

BEIJING REVIEW

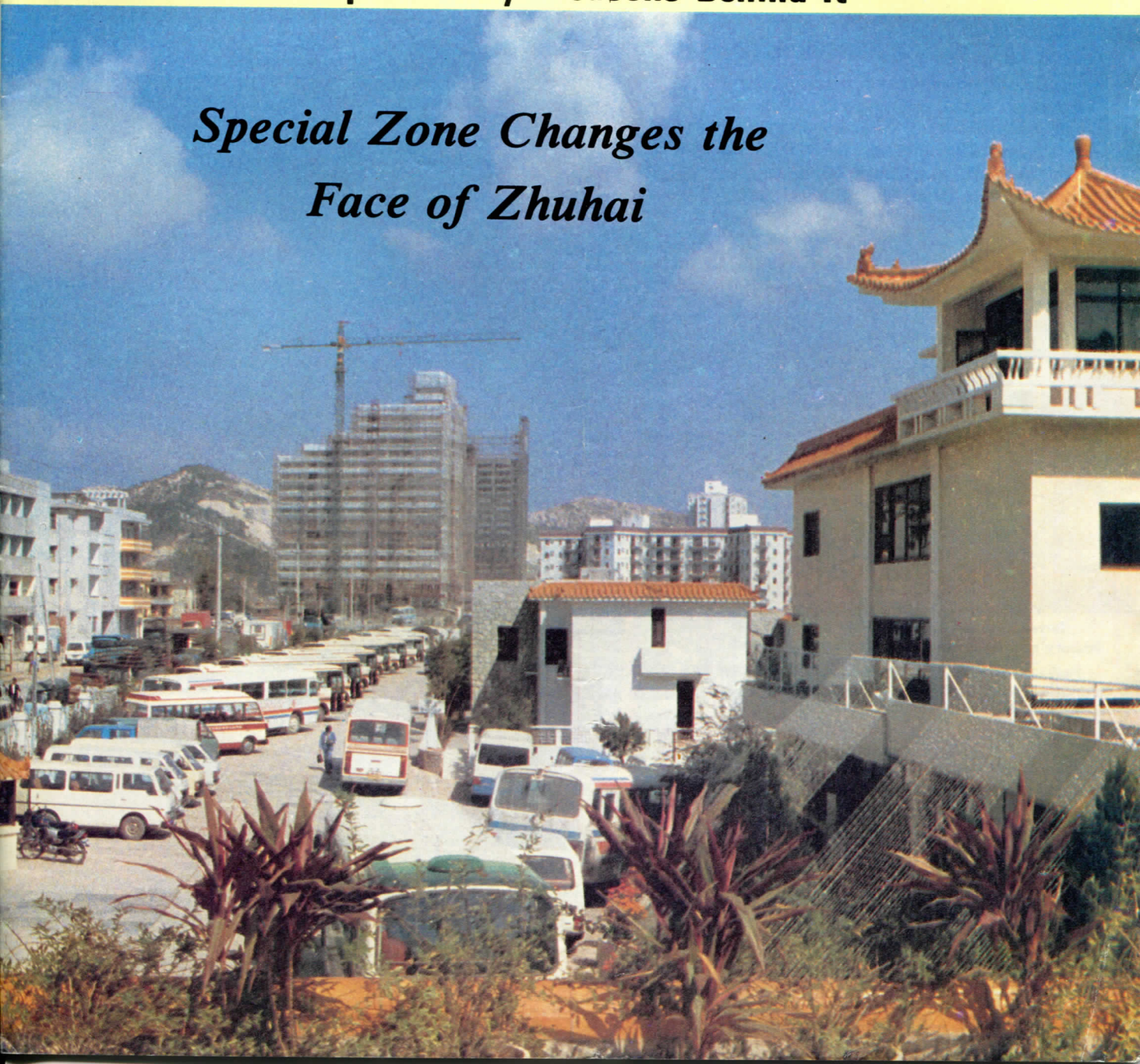
北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

Zhao Reports on Economic Reform at NPC Session

Open Policy: Reasons Behind It

*Special Zone Changes the
Face of Zhuhai*



Guangdong's Zhuhai Special Economic Zone



The Zhuhai Special Economic Zone is relying on industry to build a diversified local economy. It has already completed such construction projects as a shipping port, an airport, highways, water-supply facilities and other public utility installations.



Technicians in Zhuhai's Shishan Electronics Factory test microcomputers they have produced.

Helicopter service has begun between Zhuhai and Guangzhou. Copter service is also available for servicing the Nanshai (the South China Sea) Oilfield.



The Xiangzhou Woollen Mill set up with foreign capital. Its products are selling well in Hongkong, Macao, Japan and throughout Western Europe.



Seaside villas offer resort accommodations in Zhuhai.

SPOTLIGHT

The port of Jiuzhou in the Zhuhai Special Economic Zone opens to foreign ships.



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CONTENTS

NOTES FROM THE EDITORS	4
Chinese Peasants Favour Small Towns	
LETTERS	5
EVENTS & TRENDS	6-10
Zhao Expounds Wage and Price Reforms	
State Council Bans Illegal Price Hikes	
NPC to Consider Inheritance Law	
Funeral Customs Experience Change	
INTERNATIONAL	11-14
Iran-Iraq: Gulf War Reaches New Heights	
United States: Facing Middle East Choices	
Stockholm: No Progress in Marathon Meeting	
Bolivia: Upheaval Haunts Coming Election	
Argentina: Peronist Party Breaks Up	
Open Policy Essential to Socialism	15
Why is China Opening to the Outside?	18
Zhuhai: Taking the Road of Rejuvenation	23
Tourism Offers Something for Everyone	26
BUSINESS & TRADE	28-29
FROM THE CHINESE PRESS	30-31
CULTURE & SCIENCE	32-33
BOOKS	34
COVER: New look of the Zhuhai Special Economic Zone.	

Photo by Zhai Wanxin

HIGHLIGHTS OF THE WEEK

Zhao's Report Focuses on Economic Reform

Premier Zhao Ziyang focussed his report to the Third Session of the Sixth National People's Congress on China's current economic situation and economic reform. He said the two principal tasks in the economic reform this year are changing the wage system and improving the price system (p. 6).

Open Policy Born of Objective Necessity

From the numerous articles that have appeared in the Chinese press discussing China's open policy, two are excerpted in this issue. They analyse the various factors, both domestic and international, that prompted China to adopt this policy. The authors explain, from the theoretical as well as the practical point of view, why this is a long-term, fundamental policy of China. By opening its doors to the world, China will absorb what is advanced and useful from other countries to speed the pace of its modernization drive (pp. 15 & 18).

Washington Faces Mideast Choices

The United States is taking a wait-and-see attitude in dealing with Middle Eastern affairs. President Ronald Reagan's administration says it is examining the possibility of pushing forward the Middle East peace process, yet it sticks to its old policy of unconditional support for Israel, the main obstacle blocking peace (p. 11).

Zhuhai in the Perfect Position

West of Hongkong and just north of Macao, Zhuhai is in the perfect spot to take advantage of its selection as one of China's four special economic zones. The city has in recent years developed as a tourist boom town, and the foreign exchange earned through its tourist facilities is now promoting its industries and fueling its growth as an important import-export harbour (p. 23).

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Chinese Peasants Favour Small Towns

by **WANG DACHENG**
Economic Editor

Big cities are no longer attractive to most peasants in Jiangsu Province. The peasants there now prefer the prospering small towns that they have helped build with their own hands.

In the morning the peasants can be seen pedaling their bicycles to work in the small towns. They eat their lunch in canteens at the factories, and after work they ride home. They prefer working in small towns, because, as they see it, they can enjoy the pure air, fresh vegetables and plentiful sunshine there. In addition, the economic rewards, recreational activities and living conditions in small towns are rapidly catching up with and even surpassing those in the big cities.

In recent years the rural economy and construction have developed at an unexpected speed. Changes have occurred in the economic structure in the countryside, which no longer includes just crop cultivation. Today the rural economy comprises an all-round development of agriculture, forestry, animal husbandry and fishing and a comprehensive management of agriculture, industry and commerce. The development of industry and sideline occupations in the countryside has called for markets, information and transportation facilities. As a result, the small towns have mushroomed. The small town boom is providing job opportunities for millions of peasants in industrial production, commercial activities and various kinds of service trades.

At present, China has more than 60,000 small towns. The growth of small towns is an important aspect of building socialism with Chinese characteristics. Small towns have become not only economic centres but also cultural, service, educational and scientific hubs of the countryside. Today small towns are playing an increasingly important role in China's rural economy. For instance:

It is imperative for people in the rural areas to strengthen the construction of small towns, further promote the development of the rural economy and satisfy the increasing material and cultural needs of the peasants.

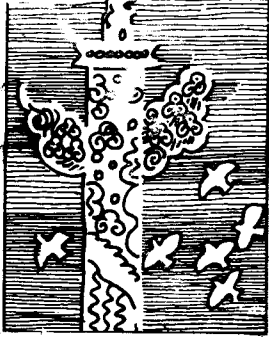
• Small towns serve as distribution centres for agricultural and sideline products as well as industrial goods. They link the urban market to the rural market. In Baoding Prefecture of Hebei Province, more than 20 special markets, including those for acrylic fibres, artificial leather, synthetic fabrics, clothes, furs, wood and traditional Chinese medicine, have come into being. Their appearance has helped invigorate the urban and rural economy, stimulate the exchange of commodities and promote rural economic development. In many places the old-style outdoor markets have been replaced by large, modern markets built with the funds pooled by local people.

• Small towns serve as processing centres for agricultural and sideline products and play a supporting role for urban industries. Pingwang town in Wuxian County, which is under the jurisdiction of Suzhou, is situated 100 km west of Shanghai. A Pingwang factory works in co-operation with a Shanghai company to produce 3 million sewing machines a year. Though the main body of the machine is still made in Shanghai, all other parts have been contracted to the small Pingwang operation. Both sides have benefited from the co-operation.

• Small towns help absorb the surplus labour force and check the flow of peasants into large and medium-sized cities. It is estimated that by the end of this century China's rural towns will provide jobs for 300 million people no longer needed on the farms, a figure amounting to 40 percent of the total rural population. Of the other 60 percent of rural residents, half will continue to engage in crop cultivation and half will be employed in developing forestry, animal husbandry and sideline occupations.

• Small towns enrich the cultural life of the peasants. Today many small towns have set up schools, agricultural technology consulting stations, adult education centres, libraries, art troupes, cinemas and theatres, hospitals and clinics, and service trade outlets.

• The growth of small towns has changed the overall relationship between cities and the coun-



tryside and has enabled rural industry to concentrate in the towns. The transfer of industry from larger cities to the countryside has helped stimulate rural economic development, thus narrowing the gap between town and country.

Many small towns have drawn up plans for ambitious development and some have begun construction. Their goals are roughly as follows: Every peasant household is to have a comfortable house with a courtyard; every small town is to be built into a comprehensive economic, technical and cultural centre for the development of agriculture, industry, commerce and transportation service; a number of fairly complete public utilities are to be constructed; and rural energy resources are to be exploited and put to rational use. In summary, small towns seek to create favourable conditions for production, life and investment.

The principle guiding the construction of small towns is "letting the people build their own towns." This is to stimulate the initiative of the various quarters, encourage peasants to engage in industrial and commercial activities in small towns, and urge larger cities to lend support to their construction.

The small towns have flourished alongside the development of the commodity economy. It is imperative for people in the rural areas to strengthen the construction of small towns, further promote the development of the rural economy and satisfy the increasing material and cultural needs of the peasants.

Economic Reform Acclaimed

I read your magazine closely and find most of your articles, comments and documents interesting. I wish to take this opportunity to say something about the document on the restructure of the economic system adopted at the Third Plenary Session of the 12th Central Committee of the Chinese Communist Party. No doubt, the document is of the utmost importance in promoting China's modernization drive.

The success of the economic policy adopted and pursued by the Chinese Party and government has been borne out by the brilliant victory in socialist construction, especially in the countryside. After studying the experience of some socialist and capitalist countries, the People's Republic has changed its rigid economic model into a manifold responsibility system for the sake of bringing the initiative and creativeness of the masses into full play.

China also has established a planning system that consciously applies the law of value and a reasonable price system to develop the socialist commodity economy. The rigid ties between government administration and enterprise management have been separated and the economic responsibility system has been established to eliminate egalitarianism. To sum up, what you have done is conducive to developing the productive forces.

China is now eradicating all forms of dogmatism and applying Marxism creatively.

My friends and I warmly hail the resolution made by the Chinese Communist Party. No matter what comments the newspapers in the capitalist countries make, we

firmly believe the restructure of the economic system will benefit China's socialist economy.

Alejandro Torrejon M.
Sucre, Bolivia

Content Informative

Your content is simplistic, unsophisticated and informative.

I especially enjoy the production statistics on all items in your gross national product and the information on foreign investment, joint ventures, people subjects and problems, and electronics growth.

Don Parrish
California, USA

The new achievements in Chinese medicine won my admiration after I read an article in your issue No. 37, 1984.

I have learnt a lot from your economic reports, but I hope you will give more coverage to Chinese history and culture and print more pictures.

Hidekuni Ikemiya
Okinawa, Japan

More Articles on Peace

I greatly appreciate your articles on and China's commitment to world peace. Please continue to give more coverage to that most important issue. I have followed the peace movement throughout Europe and would like the addresses of any organizations or committees to whom I might write in China. Could the Chinese people articulate a specific and practical plan for true peace on earth, their contribution to civilization could far exceed that of all other cultures, past and present.

Susanne Sklar
Dalian, China

Zhao Expounds Wage and Price Reforms

Wage and price system changes are the two major tasks in the reform of China's economic structure this year, said Premier Zhao Ziyang in his Report on the Work of the Government at the Third Session of the Sixth National People's Congress (NPC) which opened March 27 in Beijing and is expected to last two weeks.

Unlike previous government reports — which included everything from politics to economy and diplomacy to culture — Zhao's report, titled "The Current Economic Situation and the Reform of the Economic Structure," focused solely on the economy. The premier outlined steps towards economic reform and described how the government will battle "unhealthy tendencies" which have appeared in recent months.

Zhao told the more than 2,700 deputies that 1985 wage reforms will concentrate on eliminating irrational pay structures, so that the egalitarian practice of "everybody eating from the same big pot" will be gradually abolished and a system embodying the principle of distribution according to work will take its place.

Zhao said the government will institute a wage system in which pay reflects the responsibility of the job in state organizations and institutions. The new system will better reward those with heavy responsibilities and those making major contributions. In state enterprises where conditions permit, the method of allowing the total payroll to fluctuate according to the enterprises' economic performance will be gradually introduced after preparations.

