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BEIJING REVIEW

September 16, 1985

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A CHINESE WEEKLY OF NEWS AND VIEWS

Sixth Five-Year Plan Overfulfilled

Making New Blueprint at CPC Conference

Agriculture: Hunan's

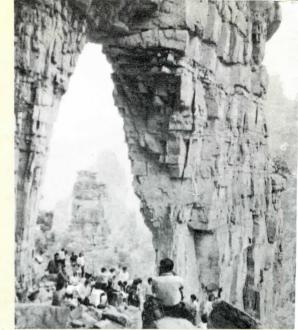
A sea of clouds over peaks in Suoxiyu Natural Scenic Spot.

The Mengdong River in the Zhangjiajie State Forest Park.



A Typical Wuling Scene

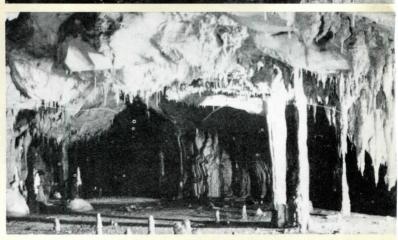
There is magical place for tourism in the depths of the Wuling Mountains, located in the northwestern part of Hunan Province. This picturesque place includes the Zhangjiajie State Forest Park in Dayong County, the Suoxiyu Natural Scenic Spot in Cili County and the Tianzishan Natural Scenic Spot in Sangzhi County.



A scene of Nantianmen in the Tianzishan Natural Scenic Spot.

Ridges and peaks.





Huanglong Cave, one of the karst caves in Hunan.

SPOTLIGHT

BEIJING REVIEW

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COVER: The steep and towering hills of Cili County in Hunan Province.

Photo , Li Zhenting

HIGHLIGHTS OF THE WEEK

Meeting Heralds Complete Success

The Party conference, scheduled for this month to discuss the CPC Central Committee's proposals for the Seventh Five-Year Plan and name younger personnel to the Party's leading bodies, will lead the economic reforms to complete success (p. 4).

Sixth Five-Year Plan Succeeds

With some quotas fulfilled and others overfulfilled, the success of the Sixth Five-Year Plan is reviewed when it is drawing to a close by the end of 1985 (p. 14).

Recent Transformations in Tibetan Life

What has happened to Tibet's former serfs and slaves in the past 25 years? How are the one-time nobles faring now that their days of privilege have ended? Our correspondent attempts to answer these questions in this second part of her report on her recent trip to Tibet (p. 15).

Third World Also Has Right to Use Space and Sea

A few developed countries have occupied most of the available orbits and radio frequencies, the property of all nations, leaving few for the developing countries in spite of their growing need for satellites. The same holds true with the exploration of undersea resources, which also has met strong third world protests (p. 12).

Hunan Economy Still Based on Agriculture

Favourable natural conditions, abundant resources and good tourism potential herald a major economic take-off for Hunan Province, which still stresses the development of agriculture (p. 20).

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Meeting Heralds New Success

by JIN QI Economic Editor

The forthcoming National Conference of the Chinese Communist Party, scheduled to discuss and adopt proposals put forward by the Party Central Committee for the Seventh Five-Year Plan (1986-90) for the nation's economic and social development, and name new, younger personnel to the Party's leading bodies, will be one of historic significance.

It is expected that the session will draw up a development blueprint for China's socialist modernization. It will elect more dedicated and talented leaders and carry the country's economic reforms, which have made great breakthroughs in the countryside and are now under way in urban areas, to complete victory.

The conference is to be held at a time when the Sixth Five-Year Plan (1981-85) will be overful-filled. In the first falf of the decade, the average annual economic growth rate has been estimated at above 10 percent. This figure not only far exceeds the original planned target of 4 percent, but has topped the average annual rate of 7.2 percent necessary for achieving the goals set for this century.

Agriculture, light industry and heavy industry, which were previously seriously disproportionate in their growth, have now embarked on the path of sustained, steady and proportionate growth; the construction of key projects in energy, communications, and raw materials exploitation has been accelerated. After deducting such factors as price hikes, the actual

consumption levels of urban and rural residents is expected to grow at an average annual rate of 7.5 percent, and there are good prospects for production, distribution, circulation and consumption.

By the end of the five-year period, it is estimated that the state's annual revenue (both national and local) will have doubled. The huge deficits incurred at the end of the 1970s may be eliminated in 1985. Foreign trade will also have doubled, and China's balance of payments will show a surplus.

The above facts show that the tasks set by the 12th National Party Congress have been fulfilled in terms of fundamentally improving the economic situation.

These achievements can be attributed to the country's economic reforms. But urban reform, which implemented nationwide only last October, is far more complicated and difficult than rural reform, and the decisive price and wage adjustments have just begun. As a result of the separation of government administration from enterprise management, the delegation of more decision-making power to the enterprises, the opening of domestic markets and the diversification of market bases abroad, the microeconomy has been invigorated. But many problems concerning how the state can properly use economic levers and legal means to balance and coordinate the development of different macroeconomic sectors remain to be solved. For a short time the economy overheated due to the excessive speed of industrial development, the overly large scale

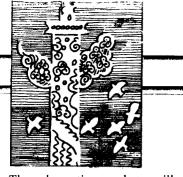
of capital construction, the too rapid growth of consumption funds, the issuance of too much currency and excessive credits. Effective measures have been taken to remedy this situation which added to the difficulties of the reform drive.

The Seventh Five-Year Plan will lay a solid foundation for vigorous economic development in the 1990s and accumulate reserve strength. The key to achieving this lies in making the urban reforms and the reform of China's scientific research and educational systems a success. As Premier Zhao Ziyang said, this plan is, in a sense, a plan for reform.

Experts think that creating a more relaxed economic environment in terms of material, financial and human resources is indispensable to the steady progress and success of the reform. This requires us to slow China's economic growth, which is still too fast, and to determinedly emphasize improving the quality of products and the economic efficiency of factories.

Also obviously, it is necessary to curtail the total scale of capital construction. Efforts should focus on speeding the development of energy, communications, raw materials and other basic industries, and the construction of infrastructural facilities. At the same time, it is necessary to press ahead with upgrading the technologies of existing energies and the replacement of outdated equipment, and to tap production potential.

It is expected that the reforms will continue to centre around invigorating China's enterprises, especially its large key enterprises.



domestic market will be further opened, and a greater play should be given to the role of market regulation. The planned economy, based mainly on mandatory planning, will gradually be changed into one based mainly on state guidance. The government's major management method will also change from direct control by administrative means to indirect control by economic levers and legislation. Of course, some administrative interference is still needed, especially in the process of replacing the old economic structure with the new.

The development of socialist ethics, an endeavour centred on education in revolutionary ideals and discipline, will continue side by side with the reforms. The former is very important in terms of correctly handling the contradictions between future and immediate interests, and the contradictions between the interests of the state, the collective and the individual.

In the last few years, the replacement of old cadres by younger leaders has been proceeding smoothly. The task has been completed at the county and provincial levels, and more than 200,000 young cadres have been appointed to leading bodies. It is expected that during the coming Party conference, a number of young cadres will be named to central leading bodies to replace their elderly predecessors. hope and believe that the reenforced Party Central Committee will be able to lead the reform drive to success, fulfil the targets set for the Seventh Five-Year Plan and realize the great goal of socialist modernization step by step.

LETTERS

China's Ultimate Goal

In my opinion, your reports on the speeches delivered by Deng Xiaoping are very good. These speeches elaborated the general principle of the "second revolution," which refers to the reform drive and its progress in the People's Republic of China. I think all these reports have dealt with the fundamental nature of socialism in the "second revolution." In the article "China Upholds Communism," Deng reaffirmed that China sticks to the lofty ideal of communism and the socialist system.

Three articles in your magazine, Deng Says China Sticks to Socialism (issue No. 11, 1985), "What Deng Says: Open Policy Will Not Change (issue Nos. 7 & 8, 1985): and "Open Policy Essential to Socialism" (issue No. 13, 1985), discussed questions of the reforms and the open policy, and their close relations with socialist construction. The continuing reforms will speed up the development of China's economy and technology, increase the well-being of the people, and realize and consolidate the four modernizations. these goals are reached, the superiority of the socialist system will be further proved.

As the above-mentioned articles point out, the reforms can create the material conditions needed for socialist society, such as science, technology, leadership and management. All these will help consolidate the socialist modernization.

As Deng said: "Our ultimate goal is communism." The reforms will lead China to that brilliant goal.

Some foreign organizations know nothing at all about China's

reality, and attempt to set the reforms against the socialist system. Their attempts will be smashed by the essence of the reform and the course of history; facts will eventually scotch these rumours.

As for the open policy, I carefully read the sections entitled "Fear of Capitalism Not Necessary" and "Uphold Marxism in Opening the Country" in the article "Open Policy Essential to Socialism." I also read a few paragraphs about self-reliance and the open policy in this article, which proved that self-reliance and the open policy complement one another. China will always, not only today but also in the future, uphold its policy of self-reliance — a basic policy of the state - in order to set up a comprehensive national economy.

Naturally, decadent capitalist ideologies will come in. That is a serious danger. Of course, even if "the window is closed, it still cannot stop pollutants coming in." Thus, closing the window is not the best way to solve this problem. These opinions also can be found in the article.

The Chinese people, especially the young, should heighten their vigilance. As long as they continue their education in communist ideals, and understand the superiority of the socialist system, they can overcome and thoroughly diminish harmful influences once and for all.

Upholding Marxism is the decisive factor in the success of the open policy.

L.J. Fernandez O. Asturias, Spain



Economy Girded to Beat Deficit

When the State Council announced a series of tighter fiscal policies recently, it seemed that some form of economic retrenchment was getting under way. But the aims of the new measures are even more ambitious: Cooling down China's overheated economy and eliminating its 3-billion-yuan government deficit by the end of this year.

The country is currently in the process of one of the world's most gigantic economic overhauls. According to Minister of Finance Wang Bingqian at a national conference last month, state revenue totalled 99.57 billion yuan in the first seven months of 1985, up 20 percent over the same period a year ago and meeting nearly two-thirds of the year-end target. Wang attributed this to the smooth implementation of state reform policies.

But not everything has gone off without a hitch, the minister warned. A large amount of money is being siphoned off before it can reach the state coffers. Unrestrained and unplanned investment in capital construction and overly rapid rises in administrative spending have stretched the government's financial abilities, and the failure of some financial departments to enforce strict controls and supervision has resulted in widespread business abuses. These include the indiscriminate issuance of bonuses and "back door" trafficking in scarce materials - all to the detriment of state interests.

"This is no time for blind optimism, and we must press on," Wang said. The red ink can only be erased, he added, when more

revenue than planned is generated and tighter reins put on spending.

The finance minister also suggested measures to help attain the year-end goal of beating the deficit.

On the revenue side, he stressed, factories should be urged to boost profits by producing more marketable, high-quality goods, while revamping their management to pave way for well-co-ordinated increases in output; profits and taxes.

Meanwhile, tax bureaus should unfailingly penalize tax evaders, but avoid abusing their power to grant tax reductions or exemptions.

The key to pulling the state out of the red by the end of this year is holding expenditures in check - an endeavour made all the more challenging by a January-July spending binge which poured money into capital construction and bureaucratic operations, but left very little room for any unbudgeted emergencies. To remedy the situation, Wang demanded that the scale of capital construction be kept within government-fixed limits.

According to the State Council directive, all state departments will cut administrative spending by 10 percent this year, and financial departments are urged to tailor their outlays to their income. Deputies to the 12th session of the Sixth National People's Congress Standing Commitalso last week factories throughout the country not to rashly increase worker bonuses on National Day (October 1) and at the end of the year. "As long as we remain clearheaded and buckle down to the task of making more and spending less," the minister said, "I'm sure the deficit can be beaten."

The battle against the red ink is spearheaded by the Auditing Administration, an economic watchdog department that acts nationwide to tighten up financial discipline, combat business abuses and pick up errant funds for return to the state's coffers.

Since its founding in September 1983, the administration has set up 2,990 branch offices reaching down to the county level. Its staff of 26,000 helps supplement the 9,500 auditors working in other State Council departments and state-run enterprises.

