and it was then foreign businessmen first discovered its attractions.

Cultural Relics

In the past year, many organizations and individuals have donated a total of 7.45 million yuan for the reconstruction of the Huangyaguan-Taipingzhai section of the Great Wall. The 873 metre-long

project has been completed and opened to tourists. This section of the Great Wall was first built in 557 A.D. In 1569, during the Ming Dynasty, it was rebuilt under the famous general Qi Jiguang. When it was under reconstruction this time, special bricks were used, each weighing 12.5 kilogrammes.

The Dule Temple located west of Jixian has been put under state protection because of its historical value. The 1,000-year-old massive wooden structure is noted for its strong traditional flavour; it received more than 220,000 Chinese and foreign tourists last year. The Avalokitesvara Hall, 23 metres high, is the oldest hall of the temple, where an 11-faced enormous statue of the worshipped Avalokitesvara—a mythologically female Buddha—and two clay Buddhas that date back to 984 A.D. stand. Ancient frescoes inside the hall have provided important material for the study of painting and Buddhism in China. In the past thousand years, 28 earthquakes, including three devastating ones, destroyed many architectural wonders in the area, yet most of the temple and Avalokitesvara Hall survived.

Panshan Hill in Jixian County has been listed as one of the 15 most famous scenic spots in China because of its oddly-shaped stones, towering pine trees and lovely landscape. Many emperors had dozens of temples built there. During the Qing Dynasty, Emperor Qianlong had his imperial vacation villa, the Jingji House, built along the hill. These temples and the Jingji House were all razed during the Japanese invasion some 40 years ago. They have been partially rehabilitated

and the Tiancheng Temple is now open to the public. It received more than 550,000 visitors last year.

Other cultural relics now under repair in Tianjin include the Tianhou Palace and 80 Qing Dynasty buildings around it. This project is scheduled to be completed by early next year. Repairs have been completed on the well-preserved Guangdong Guild, Wenmiao Temple (built in 1476), and Luzutang Alter—once a training centre of the anti-imperialist Yihetuan Movement in 1900.

The Guangdong Guild was built in 1907. The architectural style is indigenous of Guangdong Province, representing a combination of architectural skills of both northern and southern China. It has a wooden-stage built without a single pillar and its umbrella-shaped roof is rarely seen in China.

Traditional Handicrafts

Tianjin is a must for tourists interested in traditional Chinese handicrafts:

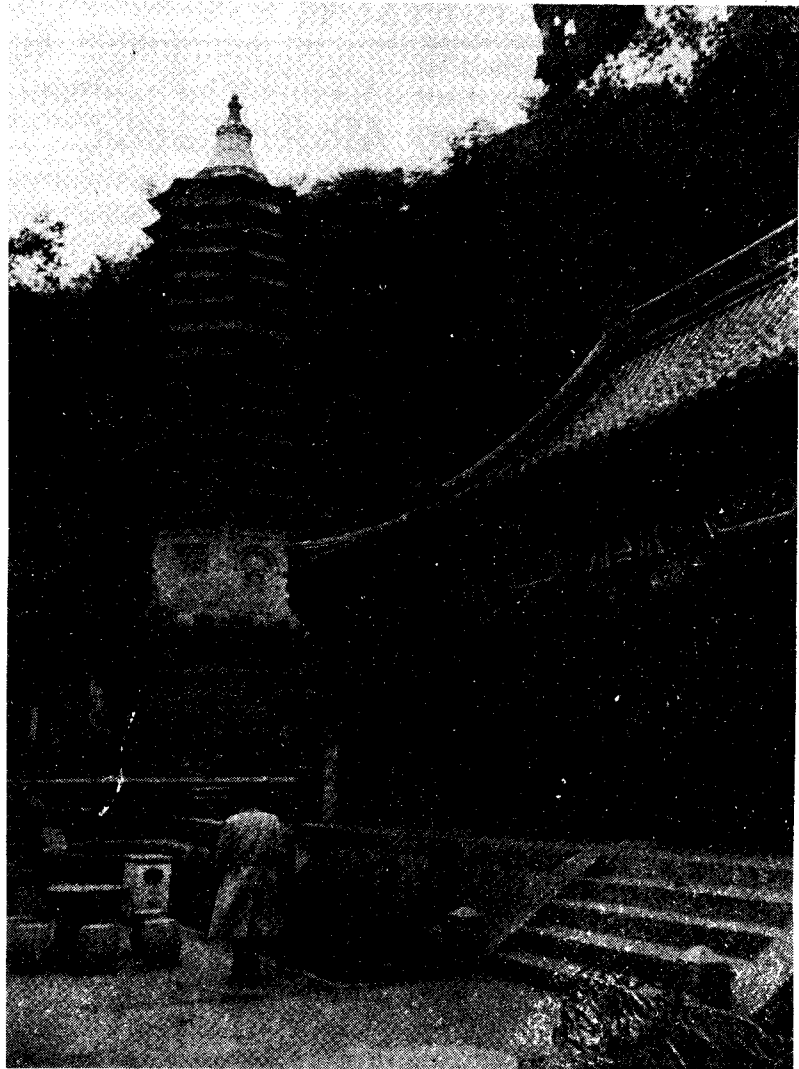
One of the local traditional handicrafts is the block-printed New Year pictures of Yangliuqing Town and other 30 adjacent villages in the western suburbs of Tianjin. Shao Wenjin, deputy director of the Yangliuqing New Year Picture Publishing House, said the Yangliuqing pictures had a history of more than 300 years. Paint is applied to the hand-made wood blocks, giving the final pictures a flavour of both print and paint. One of the representative works of Yangliuqing is the chubby baby embracing a big red carp and

