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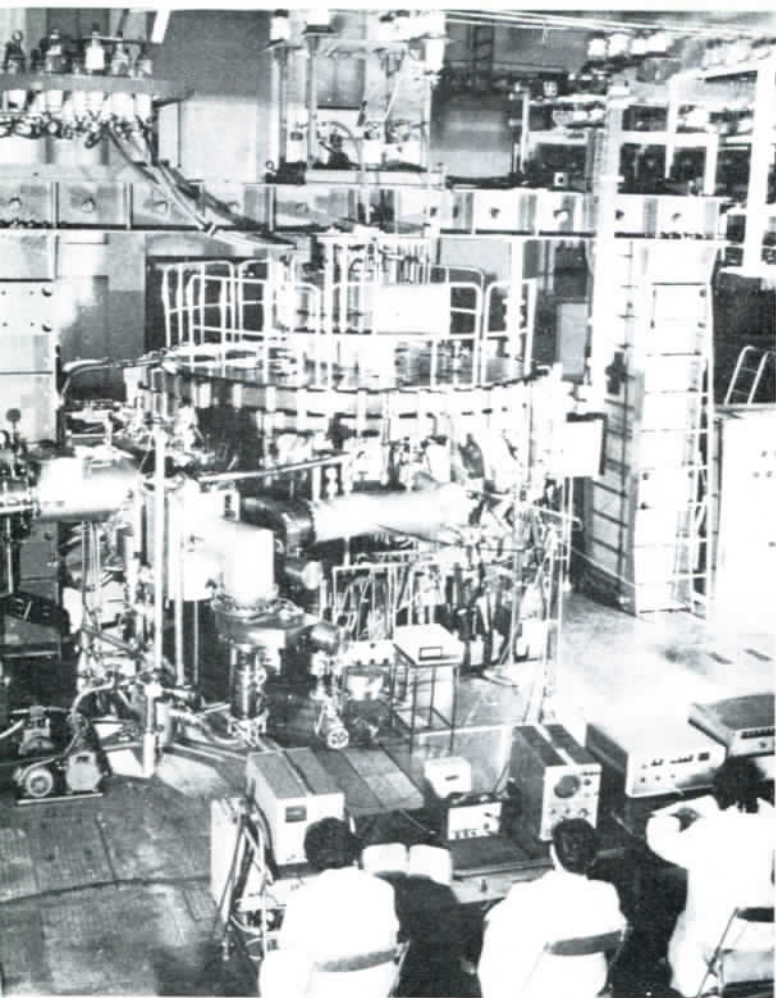
A CHINESE WEEKLY OF
NEWS AND VIEWS

China's Independent Foreign Policy

Xinjiang: Key Area for Development

**Reports From Shenzhen:
Pricing Reform**





The heart of the controlled nuclear fusion experimental device.

China Builds Controlled Nuclear Fusion Experimental Device



Zhou Ping (second from right), Vice-Minister of the Nuclear Industry and an expert in nuclear reactors, analyses the device's magnetic field with other scientists.

The central control room.



China's largest controlled nuclear fusion experimental device, called HL-1, has been put into operation. It has produced plasma and proved successful. It is used to control the process of nuclear fusion so that mankind may utilize the abundant energy released from inner light atomic nuclei.

SPOTLIGHT

BEIJING REVIEW

HIGHLIGHTS OF THE WEEK

Vol. 23 No. 1

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COVER: Rising. Photo by Zhou Shunbin	

A Record-Breaking Year

As the new year begins, *Beijing Review* political editor examines the country's achievements in economics, at the 23rd Olympics, in settling the Hongkong question and in China's widening ties with other countries. He also outlines plans for improving the magazine's quality in the new year (p. 4).

Price and Wage Reforms

According to Premier Zhao, China's economic reform will move ahead surely but prudently in 1985, centring on changes in pricing and wage systems (p. 15).

Independent Foreign Policy Reviewed

Although China has made necessary adjustments in its foreign policy as the international situation has changed, the cardinal principle of independence remains unchanged. The article recounts why the principle was formulated and what diplomatic achievements China has made by following it (p. 16).

Xinjiang — A Waiting Treasure

A vast desert covers the heart of Xinjiang, China's westernmost region. Around its edges howling winds and shifting sands reveal the ruins of ancient cities. But beneath this desolation lies untold mineral wealth, which the people of all minorities there are working hard to tap (p. 27).

Developing Agriculture With Foreign Capital

China has signed 78 contracts with organizations and governments abroad to develop agricultural endeavours and related projects. About US\$700 million in foreign capital will be used for these projects (p. 40).

Top 10 World Events of 1984

Many news agencies worldwide have selected their 10 major international events of the past year. *Beijing Review* also has made its choice, which includes the stepped-up arms race between the two superpowers and the signing of the Sino-British joint declaration on the Hongkong issue (p. 13).

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A Record-Breaking Year

by AN ZHIGUO
Political Editor

Reviewing their achievements of the past year, the Chinese people can say proudly: We've been doing well!

Last year saw a series of important breakthroughs in China's domestic and foreign affairs and the chalking up of many records on its march towards socialist modernization.

Last spring the government decided to open 14 more coastal cities and Hainan Island to foreign investment. These cities and the four previously established special economic zones will link China and the rest of the world and will play an important role in importing advanced technology and equipment and assisting the economic development of the inland areas.

In mid-summer Chinese athletes captured 15 gold medals at the 23rd Olympics. Filling the whole nation with great joy, their success has ended China's disappointing appearances in modern Olympic history and wiped out the disgrace of being mocked as "the sick man of Asia."

In October the Party Central Committee adopted the Decision on Reform of the Economic Structure. This brave, creative programme for economic reform is an important breakthrough in China's traditional, ossified economic methods and in some outdated theories and views. It has charted a road for building up a dynamic socialist economy with uniquely Chinese characteristics.

At the end of the year the Sino-British Joint Declaration on the Question of Hongkong, based on the idea of "one country, two systems," was signed by the Chinese and British governments. It is a milestone in the great cause of reunifying the motherland and in the history of Sino-British relations.

Last year China's national economy developed in all areas. For

The future of China now under reform has been one of the most talked-about topics abroad. The encouraging achievements of the past year have proven that China is advancing on the right course.

the first time, the gross industrial and agricultural output value exceeded 1,000 billion yuan. State revenue increased by a wide margin. Social order remains stable, the market is brisk and the people's living standards have continued to improve.

In the past year China continued its independent foreign policy and expanded contacts with other countries. Frequent visits between state and government leaders and people's organizations not only strengthened China's unity and co-operation with other developing countries but also expanded and improved its relations with some developed and socialist countries. These close ties show the vitality of the Five Principles of Peaceful Coexistence and China's firm determination to safe-

guard world peace and advance human progress.

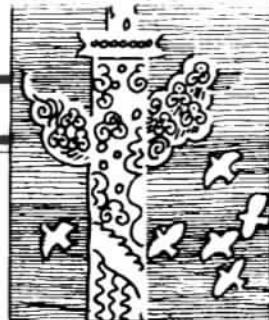
The future of China now under reform has been one of the most talked-about topics abroad. Practice is the only criterion for testing truth, and the encouraging achievements of the past year have proven that China is advancing on the right course.

In the new year China will stride forward more confidently along this road. Its main tasks will still be opening to the world and economic structural reform.

The current economic reform, which focuses on the urban areas, will proceed steadily under the unified plan of the central government. Economic, technical and cultural exchanges with other countries are expected to be carried out on an even larger scale.

Now that the main targets of the Sixth Five-Year Plan for economic and social development (1981-85) have been fulfilled or overfulfilled ahead of schedule, the question of drawing up the Seventh Five-Year Plan will be soon put on the agenda. The Party will hold a national conference this year to discuss this plan and put forward relevant suggestions. Reforming the scientific, technological and educational systems will also be put on the agenda in due course.

All these reforms will not be realized without a far-sighted and efficient leadership. It is therefore vital to strengthen the leading government organizations at all levels in the new year. And the consolidation of the Chinese Communist Party, begun in 1983, will continue apace.



As a political and theoretical weekly, *Beijing Review* will continue to truthfully portray what is happening in China—its achievements and shortcomings, its development and problems, its contributions and concerns, and its stand and views on international problems—so as to promote mutual understanding and friendship between the people of China and other countries. In the past year the magazine has made some improvements, which our readers have appreciated. But there is still much to be done in improving the breadth and depth of our reports and our style of presentation.

In the new year we will continue to devote our efforts to improving the quality of our magazine, expanding our coverage and faithfully keeping our readers informed about developments in China's modernization drive. We want *Beijing Review* to be a "window on China," read by more and more people abroad.

Considering the ever broadening economic and trade relations between China and other countries, we will start a Business and Trade column in the new year. Its aim is to keep our readers abreast of the latest information about China's economic relations with other countries.

Last year we received thousands of letters from our readers all over the world offering encouragement, criticism, advice, suggestions and inquiries. We treasure your help; reader support is indispensable to improving our work and making the magazine a success. We hope to hear more from you in the new year.

Feel As If I Were in China

China is a rare treasure full of mysterious things like the Temple of Heaven, the Great Wall and Tian An Men Gate. My friends were surprised as I told them some things about your beautiful country chosen from your famous magazines *Beijing Review* and *China Reconstructs*.

Reading your magazine I feel as if I had toured China. It helps me learn more and has aroused my hope to go one step further and actually visit this remarkable land.

I especially like the columns "From the Chinese Press," "Articles and Documents," "Spotlight" and "Letters."

Abdelkader Belnaya
Oran, Algeria

Encouraging News

The plentiful, encouraging news on economic and social modernization nourishes weekly my sincere hope that one day the socialist example of China's implementation of Marxism-Leninism will become a beacon for millions of third world people.

Congratulations, especially, on two anniversary specials: Sidney Shapiro's "The Liberation of China" (No. 36, 1984) and Rewi Alley's "What China Was and Is" (No. 37, 1984). These bore powerful witness to the struggles and indomitable spirit of the Chinese people, and brought us all closer in our common search for happiness, self-fulfilment, and lasting international peace.

Finally, a recommendation for intensifying the brilliance of that "beacon" I referred to above: more news on Marxist-Leninist

LETTERS

education. How and when are Chinese youngsters brought into formative, critical contact with Marxism-Leninism?

Cortland Eyer
Pennsylvania, USA

Truthful Reports

It's about a year since I began reading your magazine. In this short period I'm glad to let you know that I have found your magazine internationally instructive.

The way you express your views on African countries shows the truth about what is happening in, for instance, the economy of this continent.

I'm equally grateful to learn about how China is turning itself towards self-reliance by emphasizing birth control and industrial advancement.

Solomon K. Sikolia
Webuye, Kenya

More Colour Pictures

To make the magazine more attractive, would it be possible for you to carry colour inserts?

In addition, I suggest that the inside cover be printed in colour, twice a month for advertisements and twice for landscape pictures. I think you have a lot of beautiful pictures.

Maurice Jaillet
Louhans, France

Now that you have a colour cover, you should also print the inside covers in colour. I hope you will introduce some historic sites and scenic spots on these pages.

Masanori Inatani
Tomigama, Japan

Arkhipov's Visit Boosts Trade, Improves Atmosphere

The nine-day visit (December 21-29) to China by Soviet First Vice-Chairman of the Council of Ministers Ivan Arkhipov was conducive to Sino-Soviet trade and economic and technical co-operation as well as to mutual understanding between the two countries. Observers in Beijing characterized it as an "economic visit with political overtones."

Arkhipov is the first senior Soviet official of his level to officially visit China since Sino-Soviet exchanges were interrupted 25 years ago. During his stay, Arkhipov met Zhao Ziyang, Chen Yun, Peng Zhen, Wan Li, Bo Yibo and other Chinese leaders. He also had three rounds of talks with Vice-Premier Yao Yilin. Both hosts and the guest showed the desire to improve Sino-Soviet relations.

Premier Zhao told the Soviet vice-chairman that China treasures the traditional friendship of the two peoples and earnestly hopes for an improvement in Sino-Soviet ties. Arkhipov said in reply that the Soviet leaders attach importance to relations with China. The Soviet Union views his visit as a continuation of the positive trends that have recently appeared in bilateral relations, he said.

It is well known that differences exist between China and the Soviet Union and that there are major obstacles in the way of normalization.

At his meeting with Arkhipov, Chen Yun noted that it is absolutely essential to remove the major obstacles if relations are to be normalized. However, Chen said, this does not mean that China and the Soviet Union cannot improve and expand their relations on other matters.



Chen Yun and Ivan Arkhipov, old friends, meet again.

For his part, Arkhipov stressed that the primary objective of his visit was to further co-operation between the two countries in economic, trade, scientific and technical areas.

It was in the spirit of working for practical results and showing mutual understanding that the two governments concluded three agreements — on economic and technical co-operation, on scientific and technological co-operation and on the establishment of a joint committee for economic, trade, scientific and technical co-operation.

The agreements provide that the two countries will join efforts in the study and exchange of production technologies and know-how, designing, construction and re-vamping existing industrial and other projects while exchanging technical services, specialists, scholars and research results.

Another achievement of the Sino-

Soviet talks was a substantial increase in trade on top of the signal progress in trade and economic co-operation over the past two years. Specifically, the volume of trade in 1985 will rise from the 3.6 billion Swiss francs originally scheduled to 4.6 billion.

Both parties noted that even this increase falls far short of the trade potential, and they decided to negotiate a long-term trade agreement for 1986-1990, which is the period of China's Seventh Five-Year Plan.

Arkhipov used his trip to meet Chinese leaders and friends with whom he had worked in the 1950s and to visit the Wuhan Iron and Steel Complex, which was built with Soviet aid. He also toured Guangzhou and the Shenzhen Special Economic Zone. Everywhere, the Soviet guest was welcomed and told that the Chinese people would never forget those who had done useful work for China's revolution and construction.

Observers pointed out that the restoration of friendly and good-neighbourly relations between China and the Soviet Union is in the interests of both peoples and conducive to Asian and world peace. The smooth conclusion of the trade and other agreements shows that, given a positive attitude on both sides, they can resolve their problems. The sooner this is realized, the better. The next round of the negotiations will take place when a Chinese vice-premier visits Moscow in 1985.

People's Communes No Longer Govern

The people's commune, the dominant form of rural grass-roots organization over the past 25 years, is fading into history as a governmental unit.

By the end of 1984 more than 90,000 township governments had been set up to replace the government functions of the communes. Township governments are in place throughout the country except in Tibet, where the change will take place in the first half of 1985, said a senior official of the Ministry of Civil Affairs.

The move to strip the people's communes of their government functions, leaving them as purely economic entities, began in 1982 in accordance with the draft Constitution of the People's Republic of China. The change is regarded as one of the two most important economic reforms in rural areas, the other being the production responsibility system.

People's communes were first introduced in 1958 when the "great leap forward" movement got under way. The communes have been the grass-roots governments ever since, wielding power in governmental administration and

economic management. They were charged with controlling everything from political and organizational affairs to farming plans, but they were inefficient because of their broad range of tasks.

Dramatic changes in rural areas over the past five years resulting from flexible policies and the responsibility system have made the people's communes ill-suited to further development of agricultural production.

Township governments, unlike the communes, are responsible only for administrative affairs and making plans for the local economy, taxes, markets, disaster relief, public security, welfare, health, culture and education. The people's communes will be mainly in charge of organizing production of local collectively run enterprises. And the farmers will be left free to determine their own production.

A township government is usually composed of 10 officials who serve a three-year term. They are chosen from among young and educated farmers. They go back to farming after the three years if they are not re-elected.

The average age of a township government leader is 35 to 40 years old, 4 to 5 years younger than the average people's commune chairman. More than half

of the new grass-roots government leaders received a senior middle school education.

New Rules Curb Rural Pollution

In a move to ensure that the growth of rural industry doesn't result in a polluted countryside, the State Council has adopted stiff penalties for rural enterprises that are found to be polluting the environment. Such polluters now face fines or automatic closure.

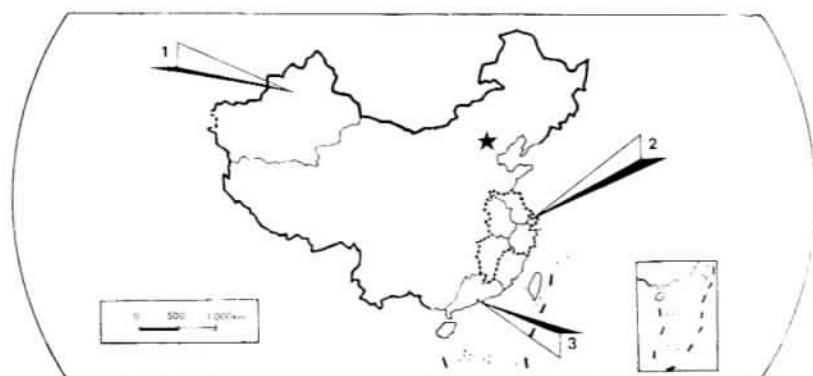
Rural businesses, known as township enterprises, have mushroomed over the past few years under the government's new flexible economic policies. There are now 740,000 township enterprises across China, employing some 32 million peasants, 10 per cent of the rural workforce.