In two years the Auditing Administration has scanned the accounts of 24,000 enterprises and organizations — discovering 4.6 billion yuan of state funds drowned in accounting errors, waste or sheer fraud, said Auditor-General Lu Peijian in a report to the Sixth NPC Standing Committee 12th session.

But the tasks facing the auditors are formidable. In his report the auditor-general called public attention to two outstanding problems, one of them fraud.

It is not uncommon, he said, to see enterprises concoct false accounts, speculate in illegal transactions, or file false reports on their production situation. These practices can often help mislead the country's policy makers.

Too, businessmen and specula-

tors have been able to manipulate loopholes in economic reform policies. Some factory leaders abuse their decision-making powers by indiscriminately issuing bonuses and gifts to workers and staff; others have given themselves promotions, raising their own wages substantially.

"Both problems should be dealt with forcefully," the auditor-general said. Tight auditing, he added, is indispensible to firming up state supervision over enterprises, and helps implement the country's open policy.

Spending Controls Halt Construction

The Chinese government has called for national efforts to control runaway investment in capital construction.

A recent State Council circular urges all areas and departments to halt investment growth this year. "In order to ensure the steady development of the national economy and the smooth progress of its reform," it points out, "it is necessary to strictly control the scale of investment in capital construction."

Overall investment in 1985 must stay within the scale set by the state, and no more unbudgeted spending will be allotted, the circular says. It calls on officials to stop or postpone projects with low economic efficiency while pressing on with those yielding good economic results. It also requires banks to strictly comply with state plans in issuing loans.

The government's warning came after sharp rise in spending in the first seven months of this year. Unbudgeted investment and local spending went up dramatically, according to figures released by the State Statistical Bureau recently.

By the end of July, 39.4 billion yuan had been pumped into capital construction throughout the country—12.2 billion yuan more than in the same period last year, an increase of 44.9 percent. Of this, investment within the budget increased by 1.3 billion yuan, or 8.8 percent while unplanned investment grew by 10.9 billion yuan, a 90 percent increase over 1984.

The situation is attributed largely to huge increases in internal loans and locally raised funds, which rose by 144.1 percent and 95.7 percent respectively over the same period last year. Investment in local projects also increased much quicker than that in state projects. Investment in the state projects went up 23 percent, against an 86.8 percent rise in local spending.

Local investment doubled in eight provinces and autonomous regions including Guangdong, Liaoning, Zhejiang and Fujian. Guangdong recorded the highest increase, 1.86 billion yuan.

Leaders in some areas further aggravated the problem by draining funds from factories and businesses to fuel the construction rush.

The Supply and Marketing Cor-

poration of Yiyang Prefecture, in south China's Hunan Province, for example, transferred 21 billion yuan from 17 of its subordinate companies to build a farm trade centre. As a result, these units had to ask local banks for additional loans of 2 billion yuan.

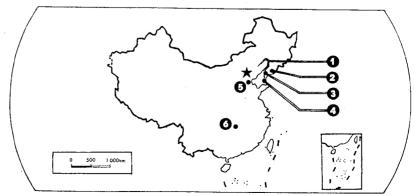
The continued rise in capital construction has also led to increased shortages of building funds, equipment and materials, an official from the State Statistical Bureau noted. Between January and July, investment in capital construction increased 44.9 percent over the same period last year, while the rate of delivery slumped from 24.4 percent to 15.6 percent. The number of large and medium-sized projects going into operation dropped from 14 to 10.

If investment continues to grow out of hand, the official warned, it will far exceed the annual target set by the state plan.

According to some economists, China's current financial system encourages local governments to boost spending on projects that will increase revenues by expanding production. In addition, tax exemption privileges have led many rural enterprises to expand production blindly.

Immediate revenue and taxation reforms are needed to bring

PLACES IN THIS ISSUE



1. Liaohe River (p. 8) 2. Dandong (p. 9) 3. Yingkou (p. 9) 4. Dalian (p. 9) 5. Tianjin (p. 8) 6. Yiyang (p. 7)

News in Brief

A spy ring was recently cracked in Beijing, the Municipal State Security Bureau announced on September 10. Convicted of stealing state secrets were Chen Qiulong and Du Xiaming, both 29. Chen a former Beijing resident, emigrated to Hongkong in 1981, where he was contacted by Taiwanese agents. He then returned to Beijing and recruited Du, a municipal archive bureau driver, by promising him HK\$1,000 a month. Between July 1983 and July 1984. Du supplied the ring with summaries of three topsecret documents. Chen was arrested at Beijing Airport last February, when he attempted to flee with films of two of the documents. Du was captured soon afterward.

China named five new ministers for key government positions this month. All are under 60 and university educated. The youngest is Jia Chunwang, 47, the new minister of state securitv. The other four are Ruan Chongwu, minister of public security; Zhu Xun, minister of geology and mineral resources: Qi Yuanjing, minister of the metallurgical industry; and Zhao Dongwan, minister of labour and personnel.

Meanwhile, historian Hu Sheng was appointed president of the Chinese Academy of Social Sciences, and Hu Qiaomu was made honorary president of the academy. the situation under control, the economists say.

Beijing decided in late August to halt 255 construction projects so as to bring down total investment. Among these, 190 belong to central organizations.

Tianjin also postponed or cancelled a number of projects, thus reducing its capital construction spending to 2.23 billion yuan, 740 million yuan less than the figure planned at the beginning of the year.

Thousands Battle Northeast Floods

The worst flooding in decades left 400 people dead or missing in northeast China's Liaoning Province last month, and inundated 10 million hectares of farmland.

The Liaohe Oil Field, one of China's largest, was also damaged with 294 wells underwater by the end of August. The field's daily oil output was reported to be 21,000 metric tons last year.

Prior to this, a typhoon and weeks of virtually continous rain affected more than 50 counties,

leaving thousands homeless after rivers overflowed their banks. Urgent warnings were issued as waters rose on the Liaohe River, the largest waterway in the area, increasing the threat to the lives and property of millions of people along its course.

To battle the flood, several hundred thousand civilians and nearly 30,000 troops from the Shenyang Military Command and the Liaoning Military Sub-command are keeping a round-the-clock watch on the river.

Local residents have also been called out to reinforce weakened dykes along Liaoning's major rivers. Explosives were used to clear channels and emergency measures are being taken to prevent four reservoirs on the upper reaches of the Liaohe from adding to the deluge.

Meanwhile, 2 million flood victims will get help from local authorities. Food, medicines and makeshift shelters are on their way to the disaster areas.

Most of the homeless have been evacuated to safe places including nearby government offices, schools and undamaged homes.

Armymen in Panjin, Liaoning Province, beef up the banks of the Liaohe River to prevent excessive water from overflowing.



State granaries have been opened to the flood victims and nearly 500 tons of fodder have been distributed. Other relief supplies include 10 million sandbags for reinforcing dykes, 1,000 tons of wire and timber. Over 100 medical teams have been dispatched to the stricken area.

Officials from the ministries of water resources, electric power and civil affairs have also rushed to aid rescue efforts.

The Provincial government and local authorities have allocated special funds and materials to help bring water and power supplies to schools and repair classrooms. In Yingkou, on the lower reaches of the Liaohe River, 95 percent of the 1,000 middle and primary schools have reopened for 280,000 students.

Heilongjiang and Jilin, two other northeastern provinces, have also been hit by floods last month.

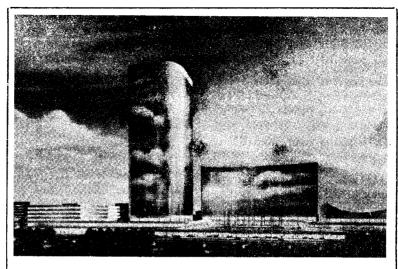
Railways, roads and cropland suffered serious damage in some areas, but no casualties have been reported.

Factories and businesses, many of which were forced to shut down, have begun reopening in some affected areas including the cities of Dalian, Yingkou and Dandong.

Modern Heroes For New Age

Qu Xiao has become a hero in the eyes of many present-day Chinese. His motto, "The world is broad for a person without selfishness," has drawn widespread interest across the country, especially among the young.

This has been shown by the 2,000 letters received by the China Central TV Station within a month after it broadcast a talk by Qu, who is a psychologist and vice-president of the Yingkou Educational Institute in Liaoning Province, in late July.



Modernity for Beijing

The foundation stone was laid on September 1 for Beijing's China International Trade Centre, a high-rise complex to be built and managed by the China Foreign Economic and Trade Consulting Corporation and a Hongkong partner. The 370,000-square-metre centre will include offices, hotel rooms and meeting and exhibition halls in a 150-metre-high, 40-floor main building, which will be partially completed by the end of 1987 and open for business in 1988. The podium will serve as subway terminal.

In the late 1950s and early 1960s, military men such as Lei Feng and Wang Jie — who saved his comrades at the cost of his own life by throwing himself on a grenade dropped during a military drill — were the country's reigning idols.

Few real heroes were found in the 1960s and 1970s, because China was then plunged into the traumatic chaos of the "cultural revolution," a distorted age in its history.

The relative tranquility of the 1980s, then, came as a relief. As a Chinese saying goes, "Great times make great people," and the decade has brought out many models for the country to follow.

Heroes are chosen by the people. They admire those who have firm beliefs, lofty ideals and strong will; those who really understand and persistently pursue the true meaning of life; those who are able to deal with difficulty and succeed in their careers; and those

who help others.

Names often heard nowadays are thus those of Qu Xiao, Zhang-Haidi, Ma Shengli, Jiang Zhuying, Luo Jianfu, Hua Yi and Zhu Boru.

Ou Xiao is now one of the bestknown people in China. A psychology student in the 1950s, Qu was wrongly labelled a "rightist" only eight days after his graduation and later spent a dozen years in prison on a frame-up charge. In spite of his mistreatment, he still firmly believed in communism; he spent his confinement studying Marxist works and continuing his education. Rehabilitated, he uttered not a single complaint, asking only to be admitted into the Communist Party and eventually writing two books on psychology.

Zhang Haidi, a 30-year-old woman from Shandong Province, won the admiration of many people for her strong will and her desire to contribute to society.

A paraplegic since the age of five, Zhang taught herself English,

Japanese and German. She also taught herself Chinese medicine and acupuncture, curing more than 10,000 patients.

"The deeds of Zhang Haidi are so moving because she sets an example for young people on how to deal with life fearlessly," said Sun Shuyi, a young man from Shandong.

Dong Hailong, a worker from Shandong, agreed: "Zhang's life tells us that what is fearful is not disease, but the collapse of the will," he said.

Ma Shengli, a 47-year-old director of the Shijiazhuang Paper Plant in Hebei Province, is regarded as a great hero by workers and striving entrepreneurs.

Ma, who was originally a salesman, asked for a chance to be director of the plant, which had not earned a cent in three years and was on the verge of going broke. Within a month after he took over, it turned a profit of more than 210,000 yuan, completing its plan for the whole year, while reducing costs by 23.9 percent compared with the previous month.

"You can't help admiring him. Ma is the type of person our country needs the most right now. If we had more capable and aggressive directors and managers, our economy would surely pick up in a short time," said a young businessman from Hunan.

Scientists are also held in high esteem in present-day China. Jiang Zhuying, an associate research fellow at an optical instruments institute in Changchun, Jilin Province, developed China's first test device for optical transmission function. Luo Jianfu, an engineer in a microelectronics plant in Shaanxi Province, led his colleagues in developing China's first graphic generator. Hua Yi, an engineer at the China Shipping Industry Corporation, took part in the design of China's first hovercraft.

These three had many virtues in common: They cherished a great ambition — to reinvigorate China and make it prosperous; they were strong-willed and persistent in pursuing their research; and they were selfless, always ready to take on the hardest tasks with no thought of personal gain.

"The four modernizations need tens of thousands of Jiang Zhuyings and Luo Jianfus," said Ma Liuhai a worker from Datong, in Shanxi.

The military, too, continues to supply role models for China's youth.

"I once doubted that there could be another Lei Feng after the 'cultural revolution.' I was very disillusioned, and thought all people were selfish. But Zhu Boru awakened me and kindled a flame in my heart," wrote one young man from Henan.