Zhao stressed that enterprises will not be permitted to change

pay systems or establish wage scales on their own without state direction. Wage earners will also be required to pay taxes on personal income exceeding a certain level, he said. Reasonable disparities in wages should be allowed to reflect varying levels of responsibility, he said, but the gap should not be too wide.

As for the reform of the price system, the premier announced that the government has decided to adopt a policy combining relaxed control with readjustments. The aim in 1985, he said, is steady progress in measured steps. The main goals of the price reform include: Rationally readjusting the purchasing and marketing prices of grain and the purchasing price of cotton and introducing the practice of using contracts for state purchases. Price controls on other farm and sideline products will be gradually relaxed and market prices will take over. The reform calls for raising charges for short-distance railway transport so as to stimulate trucking and water transport. The price reform will also encourage price differences for products of different quality and regional price differences to reflect varying costs.

Noting that too much currency was issued last year and some commodity prices saw increases, Zhao promised that the government will take major steps to reform the price system and, at the same time, prevent price fluctuations. For this purpose, the government must exercise firm control over the volume of currency issued, he said.

Zhao listed several concrete measures, among which are cutting administrative expenses by 10 per-

cent and curtailing major purchases made by work units and enterprises by 20 percent.

Under socialism, Zhao continued, it is imperative to pursue a policy of keeping prices stable. This policy is important for ensuring steady economic development and social stability. However, he said, basic price stability does not mean a price freeze, and price changes do not necessarily lower living standards.

The premier noted that China has in recent years carried out limited price adjustments. As for urban workers and staff, he said, it is true that the cost of living is now somewhat higher than before, but real income for the overwhelming majority of families has increased considerably as a result of increased job opportunities and wage hikes.

Zhao re-emphasized that China will continue to follow the principle of building the country through thrift and hard work. He pointed out that it is wrong to blindly seek a high level of consumption regardless of production capacity and actual conditions.

The previous two sessions of the Sixth National People's Congress were held in May and June. NPC deputies welcomed the early start this year and urged the practice to continue so the State Council will be able to revise the economic plan and budget after hearing the views and suggestions of the NPC.

The Third Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) also opened in Beijing on March 25. A total of 1,673 members of the CPPCC also attend the NPC as non-voting participants.

State Council Bans Illegal Price Hikes

In a decision released March 13, the State Council called for an immediate stop to the illegal price hikes that have disrupted the market and hindered the forthcoming price reforms.

The decision focused its criticism on price hikes of essential food items, durable consumer goods, transportation tickets and production-related machines and goods.

In recent months, some government departments, enterprises and individuals have abused the practice of using "negotiable prices," which allows for reasonable price adjustments to balance supply and demand, the decision said. Others have been reselling hard-to-get commodities at exorbitant prices, the decision said.

Production-related machines and goods, the decision said, must be sold at state-set prices or at authorized "negotiable prices." Enterprises can change prices only if they are authorized to do so. Strict measures will be taken to deal with speculating and profiteering, the State Council ruled.

Among the abuses that prompted the State Council action was an incredible series of truck deals in Shanxi Province. Last fall the Zuoquan County Coal Transportation and Marketing Corp. bought 20 US-made heavy-duty Dodge trucks from the Shanxi Provincial Coal Transportation and Marketing Corp. at the state-set price of 37,500 yuan each. After using them for about two months, the Zuoquan corporation officials sold them to the Shanxi Provincial Supply and Marketing Co-operative Transportation Corp. at a price 4,500 yuan more than they had paid for each. The Zuoquan corporation had thus illegally profited 90,000 yuan. A month later,

the Shanxi Supply and Marketing Co-operative Transportation Corp. turned around and sold them to the Shanxi Shuangta Trading Centre, this time tacking on 6,500 yuan more to the price tag. The second owner thus made a profit of 130,000 yuan. And on the very same day, the centre resold them to the Taiyuan Electric Machines Corp., once again raising the price, this time by 2,500 yuan. Two days later, the electric machines corporation resold them to the Chengde Means of Production Service Corp. in Hebei Province, adding a 1 percent "management fee" to the price it had paid. And three weeks later, the service corporation resold them to the Jixi Coal Union Corp. in Heilongjiang Province, adding a 0.5 percent "service fee" to each truck's price. After changing hands five times, the heavy-duty trucks had actually become "duty-heavy." Each truck was marked up from the original 37,500 yuan to 51,767.55 yuan.

The Shanxi co-operative corporation, which made the largest illegal profit, has been punished. All of its 130,000 yuan profit was confiscated and a fine of 5,000 yuan was levied. The Shuangta Trading Centre and the Taiyuan Electric Machines Corporation were also punished, as their illegal gains were confiscated. The Zuoquan

corporation, the Chengde corporation and the Jixi corporation are awaiting official ruling about their fate.

The punishments are in line with the recent State Council decision, which ruled that illegal speculators must turn over unwarranted profits and pay fines. Leaders of the guilty enterprises will be denied bonuses and their salaries will be temporarily reduced.

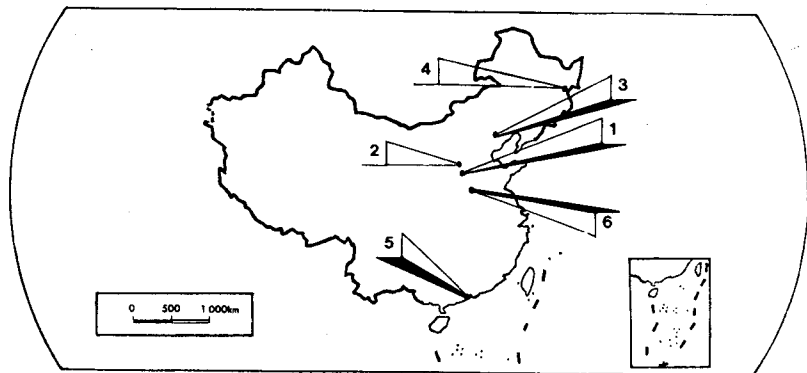
Businesses that seriously abuse the rules, the decision said, will be ordered to close down.

If these trends are allowed to go unchecked, the State Council warned, they will cause production costs to rise and market prices to fluctuate wildly, thus damaging the current economic reforms.

Prices of some products are unreasonable under the present price system and need to be readjusted, the decision conceded. But the price readjustments will be carried out cautiously, gradually and with continuous monitoring by the state. No department or enterprise has the right to raise prices on its own.

It is absolutely prohibited for individuals to resell train or ship tickets at exorbitant prices or to sell ration coupons, the decision

PLACES IN THIS ISSUE



- (1) Zuoquan (P.7) (2) Taiyuan (P. 7) (3) Chengde (P. 7)
(4) Jixi (P. 7) (5) Zhuhai (P. 23) (6) Kaifeng (P. 32)

News in Brief

The National People's Congress Standing Committee recently appointed State Councillor Chen Muhua to replace Lu Peijian as president of the People's Bank of China. Lu will replace Yu Mingtao as auditor-general of the ministerial-level Auditing Administration. Vice-Minister Zheng Tuobin was promoted to Chen's post as minister of Foreign Economic Relations and Trade.

Chen, 64, was born in Qingtian County, Zhejiang Province. A Chinese Communist Party member since 1938, she is currently an alternate Political Bureau member.

China's higher education institutions will enroll 1.16 million students this year. Of the total, 563,000, 18.5 percent more than last year, will attend regular universities and colleges and 600,000, a 26.6 percent increase from last year, will study through correspondence, television and evening schools.

The year-old China Welfare Fund for the Handicapped has collected more than 30 million yuan through donations from China and abroad and by sponsoring fund-raising art exhibitions. Of the sum, about one-third has been used to improve the living conditions of more than 20 million handicapped individuals. Part of the remaining money will be used to build a rehabilitation research centre, the first of its kind in China.



Lu Peijian



Chen Muhua



Zheng Tuobin

said. Restaurants and other service outlets are forbidden to raise prices at will.

A nationwide survey of prices is now under way to determine where illegal price hikes have taken place.

NPC to Consider Inheritance Law

The 10th Session of the Sixth National People's Congress (NPC) Standing Committee last month approved in principle a revised inheritance law (draft) which includes negotiable securities as part of the estate. The law was then forwarded to the full NPC for examination.

The clause about negotiable securities, which refers to assets such as stocks and bonds, was added to the draft law at the suggestion of the NPC's legal committee. Some NPC Standing Committee members argued that negotiable securities should be considered part of an inheritable estate because more and more people today are buying stocks and state-issued bonds.

The week-long 10th Session ended March 21. Committee members heard and discussed a report on the revision of the inheritance law by Zhang Youyu, deputy director of the NPC legal committee.

In his report, Zhang said his legal committee, for the most part,

agreed with the draft law, which highlights legal inheritance rights for citizens, both men and women, and pays attention to support for the aged. But Zhang had, among others, the following revisions and suggestions:

- **Legal Amount of Property Inherited.** Revisions included: (1) In dividing the legacy, those who could but failed to help support the deceased "should be given less or none." (2) Concern will be shown to those heirs who "have special difficulty in life and lack labour power."

- **Third Party Heirs.** The draft law stipulated that nephews and nieces are third party heirs, but the legal committee suggested that such wording be deleted since some nieces and nephews may have contributed to the support of the deceased.

In discussions, the delegates unanimously agreed that no special treatment should be offered those who have squandered away their money or those who are able to work but don't want to work. They also supported the concept that blood lineage should be the guide in distributing an estate, but they argued it should not be the only consideration.

Support for the deceased should be an important factor in determining who inherits the property, some said. As the government is encouraging couples to have only one child, such a support clause will be of extreme importance in

the future. There should be a clause that eliminates the inheritance rights of children who do not support the old, said one committee member.

With only one child per family, in the future the elderly may depend on their son-in-law or daughter-in-law for support. The committee members held that supporting in-laws should enjoy the same inheritance rights as the children of the deceased. Nephews and nieces who provide support should also be able to inherit the estate, they determined.

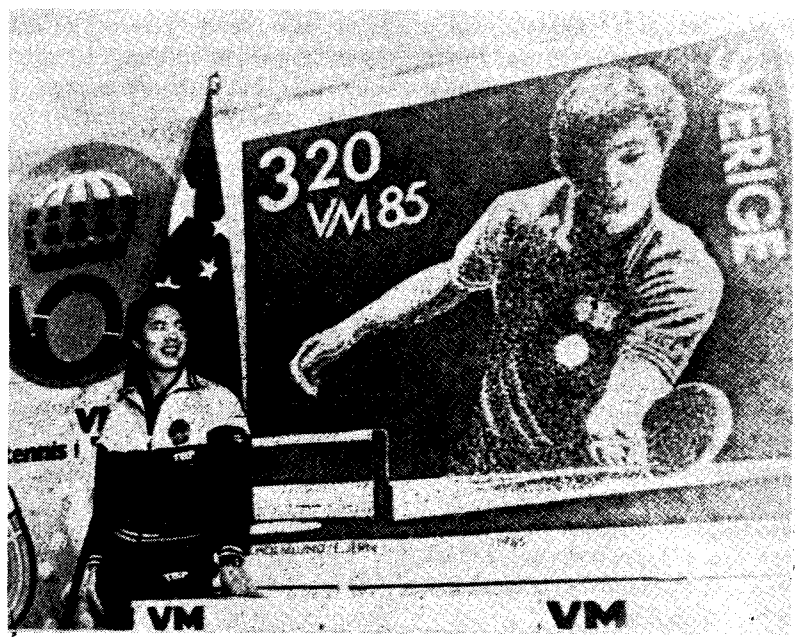
At present there are still many people who don't respect the elderly and even go so far as to mistreat or discard them. And women are often looked down upon. The expected adoption of the revised law should therefore boost social morals, enhance family stability and promote family planning.

The revisions suggested by the NPC legal committee were all approved by the full Standing Committee. In turn, the draft law was submitted to the Third Session of the Sixth NPC, which was convened March 27.

Funeral Customs Experience Change

The Chinese government recently re-emphasized the significance and necessity of popularizing cremation while gradually reforming traditional burial customs in the countryside.

In a document titled the Provisional Regulations on the Reform of Funeral Administration which was issued in February, the State Council called for a step-by-step adoption of cremation as the standard funeral practice in the country's densely populated areas. Cremation is also ordered for areas where there is a shortage of



Ping-Pong Hero On Stamp

Cai Zhenhua, two-time world table tennis championship silver medalist, stands before a poster in Stockholm that depicts a newly issued stamp bearing his likeness. The stamp was one of two issued by the Swedish General Post Office to commemorate the 38th World Championships, which are being held in Goteborg, Sweden, March 28 to April 7.

arable land and in areas that are readily accessible by transportation and could be put to better use.

In areas where conditions are unfavourable for cremation, deep burial should be encouraged and local governments may set up public cemeteries on desolate land or barren hills, the regulations say.

"The encouragement of cremation has been the basic policy of the state," said Chen Zaisheng, an official of the Beijing Funeral Management Bureau. "It is not a product of the 'cultural revolution' (1966-76), as some people said, even though cremation was strongly encouraged and burial was considered feudalistic during that period." Some people who attributed the push for cremation to "cultural revolution" policies have gone overboard in advocating burial and even the return of old funeral superstitions, Chen said.

This backlash has been partly responsible for the decline of cremation in the areas where cremation has been available for a few years. In those areas 37.1 percent of the dead were cremated in 1978, but the percentage fell to 29.94 in 1983, said Chen. But this year the rate is expected to rise and even break the 1978 record.

The death rate in China has been about 6 per 1,000 during the past decade. Some 85 percent of the cities and 40 percent of the counties have crematories, which handle about 1 million cremations a year. In the countryside, burial remains far more prevalent than cremation, and more than 4 million people are buried annually.

However, scientists, economists, leaders and many people expect traditional burial to eventually give way to cremation due to the obvious drawbacks of underground burial. If 1 million dead are buried, their graves occupy

667 hectares of arable land, and the coffins use 300,000 cubic metres of wood. In addition, buried remains pose a potential threat to water sources.

Some Old Customs Remain

Although cremation is encouraged in most areas, other kinds of funerals and the customs attached to them will remain for historical, cultural and economic reasons, said Yi Jiannian, an official of the Ministry of Civil Administration.

"Besides cremation and burial, there have been celestial burial, water burial, wind burial and tree burial," said Yi.

Celestial burial, also called "bird burial" in some ancient books, is popular in Tibet. The deceased is carried by his or her relatives and friends to a "celestial burial platform," a large rock high in the mountains. There the body is cut into pieces and the bones are broken into powder by a celestial master. The master blends the pieces of meat and bone powder with *zanba*, a roasted *qingke* barley flour, and then spreads the remains on the platform. Vultures soon eat the remains.