The new regulations reflect concern among Chinese leaders and scientists about the potential for pollution by rural industries. With the regulations, the State Council hopes to nip the problem in the bud rather than "first developing industry, then controlling pollution," as was the case in China's urban industry and in many developed countries.

According to the regulations, products containing cancer-causing



PLACES IN THIS ISSUE



1. Xinjiang (p. 27) 2. Shanghai (p. 8) 3. Shenzhen (p. 35)

NEWS IN BRIEF

- The director or manager of a state-owned factory will no longer hold life tenure, but will be appointed to a four-year term, as of January 1, 1985. Factory heads may serve two terms, or at most three, depending on their job performance and the age limit as prescribed by a recent State Council document.

- The State Council has decided to expand the Shanghai Economic Zone to include the city of Shanghai itself and the four neighbouring provinces of Jiangsu, Zhejiang, Anhui and Jiangxi. Covering an area of 510,000 square kilometres and inhabited by 197 million people, the area is China's most developed centre, with modern industry and rapidly developing agriculture. In addition, it boasts rich natural resources, an abundant labour force and beautiful tourist attractions.

- A visa office has been set up at the Beijing Airport to supplement the present practice of issuing visas at the Chinese embassies abroad and to streamline the entry process for foreigners, especially those who wish to enter China as quickly as possible for business reasons.

Those who come for sightseeing will be issued a one-month visa and those who come to visit friends and relatives will get a three-month visa, said an official of the visa office. Business visitors must produce a cable from their Chinese business associates to receive their visas, said the official.

agents or toxic materials are banned and any process which causes serious pollution or noise is forbidden in the rural units.

Factories already engaged in these lines of work must close down or switch to new types of production.

China has one of the worst pollution problems in the world. In 1982, said Li Jinchang, an official of the Technology-Economics Research Centre under the State Council, 31 billion tons of waste water, 41 million tons of polluted gas and 400 million tons of industrial residue was released into the environment.

It is necessary, said Li, that more money be spent on curbing pollution. In 1980 about 1.8 billion yuan was invested in environmental protection, a sum equalling only 0.5 per cent of the national income. In some developed countries investment in pollution control is often 1 to 2 per cent.

Some people argue that increasing such anti-pollution investment would reduce profits and slow China's speed of development. China's experience shows that such concerns are unfounded, Li said, adding that in 1981 50 per cent of the total spending on environmental protection went towards manufacturing useful products out of the waste water, waste gas and industrial residue.

Beijing Offices Say Farewell to Nap

With the arrival of 1985, the lunchtime nap is a thing of the past in Beijing offices.

Chinese offices have traditionally closed at lunchtime for two hours during the summer and an hour and a half during the winter. And the common practice was for office workers to find a comfortable chair or even stretch out on their desks for a short nap following the noon meal. But the

nappers will have to sleep fast if they sleep at all in the future.

The State Council moved January 1 to shorten the lunch break to just one hour all year-round. The council, in its decision, said that the change would increase work efficiency and allow people to finish work earlier, providing more time for social activities, study and private life.

Many people — businessmen, shoppers and tourists — complained in the past that they were not served properly as a result of the long lunch breaks. Foreigners living and working in China found it difficult to adapt to the noon nap. And they were often frustrated by the inability to do business during the long break. Sue Lake, an English teacher who recently returned home to Britain after two years of teaching in Beijing, discovered that many Chinese pay too much attention to rest. "One of the first Chinese words I learnt was *xiuxi* (rest)," said Lake. "In my country only the very young and the very old take a rest at mid-day."

Though the nap was almost universal in offices, the majority of the Chinese people see no problem in ending the tradition. "The nap is not indispensable," said Li Jixun, an official of the Ministry of Post and Telecommunications. "In the past, we saved everything except time. Now, time is money and efficiency is life. We should get rid of everything that hinders modernization, including the nap."

The tempo of life in Beijing is indeed getting faster. To save time more Beijing residents are turning to fast-food restaurants and factory-made clothes. Convenience foods and restaurants are enjoying increasing popularity in the city. The restaurant business in the first nine months of 1984 equalled the total for 1983.

Goods in the supermarkets are generally slightly more expensive

than in ordinary shops. But, as many customers point out, it takes less time to shop in the supermarkets.

Though shortening the lunch break will speed things up, it will also bring some problems. Since many public dining rooms in China are not managed well, in the past most adults and children have gone home for lunch. But with the lunch break shortened to one hour, parents will not have time to go home to cook.

In order to meet the lunch needs of primary school pupils in Beijing, city authorities have taken three emergency measures. They have opened more school canteens, made nearby office and factory lunch rooms open to students and found restaurants willing to offer lunch to pupils.

Some suggest that the lunch woes can be solved by setting up more fast-food restaurants in the capital. But municipal officials say such restaurants can't be opened until next autumn.

Diet, Meal Style Due for Changes

There is a growing realization in China that people need to improve their diets and change some of their old eating habits if they are to live a happy, healthy life.

As Chinese athletes have returned to the international arena, some observers feel that they have been handicapped by poor diet. The theory that poor nutrition is holding back China's athletic achievements was echoed following the recent 2-0 loss by the national team to Saudi Arabia in the Eighth Asian Cup Soccer Tournament in Singapore. Fans commented that the Chinese seemed as skilled as the Saudis, but ran short on energy.

Most Chinese adults eat grain — rice or wheat — as their staple food. They eat less meat, eggs

and milk than people in Europe, North America and some Asian and Pacific countries. The lack of animal products in the average diet partly explains why Chinese, as a whole, are not as strong as people with better nutrition.

Concern about nutrition is not new to China. In fact, the Chinese have realized the weakness for a long time, but in the past the emphasis was on developing agriculture to the point where it could at least supply food for the population. Last year China harvested 400 million tons of grain, a record harvest that paves the way for developing China's animal husbandry and aquaculture. With a grain surplus for the first time, leaders feel they can now focus on improving the Chinese diet.

While visiting Shandong Prov-

ince last October, Chinese Communist Party General Secretary Hu Yaobang suggested that people should gradually begin to eat more meat, eggs and milk so as to improve their health. "It would be a great victory if the Chinese can turn their staple food from grain into meat and milk within a generation," Hu said.

The Chinese are not only changing what they eat, they are also changing the way they eat. Recently, the traditional eating habit of sharing food from a single common plate, with each person using his own chopsticks or spoon, was challenged by doctors and nutritionists as an unsanitary practice.

"Many diseases, such as hepatitis, bacillary dysentery, typhoid and poliomyelitis, would be transmitted," said Chang Xiaolun, an official of the Beijing Sanitation Education Bureau. "It is common



Chinese Farmers Honoured

French Agricultural Minister Michel Rocard confers the Chevalier de l'Ordre du Merite Agricole and the Medaille du Merite Agricole upon Chinese farmer Ma Deliang (right) and the Medaille du Merite de l'Agriculture upon Ma's wife, He Wenli, for their outstanding achievements in agricultural production. Grain farmers in Tangji County on the outskirts of Tianjin, the couple harvested 50,000 kg of grain worth 15,000 yuan in 1983. The couple was featured in a French television report on China and received an invitation from the TV station to visit Paris. They recently returned from a two-week trip, which included tours of famous French sites and a visit to a French farm.

AROUND THE GLOBE

HK Experience Suits Taiwan

Central Advisory Commission Chairman Deng Xiaoping said December 20 that experience gained in resolving the Hongkong issue could be applied to Taiwan. "This will be beneficial for all, the United States included," Deng said. "The problem outstanding between China and the United States is Taiwan. The signing of the Sino-British Joint Declaration on the Question of Hongkong has removed the shadow over China and Britain. With the settlement of the Taiwan issue, the shadow over China and the United States will disappear, too."

Somali Foreign Minister in Beijing

Somali Foreign Minister Abdurahman Jama Barre visited Beijing at the end of 1984. His talks with Premier Zhao Ziyang and Foreign Minister Wu Xueqian showed relations between the two countries were progressing.

More Students to Come

China will gradually expand the admission of foreign students as its economy develops, declared Vice-Premier Li Peng. At present there are more than 2,500 foreign students in China, and 4,000 foreigners attended short-term courses in China during 1984.

Vietnamese Attacks Condemned

China has condemned recent Vietnamese attacks on the patriotic Kampuchean forces and people. The recent attacks have turned a legion of local residents into refugees.

that the whole family runs the risk of being infected with disease when one member is sick."

While most of China's dietary problems stem from overconcentration on grain, overeating can also be a problem, especially during holidays. During Spring Festival most families prepare huge feasts and eat until everyone is stuffed. "Overeating will induce indigestion and stomach trouble. Eating all is eating none. Why don't we discard this?" one newspaper asked.

Papers, Periodicals Published Profusely

Although the new calendar year comes in cold winter, the new year for the companies which publish those calendars came last spring. And more papers and periodicals will be published this year than ever before.

More than 4,800 papers and periodicals have appeared or will be out soon. Of those, about 3,500 go out through the post, an increase of about 400 over last year. It seems as if a new paper or magazine is being published every day, and the Chinese people suddenly have more new publications to choose from than they could possibly read.

According to Qian Xinbo, a journalism researcher at the Beijing Journalism Institute, the new papers and magazines feature information on a wide variety of subjects, from economics, agriculture, culture, education and science to sports, health and fashion.

In the early 1980s, many new publications appeared. This was especially true for economics. Now specialized papers and magazines dominate the market. *Zhuanyehu Jingying Bao* (Managing Specialized Families Weekly), for example, gives economic information from the Scientific and Technical Consultative Service

Centre of China to 25 million specialized families in the countryside. But most information papers and magazines are published by local governments, economic organizations, colleges and journalism companies.

Many new periodicals are the products of the open policy. These include *Xiyou Yanjiu* (Research on Western Europe), *Guowai Shehui Kexue Lunwen Suoyin* (Index to Social Science Papers Abroad), *Waiguo Jiaoyu Dongtai* (Development of Foreign Education), and *Taigong Ji Haiwai Wenzhai* (Digest of Taiwan, Hongkong and Overseas Publication), the first monthly magazine in China to introduce information from Taiwan and Hongkong.

The service papers and magazines will probably interest ordinary people most. *Kaoshi Bao* (Examination) is a newspaper which deals specifically with tests and exams. The publishers are confident of success because every family in China has some members taking examinations at one time or another. *Hongniang Bao* (Red Maid), taken from the name of a matchmaker in the classical Chinese drama *Tales of West Chamber*, is a "go-between" magazine for unmarried people. It has been welcomed by the young people and achieved a circulation of more than 200,000 soon after appearing in Hunan Province.

Although prices of many papers and magazines have gone up this year, circulation as a whole is still rising. The main reason, according to an official of the Ministry of Post and Telecommunications, is that more and more specialized families are investing their own money to subscribe to publications which will help them improve production. "Subscription has made us richer, and this in turn stimulates us to subscribe more," said Li Siming, a farmer in Henan Province, who subscribes to 237 papers and magazines in all.

US-USSR

Geneva Talks Indicate Slow Thaw

The Geneva meeting is merely to exchange views on arms reduction, it is not a negotiating session.

by REN XINGUANG

US Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko will meet in Geneva January 7-8 to discuss arms control. US President Ronald Reagan has welcomed the meeting.

After the first US cruise missiles and Pershing II missiles were shipped to Britain and the Federal Republic of Germany last November, Moscow immediately broke off the intermediate-range missile talks in Geneva. Soon afterwards the Soviets refused to renew talks on reducing strategic weapons, which have been suspended for a year. But now the United States and the Soviet Union will again begin ministerial meeting to resume the talks, in part due to worldwide pressure.

During his first term in office Reagan has not done anything to warm the chilly relations between his country and the Soviet Union. In order to improve his image, Reagan must do something to improve relations with the Kremlin during the next four years.

In his speech at the United Nations General Assembly last September 24, Reagan proposed umbrella talks to include strategic weapons, intermediate-range missiles, space weapons, chemical weapons, conventional arms in Europe and measures to ensure mutual confidence. On September 28 Reagan repeated this proposal when Gromyko visited the White

House.

After a series of US diplomatic overtures, Moscow has also indicated it is willing to talk. Soviet leader Konstantin Chernenko said in an interview with the *Washington Post* on October 17 that Moscow hopes to establish good relations with the United States and thinks it is possible. On November 26, when Chernenko met British Labour Party leader Neil Kinnock, he again said the Soviet Union is willing to work for a comprehensive plan to limit nuclear weapons.

At the end of November West German Chancellor Helmut Kohl visited the United States and he and Reagan issued a joint statement concerning the US-Soviet talks. At the beginning of December the European Economic Community summit expressed the hope that the US-Soviet meeting will lead to substantive talks. A few days later the NATO foreign ministers' meeting put the US-Soviet talks at the top of its agenda. Shultz then went to

Britain and West Germany for more consultations. At the same time meetings with Italian and French leaders were arranged. On December 22 British Prime Minister Margaret Thatcher arrived at Camp David, Reagan's presidential retreat. She said after their meeting that they had identical views on the Geneva talks. On the other side, the Warsaw Pact countries have been meeting to co-ordinate their stand towards the US-Soviet talks.

It is a good sign that Washington and Moscow are ready to break the past year's stalemate. Arms reduction, and especially reducing nuclear arms, and thus easing international tension, is a major world problem with implications for global peace and security. The two superpowers have a special, unshirkable responsibility in this respect.

However, the year-long stalemate proves that the United States and the Soviet Union have said too much and done too little about many important issues, including arms reduction. And the Geneva meeting is merely to exchange views on arms reduction; it is not a negotiating session. But it will serve to give a definite answer to whether US-Soviet relations will be improved and the stalemate broken.

United States

UNESCO Pullout Sparks Complaints

The decision by the United States to pull out of UNESCO has triggered worldwide concern.

by LU JIN

THE United States representatives to the United Nations Educational, Scientific and Cul-

tural Organization (UNESCO) reaffirmed on December 19 the US plan to get out of the organization, repeating past complaints about poor management and an anti-

American political bias.

Washington announced a year ago that the United States would withdraw its representatives and its substantial funding contribution if UNESCO did not improve. And while Gregory Newell, US assistant secretary of state for international organization affairs, conceded at a December 19 news conference that some reforms had taken place, he said, "an unacceptable gap clearly remains."

Much of the US criticism of UNESCO has focused on the organization's efforts to establish a new world information order and a new world economic order. The Western press and the US representatives have slammed the proposed news system as a method of limiting freedom of the press. And the economic proposals violate US principles of free market, complained the US representatives.

When US Secretary of State George Shultz formally notified the organization that the US would withdraw, a UNESCO spokesman expressed regret and the hope that the United States would return to the group as soon as possible.

UN Secretary-General Javier Perez de Cuellar said that if one considers an organization to be in need of reform, he should stay in the organization to push the reform.

A French foreign ministry spokesman also expressed regret over the US decision on December 20 and said France will support UNESCO in making changes in its function and management.

Many international groups made efforts over the past year to persuade the United States to stay in UNESCO. The Organization of African Unity, the Islamic Conference Organization, the non-aligned countries and the Group of 77 expressed regrets over the US plan to leave UNESCO and asked US representatives to recon-

sider the action. The 10 members of the European Community asked the United States to postpone its withdrawal for one year. Many influential Americans in the scientific and cultural circles, as well as many members of the US Congress, advocated that the US stay in the organization.

The US action is not surprising. In recent years the United States has been isolated in UNESCO and often criticized by other UNESCO members on some issues. The criticism angered the United States. Washington feels it can compel UNESCO to change its ways by withdrawing its financial contribution, an amount equal to 25 percent of the UNESCO budget.

Central America

Region Sees Hope Amidst Tension

Negotiations between rival forces have kindled hope for peace in the troubled region.

by REN YAN

THOUGH Central America remained a centre of high tension in 1984, there were some signs of hope that the future will be better.

Instability and turbulence continued to hang over Central America last year. El Salvador entered its fifth year of civil war. No radical changes have taken place in the power struggle between the government and the guerrilla forces. For Nicaragua, the tension was even worse. Anti-government forces made unprecedented attacks last March and April, bringing enormous losses to the country. And the contention between the United States and Nicaragua did not ease.

But between the fierce battles emerged a flicker of hope — opposing forces began to negotiate. In El Salvador the government and

The Chinese government has expressed its regret over the US pull-out. For the sake of keeping UNESCO a world organization and promoting international co-operation in the fields of education, science, culture and communications, China hopes to see the decision reversed.

