

Vol. 28, No. 30

July 29, 1985

# BEIJING REVIEW

北京周报

A CHINESE WEEKLY OF  
NEWS AND VIEWS



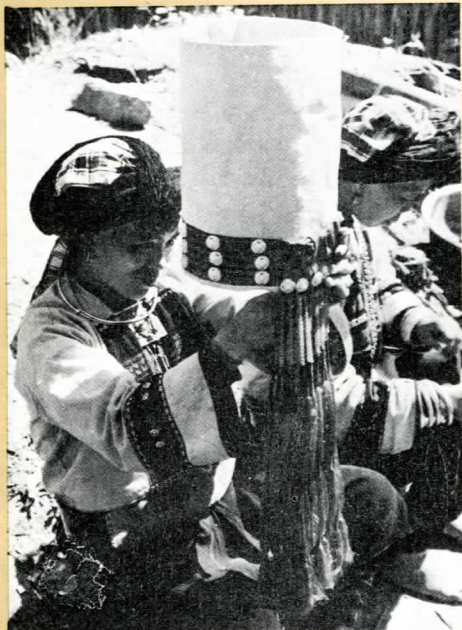
- **China's Commerce:  
Growth and Reform**
- **Armed Forces Take Part in  
Economic Construction**

**Village Life in the Year  
2000**

# Yi Song and Dance Festival

People of the Yi nationality living in Funing county of Yunnan Province and Napo County of the Guangxi Zhuang Autonomous Region hold an annual song and dance festival during the first 10 days of the lunar month of April.

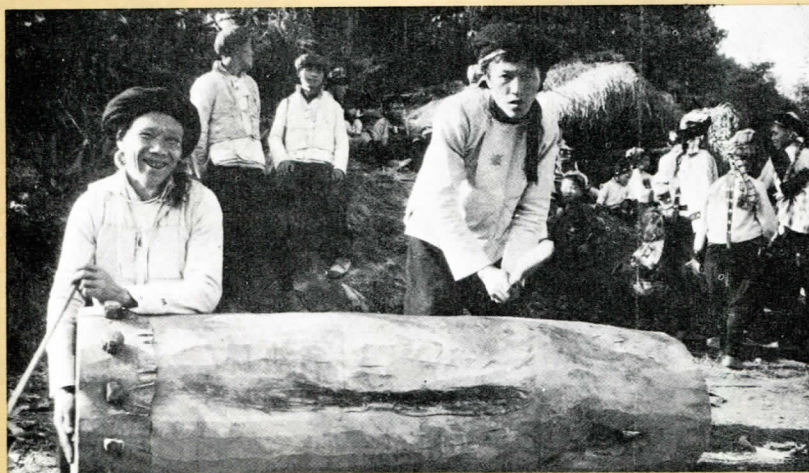
Making a cap for the lead dancer.



Lusheng (reed pipe) Dance.



Performance recalls the triumphant return of an ancient army.



Musicians play an ancient drum during the festival.

**SPOTLIGHT**

# BEIJING REVIEW

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<b>COVER:</b> New houses in Ouqiao Village in Shazhou County, Jiangsu Province. Photo by Cai Chunlin	

## HIGHLIGHTS OF THE WEEK

### **Party Conference to Promote Young People**

Chinese leader Deng Xiaoping says the central task of the Party conference to be held in September is to introduce more young people into the forefront of Party leadership. He stresses this is aimed at ensuring the continuity of China's present policies (p. 6).

### **Li Finds Eager Partner in Canada**

President Li Xiannian, the first Chinese head of state to visit Canada since diplomatic relations were forged in 1970, ended his week-long visit with promises of closer co-operation between the two countries (p. 15).

### **Democratic Kampuchea Reaffirms Stands**

The leadership of the Democratic Kampuchean National Army and of Democratic Kampuchea met recently and expounded its stand on a number of major issues. It pledged, among other things, to retain Norodom Sihanouk as president after the Vietnamese invaders are driven out of Kampuchea (p. 11).

### **Looking to the Prosperous Future**

A glimpse at a prosperous village in Jiangsu Province in east China gives an indication of what the Chinese countryside will look like in the year 2000. With advanced collective economy that combines industry with agriculture, this rural centre provides a comfortable material and rich cultural life for all its residents (p. 17).

### **Reform Needed in Expanded Commercial Activities**

With the expansion of commodity circulation, the unified market run solely by the state has been replaced with a system which embraces diverse commercial channels and delegates more decision-making power to state-owned retail shops (p. 25).

### **Army Lends Hand to Economic Construction**

Providing assistance to the country's key projects is an important task for the People's Liberation Army in times of peace. The soldiers involved in the Shengli Oilfield construction have made a major contribution to China's energy industry (p. 21).

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# Controlling Industrial Development

by JIN QI  
Economic Editor

The excessive speed of China's industrial development since the last quarter of 1984 resulted in an enormous demand on domestic markets and a rapid increase in investment in consumer funds and fixed assets. This problem arising from the current economic reforms has aroused the concern of the Chinese government, which responded with a series of measures.

China's industry grew 14 percent in 1984 over the previous year, lower than that of agriculture (14.5 percent). Last October, industry began to develop very quickly. In December it went up by 20.4 percent and in January 1985 the figure rose to 24.5 percent. But after the national provincial governors' meeting in February 1985, effective measures were adopted to keep the fast-growing trend under control. According to statistics, China's industry increased 23.1 percent in the first half of 1985 over the same period of 1984 (light industry developed more quickly than heavy industry). It is estimated that the speed of industrial development will slow during the second half of the year.

The normal reasons for the rapid development of industry are: The bumper agricultural harvest of 1984 supplied ample raw materials and a big market for industry; a large number of capital construction projects and technical transformation projects were completed and put into operation, increasing

the country's production capacity; and enterprises got more decision-making powers, and their enthusiasm for production soared.

But there are also some abnormal reasons: Many enterprises, especially rural ones, (which increased their output by 50 percent in the first half of 1985 over the same period of 1984), competed with each other for high-speed de-

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***It is necessary to adopt new measures to control the macroeconomy so as to ensure the balanced development of the national economy, above all, the balanced development of the society's total demand and supply.***

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velopment; consumer funds increased too fast (the country's total payment for wages in the first four months of 1985 rose 32.9 percent over the same period of the previous year), which boosted the production of consumer goods; the total investment in fixed assets outside the state plan (of which most are pooled by the local enterprises or loaned by the banks) was too big, which stimulated the production of the means of production.

The too rapid industrial development led to the neglect of the quality of products and economic

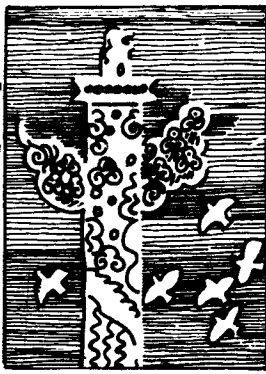
efficiency, aggravating the shortage of electricity and the strain on transportation, sharply increasing the demand for materials, and causing difficulties for the economic reform, especially price and wage reforms.

The above situation shows that while streamlining administration and delegating powers to enterprises to spur microeconomic activity, we must adopt new measures to control the macroeconomy so as to ensure the balanced development of the national economy, above all, the balanced development of the society's total demand and supply.

China is now undergoing a transformation from an old economic model to a new one. The objective of a new economic model is to organically combine a socialist planned economy with a commodity economy. More play, therefore, should be given to the role of the market. The government should control the economy mainly by employing the economic levers of prices, loans and taxes rather than through administrative methods and mandatory plans. Since China's current price system is irrational and since it can only be reformed gradually, the two different methods have to be employed simultaneously.

Since the beginning of this year the Chinese government has chosen the following steps to control the macroeconomy:

- To restrict the issuance of currency and the amount of loans.



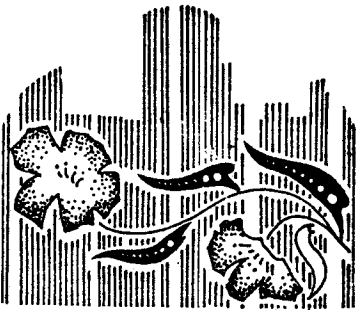
Both amounts must not exceed the state plan.

- To cut the number of investment projects of fixed assets, and stop or postpone their construction if they are not necessary or urgently needed and are outside the state plan.

- To check the increase of consumer funds, the state began to collect from state-owned enterprises wage-raising taxes and bonus taxes at progressive tax rates.

- To continue to emphasize improving the quality of products and the economic results of enterprises.

It is expected that these measures will reduce the present excessive speed of industrial development to a normal rate so as to ensure a sustained, stable and coordinated development of the national economy. Such a development is the goal of China's industry for the second half of the year. The performance of the past few months indicates it is possible to achieve that goal.



## LETTERS

### Historical Tragedy Must Not Be Repeated

After reading so many articles about World War II, I was especially interested in the article "Historical Tragedy Must Not Be Repeated" (in issue No. 18 of 1985). By reading it I learnt there was a "Chinese Front." I guess few people in FRG or even in the West know about its existence. People only know of the United States, Britain, France and the Soviet Union as World War II's victors. They may only mention Yugoslavia and other small countries, including China, in their own category. Therefore, discussion of the important role China played in World War II is necessary because it tells the historical truth. It's clear hegemony not only exists in reality, which is visible, but also in man's mind.

G. Weiershaus  
Biedenkopf, FRG

I liked the article "Historical Tragedy Must Not Be Repeated" very much. In talking of the victors in World War II, the mass media in the West only refer to the United States, the Soviet Union, Britain and France. The Western media never give appropriate mention to China's great contribution. The author deals with the important role the Chinese people played in defeating the fascist countries in the East with impressive facts and figures.

For today's sake we should draw lessons from the war. The author pointed out that another world war could be prevented through detente and arms reduction before the two military blocs vanish automatically. . . .

Finally, as the article stressed, it is very important to establish

a world-wide united front against the arms race. The division of progressive forces only will benefit the warmongers as it did 50 years ago.

H. G. Foerster  
Bielefeld, FRG

### Articles About Rural Science Are Welcomed

In your latest issue of *Beijing Review* (No. 23), articles like "Peasants Turn to Science for Help" are extremely absorbing because they tell true stories of achievement. In particular the cases of Shi Lei who read a book that changed his life and made 97,000 yuan profit, and Li Xiangling who learnt the rudiments of agricultural science and earned 24,000 yuan, are a great boost to people everywhere. Such articles demonstrate the superiority of socialism in releasing the initiative of ordinary people. I despaired, during the "cultural revolution," with all the talk that such activity was "bourgeois right" and ought to be combated.

I would like to see more reports on such developments.

J. Martin. L. Clarke  
Britain

### More Coverage of Different Regions

I think the appearance of *Beijing Review* makes a good impression on its readers. But there is still room for the magazine to include more contents on different regions. If possible, please give more reports on Southeast Asia, especially on its political opinions.

Usually, I only read the articles appealing to me. However, I'll also scan those that I think important.

Phan-Cao-Thanh  
Caillard, France

### Deng: Party Conference to Promote Young People

The central task of the Chinese Communist Party conference is to introduce more young people into the forefront of Party leadership, declared Chinese leader Deng Xiaoping.

At a July 21 meeting with Kimura Mutsuo, president of Japan's House of Councillors, and his party, in Beidaihe, a summer resort in north China, Deng said the conference, to be held in September, should aim to appoint young leaders to the Central Committee, Political Bureau and Secretariat.

He said: "We now are working on the third echelon of leaders. In the future we will form the fourth and fifth echelons. All this is aimed at ensuring the continuity of China's present policies."

Commenting on China's present situation, Deng said both the open policy and economic restructuring are new and involve risk. The reforms inevitably will encounter obstacles. "We commit mistakes, big or small, in our work too," he said. "So we must review our experience after taking each step forward and correct our mistakes once they are found."

In response to Mutsuo's questions, Deng said the settlement of the Hongkong issue set an example for peaceful solution to questions left over from history. The experience can be applied fully to the settlement of the Taiwan issue, Deng pointed out. "Our policies towards Taiwan are more generous in that we would allow Taiwan to keep its troops," he said. Deng said China is seeking a peaceful settlement of the Taiwan issue. But, he added, China cannot promise never to



Deng Xiaoping shakes hands with Kimura Mutsuo

use force. "If we promise never to use force, our peaceful nego-

tiations with Taiwan will become impossible."

### Progress Made in Sino-Soviet Relations

Chinese Vice-Premier Yao Yilin returned from an eight-day visit to the Soviet Union July 16 with two new economic and trade agreements in hand.

The two agreements "are important to the long-term and steady development of economic and trade relations between the two countries," said Yao as he departed the Soviet Union for home.

"My talks with Soviet leaders on the normalization of Sino-Soviet relations are also helpful for our two countries to better understand each other's positions. I consider many things remain to be done to normalize relations," Yao said.

He added that there are still obstacles to improving relations and he hopes the Soviets will

take steps to remove these obstacles.

Though Yao did not mention specific "obstacles," Chinese spokesmen in the past have listed three — the removal of more than 1 million Soviet troops along the Sino-Soviet border, the withdrawal of Soviet troops from Afghanistan and an end to support for the Vietnamese invasion of Kampuchea.