Zhu, an air force officer, supported ten people who were experiencing financial difficulties, saved seven people's lives and helped 10 young people avoid lives of crime and despair.

"What Zhu did made me understand the value of life," said a young woman from Inner Mongolia.

Zhu Boru and his contemporaries may be heroes, but they are all common people. They are special because they have made great contributions to the country, and set examples for others to emulate. That they are so admired by so many shows what the Chinese people are seeking today.



China & the World

Deng Xiaoping Criticizes
Space Arms Race

"We are concerned about the escalation of the arms race and are opposed to any arms race in outer space." Chinese leader Deng Xiaoping said in a recent meeting with former US President Richard Nixon. "We are against whoever goes in for the development of outer space weapons." he added.

Sino-European Ties Urged

China hopes to see an independent. united powerful Europe, said Chinese leader Deng Xiaoping. When meeting with French Minister of External Relations Roland Dumas, on August 31 in Beijing, Deng said such a Europe will help increase the force to forestall war. Every step in China's development is also an increase in the force to avoid war, he said. "We support the 'Eureka Programme' also because we hope Europe will be powerful," he added.

PM Meets King

Premier Zhao Ziyang and the visiting King of Lesotho, Constantine Moshoesshoe. discussed strengthening friendly relations between China and Lesotho. Zhao repeated that China would always stand alongside the other developing countries, and regarded the task of supporting other third world countries as its international duty.

United States

Sanctions Against S Africa Ordered

Under overwhelming pressure from Congress, President Ronald Reagan agreed to apply economic sanctions against Pretoria.

by XIN YUAN

A FTER fighting stubbornly for months against applying economic sanctions against racist South African regime, US President Ronald Reagan finally gave ground on September 9 when he dramatically announced a series of measures aimed at punishing Pretoria economically.

The measures, which become effective October 11, include:

- A ban on all computer exports to military, police, and other apartheid-enforcing agencies:
- A prohibition on exports of nuclear goods or technology, except for items needed for health and safety or for International Atomic Energy Agency safeguard programmes;
- A ban on loans to the South African government, except loans that would promote the welfare of all South Africans;
- Consultations under the General Agreement on Tariffs and Trade that could lead to a ban on US sales of the Krugerrand;
- Creation of an advisory committee of distinguished Americans to provide recommendations on measures to encourage peaceful change in South Africa;
- A ban on US government export assistance to any American firm in South Africa, employing more than 25 persons, which does

not adhere to the comprehensive fair employment principles.

After signing the executive order, however, Reagan told reporters that he was not abandoning his policy of "constructive engagement," an attempt to reform South Africa through quiet diplomacy rather than sanctions.

It is well known that Reagan had all along opposed any idea of applying economic sanctions against South Africa and repeatedly threatened to veto Congressional sanction legislation. On June 6, the US House of Representatives passed by a vote of 295 to 127 a bill against Pretoria, in response to

its crackdown on protests in black townships. The bill, however, encountered opposition from the administration. On July 31, the Senate and the House introduced a joint bill, which passed the next day in the House by a vote of 384 to 48, and which brought pressure to bear upon the president.

If Reagan vetoes the bill, which is almost certain to be passed in the Senate, he would risk being re-vetoed by a joint session of Congress. As observers in Washington noted, Reagan's September 9 announcement was a compromise between the preferences of his administration and those of Congress.

With the sanctions, similar to those in the pending legislation a major confrontation between the Reagan administration and Congress may be avoided. Senate Majority Leader Robert Dole has said he would try to postpone voting on economic sanctions if Reagan agreed to put most of them into effect administratively.

Nigeria

New Coup Brings High Hopes

Nigeria's new military government, born in a military coup, makes big promises for curing the country's economic ills and for respecting human rights.

by CAI GUOZHONG

N August 30, three days after a successful coup that toppled Mohammed Buhari's military regime, Nigeria announced the formation of a new military government headed by Major General Ibrahim Babangida. Taking their oath of office while holding Bibles or Korans at a swearing-in ceremony in Lagos, the members of

the military council pledged to uphold the interests of the Nigerian people.

The coup, the sixth since Nigeria's independence from Britain in 1960, came after the failure of Buhari's economic reform. To save the country from economic collapse fueled by a sharp drop in oil income — from US\$22.4 billion in 1980 to US\$11 billion in 1983—the former Nigerian ruler in 1983 an-

nounced an austerity drive. But the move did not halt the country's deterioration. Worse, it resulted in even greater economic hardship, especially for consumers, by increasing both inflation and unemployment. In 1984, Nigeria's inflation rate rose from 20 to 40 percent, while the number of jobless grew from 2.5 million to 3 million.

The country's foreign debt also increased to US\$15 billion, US\$0.4 billion more than its total 1985 budget. Not surprisingly, the Nigerian standard of living dropped further under the Buhari regime than it did under the toppled government of Shehu Shagari.

Buhari's popularity began to slip by the beginning of this year, as workers and students held repeated strikes and demonstrations directed against his rule. On May 1, a rally held to celebrate International Labour Day turned into a demonstration against the regime. While workers shouted anti-Buhari slogans, journalists wearing black masks cried out against decrees forbidding criticism of government officials.

With tensions rising, Babangida, a former army chief of staff and one of the leaders of the coup which overthrew the Shagari government and brought Buhari to power in 1983, again moved to unseat the regime. In a policy statement broadcast nation-wide on the night of August 27, he said that economic mismanagement, a lack of public accountability and the general deterioration of Nigeria's living standards were some of the reasons behind his decision to intervene. The initial objectives set by the Buhari regime were betrayed and no fundamental changes were on the horizon, he added.

The new administration has now committed itself to curbing runaway inflation and easing Nigeria's debt-servicing ratio, which stands at about 40 percent of its revenue earnings. It has repealed decrees muzzling free speech and released

some political detainees, journalists and foreigners. In addition, the regime has decided to overhaul the country's security organizations and to review all decrees promulgated by the Buhari government. Babangida also has promised that his government will respect human rights.

Like his predecessors, however, he faces the same enormous economic problems that were the undoing of the two previous regimes. But if he can generate some new and better ideas, he will bring economic and political stability to a country that was once the world's seventh largest oil producer.

Geneva

For Equal Use of Space and Sea

Space and the seabed, as the property of all people, should be equally open to all nations.

by REN ZHENGDE

G ENEVA hosted two international meetings of great significance last August: One on the use of orbits for geostationary satellites, and radio frequencies for space services; and another aimed at thrashing out rules and regulations governing the exploration of undersea resources in international waters.

Because geostationary satellites demand certain distances between one another, and because openings are limited on existing radio bands, space can now accommodate only around 400 of these orbiting transmitters. According to statistics published by the International Teleconmunications Union, more than 140 geostationary satellites were in use by the end of 1984, and about 220 more were scheduled for launching in the next few With all commonly-used frequencies not far from saturation, complex problems are looming for space technology.

In addition, regulations passed at the 1979 World Administrative Radio Conference on radio spectrum allocation state that geostationary orbits are limited natural resources to which all nations should be guaranteed equal access. However, the United States and the Soviet Union between them possess two-thirds of the geostationary satellites now in orbit while other developed countries own most of the rest. As a result, few orbits and frequencies are left for the developing countries in spite of their growing need for satellites.

On the world's undersea resources, the seabed's 1,700 billion tons of manganese, copper, nickle, cobalt and gold nodules could meet mankind's needs for thousands of years to come. According to the Law of the Sea Convention which was signed by 159 nations, the seabed and its invaluable resources are the common heritage of all people.

However, the treaty has been defied by a few developed countries, particularly the United States. On the pretence of freedom on the high seas, Washington is attempting to monopolize the seabed's resources by using its advanced technology and economic power. It also refuses to join the International Marine Administrative Bureau. In August 1984, together with several other developed countries, the United States signed a provisional understanding on privately dividing the seabed's resources.

The Soviet Union, while heaping scorn on Washington, is also competing with the United States for seabed resources. It is thus actually a stubborn supporter of the idea that resources belong to the powerful.

Space and the international seabed, as the common property of

mankind, must be used equally and reasonably after international negotiations. The developing countries also have a right to explore space and the sea to plumb their precious resources.

US-USSR

Flexing Pre-Summit Muscle

Though the two superpowers need a summit meeting to reach understanding on lessening the arms race, they remain reluctant to compromise in their rivalry for military superiority.

by REN WENHUL

A S the date of the US-Soviet summit draws near, the war of words between the two countries seems to get fiercer. Soviet leader Mikhail Gorbachev said recently that his country's relations with Washington had worsened in the last two months. Since the summit was announced in the early July, three major indicators of this situation have taken place:

On July 29, Gorbachev announced a moratorium on nuclear tests starting from August 6. If the United States agreed to take similar measures, the Soviet leader said, the term of the moratorium could be extended. Washington rejected the proposal, meanwhile inviting the Soviet Union to send an observer to the US testing ground. The American counterproposal was also rejected.

On August 20, President Ronald Reagan notified Congress that the first test of an antisatellite (ASAT) weapon would be soon carried out. Moscow attacked the US decision, saying that the test would contravene the 1972 anti-ballistic missile treaty and the international convention on the peaceful use of outer space.

On August 21, the United States accused the Soviet Union of

using tracking chemicals which might cause cancer to monitor the activities of US diplomats in Moscow. The Soviet Union denied the charge as "absurd lies" aimed at poisoning relations between the two countries.

In spite of these events, however, the summit is needed by both sides. As some analysts point out. their current verbal battles are intended to win over public opinion and put pressure on the other side to make concessions. As early as the beginning of this year, Reagan began asking to meet the Soviet leader. In March, when Gorbachev took up the post of General Secretary of the Soviet Communist Party, a message from Reagan was passed to him inviting him to visit Washington.

Reagan hopes through the summit to lend new impetus to the arms control talks in Geneva, which are currently mired in disagreement. With the US budget deficit in 1984 reaching as high as US\$200 billion, the White House thinks it is wise to get the arms race under control.

As for the Soviet Union, it wants the summit too. The United States has recently made major breakthroughs in the military technology, particularly the space weapons which Moscow feels so anxious to contain. In addition, Gorbachev faces grave economic

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problems at home. So, the moratorium on the arms contest in space is in keeping with Soviet interests.

But if the superpowers each need the summit, and are in fact actively preparing for it in order to achieve positive results, neither side is willing to budge from its current bargaining position. The Soviet moratorium proposal is seen in Washington as a trap to halt further US nuclear weapons development. Similarly, the Kremlin believes Reagan's invitation to send an observer to US tests is an excuse to force the Soviet Union to open its own testing ground - an idea that does not conform to Moscow's thinking.

On space weaponry, the United States holds that the Soviet Union already has an antisatellite weapon system available for deployment in the outer space, while the United States is only preparing its system. But according to experts in the field, the US space weapon is smaller and more effective than those of the Soviet Union.

Moscow declared two years ago that it was committed unilaterally to a moratorium on testing and deploying anti-satellite weapons. When Washington announced its test plan, the TASS news agency said the Soviet Union would consider itself free of its commitment if the US went ahead with the experiment.

Washington argued that its plan is based on establishing an equilibium of forces with Moscow, while Moscow alleged that the two sides' military strength is now about equal.

Thus, easing the arms race stands first on the summit agenda. But if the two leaders continue their verbal battles during this vital session, they can hardly restore stable relations between their governments — no matter how well they get to know each other personally at the summit.

Sixth Five-Year Plan Succeeds

by Our Correspondent

WITH the coming national Party conference set to discuss the making of a new five-year plan for China's social and economic development from 1986-90, official statistics indicate that although it still has three months to go, the current plan is already an established success.

In the first four years of the plan, China's total social output value went up by 9.5 percent annually. Total industrial and agricultural output value rose by 9.6 percent, and per-capita national income by 9.2 percent a year. Both were well above the planned four percent growth rate. This year, all three indicaters are expected to increase by more than 13 percent.