China will continue to support UNESCO in carrying out international co-operation in these fields and will back all proposals and actions that will help improve the organization's work.

China also urges Britain to forego its threatened withdrawal from UNESCO, which was announced last November.

the guerrilla forces held two sessions of talks in October and November, the first steps towards peace.

Last March El Salvador held its presidential election. Christian Democratic candidate Jose Napoleon Duarte defeated Roberto D'Aubuisson, an extreme right-winger, to become El Salvador's president. Duarte's success showed that there is a strong desire in El Salvador to stop the civil war and to win an internal peace. The election paved the way for the autumn negotiations between the government and the guerrilla forces.

Nicaragua and the United States also held talks. Although the tension remained, the negotiations brought a fresh wind to Nicaragua. If the United States can sit down and participate in serious talks instead of resorting to military threats, it will contribute to achieving peace in Nicaragua.

The relaxation of tension is unprecedented, but it looks too weak and uncertain in the face of the remaining problems. A crisis may occur at any moment. Such a crisis arose in November when the United States accused the Nicaraguans of importing Soviet Mig-21 jet fighters.

Similarly in El Salvador, the government, backed by the United States, still considers the guerrilla forces to be foreign-backed terrorists and shows no intention of accepting them as a political force. With this problem still unsolved, the talks between the government and the guerrilla forces will hardly be able to make progress and to realize peace. There is still a long way to go.

By relaxing the tension and working to bring peace to Central America, the Contadora Group has played a positive role. It has pushed forward the principles of self-determination and non-interference, insisting on solving the area's problems by means of dialogue and negotiation. It has done much to defuse the tension and to keep the problems from growing worse by urging the parties to negotiate.

The Central American turbulence has deep internal roots and the situation has been made worse by the interference and contention of the superpowers. Currently the

10 Major Events of 1984

(1) Yuri Andropov, general secretary of the Soviet Communist Party and president of the Presidency of the Supreme Soviet, dies and Konstantin Chernenko takes the leadership post. (February)

(2) Latin American countries hold the Cartagena Conference and establish a dialogue organ between debtor nations and creditor nations. This is their joint action for postponing their tremendous debt payments. (June)

(3) Indian Prime Minister Indira Gandhi is assassinated and her son, Rajiv Gandhi, succeeds her. (October)

(4) For the first time in 40 years, the Democratic People's Republic of Korea and South Korea hold economic talks. It is a significant development to soften the situation of the Korean Peninsula. (November)

(5) Ronald Reagan is re-elected president of the United States. (November)

(6) The Chinese and British governments formally sign the Sino-British joint declaration returning Hongkong to Chinese sovereignty in 1997. (December)

(7) The disastrous gas leak at the Union Carbide Chemical Plant in Bhopal, India, kills at least 2,500 people and apparently injures another 200,000. (December)

(8) The arms race between the United States and the Soviet Union sharpens as both countries deploy medium-range missiles in Europe and develop new strategic weapons.

(9) Eastern and Western European leaders step up visits in order to improve relations despite the Soviet-American confrontation.

(10) More than 50 countries in Africa suffer a serious drought and 150 million people feel its effects.

United States' interference has been more direct and bold. By increasing its pressure on Nicaragua, the United States will only bring about increased rivalry and conflict in Central America.

US\$24 billion, and anti-war sentiment resulted in the resignation of Prime Minister Menachem Begin. New Prime Minister Shimon Peres, since taking office, has talked a lot about peace in an attempt to ease criticism, but his hostile policy towards the Palestinian and Arab people has not changed.

In 1983 Lebanon and Israel, with the help of mediation by the United States, reached a troop withdrawal agreement. But the agreement became a mere scrap of paper when Israel insisted on Syria's withdrawal from Lebanon at the same time. In March 1984 Lebanon declared that it was abrogating the agreement with Israel and closed Israel's liaison office in Beirut.

Faced with this situation, the

Middle East

Palestine Issue Still the Key

Peace will not be realized until the Palestine issue, the core of the Mideast problem, is settled.

by XING HUA

THE tense situation in the Middle East was made worse in 1984 by Israel's refusal to withdraw its troops from south Lebanon. The Palestine issue con-

tinues to remain unsolved and the Iran-Iraq war entered its fifth year with no sign of end in sight.

Israel's expansionist policies put its economy in a fix. Israel's inflation rate reached a high of 600 percent, its foreign debt totalled

United States finally realized that it could not stubbornly support Israel at all costs. US policy-makers decided they should improve the US image among the Middle East countries to expedite the realization of President Ronald Reagan's plan for peace in the Middle East.

In late September US envoy Richard Murphy flew to the Middle East with an 8-point plan for settling the Lebanon issue. But he could find no consensus on the plan among the Middle East governments.

Under pressure from a severe economic crisis, Israel's Peres regime attempted to resurrect the Lebanese withdrawal plan. Israel gave up the precondition that Syria must withdraw its troops simultaneously and instead put forward a proposal that security in south Lebanon should be guaranteed by the army of south Lebanon, backed by Israel, and United Nations troops. To work out the plan Israel demanded direct negotiations with Lebanon.

Lebanon rejected the Israeli proposal. But through mediation efforts by the United States and the United Nations, Lebanon and Israel began troop withdrawal talks on November 8. Observers in Cairo predict two possible outcomes from the talks. First, there is the strong chance that the talks will produce no agreement. Israel will not easily withdraw its troops from Lebanon before gaining something. But it is possible that Israel might withdraw its troops from some parts of Lebanon in order to provoke conflicts among factions inside Lebanon and to exert pressure upon Lebanon. The other prospect is that the security of south Lebanon will be guaranteed by UN troops and the Lebanese government army, including the army of south Lebanon.

Unity among the various Lebanese factions is a key factor in forcing an Israeli troop withdrawal from Lebanon.

Lebanon has a population of only 3 million, but it has many religious factions that are hostile to one another. Factional fighting between the Moslem and Christian communities has continued since 1975. Last April the new Lebanese government temporarily relaxed the fierce military confrontation between the factions, but it could not solve the deep contradictions. The Christians and Moslems fiercely debated both inside and outside the coalition government on political reforms, army reforms and a security plan.

Some observers give prominence to the Lebanon issue in an attempt to hide the Palestine issue. But the core of the Middle East problem, in fact, is still the Palestine issue. A stable and lasting peace in the Middle East will not be realized until the Palestine issue is settled justly and thoroughly.

Israel has still rejected plans to establish an independent state of Palestine or a confederation of Jordan and Palestine. The Israelis said they will boycott any international conference on the Middle East that is attended by the Palestine Liberation Organization (PLO). They have demanded that negotiations on the Palestine issue be held between Israel and Jordan, and they proposed that the Palestinians can only realize limited autonomy on the condition that Israel and Jordan hold joint sovereignty over the West Bank of the Jordan River and the Gaza Strip occupied by Israel.

But Jordan has stated that it will never negotiate with Israel on the West Bank and the Gaza Strip without the participation of the PLO. It stressed that the PLO must take part in Mideast peace negotiations as an important and equal negotiator. The United Nations General Assembly in its last session supported the Palestinian people's struggle for the restoration of their national right. The UN

resolution called for an international conference on the Middle East as soon as possible. Therefore Israel and its supporters should bear responsibility for the unsolved Palestine issue and the continued tensions in the Middle East.

Differences continue to exist among the PLO factions on the tactics for its struggle. In November the PLO held its 17th conference of the Palestine National Council in Amman, the capital of Jordan. The conference elected the new PLO executive committee headed by Yasser Arafat and determined the PLO's future strategy and tactics. In early December Egypt and Jordan proposed that Egypt, Jordan and the PLO co-operate in solving the Mideast issue.

Over the past year the Arab nations continued their equilibrium foreign policies towards the United States and Soviet Union. Egypt and Jordan, which have close ties with Washington, have improved their relations with the Soviet Union. While Syria, the pro-Soviet state, increased its contacts with the United States and expressed the hope that the United States will take a role in solving the Lebanon issue.

The Iran-Iraq war is another Mideast problem which seems to have no end. The war, which has lasted almost five years, not only continues to bring damage to life and property, but also threatens peace in the Gulf region and the world as a whole. Last year the two countries were evenly matched and both conducted offensives and defenses in the battlefield. It seems that the deadlock will last for some time. War damages both, peace benefits both. People hope the two countries will consider the whole situation and realize peace in the new year.

Zhao On Price and Wage Reforms

Zhao Ziyang, premier of the State Council and member of the Standing Committee of the Party's Political Bureau, gave a speech at a New Year party given by the National Committee of the Chinese People's Political Consultative Conference in Beijing. Extracts of his speech follow. — Ed.

LAST year, our Party's Central Committee published a document on economic structural reform with the aim of shifting the emphasis from the countryside to the cities. The publication of this document has produced strong repercussions in China and abroad. Response both inside and outside China is favourable. The consensus is that our projected reform is well orientated, its concepts are reasonable and if we persist along this line, China will surely have a bright future.

Of course, we must see the other side of the coin. Apart from those who oppose the reform (although this is inevitable, such people are very small in number), there are also some among our friends and comrades, people with goodwill, who are somewhat worried about our reform, especially the pricing reform.

It seems that foreign economists and students of Chinese economy share the following observations: It won't do if China carries out economic structural reform without first changing its price system. Price is the key to the entire structural reform. It is crucial to its success or failure. But hazard exists in price reform since it may cause price hikes. So it is hoped that China will take prudent steps while carrying out the reform.

This reminds us that on the one hand, we must be firm in implementing the reform, have confidence in our success and never waver in the face of minor upsets.

On the other hand, we must be prudent in working out the right methods and procedures. In sum, we must do a good job and avoid big twists and turns.

What are the main contents of our reform in 1985?

Not long ago, we called a meeting on the work in the rural areas. It is now possible for us to quicken the pace of the reform of the price system in the countryside, that is to say, we will gradually abolish the 30-year-long practice of the state having exclusive rights in purchasing and selling agricultural produce. More flexible policies will be adopted step by step where-by market regulation will be applied to agricultural and sideline products. State companies, farms and other enterprises will actively take part in market regulation.

This will be the second major step in the reform of the rural economic structure since the introduction five years ago of the contracted responsibility system with remuneration linked with output. China's efforts to resolve the problem of "everyone eating from the same big pot" were started in the countryside and then extended to the cities. It seems that the countryside will again take the lead in price reform, because it now has all the necessary conditions.

The overall price reform in the countryside will not cause a general price hike but a price reduction mainly because of the bumper harvests in the last few years and more farm and sideline products.

The reform is what we have hoped for but dared not carry out. Now we are able to go ahead as conditions are ripe.

The reform will make China's agriculture more rational and further invigorate the rural economy. It will be of great significance for our country's overall restructuring of the economic system, including the reform in the price system.

Necessary price readjustment and reform will be carried out with regard to a small number of industrial products. The aim was to give an impetus to the rationalization of the industrial structure without affecting the overall balance.

At the same time, China will increase the pay for middle and primary school teachers starting from this year and will carry out reforms of the pay system in state institutions, including those in the fields of science, technology, culture and education. With regard to enterprises, the method of directly linking the pay increase for the workers to the enterprises' economic performance will be widely adopted so as to enable the workers to get pay rises from their own production increase and thrift and from the improvement of their enterprises' economic performance. The eight-grade wage system will soon be abolished in enterprises.

China's price readjustment and reform should enable the producers to increase their income. At the same time, the real income and purchasing power of the consumers will not be lowered. That is to say, the interests of the producers and consumers should both be protected. These principles will be strictly observed throughout our readjustment and reform.

Independence Is the Basic Canon

— An analysis of the principles of China's foreign policy

by ZHENG WEIZHI

SINCE the birth of the People's Republic of China 35 years ago, substantial changes have taken place both in the world and in China's own state security and foreign relations. Although China's foreign policy has made corresponding adjustments, the cardinal principle of independence remains unchanged.

China's basic foreign policy principles are clearly stated in the Chinese Constitution. China maintains an independent foreign policy, adheres to the Five Principles of Peaceful Coexistence (mutual respect for sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence) and wishes to develop diplomatic relations and economic and cultural exchanges with other countries. China always opposes imperialism, hegemonism and colonialism, works to strengthen unity with the people of other countries, supports the oppressed nations and the developing countries in their struggle to win and preserve national independence and develop their economies, and strives to safeguard world peace and promote human progress.

These foreign policy guidelines have led to great achievements over the past 35 years.

Past Success

China has completely ended the humiliation of more than

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a hundred years of foreign domination and has established really independent diplomacy.

China has won a peaceful place in the international community after breaking through the isolation, blockades, interference and provocation by various aggressors and pressure from the super-powers.

China has firmly and successfully combated all actions which violated China's territorial sovereignty and all attempts to interfere in China's internal affairs.

China has established diplomatic relations with 130 countries, based on the Five Principles of Peaceful Coexistence. It has developed economic and trade relations and cultural exchanges with most countries in the world. New kinds of economic co-operation are growing with many of these countries.

China enjoys international prestige for its firm opposition to imperialism, hegemonism, colonialism and racism. It is winning more and more friends all over the world for its support for all oppressed people and the developing countries in their struggle for independence and economic development.

Past Problems

The old China was a semi-colonial, semi-feudal country. After the Opium War in 1840, foreign powers extended their political, economic and cultural influence into every part of China. China, bullied and humiliated, was divided

into different spheres of influence. The Qing Dynasty, the Northern Warlords and the Kuomintang government were weak and passive in their diplomacy. They all subjected themselves to imperialist countries, clinging to one or a group of foreign powers.

The aim of Chinese revolution was to eliminate this semi-colonial, semi-feudal position. The immediate diplomatic task of New China after its founding in 1949 was to alter China's humiliating role and to win a really equal and independent position in the world.

The victory of the Chinese revolution successfully broke the hold of the foreign powers. China reborn faced a world in which the socialist and capitalist nations were hostile towards each other. Chinese diplomacy was confronted with many urgent and substantial problems: Could New China take firm root and grow strong? Could the remnants of imperialism in China be eliminated, so that a truly independent foreign policy could be formulated and carried out? Could the international situation be turned to favour China's economic recovery and development?

A Fresh Start

On the eve of liberation the Party Central Committee made three decisions: to make a fresh start, to clean the room before inviting guests and to side with one group without reservation. Later it adopted a policy to aid Korea in its resistance against US aggression. These three decisions and the following policy formed a

large part of China's overall diplomatic strategy.

"To make a fresh start" means negating all the old diplomatic relations the Kuomintang had established. The Common Programme of the Chinese People's Political Consultative Conference published in September 1949 said that the central government could negotiate on the basis of equality, mutual benefit and mutual respect for territorial sovereignty with governments which had severed relations with the Kuomintang and which adopted a friendly attitude towards the People's Republic of China, and could establish diplomatic relations with them.

This was reiterated in the Announcement of the Central People's Government on October 1, 1949. It declared to all the world that there is only one China — the People's Republic of China. The government of the People's Republic of China alone represents all the Chinese people. It also restated the terms of diplomatic relations mentioned in the Common Programme. These policies showed how serious New China was in its foreign affairs and how determined it was to safeguard its independence, sovereignty and territorial integrity.

"To clean the room before inviting guests" is first of all to get rid of all vestiges of imperialist power in China. Only then could China think about diplomatic ties with nations which were once invaders. Mao Zedong said clearly at the Second Plenary Session of the Party's Seventh Central Committee that the Chinese government's policy was to demolish foreign domination in China step by step. It did not recognize the foreign organizations or diplomats accepted by the Kuomintang as having any legal position in China. It would cancel all Kuomintang treaties, abolish all propaganda outfits foreign imperialist powers

had set up in China, take control of foreign trade and reform the customs system. Mao said, "Once this is done, the Chinese people will stand up before the imperialist powers."

"To side with one group without reservation" is a policy which emerged from the special historical conditions of the time. The world had been divided into two camps, and socialist China stood with socialist countries in international affairs. But, "to side with one group without reservation" does not mean complete reliance or dependence or giving up individual initiative.

In April 1949, Zhou Enlai said in his Report on Problems Concerning the Peace Talks, "With respect to foreign relations, we have a basic stand: we uphold China's national independence and the principle of independence and self-reliance. . . . No country may interfere in China's internal affairs. . . . If foreign aid holds benefits for China, of course we want it, but we cannot be dependent on it. We should not be dependent even on the Soviet Union and the New Democracies. . . . One of the main causes for Chiang Kai-shek's defeat is that he relied on foreign aid for everything. This is another case of learning from the overturned cart ahead."

Independence, self-reliance and initiative is the core of China's foreign policy, set right from the beginning. Over the past 35 years, in the struggle to safeguard the country's independence, sovereignty and territorial integrity and to reunify the country, China's independent foreign policy has developed a great deal.