None of these problems have been solved despite the six rounds of talks that have been held between Chinese and Soviet leaders. "Improvement of relations cannot be determined by the desire of only one side," Chinese Communist Party General Secretary Hu Yaobang said early this year.

Despite the obstacles, economic

relations have improved. Border trade resumed in 1983. Traders on the northern borders of Heilongjiang Province and the Inner Mongolian and Xinjiang autonomous regions have resumed business with their Soviet counterparts. Bilateral trade reached US\$1.2 billion in 1984, a 60 percent increase over 1983. It is expected to total US\$1.6 billion this year, up 36 percent from 1984. Both sides agreed during Yao's recent visit that a Sino-Soviet commission on economic, trade, scientific and technological co-operation will hold its first meeting during the first half of 1986 in Beijing.

Yao's trip was a return visit for the one paid to China last December by Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union.

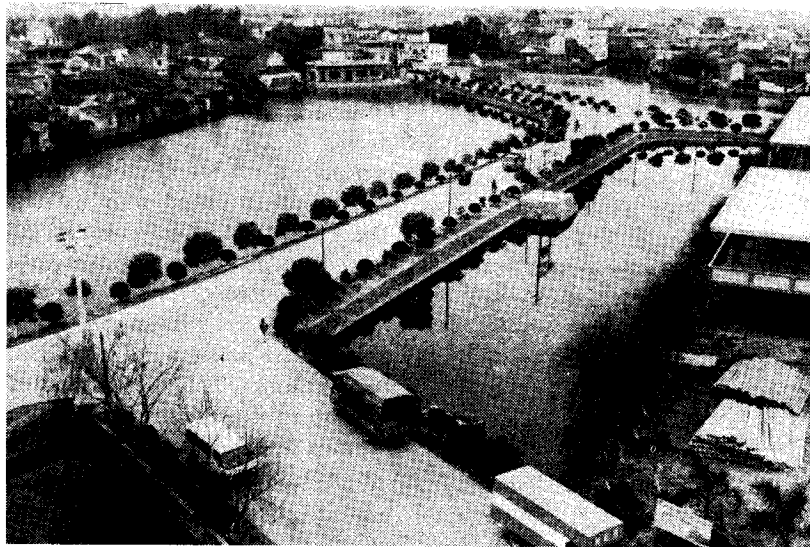
## Government to Aid Rural Road Repair

The Chinese government is to provide 2 billion yuan worth of aid over the next two years to help poor areas build rural roads, it was announced at a recent national conference.

The targetted areas are mainly in northeast, northwest and central China, all of which have poor transport facilities.

The aid will be in the form of grain, cotton and cloth to compensate the areas for production losses incurred by their road-building programmes.

The government will take out a loan of US\$77 million from the World Bank this year to build about 1,300 km of road in the counties and townships of Yunnan, Zhejiang, Guangxi, Sichuan and Jiangxi. The northeast will also get 500 million yuan worth of aid for new roads, which will



Farmers in Dongguan County, Guangdong Province, put up the money to pave a 550-km highway.

enable officials to ship out their surplus corn crop.

According to statistics from 22 provinces and autonomous regions, the state provided 1.54 billion yuan worth of grain, cotton and cloth for road-building efforts over the past year.

With peasants now attempting to sell their goods further from home, the shortage of good roads has hampered progress towards a commodity economy. Roads are often substandard and some remote areas have no roads at all.

Conference participants were told there were 620,000 km of roads in China's rural areas at the end of last year, nearly 70 percent

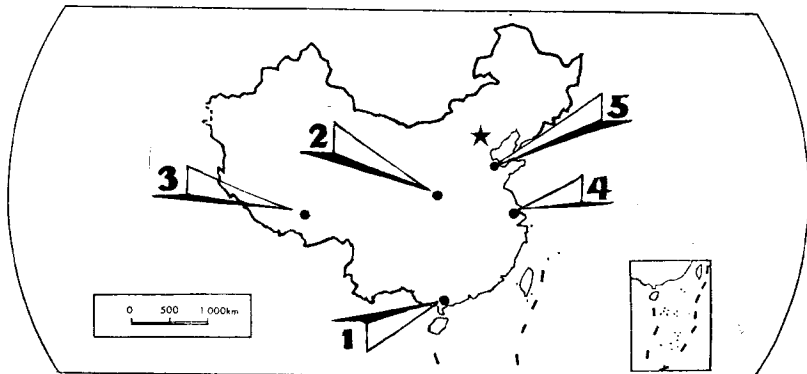
of the nation's total figure. But most of the rural roads are unpaved and narrow, and many are severely overloaded.

Statistics for 1984 show that nearly 2 billion tons of freight were hauled over rural roads and more than 2.5 billion passengers took buses on rural routes. Large amounts of agricultural and sideline products are waiting to be shipped by truck.

A road-building drive was launched throughout rural China early last year, and nearly 15,000 km of new roads have since been built. Another 12,400 km of new roads are now under construction.

An 11-year project to renovate

### PLACES IN THIS ISSUE



1. Maoming (p. 8)
2. Xian (p. 9)
3. Lhasa (p. 10)
4. Ouzhao Village (p. 17)
5. Shengli Oilfield (p. 21)

## News in Brief

Recent statistics indicate that China's merchant fleet ranks ninth in the world in terms of tonnage. Chartered ships included, the Chinese merchant navy totals 14.4 million deadweight tons. Chinese ships call at more than 600 ports around the globe.

\* \* \*

China turned out 205,000 motor vehicles in the first six months of this year, 48 percent more than in the first half of last year. China's two largest automakers, located in Jilin and Hubei provinces, together produced 85,843 cars and trucks during the period.

\* \* \*

A modern 3,000-seat gymnasium built to blend in with Lhasa's traditional Tibetan architecture was recently completed. Facing the Potala Palace, it is Tibet's first gym.

\* \* \*

Chinese scholars on both sides of the Taiwan Straits will co-operate in writing a history of Chinese philosophy during Ming and Qing dynasties (1368-1911). The history, which will be compiled by 30 scholars, will be published in 10 volumes over the next two years.

\* \* \*

China will enrol 3,143 doctoral students this year. The boom began last year, when nearly 2,000 were working for their doctorates. Some 76 percent of the PhD candidates are studying science and engineering.

the world's highest highway on the Qinghai-Tibet Plateau is near completion. The road, from the Qinghai provincial capital of Xining to Lhasa, capital of Tibet, formerly a sand and stone affair, has now been paved with asphalt. The 1,943-km highway has, in the past, handled about 100,000 tons of cargo a year. Over the past two years, however, the annual transport volume increased to more than 500,000 tons. This was attributed in part to the construction of 43 projects in Tibet.

In Shaanxi Province, nearly 1 million peasants turned out earlier this year to build roads in the secluded but resource-rich area around the Qingling and Bashan mountains.

Because there is a lack of state investment, most of the funding for road repairs comes from local governments, collectives and individuals.

In northeast China Jilin Province, the local governments, collectives and individuals put up 1.9 million yuan and peasants provided a total of 27 million yuan worth of labour to repair roads last year. Last autumn they repaired nearly 30,000 km of highway.

In Hunan Province, some 4 million peasants are now engaged in road construction. Since spring of this year, they have upgraded 8,700 km.

## False Advertising Angers Consumers

"Mama," asked one little girl, "how many wristwatches does each of the uncles of the Antarctic Expedition wear?"

"Foolish girl, of course only one," her mother answered.

But the girl silenced her mother by pointing out that 3 different watch companies were bragging in advertisements that their watches had been worn by mem-

bers of the recent Chinese Antarctic expedition.

China's ad industry has boomed since the end of the 1970s when the central authorities introduced flexible economic policies. According to the State Administration for Industry and Commerce, the number of advertising agencies has grown from 10 in 1978 to 4,000 in 1984. Meanwhile, deceptive advertising has grown at the same rapid pace.

Much of the advertising is not so much deceptive as it is pure puffery. Television commercials, for example, constantly hype their products as "famous around the world," "first in the country," "top quality" and "fully guaranteed." Even children have no problem in seeing through some of the claims.

But for years, China's consumers, unaccustomed to the claims and counterclaims of the free-wheeling commercial world, have been taken in by the thousands of deceptive advertisers. Tricked by sneaky advertising ploys, hundreds of bilked customers have written to the China Consumer Association and other official bodies calling for investigations and punishment for those found guilty.

Over the past year a flock of ads have appeared in newspapers and magazines hawking a "body-building machine" produced in Maoming City, Guangdong Province. Billed as the newest invention by a famous foreign doctor, the machine is supposed to make young people between the ages of 17 and 25 grow taller. Just send in 96 yuan, the ad promises, and you'll be on your way to a taller build.

Many young hopefuls did just that, losing more than a month's wages in the process. What they received was two nylon ropes, two pedals and two pulleys, all



together worth only a few yuan. And worse, the contraction is worthless as a tool for growing taller.

In a bid for greater sales, many enterprises have published advertisements that malign rival manufacturers or deceptively imply that their products are made with foreign technology.

A factory in Hebei Province claimed that its electric mattress — which had already been rejected by officials as ineffective — was produced with technology introduced from the United States and Federal Republic of Germany.

In Xian, Shaanxi Province, a local newspaper carried ads that offered jobs for actors for a song and dance ensemble. Hundreds of applicants found too late that the ensemble never existed. An investigation revealed that the ad was placed by a newspaper employee who pocketed all the application fees.

Hundreds of farmers in Henan Province lost large sums of their hard-earned money when they were taken in by false advertising about a new earthworm-raising technique.

Consumers have protested and criticized newspapers, magazines and other mass media for seeking advertising money with no regard for the validity of the claims. One teacher complained that her efforts to teach her pupils to be honest had been destroyed by the flood of less-than-honest TV commercials. "Many advertisements are actually teaching people to lie," she said.

As a result of the uproar, the State Administration for Industry and Commerce is tightening controls on advertising. Advertising agencies will be licensed, and those that do not conform to the advertising regulations will be shut down.



### Famous Folk Osteologist Opens Clinic

Luo Youming, an 85-year-old Chinese osteologist, opened her osteologic and trauma hospital in Jianmingying, Chaoyang District, in Beijing on July 13. Having practised medicine for more than 60 years, Luo has been famous for her "Luo Bonesetting," which has proven effective for curing bone injuries. Luo and her apprentices have relieved more than 1 million patients, and she herself is known by her patients as a "contemporary Hua Tuo" (Hua Tuo, ?-208, a famous ancient Chinese doctor). Her apprentices Feng Tianyou (now with an Air Force hospital) and Liu Jianzhong (in Shuangqiao Hospital, Chaoyang District, Beijing), are also stars of Chinese osteology.

The new rules bar individuals from advertising. They also prohibit the mass media from disguising advertisements as news. Foreign advertisers are to be charged prices fixed by the state, and general ad rates will not be allowed to be set arbitrarily.

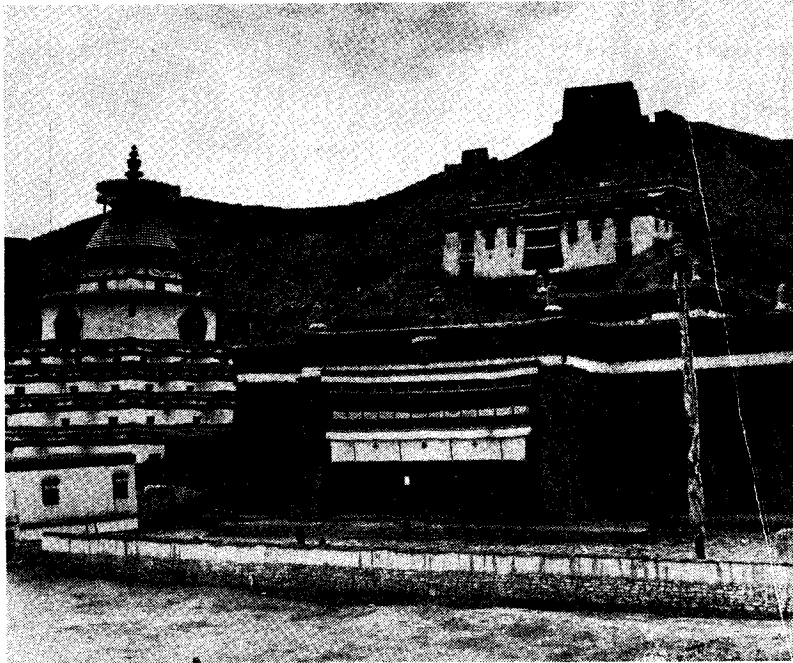
Those who advertise phoney products should be punished by law, said noted jurist Zhang Youyu. At the same time, Zhang added, the newspapers that publish such advertising are equally to blame.

"The problem we are facing now doesn't lie in the allegation that we have no law to abide, but in the fact that we have not abided by the law," said Zhang. He said he feels deceptive ads can be eliminated if advertising agencies and the media follow the rules.

### Tibet Rebuilds Monasteries

A Buddha statue brought to Tibet by Princess Brikuthi of Nepal when she was married to Tibetan King Songtsen Gambo in the 7th century will be returned to Lhasa's Ramoqe Monastery when the monastery's renovation is finished next year.