The Tibetan belief is that the spirit ascends to heaven only after the body is consumed by birds. In the past, said Yi, celestial burial was specially reserved for the common people, and cremation was the favoured method of the nobles. Cremation has gained popularity since the first crematory was established in Lhasa not long ago.

Wind burial, in which the deceased is put into a hole or cave in the mountains, is still used by people of the *Yi* nationality in Sichuan, Yunnan and Guizhou provinces. Tree burial, an unusual funeral practice, means the coffin is placed atop four high tree

stumps which have been sawn off at the same level. Tree burial and water burial are still used by some minorities, but they are increasingly rare, said Yi.

The Han people have used burial as the main way to dispose of the dead since the Shang Dynasty (17th-11th century BC). Some customs have remained, but they have been simplified over time. Still, today, the family often places an object that was favoured by the deceased into the coffin. The object might be a piece of clothing, food, a book, a piece of jewelry or an ornament.

Both in burial and cremation, *Shouyi* ("longevity clothes") are quite common. *Shouyi* robes and jackets are usually made of silks and satins. In some places the deceased is dressed in such clothing with shoes and a hat embroidered with the lotus flower. "In China the lotus is considered a symbol of purity and cleanliness," said Yi.

Yi acknowledged that sometimes it is difficult to distinguish superstition from custom. "So, the best way is to develop a new kind of rite that is simple, healthy and economical," he said. Not long ago, he said, some people in Xianghe County, Hebei Province, suggested that people attending the funeral wear a simple black silk armband instead of elaborate white mourning robes. They also suggested that the deceased be remembered at a memorial meeting instead of by burning joss incense sticks, a practice still common in the countryside. "I think this is a good idea," Yi said.

Yi said minority nationalities will be allowed to continue choosing their own funeral practices. But burials will only be allowed in designated areas, while cremations are not to be interfered with by anyone.

Around the Globe

Zhao Calls on Iran, Iraq to Stop Bombing Civilians

Chinese Premier Zhao Ziyang has called on Iran and Iraq to stop bombing civilian targets, as specified in an agreement concluded between the warring nations in June 1984. "We sincerely hope that Iran and Iraq will bring their four-and-half-year-old war to an early end through peaceful negotiations," Zhao said March 21 when meeting with visiting Iranian Vice-Foreign Minister Mojtaba Mirmehdi.

Foreign Ministry Condemns South African Killings

The Chinese Foreign Ministry March 22 strongly condemned the South African authorities following the death of 16 blacks who had joined a peaceful demonstration in Port Elizabeth. The March 21 protest was in commemoration of the 25th anniversary of the Sharpeville massacre. "This is another crime committed by the South African authorities against the South African people," said the Foreign Ministry spokesman.

Beijing Vows Joint Progress With Guinea

Chinese Foreign Minister Wu Xueqian told visiting Guinean Foreign Minister Facine Toure March 22 that China is willing to further its co-operation with Guinea in various fields to achieve common prosperity and progress.

Iran-Iraq

Gulf War Reaches New Heights

The escalation of the war between Iran and Iraq has caused fear and anxiety in the Gulf region. Appeals have been made to the warring countries to stop the bloodshed.

by SHUAI PENG

THE 54-month-old Iran-Iraq war has escalated to a new level as the two states have intensified attacks on cities and waged savage battles in the strategically important marshlands of southern Iraq.

Iraq's March 4 air raids on Iran's Ahwaz steel plant and Bushehr nuclear-power plant triggered a series of Iranian retaliatory air strikes against civilian targets.

Iraq announced that its planes and armed helicopters flew 670 sorties in a single day, the greatest number since the outbreak of the war in 1980. The aircraft raided dozens of Iranian cities, including the capital of Tehran.

In the recent showdown, Iran's jet fighters raided Baghdad and launched four ground-to-ground missiles against the Iraqi capital. Iran's artillery also pounded Basra, the second largest city in Iraq, and oil installations in Kirkuk. Iranian troops then embarked upon a ground offensive aimed at cutting off the strategic highway linking Basra and Baghdad.

It was widely believed that Iraq launched the air raids in an attempt to use its air superiority to force Iran to accept peace and to demoralize the war-weary Iranian people. Iran, taking advantage of its superior troop strength, staged the March 11 ground offensive in

the Huwizah marshes straddling the Iran-Iraq border.

The United Nations Security Council on March 15 issued a statement calling on Iraq and Iran to avoid civilian targets and stop hostilities. The Islamic Conference, members of the non-aligned movement, the Arab League and the foreign ministers' conference of the Gulf Co-operation Council (GCC) have all expressed concern over the escalating war and called for an immediate end to the conflict. The Chinese government also appealed to Iran and Iraq to observe last June's agreement to forgo attacking non-military targets. China asked the two nations to stop the escalation.

However, Iran insisted on its conditions. Iranian Deputy Foreign Minister Javad Mansuri reportedly

United States

Facing Middle East Choices

With its crucial role as an Arab-Israeli mediator, the United States can either benefit or hamper the Middle East peace process. It all depends on whether it will alter its past policies.

by ZHANG LIANG

FOLLOWING a series of Washington visits by Saudi Arabian King Fahd, Egyptian

told a March 16 press conference in Ankara, Turkey, that Iran would cease its attacks on civilian targets if Iraq does likewise. But he said Iran will reject any "mediation" until its conditions for ending the war are met.

Those conditions for ending the war include: Identifying Iraq as the aggressor, war reparations, repatriation of hundreds of thousands of Iranians who were expelled from Iraq at the beginning of the war, and withdrawal of Iraqi forces.

Although the two warring countries momentarily stopped raiding each other's cities on March 24, they resumed bombing attacks and the situation has deteriorated even further. Many people believe that neither Iran nor Iraq can score a clear victory in the war, which is threatening peace and stability throughout the entire region. But the continuation of the "meaningless" war, as the press of the United Arab Emirates calls it, is just what the superpowers want. Such a war will weaken the warring parties and pave the way for intervention in the vitally important oil region.

The recent visits by the Arab leaders were designed to encourage the United States to play an active role in the Middle East peace process now that Jordan and the Palestine Liberation Organization (PLO) have agreed to send a joint negotiating team to a peace conference. Egypt's Mubarak has proposed talks between Israel and the Jordan-Palestinian team, and he has asked the United States to preside over those negotiations.

President Ronald Reagan's administration said it was looking into the possibility of involving a joint Jordan-Palestinian negotiating team in the Middle East peace process, but it insisted that the Palestinian delegates not be members of the PLO. The Reagan administration rejects PLO participation in such talks without the PLO's recognition of Israel's right to exist and its acceptance of United Nations Security Council resolutions 242 and 338. The United States also insists on direct talks between Israel and the Arab countries, making it clear that US negotiators will not attend talks without Israel being present. US Secretary of State George Shultz said in a message to Israeli Prime Minister Shimon Peres that the United States will not change its position on that matter.

The Reagan administration has taken a wait-and-see attitude on the Middle East peace initiative. One reason, foreign observers believe, is that the rejection and disaster the United States met in Lebanon is still fresh in the US memory. Washington also thinks Middle East conditions are not proper for such talks because of the conflicts between Arab countries and the differences within the Israeli government.

The Middle East remains turbulent and the Palestinian issue remains unsettled because Israeli authorities continue to follow an

anti-Arab policy, which is supported by Washington. On March 12 the United States vetoed a UN Security Council resolution which severely condemned Israel for massacring people in southern Lebanon. The United States also continues to provide Israel with financial and military aid, which, US spokesmen readily admit, is to guarantee that Israel will have the advantage over its Arab neighbours. Meanwhile, the United States has decided to temporarily cease arms sales to the Arab countries under the pretext that it needs to examine the relationship between arms sales and peace and stability in the region. Arab observers contend the United States will lose its credibility in the Middle East if it continues to stick to its unfair position.

Stockholm

No Progress in Marathon Meeting

Plagued by the sharp differences that divide the East and West, the European Disarmament Conference sees no clear chances for success.

by LIU XUMIN

THE fifth session of the Stockholm European Disarmament Conference (EDC) ended March 22, but after more than a year of discussions, the conference that was supposed to ease tensions in Europe has made no substantial progress.

The United States and its North Atlantic Treaty Organization (NATO) allies have over the past year brought up six working documents elaborating the six proposals that were submitted to EDC when it opened in January 1984. On March 8 they presented a comprehensive package of the six

In an attempt to show at least some interest in the Middle East peace process, Shultz declared March 16 that the United States will send envoy Richard Murphy, assistant secretary for the Middle East affairs, to Israel, Egypt, Jordan and Saudi Arabia to discuss renewing the Middle East peace process. The secretary of state also said the United States will make every effort to keep up the momentum for a Middle East peace. But it is generally believed that the United States cannot play a key role in the Middle East peace process unless it gives up its policy of unconditional support for Israel and urges the return of Arab territory occupied since 1967 by Israel. Otherwise, the United States will be more of an obstacle than a help to finding peace in the Middle East.

proposals. Among the proposals are provisions about reciprocal notification and observation of military exercises; an exchange of observers; on-site inspections; and the establishment of a hot line between the countries that might prevent disasters caused by lack of clear communications.

It is reported that the NATO proposals were worked out over five years in an effort to lend more practical substance to the 1975 Helsinki agreement. NATO's representatives have suggested that countries notify one another of any major military exercises in the area ranging from the Atlantic Ocean in the west to the Ural Mountains in the east. And while the Hel-

sinki agreement called for such notification on exercises involving 25,000 or more soldiers, the new NATO proposals call for advance notification of manoeuvres involving just 6,000 troops.

The Soviets have reacted strongly against such notification changes. Soviet negotiators have criticized NATO for trying to flush out Soviet military secrets in Europe while letting the United States go scot-free.

While the NATO proposals have been detailed plans on how to monitor military manoeuvres, the Soviet Union and its Warsaw Treaty Organization (WTO) allies have produced their own proposals of a broader nature. Repeatedly they have called for an exchange of pledges to refrain from using force. US and NATO delegates have argued that such pledges are vague and are already included in the United Nations Charter and the Helsinki agreement. They argue that practical agreements can go much further towards ensuring the disarmament in Europe.

The Soviet Union and the Warsaw Pact nations have not made an official response to the NATO proposals. But the Soviet representative has complained that the Western representatives are dragging their heels despite US President Ronald Reagan's assertion that the United States is ready to discuss the Soviet non-aggression pledge.

Several uncommitted and non-aligned nations have tried to negotiate a plan that would encompass both the practical military matters proposed by NATO and the pledges pushed by the WTO. Some negotiators have argued that the two sets of proposals are complementary and could be welded together. They contended that the Soviet-backed non-aggression pact would mean little if not backed up by the technical measures suggested by NATO. Despite the lack of progress, a Swedish delegate

predicted that an agreement taking in both sets of proposals is likely by the end of the conference.

But the sharp differences be-

tween East and West, which have kept the meeting nearly deadlocked for months, make it hard to predict whether any such agreement will be hammered out.

Bolivia

Upheaval Haunts Coming Election

Less four months are left before general election, but an economic crisis may slow the process of democracy.

by **GUAN YANZHONG**

PRESSED by the opposition parties, Bolivian President Hernan Siles Zuazo moved up the general elections to this July, instead of waiting until 1986 as planned.

The purpose in doing so was to make a concession in order to bring about a political ceasefire, needed to overcome current economic difficulties and to ease the social unrest at home.

The Bolivian economy is sliding downwards. The 1984 gross domestic product (GDP) decreased 4 percent and per-capita output value drew back to what it was 15 years ago. The fiscal deficit accounted for 28 percent of GDP, and the foreign debt reached US\$4 billion by the end of 1984. The government has admitted to 13 percent unemployment and four-digit inflation, the highest in the world. Because prices are skyrocketing and the real value of wages is dropping, the lowest monthly pay of a worker is now equivalent to US\$8. The government issued 3,100 billion pesos in paper currency in 1984, three times as much as in 1983.

While the Bolivian media have acknowledged the present unreasonable domestic economic structure and slumping international market, they still blame part of the crisis on the government's economic policies. Siles has tried to use currency controls to bring

down inflation and had hoped for an agreement between feuding trade union and business leaders. He has been disappointed on both counts.

The economic deterioration merely intensifies Bolivia's social conflicts. Bolivian workers have repeatedly walked off the job, occupied factories and blocked streets.

The strong Bolivian national trade union declared on March 7 that it would call a general strike to push for higher wages and government control of consumer goods prices. On March 8, the first day of the three-day strike, General Simon Sejas, the armed forces chief of staff, put his troops on alert. Government offices, banks and factories closed and city bus service was disrupted as a result of the strike.

Differences within the Popular Democratic Union, which is in power, and other parties also weaken the government's ability to cope with the crisis. The chaos has prompted the military to consider retaking control. In just one week in January the authorities smashed two coup plots.

Former army general Jose Olvia Arias, who was relieved by Siles last December, accused the government of moving against the army and the democratic parties. He called on the army to save Bolivia from the abyss of anarchy.

A foreign journalist reported

that many Bolivians feel disappointed and confused. They believe the election is unimportant and unrealistic. They said the most practical thing for them is to find several thousand pesos to buy a loaf of bread.

Some political parties have already registered for the general election and nominated their candidates. But the official in charge of the electoral court has said that the election may be put off if the US\$5 million budgeted for expenses is not allocated to the court in time. Opposition parties condemn

this as a government attempt to postpone the election, but Siles has reiterated his hope for an election in July.

The turbulent situation obviously does the country and its people no good. The leader of the Bolivian Entrepreneurs' Union said he hoped all political parties could join together to solve the country's political problems, thus ensuring a general election. He was reflecting the wishes of a great many Bolivian people. They want to see the democratic process in Bolivia continue to develop.

Peronist Party was now a party with two confronting central committees.

Both sides insisted that theirs was the true Peronist Party and condemned the other as illegal. Both factions named Peron's widow, Maria Peron, as party chairwoman in the hope of winning her endorsement. But Peron, hoping to safeguard the unity of the party, declined to take sides in the struggle. Seeing that the split was unavoidable, Peron suddenly resigned in late February. Without a Peron as head of the party, the Peronists lost their symbol of unity. There was no longer an arbitrator to seek a settlement.

Because the reformists hold the Peronist majority in parliament, in provincial governments and at lower governmental levels, their leadership committee was named by the state court as the true leadership of the Peronist Party late last month. As a result, the call for a united convention by the old mainstream faction was a meaningless gesture.