Agriculture, long the foundation of China's economy, registered an average annual increase of 10.2 percent, topping the total rise of 36 percent planned for the entire five-year period. Output targets for most major farm products were reached one or two years ahead of schedule. It is estimated that the grain output this year will be slightly lower than last year's due to a reduction of sowing area in some localities, yet still a record. Cotton output will also drop this year. Other cash crops like oil- and sugar-bearing plants, jute and tobacco will register considerable increases if no big natural disasters lie ahead.

Industrial production has progressed steadily, with output value rising by an average of 11 percent per year. Light and heavy industries have developed more proportionately and at increasing speed; the former has grown at an annual rate of 12.5 percent, and the latter by 9.7 percent.

Of the 65 major industrial products whose output is set under the state's economic programme, 43 have reached their output targets one or two years ahead of time. This year considerable increases will be registered, except for yarn, cloth, salt, passenger cars and steel boats for civil use, which will fail to meet the state plans by the end of the year.

Industry's performance in other areas improved somewhat in this period, with comparably less energy consumed, increased labour productivity and shorter circulation time for funds.

Also thriving is the commercial sector. The total retail sales increased from 214 billion yuan in 1980 to an estimated 430 billion yuan this year. The sum is a 48 percent increase and, allowing for inflation, still 25 percent higher than the planned figure for 1985.

China's foreign trade has been helped by the country's open policy. In the first four years of the plan, exports totalled US\$89.3 billion. Imports were valued at US\$80.9 billion, yielding a surplus of US\$8.4 billion.

This year, partly because of decreased prices for some goods on the international market and partly because increased domestic demand has siphoned off goods intended for foreign trade, exports are expected to reach US\$25.5 billion and imports US\$32.1 billion, putting China US\$6.6 billion in the red.

Transport, formerly a major bottleneck in economy, has made much headway, fulfilling its fiveyear plan target a year ahead of schedule.

Rail and water transport and the freight volume handled by ports will overfulfil their targets by 5 to 23 percent this year, while air traffic will top its plan by 48 percent.

Investment in capital construction by state-owned enterprises, which came to 233.6 billion yuan in the first four years of the plan, will hit an estimated 98 billion yuan this year. The added figure is 44.2 percent higher than the planned total of 230 billion yuan. In addition, China invested 104.6 billion yuan in updating equipment in the first four years of the plan. Another 36 billion yuan will be invested this year. All together, the investment will surpass the total planned figure of 130 billion yuan by 8.2 percent.

Most newly-added revenues have been used to raise living standards. This year per-capita consumption is expected to be 386 yuan, up 7.6 percent a year over the five years and 3.5 percent higher than the planned 4.1 percent annual increase when calculated with comparable prices.

China built 430 million square metres of urban housing and 2.5 billion square metres in the countryside from 1981-84, doing much to alleviate shortages. In addition, it added 184,000 hospital beds. Cultural facilities and mass media have been expanded or improved as required by the plan.

Science, which carries much of the burden of the modernization drive, has geared up to aid production. The number of scientists and technicians in state-owned organizations increased from 5.28 million in 1980 to 7.47 million last year.

After years of structural reforms, education has also shaped

(Continued on P. 19.)



by ZHOU ZHENG Our Correspondent

B EFORE the peaceful liberation of Tiber in 1977 of Tibet in 1951. Tibetan society was rigidly stratified. Nobles, high lamas and government officials, who made up about 5 percent of the population, were the privileged upper classes, while serfs and slaves, bound to land owned by others and comprising the remaining 95 percent of Tibet's population, swelled the bottom ranks.

After the failure of the armed

rebellion launched in 1959 by some upper-class elements, democratic reform was carried out throughout the region. This was aimed at uprooting Tibet's feudal serfdom and redistributing the wealth. has happened to the people who were on the lower rungs of the once-isolated land's unvielding class system in the past two and a changed? And, how are the former in Tibetan life.

half decades? How have their lives upper-class members faring now that their days of privilege have ended? This article sets out to answer these and other questions about the recent transformations

tor which has made their plowing and grain gathering easier and im-

proved their productivity. Zhuoma says she is satisfied with her life now because they are on their own.

charge of farm management, we

have little say in production deci-

sion-making. That has passed.

Now, the policies are sound and

we are allowed to do as we like.

The autonomy has contributed to

Last year Chilie and two other

households bought a walking trac-

our standard of living."

A Lower Income Family

Compared with other households in Bajie village, Quzhen's family's income and life style are below average. Quzhen, 28, is an accountant and her husband is a driver for the local middle school. The young couple has a son and a daughter and share their five-room home with her parents.

Ouzhen's husband borrowed from a bank to buy a truck that he and his younger brother use to operate a hauling business, which it is hoped will add to his 100yuan a month salary and the family's income once the loan is paid off.

In addition to their businesses, the family also has harvests of winter wheat, highland barley and peas on their 2.6 hectares of alloted

Up From Slavery to Masters

Tibetans today, as in the past, rely on animal husbandry and agriculture as their main sources of income. About 87 percent of Tibetans are farmers and herdsmen, among them, most are former serfs or slave labourers.

Zhuoma Ciren, 74, from Kesong Village in Nedong County, is one of Tibet's former underclass. As a household slave for a Kesong manorial lord, Zhuoma said she and her family literally owned nothing they could call their own. In an effort to portray the misery of their former lives, Zhuoma told how she,

like her mother, was forced to give birth to her daughter in the cowshed, since medical care was reserved for the wealthy and powerful. Today, Zhuoma lives with her daughter and son-in-law and their two daughters and a six-month-old son in a four-room house with small windows. Though dark and poorly built it has its signs of prosperity: a sewing machine, bicycles, a radio and sporadic lighting. When Zhuoma's sonin-law, Chilie, was asked about the conditions of their lives, he said: "Even though a few years ago, with our production brigade in

land and raises 16 oxen and several cows, which produce 45 kgs of butter each year - enough to meet the family's needs. Hens and 14 sheep also go towards meeting the family's food needs. Quzhen says the Party's new policies have brought various changes to her family's way of life. "The obvious difference," she said, "is that in the past surplus grain had to be sold to the state, after the 250 kg per person allotment had been set aside. Now we can sell some of the surplus on the free market, which helps our income."

Quzhen's family is probably representative of most Tibetans. Although they are not rich, the family members are not hungry either. And, though their lives are simple, they are always looking for new ways to improve their homes and their lot.

Tibet's New Wealthy

On our way from Gyangze to Xigaze, we visited a wealthy family of 10 that spans three generations. The family, headed by entrepreneur Luosang Wandui, shares 27 rooms in a large compound with an assortment of amenities, including a Buddhist chapel, which was built for the special use of Luosang's mother who is a Buddhist.

Luosang, 38, is the son of a former serf. He has six years of schooling and he was a production team leader and later headed a farm in a people's commune.

Two prominent banners in large characters proclaiming Luosang's prominence as a success story, as a "leader in per-capita income." hang from the walls in the main room where we were served barley wine and butter tea.

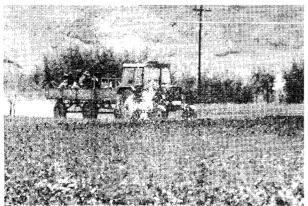
Luosang, who says he was just barely getting by before the economic reforms were instituted, says he harvested about 50 tons of grain last year on his 7.6 hectares of land. Luosang, who now owns a tractor and a truck, says the new autonomy inspired him to become prosperous. In 1984, that success began to snowball. His family that year earned about 90,000 yuan (US\$32.142) from his combination of farming and construction work. An average peasant family can expect to earn approximately 300 yuan per person, or about 3,000 yuan for a 10-member household such as Luosang's.

The family now has a comfortable life that is constantly improving. In being selected to head

Harvesting time on the outskirts of Lhasa. Tibetan farmers had a good harvest of rape-



A truckload of holiday-makers on their way to a park.



Young herdsmen on a pastureland.



Tibetan peasants shopping for colour TV sats.



Naisha's township, however, Luosang's priorities are beginning to shift somewhat. "My first concern this year," he said, "is how I can help the masses down the road to prosperity."

In order to help, Luosang has started by setting up a grocery and a co-operative restaurant with 11 of the poorer households in the area. The grocery and the restaurant earned about 5,500 yuan in the first half of this year. Along with the local government, Luosang also has provided financing for the construction of a hydroelectric power station that will provide the township with more dependable electricity.

For Some Poverty Endures

Although herdsmen are generally better off than farmers, the seven-member Redi family on the Dangxiong pastureland, have remained at the poverty level and just barely meet their daily food needs. Redi, 70, and his wife share their home with their daughter and her four children, two of whom are the family's main labourers. The two together tend 120 cattle, goats and sheep. The courtyard is piled high with cowdung, which the family uses as a source of cooking and heating fuel. The rooms in the two-year-old house are furnished with old chairs and tables and worn-out bedding. When asked if the family has enough barley, or "zamba" to fill their needs, Redi replied simply "No."

Although Redi's family income could be augmented by selling and slaughtering some of his cattle and sheep, he, like other traditional herdsmen, thinks it is inappropriate and not respectable for herdsmen to engage in commerce. Because of this, and other complicated factors, Redi and his family continue to exist at a subsistence level, garnering just enough to barely meet their needs rather than satisfying and then superseding them.



Eight of the 10 members of the Luosang Wangdui family.

Present Status of Former Rulers

Although many of Tibet's upper class fled to India and Nepal in 1959 after an abortive rebellion, others were more far-sighted and stayed behind. These once-privileged elite welcomed the PLA's efforts at ridding Tibetan society of the imperialist influences and supported the democratic reform.

Of the more influential of the former nobles who chose to remain in Tibet are Ngapoi Ngawang Jigme, now vice-chairman of the NPC Standing Committee, and Bainqen Erdini Qoigyi Gyaincain, a leader of Tibetan Lamaism. As the chief plenipotentiary of the Tibetan local government, Ngapoi Nga-

wang Jigme also took part in the negotiations for and signed the agreement on Tibet's peaceful liberation.

The Pala Family

On the outskirts of Gyangze in a dense wooded area is a three-storied building made of hand-carved beams. Once the former home of the Pala Dojiwangjiu, the formerly restricted estate is now opened to visitors. Before Pala and his two brothers, all members of Tibet's former ruling class, fled the country in 1959, 31 serf families are said to have serv-

ed them. Before the democratic reform took place, 21 of the families are reported to have been left to ruin, 13 serfs were beaten to death and 60 more were imprisoned in the manor's private dungeon.

The family's housekeeper, Danda, said the three brothers moved to Switzerland where the second died in 1984. There were also three Pala sisters, all of whom still live The youngest of the in Tibet. sisters is married to Dunzhu Pingcuo, deputy secretary-general of the Tibetan Committee of the Chinese People's Political Consultative Conference (CPPCC), and is herself a standing committee member of the Tibetan Committee of the CPPCC. Dunzhu Pingcuo says the Party and the government holds no grudge against him and his wife because of the Pala brothers' past.

"Despite our similar backgrounds, my idea of what is good for Tibet and what is not, is entirely different from that of the Pala brothers." Dunzhu Pingcuo said. "I think it was necessary to reform the irrational old system."

The second Pala sister, Dunzhu Pingcuo said, is now a member of the Tibetan Committee of the CPPCC and is the widow of the former vice-chairman of the Xigaze Prefectural Committee of the CPPCC. The elder Pala sister is now married to a teacher at the Tibet Nationality Institute and is also a member of the Lhasa Committee of the CPPCC.

The Path Lalu Travelled

As an adopted member of a family once reputed to have held 5,000 serfs in bondage, and from which the 8th and 12th Dalai Lamas were selected, as one of the four ranking officials, or *Kaloons*, of the former Tibetan local government and as the commander of the 1959 rebellion, Lalu Ciwangdoji faced at best an uncertain future when he decided to remain in his homeland after his troops scattered across the border following the rebellion army's defeat after two

and a half days.

Yet, Lalu stayed behind because his wife was in confinement. He says he comforted himself with the thought that he just might survive the ordeal. "When the town of Qamdo was liberated," Lalu said, "I knew the PLA had not executed any prisoners. So, I told myself that perhaps they would see fit to spare me as well." With that hope alone as his support, Lalu surrendered.

Today Lalu is the vice-chairman of the Tibetan Committee of the CPPCC, a post he has held since 1983. He is also a member of the National Committee of the CPPCC.