The statue was stolen in the 1966-76 "cultural revolution" during which "leftists" ransacked religious buildings all over the nation. The lower part of the statue was later found in a rubbish pile, and the upper half turned up in Beijing. On its way to a blast furnace, it was by chance discovered by some archaeologists and was finally sent home to Tibet by the Palace Museum in Beijing.



**Baiju Temple in Gyangze County, Tibet, was recently repaired.**

The bronze statue is now in the Qoikang Monastery in Lhasa, together with another statue presented to the King by Princess Wencheng of the Tang Dynasty (618-907) when she became his wife.

Since 1980 the government of the Tibet Autonomous Region has poured 30 million yuan (US\$10.5 million) into the work of renovating old temples and monasteries. One-third of the money was used to repair the Potala Palace and the Norbu Lingka, which served as the winter and summer palaces of the Dalai Lama and had been well protected during the "cultural revolution."

In Southern Tibet local authorities have renovated 43 monasteries, and in another 40 religious activities were resumed in 1980.

Part of the Rongbo Monastery, the world's highest monastery, has been repaired and is now open to the public. Rongbo is located on the northern slope of Mount Qomolangma (Mount Everest), 5,200 metres above sea level and just 25 km from the

peak.

The Rongbo repairs began last year when the autonomous region government allocated more than 100,000 yuan for restoration of the monastery ruined during the "cultural revolution." A 101-volume Kagyur, the most important of Tibetan Buddhism scriptures, was kept at Rongbo, but the scriptures were lost during the "cultural revolution." In recent years, however, searchers have recovered 86 of the 101 volumes.

In addition to government funds, local people have also contributed to the renovation of temples and monasteries. Gandain, one of the three largest monasteries in Tibet, was built by Tsong Kha-pa, founder of the Gelug-pa (yellow) lamaist sect. It was recently renovated with government funds and donations from private contributors, among them Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee.

There are now 3,000 lamas living in the reopened lamaseries.

## **China & the World**

### **China Supports ASEAN Efforts on Kampuchea**

China supports the efforts of the Association of South-east Asian Nations to bring about a fair and reasonable settlement to the Kampuchean question in keeping with United Nations resolutions, a foreign ministry spokesman said. The spokesman was commenting on a proposal for "indirect proximity talks" between the Coalition Government of Democratic Kampuchea and Viet Nam. The proposal was made at a recent conference of ASEAN foreign ministers.

### **Kampuchean Statement Praised by China**

A foreign ministry spokesman described the July 6 policy statement made by the leadership of Democratic Kampuchea as "an important statement." He said the statement clarifies many important questions and should be given careful study by everyone who is concerned about the Kampuchean question. (See story on page 11.)

### **China, GDR Sign Economic Pacts**

China and the German Democratic Republic recently signed three agreements in Beijing. They are the 1986-1990 goods exchange and payment agreement, the summary of their talks in Beijing and an agreement on strengthening business ties between the two State Planning Commissions.

## *Democratic Kampuchea*

### **Stand on Major Issues Reaffirmed**

**Democratic Kampuchea's leaders are seeking every means to reach a political solution to the Kampuchean problem and force Viet Nam to withdraw its occupation troops. The allied forces of Democratic Kampuchea have vowed to retain Norodom Sihanouk as president once they have removed the Vietnamese invaders.**

by **JIAN GUANG**

**T**HE cadres of the Democratic Kampuchean National Army and of Democratic Kampuchea met July 5-6 to review the progress of the resistance against the Vietnamese invaders and discuss their battlefield options. In a statement released after the meeting, the leaders reaffirmed their stand on several major issues. Their views are summarized below:

**On the Kampuchean Issue.** The Kampuchean issue was created by the Vietnamese invasion of Kampuchea. Kampuchea needs peace in order to build the country and improve living standards. However, faced with the invasion, the Kampuchean people have no other alternative but to fight to safeguard their independence, territory and race. The United Nations General Assembly has six times adopted resolutions calling Vietnamese withdrawal, but the resolutions have been stubbornly rejected. Democratic Kampuchea believes the Kampuchean problem should be solved in accordance with the relevant UN resolutions. At the same time, Democratic Kampuchea has worked sincerely to find a political solution to the Kampuchean problem and to force Viet Nam to withdraw.

**On the Vietnamese Slaughter of the Kampuchean People.** As the

world knows, the Vietnamese authorities have used famine and chemical and conventional weapons to slaughter innocent Kampuchean. This year they have forced several hundred thousand Kampuchean villagers to do hard work in the border areas. While crossing mine fields laid by the Vietnamese, nearly half of the villagers hit mines and were killed or wounded. To carry out their plan of annexing Kampuchea, the Vietnamese authorities have moved large numbers of Vietnamese into Kampuchea's rich farming areas and into areas along lakes and rivers. So far, some 600,000 to 700,000 Vietnamese have emigrated to Kampuchea.

**On National Solidarity.** The Democratic Kampuchean party considers the national union against the Vietnamese invaders as sacred.

The three allied factions set up the Coalition Government of Democratic Kampuchea in 1982 and elected Samdech Norodom Sihanouk as its president. They have vowed to retain Sihanouk as president after Viet Nam is expelled from the country.

Democratic Kampuchea is united within the tripartite coalition. It will also welcome the support of those Kampuchean who were armed by the Vietnamese and forced to become their

puppets. If these Kampuchean choose not to follow Viet Nam, the leaders of Democratic Kampuchea will treat them as ordinary citizens, and they will enjoy equal economic and political rights as all others.

**On the Future System of Kampuchea.** Following Viet Nam's withdrawal, the economic system will be a free-market economy, while the political system will be a parliamentary government.

**On the Independent, Peaceful, Neutral and Non-aligned Policy.** In the past, Kampuchea was an independent, peaceful, neutral and non-aligned country. After the Vietnamese withdrawal Kampuchea will return to such a foreign policy. It will develop relations with all countries on the basis of the Five Principles of Peaceful Coexistence.

**On Future Relations With Viet Nam.** Kampuchea desires to live in harmony with Viet Nam. When Viet Nam withdraws all its troops from Kampuchea, Kampuchea will sign an agreement with it ensuring peaceful coexistence, non-aggression and mutual respect. The Kampuchean people, who have suffered greatly from the Vietnamese invasion, will not ask Viet Nam for war indemnity.

**On Ties With the Soviet Union and Other Warsaw Pact Countries.** Viet Nam's invasion was aimed at annexing Kampuchea and expanding its aggression. Without Soviet aid, Viet Nam could never carry out such a plan. Democratic Kampuchea asks Moscow to cease its aid to Hanoi. As for other Warsaw Pact countries, Democratic Kampuchea seeks coexistence and exchange on the basis of mutual benefit and mutual respect.

## ASEAN

# North-South Contact Boosted

**The ASEAN countries have established a working relationship with partners from the developed world through a series of dialogue meetings. This relationship serves to boost ASEAN's world political and economic standing.**

by YANG MU

**T**HE six-member Association of Southeast Asian Nations (ASEAN) is well on its way to becoming a prominent economic force for the first time since its founding 18 years ago.

ASEAN, composed of Indonesia, Malaysia, Singapore, Thailand, the Philippines and recent-addition Brunei, was founded "to translate their collective political will into the practical reality of economic and industrial co-operation," according to Dr. Mawawi Mat Awin, president of the National Chamber of Commerce and Industry of Malaysia. Speaking at a July 9 ASEAN foreign ministers' meeting, he continued, "To achieve these goals, while safeguarding national interests and sovereignty, ASEAN should strive to promote and strengthen regional interests."

As a dynamic regional community, ASEAN has grown up rapidly and has begun to take the lead in North-South contact in both political and economic matters.

Relying on its unity, cohesion and co-operation, ASEAN established links and co-operation with developed countries in 1976 through a creative means — dialogue meetings. The annual ASEAN foreign ministers' meeting, followed by a dialogue with its partners from developed countries, is aimed at establishing strong ties.

In the initial stages, dialogue partners helped ASEAN members

with agricultural and raw material endeavours. Later, they helped ASEAN members train technical personnel. Now ASEAN is asking them to lend assistance in the fields of science and technology.

The developed country partners have also taken advantage of the ties with ASEAN. Cheaper ASEAN agricultural products, raw materials and semi-finished products have resulted in a favourable trade balance for the industrialized countries. High import tariffs and protectionism and the unreasonable international monetary system have also handicapped the ASEAN countries.

This year's July 11-13 dialogue involved the six ASEAN states and six partners — the United States, Japan, Canada, Australia, New Zealand and the European Economic Community. It proved to be a successful meeting. Through hard discussions, the

dialogue partners — first Japan and then the United States and the EEC — promised to cut some tariffs, expand import items and buy more goods from ASEAN. Malaysian Foreign Minister Tengku Rithauddeen, who chaired the dialogue conference, commented, "I am very happy to see that this dialogue meeting is very helpful to us both in political and economic fields."

During the meeting, the ASEAN foreign ministers called for a new round of trade talks to ensure open markets.

"We in ASEAN believe strongly that the economic ills of the world today are attributable to the lack of political will to bring about a more liberalized, fair and equitable international trade regime," said Rithauddeen.

If new trade talks are not held, then the protectionists, not those who want open markets, will stand at the centre of attention, said US Secretary of State George Shultz.

The non-ASEAN participants also endorsed ASEAN's call for a United Nations conference on drug abuse and greater international co-operation in fighting drug trafficking.

## OAU

# Summit Focuses on Economic Woes

**The 21st summit of the OAU focused on the search for solutions to Africa's economic problems. The delegates pledged co-operation in their efforts to overcome drought, desertification and debt.**

by TENG WENQI and  
LIANG GUIHE

**T**HE 21st summit meeting of the Organization of African Unity (OAU), which ended July 20, was characterized by business-like discussions of economic matters in Africa rather than the fac-

tional infighting of the past few summits.

During the three-day meeting in Addis Ababa, the capital of Ethiopia, the heads of state and representatives from 49 members of the OAU calmly discussed Africa's worsening economic situation, analysed its causes in a practical

way and worked out short-, medium- and long-term measures to solve the problems. Top priority, the delegates agreed, should be given to rehabilitating agriculture.

Missing from this summit were the long speeches and endless haggling that characterized past OAU sessions. This time, in a harmonious atmosphere, the African leaders concentrated on studying the effects of drought, famine, desertification and recession on the African economy.

The last five years have seen a decline in the economies of most African countries. The per-capita income in Africa last year was 10 percent less than the 1978 figure. Africa's 1.7 percent annual agricultural growth rate cannot meet the food needs of the increasing population. It is estimated that Africa needs between 7 and 9 million tons of food aid this year. Some 150 million people are faced with starvation.

Industry in Africa is weak and most factories and enterprises are running at less than 50 percent capacity. Many plants have closed and unemployment is running high.

Furthermore, trade imbalances, high interest rates in the United States, stiff conditions imposed by Western financial institutions and protectionism in developed countries have damaged the African economies. Africa's foreign debt is estimated at US\$158 billion and is expected to exceed US\$170 billion this year. Interest payments alone total US\$20 billion each year. This burden represents a great obstacle to the rehabilitation of Africa's economy. The summit's declaration on the economic situation in Africa notes that debt woes have "brought most of our African countries near to economic collapse."

Faced with this hard reality,

African leaders at the summit expressed their determination to strengthen unity and co-operation so as to stave off collapse. They adopted a programme of action to improve food conditions and agriculture. They also worked out concrete measures to combat drought, to curb desertification and to promote farm production. They declared their commitment to repaying their debts, but called for an international conference on Africa's external indebtedness that would reschedule debt payments. Some of the least developed countries in Africa urged the creditors to dismiss parts of the debts, treating those loans as grants so as to help Africa turn around its economy.

## *West Africa*

# **New Chapter in Co-operation**

**The Economic Community of West African States, the largest regional economic organization in Africa, is changing the look of West Africa through collective efforts.**

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by **QIN DIANJI** and  
**ZHANG YOUHAO**

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**D**ISCUSSIONS at the eighth summit meeting of the Economic Community of West African States (ECOWAS) centered on the need for self-sufficiency in food production and the battle against drought and the encroaching desert. Representatives to the July 5-6 meeting in Lome, the capital of Togo, also talked about free circulation of goods between member states, energy problems, the formation of a political united front and the role of the various ECOWAS institutions.

Founded in May 1975, ECOWAS pooled the resources of its 16 member states to create

During the summit deliberations, African leaders also analysed problems in their domestic policies. Many said they would take pains to readjust their economic policies so as to avoid an over-dependence on raw materials exports. They pledged to set up organizations to manage and plan the use of loans, cancel some projects and build new projects for exports.

In the summit's final declaration, the African leaders said, "The collective effort of the OAU member states is the most important weapon for tackling the crisis." Thus this summit has made a contribution to rehabilitation and development of Africa's economy.

a fund that could help individual states to tide over difficulties.

Free trade in some commodities began four years ago among the member states, and customs duties on all goods produced in the region will be eliminated by 1989.