Independence and Self-Reliance

In his opening speech at the 12th National Congress of the Chinese Communist Party in 1982, Deng

Xiaoping pointed out, "Independence and self-reliance have always been and will forever be our basic stand. We Chinese people value our friendship and cooperation with other countries and people. We value even more our hard-won independence and sovereign rights. No foreign country can expect China to be its vassal or expect it to swallow any bitter fruit detrimental to its own interests."

In the early days of New China, the United States was quite hostile. It isolated China politically, set up an economic blockade and threatened China's security from Korea, Indochina and Taiwan. China and the US fought for nearly 30 years diplomatically and on the battlefield in Korea and Viet Nam.

In 1972 US President Richard Nixon visited China. The Shanghai Communiqué which followed marked a new stage in bilateral relations. In 1979 China and the United States formally established diplomatic ties.

The Taiwan Problem

China knows how important the Sino-American relationship is for world peace and stability. But a great barrier hinders the development of the two countries' relations — Taiwan. It is known worldwide that Taiwan is part of China. It cannot be severed from the mainland. The resolution of the Taiwan problem is China's internal affairs. China and the US have been battling over the issue for 30 years. The crux of the issue lies in the US government's insistence on interfering in China's internal affairs, attempting to separate Taiwan from China, and China's insistence on safeguarding its independence, sovereignty and territorial integrity by opposing these actions.

In 1978 the US agreed to establish diplomatic relations with China based on three principles:

ending diplomatic relations with Taiwan, terminating the mutual defence treaty between the United States and Taiwan, and withdrawing US military personnel from Taiwan. The US government recognizes the government of the People's Republic of China as the sole legal government of China and acknowledges that there is one China, of which Taiwan is a part.

Yet despite this agreement, the "Taiwan Relations Act" was adopted by the US Congress, contrary to the principles upon which diplomatic relations were established. The US also continues to sell arms to Taiwan and treats it as an independent political body. These actions cast a shadow over Sino-American relations.

Sino-Soviet Relations

The people of China and the Soviet Union have a tradition of revolutionary friendship. The two countries were on good terms for a long time. China signed a treaty of friendship with the Soviet Union, sincerely expecting to keep its friendship with the Soviet people. The Chinese government still appreciates the Soviet Union's support and aid during New China's first years.

But the Chinese government has always opposed and criticized the Soviet Union's national chauvinism and its interference in other countries' internal affairs. Liu Shaoqi pointed out to the Soviet leaders in October 1956 during an official visit that every socialist country and every Communist Party must accept the principles of independence and equality.

It is because the Soviet Union pursued a hegemonist policy that Sino-Soviet relations have come to their present state. Since the late 1950s, when the Soviet leaders failed to control China's military policies, they adopted a series of measures which caused Sino-Soviet

relations to deteriorate. They put pressure on China, bringing tremendous difficulties to its economic construction.

In the late '60s, when the Soviets deployed one million troops along the Sino-Mongolian and Sino-Soviet

The primary aim of China's independent foreign policy is to reject the century-old diplomacy of humiliation and win China an independent and equal place in the international community.

borders in an obvious military threat, the Sino-Soviet relations reached a low point. Since then they have fueled Viet Nam's invasion of Kampuchea and provocations along the Sino-Vietnamese border, and have dispatched troops to capture China's neighbour, Afghanistan. These activities pose a serious threat to China's security. China has always exposed these Soviet moves of hegemonism and fought against them.

China Cannot Be Bullied

We could say it was the United States which threatened China from three sides after it was founded, and the Soviet Union which took over that role in the 1970s. It is true that while Sino-Soviet relations were rapidly deteriorating, Sino-American relations were also tense. But the Chinese were not afraid, and felt no need to align themselves with either superpower. For 35 years China has shown its national pride and dignity in safeguarding its interests and its independence.

At one time the Soviets thought China could develop its economy

and contend with the US only with Soviet support. Later the US thought China would be willing to make political concessions in order to import advanced technology for its modernization drive. Both countries were wrong. China cannot be bullied.

Elaborating China's foreign policy, Party General Secretary Hu Yaobang pointed out that independence means China will never attach itself to any big power or power blocs or submit to their pressure. Hu said, "There are two disadvantages for China to ally itself with a big power. First, it will impede, or at least affect China's efforts to make friends. China advocates contact with all countries based on the Five Principles of Peaceful Coexistence. Second, it will prevent China from resisting the wrongs of others, and may even provide opportunities for some countries to attack friends of China. We have learnt this lesson in the past decades, and it is the long-term policy supported by the Chinese people."

Good Neighbours

China seeks to develop relations based on the Five Principles of Peaceful Coexistence with all other countries, including the Soviet Union and the United States. As long as the US strictly follows the principles set down in previous Sino-American communiques, follows the one-China policy and does not interfere in China's internal affairs, Sino-US relations will develop steadily for a long time.

China also hopes to improve Sino-Soviet relations, so that the two countries may be good neighbours. As soon as the Soviets can overcome the present major obstacles, Sino-Soviet relations can be normalized.

Furthermore, China hopes the Soviet Union, the United States and China itself can maintain and

develop normal relations. This is not only in the interests of the people in the three nations, but also benefits world peace.

Objective Policy

China will always form its policy independently, objectively considering all arguments and remembering the interests of the Chinese people and all the people of the world. China will uphold justice in international affairs.

Due to the intense rivalry between the superpowers, the security and independence of many countries, especially of many third world countries, are threatened. It is vital for them to oppose outside aggression and safeguard their independence. China firmly supports the struggles of people in all countries against imperialism, hegemonism, colonialism and racism. All such struggles, no matter against whom, will be supported by China.

China never supports any aggression or interference. This has been demonstrated recently by China's opposition to the Soviet invasion of Afghanistan, the Vietnamese invasion of Kampuchea, the US invasion of Grenada and Israeli incursions into Lebanon.

China approves of political resolutions to international disputes. However, they must be fair and reasonable and must ensure the independence, sovereignty and territorial integrity of the countries which are victims of foreign aggression or interference.

Premier Zhao Ziyang pointed out in May 1984 in his report to the Second Session of the 6th National People's Congress, "We take a principled stand in handling our relations with the United States and the Soviet Union. We will not refrain from improving relations with them because we oppose their hegemonism, nor will we give up our anti-hegemonist stand because we want to improve relations

with them, nor will we try to improve our relations with one of them at the expense of the other."

Third World Interests

Socialist China belongs to the third world. China believes that safeguarding third world interests is its international obligation at all times. It firmly supports their struggle for independence and economic development, and is always improving the co-operation with them and encouraging unity.

At the sixth special session of the United Nations General Assembly in 1974, the head of Chinese delegation Deng Xiaoping raised six propositions to support the third world countries.

China opposes hegemony and creating spheres of influence by any country in any region. Political and economic relations between states should be established on the basis of the Five Principles of Peaceful Coexistence.

The affairs of any country should be governed by its own people. The developing countries have the right to independently choose which social and economic systems they will have.

Routine international economic matters should be jointly managed by all countries, not just one or two.

International trade should be based on equality, mutual benefit and exchange of needed goods. China will support developing countries' efforts to establish various organizations of raw material exporting countries and their united struggle against colonialism, imperialism and hegemonism.

Economic aid to developing countries should respect the sovereignty of the recipients with no political and military strings attached and no special privileges or exorbitant profits.

Technology transferred to de-

veloping countries must be practical, effective, cheap and convenient for use. Experts sent to third world countries should not ask for any special treatment or engage in illegal activities.

Firm Principles

China will never waver in these principles for the sake of its own immediate interests. It did not hesitate to make necessary sacrifices to support the Vietnamese in their battle against the United States. It has always backed the Korean people's struggle for the reunification of their country and the Kampuchean people's fight for independence under the leadership of the Coalition Government of Democratic Kampuchea. China supports the people of Afghanistan in their fight against external interference and backs African people's struggle against the racism and expansionism of South Africa. China strongly condemns Israeli aggression against the Palestinian and Lebanese people, and firmly supports the Palestinian people's right to recover their homeland, and the Arab people's struggle against Israeli expansionism. China supports all efforts of third world countries to realize world peace and regional stability.

Respect for Independence

China both values its own hard-won independence and sovereignty and respects others'. Since the founding of the People's Republic, the social causes which might prompt other countries to invade China or China to invade other countries have been removed. China upholds and develops Lenin's theory that countries with different social systems can coexist.

Not long after its establishment, China joined India and Burma in initiating the Five Principles of Peaceful Coexistence. In light of

(Continued on p. 38.)

A Look at the US-Japan-ASEAN Triangle

This is the second and concluding part of the article. The first appeared in issue No. 51 (1984). — Ed.

by PEI MONONG

US-Japanese Competition

TODAY, the strength of Japan's economy is disturbing many American economists and entrepreneurs. They feel they are losing the economic race to their Asian rival.

In 1950, the United States' GNP was 26 times the size of Japan's. But the multiplier fell rapidly in the years to follow: 11 in 1960, 4 in 1970 and 1.6 in 1980. Japan's 1980 per-capita income reached a mark of 86 per cent of the US income level. Some American and Japanese economists predict the Japanese per-capita income will exceed the US figure during the 1980s.

Before the Japanese economic rise in the 1960s, the United States enjoyed a trade surplus with Japan. But the situation was reversed after 1965. By 1983 the Japanese trade surplus with the United States had reached US\$21.5 billion.

The Japanese dominance stems from its consumer goods-oriented economy. Finished products make up 90 percent of Japan's exports, a proportion much higher than in most developed countries. Finished products make up an average of 60 to 70 percent of the exports of the Organization for Economic Co-operation and Development (OECD) countries. At present, Japan supplies the United States with about 25 percent of its cars, 90 percent of its motorcycles, 48

percent of its TV sets, 50 percent of its radios and 90 percent of its video recorders. Meanwhile, the United States exports mainly agricultural products to Japan, such as soybeans, wheat and cotton. American entrepreneurs are calling for protectionist policies towards Japan, but American consumers oppose such policies when they mean higher prices for retail goods.

Unlike people in the United States, the Japanese consumer in general does not buy imported foreign products, and Japan does not import goods it already produces. Japan imported only US\$27 billion worth of finished products in 1980, only one-fourth the amount imported by the United States.

With protectionist policies and lucrative markets, the two nations have had their trade conflicts, some of which were really intense. While the United States asks Japan to buy more agricultural products, limit its car exports and raise the value of the Japanese yen and internationalize the currency, Japan has asked the United States to remove protectionist trade blocks. The exchanged demands demonstrate that, in their economic warfare, Japan is on the offensive and the United States is on the defensive.

US investment in Japan was US\$3.3 billion in 1975 and US\$6.7 billion in 1981, some 50 percent of the total foreign investment in Japan. Japanese investment in the United States was US\$11.2 billion in 1981, almost double the US investment in Japan. In 1982, Japan

invested another US\$2.7 billion in the United States, bringing its total investment in the United States to US\$13.9 billion. From 1951 to 1982, some 24.7 percent of Japan's total investment abroad was in the United States, compared to the 21.7 percent share invested in the ASEAN countries. And by 1985 investment in the United States was up to 27 percent, making the United States the recipient of the largest share of Japanese investment abroad.

The rate of US investment abroad has increased more slowly than the rate of investment by other countries in the United States. Furthermore, American securities abroad are less than those of other countries in the United States (the ratio in 1982 was US\$75 billion to US\$93 billion). The official US capital abroad (special drawing rights, foreign currency, funds, etc.) and other capital (import and export bank loans, merchandise loans, firm loans, military aids, etc.) is less than that of other countries in the United States (US\$108 billion to US\$189 billion). So, if the United States continues to use foreign money to make up its financial deficits, its foreign debt will exceed its capital abroad for the first time in 1987 and will reach US\$275 billion by 1989. The interest that the United States must pay for its foreign debt will grow from US\$18 billion during the 1983 fiscal year to US\$30 billion in the second half of this decade. The United States will be transformed from an international investor to an international debtor in the coming few years. Meanwhile, Japan will become the biggest international investor by 1993, pre-

dicted a Japanese research institute.

Thus, a conclusion may be drawn that the United States is losing the economic war to Japan. Some Americans hold that the two countries, despite their economic conflicts, will benefit from one another if they develop into equal economic powers, because their long-term aims and values are similar. Others think that the economic gap between the two countries will grow smaller, but Japan will never surpass the United States in economy. Still, nobody can deny that Japan has the momentum to surpass the United States. The Japanese are confident, while the Americans are not optimistic.

The US-Japanese competition for each other's domestic market directly affects the scale and intensity of their competition in the ASEAN countries. Japan is currently strengthening its overall co-operative relations with the ASEAN countries. The more the ASEAN countries are dependent on Japan, the stronger Japan's position will be. But competition between the United States and Japan in Southeast Asia will become more acute as the United States shifts its economic focus to the West Coast and the Pacific basin and Japan increases its efforts to set up a Pacific economic community.

Japan has some advantages over the United States in their ASEAN competition. Japan is closer both geographically and culturally to the ASEAN countries. Its economy is also more competitive. The United States does not pay as much attention to ASEAN and often makes mistakes in its economic policies towards the region. But the United States is superior to Japan in resources and in its internal market, and its economic foundation is stronger than Japan's.

For the ASEAN countries, the US-Japanese competition has both

advantages and disadvantages. On the one hand, the ASEAN countries can obtain capital and technology through the competition. The competition also provides them with the international market connections of the United States and Japan to help them expand foreign trade. A deep economic relationship among the three parties can facilitate their

American-Japanese relations in Southeast Asia are both supplementary and competitive. The supplementary relations are "unconscious," while the competition is "conscious."

political and diplomatic relations. On the other hand, the competition limits the ASEAN countries' ability to change their trade structure and expand their export to the United States and Japan. If the ASEAN countries make mistakes in their policies towards the United States and Japan, they will become even more dependent on the two countries. For them, it doesn't seem realistic to hope to check Japanese influence with US support, or vice versa. So, the key task for the ASEAN countries at present is to strengthen and expand co-operation among themselves and to develop South-South co-operation so as to strengthen their economies.

Generally speaking, US-Japanese competition in the region and the development of trilateral relations are beneficial to all involved, especially the United States and Japan.

Strategic Relations

The United States, Japan, and the ASEAN countries have not only economic relations, but strategic and security ties as well.

The three sides share the responsibility for safeguarding the region's security and stability. Such stability helps develop their economic relations, and, conversely, the economic co-operation helps strengthen stability.

Although the three entities have identical goals on security and stability, their methods for achieving the goals sometimes differ. These differences stem from the great disparity in military strength and the completely different international situation each is faced with.

In the eyes of the United States, its political and strategic relations with Japan have gone through three stages. During the 1960s the United States treated Japan as a subordinate. From 1969 to 1977 the relationship developed into one between a big brother and a second brother. And after 1977 the United States and Japan became equal partners. When Reagan visited Japan in 1983, he declared Japan as an equal partner of the United States. It goes without saying that the changes in US-Japanese relations are suited to the economic development of Japan.

US and Japanese attitudes towards Southeast Asia went through a historic reversal. Over the past 40 years the attitudes about regional neutrality have changed dramatically. In July 1941 US President Franklin D. Roosevelt told the Japanese ambassador in Washington that only a neutral Southeast Asia could satisfy the interests of the big powers. Roosevelt warned that the United States could not accept regional control by Japan. Roosevelt's "neutrality" was, in fact, the old open-door policy that put the United States first. It is not the same kind of neutrality present in today's international relations. Even so, Japan turned a deaf ear to the warning and the Pacific War broke out.

After the war, the US government pursued a policy set out by

Secretary of State John Foster Dulles. Dulles sought alliances rather than neutrality. The United States pieced together the Organization of Southeast Asia Treaty, which eventually collapsed. In 1967 the five countries in Southeast Asia set up ASEAN by themselves, setting freedom, peace and neutrality as their guiding principles. After several years of hesitation, the United States and Japan reluctantly began to co-operate with the association. Today, however, Viet Nam and its backseat driver, the Soviet Union, are on the opposite side.

The principal security problems in Southeast Asia today are the aggressive policies of the Soviets and Viet Nam. The Soviets have established powerful naval and air force bases in the areas of Vladivostok (Haishenwai) and on the Kamchatka Peninsula. Viet Nam's Cam Ranh Bay has also become a base for the Soviet Pacific Fleet. The Soviets have deployed numerous SS-20 medium-range missiles in the Far East. Soviet economic exploitation is also gradually moving eastward. The Amur-Baikal Mainline railroad, a second Soviet rail link to Siberia, has been finished. The buildup of Soviet military strength and strategic bases form the primary threat to the Asian-Pacific region. Checking this threat is the common desire of the United States, Japan and ASEAN. The United States and Japan have two plans to provide security against the Soviet and Viet Nam threat. First, they want to build a tight economic network between the countries in the region that share the same social system — namely the Pacific economic community advocated by Japan. The United States has other plans for an economic community, and the ASEAN countries have held reservations about both Japanese

and US ideas about a community. Second, both the United States and Japan have moved to expand their armaments and improve their alliance, to which ASEAN, as a non-military organization, has given only qualified support.