Formed by former President Peron in 1945, the Peronist Party held power three different times. The party pursued some measures that improved the national economy and the well-being of the working people. But due to policy mistakes and differences within the party, the Peronists failed to keep control. Peronist governments were twice overthrown by military coups.

With the breakup of the Peronist Party, its majority in the parliament has also been divided. The already divided party trade unions and youth groups will suffer further reshuffling. Now both sides are making efforts to attract middle-of-the-road supporters in order to raise a new Peronist banner. They will first compare their successes in the election fight this November for parliament members.

Argentina

Peronist Party Breaks Up

After 40 years as the dominant political force in Argentina, the Peronist Party has disintegrated.

by HU TAIRAN

WHEN reformist segments of the Peronist Party (officially the Partido Justicialista) decided to boycott a united convention called by the party's mainstream elements on March 9, the 40-year-old Argentine political force suffered a complete dissolution.

The breakup of the party founded by former Argentine President Juan Domingo Peron has great significance for the nation. For the ruling Union Civica Radical (Radical Party) and President Raul Alfonsin, the Peronist breakup means an opportunity to take advantage of a weakened opponent. Alfonsin's Radical Party stands to strengthen its position in parliamentary elections scheduled at the end of this year. The dissolution also complicates a political puzzle already filled with many parties, making the political situation even more mercurial.

The Peronist Party showed

signs of a split last December when a party congress was convened. Mainstream members of the newly organized party central committee battled with reformist governors, parliament members and trade union officials over party leadership issues. While mainstream Peronists tried to maintain the status quo and support current party leadership, the reformists demanded democratic reforms throughout the party organization and the adoption of a new party programme. Both factions were intransigent and the meeting ended with a walkout by the reformists.

In order to avoid thorough fission, the Peronist leadership again appealed to the reformists to continue the party congress on February 1 at Buenos Aires. But the reformists refused to meet. On February 2 the reformists held their own party convention and selected their own leading committee of 25 persons and a national committee of 56 members. The

Open Policy Essential to Socialism

Recently, the Chinese press has discussed the reasons for and the significance of the open policy. This and the one that follows are two representative articles. — Ed.

by LI HONGLIN

IS it an expedient or a basic, long-term policy for China to open its doors?

Recently, Deng Xiaoping gave a clear answer to the question: To open to the world is a fundamental policy for China. If there is to be any change in the policy, it will be that China's doors will be opened even wider. Otherwise, the Chinese people will not agree. He also said that this policy will not change during the century or during the first half of the next century. It would even be difficult to change 50 years after that. With the development of economic relations and trade between China and other countries, the policy will remain unchanged, even if some people might want to see it changed.

Precisely because it remains a must for China to bring about its modernization, the Chinese Communist Party has introduced the open policy as one of its fundamental policies.

Socialist Society Should Be Open

Socialist society is open as it should.

Some people hold that a socialist society should not be open to the outside world. According to them, socialism might be tainted by the outside world and could lose its purity. This view may seem very

revolutionary, but actually it's very backward. It smacks of parochial nationalism and has a tint of feudalism. The feudal society, which was based on a natural economy, was a secluded and stagnant society. This feature of feudalism resulted in narrow-mindedness and an anti-foreign mentality. It was beneficial only to maintaining the feudalist order. Why did feudalists always fear commodity production like a fierce flood or a wild beast? It is precisely because the development of commodity production inevitably leads to the disintegration of the feudal economy. It not only promotes the formation of a nationwide market by breaking the barriers between different regions, it also promotes the formation of a world market by breaking the barriers between countries. Breaking such barriers encourages the development of the forces of production. Therefore, the development of commodity production and the expansion of international economic exchanges represent progress.

Economic life, as well as the total social life, must go through a process from being closed to being open and from being national to being worldwide. This is a trend created by the capitalist mode of production. Marx and Engels said in their *Manifesto of the Communist Party*: "The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in

every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life-and-death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones, industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production."

To maintain the development of national industry and commerce amidst the fierce international competition, almost every country in the world has, within a certain area, adopted protective measures of one kind or another. This is necessary. It is nevertheless a "passive defence." In order to speed up its economic development, a country, while ensuring its sovereignty and independence, must open its doors to the outside world and increase its strength in ever-growing economic exchanges with other countries. Certain protective measures can only serve as necessary supplementary means. If protectionism is practised and is taken as the main method of developing the national economy, a

country will no doubt isolate itself from the economic life of the world. Although protectionism can play a role in protecting national industry and commerce for a certain period of time, over the long term, it is unwise. While escaping from the pressure of competition, the economy also loses nourishment and stimulation from outside. Therefore, the loss outweighs the gain. If a country carries out the open policy, its national industry and commerce will have to face international competition and will be pressed. Sometimes the pressure may be unbearable. However, in the long run, the gain will be bigger than the loss, because the open policy is in line with the objective trend of economic development.

“Will this trend change with the appearance of socialism?”

No. On the contrary, it will expand and progress faster, because it represents the need for the development of the forces of production. If it can be said that steam engines, trains and ships broke the boundaries between countries and linked the world as a whole, then it is impossible for supersonic planes, satellites and computers to put the world back into a state of seclusion. In the final analysis, the superiority of socialism over capitalism is reflected in the fact that socialism can provide a wider leeway for the development of the forces of production and can create higher labour productivity than capitalism. As seclusion means a retreat to the period prior to capitalism, how can it continue to exist?

An Important Marxist Policy Decision

For quite a long time after the founding of the People's Republic, we closed our doors for construction. The situation did not change fundamentally until the

Third Plenary Session of the 11th Party Central Committee in December 1978. The closed doors were a result of special historical conditions. At that time, it was the two superpowers, not China itself, that locked China's doors. This situation forced us to quietly immerse ourselves in hard work. Indeed, we achieved progress in a number of fields which we can be proud of. Nevertheless, being blockaded is an unfavourable condition. At any rate, we spent more time and energy achieving the progress than we would have by normal international exchanges. In fact, we also carried out economic exchanges with other countries at that time through channels that remained open. This reduced to some extent the damage caused by the blockade.

Under the “leftist” guidelines, however, this special historical condition was looked upon as a universal truth. It seemed that being locked in by others was not enough. We had to also lock ourselves inside. All ideas or actions concerning opening the country to the world were slandered as “national betrayal” or “philosophy of servility to everything foreign.”

In terms of guiding ideology, the mistakes have been corrected.

However, due to the influence of remaining feudalist and ultra-left ideas, some people still have some worries. In practical work, they dare not do what they know is right, consciously or inadvertently. Why have economic exchanges with other countries been delayed for so long? Why is work efficiency so low? And why is a decision so difficult to make? Of course, there is the problem of structure and the problem of work style. In addition, there is also the problem of ideology, which needs to be dealt with in theory.

Marx and Engels, who lived in the 19th century, did not face the

situation we are facing today. According to the conditions at that time, they envisaged that a socialist system would be simultaneously established in the industrially developed countries in Europe and America. These countries had for a long time been the dominant forces in the world market. So they did not have the problem of “opening to the world.”

After the victory of the October Revolution, Lenin once considered expanding the Soviet Union's economic co-operation through concessions and other means. However, he died before any actions could be taken. Later, Stalin focused on solving the question of how to build socialism in one country encircled by capitalism. Although he made efforts to speed up construction by importing things from abroad, he never discussed the question of opening to the world, either in theory or in policy.

Our Party summed up the historical experience and designated opening to the world as a principle of socialist construction after the Third Plenary Session of the 11th Party Central Committee. Time will enable more people to realize the correctness of this policy decision.

Self-Reliance and the Open Policy

“Does China proceed its socialist construction by self-reliance?”

Yes. It is especially so in a big country like China with a population of 1 billion. We can set up a comprehensive national economy by relying on our own manpower and resources. However, self-reliance never means closing the country to international intercourse. So long as we have a proper understanding of the relationship between self-reliance and intercourse, they will not repel each other. On the contrary, they

will complement each other. During the implementation of the open policy, we will be able to draw on the strong points of others and avoid their errors and shortcomings. This will enable us to better implement the policy of self-reliance.

Some people like to link the open policy with colonialism. In doing so, they not only confuse the differences between the eras, but also show their lack of self-confidence. Colonies did not have any sovereignty. Even if they had some sovereignty, it was incomplete. Old China was indeed like this. But New China is an independent country with full sovereignty and its exchanges with other countries are based on equality and mutual benefit. The exchanges, including the setting up of special economic zones, do not damage our sovereignty in the least. So there is nothing in common between the open policy and colonialism.

It is normal that foreigners will achieve some benefit from our open policy. What are the disadvantages when both sides are benefited? Is it really good to let others suffer losses? Of course, we cannot ask others to give support and donations gratis. The normal condition can only be mutual benefit.

"Foreigners will not transfer to us their most advanced technology. So we have to trail after them," some people would argue.

Of course, other countries will not transfer to us their most advanced technology under normal conditions. Even if they were willing to transfer such technology, we would still lag behind others if we did not work hard. Nevertheless, we will not depend on others entirely. To import technology is to quickly narrow the gap. The technology of the 1970s, which we can import, is no doubt of a higher level than the technology of

the 1960s and 1950s that we still use today. If we take the technology of the 1970s as a starting point and march towards the most advanced level of the 1980s, we will no doubt be there sooner. In fact, science and technology are not restricted by boundaries between countries. So long as they are more or less equal in theory and applied technology, different countries can without exception acquire the same sophisticated technology at about the same time. In this competition, an important factor deciding who will be the first is who gets more information from the world. There is no bigger fool than the country that refuses all outside knowledge and technology and does all things by itself behind closed doors.

Fear of Capitalism Not Necessary

With regard to capitalist society, we must analyse it. There is no need to be afraid of it, nor is there a need to worship it. It is neither good nor bad in all respects. Capitalism will inevitably die out. But what will be extinguished will only be the capitalist outer casing — the capitalist mode of production. With regard to the highly developed production, it is precisely the thing needed by socialist society.

In fact, many things in capitalist society are useful to socialist construction. While opening China to the world, we will refuse only those decadent and reactionary things. As for the other things conducive to the development of the forces of production, be they science and technology or managerial know-how, we will actively import them, and assimilate and use them ourselves. Although these things originated in capitalist society, they are not unique to capitalist society. Rather, they are linked to the advanced forces of production and are part of human

civilization. Without them, the modern socialist mansion cannot be constructed.

"But, along with the import of advanced science and technology, there must be decadent ideology and culture coming in. They will pollute the atmosphere," some others would say.

Capitalism is a complicated world. When our door is opened, some dirty things are bound to come in.

What shall we do? There might be two methods. One is to close the door again. However, this solution would result in locking ourselves up again. Moreover, it would not guarantee the purity of our culture, because there have already been some dirty things in our room and the dirty things outside might still come in through the cracks.

The other method can be called "filtration." It is just like installing air filters on the doors and windows to remove harmful gas and dust. Of course, this is only an analogy. The ideology and culture in society are much more complicated than air in the natural world. As it is very difficult to acquire 100 percent purity in air filtration, it would be much more difficult to "filter" ideology. It is necessary to strengthen the work of the customs houses while opening the country to the world, because in this way many pollutants can be prevented from entering the country. However, some dirty things are bound to slip through. Moreover, with modern technology, ideological dissemination will not necessarily come through customs.

Even the cleanest person's face will have some dirt because he does not live in a vacuum. There is nothing to be afraid of when the face gets dirty. The only thing to do is to wash it more often. In principle, this theory also applies to the cultural world.

We uphold Marxism. But it is not necessary and impossible for us to uphold it by putting it in a "bacteria-free room," because in this way we will render it powerless and cause it to wither.

Uphold Marxism in Opening the Country

The correct principle is to uphold Marxism in an open environment. This means that on the one hand Marxism must draw nutrients from reality, including other branches of science, and on the other it should battle with various kinds of anti-Marxist ideology. Of course, the battle does not mean forcing people to do things by administrative means. Rather, we must criticize and persuade them, relying on the strength of truth. We should believe that the people have the ability to tell right from wrong, and particularly we should believe in the strength of Marxism. Over the past century and more, Marxism has developed through struggle. If Marxism was not overwhelmed under the rule of the exploiting classes, how can it be defeated in a socialist country when running up against just a few different views? If something is defeated along the way, we can say for sure that it was not

Marxist, but merely an outdated conclusion.

Since the Third Plenary Session of the 11th Party Central Committee, one of the jobs we have done in the theoretical field can be called "purification," that is eliminating things which are not Marxist. One of our other jobs has been development, which means replacing outdated conclusions with new ones that tally with reality. Opening the country to the world provides us an opportunity to know the new situation and new problems worldwide, to receive more new information and to keep in touch with new viewpoints. It will certainly prompt us to accelerate the process of purification and development. This is a more favourable condition for upholding the scientific truth of Marxism.

Not only is it impossible to uphold Marxism behind closed doors, it is also impossible to develop socialist culture and ethics in a closed society. The cultural life of socialist-minded people should be richer and their field of vision should be broader. All the outstanding cultural legacy of human history should be valued

in a socialist society. Marxism itself is a crystallization of human ideas. Like a vast ocean, it accommodates the smallest streams which carry truth. While opening the country to the world, we should welcome all progressive ideology and culture no matter where it comes from. Socialism is never narrow nationalism. How can we imagine that there is in the world a socialism that is separated from the progressive culture of mankind? Closing the country to international intercourse and being parochially arrogant have nothing in common with socialism.

"Do we need to take precautions against antagonistic forces abroad?"

Of course, we do. That is part of the process of "filtration" we mentioned above. We must be on guard against all antagonistic forces that seek to undermine the socialist cause, no matter where they come from, internally or externally. This is an indispensable condition for the implementation of the open policy. The more precautions we take, the better the open policy will be implemented. However, the precautions we take are for opening the country, not closing it. □

Why Is China Opening to the Outside?

by **CHEN QIWEI**

RADICAL and unprecedented economic reform is sweeping China, and one important part of this reform is the nation's open policy. Those puzzled as to why China decided to open its doors to the world must realize just how crucial the renewed exchange is to economic development.

Over the past 35 years since

liberation, due to both outside events and domestic mistakes, China's foreign trade and economic relations with other countries have played only a minor role in the nation's development. The small amount of trade that has occurred has been focussed on the import of domestic deficiencies and the export of surpluses. But, on the whole, China's doors were closed, and international exchanges were on a tiny scale.

Following the Third Plenary Session of the 11th Party Central Committee in 1978, the open policy became an important feature of the nation's economic strategy. No longer would international exchanges play the minor role as in the past. Instead, they were to help power modernization and economic development. The open policy has led the national economy down a new road of development.