"The Communist Party has forgive me my past," Lalu said. "It is up to me to make my remaining years worthwhile."

Lalu said at first he resisted the PLA's commands for confession and gave up only small portions of his knowledge of how they plotted the rebellion. His attitude changed, however, at a mass meeting. Lalu said the meeting in which he was presented to a collection of former serfs made him realize the worth of the new government.

"The group exposed and criticized me for my crimes during the rebellion and spoke with such vehemence and indignation until finally the tenor of the meeting became quite shrill. Of course what they were saying was true, which accounted for their mounting anger.

"Suddenly, the group approached me with their fists clenched and looked as though they wanted revenge for all of the harm I had inflicted on others. I thought they would tear me apart," Lalu said. "I closed my eyes and just waited for the barrage that never came, for a PLA soldier had interceded and shouted at them 'Don't! Stop! You should behave according to the Party's policy!'"

I was deeply touched, not to mention relieved by the soldier's words and have from then on been supportive of the Communist Party—the Party that was so lenient with a man like me, who had committed such heinous crimes."

Lalu spent the next six and a half years at a reform farm, where he was leader of nothing but the laundry and in 1965, he received a special amnesty for his

Lalu Ciwangdoji and his wife.



involvement in the 1959 uprising.

In the past few years, Lalu has published four articles on Tibetan culture and history. He also has investigated living conditions in Lhasa and has made proposals to the local government on solving Lhasa's housing shortage.

A Tired Bird Returns to the Nest

The Living Buddha Danzeng Jiacuo went to India with the rebels in 1959 and there became the representative of the Red Sect of Lamaism. Now 61, Danzeng Jiacuo says that while in India he pined away for his wife and children, who he had left in Tibet. No longer able to bear their absence, in 1981, Danzeng Jiacuo went home.

As a standing committee member of the Tibetan Committee and the Loka area committee of the CPPCC, Danzeng Jiacuo now takes part in many of the discussions on major issues and sometimes supervises government work.

"When I returned briefly to Nepal and India in 1982," Danzeng Jiacuo said, "All of my Tibetan friends were starved for news of home. I told them that the local people were living better, that my family was shown consideration and that the Maoqiu Temple, which had been my responsibility had been restored by the government."

When asked what he thought of those working for an "independent" Tibet, Danzeng Jiacuo said he thought little of the efforts. "The people who are after Tibet's 'independence' are youngsters who have been educated abroad and who know little about our history."

Gelong Luosang Danzeng, a former official of the "government in exile" and the leader of a song and dance troupe, found himself acting out the Tibetan proverb that says "When a bird is tired he thinks of the nest."

After retiring from his post with the exiled government in 1976, Gelong began to miss his nine

children and Lhasa, his homerown. In 1979, he arranged to visit two of his children in Nepal. While there he learnt of his children's accomplishments and that they were all doing well and living productive lives. His children also told him of the lenient policies the new government had enacted in regards to returning Tibetans. All the news made him long even more for his absent home, which he managed to visit in 1980. In 1981. Gelong returned home for good and has since settled down in his "nest," where he devotes much of his time to studying scriptures.

From commanders to high lamas, nearly 4,000 of Tibet's former upper class have sought out at last return visits to their home. A few, such as Gelong and Danzeng, have chosen the new Tibet as their final home, in spite of and perhaps because of, its changes. No longer rulers, no longer pampered lords with a flock of serfs at their beck and call, these men have seen, and with their presence have given their tacit approval to the Tibet Autonomous Region.

(Continued from p. 14:)

up to aid the modernization drive. Some 58,000 students are now postgraduate pursuing studies while 1.68 million more are in college programmes and 1.537 million in secondary technical schools. All represent increases over planned 1985 figures. In addition, on-the-job training in various disciplines has developed. The number of students in agricultural and other secondary vocational schools increased from 454,000 in 1980 to 2.447 million this year - a significant rise which is, however, 700,000 fewer than planned.

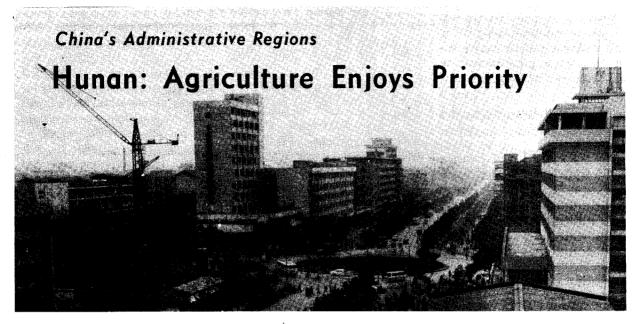
Deficit-conscious China has closely watched its balance sheet during the five-year plan. From

1981-84, deficits totalled 14.8 billion yuan.

State revenue began to rise in 1982 after declining for three consecutive years, reaching 146.5 billion yuan in 1984 and fulfilling its five-year plan target one year ahead of schedule. In the first seven months of 1985, revenue rose 26.4 percent over the same period last year. If the rise continues unabated for the remainder of the year, it will hit a total of 163.5 billion yuan. However, the government remains cautious over its plans to balance the national budget in 1985 because of pay rises granted government functionaries, teachers and doctors in January and July and payments due on bank loans.

With the Sixth Five-Year plan drawing to a close, the new economic targets set for the next planning period pose many challenges.

Overly optimistic capital construction projects, especially in the later years of the Sixth Five-Year Plan, and the too rapid increase in consumption funds have caused a high growth rate in industrial production and further strained the situation of shortages of energy and raw materials. In addition, more efforts will have to be made to strengthen China's economic legislation and bring all economic activities under protection and supervision of the country's legal system.



by ZHENG FANGKUN
Our Correspondent

N the early 1970s, the wellpreserved mummified body of a woman was discovered in a Western Han Dynasty (206 BC-24 AD) tomb at Mawangdui in Changsha, capital of Hunan Prov-Among the treasures preserved in the burial chamber were bamboo cases of seeds, including several varieties of rice. The find helped confirm that agriculture was important in the lives of the ancient Hunanese as long ago as the Spring and Autumn Period (770-475 BC), when the area was already a major economic and cultural centre.

By the Sui (581-618) and Tang

(618-907) dynasties, Hunan was a grain exporter. Tea was also an important crop, and tons were sent to the imperial court at Changan (present-day Xian).

Today, the tribute convoys no longer march northwards from Hunan. But the central China province is still a major link in the country's grainbelt, along with neighbouring Sichuan and Hubei.

The area is also rich in mineral resources and has a sound industrial foundation, with industry now accounting for 57 percent of its total output value. But more than 80 percent of Hunan's 55.6 million people still live in the countryside, where agriculture is a way of life rather than just an occupation.

mate relationship. Linked with the turbulent Changjiang (Yangtze), Xiangjiang, Zishui, Yuanjiang and Lishui rivers, Dongting Lake is subject to periodic flooding and has often inundated thousands of hectares of surrounding cropland.

To help contain the lake's fickle moods, embankments along its shores have been rebuilt and reinforced with 3.1 billion cubic metres of earth and rock — enough, if poured into a dam one metre high and one metre wide, to stretch around the equator 77.5 times. This massive project was carried out at a tremendous cost in labour and materials, but its success can be measured in grain: Output in 1983 increased by 700 percent over that of 1949, the year the People's Republic was founded.

Not all the lake's problems have been cured, however. Dongting Lake is badly silted, and its ability to draw off floodwater is decreasing daily. Its channels are also choked, hindering navigation. If the area is hit by serious flooding before this can be remedied, lives and property will be threatened. A further difficulty is pollution carried into the lake from its

A Major Grain Producer

The area near the famous Dongting Lake is Hunan's main grain producer. In 1984, it accounted for one-third of the province's total grain output of 26.1 million tons — although it includes only 20 of Hunan's 104 counties and cities.

Dongting Lake, the second largest freshwater body in China, both nourishes and defines this rich province whose very name Hunan, meaning "south of the lake," is a symbol of its dependence on this great inland sea. But there is hidden peril in this inti-

feeder rivers. If not eliminated in time, the contamination will destroy the ecological balance of the lake and curtail the development of fish farming and other aquatic industries

Sandbars in the Lake

Hunan's grain production has been boosted by factors including improved cultivation systems, the popularization of double-cropping. soil improvement, the use of better fertilizers and the control of insects and plant diseases.

In addition, there is simply more fertile land than ever before. Dongting Lake's sandbars, which pose such a danger to flood control efforts, have brought the unexpected benefit of increased cropland.

I visited the Dongnanhu Farm in Yuanjiang County. Built entirely on a sandbar in the lake. it can only be reached by a twohour motorboat ride from the county seat.

On this extensive sandbar. square plots of farmland stretch to the horizon, covered with a carpet of green rice and other crops. The fields are crisscrossed by tree-lined canals and ditches. A wide road leads to the farm's office building. middle school, hospital and theatre and guest house. Several apartment buildings are also hidden in a distant grove. The farm has 2,939 workers in its total population of 6,200, I was told by Xiao Minggui, the head of Dongnanhu Farm.

Dongting Lake's feeder streams carry about 100 million cubic metres of sand, expanding the sandbars by 4,000 hectares a year, according to records kept by the provincial water conservancy department.

Towards this siltation, there are two different attitudes. Some suggest removing the sandbars, while others say they should be allowed to develop naturally. The latter group believes that 84 percent of the silt comes from the mighty Changjiang River, and that the lake will inevitably shrink. Even if all sandbar fields were destroyed, the lake would not regain its former size, they say. Most residents agree, noting that large quantities of silt may bring disaster, they also can be put to good use. The Dongnanhu Farm is one example of this philosophy.

Other Main Products

Dongnanhu is Hunan's biggest producer of reeds, turning out 60,000 tons a year for use in paper mills as far away as Tianjin and other cities in north China.

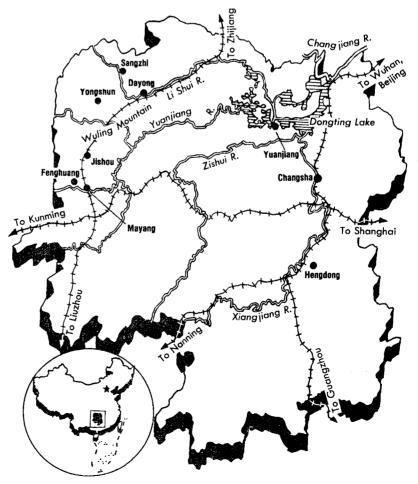
Reed output is expected to grow still further in 1985, following a county-run drive to promote better use of its marshlands. To increase per-hectare yield, the county has also established a research institute to study ways of controlling pests and weeds.

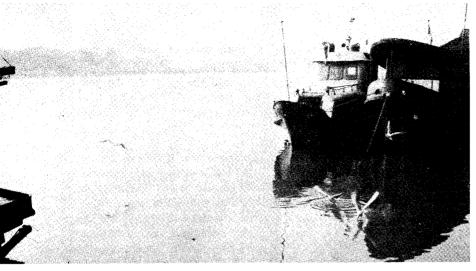
In addition to grain, the province produces huge harvests of industrial crops such as tea, oranges, tangerines, ramie, jute, cotton, tobacco and oil-bearing plants. Hunan's ramie output ranks first in China, and it is also the country's second largest source of tea. Again as with grain, the Dongting area is a major producer. The area grows two-thirds of Hunan's cotton, one-third of its oil-bearing crops and 90 percent of its ramie and jute.

Yuanjiang County, in addition to reeds, grows rice, ramie, oranges and tangerines.

Per-capita grain output in the county was 720 kilogrammes in 1984, 50 percent above the provincial average of 484 kilogrammes. Its output of other products,

SKETCH MAP OF HUNAN PROVINCE





Boats docked on Yuanjiang River

including oranges and tangerines, was also higher than that of other areas.

The county earns a net income of 7.06 yuan per worker per day from citrus cultivation. It also pulls in 2.77 yuan per day from rice, 2.67 yuan from cotton, and 6.37 yuan from ramie. In Jiehe village, a citrus-growing area, the people earned an average of 627 yuan each last year, 279 yuan more than the provincial figure, said Cai Nianchun, the village head.