While increasing its naval force in the Western Pacific and beefing up its strategic power with nuclear submarines and new B-1 bombers to counter the Soviet SS-20 missiles, the United States has strengthened various strategic alliances. It relies on the US-Japanese Security Treaty as its centre in northeast Asia, the Manila Treaty with the Philippines and Thailand as its basis in Southeast Asia, and the US-Australia-New Zealand Defence Treaty as its screen in Oceania. Through joint defence pacts with Britain, Australia, New Zealand, Singapore and Malaysia, the United States has formed a strategic network to block any southern moves by the Soviets and Viet Nam, thus safeguarding the channel to the Indian Ocean.

Under pressure from the United States and to meet its own needs, Japan is going to play an increasing role in military matters. In 1984 Japan's defence budget accounted for only 0.91 percent of its gross national product. Although Japan's defence spending was only one-ninth the size of the US military budget (the 1984 per-capita military expenditures in the two countries are US\$89 in Japan and US\$782 in the United States), it has gone beyond the combined total of the five ASEAN countries. Japan's military spending ranks fourth in the West. Its naval force is just after the United States, France and Britain, and its air force is the fifth largest in the world. In the event of war, Japan would have the responsibility of defending 1,000 miles of sea channel. Furthermore, Japan has prepared to make itself an un-

sinkable aircraft carrier, to blockade the Japan Sea if necessary and to transfer its military technology to the United States. Prime Minister Yasuhiro Nakasone has also vowed to turn Japan into a big political power.

The ASEAN countries are enhancing their defence systems and improving military co-operation between one another. As a regional organization, ASEAN does not belong to any military alliance. But, in fact, except for Indonesia, all of the association's members have relations with Western military alliances. They welcome an end to isolationism by the United States, and they'd like to see US military influence return to their region. They are somewhat concerned about Japan's growing military power, though they understand the need for it. Neither the United States nor the ASEAN countries want to see Japan become a big military power. Both the United States and Japan stress the strategic importance of Southeast Asia, the region's economic value and its political role. Both agree that the region needs stability, security and prosperity. Without ASEAN's co-operation, Japan will be in a sorry state and the US Far East strategy will be fragmentary. US-Japanese policies in the western Pacific must take the six countries into account. And the ASEAN countries need US-Japanese support to retain a strategic balance in the region.

The ASEAN countries will have a greater impact on the foreign policies of the United States and Japan as their status is enhanced and the tripartite relations develop. The strategic US-Japanese-ASEAN three-way relationship will coexist with the military threat by the Soviets and Viet Nam until international relations take a great change. □

Xinjiang Close Up



A Kazakh pasture.

Old Uygurs relax in a tea-house.





A free market in Kashi.



Toasting crusty pancakes. Photo



Bieyixie and his family, of Khalkhas nationality, celebrate the Corban festival.

Horseracing is a tradition between young Kazakh men and women.



Kongbate, a Kazakh dancer, performs for the herdsmen.

Coppersmiths hammer out kettles.





by Gao Xiufeng



A Tajik girl student.



(All other photos
by Xu Xiangjun).

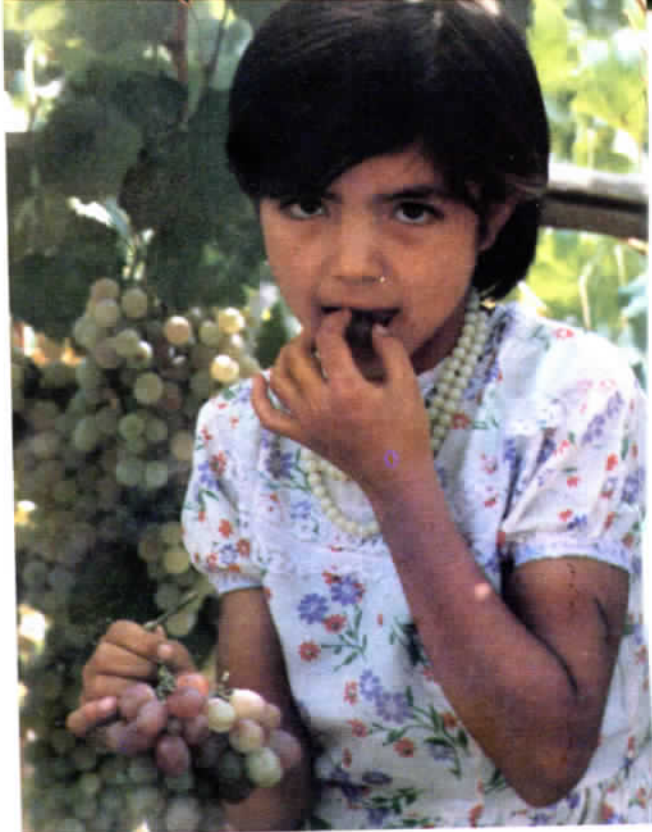


Making traditional instruments.

Photo by Gao Xiufeng

Tianchi Lake, a place famous for its tranquil beauty.





A Uyghur girl.

Gathering in a Uyghur's courtyard.

A good harvest of Hami melons.

Photo by Li Chunsheng



Xinjiang — A Centre for Future Development

by **LU YUN**

Our Correspondent

THE faint scents of melons and fruit trees are carried by the wind past the ruins of 2,000-year-old sites, where once the Silk Road linked Asia and Europe long ago.

Vast expanses of sandy and pebbly waste are twisted by the same wind into fantastic landscapes, dotted with lush green oases.

Streams ripple at the foot of snow-capped mountains. Herds of cattle and sheep graze peacefully, tended by plain, forthright people with their own unique customs and culture.

And amidst these scenes, timeless as the hills and sands, visitors may also find new cities in the des-

ert and joint ventures standing in age-old cities.

The Xinjiang Uygur Autonomous Region sits in the north-western corner of China, covering one-sixth of the whole country. Large stretches of it are still waiting to be reclaimed, and huge mineral resources remain untapped.

In 1983 Party General Secretary Hu Yaobang and Premier Zhao Ziyang each paid a visit to Xinjiang. Zhao called it a treasure land waiting to be opened in the modernization drive. Hu said the Party Central Committee had decided to include the development of Xinjiang on its agenda and to turn Xinjiang and the whole northwest into an important economic development base in the next century.

The lowest point of the basin is the Aydingkol Lake; its water surface is 154 metres below sea level, second only to the Dead Sea in Jordan. The temperature varies greatly between day and night. As winter approaches, according to a popular rhyme; people wear fur coats in the morning and silk dresses at noon and eat watermelons around burning stoves.

Because of the high surrounding mountains, rainfall is extremely sparse in Turpan, averaging 16.6 mm a year. In very dry years it can be only 4 mm. The local people also call it *fengkou*, which means wind warehouse, because gales and hurricanes blow more than 30 days a year on the average. Although hurricanes are extremely rare on land, the convection of the hot air from the basin itself and the cold air blowing from the north form these violent storms.

Turpan — Land of Extremes

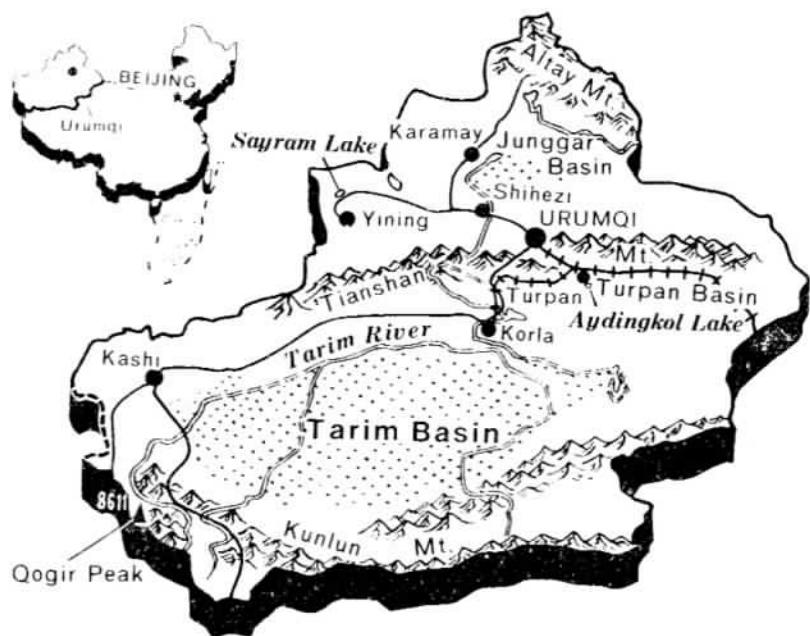
THE Turpan Basin is about 150 kilometres southeast of Urumqi, the regional capital. It is known as "the oven" — the hottest place in China.

Near the centre of the basin is the Flaming Mountain, which was described in the ancient Chinese mythological novel *Journey to the West*. There, the blazing sun makes the red rocks glow as if they were on fire. In the novel, the flame stretches 400 kilometres and not a blade of grass grows in the surrounding areas. Even if you had bronze head and an iron body you would melt if you managed to get to the mountain. Although this is only a fable, Turpan is indeed unbearably hot. Temperatures reach as high as 44-46 degrees C and even 48-49 degrees C in summer.

Set deep in high mountains, Turpan is the lowest land in China.

Ancient Ruins

The hot, dry weather has pre-





Ruins of the ancient city of Jiaohe in Turpan.

served many precious historical sites and artifacts along the ancient Silk Road.

At the foot of the Flaming Mountain, 40 kilometres to the southeast of the county town of Turpan, the ruins of Gaochang cover 2 million square metres. The city was built in the 1st century BC and abandoned in the 14th century. It was a hub of transportation on the Silk Road and the capital of the Gaochang feudal dynasty. The sparse rainfall and hard yellow earth have kept the city's sun-baked clay buildings almost intact.

A huge opening is all that is left of the city gate, but broken walls, some as high as 10 metres, still encircle the outer city. Crisscrossing streets and marketplaces are still discernible. The palace, government offices, temples and other buildings are all built with mud bricks, now without roofs.

In its heyday the city had more than 30,000 residents. Ancient documents show that there were 30 to 40 temples. When the Tang Dynasty monk Xuan Zhuang (Tripitaka), the celebrated hero of *Journey*

to the West, passed here on his way to India, the duke of Gaochang invited him to give lectures on the Buddhist scriptures. His lectures lasted 100 days, and each one drew an audience of more than 300.

About 10 kilometres west of Turpan lie the ruins of another ancient city, Jiaohe. It was built in the 2nd century BC and abandoned in the 14th century. Standing on a loess mound 1,000 metres from north to south and 300 metres from west to east, the city is protected by sheer cliffs instead of a city wall. The buildings are also made of clay. A 350-metre road runs through the city from north to south, sandwiched by high, thick clay walls. In the northwestern part of the city are ruined temples in which the images of Buddha set into niches are still discernible. The northeastern part is the residential quarter, where one can still see the layout of the courtyards and the houses. Buildings in the southeastern part of the city are seriously damaged, but traces of the layout show it to be the ancient city's po-

litical centre. A rare brick-and-tile Buddhist temple squats at the end of the big road.

Next to the ruins of Gaochang are the ancient Astana (the Uyghur word for capital) tombs, dating back to about 1,200-1,700 years ago. Excavations since 1959 have uncovered many silk fabrics, pieces of pottery, wooden objects, coins, clay figurines and tablets and several thousand official and personal letters. They contribute much to the study of history.

In more than 500 tombs, extremely well-preserved corpses have been unearthed. After drying out naturally, the brown and white of the eyeballs is still visible on some. The oldest corpse was buried more than 3,000 years ago. These corpses differ from Egyptian mummies, which were embalmed or treated with preservatives, and also from the female corpse unearthed at Mawangdui in central China, which was kept in an airtight environment. The extremely dry climate and the sand in Xinjiang have protected these corpses naturally.



On the road to market.

Karez Wells

The 2,000-year-old karez wells (connected by underground water used for irrigation) show you the wisdom and diligence of the people who once laboured on this piece of land.

Water is the lifeblood of Xinjiang. The annual rainfall in Turpan is only a bit more than 10 mm, while the evaporation rate is 3,000 mm. At the juncture of spring and summer, the snow on Tianshan Mountain melts and the water rushes down the valleys. Much of it evaporates under the scorching sun and some seeps into the ground to converge into enormous underground torrents, similar to huge underground reservoirs at the foot of the mountain. The karez wells are irrigation system built by the local people to tap this underground water.

Construction of a karez project began by digging a sloping underground channel 2 to 20 kilometres long. Vertical wells which served as dumping and ventilation shafts were dug every several dozen metres along the channel. A karez has almost 40 of these wells, and the

longest project has more than 300 wells. The underground channels protect the water from evaporation, and the sloping land makes gravity irrigation possible.

The three counties in Turpan Prefecture have more than 1,300 karez projects, and the karez channels in the whole of Xinjiang total 2,000 to 3,000 kilometres long. Before liberation 98 percent of the land in Turpan was irrigated by karez wells. Since liberation, efforts have been made to develop modern water conservation projects and irrigation channels. But karez wells are still an important part of Turpan's agricultural production.

Grape Valley

Water has turned Turpan into a land fertile with grain, grapes, long-fibre cotton and Hami melons.

People began to grow grapes in Turpan 2,000 years ago. An area to the north of the county town is even called Grape Valley. The roadsides are covered with green vineyards and clusters of grapes hang under a trellis in every family's courtyard. Wooden huts dotted with holes for drying raisins stand on the upland. Every Septem-

ber the newly picked grapes are hung in these huts to dry one and a half months in the hot, dry wind. The raisins from Turpan are seedless, delicate green, transparent and extremely delicious.

A 51-year-old agronomist named Wang Huizhu lives among the grapes here. She volunteered to come to Xinjiang from Hunan Province after graduating from an agricultural college in the 1950s. Finding that the local Uygur people were not used to pruning and putting up trellises, Wang learnt their language and helped them improve their cultivation techniques. The grape output went up 30 percent in the first year. Wang has gained the respect of the local Uygur people, who call her Heiliqihan. This was the name of a princess in a Uygur legend who was famous for her outstanding assistance to her father in running the country. Over the years Wang has devoted herself to experiments on the proper use of fertilizer and growth hormones, introducing new varieties and keeping meticulous records. She teaches new techniques to every family and has made

many friends in the valley. Now her son and daughter are grown up and work in Turpan.

A prefecture leader said since the household contract responsibility system was introduced in 1979, the advantages of the area have been better exploited. The area planted to grapes has nearly doubled, from over 3,300 to almost 6,600 hectares. Where once 10,600 hectares were planted with cotton, now 14,600 hectares are snowy white at harvest time. Meanwhile, grain cultivation has been cut from 30,000 hectares to 23,300 hectares. Grape and raisin supplies still fall far below demand. Turpan's grapes, sweet and clean, top those grown in any other places. It may be possible to ship more grain in from other areas and further expand the acreage sown to grapes and cotton.

The people of Turpan are working hard to learn advanced cultivation techniques from other parts of China and abroad. A joint project with Tianjin will help improve the quality of the local wine and co-operation with their counterparts in Guangdong, Hebei and Liaoning will improve techniques for preserving fresh melons and fruits. Equipment for processing raisins will also be imported from



Hanging grapes to dry.

abroad, to raise the quality and output of this tasty treasure.

which mainly process local farm and sideline products. These industries turn out more than 1,000 products.

New Cities in the Desert

THE People's Liberation Army entered Xinjiang in 1949. As soon as they settled down they began to develop the arid land around them. Later all the demobilized soldiers formed a construction corps to guard the frontiers and reclaim the land. Shihezi and Karamay are two most famous cities built in the desert since liberation.

Shihezi was once inhabited only by animals and overgrown with reeds. Reclamation began in the winter of 1949. Settlers cut the reed, burnt the weeds, built roads,

planted trees, felled timber and cut coal from the hills. When night fell, they slept in tents. Later they built houses with bricks they had made themselves. More than 10 years of hard work turned Shihezi into a booming city.

Green Shihezi

Today, Shihezi has 560,000 people coming from different parts of China. It has 18 large state farms covering 58,000 hectares. There are 35 industries, including sugar refining, woollen textiles, paper making and foodstuff factories,

The city proper has 130,000 people. City construction was well-planned from the very beginning. The main boulevard 40 to 80 metres wide is lined with trees and dotted with flower-beds. The central area, which houses government departments, schools, cultural organizations, shops and houses, is separated by shelter belts from the eastern and western industrial districts. About 29 percent of the city is covered with trees and lawns. In another few years Shihezi will be a picturesque city with flowers in the spring, shade in the summer, fruits in the

autumn and evergreens in the winter.