holding a lotus flower in one hand. The picture expresses the people's wish for happy life and a rich harvest. But most of the works of Yangliuqing are based on real life at different stages and historical themes. Because of their superb craftsmanship, the Yangliuqing Spring Festival pictures are loved by the local people and known throughout the country.

Clay "Zhang" figurines are also the pride of the Tianjin people. The painted sculptures were first designed by Zhang Mingshan, a folk artist who lived more than 140 years ago, and his descendants. Zhang Mingshan was famous for the realism in his work. It is said that when he went to see a performance, he would take some clay with him and shape figurines of the performers with the clay hidden up his sleeves. His son, Zhang Yuting, was also good at sculpture and his works won prizes at quite a few international exhibitions. After liberation in 1949, Zhang's grandson, Zhang Jinggu, was invited to teach at an art institute and was received by the late Chairman Mao Zedong. In 1953, a workshop in honour of Zhang was established in Tianjin to train artists in the painted sculpture technique.

Hand-woven carpets and kites are other Tianjin specialties. World-renown for their lively patterns, Tianjin carpets are exported to more than 100 countries and regions. Some patterns are like relief sculptures in themselves. One of the most famous examples is the *Great Wall* tapestry donated to the United Nations by China in 1974.

Tianjin kites have been known throughout the world for quite some time. In 1914, kites made by Wei Yuantai, a famous Tianjin kite artist, won a gold medal at a world exhibition in Panama. Now, the Tianjin Arts and Crafts Factory, where Wei's third-generation family members work, also produces shell carvings, feather patchworks, Chinese paintings and papercuts.



A pagoda in the Panshan Hill scenic area.

The Nanshi Gourmet Street is lined with shops done up in traditional Chinese style, where visitors can enjoy traditional Tianjin delicacies and dishes from various parts of China.

Tianjin's current hotel facilities do not meet the needs of domestic and foreign tourists. Efforts are being made to increase the number of hotels, including four joint venture hotels built together with US and Singapore businesses. An amusement park has been completed and opened to the public, and a racecourse and golf course have been included the city's construction plan.

According to Tianjin municipal government officials, currently emphasis is being put on developing tourist services in connection with foreign economic and trade exchanges. They hope to combine tourism with services for international conferences and exhibitions, as well as business and academic activities. Foreigners are also welcome to visit the local factories, schools, hospitals and neighbourhoods if they wish. In the near future, various fairs will be held to include Spring Festival flower shows, kite competitions, martial arts competitions and international marathon races. □

Knowledge Key to Modernization

from "GONGREN RIBAO"
(Workers' Daily)

NOT long ago while I was away on official business in Guangzhou, I reached in my pocket for one of my "Beijing" brand cigarettes. Before I could light it, someone told me my cigarettes were an embarrassment because they were common and inferior to more modern brands like "555," a pack of which this person promptly pulled out for display. "You know," he said, "this is a more fashionable brand."

Some Chinese people have put undue emphasis on the modern way of life and on having new and improved versions of every little thing—even cigarettes. To many of these people, money means modernization. Imported cars, televisions, refrigerators and washing machines are, to these people, the "correct" signs of prosperity, of modernization.

It is not wrong to want modern conveniences for oneself and one's family, for the goal of the four modernizations is to improve the quality of people's lives. At present, all Chinese should work hard, live simple lives and put the state's modernizations above their personal interests. If China remains underdeveloped in industry, agriculture, science and technology, individual modernization will be superficial with an unstable foundation. What is the use of having imported cars and TV sets if there are no modern highways, no effective transportation management, no high-quality gasoline, and no well-equipped TV stations able to produce worthwhile programmes?

This is not a new lesson. Some developing countries have imported shiploads of modern goods and conveniences to augment the lives of their citizenry. As a result, however, those countries now find their development has assumed a lopsided stance. Although there are probably of variety of causes for such imbalanced development, it seems apparent that too much money was spent on conveniences and not enough on

promoting the cultural and scientific knowledge needed to transform their backward production methods and update their traditional concepts.

It is obvious that the modernization of technology is important. The modernization of technology, however, stems from the modernization of people's knowledge. In other words, human beings are the most important factor in modernization. It is in the human capacity for knowledge and growth, therefore, that bigger sums should first be invested.