In 1982, the organization granted US\$12.5 million from the fund to Burkina Faso, Ghana, Mali, the Ivory Coast and three other member states for the installation of telecommunications facilities. Another US\$8.2 million was paid out for the maintenance of the facilities and the training of needed technicians. By 1987, it is expected that people in the capitals of the member states will be able to telephone one another directly, by passing the current phone routing through London

and Paris.

ECOWAS has set up seven seed centres and eight cattle-breeding farms to help its members develop quality crop strains and livestock breeds. With a regional goal of self-sufficiency in food by the end of the century, many member nations have given top priority to agricultural development and a few have already attained this goal. Last year, Togo, Benin and the Ivory Coast harvested enough food to share their surplus with drought-afflicted neighbours.

To battle desertification, ECOWAS called for afforestation efforts in all member nations, especially during the period from 1983 to 1993.

In the field of transportation, ECOWAS has approved an agreement on the construction of a trans-West African highway, and the group has provided Benin, Liberia and Sierra Leone with more than US\$3 million in loans to build roads and bridges.

The community attaches importance to the establishment of information centres in member states, and it is planning to allocate US\$4 million for this cause. A national information centre was founded in Mali last January. A general programme has also been drawn up to jointly develop energy resources, to unify monetary systems and to encourage cultural exchanges.

Despite the marked achievements of the past decade, there are still problems facing the community. As there are about 30 similar regional organizations in West Africa, ECOWAS must be careful to avoid duplicating functions so as to save manpower and financial resources. The groups should co-ordinate their actions or merge. Owing to economic difficulties, the member states often found it difficult to pay their dues to ECOWAS in full. As a result, the community

is sometimes too financially strapped to implement its decisions.

ECOWAS has set an example

## **World Forestry Conference A Call for Forest Protection**

**The damage done to the world's forests by over-cutting and industrial pollution has made more and more people aware of the importance of forests. Forest protection has become an issue vital to the existence of mankind.**

by TANG TIANRI

FACING a decline in the world's forest resources, the Ninth World Forestry Conference, held in Mexico July 1-10 called on all nations to protect their forests.

1985 has been declared World Forest Year, and the conference pointed out that forest protection is an issue that concerns the very existence of mankind.

Forests are known as the "lungs" of the globe. They not only supply wood, but also play an indispensable role in the ecological balance. They affect the climate, protect against soil erosion, prevent storms and control sands. They are also home to hundreds of thousands of plant and animal species, many of which live nowhere else. Oxygen produced by forests is estimated at 400 billion tons each year. An average hectare of forest can capture 50-70 tons of dust and sand a year. In addition, forests help reduce noise and pollution.

Unfortunately, excessive lumbering and industrial pollution have reduced the world's forest cover from 8 billion to 2.8 billion hectares. That is to say, the "lungs" of the globe have been reduced by about two-thirds. What is more, the world's forests continue to diminish at a rate of 10 million hectares per year.

for South-South co-operation. Its success shows that co-operation and development between developing countries can yield fruitful results.

The destruction of forests has brought serious consequences to man. Due to the imbalanced ecosystem, many areas now suffer floods and soil erosion. Over the past five years, the average amount of soil washed into the sea reached 60 billion tons a year. Six million hectares of land is reduced to desert each year, directly threatening 64 countries with an area of 45 million square kilometres and a population of some 600 million. Meanwhile, between one-third and one-half of the animal and plant species in the tropical forests are on the verge of extinction. Experts believe that by the end of the century, at least half a million, or one-fifth, of the world's species will disappear.

Nature's punishment has made more and more people aware of the importance of forests to man's existence. It has become an urgent task for many countries to protect their existing forests and to plant new ones.

Because the issue of forest protection has global significance, it involves not only nature and the ecosystem, but also political, economic, population and social development issues in all countries. The Food and Agriculture Organization of the United Nations has proposed a foundation to protect and expand forests, especially to assist efforts in developing countries.

# Li Finds Eager Partner in Canada

**President Li's visit is expected to further deepen mutual understanding and friendship between China and Canada, promote economic and technological co-operation and trade, and enhance the existing good relations between the two countries.**

## LIU YOUYUAN

Our Special Correspondent

**T**HE welcoming ceremony in a large hangar at the Canadian Armed Forces Airport in Ottawa was both formal and enthusiastic. When Chinese President Li Xiannian mounted the dais, the military band — all wearing scarlet uniforms and black bearskin hats — struck up the Chinese national anthem and a 21-gun salute boomed across the runway. Li then accompanied the base commander on an inspection of the honour guard as a flag-waving crowd applauded.

Thus began Li's week-long state visit to Canada, the first by a Chinese head of state since the two nations established diplomatic relations in 1970. Before he officially began the visit on July 14, the 76-year-old Chinese leader made a stopover in Vancouver. There he talked with provincial officials while cruising Vancouver Harbour, watched a killer whale show at Vancouver Aquarium in Stanley Park and met with local Chinese communities.

Canadian Governor-General Jeanne Sauve, in welcoming Li, said, "Your visit is one of many exchanges which have been taking place between our countries. We hope to see more of these exchanges and to strengthen the ties between China and Canada."

"I hope my current visit will

further deepen our mutual understanding and friendship, promote economic and technological co-operation and trade, and enhance the good relations existing between us," Li said at the Ottawa welcoming ceremony.

The warmth shown by both sides for improved ties, both political and economic, could be felt throughout Li's trip. When he met with Sauve at the Government House the day after his arrival, Li told her that Canada is China's close partner. He assured her of Chinese support for any Canadian initiative which is conducive to safeguarding world peace.

Sauve, too, said Canada is will-

ing to make all efforts to further friendly relations with China.

The theme was further stressed at a state dinner the Canadian governor-general gave in honour of the visit. Sauve said China and Canada can rely on one another, because the past 15 years of exchanges has proved they share many common values which provide a solid foundation for friendship and co-operation.

In reply, Li noted that the development of Sino-Canadian ties is in the best interest of both sides. While China needs investment and technology to realize its modernization programme, he said, Canada,

**Canadian Governor-General Jeanne Sauve (right) hosts a state banquet in honour of visiting Chinese President Li Xiannian. Canadian Prime Minister Brian Mulroney (left) attended the affair.**



an industrially developed and technologically advanced country, needs a stable and steadily expanding international market.

During his Ottawa stay Li also held talks with Canadian Prime Minister Brian Mulroney, who took office after a landslide victory of his Progressive Conservative Party over the Liberals last September.

When questioned by local newsmen, Mulroney said he had an excellent meeting with the Chinese president. Their talks, he said, covered both bilateral and international issues, particularly East-West relations. According to Li, they had identical or similar views on all questions discussed.

Mulroney told reporters that he views developing a good relationship with China "a cornerstone of Canadian foreign policy," and "we will be taking steps to enhance it and to protect it, because we view it very important, not only in economic terms, but in political terms as well."

The prime minister announced that he will visit China next summer, either just before or after the 1986 Tokyo economic summit of the seven Western industrialized countries.

Though neither Li nor Mulroney outlined the contents of their discussions, a senior Chinese official told reporters that talks touched on a number of opportunities for Sino-Canadian co-operation. Canadian officials, he said, indicated their interest in helping China build thermo- and hydro-power stations. They also expressed a willingness to work on mining and oil and gas exploration projects. Nuclear energy co-operation was discussed, and both sides agreed to open talks on an agreement on the peaceful use of nuclear energy.

On trade issues, the state leaders

reportedly took note of the progress that has been made in negotiations aimed at avoiding double taxation. Both leaders, said the senior official, expressed support for an early agreement to this effect.

Bilateral trade and other economic issues were thoroughly explored in talks between Vice-Premier Li Peng and Canadian Minister of International Trade James Kelleher. At the end of their meeting, they signed an exchange of notes to renew the China-Canada trade agreement, which was first initiated in 1973. At the same time, they also exchanged letters to establish a consultative committee on agriculture.

Trade issues were apparently a major concern of both the Chinese and Canadians. In fact, Li's visit sparked wide interest among Canadian business representatives, who saw it a good opportunity to sell their ideas, if not goods, to the Chinese leader and his entourage. "Ten years ago, in this country you could not get people interested in China," said Paul Desmarais, chairman of the Canada-China Trade Council, "now everybody is interested in China. Everybody wants to do something with China."

The Chinese president met representatives of the business circles in Quebec City and Toronto, as did the vice-premier. During a Toronto round-table discussion, the vice-premier outlined China's modernization programme and its related policies.

In discussing China's efforts to expand trade, he told the businessmen, "China's door is forever open to our Canadian friends." He cited energy, transportation and telecommunications as areas where co-operation is especially needed.

Sino-Canadian trade has increased rapidly over the past 15 years.

Since 1970, two-way trade has grown nine-fold. Last year it was US\$1.4 billion, making Canada China's fifth largest trading partner. Economic and technological co-operation also has made headway. Last year saw a total of 48 projects contracted; 39 others are currently being negotiated.

But a problem exists in Sino-Canadian trade. To date, China has run up a huge trade deficit of US\$7 billion with Canada. If this enormous imbalance continues, Li Peng said, it will inevitably affect China's ability to finance more trade. He raised the problem with both the Canadian government and the trade representatives he met, urging them to help reduce China's trade deficit.

The complaints did not go unheard. A number of business officials pledged to buy more from China in the future. For instance, Trade Council Chairman Desmarais, who is widely believed to be one of most powerful businessmen in Canada, told *Beijing Review*, "Trading partners are partners that should come eventually to a sort of equal position of mutual benefit. We in Canada must know we cannot have a huge trade surplus with China and expect China to continue to do business with us forever. We would like to buy more things from China."

In addition to his talks and other official activities, the Chinese president met hundreds of Canadians as he visited factories, museums, science centres and local scenic sights. He attended receptions sponsored by the Chinese-Canadian communities of Vancouver, Ottawa and Toronto. And Lin Jiamei, his wife, toured several hospitals and officially opened a panda exhibit at the Toronto Zoo.

From Toronto, the president's entourage continued another one-week visit to the United States. □



# Jiangsu Villagers Show Off the Future

by **DAI YANNIAN**  
Our Correspondent

**T**HOUGH China's rural population has known poverty through most of the 20th century, the nation's people hope to usher in an age of prosperity by the year 2000.

By quadrupling the 1980 total output value, they plan to boost the average per-capita annual income to US\$800. Though a US\$800 annual income wouldn't mean much to the peoples of developed countries, it signifies a virtual fortune in underdeveloped China.

But what shape will the countryside take?

For a peek at the future, I travelled to Ouqiao, a village in one of China's most prosperous provinces — Jiangsu.

The village's per-capita income of 1,940 peasants was 3,400 yuan (more than US\$1,200) in 1983, and the 1984 figure was expected to be much higher.

As I drove towards Ouqiao, 70 km from Suzhou, I passed mile after mile of green and yellow

fields, fish ponds and traditional brick-and-tile houses. All along the road the countryside had taken on a new look. The thatched cottages and shabbily dressed peasants of the past were not to be seen. As it turned out, Ouqiao village gave me an even bigger surprise.

## **A Look Around the Village**

My car drove up to the Ouqiao Hotel, a beautiful two-storey building. I stepped in to find a marble floor in the lobby. My room was furnished with a sofa bed, a couch, a bathroom and appliances.

Accompanied by Xiao Yang, a tall young woman wearing a Western suit, I set out for a tour of the village. We passed a fenced garden and arrived at the Ouqiao Restaurant. Peering through the round door, I could see that the restaurant was popular with the local residents. Yang told me the cooks were skilled at preparing famous Suzhou dishes, and people interested in lighter meals could buy popular snacks, including sesame seed cakes, deep-fried

dough sticks and dumpling soup, at a counter.

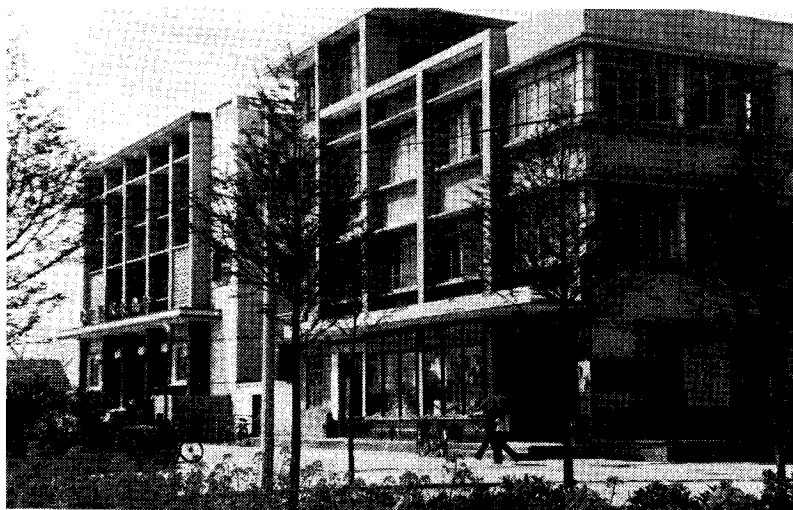
I tore myself away from the good smells and progressed on to the Ouqiao Peasants' Cultural Palace. A poster at the front gate read, "A piece of good news for music fans: The Light-Music Band of the Jiangsu Song and Dance Ensemble will give a show in our village." Shots of the movies which would be on show were displayed in a nearby window case along with reviews written by local would-be critics. On the first floor of the palace was a 1,040-seat movie theatre. Upstairs were rooms set aside for reading, chess and musicians. I was told the palace is a popular evening spot for the local residents.