The city has its own newspaper and TV and radio station. It has 170 middle schools, so junior middle school education is universal. Most technicians in the construction corps are graduates of the Shihezi College of Agronomy.

With the implementation of the responsibility system in production both in farming and livestock breeding, production has gone up, bringing about a speedy improvement in the people's livelihood.

The open policy adopted by the city has already had a good beginning. Woollen fabrics produced by the Bayi (August 1) Woollen Mill are sold in 16 countries and regions; at home supply always falls short of demand. A woollen knitwear workshop using Italian machines to produce 600 tons of knitting goods a year has already been put into operation. The Bayi Woollen Mill plans to set up a joint factory with the coastal city of Dalian. A farm which imported machines and pesticide from Hongkong and Australia has had good results in increasing its cotton output with the help of ex-

perts. The Bayi Sugar Refinery also imported machines and equipment from Japan, paid for in compensatory trade.

Oil City Karamay

Karamay means "black oil" in the Uygur language. It is the first big oilfield surveyed and exploited in the 1950s.

On the Black Oil Hill, so named because of the continuous flow of petroleum, oil springs gurggle amid lumps of black asphalt, softened by the heat of the sun. Every now and then shiny black oil will bubble out. The liquid flows down the hill into an oil pond, which is smooth and calm as a mirror. Because its solidifying point is 50-70 degrees below zero, the crude oil is suitable for refined oil used in extreme cold, such as lubricants for airplanes and precision instruments and black paint for luxury limousines.

The presence of petroleum in Xinjiang was recorded in classical literature in 600 BC. But exploitation began only in 1897 in Dushanzi, near the Black Oil Hill. By 1949, when the People's Republic was founded, there were only two

shallow wells, with a daily output of only 14-21 barrels.

In October 1955 crude oil for industry gushed from the No. 1 well for the first time. The gates to the oil treasure-house were opened. Three years later the first phase of the oilfield's development had been completed. Today the Karamay oilfield combines drilling, pumping, refining and transportation. The city is a new industrial centre with 160,000 people.

While trying to increase the output of the existing oilfields, Xinjiang oil authorities are working in collaboration with other countries to prospect for new reserves. The results have been encouraging. Another oilfield has been located in an area near Karamay. Its reserves are estimated to far exceed those of Karamay. In the Tarim Basin in southern Xinjiang, the largest inland basin in China, rich oil and gas resources have been detected. It is estimated the oil well in the northern part of the basin drilled in September 1984 will yield 2,380 barrels of crude oil and 200 cubic metres of natural gas daily.

Advantages and Disadvantages

First-time visitors to Xinjiang agree that you can't really understand how vast China is until you visit the region. A trip to the next town can be 200-300 kilometres, or even 500 kilometres. The bus speeds along a straight, seemingly endless highway through the desert. There is no grass, no water, no human beings, not even a bird; only lamp posts and the distant mountains. Occasionally a small village comes into view, but it is quickly passed.

Xinjiang has three big mountain ranges (the Tianshan, Altay and Kunlun mountains), three big basins (the Tarim, Junggar and Turpan basins) and a dozen big

A workshop at the Tianshan Knitting Mill.



ivers. The Tarim River, 2,179 km long, is the world's longest inland river. Creeping towards the vast desert are glaciers.

Because the area is not very high above sea level, it has long hours of sunshine, strong radiation and high accumulated temperature. Xinjiang is full of vitality. Provided it is adequately exploited, the autonomous region will create enormous wealth.

Before liberation, however, the local people suffered from class oppression. The economy was backward. Every three peasant households shared one animal for ploughing and nine families shared a wheel-barrow. Consumer goods were scarce and expensive — one metre of white cloth was worth 15 kg of wheat, and a flashlight could be exchanged for a sheep.

After liberation, exploitation was put to an end. The people of different nationalities have rapidly developed farming and animal husbandry, with the help of people all over China. Today the autonomous region has 4,000 factories producing iron, steel, petroleum, coal, power, machines, chemicals, textiles, refined sugar, paper, tanned leather, tobacco and

other goods. These factories, which turn out 2,000 types of products, have laid a good foundation for the future large-scale development.

Rich Resources

There are 3.2 million hectares of arable land in Xinjiang, 2.5 times as high as the national per-capita average. About 6.4 million hectares of wasteland can be reclaimed. The autonomous region has 50 million hectares of grassland, one-fourth of the nation's total. It has 110 billion cubic metres of water (including ground water), 3.5 times as much as the national per-capita average.

The autonomous region has 30.24 million head of cattle, one-tenth of the nation's total. Wild animals and plants abound. So far 586 animal species and 3,569 kinds of plants have been discovered. To protect this wildlife, 15 nature reserves embracing 7.25 million hectares of land were set up and 13 more will be established in the near future. Among the animals living in Xinjiang are sable, wild deer, muskrat, marmot, snow leopard, lynx, wild ass and wild camel. The region has

2.84 million hectares of forest and 260,000 hectares of water surface suitable for breeding fish and other aquatic products.

Minerals are also abundant in Xinjiang. Of the 150 known minerals, Xinjiang has 118, or 80 per cent of the minerals so far discovered in China. At the Xinjiang Geology and Minerals Exhibition Centre, visitors will find lucid petroleum which does not need to be refined, aquamarine which can be ground into stones shaped like cat's eyes, a 100-gramme gold nugget, a 350-kilogramme coarse rock crystal, a 2,500-square-centimetre mica sheet, and huge lumps of copper, chromite, beryl and grease white jade. The reserves of beryllium, soda-niter, muscovite, feldspar, porcelain clay and serpentine rank first in China. Thirty-seven types and 78 kinds of jades and other precious stones have been found. At present, petroleum, coal, cement mortar and mirabilite and salt are being mined in large quantities. Twenty minerals or mineral products, such as beryl and columbium, tantalum concentrate, are exported.

Tourism in Xinjiang is unique and enchanting. The snow-capped mountains such as Bogeda Peak, which can be seen from Urumqi, and Qiaogeli Peak, the second highest peak in the world, are big attractions for mountaineers. The placid Tianchi Lake, Bayinbulake Swan Lake, Sailimu Lake are breathtakingly beautiful. Ancient glaciers, hot springs and the "devil's city"* are natural wonders.

Xinjiang has attracted many Chinese and foreign historians, archaeologists, writers, filmmakers, journalists and tourists. Since liberation, more and more professionals have come to develop the

The Basics of Xinjiang

	1949	1978	1983
Total industrial output value (million yuan)	90.97	3,327.52	5,349.37
Total agricultural output value (million yuan)	628.32	2,648.52	4,049.72
Number of minority cadres	3,000	117,476	181,860
	1981	1982	1983
Annual average income of peasants and herdsmen (yuan per capita)	236	277	307
Annual average wage of workers and staff in state enterprises (yuan)	606	736	998
	1949	1978	1983
College Students	379	10,002	16,438
Hospital and Clinic Beds	696	57,647	63,113

* A 60-square-kilometre eroded area with a spectacular view. At night the violent winds howl like ghosts.

area. Now, 240,000 skilled specialists work in the region. Of every 10,000 people, 2.3 are college graduates. Especially since the Party Central Committee called for Xinjiang's development in 1983, many experienced professionals have moved west.

Of course, developing Xinjiang is not that easy. The region also has its limitations.

Ismail Amat (a Uygur), chairman of the autonomous region, pointed out that the growth of Xinjiang's economy is limited by many factors. First of all, water and usable land are unevenly distributed. Water is scarce, especially in spring. It evaporates quickly due to the long hours of sunshine. This has plagued water conservation projects.

Second, much of Xinjiang is isolated from the rest of China. Because it is so big, communication and transportation are backward and inconvenient. This, in turn, hinders economic development.

Third, the somewhat superficial geological surveys conducted so far fail to meet the needs of large-scale development. The authorities are still not sure exactly where the region's mineral resources lie.

And finally, there are not enough scientists and technicians to implement the development plans.

Amat went on to say that these disadvantages must be acknowledged and dealt with. Only then



Delicate carvings in a mosque.

can practical plans for exploitation be worked out.

He particularly stressed the importance of using foreign capital, advanced techniques and equipment in the large-scale development of Xinjiang. There are already eight joint ventures. Other forms of co-operation include prospecting.

Amat said more flexible policies will be adopted. Clients at home and abroad are warmly welcome to develop the area in many forms. They will receive preferential treatment and good facilities in the use of land for construction and in the supply of labour, raw and other materials, in the sale of products as well as in pricing and taxation.

women prefer dresses with intricate, colourful embroidery. Young men wear square hats. Older women usually cover their faces with large brown veils and old men wear their leather hats even in the hot summer. Tourists to the city enjoy riding through the colourful streets in donkey carts fixed with bright sunshades.

We Are Satisfied

Aitgar Mosque is more than 540 years old. It can accommodate 7,000 worshippers. In Kashi more than 1,000 years of Islamic history and tradition have found their way into every aspect of life. About 6,000 mosques have been renovated and built. Moslems can attend religious services any time and listen to the Koran. The local government has seen to it that religious leaders can live comfortably and play their part in the political life of the municipality.

The leading imam of the Aitgar Mosque, Kacemu Karcage, said the Party's current policies and the situation of Moslems in Xinjiang satisfy them very much. Karcage has made a pilgrimage to Mecca.

Ethnic Groups in Harmony

THE Uygur minority dominates Xinjiang, but there are also 46 other ethnic groups. Of the region's 15.3 million people, about 6.1 million are Uygur and about 5.4 million are Han. Most of the remaining people are Kazak, Hui, Mongolian, Khalkhas, Sibo, Tajik,

Uzbek, Manchu, Tahir and Tartar or Eluosi (Russian).

At the western tip of China, Kashi is a centre of Uygur culture. Young people and old, men and women, stroll the streets wearing traditional Uygur clothes. Young

The Uygur deputy director of Kashi's largest industrial arts factory, a woman named Reabiam said they have produced a great variety of hats, embroidered products, tapestry and musical instruments, to meet the needs of the Uygur people. Director of the factory was getting ready to leave for Urumqi to bring back gold. He will collect about six times as much as he did last year, to be used for women's jewellery.

Deep Friendship

From listening to Uygur cadres who have grown up after 1949, one can see the deep friendship they feel for the Han people. The feeling is mutual.

In the Kashi Cotton Mill, 41.6 percent of the 4,300 employees are members of minorities. One of them is Hawayeye, the Party branch secretary, a Uygur. During breaks she can often be found in a mill courtyard entertaining workers of all ethnic groups with her funny stories.

Hawayeye lived in the countryside near Kashi before she became one of the first generation of industrial workers in Xinjiang. She and some other workers were later sent to the Zhengzhou Cotton Mill in Henan Province to learn techniques. Hawayeye's first Han teacher was Ge Haitang, a yarn spinner there.

The two women became as close as sisters and although they have never seen each other since, they still keep in touch by letters.

In the 1960s Hawayeye was sent to learn more advanced techniques in a mill in Shaanxi Province. In the 1970s, she went to study management in Qingdao, a coastal city in Shandong.

On a later trip to Shanghai Hawayeye met Hao Jianxiu, a former



Tomur Dawamat.

textile worker, who was then Minister of Textile Industry. In August 1983 when Hao visited Xinjiang as an alternate member of the Party Central Committee Secretariat, she came to see Hawayeye. They warmly embraced and Hao was invited to eat roast mutton in Hawayeye's home.

Turcun, the 35-year-old secretary to head the region's nationalities affairs commission, learnt standard Chinese from a Han engineer when he was a technician in a factory. After two years of hard study, he could read novels in Chinese. Later he received a higher education in the Central Institute for Nationalities and worked in Beijing for several months. He has been to several big cities in south and northwest China.

Turcun says he has always felt the warmth of the big multinational family. Once he went with some friends to a small county town in Jiangsu Province. To their surprise, a big Uygur festival came up. The local Han people cooked them a special meal in Uygur style. They were all moved to tears.

Turcun now can speak Chinese fluently and write reports about

the work of his office. To express his love for all the people of his country, he throws all his energy to his work and study. In 1985 he will take a course in ancient Chinese offered by a local university.

Tomur Dawamat, director of the standing committee of the Xinjiang people's congress and a member of the Central Committee of the Communist Party of China, said that Xinjiang now has 180,000 minority cadres (43 percent of the total number of cadres in Xinjiang). Their advancement cannot be separated from the help of the Han cadres. He is one example of this.

Before Xinjiang was liberated, Dawamat was a poor peasant living in a small village in Turpan Prefecture. During the rent reduction and land reform movements two Han cadres gave him much help. He began to understand the meaning of exploitation, and how to serve the people. In the 1950s, he was elected village leader and then county leader. Later he went to Beijing to study in the Central Institute for Nationalities. Elected vice-chairman of the autonomous region in 1964, he received warm support and help from Wang En-mao, a Han who is first secretary of the region's Party committee.

"In the past few years the people of all minorities in Xinjiang have been very satisfied with the Party's policies," he said. "Happiness is linked to initiative. We are now all in high spirits. Our confidence and hopes form a boundless potential which is very important to the development of Xinjiang in the near future. □



Price Reform Heralds New Economic Boom

by ZHANG ZEYU
Our Correspondent

UNLIKE those in the rest of China, the economic systems in the special economic zones are, by and large, regulated by market forces. They are also open to the world market. Obviously, the original market prices and the over-centralized pricing system are no longer workable. A few years ago, Shenzhen took the lead in making changes.

In a recent interview with the *Beijing Review*, Huang Zangqiang, a price specialist who now serves as deputy director of the Shenzhen people's government price bureau, talked about how the city revamped its pricing system and the reform's impact on the local economy and living standards.

Order of the Day

Before the price reform, confusion reigned over Shenzhen's pricing system. For a time prices were exceptionally high. Bean-curd, for example, is worth 20 or 30 cents per kilogramme, but was sold for 2.4 yuan in the autumn of 1981. Many commodities had price tags which reflected neither their actual value nor the relation of supply to demand. Price ratios were seriously imbalanced. Some minerals and raw materials sold at unreasonably low prices. The market prices of major farm and sideline products were kept lower than the state purchase price, and huge state subsidies were needed to make up the difference. The domestic market was dominated by products with prices fixed and readjusted by the central authorities. The result was that the initiative of the local enterprises and traders was seriously crippled and commodity development was stunted.

In the beginning of 1982 the Shenzhen authorities introduced a new pricing system in which



Huang Zangqiang

market regulation dominated. The hardest part of the reform was handling the complex situation in which free prices in Shatoujiao's Zhongying Street and the Shekou Industrial District ran parallel to planned prices set in the city proper. This problem can be tackled step by step.

Steps and Guidelines

The reform will be completed in two phases.

The major task of the first phase, which began in May 1982 and ended in October 1984, was to decentralize price controls by gradually reducing the scope of the state-planned prices and expanding the scope of free market prices. Accordingly, the city price bureau has decontrolled the prices of all but a few major commodities and left enterprises and companies free to decide their own prices. The idea is to set unreasonable price ratios right and to bring them up to a par with world market prices. This has been done by exchanging goods of equal value, in light of changes in the relations between supply and demand.

In Shenzhen commodities now come under one or two pricing systems—state-planned prices or free prices—according to their impact on the national economy and the people's livelihood.

State-planned prices are subdivided into fixed prices sanctioned by the central and provincial governments and floating prices controlled by the government of the special economic zone.

Free prices also include negotiated prices and market prices. Negotiated prices are decided through consultations between city departments, trade unions and industrial and commercial enterprises, or between different areas. Market prices are decided by the enterprises themselves.

Fixed Prices. A few important commodities (such as grain, edible oils, fuel and medicines) and certain service charges (such as rent, electricity, tuition and mass transit) have their prices fixed by the provincial authorities. But prices for steel, cement, timber, coal and other major capital goods are flexible. Products shipped in or distributed according to the state plan have fixed prices, but an extra price margin is set on the basis of fixed prices by the price bureau for above-norm purchases. The sellers may decide prices within that margin, in light of the costs of shipped-in products and the supply and demand.

In the last few years fixed prices of the major materials just mentioned have been giving way to floating prices. This is amply shown in Table 1, which gives the figures for 1985.

Floating Prices. Under the floating price system, enterprises and companies are allowed to decide the prices on certain commodities

Table 1

	Quantity of goods bought by Shenzhen	Percentage of goods bought under fixed prices	Percentages of goods bought under floating prices		
			Percentage of goods from other parts of China	Percentage of local goods	Percentage of imports
Rolled steel	160,000 tons	2.38	31.62	—	66.00
Cement	700,000 tons	14.29	34.37	4.20	47.14
Timber	47,000 cubic metres	8.50	4.50	—	87.00
Coal	91,700 tons	45.80	54.20	—	—

within the range stipulated by the city price bureau. The prices of marine products, for example, may fluctuate within a 10-30 per cent margin, according to their quality. Only ceiling prices have been fixed on locally made household electrical appliances and some other industrial commodities to encourage price cuts.