China has dismantled the rules and regulations that once prohibited Chinese firms from using foreign capital. No longer are they forbidden to take loans from capitalist countries or attract direct foreign investment. With the help of the foreign funds that have since been imported, China has saved precious time and money in its modernization drive. By analysing and learning the advanced technology, management methods and market skills of the rest of the world, China has been able to move ahead quickly. The government has established novel special economic zones through which to import advanced technology, up-to-date information and management skills. These zones also serve as a laboratory for trying out new ideas and policies before applying them to the entire economy. Efficiency and profitability are respected as a principle guiding all our economic activities with the rest of the world. Foreign trade has boomed, and both the quality and quantity of goods exchanged have improved. And the nation has even begun to send construction and labour crews abroad through labour service companies and invest in other countries, an idea that would have been unimaginable a few years ago.

Economically, technologically and culturally, China's coastal regions are the nation's strongest areas. The total industrial and agricultural output value and national income produced there amount to half of the country's total. The coastal areas are also the leaders in foreign trade and economic benefits. In addition, scientific research forces there are strong and the quality of labour is high. In May 1984, the Party Central Committee decided to open 14 coastal cities to foreign investment and co-operation. With that move, the open policy began to play the leading

role in the development of the national economy.

With the help of the open policy, China's national economy is gradually forming an open, cyclic system based on self-reliance. With such a system, the national economic plan and the whole process of production and consumption will develop on a broader scale over a longer period of time, with the whole world as their background. And the stress on self-reliance will guarantee the general direction of our foreign economic activities, making them

No longer would international exchanges play the minor role of the past. Instead, they were to help power modernization and economic development. The open policy has led the national economy down a new road of development.

serve China's interests and its socialist system. Under this system, our foreign economic activities will not only have great influence on the health and speed of China's national economy, but they will also assist socialist modernization. This is why China must open to the outside world.

External Reasons

While it is easy to understand that one country's economic problems cannot be divorced completely from the international economic situation and why a socialist country's economy cannot be closed to the world, it is not as easy to understand why the open policy should play such an important role in China's economy.

When China began implementing the open policy, the international economic situation was uneasy: The second oil price hike upset the world market, which was followed by the economic crisis that had lasted for three years. Prices and monetary exchange rate were experiencing dramatic changes, economic friction appeared from time to time, and trade protectionism was expanding. Although the world economy is now gradually recovering from the economic crisis, potentially disastrous problems — high interest rates, budget deficits, severe debt woes and trade barriers, for instance — are still widespread. What's more, these factors are not short-term. They will continue to endanger the development of the world economy for a long time in the future.

In such troubled times, when other "open" countries are barely managing to make ends meet, why is China determined to open to the outside world?

The motives for opening up may be found by studying the situation at home and abroad.

The current international situation is erratic and dangerous. But it would be a mistake to base a decision on whether to adopt an open policy just on the superficialities of the current situation. One must look deeper to find the basic reasons for opening to the outside world.

An analysis of the current world economy reveals the following:

Most of the factors that contributed to the world economic boom in the 50s and 60s are now disappearing. These factors are: Cheap energy resources, cheap raw materials and cheap labour; the enormous market made up by post-World War II Western Europe and Japan, the newly developing nations in Asia, Africa and Latin America, and the Middle East oil-rich countries;

massive production which can bring in high profits; the governments' control over their economic destiny; and a relatively stable international economic situation characterized by stable exchange rates, low tariffs and trade freedom.

At the same time, a series of new economic factors are changing the world economy:

The industrial structure is experiencing radical changes as the technological revolution makes old industries desolate. Traditional industries and products are being reformed by highly advanced techniques while new industries and products move ahead on the basis of their technological superiority. Such adjustments lead directly to changes in production organization and management: It is possible for an enterprise to diversify its production without reducing productivity and without raising costs. With this change, the organization must simplify its multilevel management, decentralize its business power, constantly seek new ideas and remain flexible to change. Such adjustments indirectly result in international competition to raise productivity. So, an enterprise is forced to compete with rivals in markets both at home and abroad. Such intense world-wide competition makes the enterprises' profits uncertain.

With the peaceful international scene that has prevailed since World War II, the market for common products and basic consumer goods has become saturated. At the same time, consumers have demanded goods of all quality levels, and tastes have become more internationalized. These market developments have resulted in fierce international competition and a shorter life cycle for most products. The indirect result has been that production and sales

have increasingly become internationalized.

In the financial field, the international reserve system and the currency exchange system have rapidly become multilevel since 1970. The main Western currencies have come to be used as international money. Capital markets have developed at an unprecedented speed. At the same time, financial institutions have been equipped with high-tech equipment so that capital can be diverted and information can be transmitted all over the world within minutes. The direct result has been more competition in international financial world. Any changes in one country's financial situation, reflected in interest rates and exchange rates, has a quick impact on others, and financial information has become more and more important in international economic activities.

To sum up, production, markets and finances have increasingly become internationalized. The tendency is reflected in the rapid growth of direct overseas investments by privately owned and state-run companies and by governments. It is also reflected in the transnational trend of debt structure of bank assets and liabilities, in the proliferation of all kinds of international economic cooperation and in the growing proportion of trade in each country's gross national product. The essential characteristic of the current world economic structure is this growing internationalization.

Another important characteristic of the world economy is the trend towards thwarting the needs of this internationalized economy.

1. The current international economic system, whose two key members are the International Monetary Fund (IMF) and General Agreement on Tariffs and Trade (GATT), is not very helpful in expediting the development of the world economy. It

aims to create an international environment favourable to the world economy insofar as it can satisfy the interests of a few developed countries. While its achievements in the 1950s were satisfying, it is impotent in the 1980s. GATT, for example, has exposed at least two fatal flaws: It fails to halt the tendency towards protectionism in various forms, and it cannot extend its influence to non-member states, many of whom have already taken important roles in international trade. As for the IMF, it has at least three fateful flaws: It can neither control the erratic fluctuation of exchange rates nor eliminate the danger of inflation arising from the multiplying international reserves, and it is functionally limited in dealing with the international debt crisis. But the primary flaw of the two international economic organizations is that they are under the control of a few developed countries and are unable to coordinate international economic relations in a fair-minded manner. The crucial problems that face the world economy are trade protectionism, huge financial deficits, high interest rates, severe debt crises and an unreasonable and unequal international economic order. The current international economic system is unable to tackle these problems.

2. Government intervention in economic affairs is growing. Since World War II, Western countries have followed the Keynesian philosophy of intervening in the economy, creating demands and avoiding crises by carrying out macrocosmic financial policies and monetary policies. Although these policies have yielded some progress, they have also brought about severe side effects. In addition, since international economic problems are growing, each country is forced to intervene in an attempt to change the structure of the world economy in a way most favourable to its domestic economy. The trend is

theoretically reflected in the decline of Keynesianism and the rise of conservatism. In reality, the phenomenon is seen in the microcosmic policies of intervention in economic affairs taken by all the Western countries and by some developing countries since the 1970s. On the one hand, governments have helped develop key industries that stand to do well in international competition by means of tax breaks, subsidies, credits, guarantees, government purchases and investment. On the other hand, governments have limited the development of those industries that would bring more harm than benefits to the national economy and are fated to be defeated in the world competition.

The greatest difference between the microcosmic interventionist policies and the previous macrocosmic policies lies in the fact that governments no longer base their actions on the domestic market, investments, interest rates and inflation. Instead, they take into account the international market. Therefore, both the international and the regional economies inevitably are influenced by microcosmic intervention.

The two characteristics of the new world economic structure turn out to be contradictory: On the one hand, the economy is becoming more internationalized, while, on the other hand, the economic institutions and structure actually attempt to thwart this internationalization.

This contradiction reflects the sharp conflict between productive forces and relations. It is this contradiction that causes the current economic situation to be so uneven and dangerous.

The conclusion derived from this contradiction is that to expand the productive forces, people must study and explore the achievements of the technological revolution. By using advanced technologies they

can improve the quality of production, better distribution and increase consumption.

During this period, any country that desires to catch up with and surpass other nations, that expects to improve its production and that hopes to improve living standards, should enter the international competition.

To do this, the country must firmly insist on a policy of opening to the outside world.

Currently, the international economic relations are characterized by increased friction and fierce competition. Such a situation makes it difficult for a country to escape the impact of economic trouble in the world market. This is demonstrated by the recent worldwide damage inflicted by inflation, mercurial exchange rates and skyrocketing interest rates.

Although the sharp contradiction between productive forces and the relations of production has brought about destruction and harmful influences, it provides an opportunity to some countries: A government can employ its own power to actively intervene in the world market to seek benefits for itself if this method is applied in a planned way. This method is also suited for socialist countries such as China.

Internal Reasons

In addition to the international factors favouring the adoption of the open policy, China has domestic reasons of its own. Opening the economy to the outside world is necessary if China is to achieve the kind of economic development it desires.

While the outstanding economic achievements of the past 35 years are obvious to all, major problems still exist. What has caused the big gap between China's economic status and that of the developed

world? Of course, New China inherited a weak economic foundation. But there are other reasons why China continues to lag behind. Some observers believe the industrial and administrative structures are unreasonable; others see backward management and administration and the lack of qualified personnel as the problem; still others note that insufficient energy supplies and poor transportation have handicapped the national economy. And as the technological revolution has progressed, many point to China's backward technology. They argue that the nation must develop and use sophisticated technology and turn the labour-intensive economy into a technology-intensive economy.

All of the above arguments have merit, but none are wholly convincing. For example, during the mid-1950s the industrial structure was quite reasonable. In the early years of the People's Republic of China, management and administration adequately met the needs of organizing production and expanding productive forces. In fact, energy and transportation development progressed at a faster rate during the 50s than ever before. And, as for technology, in some fields China's researchers were almost at the same level as those in the developed world 30 years ago. Foreign researchers developed the semiconductor — the basis for today's electronics industry — in 1953, but Chinese researchers were not far behind and manufactured semiconductors by 1956. The integrated electronic circuit came out of Western laboratories at the end of the 1950s, but China tested and manufactured such circuits at the beginning of the 60s. Technologically, automobiles and machinery produced in China at the beginning of the 1960s were not much different from those made in foreign countries. Then why has the gap between foreign countries and China widened so dramatically? Some might say it was the technological

blockade of China by the United States and the Soviet Union that caused the stagnation. That may have been the cause in some areas, but not in all. Take the bicycle, for example. Its technology is not advanced and China has the know-how, the resources and a tremendous market for bicycle development. Since that is the case, why have China's bicycles been the same design for decades and why have their cost and quality fallen so far behind the level of the developed countries? One must look at productivity to answer this question. China was able to build a new nation on the ruins of old China, but why did we lag behind during the 1960s when the world economy developed at a high speed? Why did the gap widen so dramatically?

Though there were other mitigating factors, the primary causes were the lack of competition and the closed economic system, which isolated China's domestic economy from the heated competition of the world market. Both domestic and international competition plays a fundamental role in promoting a country's economic development, and it is important to understand how China suffered from lack of such competition.

Karl Marx, in his work *Capital*, analysed the objective law which reflects the motivating forces in the modern commodity economy. Marx wrote that the law of surplus value is the internal regulation of developed commodity production, but such internal regulation is applied to every commodity producer only through outside regulation. Competition forces the commodity producers to lower the price of their products, so they must adopt new technology, new techniques, and new production and management methods to lower costs. Competition forces commodity producers to keep an eye on the changing market. Once a new method of production is introduced, producers

must adopt it to avoid being eliminated by the competition. Competition brings out the social nature of modern production and consumption; it equalizes the value of products of the same branch of production into one social value, and equalizes the rates of profit prevailing in various branches of production into an average profit rate. Through these effects competition has become the most powerful force for promoting the development of social production. As Marx wrote, "The division of labour within the society brings into contact independent commodity-producers, who acknowledge no other authority but that of competition, of coercion exerted by the pressure of their mutual interests."

The economic relations of the world market also help redistribute wealth among the competitors. In competition, one may obtain what one previously lacked. For example, a producer with no advanced technology or management talents will manage to improve. Otherwise, the producer will be mercilessly cast aside. If the producer does not meet the competition, he may lose what he already has. Without competition, advanced technology may not be translated into advanced productivity, and a producer may feel no pressure to improve management and correct defects in the system and structure.

China's shipbuilding industry and automobile industry serve to illustrate how competition serve production. The former dared to enter international competition in 1979. As a result, China's shipbuilding techniques and products have reached the advanced international level. But the auto industry still has not entered the international market, so its production process and products are far behind the advanced international level. The coercive forces of competition, more than any administrative means or subjective de-

sires, bring about economic development.

Does China have the ability to reach at and enter international competition at a time when productivity is still low and management skills are in short supply? Indeed, some are afraid that China is not able to deal with the complex and ever-changing international competition, so they advocate isolating the nation's economic development from the world market.

International competition is different from open competition. The biggest difference between international competition and open competition is that backward enterprises go bankrupt and are cast aside in open competition. International competition differs because there are sovereign governments in the world economy. The governments will inevitably interfere in international competition, either by supporting their exports or adopting controls on imports. Thus international competition is not truly open competition and the fundamental economic regulations such as the law of value are often suppressed in the name of protection.

This characteristic of international competition allows countries, big or small, strong or weak, to win benefits and avoid harm in foreign economic activities. Competition generates two forces: Destructive force and pressure to stay competitive. Under open competition, the destructive force is more powerful than the pressure. However, with the protection of international competition, it is possible to eliminate the destructive force and make use of the pressure. Sovereign governments have the ability to fine tune competition so as to take advantage of its benefits. This proves that China is fully capable of using the open policy to boost its economic development without risking damage. □

Zhuhai: Taking the Road of Rejuvenation

by DING YAOLIN
Our Correspondent

AT the mouth of the Zhujiang (Pearl) River in Guangdong Province, the gateway city Zhuhai is so inconspicuous that maps a few years ago seldom bothered to include it. But now it is fast emerging as a trade boomtown.

The tiny city, 36 nautical miles west of Hongkong and just north of Macao, finds itself in just the right place. In 1979 it became one of Guangdong's special economic zones together with Shenzhen and Shantou. Since then it has developed into an important import and export harbour.

Starting With Smokeless Industry

In the past the only industry in the economically underdeveloped Zhuhai was fishing. Of the 450,000 people in Zhuhai, more than half lived off the sea. The beach sat basically unused until it was set aside as a special zone.

Today, there are modern new hotels, restaurants and shops everywhere on the 15 square kilometres designated as a special

economic zone. These new buildings sparkle on the dark mountain slopes and beaches, adding to the beauty and diversity of its natural attractions.