For First Time China Tourists

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

FOR tourists on their first trip to China, visiting Beijing, Shanghai, Xian and their environs can provide the tourists with an instructive and pleasant introduction to the vast nation.

As China's political and cultural centre, Beijing offers tourists a multiplicity of attractions. In addition to the Badaling section of the Great Wall, tourists will also find in Beijing the renown Summer Palace, Beihai Park and the Imperial Museum or Forbidden City occupied by the royal families of the Ming and Qing dynasties from 1368 to 1911. Visitors to Beijing will also find a variety of fine restaurants, including those specializing in the fabled "Beijing duck."

Shanghai, China's largest city, is also one of the best spots for shopping. From Shanghai, tourists can also easily find their way to two of China's beautiful cities, Suzhou and Hangzhou.

In Xian, the starting point for the ancient "Silk Road" and a

former capital, tourists can visit one of the world's scenic wonders—the life sized terra-cotta soldiers and horses that date back to the Qin Dynasty (221-206 BC). While in Xian, visitors can also enjoy a hot natural spring bath in the Huaqing Pool. If you are a descendant of the Yellow Emperor, the Emperor's mausoleum awaits your visit of homage.

Because of its vast territories, parts of China are always worth visiting regardless the season. Visits to Beijing, Shanghai and Xian, however, are recommended for spring and autumn. Kunming, known as "Spring City," and capital of China's southern Yunnan Province, offers such attractions as stone forests and Dianchi Lake. From Kunming, tourists can also train to the even warmer climate of Xishuangbanna to enjoy the subtropical scenery along the Sino-Burmese border. Guilin, located in the Guangxi, Zhuang Autonomous Region is another good winter tourist spot, and is famous for its mountains and rivers. For those who enjoy a hearty dose of winter fare, a

trip to China's northeastern city Harbin in January or February would provide a pleasant diversion. In Harbin, one can ski and ice skate, in addition to viewing the splendid sights of winter in north China.

Tourists who enjoy shopping will never be at a loss for things to purchase. China's handicrafts, silk, porcelain, carpets and cotton textiles are world renown and can be had in China at lower prices than elsewhere. Special local products are available in different areas. Beijing, for example, is a good place to buy cloisonne enamel and carpets. Shanghai is famous for its Chinese garments, and Hangzhou for its silk. Suzhou has a number of antique outlets, and Xian offers the visitors unique figurines and tri-coloured glazed pottery in the style of the Tang Dynasty.

The friendship stores in Beijing and Shanghai also offer the traveler varied commodities from all over China. These stores will also ship purchases nearly anywhere in the world.

For those interested in calligraphy, paintings and antiques, stores specializing in these areas have opened in China. When purchasing such items, it is important for tourists to remember to get a receipt and to check whether each slip bears an official red seal.

University Students Value Virginity

from "KEXUE YU REN"
(Science and People)

TO find the truth behind a current rumour accusing China's university students of being influenced by the West's "sexual liberation," a group of researchers surveyed university students about their ideas on sexuality. The fol-

lowing are some of the survey's major findings.

The survey shows 62 percent of the respondents agreed that women's virginity is sacred, while 24 percent said they were uncertain about its importance, and the rest, 14 percent, felt virginity is not sacred. The preference for women's premarital virginity is held by both men and women and is the most inflexible of traditional Chinese morals, even among university students.

About 25 percent of the students said they found it immoral for en-

gaged couples to live together. The rest said they were either unsure or that living together was acceptable. About 20 percent said it was understandable for some married people to have lovers other than their spouses. About 50 percent, however, said adultery was immoral.

About 75 percent of the students said they thought Chinese people were too strict about sexual relations. Half said traditional Chinese sexual morals suppress human nature. Another 20 percent said they felt a serious attitude towards sex was not a virtue.

Rural Specialized Household Standards

from "NONGMIN RIBAO"
(Peasants' Daily)

SINCE 1979, and with the development of the rural commodity economy, specialized households in different areas have been evaluated with different criteria. In an attempt to co-ordinate the evaluation process, the State Statistics Bureau set unified standards for all rural specialized households. According to the new guidelines, specialized households must meet the following criteria:

1. Established on the unit of the individual household, the family's major labour force or most members of the family take part in a certain production, or embark on specialized managing activities, on which more than 60 percent of the labour time are spent.

2. The household obtains more than 60 percent of its total income from specialized production.

3. More than 80 percent of specialized products turned out by the household must be for sale. (The specialized grain-producing households, however, are at a com-

modity rate of more than 60 percent.)

4. The household's income obtained from selling products (including service fees) must double the average household-income made from sales by local (taking county as a unit) non-specialized households.

A recent survey shows that at the end of 1984 there were 4.256 million households throughout the country that met the above standards, amounting to 2.3 percent of total rural households. The annual average income for a specialized household is 4,624 yuan, 81 percent higher than the average income of the nation's peasants.