The Shenzhen city price bureau used to control the prices of 72 vegetables. Since March 1982 the bureau has allowed vegetable companies to raise or lower the prices of 54 of these vegetables according to the market climate. Even the 18 vegetables remaining under the bureau's control have some leeway — 100 percent for the purchase prices and 50 percent for the market prices. By the end of 1983 the price bureau had decontrolled the prices of 14 more vegetables. Now it only controls four vegetables essential to the people's daily diet.

Floating prices have helped regulate the supply-demand relations and reduce waste. For example, the demand for lean pork has grown as wages rise. Accordingly, the city price bureau raised the price of lean pork from 2.8 yuan

per kilogramme to 4.8 yuan and reduced the price for fat from 1.8 yuan per kilogramme to 1.4 yuan.

Free Prices. Free prices are gaining increasing importance in Shenzhen's pricing system. Last year about 80 percent of retail sales were under free prices, as against 15 percent in 1979.

On Nov. 1, 1984, Shenzhen's price reform entered its second

phase. As a major step the city price bureau further loosened its rein on prices.

Now it is up to suppliers to decide the prices for mechanical and electrical equipment, timber, glass and other capital goods. Vegetable sellers now can fix their prices according to changes in market supply and demand. Prices for cereals, edible oils, pork and bot-



A street in downtown Shenzhen.

bled gas are allowed to fluctuate under a ceiling rate, and the state has abolished price subsidies for these four items. The resultant higher living costs for urban dwellers are compensated by pay raises, so that living standards will not suffer.

Initial Results

Shenzhen owes much of its progress in the price reform to the prudent measures taken, including those designed to improve the people's daily life.

The market is stable and prosperous. In 1983 Shenzhen's retail sales came to 1.25 billion yuan, nearly 10 times the 1979 figure (see Table II).

Purchases from the domestic market came to 240 million yuan, a 3-fold increase (purchases of farm and sideline products more than doubled). Commodity sales in the domestic market totalled 820 million yuan, a 6-fold rise. In 1983 Shenzhen imported 200 million yuan worth of goods, 11 times the 1980 figure, and its exports came to 60 million yuan, a 2.6-fold gain. All the gains paved the way for a brisker market last year.

Prices rose somewhat sharply at the beginning of the reform, but they soon went down and became stable. From 1979 to autumn 1981 Shenzhen's population was swelled by the influx of people who came to build the special economic zone, and the resultant high demand for consumer goods sent prices of many farm and sideline products spiralling. But prices settled down in the ensuing years (see Table III). In this process, the prices of industrial goods, and household electrical appliances in particular, went down steadily.

The people's livelihood markedly improved. One principle guiding Shenzhen's price reform is to improve the living standards with the development of production.

Table II

Unit: 1,000 yuan

	1978	1979	1980	1981	1982	1983
Total retail sales	106,690	126,820	205,090	348,000	553,940	1,250,920

Table III

	1978	1979	1980	1981	1982	1983	1984
Rate of price increases (%)	—	17.1	13.7	6.8	7.8	2.1	6.1

Table IV

	1978	1979	1980	1981	1982	1983	1984
Monthly wages (yuan)	47	66	87	96	113	131	174
Rate of wage increase (%)	—	40.4	31.8	10.3	17.7	15.9	33
Rate of price increase (%)	—	17.1	13.7	6.8	7.8	2.1	6.1

Table IV shows how this principle has been implemented.

The peasants' annual per-capita income rose 3.5-fold from 134 yuan in 1978 to 469 yuan in 1983. More than 2,000 peasant families, or 20 percent of the total in Shengzhen, are earning more than 10,000 yuan a year, and in four villages no family is making less than 10,000 yuan.

Opening to the World

Sandwiched between Hongkong and Macao with its back to the other parts of the country, Shenzhen faces the new problem of how to tackle its own market price relations to the world market and to the domestic market.

The local market, which regulates the economy of the special economic zone, is opened to the world market. This requires that the local market prices be compatible with world market prices. In the last few years Shenzhen has been using world market prices for its export commodities and foreign trade services. The city has also

raised its purchase prices for farm and sideline products by referring to the world market prices. So far, the city government still controls the prices of major daily necessities and labour services, but indications are that they will gradually rise to the level of world market prices.

Sharp differences in prices have arisen between Shenzhen and neighbouring areas, particularly inland China. The city government is taking measures to facilitate the flow of farm and sideline products into Shenzhen to replenish the local market and to market a small amount of cheap industrial goods to other parts of China.

Shenzhen will establish an alluring and competitive prices system so that after a few years the city will become a market centre opened to the world. By that time, world market prices will become a major factor in deciding and readjusting Shenzhen's prices for industrial and agricultural products and prices for import and export goods. □

(Continued from p. 19.)

the postwar situation, they were set as principles to guide China's development of relations with other countries. Ever since, China has established normal diplomatic relations and actively developed mutual co-operation on the basis of these principles. They have now become a part of China's Constitution and are the basic norms in handling relations with all countries.

Combining patriotism and internationalism, China's foreign policy will for ever reflect the Five Principles of Peaceful Coexistence. China does not occupy the territory of others, interfere in other's internal affairs nor force unequal relations upon any country. Of course, China will never tolerate any interference or invasion, and opposes any country which violates the five principles.

No Power Politics

China has always believed that all countries, no matter if they are big or small, rich or poor, strong or weak, should be treated equally. China opposes any bullying or coercion of the weak by the strong. The Five Principles of Peaceful Coexistence sharply oppose power politics and hegemonism. China believes that the internal affairs of each country should be taken care of by their own people and international issues should be discussed and settled by all countries concerned. China is against the superpowers monopolizing world affairs. China also believes international issues should be settled through peaceful negotiations, not by force. Countries should seek common ground while reserving their differences.

These principles met with popular approval at the Bandung Conference in 1955 and the two Geneva meetings on Indochina.

Since China recovered its rightful seat at the United Nations, these principles have been accepted by more and more countries.

After a long experience of being a victim of invasion and oppression, Chinese people will never be humiliated again. But they will also never put another nation in that position. China considers the right of other nations to independence as important as its own. Some countries, in accordance with their own situation, have close relations with the US or the USSR and accept aid from one of them. This will have no effect on China's friendly relations with them. China believes that it will be more beneficial for various countries to fully and independently safeguard world peace, according to their own special conditions.

Developing Economic Relations

Independence and self-reliance must be combined with the active development of foreign economic relations.

The policy of independence and self-reliance is correct. However, if it is misinterpreted to mean opposition to developing foreign economic relations, it can present problems. The world market is interdependent, and it would be impossible to build China under a closed-door policy. And if economic relations cannot be developed, political and diplomatic activities will be severely limited and will lack vitality.

Correctly handling China's economic relations with other countries has great significance for China's modernization programme. Today the majority of countries stress the importance of foreign economic relations, a postwar development.

For a long time after 1949,

China's foreign economic relations made little progress. This was not due to China's closed-door policy, but because of the trade blockades and embargoes imposed by the world imperialist powers headed by the US, and the Soviet Union reneging on its contracts with China. Also, for some time, and especially during the "cultural revolution," the policy of self-reliance was misinterpreted.

Opening the Door

Not until after the Third Plenary Session of the 11th Party Central Committee in 1978 has the task of developing economic relations with other countries been placed on the agenda, and the policy of enlivening the domestic economy and opening to the world been set down. The Party Central Committee pointed out that Chinese socialist modernization ought to make use of both internal and external resources, open both the domestic and foreign markets, and learn how to build China and develop foreign economic relations.

Open-door policy suits China's present situation. In April 1984 the Party Central Committee decided to open 14 coastal cities and Hainan Island to foreign trade, to complement the work of the four special economic zones. Flexible policies and economic incentives will be used to attract foreign investment.

China's door is open to all kinds of countries, socialist or capitalist, developed or developing. China has rapidly developed economic and technological co-operation with developed countries and also emphasizes further economic and technological co-operation with developing countries. China encourages North-South dialogue and is willing to actively take part in South-South co-operation. □

Investment Guide Provides Timely Advice

The China Investment Guide 1984/85, published in both Chinese and English editions last October by China International Economic Consultants Inc. and the Longman Group Ltd., has attracted the attention of economic experts all over the world as "the first comprehensive investment guide in China."

The book was edited by Chinese scholars and printed and distributed by the British Longman Group. Some 30 noted scholars including Xue Muqiao, Qian Junrui, Xu Dixin, Huan Xiang and Li Hao worked on this edition. Government departments and various companies gave support and aid. Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress, and Wei Yuming, vice-minister of Foreign Economic Relations and Trade, wrote forewords.

The book, which totals 60,000 words in 608 pages in English and 584 pages in Chinese, presents the most up-to-date economic information up to June 30, 1984. After a brief introduction to China, the guide takes a look at China's major businesses that absorb foreign capital and import foreign technology, commerce and foreign trade, prices, markets, raw materials and the labour force. The reader sees the true economic picture in every province, autonomous region and municipality. The book spells out the duties of the state departments in charge of the foreign investment and economic ventures; the major forms and characteristics of joint ventures; the process of establishing a joint venture;

protection of industrial property rights; common problems in joint venture negotiations; the general situation of China's special economic zones; and the past achievements of joint ventures. The book also includes information about the 14 coastal cities that were recently opened to outside investment and Hainan Island. The book describes their geography, resources, infrastructure and the use of foreign capital there.

The book contains all the major economic laws and regulations. It includes the Law on Joint Ventures Using Chinese and Foreign Investment and Regulations on Labour Management in Joint Ventures and various laws on taxation—the Consolidated Industrial and Commercial Tax Regulations, detailed rules and regulations for the implementation of the Income Tax Law Concerning Foreign Enterprises, provisions concerning the reduction of or exemption from income tax in the absorption of foreign funds.

The book also includes regulations on the inspection of import and export commodities, detailed implementing rules to the regulations on the inspection of import and export commodities, and the rules promulgated by the Customs General Administration, the Ministry of Finance and the Ministry of Foreign Economic Relations and Trade concerning the supervision, control, taxation and exemption of imports and exports of Chinese-foreign joint ventures. There are also laws on foreign exchange control—provisional regulations for exchange control and rules for implement-

ing exchange control regulations relating to enterprises with overseas Chinese capital, enterprises with foreign capital and Chinese-foreign joint ventures. And there are the laws on the special economic zones, resident representative offices, patents, trademarks and contracts.

The guide is a useful and rich source of information for those who want to know about investing in Chinese ventures. Since its publication, economists in China and abroad have welcomed it. Potential investors in China will find the guide a good reference because it provides details on preferential treatment that investors receive and the investment guarantees provided by Chinese law. The chapters on the investment climate in various regions of the country and the potential for absorbing foreign capital can provide hints foreign entrepreneurs will find useful before they embark on seeking investment.

The editors plan to revise the book periodically to provide new information on the changing investment climate. The English edition which costs US\$65 is sold in China through China International Economic Consultants Inc. and the Longman Group Ltd. abroad.

—Yang Ning

CORRECTION: In the boxed "Deng On 'One Country, Two Systems'" that appeared on page 7, issue No. 52, the last quote of the second paragraph in the right column should read, "To be well-to-do by the end of the century and then catch up with the level of the developed countries calls for dozens of years of efforts."

Chen Muhua Outlines Tasks for 1985

CONGRATULATING *Beijing Review* on the addition of its special column "Business and Trade," Chen Muhua, minister of Foreign Economic Relations and Trade, said it can bring timely news to the rest of the world about China's principles and policies, rules and regulations concerning its foreign economic relations and trade, as well as trends and information. This will benefit both the Chinese and their foreign co-operators. Chen said she hoped the column will play a positive role in promoting international economic co-operation.

In the exclusive interview she gave to *Beijing Review*, Chen also outlined China's achievements in 1984 and prospects for 1985 in international trade. From January to November China's imports and exports were valued at about US\$46 billion. When December figures are added in, this is up about 20 percent from 1983. Profits have risen remarkably. China is also getting better at using foreign capital, importing technology, contracting projects and offering labour services and foreign aid.

Chen said that although much has been achieved in the past year, international business in China still does not fully meet the needs of the four modernizations and is not commensurate with China's position in the world. She said that the reform of the foreign trade structure is an important aspect in the overall economic structural reform now under way in China. The present



reform will undoubtedly further promote the development of international trade.

She outlined three principles guiding the reform of the international trade structure: First, separation of government administration from enterprise management. Second, introduction of the agent system in foreign trade. Third, integration of industry with trade, technology with trade and import with export. All in all, international business calls for stimulating the initiative of all quarters while adhering to the principle of doing international business under a unified plan.

Chen said the State Council and the Ministry of Foreign Economic Relations and Trade have decided that starting from January 1, 1985 government administration and enterprise management will be formally separated in all China's foreign trade organizations. The ministry will no longer take a

direct hand in the business of any such enterprise. Instead, it will mainly be responsible for working out principles, policies, and rules and regulations, drawing up plans and supervising their implementation, harmonizing relations between various quarters and providing enterprises with information and services.

Chen said that to meet the target of quadrupling the total import and export volumes by the end of this century, it is necessary to concentrate on developing export commodities. In the long run, the ministry must improve the planning of export commodity production, so as to increase variety and quantity, and improve quality and packaging.

She said that the world economy is expected to further recover in 1985, and China's economic development demands more from international trade. This is a good chance for the ministry to make its contribution, and Chen said she hopes and believes foreign governments and entrepreneurs will also grasp this opportunity to boost trade and economic co-operation in the new year.

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Foreign Capital Boosts Agriculture

China has signed 78 contracts with organizations and governments abroad to develop agri-

culture, education and research relating to agriculture, rubber production, soil amelioration, animal husbandry and aquatic products. About US\$700 million in foreign capital will be used for these projects.

These funds come mainly from the World Bank, the International Fund for Agricultural Development, the World Food Programme, the Food and Agriculture Organization of the United Nations, the UN Development Programme and the governments of Australia, Canada, the Federal Republic of Germany, Japan, the United States and Italy. They can be divided into four categories: 1. Medium and long-term loans of US\$510 million, with preferential interest rate. 2. US\$140 million in aid given gratis. 3. US\$33 million in technical aid. 4. US\$15 million in compensatory trade.

The money to develop China's agriculture comes mainly from agricultural production itself. But this is not sufficient to meet all needs, and foreign capital serves as a supplement.

In recent years China has been using about US\$140 million annually to develop agricultural projects. These projects include the development of grasslands on the North China Plain, of animal husbandry, education, scientific work, developing the rubber production on Hainan Island and fishing projects. It would be difficult to undertake these projects during the Sixth Five-Year-Plan (1981-85) without foreign funds.

Notable results have been achieved in many of these projects. For instance, in the past two years the work to reduce alkalinity and draining waterlogged fields in Yucheng County, Shandong Province, has enabled more than 80 percent of the farmland there to be drained or irrigated depending on the circumstances, and the saline-alkali content of the soil has dropped.

The introduction of advanced instruments, equipment and technology has raised the level of China's agricultural, animal husbandry and fishing research, education and production. Most of the instruments and equipment imported from abroad are at the advanced world level of the late 1970s and early 1980s. About 60 percent of the foreign capital used for agriculture was spent to import instruments and equipment for education and research. Imported remote sensing equipment is being used for a general agricultural resource survey, estimating crop yields, preventing plant diseases and insect pests and measuring saline-alkali soil content and soil erosion. With the introduction of this technology, prompt and precise information can be gathered, and good results can be achieved at lower costs.

Sino-Japan Software Joint Venture. The Beijing Core Software Co. Ltd., a Sino-Japan joint venture, has begun to develop, design and produce computer software from Japan.

The two Japanese investors are Tokyo Maruichi Shoji Co. and the Japan Core Software Group, formed by eight Japanese software companies. In the first half of 1984 the three partners signed a 10-year co-operation contract and worked out an eight-year development plan.

Some Japanese specialists consider China the country most suited to producing and developing software, because China has unified organization and leadership across the nation.

World Bank Awards a China Contracting Company. Chinese contracting companies are gaining an increasingly good reputation abroad. In one example, a Jiangsu construction firm was awarded US\$60,000 from the World Bank

for the speed and quality of its work in Somalia. The World Bank invested US\$5.75 million in the project.

The International Economic and Technical Co-operation Company of Jiangsu Province contracted to build this project for Somalia's Ministry of Forestry and Livestock. It involves 57 buildings scattered over 200,000 square kilometres in central Somalia. They include a three-storey office building in the capital and office buildings in 10 other locations. Five of the construction sites are in deserts or jungles, far from any highway.