Alongside the river stood a teahouse. Villagers out to hear a good tale can sit back and listen to story-tellers for free. A pot of tea goes for five fen. The house was especially popular with the local elders, who seemed to spend a good part of every day sipping tea, listening to stories and chatting with their friends. The teahouse filled up early in the morning with old men carrying bird-cages. As they took their morning tea, their birds filled the teahouse with sweet music.

Not far from the teahouse I found the village's basketball court. Surfaced and lighted, the court is surrounded with benches that can seat 1,770 people.

"We have watched basketball competitions between the national team and the top teams from eight provinces and cities, as well as the exhibition match by the Chinese Junior Women's Volleyball Team," said Yang. "There wasn't an empty seat. In the village sports meet last year, we had five basketball teams competing for the championship. One was called

**Ouqiao Peasants' Cultural Palace (left) and the department store (right).**





Villagers listening to story-telling.

the Family Basketball Team and it consisted of a father, sons and sons-in-law," she continued. From her excitement, I guessed that she is a big sports fan.

As we stopped in front of the village kindergarten, I saw dozens of lovely pre-school kids dancing to music. Next to the kindergarten was a primary school. The village has already popularized primary school and junior high education and plans to give each child compulsory education of senior high school soon. All children can attend school without paying tuition. The local residents also enjoy free medical service in their own clinic, which is staffed with two doctors and a nurse.

The village has a telephone exchange, where I saw the operator

busily connecting calls. I was told that every household has access to a neighbourhood telephone.

In the village proper, we strolled by a well-stocked department store, a beauty shop and a photo studio.

Amidst all the city-like shops, I could hardly believe I was in the countryside.

### **Farming and Sideline Occupations**

The village proper was surrounded by fields of rape and wheat. Between the fields, I saw five residential areas.

"Even if the Dragon King (the God of Rain in ancient Chinese legend) causes flood, or the God of Fire gets angry with us, we are

sure to have a good harvest," said Wang Kunbao, an official of the village's economic co-operative. Wang, 47, simply dressed, good-natured and quiet, said he had lived in Ouqiao all his life. In 1984, he said, the average per-hectare yield was 11,225 kg of rice, 6,855 kg of wheat or 1,007 kg of cotton. In the old days, recalled Wang, the land was infertile and rocky. Frequent droughts and floods resulted in poor harvests. After liberation, the peasants put a great deal of effort into the land, and the yield increased. Between 1979 and 1981, the peasants concentrated on leveling a 120-hectare area, which was then divided up into small squares.

The land, once farmed collectively, has now been contracted out to individual households. The village, said Wang, has a 32-member agricultural service centre, which provides free advice and assistance with plowing, harvesting, threshing, crop-protection and irrigation. Today, 75 percent of the farm work has been mechanized, a percentage far above the average.

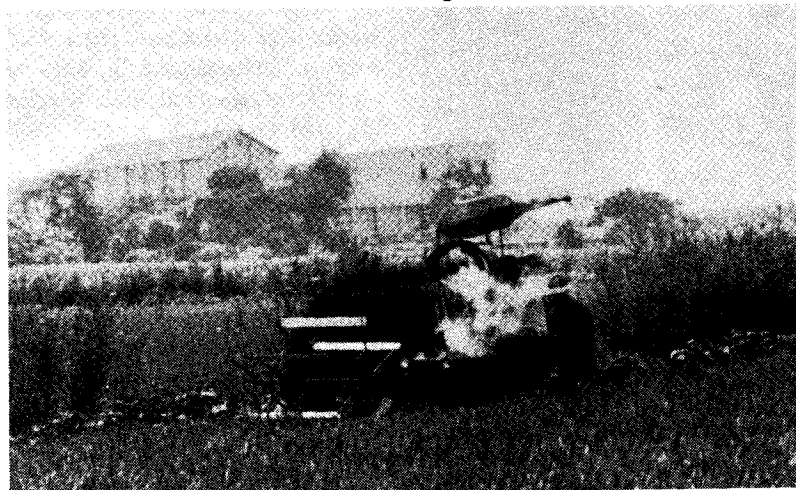
Ouqiao has a sideline occupation team engaged in raising pigs, chickens, ducks and fish and a transportation team providing trucks, motorboats and a Shanghai-brand car.

### **Industry**

Some 980 villagers, representing 77 percent of the total labour force, worked in village-run factories, including a knitting mill, a woolen mill, a clothing factory, a farm machinery plant and a brickyard. In a product exhibition room, I was dazzled by the endless array of beautiful exhibits.

Ouqiao Party Secretary Zhang Yonglai of this densely populated village told me the story of the village-run factories.

Harvesting.



In 1965, he said, eight households that had some knowledge of spinning were organized to make protective work gloves to supply Shanghai's workers. Turning a profit of 4,000 yuan, they were pleased with their success. But in 1966, the "cultural revolution" started, and the factory jobs were criticized as "improper." The small factory literally went into hiding. When inspectors from the top came to the factory, the workers would lock the gate and tell them that the factory had closed. As soon as the inspectors went away, the factory was unlocked and work resumed. Over the next 10 years the factory produced nylon gloves and clothes and its annual output value climbed to 610,000 yuan, with profits totalling 80,000 yuan. Since 1978, village-run factories were encouraged. The workers' talent was fully brought into play, and village-run factories have since made dramatic progress. Their total output value went up to 14.6 million yuan last year, representing 80 percent of the village's total output value of agricultural, sideline occupation and industry. Industrial profits reached almost 1.3 million yuan.

"The village industry has stimulated development in other fields," Zhang said. The factories have invested heavily in farmland capital construction, purchasing farm machinery, backing cultural and trade businesses, and supporting collective welfare institutions.

### **A Peasant Entrepreneur**

Zhang, now 49 years old, was a production brigade accountant in 1955 and was elected village Party secretary in 1970. In his well-tailored Chinese jacket, he looks more like an entrepreneur than a peasant.

"The market is very like a changeable sea. If a village-run factory wants to 'sail' safely in



**Party Secretary Zhang Yonglai.**

that sea, it must trim its sails," he said. For example, the village knitting mill has introduced several hundred new products over the years to meet local needs. As a result, its products have always sold well. In 1979, when its management learnt that polyester products were in short supply, they quickly moved to fill that gap and earned a profit of 110,000 yuan that year.

"People are the backbone of an enterprise. A factory without talented people is like a temple without monks. It can do nothing," said Zhang. Most of his fellow villagers went to work in

the fields without completing primary school. But Zhang enrolled in a middle school and is therefore better educated than most men of his generation. To help his friends fill in the gaps in their knowledge, he has invited experts, engineers and retired workers to help run the village's factories.

Ouqiao Village also trains its own professionals, including factory heads and technicians. In recent years, the village has sent four young people to universities and colleges in Shanghai and Suzhou to receive higher education. After graduation they will come back to work in their hometown.

### **New Houses in the Village**

In 1979, when Zhang proposed a building campaign, 75 percent of the village's families still lived in thatched cottages. Six years later, all but one have moved into their new two-storey houses — and the single exception is only delayed by the choosing of a home site. The average per-capita living space has risen to 23 square metres.

Villager Wu Xiangbao invited me to see her new two-storey house. On the ground floor are

**Village-run textile mill.**



four rooms casually littered with bicycles, farm tools, grain and furniture. Behind the building are two sheds housing a kitchen and a pigsty. Two pear trees are growing in the courtyard.

Wu told me her home was built in 1982 at a cost of 13,500 yuan, with 3,000 subsidized by the village. The village allocated 500 yuan per person to help build new homes.

Upstairs is a large sitting room with several armchairs in front of a big TV set. Chinese paintings hang on the wall: One a landscape and the other a floral design. The bedrooms are also on the upper floor.

Wu is an attendant in village's guest centre, while her husband

works for the township public health committee. Their eldest son and daughter are both accountants in village-run factories. Their younger daughter is a local health worker and their younger son is still in middle school. The family's annual income was 5,360 yuan last year. The eldest son brought in the most, 1,800 yuan, while the younger daughter earned the least—650 yuan, because she started her job only June last year. In addition, Wu's family harvested 2,300 kg of grain and 150 kg of rapeseed from its one-fifth hectare of contracted land and also earned some money from raising chickens.

The income pattern of Wu's family reflects that of others in

the area—a basic salary from village-run factories, supplemented by income from contracted land and sideline occupations.

In 1984 the village's average annual per-capita income was 1,010 yuan, 2.8 times higher than the national average. Sixty per cent of the villagers earned more than 1,000 yuan, while the lower income workers never earned less than 500 yuan.

The villagers own 870 bicycles, 630 pairs of sofas, 430 electric fans, 270 TV sets and 173 cassette recorders. "Nowadays people are interested in high-grade goods. Famous brands are always sold out," the manager of the village department store told me.

### Poor Families

"Are there any poor families in your village?" I asked. "Yes." The villagers replied, pointing to Wang Miaosheng's family of four. Wang's health is poor while his wife and younger daughter all suffer from congenital diseases. Fortunately, the major work on his contracted one-fifth hectare of farmland is done free of charge with machines from the local agricultural service centre. When the season of planting cotton or transplanting rice seedling comes, his neighbours always came to his aid. Wang also works in the village brick factory, where he earned 900 yuan last year. However, he could not afford to build a new house, even though the village gave his family a 2,000 yuan subsidy. The village didn't want to see him left behind, so it supplied him again with brick, tiles and other building materials free of charge. Finally Wang was able to build a two-storey home.

I met Wang at the factory while he and his fellow workers were sitting on the lawn for a rest. When asked about his new house, he said: "Everybody

*(Continued on p. 27.)*

Outside the peasants' housing.



# PLA Attacks Construction Challenge

*While streamlining its ranks, the People's Liberation Army (PLA) is presently turning its attention more and more to economic construction. The following is a report from one battlefield — the Shengli Oilfield, China's second largest oilfield. — Ed.*

by **LU YUN**  
Our Correspondent

**L**AST March Wang Liying travelled from her home near beautiful Taihu Lake in Jiangsu Province to the Shengli Oilfield to spend her honeymoon with her husband. He, as an assistant engineer in the air force engineering corps, was taking part in the construction of the oilfield's airport. It had never occurred to Wang that the oilfield might be located in such a desolate place, a wilderness haunted by ferocious winds and shifting sand. She began to complain to her new husband and regretted her decision to join him on the first day.

But a few days later she began to see how hard the young soldiers worked, and she noticed that they were always in high spirits despite the wind and the sand. She was moved. Wang, a draftsman by profession, took up her pencil when she saw her husband working on construction plans at night after a full day of work. She pitched in to help him draw four drafts. She had discovered the spirit of the Shengli Oilfield.

When she had to leave after a month, Wang gazed at the ever-expanding airport and in tears bid farewell to her husband and the construction site.

Situated at the edge of the Bohai Sea and the Huanghe (Yellow)

River delta in Shandong Province, the Shengli Oilfield is the scene of large-scale construction. Rows of light-blue plank houses and red tile-and-brick houses have mushroomed around the oil derricks. More than 10,000 soldiers from the ground, sea and air forces in Shandong have taken the lead in construction, performing some of the most difficult tasks faced in expanding the oilfield.

China's modernization drive demands the rapid growth of energy and transportation. The 21-year-old Shengli Oilfield, second in size to Daqing, has experienced a boom. Shengli's crude oil production reached 23.01 million tons in 1984, 4.64 million tons more than in 1983. Drilling, seismic survey and output proceeded at a record

pace last year. Eleven new oilfields were discovered and the reserves found in a year surpass the total findings of the past 15 years put together.

Covering an area of 26,000 square kilometres, the Shengli Oilfield will evolve into a modernized oil base, complete with oil-refining and petrochemical-processing plants. The present expansion includes everything from such key projects as an oil-shipping harbour to urgently needed projects that require intensive labour.

Using their existing skills, the navy and air force troops have shouldered much of the responsibility for building seaports and airports. The ground troops have tackled two highways, two reservoirs, two dams and new communication facilities. Many of the construction projects are designed to improve transportation of the crude oil. Others seek to provide

Shengli Oilfield airport under construction.



water for production and for daily needs.

## Scenes From the Worksite

It was last October that PLA soldiers began assembling in the oilfield. Arriving, they found a land where the yellow sand often darkens the sky and human beings are few and far between. But the troops remained enthusiastic.

They set up headquarters and dubbed it the "leadership and coordination group." Group leader Zhou Shuiduo was a former adviser to the Jinan Military Area Command. Though he had already received his retirement orders, he opted to remain in charge of the worksite. Sixty-seven-year-old Zhou, who joined the revolutionary army in Jiangxi Province in 1932, is a veteran of the 1934-35 Long March. In 1942 he took a role in the Naniwan production drive in the revolutionary base of Yanan. Now, completely white-haired, he continues to take long runs every morning and often lends a hand with the field work.