One citrus farmer is Liu Chunsheng, 45. His family of three occupies a two-storey, six-room home that, together with its front courtyard, covers 300 square metres. Liu said that since he contracted to plant orange and tangerine trees, his income has soared. His family earned more than 3,000 yuan last year, he added.

Production Restructured

In the past several years, Yuanjiang County has expanded its ramie and citrus acreage while reducing the amount of land for grain and cotton. Industrial crops now account for 38 percent of its total acreage, compared with 24 percent formerly, a shift made possible by raising per-unit yield of rice.

This agricultural restructuring is aimed at helping the growth of new rural enterprises in a highly efficient and proportionally developed commodity economy.

Factories and businesses are being established by the districts, townships, villages, and households — a development that has freed 68,000 peasants in the whole county from farming. This year, industry and the catering trade are expected to account for 34 percent of the county's total output value, compared with 15 percent in 1984.

Tuanshan township, where I visited a paper mill and a fruit juice factory, is a case in point. The two plants process local raw materials, yielding high profits for the area. Tuanshan is the richest township in the Yuanjiang County, said local official Fu Youzhang. About 70 percent of its households have TV sets, while 30 percent own washing machines and 60 percent have running water. All these gains have been achieved since the rural restructuring, Fu noted.

Hengdong County Taps Water Energy

Since 1949, Hunan has built 11 large reservoirs each containing 100 million cubic metres of water, 21 medium-sized ones each containing 10 million to 100 million cubic metres of water, and 12,492 small ones each with a storage capacity of 100,000 to 10 million cubic metres. These reservoirs, which now accounts for one-seventh of China's total, have not only boosted agricultural production, but also helped create many scenic areas.

Hunan is short of both oil and coal. In 1984 it only produced 28.48 million tons of fossil fuels. But its water resources make up for this shortage. According to government statistics, Hunan can draw on 15.32 million kilowatts of hydraulic energy resources, 4.25 million kilowatts of which can be used by small power stations. In 1984, the province generated 13.847 billion kwh of electricity, over half of which came from hydroelectric power stations.

Ganxi Power Station

One of these is the Ganxi power

station whose completion brought electricity to county towns where oil lamps were the only source of lighting as recently as the '60s. It also provided water for agriculture and electricity for industry in Hengdong County.

Located on a tributary of the Xiangjiang River, its main dam is 458 metres long and 18 metres high. The station is equipped with 14 turbines with a total pumping capacity of 5.56 cubic metres per second and a total generating capacity of 11,754 kilowatts.

"There were many things we were not sure about when construction started in 1966," said hydraulic engineer Lin Qinhao, 57, a native of nearby Guangdong Province who has been working in Hengdong County for more than ten years.

The project needed a lot of money, but the county was not financially strong enough. The state was not to be relied on either. To reduce this economic pressure, the county decided that its residents should share the burden, since they would be the beneficiaries of the construction. Hengdong residents put 11 million workdays into completing the station's earth works, thus giving the funds that would have been put into this part of the project.

After the dam was completed, the county came across a new problem. It did not have the money to buy generators. It got around this stumbling block by establishing a plant to build the equipment they needed.

The factory carried out a lot of trial-and-error experiments while sending personnel to other places to study the necessary technologies. It also invited experts to help it as well. Finally, the plant succeeded in producing a 1,250-kilowatt generator. Since then, it has provided all the generating equipment needed by the county, and also has filled orders from other areas.

The completion of the Ganxi sta-



Liu Chunsheng spraying insecticide on his tangerine trees.

tion laid the financial and technical foundation for further hydroelectric power development. It has since built three medium-sized power stations and 41 smaller units. These stations are equipped with 82 generators with a total generating capacity of 25,000 kilowatts. Together with a thermal power station, their annual generating capacity is 100 million kwh.

Yangtang Power Station

The Yangtang station went into operation in 1982. About the same size as Ganxi, it is distinguished by its ecological innovations.

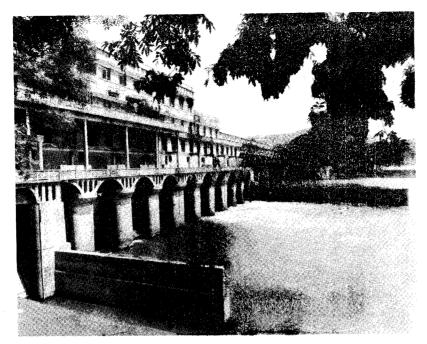
To avoid destroying the river's natural balance, technicians designed holes to let fish pass through the dam to spawn. Since 1958, China has built 40 power stations using this design.

lchthyologists have recorded a daily high of 322,438 fish passing through Yangtang, including some 45 species. The total catch in reservoir upstream of the dam has increased 350 percent since the facility went into operation, indicating that the ecological balance of the river has been saved.

Although Hunan is known as a land of fish and rice, many

An old peasant passing on his expertise in cultivating ramie.





The Ganxi Power Station.

places in the province actually have no fish. Hunan residents ate an average of five kg of aquatic products last year, well below the national level of six kg. For their contributions to boosting supplies of this important food source, Yangtang's chief engineer, Lin Qinhao, and his colleagues were awarded scientific and technological prizes by the provincial government.

Rural Electrification

Hengdong County was a test case in the province's rural electrification programme. The establishment of a power station network has raised its industrial and agricultural productivity, along with its irrigation and drainage capacities. More than 80 percent of the arable land in Hengdong is protected from drought or flood-

ing, helping boost total grain output by 2.2 times over 1965, when the water conservancy project was launched. Its industrial output value also went up by 12.4 times in the same period.

However, said county head Li Nanling, Hengdong still has much to do. Although all its small towns are equipped with electricity, only 74 percent of its villages and 63 percent of its households have access to reliable power supplies; and only half of the county's water power potential has been tapped. The county government has sketched a plan that will bring electric lights to 90 percent of its rural households by 1990. About 20 percent of its rural households will be able to cook and heat water with electricity by that time. Li, who formerly directed the county's water and electricity bureau, is confident that the plan will succeed.

West Hunan: Getting Rid of Poverty

Western Hunan is inhabited by 40 ethnic groups, a total of 2.2 million people. It is regarded as a poor and backward area, and although much progress has been made, it is still poverty-stricken in

comparison with other parts of the province.

After the Zhicheng-Liuzhou railway opened to traffic in 1983, transport in the area improved remarkably. Li Bingsheng, the dep-

uty head of the Xiangxi Tujia and Miao Autonomous Prefecture, pointed out that once the local resources are tapped, the area's economy will take off very quickly.

Mountainous west Hunan has resources of tung oil, tea-seed oil, raw lacquer and various rare medicinal herbs and fruit. Its hills are rich in minerals such as molybdenum, bauxite, mercury and copper. Archaeologists recently found that the local ancient Chinese began mining these resources at least 2,200 years ago. In addition, there are many scenic areas

Miao peasants harvesting tobacco.



that could be exploited as tourist spots.

Mountain Gives Prosperity

In west Hunan is an area named Fenghuang County. Although it has a beautiful name — fenghuang means phoenix — it is one of the poorest counties in China. In 1983 its annual per-capita income was just 108 yuan, only a third of that recorded elsewhere in the province. In some townships, the per-capita income was only 62 yuan, not even enough to buy food.

Wu Guanlin, the county's Miao leader, said part of the blame should be placed on past policies which put undue emphasis on growing grain. The county was ordered to become self-sufficient. forcing peasants to destroy valuable forests to grow grain. This resulted in serious soil erosion, and frequent drought and flooding. Also weather conditions in Fenghuang are not favourable to cereal production. The area suffers serious drought in July, badly cutting rice yields. On the other hand, the peasants had to sell their sideline products and mountain produce to the state at low prices because there was no other legal channel through which to sell

them. As a result, the county was selling low-priced raw materials and buying high-priced industrial goods. As the situation continued, Fenghuang became poorer and poorer and local peasants began their long slide into poverty and despair.

"Things are different now," said Wu, "because policies have been relaxed and we have more and more decision-making power over production. In the past, we were unlucky because of the mountains. Now we are going to let the same mountains help us to get rid of poverty."

In 1984 the county began developing a diversified economy based on tobacco growing and animal husbandry. Half of its revenue comes from these sources.

The local conditions are suitable for tobacco, which likes dry weather in July; the crop has been known in the county for 400 years. Fenghuang, which supplied tobacco to the imperial family in the Qing Dynasty (1644-1911), is now once again one of China's 10 top producers. Its tobacco plant was expanded last year, cigarettes and cigars can now be produced right in the county.

Only one year after the adop-

tion of the new policies, local peasants' income rose to 169 yuan, up 61 yuan over 1983. And each person consumed 340 kgs of grain, which indicated that Fenghuang County is hungry no more.

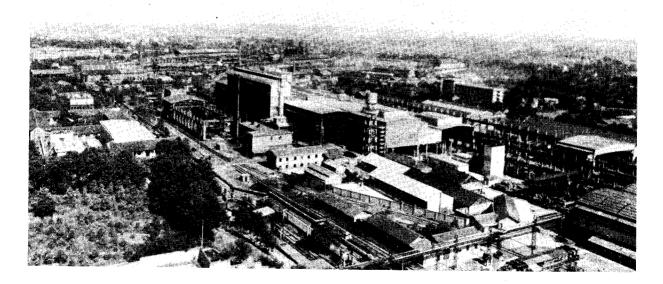
In Shanjiang Town, I visited a Miao family. Long Zhenjun, 43 years old, told me that his family of four earned 4,000 yuan last year, 2,200 yuan of that from tobacco. With their two sewing machines, his wife and son run a tailoring school. His mother also does some cotton-spinning.

Long's family is a high-income specialized household, one of the many who now live in west Hunan. They will be the driving force in the area's economic take-off.

Tourism Takes Off

The Mengdong River in Yongshun County is a newly-opened tourist attraction. Along a stretch of dozens of kilometres of its banks rise steep cliffs and dense forests populated bv monkeys. Mandrin ducks swim placidly on the clear water. The hillsides hide many caves and vacationers can tour by boat to catch glimpses of stalactites and stalagmites formed into fantastic shapes.

An aerial view of the Lianyuan Iron and Steel Works.



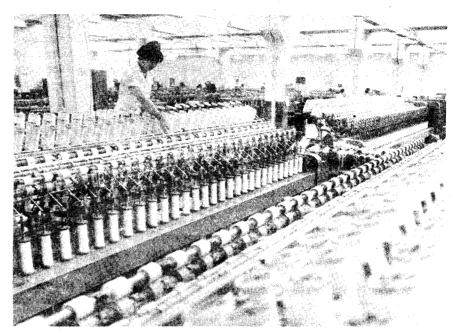
Nearby is Tianzi Hill Hill of the Son of Heaven) Sangzhi County. The kilometre road circling the hill winds past stone pillars and sheer cliffs, and cuts through many secluded valleys. "Painted screens are everywhere," some artists say of the area. And the place does have much of the other worldly charm of traditional Chinese landscape paintings.

Zhangjiajie State Forest Park, in Dayong, has the same beauty. Since it opened in 1982, the park has attracted growing numbers of tourists — 46,000 in 1983, 270,000 in 1984 and 170,000 in the first half of 1985, many of them foreigners.

West Hunan belongs to the Wuling Mountains, an area of karst mountains and underground streams. Zhangjiajie, the Tianzi Hill and the Suoxi Valley in Cili County have been joined in a new vacation area, now called the Wulinyuan Scenic Park.

Tourism has brought the city of Dayong new prosperity and promoted the development of other fields related to tourism. For instance, the Changsha-Dayong railway line opened recently; Guangzhou plans to divert some of its tourists to Dayong. Overcrowded Shanghai has also asked Dayong to take in 200,000. This has prompted the local government to draw up plans for a tourism centre, focusing on building up Dayong's food industry and other services institutions. Wuling University will be established to train professional personnel, and an airport will be constructed.

Huang Youwei, a prefectural official, said his colleagues were confident and optimistic about the development of west Hunan, but felt they were short of knowledge and ability. They were eager to pursue advanced studies and train more qualified personnel. Shortages of funds were another problem, and should be solved immediately, he added.