Despite these unfavourable conditions, by the end of 1984 the major part of the project had been completed, and the remaining work will be finished in January or February of this year. The supervising engineers and the buildings' owners were satisfied with the project after an inspection.

By the end of 1984 the Jiangsu company had contracted three projects with Somalia, at a value of US\$16.37 million.

International Aviation Exhibition An international aviation technology exhibition in mid-December in Beijing marked the first time the Hongkong China Promotion Co. had hosted such a show. Airplanes, helicopters, engines, design and building techniques, radar, navigation aids, airport facilities and equipment to repair military and civilian vehicles were displayed.

The show not only facilitated co-operation between China and other countries, but also gave Chinese experts a look at the advanced technology of their counterparts.

The items on exhibit were provided by 210 companies from 15 countries, including China, the United States, Britain, France, the Federal Republic of Germany, Japan and Switzerland.

China's Role in Multipolar World

from "SHIJIE ZHISHI"
(World News)

IT is undeniable that today's world is a multipolar world, according to Huan Xiang, chief secretary of the International Issues Research Centre under the State Council.

He explained that because the two superpowers' ability to dominate world events has been drastically reduced, they have lost control of their respective military blocs. People generally divide the international community into several associations: the Soviet Union, the United States, Japan, Europe and China.

Huan believes that the third world should be another association in the multipolar world. And China belongs to the third world. In understanding China's role in the world, he stressed that first one must understand the basic nature of China. The main points are:

1. China occupies an important strategic position geographically.
2. China is a huge country with the largest population in the world.
3. China has its industrial and military power, which will consolidate its political position.
4. China has certain political strength. It is the only third-world-country permanent member of the United Nations Security Council. Within this forum, it can do much to help the developing nations.

5. China maintains an independent foreign policy. It will never subordinate itself to any big power or its bloc.

6. The Chinese Communist Party, which is in power, forms its policies in accordance with the development of history. It will

map out a strategy compatible with the historical trend.

In estimating China's international position and role, Huan said, "We shouldn't have too high an opinion of ourselves, nor should we be unduly humble. While seeing our advantages, we need also to see our limitations. We should adopt a realistic attitude."

Nuclear Families Dominate Countryside

from "SHEHUI"
(Society)

A study of rural families in Hunan Province showed that nuclear families clearly dominate and that connective households (married brothers and sisters living together) are disappearing.

According to the study, most families consist of four or five family members of two generations. Families with three generations take second place.

Because young people tend to live independently of their parents after marriage, 70 percent of all households are nucleus families.

Most of the others are extended families.

The family structure has changed since the responsibility system was adopted in rural areas in 1980. By the end of this century nuclear families will be even more dominant, although extended families will still represent a certain proportion. Both types will constitute the mainstay of the family structure.

The mathematical structure of families will remain unchanged. Two-generation households will dominate the countryside, while extended households will be in a subordinate position. Families will average between three and four members.

Correct Way to Treat Children

from "RENMIN RIBAO"
(People's Daily)

NOBODY in the world can avoid mistakes, still less little children. The attitude their parents take towards them is therefore crucial.

1. Prompt education is necessary

when a child makes a mistake. To bring up the matter after it is over and done with will confuse their sense of reality.

2. Hows and whys should be explained clearly, to facilitate a deeper understanding.

3. Repeated wordy rebukes should be avoided, because they

wound a child's self-respect. Special attention should be given to sensitive children.

4. Constant education is of utmost importance. Parents should be careful not to indulge the children when they are in a good humour but take their children to task when they are upset. Consistency is also vital. If an action is praised by mother and criticized by father, or commended today but criticized tomorrow, the child won't know how to behave.

5. If possible, criticism should be confined to the home. "I'll tell your teacher tomorrow," some parents like to say. But have they considered how much this will hurt their children and cause them to lose confidence in their parents? Of course this doesn't mean that the exchange between parents and teachers is not important.

6. Different methods of education should be adopted according to each child's special characteristics. More rigid methods may be used among cheerful, optimistic, humorous and lively children, although parents must still choose their words carefully. When dealing with introverted children with a high degree of self-respect, great care is important.

7. Praise should be married to criticism and rewards should be combined with punishment. In this way children will feel happy about their good behaviour and will become fed up with their wrong doings.

Young Worker Becomes Specialist

from "GONGREN RIBAO"
(Workers Daily)

IN Quanzhou County in the Guangxi Zhuang Autonomous Region, a senior high school grad-

uate, after years of diligent study, has become a methane gas expert acclaimed not only in his hometown but in Africa as well.

Tang Yinghao, 32, returned to his hometown after finishing his high school courses. He farmed by day and studied in the evening. He taught himself higher mathematics, mechanical engineering, geology and English. Then he began studying the methane techniques which earned him the title "native expert." In 1981 he was recruited as a worker by the county methane office, where he

continued his studies and successfully tested some new methane pools.

In 1982 he was put in charge of the county technical guidance group and set up more than 170 methane pools, with good results. In early 1983 he was selected by the Ministry of Agriculture, Animal Husbandry and Fishery and approved by the International Voluntary Service to work in the African Technical Centre in Senegal. The young methane expert was happy to pass on his skills.

Giant Palms of Women Champions

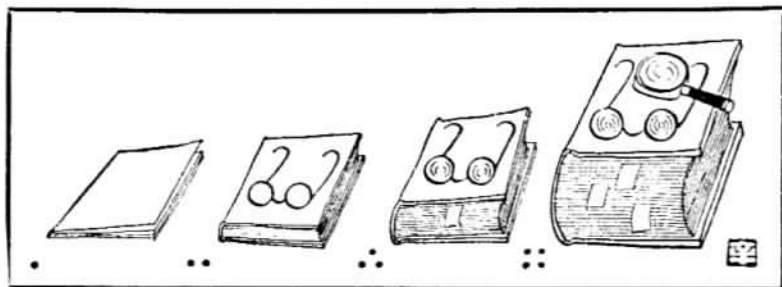
from "NANFANG ZHOUMO"
(Weekend in Southern China)

THE Chinese women volleyball team came out on top at the World Cup Contest, the World Championships and the Olympics, to the pride of all China. One secret of their success is that rigorous training has given them extraordinarily big hands.

The Shanghai Palm Shape Investigation Group found that team captain Sun Jinfang's palm has a circumference of 20.8 cm. Ace blocker Zhou Xiaolan's is

21.3 cm in circumference, and that of "iron hammer" Lang Ping is 20.5 cm. Their palm measurements not only surpass the standard of women's palms, but even surpass the standard for men.

After measuring up 40,000 pairs of hands in 11 provinces and cities the group found the average woman's palm is 18.2 cm in circumference, and the average man's is 20.2 cm. Country women's palms average 18.9 cm, women workers average 18.4 cm, and women in art and literature average 17.1 cm.



Cartoon by Zheng Xinyao

The number of people wearing glasses is increasing. According to 1983 estimates, about 100 million people in China are shortsighted, farsighted, or astigmatic.

From "Shi Chang Bao" (Market News)

National Photo Exhibit Shows New Forms

At the recent 13th National Photography Exhibition in Beijing, a collection of 494 photographs reflected the vigour and vitality of changing China.

The exhibits were chosen from among 24,500 entries, and 61 received awards.

The themes of these photos — growing industry, agriculture, and enjoying leisure time — showing the inspiration photographers have found from the economic reforms. Their exploration in colour and composition show a strong desire to break away from stereotypes and to create something new.

Rising (see front cover), one of the four first prize winners, was shot upwards with super wide-angle lens. The picture gives the impression that the two buildings are rising up to the sky, commanded by the worker between them. Zhou Shunbin, the photographer, works for a construction

company in Shenzhen, where construction is the fastest in China. Zhou was inspired by this fact, and used his camera to illustrate the rapid development of the Shenzhen Special Economic Zone.

Master, another gold medal winner, shows a man of the Yi minority. In an attempt to escape conventional composition, his face is in the far right corner of the photo, sharply lit from the right. His face is tough and profound, carved deep with lines almost like a statue. The Yi people, a minority living in southwestern China, maintained a slave system until the founding of New China. The photograph reveals both the past hardship of those people and their dignity today.

The Farmland of the Miao People gives a stark, woodcut effect without any special darkroom treatment. Lit from the left, the water in the rice paddies boldly

catches the sun, leaving the rest of the photo in silhouette. Curved terraces rise behind a flat paddy field, with only a pair of farmers and buffaloes to break the geometry. Black and white are well proportioned; neither is too fragmentary to distort the image nor too simple to be lively. The photographer has fully grasped the structure of points, lines and surfaces to express a specific vision.

More than 400 people took part in the exhibition, most for the first time. The majority of photographers are young or middle-aged. Shang Gongshe, 30, was the only one to win four medals in the exhibition. He used to be a gardener, but was promoted to a full-time photographer for the Workers' Cultural Palace in Dalian, Liaoning Province, in 1980. He was deeply moved and inspired by the ideals and aspirations of the young people around him, and his four award winners reflect their desire to learn more about science and to contribute to China's modernization drive.

In recent years photography has become more and more popular in China. The membership of Chinese Photographers' Association has grown from 116 in 1956, when it was founded, to more than 30,000 today. Amateur photography groups and associations have appeared in factories, schools, government organizations and even in the countryside.

This sudden popularity is a bit surprising when one remembers that only a few years ago many

"Master."



Chinese peasants viewed taking a family photo as one of the most important and serious events in life. And a lot of elderly people in remote villages considered it harmful to one's health to be photographed. But as living standards rise, more people are turning to photography as a hobby. Expensive cameras are now in short supply in shops. People are also buying enlargers and other equipment.

Shakespeare Society Founded

A national Shakespeare Research Society was established in Shanghai early last month to coincide with the 420th anniversary of the birth of the great English dramatist and poet.

Its aim is to unite all Chinese people who study or stage William Shakespeare's plays and to promote academic discussions and international exchanges to enrich China's dramatic theory and practice.

The society will sponsor a Chinese Shakespeare festival and edit an annotated series of the works of Shakespeare.

Shakespeare, one of the world's great dramatists, is familiar to the Chinese people. All of his works have been translated into Chinese, beginning with the classicist Lin Shu's translation of Charles Lamb's *Tales From Shakespeare* in 1904.

Zhu Shenghao, a high school teacher who began his career as a Shakespeare translator, published 27 plays in Chinese in 1947. Sun Dayu offered *King Lear* — the first full-text version of Shakespeare in Chinese.

A production of *Hamlet* in traditional Sichuan opera style was

staged in the early 1920s. *The Merchant of Venice* enjoyed the distinction of being the first formal performance in Shanghai in 1930. A Shanghai amateur troupe staged *Romeo and Juliet* in 1937.

Hamlet, *Twelfth Night*, *Much Ado About Nothing*, *The Merchant of Venice*, *Romeo and Juliet* and several other plays have been staged in China since liberation.

Not long ago, Shakespeare's *Othello* was given its Beijing premiere by the Guangdong Drama Theatre.

The presentation of the famous tragedy is the first in modern drama form on the Chinese stage since the founding of the People's Republic. *Othello* was also staged in 1983, but as a Beijing opera.

Directors of *Othello* cut the original four-hour work to a three-hour play. They tried to bring out the theme that one must struggle against evil, guile and hypocrisy while maintaining justice, loyalty and sincerity. This is opposed to the conventional view of *Othello* as a tragedy of jealousy.

Chinese Shakespeare specialists and scholars agreed that the Guangdong Drama Theatre was successful in directing and performing the play.

An anthology of Shakespeare criticism, the first comprehensive collection of these translated essays from Ben Johnson to Jan Kott, became available in 1979.

In recent years Chinese scholars such as Bian Zhilin, Chen Jia and Yang Zhouhan have written a series of studies on Shakespeare. Scholars are beginning to make comparative studies of Shakespeare and Chinese playwrights of the Yuan and Ming dynasties (1271-1644), including Tang Xianzu (1550-1616).

In the autumn of 1980 Toby

Robertson brought his Old Vic London Theatre Company to China to perform *Hamlet*. Derek Jacobi played the leading role. The play was staged in Shanghai and Beijing.

In addition to the society, a Shakespeare research foundation will soon be established.

Fusion Device Will Aid Research

Chinese scientists have built the country's largest controlled nuclear fusion experimental device near Leshan in Sichuan Province. Since it began trial operations on Sept. 21, the device, called HL-1, has been working well.

Controlled nuclear fusion is at the forefront of world nuclear research efforts today.

The problem here on Earth is to contain and control the fusion process so that the energy released can be fully utilized.

The new experimental device is similar to the *tokamak* test reactor. This is acknowledged worldwide as the design most likely to prove the feasibility of controlled nuclear fusion.

Building their own device has helped Chinese scientists to acquaint themselves with the prerequisite conditions and laws governing controlled fusion and to solve related technical problems. Meanwhile specialists are being trained in theory, experimental design and engineering techniques.

The fusion device was designed by the Southwest Physics Research Institute and its main engine and vital equipment were manufactured in China.

China Finishes Second in the Asian Cup

China's national football team took second place in the 16-day Eighth Asian Cup football tournament last month. This is the best showing ever for China in an international football contest. Saudi Arabia won the Asian Cup by overcoming the runners-up Chinese 2-0 on December 16.

The Chinese team also won the Most Sporting Team trophy, awarded for the sportsmanship its players displayed on the field. China's Jia Xiuquan, 22, won the Best Player trophy and the Go For Goals award, for, although he was playing on the back line, Jia netted a team-high three goals in the cup tournament.

Begun in 1956, the Asian Cup football tournament is held every four years. China made its debut in the sixth tournament in 1976 and finished third. In the seventh tournament held in 1980 it failed to qualify for the finals.

During the 1984 preliminary rounds, China went down 2-0 to Iran as it played rigidly and could not adapt itself to the Iranian offense and defence. Starting from the second preliminary match, China's national team regained its form to beat hosts Singapore 2-0 and oust India 3-0. To wrap up the preliminary matches, China trounced the United Arab Emirates 5-0 to finish on top of the group.

China has been rather weak in football. In 1982 the Chinese surprised the Kuwaitis by a 3-0 shut-out in a qualifying match for the 12th World Cup football tournament and stirred up a nationwide football fever. The victory rekindled the country's hope of "breaking out of Asia" in sports.



China's top 10 track-and-field athletes have been chosen for 1984 by the Chinese Athletics Association, the Chinese Journalists' Association and four media groups in Beijing. The athletes are: (top row, left to right) Zhu Jianhua, world men's high jump record holder; Yan Hong, world women's 5,000-metre walk record holder; Xu Yongjiu, world women's 5-kilometre walk best time holder; Zou Zhenxian, 23rd Olympics triple jump fourth finisher; Liu Yuhuang, 23rd Olympics men's long jump fifth finisher; (bottom row, left to right) Li Meisu, 23rd Olympics women's shot-put fifth finisher; Zheng Dazhen, 23rd Olympics women's high jump seventh finisher; Liu Yunpeng, 23rd Olympics men's high jump eighth finisher, and Zeng Chaoxue, bronze medallist of the 1984 Beijing Marathon.

Sixteen cities and regions in the country were chosen to produce quality footballers. The sport is high on the agenda in these places, and football teams have sprung up in primary and middle schools, universities and colleges, and production units. In 1980 China's National Football Association sponsored the Sprout Cup for those under 12, the Fledgeling Cup for those under 14 and the Hope Cup for those under 16. All three cups are nationally contested.

China's national football team had suffered several reversals in recent years. In the 1980 Olympic qualifying matches it lost a berth to Singapore 1-0. In the 1982 World Cup qualifying matches China succumbed 2-1 to New Zealand. And in the 1984 Olympic qualifying matches "it was edged out 1-0 by Thailand. Fortunately the nation's football enthusiasm

was not dampened. Fans, players and coaches still expect to catch up with the international football level.

To prepare for the 1984 Olympics, China's national eleven underwent shake-ups in May 1983. Coaches and players both came under the broom. Only four veteran players remained. It is logical to assume that the performance of the new team in the Eighth Asian Cup is related to the change-over.

In the past few years Asia has come a long way in football. As the Asian Football Confederation turned 30 years old, its membership had grown from 12 countries to 35. But at present Asia is still not up to par with European or South American football. And within the continent, the West is a cut above the East.



African Boy.

Swimmer.



Girl.



Zhao Yiman, a Heroine During the War of Resistance Against Japan (1937-45).

Sculptures by Ding Jieyin

Ding Jieyin varies her technique according to her subject. Sometimes her works are bold and vigorous and sometimes her figures are elegant and lyric.

Born in 1926 in Yinxian County, Zhejiang Province, Ding is now working at the sculpture section of the Central Academy of Fine Arts in Beijing.

ART PAGE

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