At present, rural specialized households have the following characteristics in their development. The business scales of the specialized households are expanding, while the number of households specializing in industry and service trade surpass that of those engaging in farming and breeding production. In addition, these households are becoming more specialized, and reaching higher levels of commercialization and productivity.

Beijing to Host 3rd World Ad Congress

The Third World Advertising Congress, in which delegates will discuss the role of advertising in developing economies, will be held in Beijing in June 1987.

At the meeting which is the first of its kind ever to be held in China and also in the third world, delegates will concentrate on tackling such problems as how the latest North American, Japanese and European advertising, marketing and information techniques can be best adapted to the needs of developing countries.

Delegates will also discuss China's aspirations to establish ties with national and local advertising, marketing and information companies of other developing countries, while at the same time expanding its links with such companies from Europe, North America and Japan.

During the meeting members of the Chinese advertising industry will give a presentation on how foreigners can promote their products in China and how China is seeking help from foreign advertising companies in order to promote its products overseas.

The congress is expected to draw more than 1,000 delegates from Europe, North America, the Asia-Pacific region, Japan, the Middle East, Africa and Latin America. About 400 Chinese delegates will also be present.

The meeting will be organized by the China National Advertising Association for Foreign Economic Relations and Trade and *South* magazine, which is published in Britain.

China's advertising industry is



**THIRD WORLD
ADVERTISING CONGRESS
BEIJING 1987**

The emblem for the Third World Advertising Congress scheduled to be held in Beijing in 1987.

developing rapidly. Since China implemented its policy of opening to the outside world and invigorating its domestic economy in 1979, expenditures on advertising in China have increased annually by around 50 percent, while China's export advertising in 1984 alone jumped by 80 percent. Today, there are more than 260 ad-

Imports Promote Electronics Industry

China's electronics industry has so far imported US\$1,378 million worth of advanced technology and equipment.

Since importing the 1,135 pieces of equipment, about 30 percent of China's key electronic enterprises have undergone significant modernization. With this equipment, all of which has been bought during the Sixth Five-Year Plan (1981-85), 22 large and medium-sized projects involving colour TVs kinescopes, integrated circuits, computers, and other key components, have been completed and put into production. Since putting the equipment to use, the quality of electronic goods produced in China has improved markedly, and the

advertising agencies in China and more than 3,600 Chinese organizations involved in the advertising industry.

The China National Advertising Association for Foreign Economic Relations and Trade was established in 1981, and as a national foreign trade advertising organization the association has forged close ties with nearly 100 advertising companies around the world.

In endorsing the 1987 congress, Chinese Premier Zhao Ziyang said: "The Third World Advertising Congress is an important international event. On behalf of the Chinese government, I warmly welcome our friends in the advertising community throughout the world, and I sincerely hope that this congress will contribute to South-South co-operation and the North-South dialogue."

technical level of 30 percent of China's electronic goods is now up to the international levels of the late 1970s and early 1980s.

China's policy of opening to the world has spurred its import of technology and equipment from abroad, which has in turn promoted the growth of its electronics industry. China now manufactures all its own electronic components for black-and-white TV sets and is making rapid progress in doing the same for colour. Major electronic accessories such as colour kinescopes, integrated circuits, output transformers, tuners and printed circuit boards for 14-inch colour TV sets are now made in China, which account for 70 percent of China's total TV set components. Colour TV sets produced in Beijing and Shanghai have been marketed to countries in Asia and Europe.

Used Equipment Symposium Ends

An international used equipment symposium, the first of its kind in China, was held from November 30 to December 6 in the Zhejiang Exhibition Hall in Hangzhou, east China.

Business people from 60 enterprises and firms in 13 countries and regions, including Canada, the Federal Republic of Germany, France, Hongkong, Japan, the Philippines, Spain and the United States participated in the symposium, at which 1,000 pieces of second-hand equipment were presented for discussion. Most of the equipment date back to the 1970s, though some were manufactured in the 1960s and others in the first half of the 1980s. The majority of the items at the symposium included manufacturing equipment, electronic and metallurgical equipment.

During the symposium, which was sponsored by two Chinese companies and a Hongkong firm, representatives also participated in talks on the use and purchase of such equipment.

Most of China's 400,000 enterprises are medium-sized and small enterprises, and it would be beneficial for them to import second-hand equipment in order to effect their technical transformation.

China Strikes Oil Deal With Australia

The Australian Oil Consortium, set up to explore petroleum resources on Hainan Island, Guangdong Province, started work in Haikou recently. The consortium, established according to a contract in

May 1985 by the efforts of the China National Oil Development Corp. and four Australian Oil consortia headed by the CSR Orient Oil Pty Ltd, began operating after the contract was in force on September 1.

The consortium's oil exploration contract includes seismic mapping and geological fieldwork in the northern part of Hainan Island, covering an area of 2,800 square kilometres. The CSR group had earlier joined the Occidental Petroleum Corp. of the United States which won the bids in August 1982 for oil exploration along 1,200 square kilometres in the Zhujiang (Pearl) River Basin of the South China Sea.