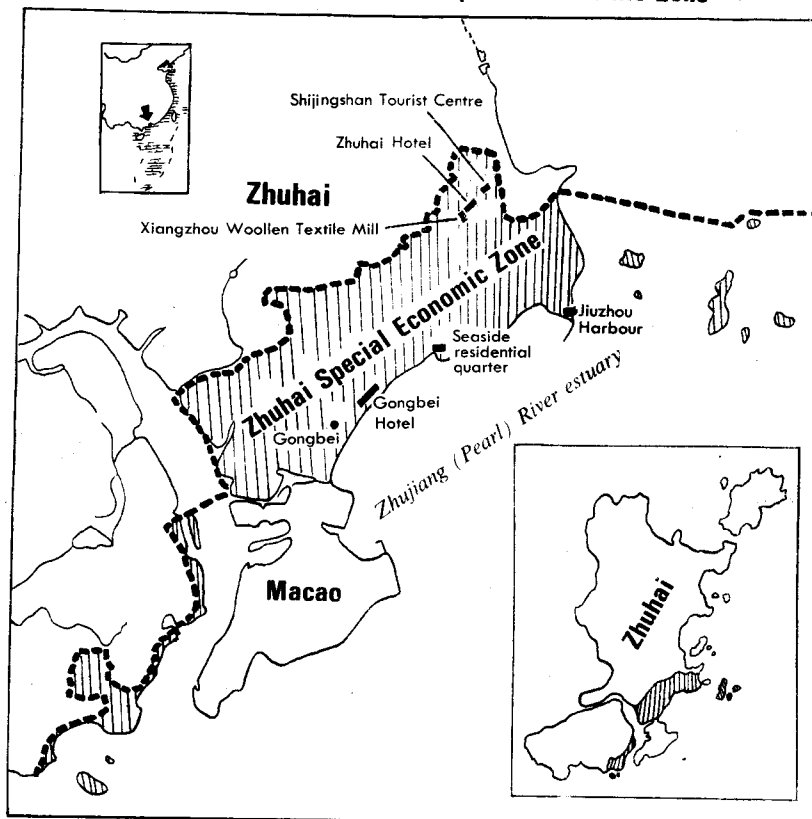
Asked about the rapid develop-

ment of tourism, a manager from the Zhuhai Tourist Company told the following story. In May 1980 there was only an office, a taxi and seven employees in the newly opened company. When a businessman from Portugal came for business talks, he could not find a decent hotel. So after a meal he had to stay in Macao.

Since then four superb hotels and a dozen recreation centres have been set up. These include the modern Shijingshan Tourist Centre; the garden-style Zhuhai Hotel; the Gongbei Hotel, modelled after the ancient Epan Palace; and many seaside villas. There are also large playing grounds, parks and golf courses.

In 1983 some 270,000 tourists from 132 countries and regions visited Zhuhai. They spent 12.47 million yuan. This ranks the re-

Sketch Map of the Zhuhai Special Economic Zone



The Latest Figures

The latest statistics for 1984 are in, and they show that Zhuhai doubled its 1983 output in many areas. The volume of retail sales also doubled.

	1984	Increase over 1983 (%)
Total output value of industry and agriculture	408 million yuan	107
Financial revenue	148 million yuan	135
Projects built with foreign funds	604	141
Imported funds	US\$370 million	570
Total investment	US\$125 million	333
Capital construction investment	340 million yuan	151
Tourism income	240 million yuan	1,400

industrial output in 1983 was three times what it was in 1978.

Learning Management Skills

Shijingshan Tourist Centre, the city's first hotel, was opened by city authorities and a consortium of investors from Hongkong and Macao in 1980. According to their agreement, they will cooperate for 12 years, with HK\$11 million invested from the Hongkong and Macao partners, and land and labour services from Zhuhai.

When it opened for business, Wu Fu, vice-president of the board of directors and the representative of the Hongkong and Macao consortium, worried about the Chinese's inexperience in tourism. He selected the chief agent and managers of three important departments, leaving only deputy posts for Zhuhai's employees.

After three months the hotel began to show a profit. In three years the net profit reached HK\$21 million. According to the agreement, the Hongkong and Macao consortium have recouped their entire investment from 70 percent of their dividends.

In early 1984 Wu withdrew his chief agent and managers. At a board meeting he announced that

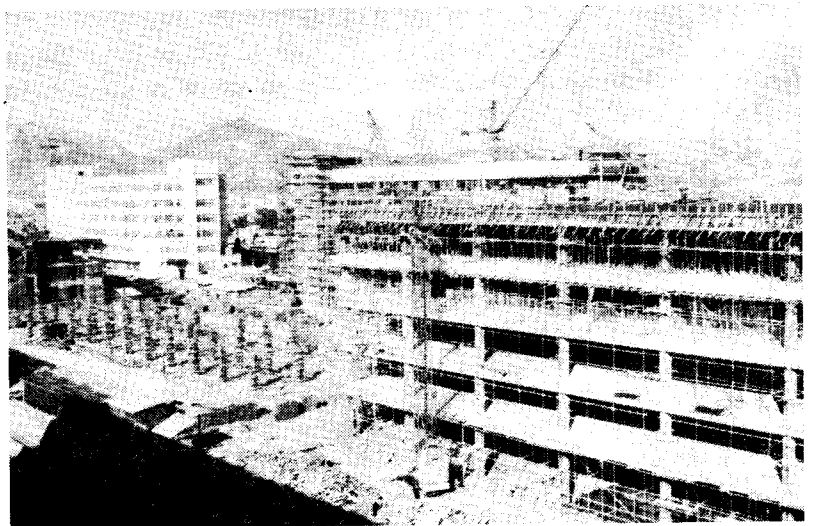
Wang Jieming, the Chinese deputy agent, would take over the post of chief agent. Wu said, "I'm now at ease because you have displayed your talent in practice." He then invested all of his dividends in a hotel expansion project.

Wang, 40, has proved an intelligent and capable manager. He has lived up to Wu's trust and Shijingshan is booming under his care.

While stressing the fun and a Chinese atmosphere for his guests, Wang puts his emphasis on modern management methods. The hotel runs a tourism training school which includes foreign language and computer courses. The teaching building is furnished with sophisticated equipment. Wang is dedicated not only to the present quality of tourism, but also to future improvements.

Zhuhai Hotel, another luxury resort, offers something for everyone. Its 200 rooms and six villas cluster around waterside pavilions and covered walkways. Guests can go fishing or boating on Mingzhu (Bright Pearl) Lake, swim in the mineral water pool, relax in the sauna, play billiards or tennis, or spend time on the shooting range. Night-time entertainment includes theatres, cinemas and nightclubs.

The Nanshan industrial zone under construction.



The Gongbei Hotel.

sort fourth in China, behind only Guangzhou, Beijing and Shanghai.

The thriving tourist business is attracting more and more foreign funds, which in turn fuel the development of industry and other trades in the city. By the end of 1983 a total of 839 projects were being funded from abroad, using up US\$80 million of the planned US\$1.31 billion of foreign investment.

Some of these projects are already yielding profits. Since the Xiangzhou Woollen Textile Mill went into operation in November 1979, its gross output value has added up to 34.6 million yuan. It just cost three years' profits to pay back HK\$7.4 million from Hongkong investors. Last year both partners signed a new contract to expand by 50 percent and to renew the agreement for another three years after fulfilling the original five-year contract.

Dozens of enterprises, from electronics, textile, garment, building material, machine-building and light industries to home furnishings are enjoying similar successes. The value of the city's

The general manager, Zhang Qianling, attributes the resort's success to the excellent service, the spellbinding scenery and the variety of things to do.

At a recent disco dance, the splendid ballroom was ablaze with lights. About 150 young people sat around tables sipping tea or cool drinks. Their happy chatter was punctuated by pop songs sung by Guangzhou performers. Even conservative people have no reason to criticize these songs, although they are a bit noisy, the lyrics are simple and sincere.

Seven British guests now working on a heliport to be used as a supply base for the South China Sea Oilfield were also enjoying themselves. They have been in China for 10 months and plan to work until 1986. Once or twice a year they went back to Britain for a vacation.

"We are looking forward to the success of China and the prosperous economy here," said one of the guests. "We all feel pleased to do share for China's economic construction, especially for the Zhuhai Special Economic Zone."

Of the hotel he said, "It can rival other top hotels in other parts of the world." His wife chimed in, "China is quite different from other countries we have visited. The people are hospitable. All the staff members love their work and study very hard. We don't understand Chinese, so they have started to learn English. The entire hotel is brimming with a friendly atmosphere, making us feel at home."

Mayor's Blueprint

Liang Guangda, the mayor of Zhuhai, has no intention of concealing the drawbacks in his city. "Although the conditions in Zhuhai are no worse than they are in Shenzhen, compared with the rapid advance of that zone, we have



The Jiuzhou gate tower.

lagged behind," he said. "Because we didn't realize the significance of building the special economic zone, we couldn't concentrate our workforce, materials and funds on development. Now we are trying to catch up."

The mayor outlined his long-term programme: Industry will dominate, accompanied by simultaneous development of tourism, commerce and agriculture. Technology-intensive and knowledge-intensive industries will have priority.

Eleven specific projects are planned for the next two years. They are:

(1) A deep-water wharf, for 10,000-ton passenger-cargo vessels, will be built with foreign partners. In the meantime, a 400-km sea channel will be dredged in Jiuzhou Harbour. The project will be finished this August.

(2) Foreign partners will help set up an international airport, and the existing heliport will be enlarged with the co-operation of the civil aviation corporation.

(3) An expressway to Guangzhou will be built and a second-grade highway to Guangzhou is expected to be finished by the end of this year.

(4) An electric power plant will be built with a 100 million yuan investment from Guangdong Province and 30 million yuan from Zhuhai.

(5) By September 1984, there were 3,000 direct telephone lines to Hongkong and Macao. In 1985 another 14,000 lines will go into operation.

(6) A little more than 10 square kilometres will be set aside in the special economic zone as a construction site. By August this year all the infrastructural facilities will be finished.

(7) On this land 23 standard factory buildings covering 160,000 square metres of floorspace will be built.

(8) Two waste-water treatment plants will be built to protect the environment.

(9) Colleges, special secondary schools and night classes will be run to offer regular training for cadres under the age of 50.

(10) The special economic zone will co-operate with the Guangdong Provincial Hospital and the Shanghai Medical College to improve medical facilities.

(11) A sports centre and an art centre will be built.

Tourism Offers Something for Everyone

by SUI XING
Our Correspondent

PEOPLE coming to Shenzhen, whether from Hongkong or inland China, on business or for pleasure, in groups or alone, need not worry about where to eat, or stay or how to get around, as they had to before the special economic zone was set up in 1979. Then Shenzhen was a small border town with only seven country inns and a few snack bars. There was no place to go sightseeing or to spend some leisure time. At that time many ethnic Chinese from other countries, foreign guests and compatriots from Hongkong and Macao passed through Shenzhen, but very few stayed overnight.

Advantages of Tourism

Now things have changed. In the parking lot of the Shenzhen Railway Station coaches and minibuses from Xili Lake, Xiangmi Lake and other holiday resorts wait to pick up customers.

Along with everything else in the special economic zone, hotels and resorts are developing rapidly. There are now almost 200 hotels and more than 200 restaurants and snack bars, capable of accommodating 30,000 people a day.

Zhang Xiuming, general manager of the Shenzhen Tourism Corporation, is a tall man in his late 40s. He said, "With the development of tourism, we can kill several birds with one stone. First, we can make friends both inside and outside the country. Second, more people will find jobs. Third, tourism can help give people a special skill. Fourth, the environment will be more lovely, and that will speed up the beautification of the motherland. Fifth, tourism pro-

motes consumption and production, which is beneficial both to the people and to the state. So why should we refrain from developing it?"

Shenzhen doesn't have many scenic spots or places of historical interest, but it is attracting more and more Chinese and foreign tourists as a window of China's open policy. In 1980 only 80,000 people travelled to Shenzhen. In 1984 there were 2.08 million. The zone made about 30 million yuan in profit from them. Now more than 4,000 people are working in the tourist industry, and some have become experts.

Competitive Edge

In other Chinese cities the tourist industry is generally run by the tourist bureau or the bureau of commerce. This is not the case in Shenzhen, where there are nine tourist agencies, including the Shenzhen Tourism Corporation. Ten other units, such as the Special Zone Development Corporation, the Corporation of Horticulture, the Bureau of Cultural Affairs and the Youth Federation are all involved in tourism as their secondary busi-

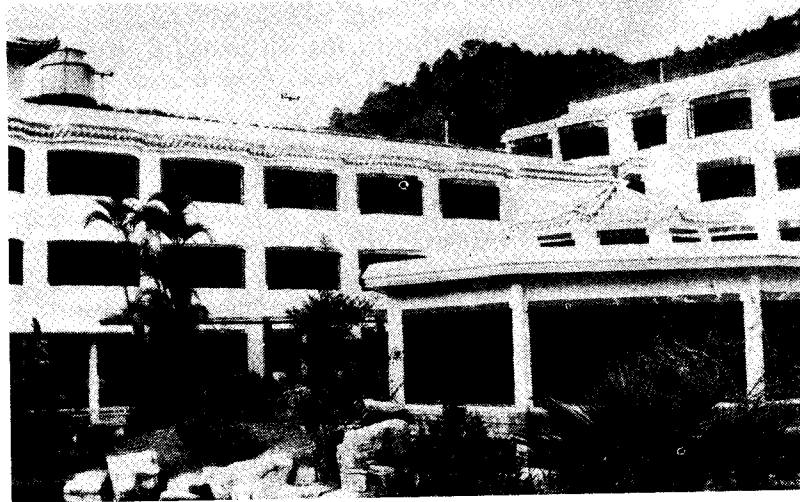
ness. They all offer something special, be it a scenic spot, a unique building or quality service, to meet the different needs of tourists and investors at home and abroad.

Situated on the shore of the Shenzhen Reservoir, Donghu Hotel is jointly run by the Corporation of Horticulture and a Hongkong company. The buildings are small and delicate, and the surroundings are quiet and secluded. The well-equipped hotel is a favourite among investors from Hongkong, Macao and other places.

Yinhu Travel Centre was built by the Luohu district government with their own funds. It sits at the foot of a small hill facing a lake. The building's elegant design and facilities can be compared with an first-rate hotel in the world.

Xiangmi Lake Holiday Resort was built by the Special Zone Development Corporation with overseas funds. Although too many buildings make the place a little bit crowded, it is still very impressive. In the open space nearby, bulldozers are roaring. A Disneyland-style park is under construction.

Yinhu Travel Centre in Shenzhen.



Close by, the Shenzhen Bay Restaurant was built by the Shahe industrial zone authorities, also with overseas funds. Its entertainment facilities have made it an attraction for tourists from Hongkong and Macao as well as the mainland.