The spinning section of the Yiyang Ramie Printing and Dyeing Mill.

Industrial Backbone Firming Up

Although mainly a farming province, Hunan also plans to promote light industry.

Since 1949, progress has already been made in metallurgy, engineering, machinery, electronics, chemicals, building materials, porcelain, textiles, paper-making, leather processing and other fundamental areas.

Hunan has rich natural resources. Up to now, 108 minerals have been found and the reserves of 76 of them have been verified. Its reserves of tungsten and antimony rank first in the world; it has more bismuth and realgar than anywhere else in China, and ranks second in the deposits of zinc, lead, mercury, kaolin and graphite. It has become an important nonferrous industrial centre with extensive sources of antimony, zinc, lead and tungsten.

The province is also a top manganese producer, and its products are shipped to iron and steel plants throughout the country. However, its industrial development is somewhat lopsided: processing is better developed than smelting, which in turn has outpaced mining.

Light industries such as leather processing, paper-making, porcelain production and textiles have grown rapidly in the last few years, thanks to good supplies of raw materials.

Further efforts are going into the production of electronics equipment and household electrical appliances. Improved technology will be a decisive factor in establishing Hunan's industrial backbone. Many of its factories are badly in need of new technological breakthroughs. The provincial authorities are now trying to attract more foreign investment technology transfers, and to establish economic ties with foreign businessmen. П

Wushu Rage Heats Up

With all their virtues and excitement, wushu—the Chinese martial arts also known worldwide as kungfu—have again strode to the centre of the international stage. The establishment of the International Wushu Federation Preparatory Committee (IWFPC) this summer in China marks the first success of efforts by noted wushu masters in China and abroad who have been trying to gain Olympic status for the traditional sport.

Late in August, after the Xian Invitational Wushu Tournament, representatives from 16 countries agreed to form the IWFPC. Xu Cai, vice-chairman of the Chinese Wushu Association, was elected director of the new committee.

Chinese martial arts, developed in ancient times, reached their full flowering during the Qing (1644-1911), China's last imperial dynasty. They gradually fell out of favour by the end of the 19th century, when Western guns were brought in.

The Chinese Wushu Association was set up in 1956 to help revive the ancient sport. But the martial arts were bitterly attacked as "feudal" during the "cultural revolution," and have only begun to make their comeback in recent years, with the help of some popular kungfu movies. Wushu associations have since mushroomed across the country, including over 1,000 local clubs each with exercise fields and experienced instructors.

Many of the new martial arts enthusiasts are students. The sport has been put high on primary and middle school curricula, and is taught at prestigious colleges including Qinghua University, Beijing University, Fudan University and elsewhere. A national collegiate wushu competition was held in Liaoning Province in August, drawing hundreds of students, postgraduates and professors from colleges of Chinese medicine throughout China.

Martial arts magazines have also gained new popularity, with articles ranging from the history of the various schools of martial arts and biographies of wushu masters, to the revival of some schools formerly on the verge of extinction.

The craze has had its biggest impact, however, on younger children. When Shaolin Temple, China's first modern kungtu adventure film co-produced by inland China and Hongkong artrsts hit local theatres. manv parents teachers complained that children were endangering themselves by mimicking the hero's acrobatics. It was reported that some children, without telling their families, took trains from all over the country to the remote Shaolin Temple in Henan. Some even posted letters written in their own blood, expressing their strong determination to learn wushu from the Temple's surviving masters.

The martial arts are also known in more than 30 countries outside China. Hundreds of wushu clubs are in action in Tokyo alone. Gymnasiums have also opened in Washington and San Francisco, and martial arts instruction can also be seen on American TV. Singapore regards martial arts as its national sport, while Chinese language and rules are followed by fighters and judges in Italy's national wushu tournament. One Canadian participant who won standing ovations at the Xian tournament in August began studying wushu in a Chinese gymnasium in his home country. He has since come to Beijing three times for further training.

With this international support, many practitioners hope to have martial arts included in the Olympic Games.

"We should step up the current revival of this ancient sport and improve the rules of wushu competition. The establishment of IWFPC will certainly help," said Zhao Shuangjin, secretary-general of the Chinese Wushu Association. So far, he added, no Oriental games have been included in the Olympics except judo. Wushu should be the second.

Tai Ji sword players exercising on a sidewalk.



Women's Social Status Improved

from "ZHONGGUO FUNU" (Women of China)

Employment rate jumps. The proportion of women engaged in higher status professions, however, is still low. According to the 1982 national census, the employment rate of China's workingage population was 86.7 percent. At the end of 1983 the percentage of women in China's work force, not including farmers, rose from 7.5 percent to 36.5 percent, compared with 1949 when the People's Republic was founded. According to the census 83 percent of women who worked had jobs as manual labourers.

Of the total population, for every 100 working women. 77 engage in farm work, 13 are factory workers and four have jobs in the service sector. Only five and a half women for every 100, or 5.5 percent, have higher-status jobs such as technicians, government functionaries and managers. The rate of men engaged in these occupations, however, is 11 per 100 or 11 percent.

Educational level has been raised markedly. The educational level of women in China is as follows:

Compared with 1949, in 1984 the enrolment of women in colleges rose 10.8 percent. females in secondary and primary schools the figures jumped 19.5 percent and 18.3 percent respectively. There are now 80 million female students in schools of different levels all over China. Even though, women still only make up 25.7 percent of the country's population with higher education. And women account for 37.4 percent of the population with secondary education and 42.4 percent of the population with primary However. education. women made up 69.2 percent of the country's present-day total illiterate population.

Most people have something to say about whom they marry. But early marriages for women are still popular. From January 1980 to July 1982, 950,000 couples registered for divorces. In July 1982, however, there were only 820,000 divorced women in China, a figure explained by the

higher rate of remarriage among women than among men. The time when it was considered immoral for women to remarry has gone for ever.

The average age of women marrying for the first time has increased, going from 18.6 years old in 1949, with 50 percent of women getting married under the age of 18 years old, to 22.7 years old in 1982, with half of the women getting married above the age of 23. In 1982, 4.4 percent of China's women were marrying between the ages of 15 years old and 19 years old. Considerably fewer men in that same age group, however, were marrying.

Although some above-averagemarriage-age urban women are less likely to find marriage partners there are many single men in the rural areas. There are about 9.9 million unmarried men 30 years old or above in China, which is 4.3 times the number of unmarried women 25 years old or above.

Early marriages for women and the coexistence quantities of urban single women and rural single men are due mainly to the country's backward economy, poor cultural life, lack of social activities and the desire of some women and their families to get a leg up on the social and economic ladder with the help of a "good" marriage.

Average life expectancy has risen. Mothers are respected by society. In the early days after liberation the average life expectancy for a woman in Beijing was about four years lower than that for a man. Today, however, the situation is somewhat reversed. An average woman in China can expect to live to be 69 years old, while her

Per thousand

Age group	University	Secondary school	Primary school	Illiterate
20-29	5	400	291	304
30-39	6	191	386	417
40-49	10	94	238	658
50-59	6	26	98	870
60 and above	1	8	37	954

male counterpart's average life expectancy is three years less. The boost in life expectancy for women can be attributed to the improvement of women's social status, the development of better health care, and to the wide respect shown to mothers.

Before liberation about 150 out of every 10,000 women died in giving birth. Similarly, the infant mortality rate then hovered around 20 percent. Now, however, about five women in every 10,000 who give birth die in the process, while the rate of infants who die at birth has reduced to 3 percent.

Odd Philosophy On Selling

from "ZHONGGUO QINGNIAN BAO" (Ching Youth News)

GOOD news from TV: An exhibition in Beijing will have for sale China red wine, a high-quality wine made by a Beijing winery.

I rushed to the exhibition centre at 8 am just after it opened and found no customers at the cigarette and wine counter. Behind the counter, however, there were four shop assistants.

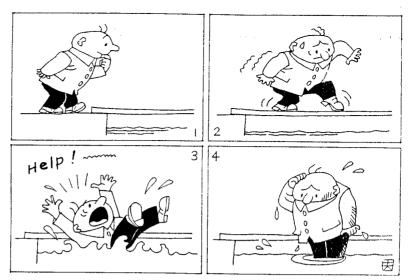
"Comrade, is there any China red wine?" I asked politely.

"Yes, but we are not selling it now," one of them replied coldly.

"When will you sell it then?" I asked.

"Not until there are more customers, probably about ten,' she said.

I was at a loss. Not feeling content with going back empty-handedly, I went to see an old cadre



Just a false alarm. Cartoon by Duan Jifu

who seemed to be in charge of the exhibition. After listening patiently to my complaints, the cadre said, "We only sell one or two crates of this kind of wine a day. If it is all bought by you early

customers what will the customers who arrive later get?"

Ah, the sales people have to consider the late comers. What a funny philosophy!

Promotion Process Wastes Talent

from "ZHONGGUO QINGNIAN BAO"

(China Youth News)

A SURVEY of 1,100 university graduates and postgraduates in 11 units under the State Council conducted recently showed that most of the respondents were eager to begin working and contributing to society.

Two-thirds of those questioned responded to the question "What is your most pressing desire?" by saying they wished "to play their professional roles as soon as possible." More than 70 percent of the people canvassed, however, thought they would be unable to develop their talents fully because of the importance many units put on arbitrary qualifications rather than on one's abilities. An example of the often frustrating ad-

vancement procedures was seen not long ago when a young scientist recently returned from abroad with two master's degrees was, appointed the leader of his research project. Despite his degrees, some of his leaders felt he is too young to be qualified of the lead position.

Figures from another ministry under the State Council show that only 50 percent of its young intellectuals have jobs suited to their training. Many complain that such a system results in a critical waste of knowledge. A unit, which was assigned about 300 university graduates in the past few years, put more than half of the graduates to such work as dealing with the mail, copying documents, buying office materials, and cleaning equipment. Those who complained of the under use of their abilities were criticized for being arrogant.

Baoshan Complex Goes on Stream

The ignition of its No. 1 blast furnace on September 15 marked the completion of the first-phase construction of the Baoshan Iron and Steel Complex in Shanghai. The complex's power and coking plants, steel works and rough rolling mill began trial production earlier.

Located in the northern suburbs of Shanghai, the Baoshan Iron and Steel Complex is China's first major project to import complete sets of equipment since 1949. Construction began on the complex in December 1978 and was suspended in 1980 because of China's economic readjustment. The continued two-phase construction of the complex was approved by the State Council in August 1981.

The investments in the first-phase construction totalled US\$12.877 billion, and the total weight of the equipment amounted to 406,000 tons. The weight of advanced imported equipment controlled by computers reached 367,000 tons. The No. 1 blast furnace, with a daily output of 10,000

tons of iron, was imported from Japan. The cold rolling mills, composed of 18 production lines that can roll various kinds of steel plates continously, were imported from the Federal Republic of Germany and four other countries.

The complex's first-phase production scale is expected to reach 3 million tons of iron, 3.12 million tons of steel, 500,000 tons of seamless steel tubes and 2.12 million tons of steel billets annually.

Most projects for the complex, such as the blast furnaces, sintering and coking projects, will be designed and undertaken by China. Meanwhile, new technologies will also be imported. Among the imported technologies will be two continuous rolling mills, which can produce 3.04 million tons of steel plates and billets a year, and hot and cold rolling mills, which can roll 4 million tons and 2.1 million tons of various kinds of steel plates and billets respectively. After the completion of the second-phase construction, the Baoshan complex will turn out 6.5 million tons of iron, 6.7 million tons of steel, 4.22 million tons of steel products and 1.22 million tons of steel billets annually, and will be China's second largest iron and steel production centre after the Anshan Iron and Steel Complex in northeast China.

Argentine Ship Auctioned Off

The China Zhongyuan Engineering Corporation on August 26 bought an impounded Argentine ship at a cost of US\$460,000, which was auctioned by the Tianjin branch of the China Ocean Shipping Agency.

The oceangoing vessel, which had been chartered by two Spanish companies to ship chemicals to China, was impounded by the Tianjin maritime court according to law for its owner's failure to pay navigation and anchorage fees when the ship passed the Suez Canal and anchored at ports on its way to China.