The bulk of the northern section of Hainan Island, where the consortium will be drilling for oil, is the Fushan depression, which occupies an area of 2,500 square kilometres and is part of the oil-rich Beibu Gulf Basin. The sedimentary section of the Fushan depression in the 5,000 metres of earth from the Neogene and Cretaceous periods (70 million years ago) is thought to be rich in petroleum resources.

Since the Chinese government decided in January 1985 to open its ten southern provinces for oil co-operation with foreign oil companies, 59 foreign oil firms have discussed onshore oil exploration and development with the China National Oil Development Corp.

News in Brief

- The first Beijing Conference and Exhibition on International Analysis, sponsored by the State Science and Technology Commission of the People's Republic of China, was held from November 18 to 27. More than 200 experts and representatives of 100 companies from 17 countries and regions attended the conference and visited the exhibition.

The research and application of

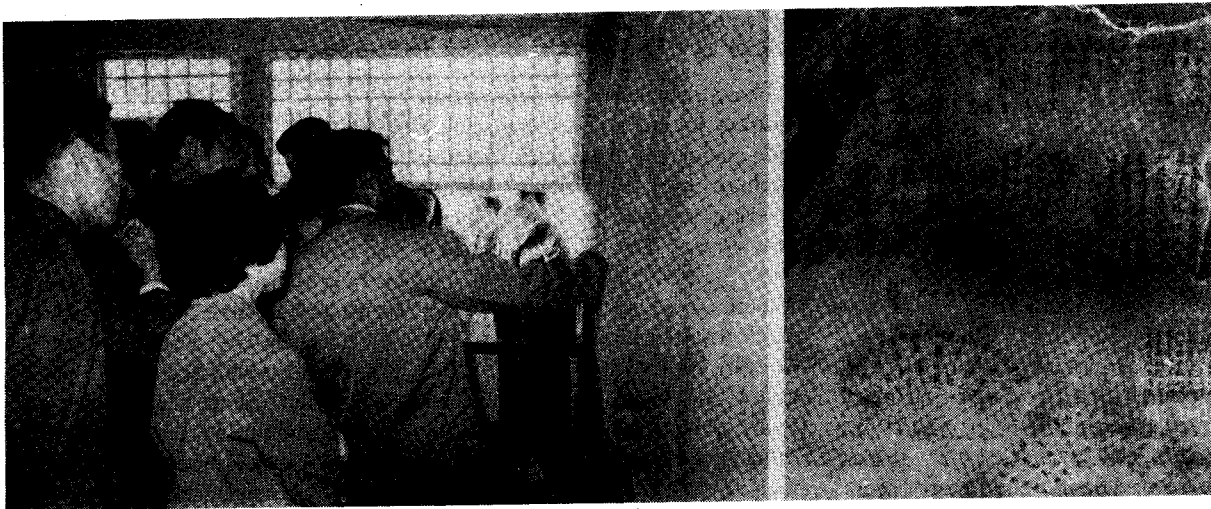
large precision instruments started in China in 1958, but has only made incremental progress. Today, there are more than 10,000 large precision instruments in China, and most are imported. The convocation of this conference will play a vital role in accelerating the development of China's analytical testing technologies and precision instruments.

- In the past six years, the Bank of China has set up branches and offices in a number of financial and trade cities throughout the world. By the end of 1984, the bank had established 293 branches and offices with a total value of assets amounting to US\$18.3 billion, a 3.9-fold increase over that of 1978. Its deposit volume totalled US\$9.6 billion, a nearly 200 percent increase. These branches and offices have also made loans amounting to US\$4.7 billion, registering a rise of 300 percent over the 1978 figure.

- The State Science and Technology Commission of the People's Republic of China and the European Communities will begin developing alternative energy resources on China's Dachen Island, Zhejiang Province, in early 1986. The scheduled projects include work in wind, solar and tidal power stations, and biogas pits. These projects involve a total investment of 20 million yuan, with US\$4 million contributed by the European Communities.

- The British government has announced it will grant China its first batch of loans totalling 100 million pound sterling (about US\$140 million) for the construction of China's energy and machine-building industries.

With a period of 20 years for repayment and a five-year extension period, China expects to repay the loans, at an annual interest rate of 5 percent, six months after the completion of the projects.



Visitors to the study of author Cao Xueqin examine poems painted on the wall. The photo (right) is a replica of the poems.

Memorial Hall Honours Cao Xueqin

Though *A Dream of Red Mansions* has been studied for more than 200 years in China and 150 years in Europe, literary critics have only recently begun to take a close look at the novel's author, Cao Xueqin. And what they found is an author that many put in the same league with Shakespeare, Balzac and Hugo.