Zhou told this correspondent, "The people's army has long been at once a fighting force, a working force and a production force. Today, to carry on this time-honoured tradition is to take part in the national reconstruction campaign as put forth by Central Military Commission Chairman Deng Xiaoping."

He went on, "It is of great importance to our country to have a peaceful environment to push ahead our modernization programme. Every one of our soldiers feels it an honour to take a direct part in socialist construction. We have excellent soldiers. Whatever tasks they are given, our soldiers are seen where the hardship is found. When we first came here last year, a lot of the soldiers got up earlier



Dinner at the construction site is like a picnic.

in the morning or stayed later at night to work on the construction site. Finally we had to demand strict observation of the timetable."

One PLA company instructor, Lu Ruisheng, told this correspondent, "Soldiers don't have wages or bonuses. What they pursue is the advancement of project construction. Everybody is trying to do more so that others can do less and the oilfield can develop more quickly. I do not shout the cliché 'come on' as we did before, because everyone is doing his best."

Soldiers of the three services compete to accomplish their tasks in the shortest time possible. The 4,000 soldiers and officers of the ground force, who worked primarily at building highways, took only 28 days to complete a job scheduled for two months. An engineering corps of the air force is striving to slice a year off the normal two-year period it takes to build an airport. Soldiers from the North China Sea Fleet are building an oil port at the mouth of the Huanghe River. As the silted riverbed is very soft, they must use special techniques to sink a good foundation. After the engineers and tech-

nicians designed a 4-km-long dike and a 3.5-km pier, they studied the geographical conditions day and night and soon gained an understanding of the local tides and wind problems. At present, the project is progressing steadily. Between early March and early July, the crews had formed 820 metres of the dike, carrying in 78,000 cubic metres of stone and 52,000 cubic metres of earth in the process.

## Concern for the Soldiers

It is necessary to provide soldiers with tough training so they will be able to cope with the incredible stress of battle. But while setting strict demands on the soldiers, PLA officers know they must show concern for the soldiers and take care of their work and daily needs. Soldiers working at the Shengli Oilfield will never forget the concern shown by their officers.

Many stories about officers who are the first to bear hardships and the last to enjoy comforts have circulated around the oilfield.

It was a windy and snowy night last December. A section of road at the airport needed to be rolled.

Otherwise, crews would be unable to work the next day. Machinery company commander Lei Tianxian joined platoon leaders Yao Shuguang and Wu Feng to stay on the job for four hours to get the work done. They could have ordered soldiers to finish the task, but they decided their soldiers should have a good rest.

Last winter, some soldiers working on highways were living in plank houses. Worried that their soldiers might be too cold, the regiment's commander and the political instructor decided to supply each soldier with a mattress padded with cotton harvested from the PLA's own farmland. This year, the regiment's leaders prepared for the heat before summer arrived. Soldiers find shade under woven mat shelters at breaks, and they refresh themselves with ice cream and cold drinks produced by the PLA itself.

Leaders of the 9th Company, which is working on the oilfield reservoir, have also shown much concern for their soldiers. They often solicit opinions from soldiers when they tackle a new construction project. When soldiers are struck down with illness, they are excused from manual work until they are completely recovered. For example, one soldier suffered a kidney stone. Only a few days after his recovery, he returned to work without a doctor's approval. The company's political instructor patiently advised him to take rest until he regained his health. Forty days later when his health was entirely restored, he was allowed to return to work.

The company's officers often encourage their cooks to offer the soldiers good, home-style dishes. On a soldier's birthday, the cooks generally give him a special bowl of noodles that includes four boiled eggs. This is a traditional way to celebrate one's birthday in China.

When a new recruit's father visited the oilfields to see his son on his birthday, he was reassured to see how well the officers treated the soldiers.

## Learning Techniques

Fifteen regiment, battalion and company officers sat for an examination last May answering questions about highway construction techniques. In addition to five long questions, they had to provide the technical data for 24 fill-in-the-blank questions.

The exam was set by regiment commander Yang Xingtao. Yang,

39, a graduate of an artillery college, is now heading up the effort to build a 42-metre-wide highway. He believes the key to building a top-quality highway is making sure the leaders have a good grasp of highway construction techniques so they can arrange the work in a scientific manner.

Yang decided to take a road-building course run by the oilfield and his division headquarters. He finished the course with excellent marks. In addition, he also used his spare time to study four professional books, including *Standards for Building Highways* and *Quality Standards for Asphalt*

Testing the base surface for highway construction.





**Navy technicians study a plan for a deepwater port that would be able to handle 50 million tons of oil a year.**

*Roads.* With his newfound knowledge, he lectured his fellow officers. Due to his strict demands, eight officers passed the exam with top marks, five passed with satisfactory grades and two flunked. The two who failed would take a make-up exam. If they failed again, promised Yang, they would lose their positions. But the two did pass on their second try.

A month later, all the officers of the regiment passed another examination. And in a selective examination sponsored by the oilfield technicians, eight examinees selected from the regiment did very well.

Rigorous technical training, combined with the introduction of a comprehensive quality control system, is the guarantee that the construction proceeds smoothly.

### **Invaluable Experience**

Providing assistance to the state's key projects is an important task for the PLA during times of peace. The soldiers involved in the Shengli oilfield construction have made a major contribution

to the nation's energy industry. In turn, the tough conditions have helped prepare the troops to face many challenges.

To bring prosperity to the country, the soldiers, together with hard-working oil workers, surmounted numerous difficulties. The project is moving ahead at higher speed and at a lower cost and with better quality than could have been possible without the army's help.

The officers have enhanced their ability to organize and command their troops. At the same time, they have gained experience in building huge construction projects and in doing political and ideological work among the soldiers, in opening more avenues to ensure the supply of materials and in doing a good job of environmental sanitation to prevent diseases.

Working at the oilfield, the troops are organized like a military detachment. They abide by various rules and regulations, and prepare themselves for a battle at a moment's notice.

While working at the oilfield,

the signal, engineering and transportation corps never cease their technical training. As a result, they carry out construction work while preparing thousands of professionals for post-army careers.

In the drive to gain professional knowledge and management expertise, about 1,700 officers and soldiers have earned credentials that qualify them to build highways, install electrical lines and repair machines.

For example, most of the soldiers in an army unit working on the reservoir have taken courses in electrical engineering and machinery operation.

One division plans to train half of its soldiers to become professional highway builders by the end of this year. Those who have passed examinations will be given certificates indicating that they are road technicians.

When asked about his impressions of the PLA troops, Li Ye, Party secretary of the Shengli Oilfield, said, "All officers and soldiers have demonstrated that they are well-disciplined and work with high efficiency and a selfless spirit."

"Like oil workers, they are doing their bit for the modernization drive, and they are determined to rid our country of poverty," he said, "With their actions, they are adding an illustrious chapter to the history of economic development in the Huanghe (Yellow) River delta." □





# Development and Reform in Commerce

by PENG BAOQUAN

SINCE the founding of the People's Republic of China in 1949, China has evolved a unified socialist market through three years' economic rehabilitation and the First Five-Year Plan (1953-57). It is a stable and growing market based primarily on state commerce.

With the development of industrial and agricultural production and improving living standards during the past 35 years, commodity circulation has been steadily expanding. Total retail sales volume in 1984 was 335.7 billion yuan, 12 times more than in 1952, and an average increase of 7.8 percent annually. Thanks to agricultural policy readjustments, the co-ordinated development of light and heavy industries, reasonable arrangement of the proportion between accumulation and consumption in national income since 1979, industrial and agricultural production and living standards have been raised by a big margin and commodity circulation has accelerated. Since 1978, retail sales volume has increased at an average annual rate of 13.6 percent—almost double the yearly 6.9 percent recorded from 1952 through 1978.

China's main market is its 800 million peasants. In the past, growth of urban and rural retail sales kept pace with each other. But they are now rising in rural areas at an average annual rate of 15.55 percent, against 9.7 percent in urban areas. This was because peasants' earnings have increased at a faster rate than those of urban residents during the past few years.

The author is an official of the Ministry of Commerce.

July 29, 1985

In recent years, China's commercial organizations have also greatly expanded. The network of retail and service trades grew from 1,255,000 businesses in 1978 to 6,604,600 in 1983, an increase of 5.26 times; its employment also rose from 6.078 million to 16.676 million, up 2.74 times. There was faster growth in the number of shops and staff in 1984 than in 1983. In the past few years, new hirings in the service trades accounted for nearly 29 percent of the total new workers and staff recruited.

## Circulation System Reform

Appropriate reforms of China's commercial economic system are needed to cope with expanded commodity circulation. China's present system of commodity circulation was developed in the 1950s. Centralized management and unified distribution were needed then to control the source

of goods and ensure basic supplies because there was not enough production and supply of commodities. For example, planned and arranged purchases governed vital agricultural and sideline products. Large amounts of industrial consumer goods were also mainly purchased and marketed through state stores. Planned supply was used to ensure the flow of 100 consumer goods that were in short supply or in great demand.

At the same time, business was solely run by the state because the development of collective and individual commerce was restricted for a long period, and run according to administrative divisions.

From 1979 to 1983, China's industrial and agricultural production greatly developed. In terms of 1970 constant prices, light industry registered an average an-

Peasants flock to a local fair in Haiyan County, Jiangsu Province. Their per-capita income has risen by 2.7 times since 1978.



nual output value increase of 11.25 percent, while that of agriculture was about 8 percent. In 1983 grain and cotton output reached the targets fixed in the Sixth Five-Year Plan (1981-85) ahead of schedule. Bumper grain and cotton harvests were gathered in 1984, up 5.1 and 31.1 percent over 1983. Output of other farm products has also increased, with commodity production rates reaching 53.3 percent. Output of industrial consumer goods also increased. The country's original commodity circulation system cannot handle the situation.

Some reforms have been carried out in recent years. A commodity circulation system with diverse commercial channels is targeted.

The state-owned economy, the dominant sector of the national economy, is one of socialist ownership by the whole people. State-run commerce controls the

**Since the rice market was reopened in Changsha, Hunan Province, peasants have transported grain there for sale.**



**A cooking class at the Hangzhou "May 4th" Vocational School.**

main sources of goods. It bears most responsibility for readjusting market supply and demand, guiding and promoting production, guaranteeing supplies and bringing about a prosperous economy; this will undoubtedly be strengthened and developed in the future. Due to the unbalanced economic development of China's different regions and departments, a form of diversified economic management is needed. Therefore, collective and individual commerce are permitted to play their diversified roles in providing more job opportunities and various kinds of services. The collective sector added 351,000 new businesses from 1978 to 1983, and increased its employment to 3.059 million. Meanwhile, 4.742 million more households, or a total of 5.826 million people, were engaged in individual commerce. Collectives also took a larger share of the retail market, with sales increasing from 7.2 per thousand to 16.6 percent of the national total. Individual commerce increased from 0.1 percent to 6.5 percent. The share of state commerce, meanwhile, declined from 90.7 percent to 72.1 percent.

In order to open more channels of circulation, China has also readjusted the relations between commerce and industry. Diversi-

fied purchasing and marketing system, which allows factories to sell part of their products, is replacing the state monopoly of purchase and marketing. Major farm and sideline products, which were also bought and sold by the state, can now be sold on the free market after state purchasing quotas are met. Business departments and individual farmers are permitted to engage in long distance transport of goods for sale. This will expand sales of industrial and agricultural products, a development which will be beneficial to the growth of commodity production as well as to consumers.

On the basis of its publicly owned system, China has carried forward a planned commodity economy in which planned commodity circulation forms the principal part in the socialist market, while some products are allowed to be distributed according to market conditions. The number of commodities under mandatory planning has decreased to 66, that under guidance planning to 77 while more and more goods are subject to market regulation. To better meet the needs of consumers, industrialists and businessmen can produce and sell their own products in accordance with market conditions.

In the past, wholesale commodity organizations were set up in accordance with administrative divisions. Development of commodity economy was stifled when urban areas were controlled by state commerce and rural areas by supply and marketing co-operatives, because these two separate ways of doing business gave rise to too many links in circulation, local blockade and wider gap between urban and rural areas. In the past few years, however, overlapping wholesale organizations have been merged or jointly run, and retail shops are allowed to purchase goods on their own. State stores are permitted to go to the countryside and supply and marketing co-operatives into the cities to do business. Wholesale markets for industrial and farm products have been set up to ease the flow of commodities between urban and rural areas.

### Better Management

During the past few years, more self-management power has

been granted to state-run retail enterprises, and responsibility systems established, to make them independent economic entities under the overall guidance of government plans and policies. Since 1983, they began to pay income taxes instead of giving all their profits to the state, and can freely use the profits they retain. To implement the principle of distribution according to work, wages have been directly linked to the workers' and enterprises' economic performance.

Independent accounting, responsibility for profit and loss, distribution according to work and democratic management have been implemented in collectives. During the "cultural revolution" (1966-76), supply and marketing co-operatives came under state control. Since 1983, however, they have regained their co-operative status. To maintain close ties with local peasants and promote the development of rural commodity production, they have instituted reforms to help increase

the volume of the peasants' shares, change their personnel and wage systems, expand their scope of operation, and have allowed prices of some goods to float according to market demand.