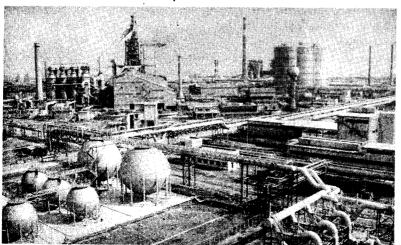
When the ship arrived in Tianjin, the two Spanish companies, which paid the navigation and anchorage fees for the ship owner, filed an application with the Tianjin maritime court, demanding that the ship be impounded and auctioned.

The Tianjin court ruled twice that the owner of the ship should provide US\$400,000 as a guarantee by the prescribed time. The owner, however, failed to do so, prompting the court to entrust the Tianjin branch of the China Ocean Shipping Agency with the task of selling off the ship.

After the invitation to bid was made public, eight firms from China, France, Spain and Hongkong entered bids.

It is reported that when the

The area where the No. 1 blast furnace of the Baoshan Iron and Steel Complex is located.



ship was put up for sale, the two Spanish companies, the China Ocean Shipping Agency and its branch in Tianjin, and the Argentine crew claimed to be the creditors.

Foreign Investments Top US\$10 Billion

From 1979, the year when China began implementing the policy of opening to the outside world, to the first half of this year, the government approved 4,773 projects valued at US\$10.88 billion in direct foreign investment. The following table shows the breakdown of foreign investment in China:

Hongkong and Macao, accounted for 80.7 percent; those from 12 European countries made up 7.7 percent; and those from other countries represented 11.6 percent.

Arranged in terms of countries and regions, the order of the amount of investment is: investments from Hongkong and Macao head the list and are followed by Britain, Japan, the United States, France, Singapore, the Federal Republic of Germany and Australia.

Most of the contracts approved by the Chinese departments concerned are being implemented. By the end of June 1985, foreigners had invested an accumulative total of US\$3.7 billion in China, accounting for 34 percent of the contracts' value.

Investment form	Number of enter- prises	Foreign investment (US dollars)	Percentage of total invest- ment
Joint venture	1,618	2.38 billion	21.9%
Co-operative management	7.070	# #0 1 *11*	
Co-operative	3,030	5.58 billion	51.3%
exploitation	31	2.42 billion	22.2%
Foreign-owned enterprise	94	492 million	4.6%

Facts show that in the past few years the distribution of projects has expanded from special economic zones and coastal cities to cover 28 provinces, municipalities and autonomous regions. Of these projects, 3,800 have been set up in Guangdong and Fujian provinces where the four special economic zones are located and 699 in the nine coastal provinces and cities.

Foreign investors have been largely from Hongkong and Macao and the developed capitalist countries in the West. The volume of investment from developing countries, however, has also gone up in recent years.

Arranged in terms of the amounts of investment, the order is: investments from 11 Asian countries, including the regions of

Sales of China's Coins Increase

When the gold price dropped on the world market in recent years, the sales volume of China's gold and silver coins went up. China recently has been exporting 400,000 gold and silver coins each year, which is the equivalent of three tons of gold, among the highest amount on the world market.

In 1979 China issued its first set of 100,000 commemorative coins and badges. Up to now, China has issued 40 kinds of gold and silver coins and badges, including coins marking the 30th anniversary of the founding of the People's Republic of China, coins for the International Children's Year and the 13th Winter Olympics. Giant panda gold coins and coins depicting animals and outstanding figures from the dynasties have also been minted.

Because of their rich content. beautiful designs, fine quality and the high gold and silver content in the coins, the Chinese coins have been well received by collectors in China and around the world. Of these coins, China's giant panda gold and silver coins and its silver coins with a dog's image were cited as the best gold and silver coins by the US Coin Association and an international evaluation committee. Polo commemorative coin also won a prize for its historical theme. The animal coins won the "Hundred Flower" award given by the state. Three of China's coins received half of all the worldclass prizes for gold and silver coins awarded in 1983.

This is a panda coin China issued last year. Its diameter: 700 mm, gold content: 12 oz, face value: 1,000 yuan.



CULTURE AND SCIENCE

Documentaries Make 'Reel' Progress

Chinese documentary films, which were once virtually ignored because of the popularity of television and feature films, are beginning a comeback with better equipment and livelier topics.

Since the late 70s, Chinese documentary films have been at their lowest tide, attracting minimal audiences of 100 at the most and as low as six at the least to the 1,000-seat theatres where they are shown.

In August, Changehun, the capital of Jilin Province, hosted the Chinese Documentary Film Week in which 84 old and new documentaries were aired. In addition to watching the productions, delegates at the film sessions discussed the function of documentaries in wartime and during the peaceful construction after liberation. They also focused on how they could produce good documentary films that would be appreciated by today's audiences.

Chen Huangmei, a well-known literary critic, said, "In the past, the function of the 'imagery theory' in documentary films we stressed was simplified and one-sided under the influence of 'left'

ideology. We ignored the common character essential to the arts—reflecting human life."

This depression of the documentary film industry has since made artists look towards subjects they have never considered before. In the early 80s, a large number of bold and original works were released. Among bright newcomers were An End to a Humiliating Record, showing the Chinese athletes' efforts at winning in the 1984 Olympic Games; Ruan Lingyu - A Great Movie Star. picturing the life of a great Chinese movie artist Ruan Lingyu, who committed suicide during the dark society of 30s; Jiuzhaigou's Fantasia, revealing the beauty of a newly-opened scenic spot in southwest China; The 2,000-Year-Old Underground Military Lineup, about the world-famous terra-cotta warriors in the tomb of Oin Shi Huang, the first emperor of Qin Dynasty (221-207BC); Master Haideng in Shaolin Temple, about a Buddhist who masters Buddhism, literature and martial arts: and Don't Waste Your Time, a film on how Chinese vouths make extraordinary achievements in their ordinary work.

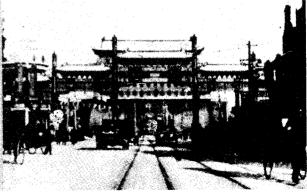
The film An Old Beijing Resident Rhapsodizes is the most acclaimed of the new series so far. Accompanied by damxian (string musical instrument) - a favourite Beijing people - and among narrated by an old Beijing resident, the film gives a vivid picture of Beijing's past and present, and includes scenes of the red-walled and the yellow-roofed imperial palaces, stories of some of the more than 4,550 hutongs, the traditional Beijing compound with houses around the courtyard.

Full of artistry and charm, the film takes advantage of the elders' memories of the old days, while providing the young with a look at their capital's history.

2.000-Year-Old Under-The ground Military Lineup is another example of the well-received new documentary. After seeing the film, a young driver said, "I didn't want to come when I was told it was a documentary film, but a friend insisted I go. I was captured quite unexpectedly by the film. I have never been to the Qin Shi Huang tomb, and have only glanced at photos of the terracotta warriors and horses. film gave me ideas of how extraordinary the 'military lineup' is. I cannot wait to visit it and have my picture taken with the pottery warriors."

Two scenes from "An Old Beijing Resident Rhapsodizes."







Sky-divers at work in "Flying."

After seeing *Dream of Venice*, a young girl said, "It seems that I were in the boat in the winding river, travelling around this ancient, romantic town. More films of world famous places should be made."

Ioris Ivens, a world-famous Dutch film director and a master of documentary film-making, was impressed by Flying, which depicts the performances of parachutists. Ivens said after seeing Flying, "1 have seen a lot of films about parachutists' performances, appreciated Flying most. This is not only because of their impressive techniques, but also by the depiction in the film of the skydivers' arduous practice, their humour and their sense of fraternity. Flying is the best documentary film I saw in China during my present trip and will be a success when it is showed abroad."

As they broach more topics and improve their technique, documentary films could continue to attract larger audiences. According to an official from Tianjin Film Company, documentary films suffered the loss of 330,000 yuan in 1982. Only 50,000 yuan, however, was lost in 1984.

Today, people are tired of long films as life's tempo increases. The short, interesting pieces about celebrities, stars and average people are more likely to attract their interests.

That loss will begin to be recouped if Chinese film-makers continue their progress by improving shooting methods and story subjects.

Mongolian Studies Progressing

Chinese research in Mongolian history, literature, language, philology and archaeology is improving, according to the conclusions drawn at a symposium held in the Inner Mongolian Autonomous Region last June.

About 500 scholars from the Mongolian studies research units, of which there are more than 50, have written 3,000 papers over the past six years dealing with the north central region.

Studies have also begun in the long-neglected fields of the Mongolian history, philosophy, religion, and customs and habits.

China has the largest Mongolian population in the world — more than 70 percent of the world's total. The Inner Mongolian Autonomous Region has become the country's research centre for Mongolian studies.

In the area of history, hundreds of recent papers have focused on the origin of the Mongols, the nature of early Mongolian society and the evaluation of historical figures such as Genghis Khan. Books on Mongolian history by foreign scholars also have been translated and published. Modern Mongolian Grammar, a text by Professor Qinggeltai, and books on linguistics and philology came off the press recently.

The publication of the first Chinese version and the new Mongolian version of the long epic *Jangar* is a big step forward in the study of Mongolian literature.

Also fossils of Ordos Man, the artifacts at the Stone and Bronze Ages and the unearthed artifacts of Huns, Qidan (Khitan) and Xianbei nationalities have proven to be valuable materials for studying the history of the nomadic nationalities in northern China

CORRECTION: In the article "China Issues New Exchange Figures" published in our issue No. 35, pp. 30-31, some terms were used inaccurately. The major corrections are now given as follows:

Wrong

Regular Items
Transfers Gratis
Capital
International Revenues and
Expenditures
Reserved Money Supplies of
Fund Organizations
Special Rights to Draw Money

Corre

Current Account
Unrequited Transfers
Capital Account
Balance of Payments

Reserve Position in the Fund

Special Drawing Rights

BOOKS

Minorities' Folktales Have Happy Ending

Folktales from Chinese minorities, known for their entertainment and educational value, and passed down orally from generation to generation, once faced the threat of being forgotten. Now however, a happier ending has been ensured them.

In order to guarantee the tales' preservation, the Shanghai Literature Publishing House has begun work on a 56-volume collection of the tales in Chinese, which is entitled Story Books—Collection of Chinese Minority Folk Literature.

The first 15 volumes of the collection, which are now available, are compilations of stories from the following minorities: Mongolians, Tibetans, Uygurs, Miaos. Yis, Manchus, Dongs, Yaos, Bais. Lis, Zhuangs, Koreans, Dais, Naxis and Daurs.

The Story Books which cover such areas as mythology, jokes and fables, normally run between 200 and 400 pages. One volume will be devoted to each of China's 55 minorities. The 56th volume contains the editions' index and other reference materials.

Minority folktales have never been compiled in such a comprehensive and organized manner before. The publication of the Story Books series is an auspicious event. The Story Books will be valuable not only for their literary quality, but because it will be useful research and study tools. From the stories it is hoped that people will come to better understand the development of the minorities and their way of life.

From minority members to scholars around the world, the

Story Books series has attracted a great deal of enthusiasm in terms of orders and requests to translate some of the editions into their languages.

- Zhou Shu

Collection of China's Laws Published

The Collection of the Laws of the People's Republic of China 1979-1984 (in Chinese) was recently released, and includes the new Constitution published in 1982, all the laws adopted by the National People's Congress (NPC) and the NPC Standing Committee from 1979 to 1984, resolutions on the revisions and amendments of laws and other problems related to law.

The first collection of laws, edited by the Commission for Legal Affairs of the NPC Standing Committee, reflects the progress of the socialist democracy and the strengthening of socialist legal system since the convocation of the Third Plenary Session of the 11th Party Central Committee. It also reflects the success of strengthening the legislative work done by the highest organ of state power.

From now on, collections of new laws worked out by the commission will come off the press as each volume is completed.

The publication of the new collection of laws is also a part of policy aimed at publicizing laws among the people, strengthening the legal system — which will be advantageous to the achievements of the modernized socialist con-

struction focused on economic construction — and will contribute to social stability and unity, and world peace.

"我我我我我我我我我我我我我我我我我我我我我

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