Cao Xueqin (1724?-1763 or 1764) was born into an aristocratic family during the reign of Emperor Qianlong of Qing Dynasty, the last feudal dynasty of China. His great-grandfather, grandfather and father were officials assigned by the Qing Court to administer the textile industry in Nanjing. While young, the author-to-be led a luxurious life. But during a court power struggle, his father was dismissed and his home ransacked. From then on, his family declined and moved to Beijing, where Cao lived a poverty-stricken existence.

Because of his experience, Cao Xueqin knew well the misery of

poor people and the corruption of the feudal ruling class. With his mixed feelings, Cao set pen to paper in 1753 and rewrote his manuscript five times. After 10 years of hard writing, he finally finished *A Dream of Red Mansions*.

The novel deals with the tragic love between Jia Baoyu and his cousin Lin Daiyu. Through the rise and fall of four families — the Jia, Shi, Wang and Xue — readers have an intimate knowledge of life at the time, its ideology and ethics, law and education, customs and mores. They can sense the author's deep sympathy for the oppressed and his hatred for the ruling class. Cao depicts the feudal rulers as seekers of debauchery who know only greed and cruelty. His depiction of the morally bankrupt feudal society foretold its inevitable doom.

But Cao's work carries its message in a subtle writing style. Readers may first take it as just a

love story. However, a close reading reveals the author's indignation at the feudal system. When *A Dream of Red Mansions* first came out in the form of hand-written copy, most people completely missed its criticisms of feudal society. Ironically, paintings depicting scenes from *A Dream of Red Mansions* were placed in the corridor of the Chang Chun Gong (Palace of Eternal Spring) in the Forbidden City. The palace was the home of Empress Dowager Ci Xi, the supreme representative of the feudal class that Cao sharply criticized. Even today, these paintings can still be seen clearly.

With time, the true nature of *A Dream of Red Mansions* was recognized, and the story spread far and wide through various storytelling forms such as *danxian* (story telling to musical accompaniment). There used to be a popular saying in Beijing: "If you have no knowledge of *A Dream of Red Mansions*, you are useless even

though you read poems and other books extensively." Chinese scholars began the research of *A Dream of Red Mansions* in the early 19th century.

After the founding of New China, plays, films and even ballets adapted from the novel were produced. Some institutes have been set up for the study of the novel, and a whole field of research has developed around the work.

Chinese scholars have long studied *A Dream of Red Mansions*, but until recently they gave less attention to the author, Cao Xueqin. Over the past few years more and more scholars and critics have closely studied the author's life and thought. The China Society for the Study of Cao Xueqin was formed in 1983, and in April 1984 a Cao Xueqin Memorial Hall was opened to the public in Zhengbaiqi village at the foot of Fragrant Hills in Beijing's western suburbs.

The site of the hall is thought to be the place where Cao spent his years writing the world-famous novel. The beautiful scenery around Fragrant Hills gave him inspiration. The hall's surroundings resemble the environment Cao Xueqin described in his novel.

In the novel, which was original-

ly titled *The Story of the Stone*, the major character, Jia Baoyu, is stone incarnate. It is interesting that near the hall are a few aged stones in grotesque shapes. Legend has it that these unusual stones gave Cao Xueqin the idea to name his novel *The Story of the Stone*.

Dun Cheng, Cao Xueqin's close friend, described the surroundings where Cao lived: "Paths are overgrown with weeds, they never blossom the year round. At sunset one can see the glow behind the western hills." Even today, a visitor can see weeds growing around the hall, and watch the sun setting behind the hills from the gate of the hall.

According to Shu Chengxun, a Zhenbaiqi elder of 80, folk rhymes around Fragrant Hills have long included the lines describing Cao's home: "In front of the house are two old Chinese scholar trees. One is growing forthrightly while the other is sagging. Not far away are a small bridge, brook and herbs." The described scene is precisely the same as the site of Cao's memorial hall. Visitors today can find two old Chinese scholar trees, one on each side of the hall. One is straight and the other askew. Not far from the hall there is a stone

Cao's Novel Known Far Beyond China

The novel was introduced to Western countries more than 150 years ago, and it has been published in English, Dutch, French, German, Italian, Japanese, Korean and Russian. In 1973 and 1977 Professor David Hawks of Oxford University published an English translation in two volumes, which he titled *The Story of the Stone*. Hawks' translation had a great impact on the literary world. In 1978, Chinese translator Yang Hsien-Yi and his wife, Gladys Yang, published the first full-length English translation of *A Dream of Red Mansions*. And by the end of 1981, Chinese scholar Li Tche-Houa and his wife, Jacqueline Alezais, published the first complete French translation of the novel in Paris. British scholar Arthur Waley, who studied oriental culture, once said the appearance of *A Dream of Red Mansions* was a great event in world literature. With these new translation, it is gaining true recognition.

On the northwest side of the Cao Xueqin Memorial Hall, stone tablets bearing words about Cao are also on display.



bridge over a dry river bed. And it should be mentioned that the surroundings are original, and not created after the hall was planned.

The memorial hall has five exhibition rooms, displaying historical relics and household articles used in Cao's time.