Shiyan Lake Hot Spring Holiday Resort competes well with other tourist spots because of its attractive Spanish-style villas and the hot spring.

Compared with all these hotels and holiday resorts, Xiaomeisha Beach Camp seems a bit simple. Its advantage is that it is close to a small bay, just 25 minutes by hovercraft from Hongkong. It is a wonderful place for swimming and summer holidays. The hotel fees are lower, making it popular with the young people. The camp is run jointly by the Guangdong Youth Federation and some Hongkong businessmen. Plans for expansion are under discussion.

Sea World, a permanently moored leisure boat, is managed by the Shekou industrial zone authorities with three other overseas and Chinese investors. Business representatives coming to Shekou may eat, be entertained or sleep on the boat, and can enjoy the pleasant sight of the sea after their work.

Historical Sites

There are two places of historical interest in Shekou. One is the tomb of Zhao Bing, the last emperor of the Southern Song Dynasty (1133-1279). He was on the throne only for two years. Closely followed by enemy troops, he was carried by an official to commit suicide in the sea.

The other site is a battery built under the guidance of Lin Zexu, a patriotic general in Qing Dynasty (1644-1911). A bronze

statue of Lin stands on the hill-top where the fort used to be.

Something for Everyone

The Xili Lake Holiday Resort, which is 15 km away from Shekou, is perhaps the most impressive of all. Five years ago Zhang Xiuming, general manager of the Shenzhen Tourism Corporation, came to this deserted yet scenic place on the shore of Xili Lake with some 20 staff members and workers. They had only a loan of HK\$200,000. They lived in thatched huts, quarried stones and levelled land in about 20 days. A holiday resort with 20 tents, a dozen small boats, bicycles and a barbecue site soon appeared. The facilities were simple, even crude, but the hills and lake make the surroundings pleasant and fresh.

Business began while construction continued. Within a little more than four years and an investment of 30 million yuan, Zhang and his crew have built some 50,000 square metres of housing in this 1-square-kilometre resort.

Xili Lake Holiday Resort developed rapidly because it caters to the needs of different people. Business representatives who long for luxury can stay in a posh villa for HK\$1,000 a night. Those with less expensive tastes may choose a double room with air-conditioning, refrigerator, colour TV and a toilet for HK\$200 a night. And people on a budget may pay only HK\$30 each for a "holiday room" sleeping six people. The resort restaurants offer Chinese food, Western food and fast food snacks. Dainty eaters may spend 2,000-3,000 Hongkong dollars for all kinds of delicacies. Thrifty ones can eat their fill for a few Hongkong dollars.

Above the green trees on the hillside to the west of the resort is a red spherical revolving dining hall. It presents an alterna-

tive for guests, who may enjoy several views while eating.

Varied entertainment also suits both refined and popular tastes. Those who prefer quietness may take a walk along the lake on a covered walkway appreciating paintings and potted miniature landscapes. Those who are active may try the disco, horseback riding, mountain climbing, swimming, fireworks or electronic games.

On the western shore of Xili Lake is a lychee orchard. In the summer all the trees are laden with ripening fruit, growing scarlet and heavy. Many people believe it is worth the trip to Xili Lake just for a taste of these lychees.

Serving the People

August 25 is a public holiday in Hongkong. It is a time for merriment. When the day came last year many people from Hongkong spent it in Shenzhen. Almost all the holiday resorts and hotels were filled to capacity. Lin, director of the house-keeping office of Xili Lake Holiday Resort, said, "We were receiving phone calls until evening that day, asking whether we could put people up for the night. Our compatriots had already come, and we could not let them go back disappointed. So everybody did their best, some pitching more tents, others preparing sleeping mats and blankets, still others moving things out of meeting rooms, reception rooms and even dining halls to make room for more beds. All the places with air-conditioning were occupied by holiday makers. Simple and crude as the conditions were, people were satisfied. One guest said, 'I offered HK\$400 to another hotel to let me spend the night in their meeting room and was refused. You people here charged only HK\$20 and solved my problem. Yours is a real socialist enterprise!'"

Yunnan Symposium Seeks Investment

In an effort to attract trade and investment in Yunnan, the provincial government has scheduled an international symposium for the last 10 days of May in Hong-kong.

Zhu Kui, deputy governor of the province, said last month that investors and traders will be eligible for favourable treatment in taxation, land use and market rights in addition to the standard preferential treatment extended by the state. Joint ventures, co-operative enterprises and businesses funded entirely by overseas investors that have US\$5 million or less in total investment, said Zhu, can be approved within 20 days.

The deputy governor, speaking at a March 22 meeting in Beijing, said Yunnan will be seeking foreign partners to help develop 110 key projects in transportation, energy construction, technical transformation of existing enterprises, resources exploitation, agriculture, forestry, animal husbandry and tourism.

Yunnan is situated along China's southwest border. It has an area of 390,000 square kilometres, a population of 33 million and 24 minority nationalities. It has three major advantages:

— Yunnan is richly endowed with natural resources. It has long been renowned as the "kingdom of animals and plants." Incomplete statistics show that more than half of China's wild vertebrates are found in Yunnan. It has more than 15,000 species of plants, the widest variety of all the provinces. Among those plants, there are more than 200 aromatic plants of commercial value. Hence Yunnan is an important base for the perfume industry.

— Yunnan abounds in mineral resources and is known as the "kingdom of nonferrous metals." Out of the more than 140 valuable minerals known in the world, Yunnan is home to more than 130. In terms of nonferrous reserves, Yunnan's lead, zinc and germanium rank first in the country; its tin ranks second; its copper, platinum

and nickel rank third; antimony, mercury, silver and bismuth, fourth; and tungsten, aluminium and cobalt are all in the top 10.

— The province is a unique place for tourism. There are many famous scenic spots, including the Stone Forest, a natural rock formation that resembles a forest of rock; Dragon Gate in the Western Hills; the city of Kunming, known for its eternal spring weather and beautiful scenery; Dali, the ancient capital of the Nan Zhao Kingdom; and Xishuangbanna, a tropical rain forest landscape that is home to several of China's ethnic minorities. In addition, there are virgin forests, untouched lakes on the plateau, natural hot springs and wonderful caves.

To encourage interest in the province, said Zhu, foreign investors and foreign experts and technicians who are invited to work in Yunnan will be rewarded for their contributions to economic, technical and social achievements.

Zhu Kui speaking at the March 22 meeting.



Fast-Food Joint Ventures Set Up

Chinese dishes are famous the world over. But Chinese diners are now forced to make their choice between delicious food and fast food. With the quickening step of the modernization drive, large numbers of urban workers and students have raised the demand for more snack bars.

Anticipating the demand for fast-food outlets, Japanese and American companies have launched endeavours before others recognized the opportunity. The Beijing Suntory-Green House Snacks Co. Ltd. and the Tianjin-Orchid Fast-Food Co. Ltd. began operations on March 1. This fast-food company was financed by the China International Trust and Investment Corp. and two other Chinese companies, the Beijing branch of the Agricultural Bank of China, Japan's Suntory Co. and the Green House Snack Co. of Japan with a total investment of US\$5 million. The joint venture has a contract life of 20 years. Construction is scheduled to begin in April. It is envisaged that the company will produce 50,000 box lunches a day, and, at the same time, it will set up a number of fast-food outlets in Beijing. Once operations begin, some 60 percent of the meals produced will be supplied at low prices to middle and primary school students. Very few Chinese schools have their own food-preparation facilities, so students constitute a huge market for fast-food producers.

The Tianjin-Orchid Fast Food Co. Ltd. is jointly funded by two Tianjin companies and the United States-based Orchid Foods International Inc. The joint venture has an investment of US\$300,000 and the term of co-operation will be 10 years. The Chinese side owns 60 percent of the company, leav-

ing the US partners with a 40 percent share.

The American company will supply the joint venture with technology, equipment and managerial expertise. The new firm will produce hot dogs, hamburgers and Chinese fast food. It is the first fast-food company ever set up in Tianjin and the first joint venture established by Orchid Foods in Tianjin.

The establishment of the two fast-food companies should ease the restaurant crunch in the two cities. Beginning this January most urban offices have reduced traditionally long lunch breaks to just one hour. The shortened lunch time has made for crowded company canteens and restaurants.

Corporation Key To Beijing's Efforts

Beijing, China's capital with a long history, boasts numerous ancient gardens and historical sites. The recent completion of several modern hotels, including the Jianguo, the Fragrant Hill and the Great Wall, indicated that this city, which won Marco Polo's admiration 700 years ago, has embarked on the road to modern-

ization.

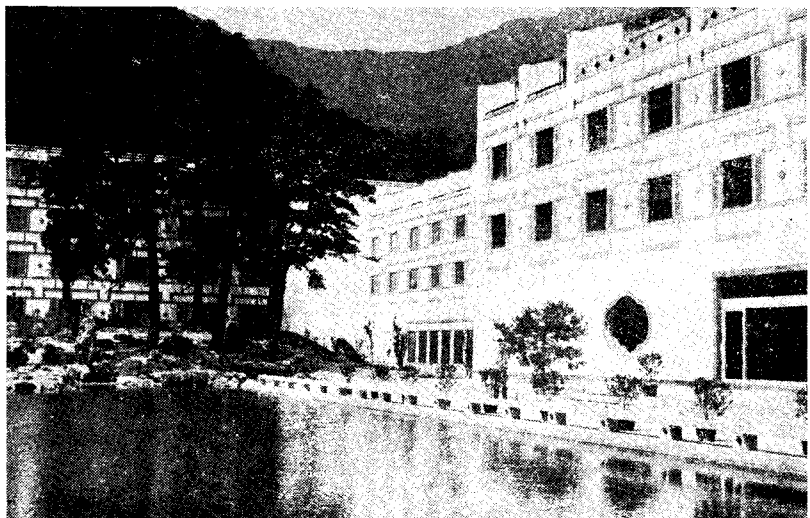
The maintenance of ancient sites, the construction of new projects and modernization efforts in the capital are all the work of the China Beijing Corporation for International Economic Co-operation (BIECO).

According to Yang Jinbo, general manager of the corporation, BIECO is a comprehensive state enterprise under the direct leadership of the Beijing municipal people's government. The corporation enjoys the support of experts and workers from many Beijing institutions and enterprises and relies on them for its equipment. The Great Hall of the People, Beijing International Airport, Beijing Hotel, Beijing Railway Station and the Beijing subway system were all built by BIECO. In addition, the International Conference Hall in Sri Lanka and the People's Palace in Zaire were constructed by the corporation. BIECO has business relations with government offices, financial and industrial representatives and overseas Chinese in a dozen or so countries and regions around the world.

Following agreements between governments or by people-

(Continued on p. 31.)

A view of the Fragrant Hill Hotel.



Socialism Enters a New Phase

from "JINGJI CANKAO"
(Economic Reference)

TONG Dalin, chairman of the China Economic Structure Reform Society, recently stated that the convening of the third plenary sessions of both the 11th Party Central Committee in 1978 and the 12th Party Central Committee in 1984 marked the beginning of the third 70-year stage of scientific socialism.

Tong argued that the first 70-year stage began with the publication of *The Communist Manifesto* in 1848 and continued to the October Socialist Revolution in Russia in 1917. Marxism rose during that stage from a socialist school of thought to the greatest weapon in the global proletarian revolution.

The second 70-year stage of revolution and war lasted from 1917 until now. On the one side, revolutionary movements guided by scientific socialist ideology succeeded and socialist countries were established one by one during this period, opening up a new era in human history. And socialist economic systems were established. On the other, socialism suffered serious setbacks in politics, and the economies of almost all socialist countries have slipped into rigid forms.

In the coming 70 years, socialist economy must be invigorated, which, in turn, will give full play to the superior socialist system. Structural reform of the economic system in China and in other socialist countries signals the new phase.

Tong outlined China's social strategy for the next 70 years:

1) The nation must eliminate poverty. China's goal is to reach an annual per-capita income of

US\$800 by the end of this century, making life easier for every Chinese.

2) By the year 2050, China wants to catch up with the world's developed countries.

3) The open policy is China's long-term policy, and will remain in force even into the next century. It will be impossible to

Primitive Pictographs Still in Use

from "JIEFANG RIBAO"
(Liberation Daily)

PEOPLE of the Naxi nationality, who live in remote regions of Yunnan Province, still use primitive pictographs in a religious book called *Dongba*.

The Naxi people call their pictographs *sen jiu lu jiu* in their native language. The name can be roughly translated as "trail study" or "signs study." The pictographs are developed into a kind of written characters, which are also called "painting words."

The Naxi people previously worshipped a wizard known as *Dongba*. They had no written scripture at first, but the wizard recited oral scriptures and passed

Shanghai Favours Quality Books

from "WEN HUI BAO"
(Wenhui Daily)

HOW-TO books and guidebooks, such as books on cooking, cosmetics and entertainment, have become more and more popular among Shanghai's 11 million residents.

change as China's economic and trade relations with the rest of the world become closer every day.

4) After 70 years, China's socialist economy will be stronger and more immune to negatives.

Tong concluded that the difference between socialist and capitalist economies lies not in the choice of a commodity economy or a planned economy, but in the adoption of a corporate labour system or a wage labour system.

them on from generation to generation. With the development of pictographs, religious classics, fairy tales and fables were recorded in the picture characters. As it developed, the pictographs became the language of the *Dongba* worshippers, and they were rarely recognized by common people. That accounts for another name of the pictographs, *Dongba* language.

Dongba scriptures recorded in these pictographs were preserved and their existence helped develop the religion and the language. With its long history, the *Dongba* scriptures serve as a kind of Naxi encyclopedia, containing the Naxi culture's fairy tales, legends, epics, ballads, dances, paintings and proverbs.

People are buying more books on high-quality subjects. For example, books teaching how to cook sophisticated dishes and Western dishes have replaced simple cookbooks like *Common Recipes*. Shanghai published more than 20,000 high-quality cookbooks in 1984, five times the num-

ber in 1983. Books on making woollen garments sell well. A bookstore on East Nanjing Road in Shanghai sold more than 2,000 sewing books in a single month. Gardening books have also been welcomed.

Another favoured pursuit of Shanghai people is fashion. Books introducing new-style clothing and furniture have sold well. For example, a book introducing 500 new knitting patterns sold more than 310,000 copies in Shanghai last year. Another book introducing furniture sets is a favourite of many readers.

Beauty is a perennial pursuit of young people. They seek out books on hair styles, cosmetics and applying makeup, as well as books on interior decorating.