China is carrying out its socialist modernization drive. Commodity development must be tailored to the nation's goals of quadrupling industrial and agricultural output value and attaining better living standards by the end of the century. In addition to the reform of commodity circulation system, commerce itself should also be modernized. The main existing problems are as follows: Serious deficiencies in business networks and facilities, weak market information and forecast networks and backward management. In the coming years, the interflow of commodity and market information must be improved and new technology introduced; in the meantime, modern scientific management methods should be adopted and personnel trained to use them. □

*(Continued from p. 20.)*

moved into new houses. They didn't want to leave anybody behind. At last I made it myself."

Several other households were also short of able-bodied labourers. With the help of the village government and their neighbours, they maintain their basic standard of living. They are just not as well-off as others.

The old people of the village are well cared for in their late years. Those who have children live with their families. Besides their 130-yuan living allowance, which is paid by the village, the elderly enjoy free tickets for theatres and other events. The one childless elderly person now

in the village lives in the township home for the aged. The village pays all living expenses.

The Chinese people, like others, long for a happy life. About 1,400 years ago Tao Yuanming, a famous pastoral poet, wrote this story: A fisherman went boating on a stream which brought him to a woods full of peach blossoms. When he went through the woods, he found a hill with a cave. Entering the cave, he was surprised by an even more splendid scene — a stretch of farmland dotted by ponds and rows of cottages. Residents there, both old and young, enjoyed very happy lives. Families invited him to their homes and entertained him with meat and wine. The fisherman spent a few

days in this paradise before returning home. Later, others tried to find his "Shangri-la," but never succeeded.

The Chinese people's goals for the year 2000 far surpass the imagination of the ancient Chinese. Theirs is a modern dream. According to what has happened in Ouqiao Village, the "well-to-do life" means a new countryside with rich material and cultural benefits, with a developed collective economy and a combination of agriculture and industry with good connections to the urban areas. People are kind to each other on the basis of common prosperity. This kind of life surely appeals to the Chinese people.

### UN Valuable, Former Official Says

from "WEN HUI BAO"  
(Wen Hui Daily)

**B**I JILONG, a former deputy secretary-general of the United Nations, who recently left his post and returned to China, says the world is characterized by disorder and endless dispute, but that the United Nations can be instrumental in alleviating some of the tension.

Although the United Nations' effectiveness has been tested by the power struggle within the organization between the Soviet Union and the United States, Bi Jilong says, the 40-year-old body continues to demonstrate its value in seeking solutions to the world's conflicts. Despite the attitude of the Soviets and the Americans, Bi Jilong says, many member nations place great hope in the institution, which was organized in

San Francisco in 1945 as a vehicle to promote world peace and security. The United Nations, he says, is also regarded by many third world countries as a worthwhile forum for international dialogue and debate.

Bi Jilong says since 1945, the United Nations has been successful in relieving armed conflicts through mediation and the use of its multi-national peace keeping forces. The United Nations has also promoted economic construction in developing countries and provided relief to refugees and people stricken by disaster, he says.

Bi Jilong applauded the United Nations as an organization of sovereign states that does not impose its resolutions on members, and says nations should support the body in all of its endeavours.

Development of small towns is an important facet of China's development. The shortage of talented rural people, however, works against such advancement. In order to boost the economy of the small towns, residents should improve their capacity to produce marketable goods for domestic and foreign consumption. If the local products have such success, the small town will in turn have a better chance at growth and prosperity, Yang said.

The number of senior middle-school graduates engaged in 10 particular occupations is presently increasing. These 10 occupations are: Planting, breeding, fruit and vegetable preservation, processing (food and fodder), transportation, marketing, information, scientific research, consultation and service. According to Yang, these rural senior middle-school graduates, who have become the backbone of the specialized households, should have priority in entering universities and colleges.

Of the nearly 26 million senior middle-school graduates in the rural areas, Yang suggested that 1.8 million be trained further to meet the demands of small towns. Counting the 60,000 towns across the country, on the average each town would recruit 3,000 labourers. If 30 of these workers, who have completed higher learning, will play a leading role in the towns' production capacities, the local products may become famous brands. As a consequence, the average incomes of the 3,000 workers will be comparable to the incomes of urban workers, Yang said.

Yang said the best approach to educating members of the specialized households is to establish

### Higher Education Geared to Peasants

from "LIAO WANG"  
(Outlook Weekly)

**C**HINA'S higher education should be geared to the needs of the senior middle-school graduates from rural specialized households in order to increase their ability to analyse and solve problems particular to rural areas, said a professor at the China University of Science and Technology.

Yang Jike, who is also the Anhui provincial vice-governor, said that by the end of this century, China's rural population is expected to decline from 80 percent of the total population to 50 percent.

At the same time, he said, about 110 million farmers will transfer to other professions and 70 million young people will come of working age and need jobs. The employment of these 180 million people will be the largest social problem facing China over the next 15 years. Neither the large and medium-sized cities, nor the state-owned companies can be expected to absorb all of the workers. The only way to solve this problem, Yang said, is to guide the workers towards occupations in their hometowns and ask that they pool their resources to help build more productive small towns.

correspondence universities. Such universities, he said, would require minimal funds and allow the students more time for production work. Anhui Province, he said, has begun to prepare for the establishment of Jianghuai University — China's first correspondence university for specialized households in rural areas. The university will begin operating this September to enrol those best among the 26 million senior middle-school graduates and 30 million specialized households from all over the country. The students will study 20 subjects and will be allowed to complete the courses as their schedules permit. After completing the courses and passing a final exam, the students will then graduate.

## Young Family Managers

from "ZHONGGUO QINGNIAN BAO"  
(China Youth News)

SONG KONGLING of Dangshan County, Anhui Province, returned home after graduating from senior middle school to his father's set of rules: Be honest. Be attentive to your work. And, don't try and run the family, because that's my job. But, Song Kongling had ideas of his own.

Song Kongling suggested that the family combine breeding with cultivating. His father thought nothing of the idea, so the family continued to work as they always had. Song Kongling, however, put the idea to work on his own with a bank loan taken out without his father's knowing. In his third year of working as he wanted, Song Kongling had made a 4,600 yuan profit.

Song Kongling's father since

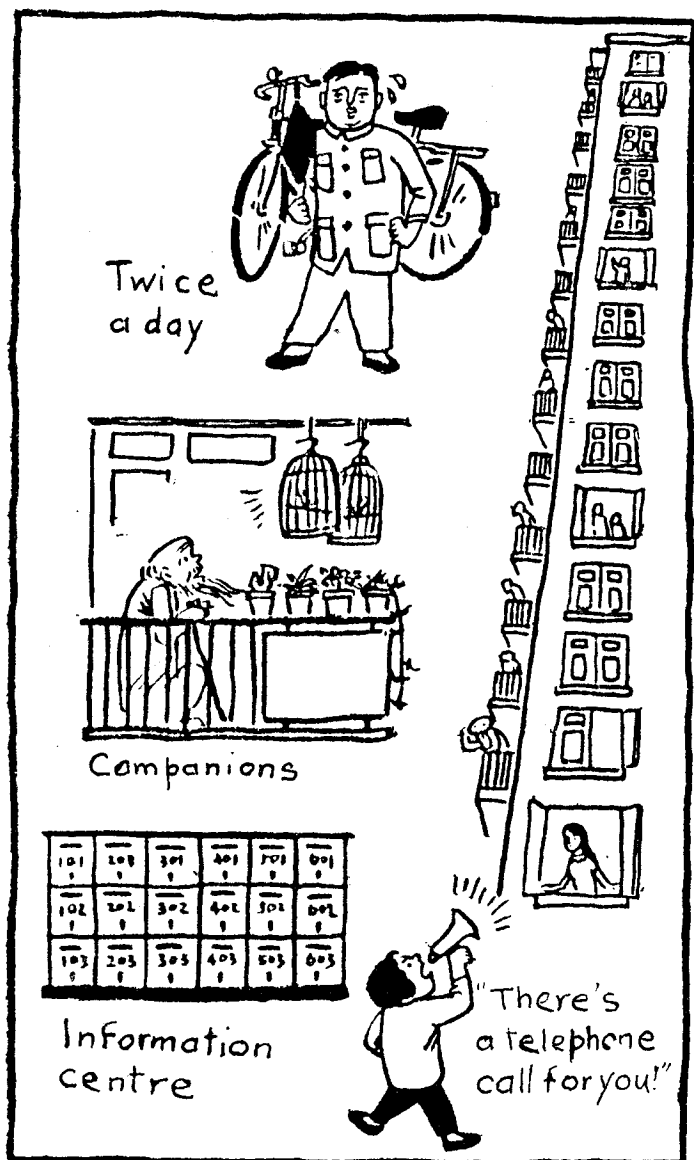
has handed over the reins of the family's production to his successful son.

Song Kongling takes part in a spreading reform among rural families. In the wake of other changes, peasant families have begun to appoint people to positions of authority based on their ability.

In Anhui Province alone, 370,000 young people have

become the managers in their families' workshops. Previously, their fathers, who may have been less capable, would be acting as managers.

The patriarchal system is facing a challenge by Song Kongling and others like him. These young managers have demonstrated to their parents that young though they are, they may be better qualified to oversee the families' production.



The joy of living "high."

by Xia Qingquan  
(By courtesy of the Beijing Kaleidoscopic Cartoon Exhibition.)

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### CJIETCC Awarded a World Bank Prize

The China Jiangsu International Economic-Technical Co-operation Corporation (CJIETCC) completed the construction of a housing project for the Somali State Livestock Bureau on April 1, 1985, three months ahead of schedule. For the speedy completion of the project, the corporation was awarded US\$60,000 from the World Bank, the creditor of the project.

Somalia's President Mohamed Siad Barre spoke highly of the speed and quality of the construction project and contracted with the corporation to build the Children's Village in Mogadishu, which will be financed by a charitable organization of the Federal Republic of Germany.

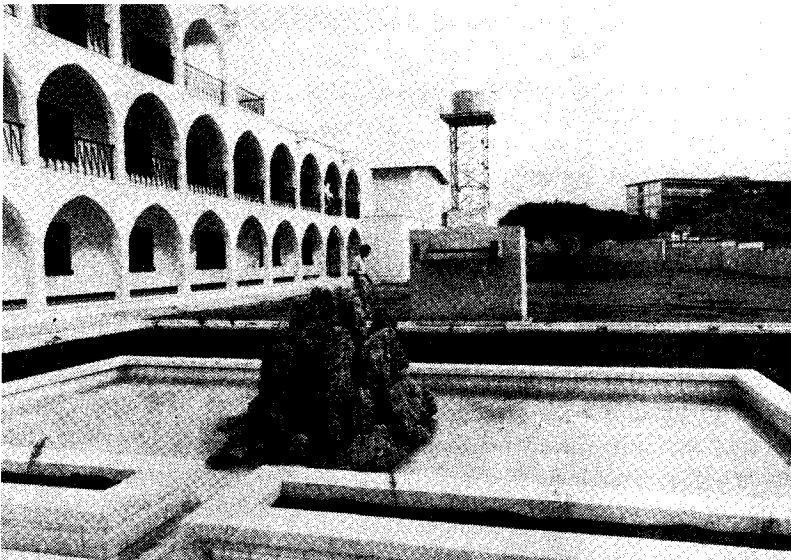
The corporation, since April 1983, also has contracted six construction projects in Kuwait worth a total of US\$20.59 million. More than 2,600 workers will be employed for the projects.

Established in 1980 and put under the leadership of the people's

government of Jiangsu Province, CJIETCC has 130,000 employees including engineers, chartered accountants, technicians, agronomists, horticulturists, teachers, doctors, chefs and skilled workers. By July 1, 1985, the corporation had contracted 23 construction or labour co-operative projects in Algeria, Australia, Barbados, Cameroon, Canada, Iraq, Kuwait, Nigeria, Oman, Somalia, the Sudan, Thailand, the United States, the Yemen Arab Republic and other countries. The corporation has been acclaimed by the owners and concerned governments for its quality work and abiding by the contracts.

CJIETCC contracts for industrial and civil projects, provides technical equipment and materials, offers technical and labour services and trains technicians, skilled workers and managerial personnel. The Jiangsu corporation is willing to carry out its business with firms at home and abroad.

An office building of the Somali State Livestock Bureau built by CJIETCC.



The corporation has branches and offices in Kuwait, Somalia and the Sudan.

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Nanjing, China  
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### Petrochemical Exports Increase

During the first six months of 1985 petrochemical exports increased 22 percent over the corresponding period last year, according to the China National Chemical Industry Import & Export Corp.

Oil and oil-based products are the main exports of the China National Chemical Industry Import & Export Corp. To increase its export volume, the corporation has doubled its efforts to locate new sources of petrochemicals for export. From January to June this year, the world market for petrochemicals was weak, but the demand in China's domestic market increased. These internal and external factors made it difficult for the corporation to find new sources of petrochemicals for export. To solve the problem, the corporation sent representatives to refineries and petrochemical processors around the country to make sure they were able to produce products that will sell abroad. At the same time the corporation adopted other trade forms such as bartering and acting as an agent for the producers. These efforts yielded good results in the first half of this year.