Curators expect to collect more cultural relics and written materials concerning Cao Xueqin. In addition, they also plan to construct a library and an exhibition hall that will retain the elegant style of the memorial hall. The collection will be useful for further study of Cao's life, his family history and his writings.

Accounts of a Patriotic General

My Reminiscences (In Chinese) by Zhang Zhizhong, published by the Chinese Cultural and Historical Reference Materials Publishing House, will be available throughout the country by the end of this year.

Zhang Zhizhong (1890-1969), a patriotic Kuomintang general who contributed to the co-operation of the Communist Party of China (CPC) and the Kuomintang (KMT), made a special trip in 1945 to Yanan, the location of the Communist Party Central Com-

mittee. He went there to accompany Mao Zedong to Chongqing (capital of the war-time Kuomintang government) for negotiations with Chiang Kai-shek on both trips, after the victory of the anti-Japanese war. In spring 1946, Zhang visited Yanan again with Zhou Enlai and G.C. Marshall, a US special envoy to China, in an attempt to bring the CPC and the KMT to peace.

Zhang Zhizhong who had a long history of relations with the CPC, can be said as a close friend

of the latter. As early as the 1920s when Sun Yat-sen proposed the Three Great Policies of alliance with Russia, co-operation with the Communist Party and assistance to the workers and peasants, Zhang supported Sun's policies and never swerved from that cause.

In 1924 Zhang worked as an instructor at the Huangpu (Whampoa) Military Academy, where he had contacts with Zhou Enlai and other Communists and worked for KMT-CPC co-operation. In 1932, Zhang participated in the January 28 battle against the Japanese invaders in Shanghai. During the civil war of 1927-37, Zhang never took part in the campaigns against the CPC.

After the victory of the anti-Japanese war, relations between the CPC and the KMT deteriorated and another civil war was in the making. Considering the situation, Zhang and Wu Dingchang, a high-ranking official of the KMT government, suggested to Chiang Kai-shek that he invite Mao Zedong to Chongqing for negotiations. Zhang vacated his own house to make room for Mao Zedong during the visit.

Thanks to the negotiations, the CPC and the KMT concluded an armistice agreement on October 10, 1945, after which Zhang, Zhou Enlai and Marshall composed a "supreme military mediation group" and a "programme for the reorganization of armed forces" was signed. The group inspected the areas where the CPC and the KMT had fought and finally arrived in Yanan in the spring of 1946. At the grand welcoming ceremony held by the Com-

The photo, taken in March 1946 in Peiping (Beijing), shows Zhang Zhizhong (first left), Marshall (second right) and Zhou Enlai (first right) at the front row.



unist Party Central Committee, Zhang emphasized the importance of implementing the programme. During that meeting Zhang is recorded as saying, "When you write the history of this period, please do remember Zhang Zhi-zhong's three visits to Yanan." His speech was received with hearty applause and was widely publicized the next day. Despite Zhang's remonstrance, the KMT refused to implement the truce. As a result the negotiations for peace ended in failure and the civil war resumed.

Before Zhang went to Xinjiang on a mission in the winter of 1945, Zhou Enlai and his wife, Deng Yingchao, asked Zhang to try to secure the release of the CPC members and other patriots held in custody in Xinjiang. Zhang promised to do his best. Before the civil war broke out again in 1946, these people had been freed.

In April 1949 when the army of the CPC was closing in on Nanjing, the KMT government's delegation headed by Zhang drafted a "peace agreement" with the CPC in Peiping (Beijing), but the agreement was turned down by Nanjing. Faithful to Sun's three policies, Zhang decided to remain in Peiping at this crucial historical moment. During that stay,

Zhang published a "Statement on the Present Situation" and was invited to attend the Chinese People's Political Consultative Conference. He also cabled General Tao Zhiyue who was in charge of political and military affairs in Xinjiang, and Burhan Shahidi, the chairman of the local government, asking them to co-operate with the CPC, thus contributing to the peaceful liberation of Xinjiang.

On the eve of the founding of New China on October 1, 1949, a discussion was held on the make of the national flag. The majority were for a design of three horizontal bars with a big star at the upper left corner against a red background. The three bars were to symbolize the Changjiang (Yangtze), Huanghe (Yellow) and Zhujiang (Pearl) rivers in China. Zhang and several others disagreed, however. Zhang said the three bars could be mistakenly interpreted as being three "big sticks" to split the state and revolution. Their recommendations against adopting the design was accepted by Chairman Mao.

After the founding of New China, Zhang was consecutively council member of the Central People's Government, vice-chairman of the Northwest Civil and Military Committee, vice-chairman

of the Standing Committee of the National People's Congress, vice-chairman of the National Defence Council, and vice-chairman of the Central Committee of the Revolutionary Committee of the Kuomintang. In his lifetime, Zhang made important contributions to socialist construction and the reunification of China. Zhang Zhi-zhong died on April 6, 1969, of sickness.