Prison Officer Regrets Abuse

from "RENMIN RIBAO"
(People's Daily)

A LIAONING Province prison officer, Regiment Commander Liu Guangtao, has expressed regret that he violated regulations against mistreating prisoners.

Prison regulations of that regiment stipulate that if a prison guard scolds or beats a prisoner, he must first criticize himself at a meeting of prison officers. The guard should then apologize to the prisoner and criticize himself before a meeting of prisoners. In addition, the situation may call for additional punishment.

Liu's case began when his order was ignored by a prisoner named Li Yuhou. Angered, Liu kicked the prisoner on a sudden impulse. Realizing his mistake, Liu asked for Li's forgiveness and criticized himself before meetings of both prison officers and prisoners.

"As a regiment commander, it was a serious mistake for me to beat a prisoner. I beg you here for your criticism, forgiveness and supervision," said Liu at the meeting of prisoners. Many prisoners were deeply stirred. Prisoner Li Jiangling told the other inmates, "I turn 63 this year and have heard a lot about the violence and maltreatment in the prisons before 1949. Only in the new society are we prisoners regarded as men. That a regiment commander apologizes to a prisoner is unprecedented in China."

Corporation a Key Factor

(Continued from p. 29.)

to-people methods, BIECO has undertaken to build engineering projects in industry, agriculture and transportation. It has built gardens and parks, cultural facilities, schools, hospitals, gymnasiums and stadiums, commercial trade facilities and other public utilities. BIECO can handle all or part of the above-mentioned projects by contract or subcontract. It can also co-operate with foreign enterprises, companies or overseas Chinese businesses.

The corporation can provide architects, engineers, economists, agronomists, horticulturists, accountants, doctors, teachers, cooks, skilled workers and specialized managerial personnel for design work, manufacturing, construction, installation, maintenance, production, cultivation, breeding and providing medical treatment and other services.

BIECO offers complete sets of equipment, including production lines, single machines and spare parts. It has joined foreign companies, overseas Chinese firms and Hongkong-Macao businesses in setting up joint ventures and co-operative enterprises in other countries.

The corporation has trained technicians, technical workers and managerial personnel. It has undertaken foreign-aid projects assigned by the Chinese government. In addition to the Beijing head office, the corporation has representative offices in Libya, Sri Lanka, Iraq and Kuwait.

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News in Brief

• US\$100 million in foreign capital planned to be imported by Guizhou Province this year will

be used to open up coal, lead, zinc and antimony mines and develop the abrasives, paper-making, tanning and building industries. Funds will also be used to build transportation facilities, hydropower stations, tourism, agriculture and commerce.

Last year Guizhou signed 21 agreements with foreign investors and business representatives in Hongkong and Macao.

• China will receive loans totalling US\$1 billion from the World Bank in fiscal year 1985. Of the total, US\$400 million will be granted by the International Development Association (IDA). This is the first time China has received loans from the IDA.

Since China's representation was restored in the World Bank, the nation has received loans totalling US\$1.9 billion. Of that sum, US\$759 million was in long-term, interest-free loans extended by the IDA and US\$1.179 billion was extended by the International Bank for Reconstruction and Development.

Lantern Festival Lights Up Ancient City

China's Lantern Festival, the 15th day of the first month on the lunar calendar (which fell on March 6 this year), was celebrated in Kaifeng, an ancient city in central China.

The streets and lanes of the city were flooded with people, and the silence of night was broken by shouts of joy and hearty laughter. Multi-coloured lanterns which lit up the night sky lined both sides of city streets, extending as far as a dozen kilometres. It looked as if the Milky Way had fallen to the earth. The sounds of drums and gongs and the crackle of firecrackers were heard from time to time. The lanterns of various forms and colours and dazzling fireworks that traced paths across the sky competed with a bright moon, making for an exciting spectacle.

Decorating with lanterns and coloured streamers is a traditional way Chinese people celebrate their happy occasions. Since ancient

times the Chinese have gathered the family together on the first full-moon night after the lunar new year. Together, they eat round sweet dumplings made of glutinous rice flour, which symbolize the full union of people like the full moon. After eating, they go out to enjoy the lanterns.

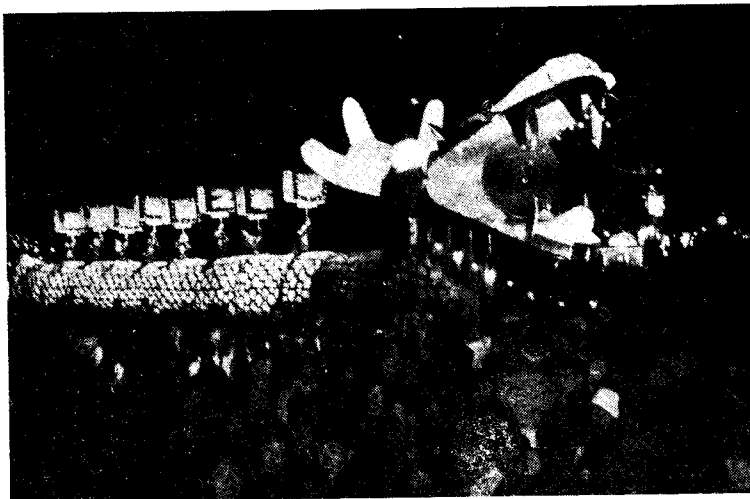
The Lantern Festival is both a folk custom and a form of social entertainment. In ancient times, the gate of the city was kept open throughout the night at festival time. With the bright moon shining, gaily dressed men and women would rush out to view all kinds of lanterns, attend lantern fairs, answer lantern riddles and watch performances.

Made of bamboo, wood, cane, wheat stalks, animal horns, metal, silk, satin and other materials, China's lanterns combine the arts of painting, papercutting, paperfolding, weaving and embroidery. Among the lanterns shown at the

festival in Kaifeng, there were lanterns in the form of many animals, including those in the shape of the ox. The ox was a favourite because this lunar year is the Year of the Ox. There were also lanterns shaped like pandas, peacocks, lions and fish. But most were portrayals of dragons, the age-old symbol of the Chinese nation. One such large dragon lantern, titled the "Giant Dragon Leaping Forward," was more than 30 metres long, and its head was 7 metres high. In its mouth there was a large sphere which emitted light as it revolved around and around. On the dragon's back were eight humorous models of ancient naughty boys wearing simple costumes. Each wore on his chest a golden lock, a symbol of longevity, and each held a square lantern which swayed with the movement of the dragon's head.

Spectators take a close look at the intricate designs.

The "Giant Dragon Leaping Forward" lantern.



With a history of more than 2,000 years, Kaifeng served as the capital of seven dynasties and was especially prosperous during the Northern Song Dynasty (960-1127). Because of its glorious past, there are many scenic spots and historical sites. Many of this year's lanterns depicted historical figures, legends, stories and scenic spots in Kaifeng. For example, a large lantern showing the ancient "Garden of Bao" was designed to commemorate Bao Zheng, an honest official during the Song Dynasty. Another lantern titled "Night Rain in the Golden Pool" depicted a scenic spot during the Song Dynasty. Other historical stories and legends also inspired lanterns. Tales from the classic novel *Outlaws of the Marsh*; the stories of Ganjin, an eminent monk in the eighth century who carried the Buddhist sutras across the sea to Japan; and the legend "Chang'e Flying to the Moon" were all reflected in the lanterns. Still other lanterns were shaped like the lotus flower and mandarin ducks, designs that showed rich folk tradition.

In addition to such traditional lanterns, there were also a number of lanterns made with modern technology, including robot lanterns. One lantern titled "Dance Hall" showed the luxurious decor of a dance club filled with people waltzing. Another design depicted a young couple dancing to disco numbers.

In addition to the major theme lanterns, there were thousands of small ones. Modeled on the lanterns of a few hundred years ago, the palace lanterns, framed with red wood and painted with flowers, birds, landscapes and figures, were exquisite. Shaped like pavilions, the papercut figures of men and animals inside the lantern revolved continuously. There were also numerous lanterns made to resemble grapes, melons, gourds, bananas and tomatoes.

The festivities went on well past midnight. And after hours of light-hearted excitement, the viewers went home to dream fond dreams.

Filmmakers Join To Produce Movies

The first movie of 1985 co-produced by Chinese and overseas film studios, *Cotton Robe*, has broken box office records in Hongkong.

The movie tells the story of how a group of Buddhists preserved their master's ceremonial robe. The film portrays remarkable *wushu* (martial arts) techniques, and the camera sweeps across a broad landscape of famous temples, mountains and grasslands, including scenes of a horse stampede. Within two weeks of its February 15 release, the mainland-Hongkong produced film had grossed a record HK\$11 million at Hongkong theatres.

With a five-year history, the China Film Co-production Corp. has turned out 80 movies co-produced with overseas filmmakers. The first, an epic production of *Marco Polo* jointly produced by Chinese and Italian film companies, has been shown in 95 countries and regions, and some 100 million cinema-goers have seen it.

Mainland-Hongkong joint productions have included *Shaolin Temple*, *The Burning of Yuanmingyuan* and *Reign Behind the Curtain*. *Shaolin Temple* is a *wushu* (or *gongfu*) film, and the other two are feature films depicting historical stories from the Qing Dynasty (1644-1911).

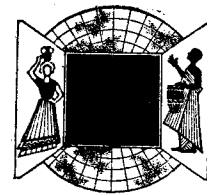
An Unfinished Game to Go, co-produced by China's Beijing Film Studio and Japan's Toko Tokuma Co. Ltd., portrayed the lives and sufferings of the two peoples during the War of Resistance Against Japan (1937-45).

All these movies, focusing on

different subjects, were filmed in China's unique landscape and reflected its culture and history. These productions, thanks to the efforts of famous actors and actresses, martial arts masters and experienced filmmakers, have won over audiences.

More joint productions are being filmed today. *King Gesar*, produced jointly by moviemakers in northwest China's Qinghai Province and Hongkong, is based on a 10-million word Tibetan folk epic. The story tells the history of the Tibetan people, describing their customs and lives on the plateau of west China. *The Romance of Three Kingdoms*, adapted from the novel of the same title, reveals the contradictions and conflicts of the Chinese ruling class over three centuries. The film is produced jointly by moviemakers of Shanghai and Japan. *Daughter of Earth* tells the story of American journalist Agnes Smedley supporting the Chinese revolution during her years in China (1929-38). Some important historical figures, including Mao Zedong, Zhou Enlai, Chiang Kai-shek and Soong Ching Ling, will be depicted on the screen. Other feature films now in progress include *Women Volleyballers — Three-Time World Winners* and *Snuff-Box*. The former chronicles the success of China's women's volleyball team and the latter is about the customs and traditions of people in Beijing.

In addition, there is a documentary film entitled *Chinese Wildlife* under co-production by the Chinese Film Co-production Corp. and a Hongkong studio.



Almanac Charts Economic Changes

The *Almanac of China's Economy 1984* (Chinese edition) was recently released by the Economic Management Publishing House in Beijing, and an English edition published by the Modern Cultural Co. Ltd. in Hongkong is due out later this year.

In a section entitled "New Economic Development in Various Provinces, Municipalities and Autonomous Regions," the almanac acquaints the reader with the economic changes that have occurred since China opened its doors to the outside world. The almanac also chronicles recent economic developments in the Shenzhen Special Economic Zone and in the 14 coastal cities opened to foreign investors, as well as construction and reform measures undertaken across the nation. The almanac includes major economic documents, economic policies, laws and decrees that illustrate how the socialist economy is "ruled by laws" under the guidance of Marxist theory.

Some reference materials in the 1984 almanac were published for the first time, such as sections on "China's Gold Industry" and "China's Rare-Earth Industry," and sections on the rehabilitation of land, on land resources and on cultivated plant resources. In addition, the book includes a systematic introduction of new trades, new products and new technology. New achievements and problems concerning production, construction, economic readjustment and reforms are also covered in the volume.

To ensure that the almanac provides a realistic view, it is imperative that representative materials be carefully chosen rather than collect all the materials available.

With this principle in mind, the editors open the almanac with a "Special Reference Materials" section, which acquaints the reader with typical enterprises in the fields of agriculture, light industry,

energy resources, machinery, electronics, chemistry, metallurgy, domestic trade, foreign trade, materials and goods management, finance, science, technology and education.

Commercial Press Releases Win Praise

China's Nature Preserves and *A New English-Chinese Dictionary*, both published by the Commercial Press in 1984, have received the praise of readers throughout the country. The Commercial Press last year released hundreds of titles on a wide variety of topics.

China's Nature Preserves (Chinese edition), as the first volume in the "China's Geography Series," is the first book published since liberation devoted to describing China's nature preserves and the preservation theories concerned. The book describes the role of nature preserves and describes the nation's more than 100 preserves in a systematic way. It gives more detailed accounts of 30 major preserves and the animals and plants found there. The volume also offers views on how China can build up more protective preserves.

A New English-Chinese Dictionary has been welcomed because of its extensive vocabulary entries and its wealth of new materials. With a vocabulary of 120,000 words, the dictionary is the most comprehensive and up-to-date volume published in China. It also includes more words than most medium-sized English dictionaries published in Britain or the United States. (Such volumes usually contain 70,000-100,000 entries.) The examples and instructions on how to use words in the new dictionary are similar to those me-

dium-sized dictionaries. But this new volume gives more definitions than an ordinary dictionary. The new publication quickly won the regard of specialists and scholars. Last year the Commercial Press printed 200,000 copies of the dictionary, but bookstores throughout the country have already ordered 2 million copies. Hu Yaobang presented British Prime Minister Margaret Thatcher with a copy of dictionary when she visited China last December.

Tianjin Release

Encyclopedia of Literature (Chinese edition), a medium-sized reference book, is scheduled to be released this July by the Tianjin Baihua Literature and Art Publishing House.

The encyclopedia will contain six sections: (1) Literary Theory; (2) Chinese Classical Literature; (3) China's Modern and Contemporary Literature; (4) Foreign Literature; (5) Writing Techniques; and (6) Knowledge of Culture and History. In addition, several appendixes are to be added, including "Chronicles About Events of World Literature" and "Table of famous Chinese and Foreign Writers and Their Works."

The volume will also acquaint the reader with some knowledge of contemporary literature in Taiwan, Hongkong and Western countries.

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Karl Marx.

Sculptures by Cheng Shuren

Cheng Shuren, born in 1942 in the city of Guangzhou, works in the sculpture studio at the Shanghai Horticulture Bureau. His statues and monuments are high-spirited, vigorous and magnificently conceived.

ART PAGE



Zheng Chenggong, (1624-1662), a Ming Dynasty General Who Recovered Taiwan From the Hands of the Dutch.



Ne Er, (1912-1935), Composer of the National Anthem.

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