In order to make further progress in the second half of this year, the corporation recently sponsored a sales exhibition of

China's petrochemical products in Japan. It has also expanded its business scope to increase volume through bartering, entrepot trade and processing on a commission basis. The corporation is expected to surpass its export goal for 1985.

## China to Display Metals in Tokyo

The China National Non-Ferrous Metal Industrial Corp. will sponsor a symposium in Tokyo on non-ferrous metal exhibition, trade and investment from August 19 to September 6.

The symposium's aim is to give Japan and other countries a general picture about China's non-ferrous metal industry, about the export of such metals, the import of some raw materials and products and of advanced technology and equipment. At the symposium, 18 project proposals will be presented for discussion with businesses in Japan and representatives from elsewhere.

At the symposium, more than 1,000 non-ferrous metal products made in China will be shown, including various kinds of alloys and processing materials, fine tungsten, molybdenum, rare-earth metals and other rare metals. There will also be displays of precious stones and products made from them.

China has rich non-ferrous metal resources. Its reserves and output of fine tungsten ore rank first in the world.

In the first half of 1985, non-ferrous metal exports handled by the China National Non-Ferrous Metals Import & Export Corp. increased 190 percent over the corresponding period of 1984. The total volume of technology import

in the same period exceeded the total of last year.

## Shenyang to Hold World Trade Fair

Shenyang, a heavy industrial city in northeast China, will hold an international investment and export trade fair from mid-August to mid-September. This will be the second such fair ever held in Shenyang.

At the fair, Shenyang will present 38 economic and technological co-operation projects for discussion with foreign businesses. The major projects will include the technologies to produce industrial robots, standard machine parts, moulding and punching machines, clutches for motor vehicles, four-cylinder high-speed diesel engines, motor vehicle dampers, special alloys and containers for marine transport.

At the fair, mechanical and electrical products, textile and light industrial goods, agricultural and native products, as well as handicraft articles will be available for foreign business representatives to buy. In addition, business talks will be held on the purchase of industrial products, technology and equipment from abroad.

## Commodity Fairs For 3rd Quarter

In the latter half of this year, China will hold eight export commodity fairs in Beijing, Guangzhou and the Shenzhen Special Economic Zone.

The China National Textiles Import & Export Corp. held an export fair in Beijing for woollen textiles in July and will host one for

yarn and cloth in Beijing in the latter half of August.

The China National Medicines and Health Products Import & Export Corp. will sponsor an export fair for Chinese herbal medicines in August. The China National Arts and Crafts Import & Export Corp. will have an export fair for straw, rattan, bamboo and wicker work September 1-10. Both fairs will be held in Guangzhou.

In addition, Jilin and Henan provinces and the central China city of Wuhan will host export fairs and business talks in Shenzhen in August.

### NEWS IN BRIEF

- China will open a trade promotion centre in Abu Dhabi, capital of the United Arab Emirates. As a representative office of the China Council for the Promotion of International Trade, the Abu Dhabi centre will promote trade, economic and technological co-operation between China and the United Arab Emirates and other Gulf countries.

- Shanghai hosted an international exhibition of motor vehicles from July 3 to 9.

On display at the week-long exhibition were cars, trucks, buses, cranes, fire engines, ambulances and accessories from 320 firms in 20 countries, including the Federal Republic of Germany, France, Great Britain, Japan and the United States.

- The construction of the Changcun Coal Mine in southeastern Shanxi Province started on July 1. The project was undertaken with US\$126 million in loans granted by the World Bank. The mine, which will be equipped with up-to-date facilities, is designed to produce 4 million tons of coal a year.

### Rural Romance Is New Film Treat

The beautiful young girl lies on a grassy knoll daydreaming about her future price charming. She asks her grandfather to play a popular folk tune — a Miao minority wedding song. As his flute echoes over the field, a succession of images appears: white clouds floating in a clear blue sky, deep green grasslands surrounded by rolling hills, a pagoda outlined against the setting sun. The girl sighs and closes her eyes while the old man, understanding her longing, plays on.

The simplicity and romantic beauty of scenes such as this are now beguiling Chinese audiences flocking to the highly acclaimed feature film, *The Border Town*. Based on a story written in 1934 by Shen Congwen (1902- ), one of China's most versatile modern authors, the movie tells the tale of an old ferryman, his granddaughter Cuicui (Emerald) and the two brothers who want to marry her. Through their dilemmas set against the pre-liberation poverty of their homes in a Miao area of Hunan Province, it illuminates the rich tapestry of traditional rural life in central China.

Much of *The Border Town's* appeal, however, comes from its wholehearted concern for its characters' feelings, rather than for their symbolic value. The plot is relatively simple. Cuicui, brought up by her grandfather after the death of her parents, attracts the romantic attention of two young men, the sons of a local boatman. One is bluff and open while the younger is quieter, more sensitive. The girl falls for the younger brother, only to see him flee after his parents attempted to have him married off to a rich man's daughter.



Cuicui and her dog awaiting the arrival of her grandfather's ferry.



Cuicui and her grandfather talking over Cuicui's hopes and ambitions.

The twin themes of love and loss are both intensified and eased by the movie's views of local Miao folkways. Although possessed by strong emotions, Cuicui and her lover play out their personal drama against a bucolic backdrop of

great scenic beauty and ageless serenity: Bamboo-shaded paths follow winding streams weaving among thatched-roof homes, tiny shops and grinding mills driven by ancient waterwheels. A traditional holiday, too, lends its excitement



and comic relief as the fifth day of the fifth lunar month brings villagers out for the Dragon Boat Festival. Women wrap *zong zi*, triangular rice dumplings wrapped in the leaves of reeds or bamboo, while old men drink with their cronies and the young vie in boat races or try to capture ducks in an uproarious swimming contest that fills the screen with an explosion of noise, splashing water, thrashing bodies and flying feathers.

With its flair for local colour and deep concern for human realities, *The Border Town* has proved itself a captivating attraction for moviegoers. It is also having a strong impact on the Chinese film industry, which this year conferred the coveted Golden Rooster award — China's homegrown Oscar — on its director, Ling Zhifeng.

Ling, 68 and a veteran filmmaker, is also known for works including *Sons and Daughters of China*, *Keep the Red Flag Flying* and the modern classic, *Camel Xiangzi* (*Rickshaw Boy*).

## Western Plateau: Weather Research

If the Qinghai-Tibet plateau disappeared tomorrow, the Yangtze River valley, China's richest rice-growing area, would become a sea of sand. And rainfall on that remote, often arid highland also determines water levels at the mouths of the Changjiang and Huanghe Rivers — thousands of kilometres away on the east China coast.

These were among the astounding facts revealed at a meteorological symposium involving Chinese and foreign experts at Guilin, in the Guangxi Zhuang Autonomous Region, in April.

The Qinghai-Tibet plateau, averaging 4,000 metres above sea

level, covers one-fourth of China's land mass. Because of its great size and its location in the heart of Asia, it controls the weather not only in China, but in its surrounding countries and much of the northern hemisphere as well.

The plateau's high altitude and thin air leave it open to bombardment by cosmic radiation, making it a natural laboratory for studying the effects of this phenomenon. But the sun's rays also generate large amounts of heat, creating a high pressure system over the area that can change weather in parts of the interior far from Tibet. If the fair weather ridge is situated over the centre of the plateau, for example, the middle and lower reaches of the Changjiang will receive more rain. But if it moves eastward, the weather in central China will turn dry. The plateau, in its role as a rainmaker, also nourishes the sources of China's major water ways — the Changjiang and Huanghe Rivers, both of which rise from lakes only a few hundred kilometres apart on its high plain. These and several related factors help keep China's central heartlands fertile, and also keep the country's deserts at bay: Because of weather patterns in Tibet, China's arid areas are located farther north than any others on Earth.

The Qinghai-Tibet plateau's importance has drawn the attention of numerous Chinese scientists. Since 1958, it has been the subject of a number of surveys — the largest, in the summer of 1979, involving some 2,000 researchers and technicians. Their observations, which have since been collected into a book about the region, were presented last year at an international conference held in Beijing and sponsored by the meteorological societies of China and the United States, and the World Meteorological Organization.

## Author Walking Silk Road, Wall

Liu Yutian, a 42-year-old railway bureau official, has set out to realize his dream of studying the Great Wall and the Silk Road on foot. He plans to write about his experiences in two books.

Liu began the walk of his dreams on May 13, 1984, from the western end of the Great Wall at Jiayuguan in Gansu Province. He walked eastwards through the Hexi Corridor and the Tengger Desert of Gansu Province. Three times he crossed the Huanghe (Yellow) River, on his way through the Inner Mongolian Autonomous Region, the Ningxia Hui Autonomous Region and Shaanxi Province. From the ancient capital of Xian, he headed north to the Pingliang area of Gansu, where he turned back to the west. Along the way, he had to battle sand storms, hail storms, hunger and cold.

By the time he arrived at Lanzhou, an important stop on the Silk Road, on May 24, he had already covered 4,000 km.

As he trudged over mountains and through deserts, he stopped to talk with the local people to hear their history. He studied local customs and habits, social and economic conditions and legends and folk tales. He also visited many historical sites and scenic spots while surveying the current condition of the Great Wall and Silk Road.

He has already filled his notebooks with 200,000 characters of descriptions and taken some 1,000 photographs.

Liu said he plans to return to Xian after finishing his study of the Silk Road. He will then continue his walk along the Great Wall.

## A Special Breed of Athletes in the Making

Qiu Siyou is an unlikely basketball star. He is motivated, strong, enthusiastic and a team captain. He is also paralysed.

Bound to a wheelchair for nearly 10 years, Qiu, as captain, is relied on by his teammates for not only extra points during games, but also support and the occasional pep talk needed to keep the morale of the Guangzhou Wheelchair Basketball Team from sagging.

Qiu, 28, who broke his spine in 1976 in an accident while working on the construction of a railway tunnel, began thinking last year that he should develop what was left of his atrophying muscles. About the same time he was planning on beginning his athletic programme, Qiu saw an announcement saying the Guangzhou Wheelchair Basketball Team was scouting for recruits.

Not only did Qiu sign up, he enlisted other wheelchair-bound patients and developed a programme of calisthenics to get the new players in shape for an upcoming tournament.

In joining the team, Qiu and his teammates became a part of a peculiar school of athletics in China that dates back to the 1950s, when blind, deaf and mute people were organized into competitive teams. In 1983, the China Handicapped Sports Association was founded, and since then 18 sports clubs have been established across the country for people whose movements are



Wheelchair athletes parade by spectators at the April 21 Beijing marathon.

limited by crutches, artificial limbs and wheelchairs.

Since 1983, China has made other accommodations for the handicapped. Among such special services are reduced fees at sporting events and stadium seating that is easily accessible to the disabled. In addition, Beijing's Taoranting and Navy swimming pools are opened at regular intervals for handicapped aquatic training and instruction.

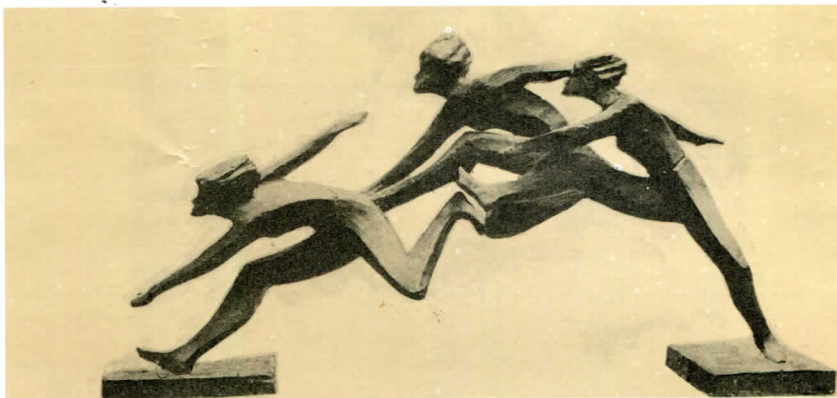
The major sporting events in China in which the handicapped can participate are table tennis, swimming, track and field and basketball. China's handicapped athletes are also making themselves increasingly felt as a force to be reckoned with in world sports. In March 1984, 24 Chinese athletes for the first time took part in the Olympic Games for the Disabled and brought

home two gold medals, 13 silver medals and nine copper ones.

In November, Qiu and his teammates in Guangzhou will be hosts to the Macao and Hongkong wheelchair basketball teams. With Qiu's determination and special blend of diligence and courage, the team, win or lose, is bound to benefit from the experience.



## ART PAGE



### Sports Sculptures by Zhao Zhirong

Born in 1939 in Shanghai, Zhao Zhirong graduated from the Shanghai Institute of Fine Arts. He is now a member of the Shanghai Oil and Sculpture studio.

Zhao tries to portray the dynamic and rhythmic beauty of sports in his sculpture, which are often of larger-than-life size.





# China

## Reconstructs

*China Reconstructs*, founded by Soong Ching Ling (Mme. Sun Yat-sen) (1893-1981), the honorary president of the People's Republic of China, is published monthly by the China Welfare Institute in Arabic, Chinese, English, French, German, Portuguese and Spanish. There are two editions in English, a World Edition and the North America Edition. The magazine is distributed to more than 140 countries and regions.

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