In *My Reminiscences* a reader will discover records of Zhang's political and military activities and his patriotism and the spirit of seeking truth. As a long-time member of the policy-making group of the Kuomintang government, Zhang's accounts are an important historical reference, valuable for studying the contemporary Chinese history and the relations between the CPC and the KMT.

Deng Yingchao, who wrote a preface for the book, first met Zhang in Guangzhou in 1925 and had been a good friend since. "The people will remember those who did them good turns," Deng says. "Zhang made important contributions to China's democratic revolution and socialist construction. His name will go down in history."

— Zhou Shu

(Continued from p. 14)

The US trade deficit, which has been on a steady increase in recent years, is estimated to reach US\$150 billion in 1985. As a result, some ailing industries hurt by the huge deficits, have exerted a great deal of pressure on the Congress. This problem is a sensitive one, particularly for those up for re-election next year. The Democrats even hope to win more votes and regain their lost Senate majority by adopting favourable trade policies.

In the face of growing support for protectionism, the Reagan administration has adopted some concrete measures to improve the US balance of trade. These measures have included a series of trade talks with Japan since the beginning of this year, asking Japan to open its market to US goods. On September 22, financial representatives from the United States, Japan, the Federal Republic of Germany, Britain and France met in New York to discuss measures to devalue the dollar in order to enhance the

competitiveness of US goods abroad.

These measures have, to a degree, alleviated the plea for protectionism in the US Congress. The trade deficit, however, will not be eliminated entirely by these steps alone. In order to seriously slash the deficit, the US government must take more drastic measures against its high interest rates, the root cause of the strong dollar. Without such measures the trade imbalance will remain intact, as will protectionist fever.

Women Spikers Add One More Title

China's women's volleyball team spiked its way to another trophy during the Fourth World Cup tournament held in Japan from November 8-20, marking the team's fourth consecutive victory since winning the Third World Cup in 1981, the Ninth World Tournament in 1982 and the gold medal in the 23rd Olympic Games.

The recent victory was an important one recognized by the International Volleyball Federation, whose president, Ruben Acosta said China's women's volleyball team has long been considered the model team in world volleyball circles. China's victory, Acosta said, is not simply a victory over another team, but a celebration of the ordeal the team has gone through to reach its current level of play.

The team underwent a serious shake-up following last year's Olympic games in Los Angeles,

Chinese team via Japanese team on November 20.



when one of its ace spikers, Zhang Rongfang, and other veterans like Zhou Xiaolan, retired from the court. At the same time, the team's seasoned head coach, Yuan Weimin, also stepped down, giving his post to his assistant, Deng Ruozeng. Yuan has since been promoted to the job of vice-minister of State Physical Culture and Sports Commission. But worse than having suffered these losses, the team also had to withstand psychological pressure imposed by China's now lofty expectations.

To warm up for the tough campaign in Japan, China's team participated in the Japan Cup this April, the Xinmin Evening News Cup in Shanghai and Beijing's Seagull Cup. They also toured the German Democratic Republic and Cuba, volleyball in tow. This August the team moved to Xincheng City in northeast China for intensive summer training. During training, they often had to battle from behind, with scores of 10 to 14, using their prowess and their wits. Because of such arduous training, the team was well-prepared for their grueling matches with the powerful Cubans and Soviets.

China's performance in the recent tournament proved the team to be one step closer to its peak. Besides the might of spiker Lang Ping's hard hammering, the dynamic and diversified techniques of Zheng

Meizhu, Yang Xiaojun and Liang Yan fused to shoot the team heads and tails above its competitors. During the three straight set victory over the Soviet team, China slammed down 22 points by spiking, blocking the net and keeping errors to a minimum.

Since the Los Angeles Olympic Games, almost every team has gone through some adjustments, making many of this season's teams younger and less experienced than before. China's former coach Yuan Weimin said because of youth and inexperience, the Soviet team failed to make the most of the talent in its two key matches against China and Cuba. As for Cuba, China's arch rival, Yuan said, though it was strong in offensive, the team still had not reached the level exhibited by the US team during the 1984 Olympic Games and at the last World Cup tournament.

One point noticed during this tournament was the players' stature and health, which seemed much improved, especially among the Latin American players. Some Cuban, Peruvian and Brazilian players nearly matched their male counterparts when it came to skill and ballhandling.

In the 10th World Volleyball Championship to be held next November, China will face Latin America, the tall European spikers and the Soviets. To hold its lead, China's women's team should waste no time in developing its already remarkable skill.

At the end of this year, there will be two exhibition matches between China's women's team and an all-stars team made up of the strongest players from nine countries.

ART PAGE

Sculptures by Lin Yuhao

Born in 1940 in Guangdong Province, Lin Yuhao is now working in Guangzhou's Sculpture Studio. Skilled in figure sculpting, Lin's works capture his subjects' true personalities.



A Young Girl.



A monument to Revolutionary Martyrs.

蓝天
BLUE SKY



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.



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