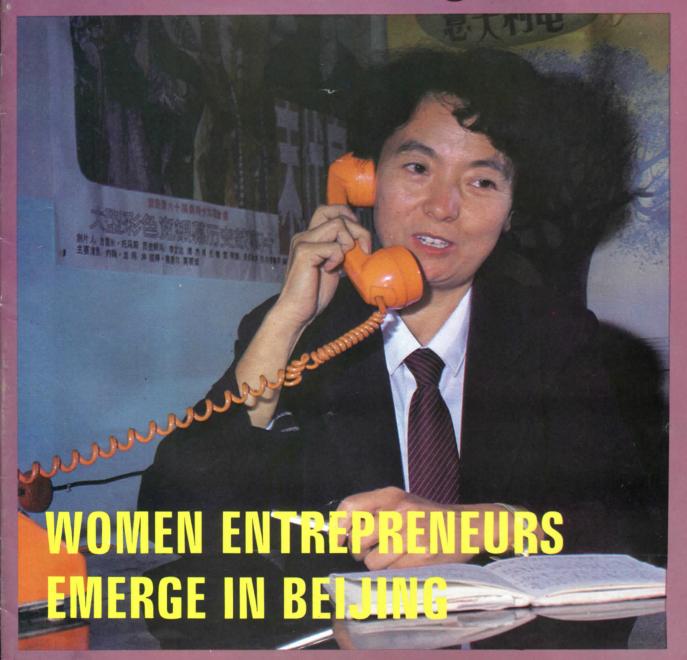
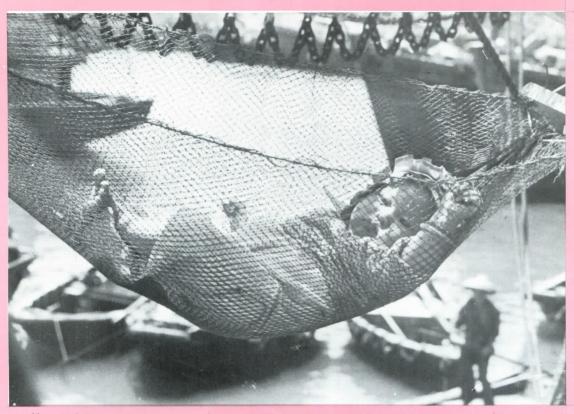
Review 此东周报

Vol. 31, No. 44

October 31-November 6, 1988

No U-Turn in Open Policy and Reform Programme

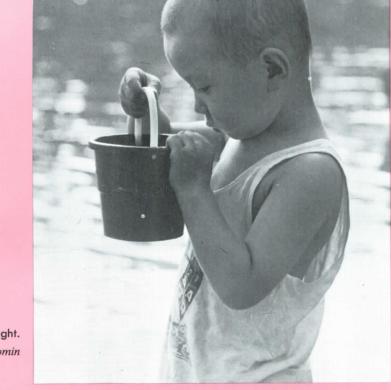




Hammock.

Photo by Chen Wenwen

Children in a Fishermen's Village



What I caught.

Photo by Zong Guomin

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COVER: Sun Yiqing manages i	ne

COVER: Sun Yiqing manages the Beijing Dahua Cultural Recreation Centre. Formerly an old and outdated cinema, it is now a modern equipped and multi-functional recreation place, which has not only proved popular with the local people, but has also become far more profitable.

Chen Zonglie

HIGHLIGHTS OF THE WEEK

Women's Rights Face New Challenge

■ With the introduction of competition into all areas of social life through the reform programme, women now face a severe new challenge, particularly in the workplace (p. 14). At the same time, however, a whole new series of economic opportunities have arisen which have brought forth a great number of bold and talented female entrepreneurs (p. 17).

CPC Solicits Opinions From Democratic Parties

■ The CPC Central Committee held a meeting on October 11 to solicit opinions and suggestions from leaders of China's non-Communist parties on some vital issues the country faces. The participants shared the view that vital to the implementation of the Third Plenum decision are better supervision by the public, stricter CPC and administrative discipline, and stricter implementation of laws and regulations to wipe out corruption among Party and government workers (p. 5).

No Change in China's Reform and Open Policy

■ China's goals for the next two years are the improvement of its economic climate and the adjustment of its economic order. The emphasis will be placed on controlling economic growth and curbing the over-extended capital construction programme. This does not mean that reform is being obstructed, still less that its overall orientation has been changed. The economic achievements and improvements in standard of living witnessed over the last decade are proof of the success of China's reforms and opening up, so clearly there is no need for any major change in policy (p. 4).

Sino-Soviet Normalization Benefits All

■ The news that the Chinese foreign minister will go to Moscow for a visit before the end of this year has attracted worldwide attention. While most people welcome the prospect for a normalized relationship between China and the Soviet Union, some have worries. The article, based on facts and sound analyses, says the fears, though understandable, are groundless, for normalized Sino-Soviet relations will contribute to the preservation of world peace (p. 23).

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Policy of Reform and Openness Remains Unchanged

by Ge Wu

Since the conclusion of the Third Plenary Session of the 13th CPC Central Committee at the end of September, a series of measures have been drawn up to improve China's economic environment and adjust its economic order. These will constitute the focus of work for the next two years. Overall, they are aimed at creating better conditions for comprehensive and intensive reforms. They do not mean that reform is being obstructed, still less that its general orientation has been changed.

It is generally acknowledged that enormous achievements have been made since China introduced its reform programme and open policy in late 1978. The country's economic growth and improvements in people's living standards are evidence of this. And with such proof, there is no reason or need for any major change in policy.

But while the economy has boomed, China has also encountered many problems, the major ones being inflation and excessive price rises. These have aroused general concern, affected social stability and weakened popular confidence in reform. If they are not solved, then the economy will remain unstable and underdeveloped, and it will not be possible to introduce further reforms.

The key to reforming the structure of the economy is price reform. Until China's distorted pricing system is straightened out, it will remain impossible to lay a proper foundation for the establishment of a socialist commodity economic system. But price reform must not be carried out impatiently or in isolation. It requires favourable conditions

and co-ordination with other reforms. To ensure its success, full consideration has to be given to the capacity of both industry and business and the general population to adapt themselves to the changes it will bring.

Under the present conditions, where the cost of living has risen at an excesive rate, any attempt to carry out major price reform will inevitably aggravate inflation. To avoid this, the implementation of price reform will be slowed down for the next two years to ensure that the rise in the price index in 1989 will be lower than this year. This decision should prove both practical and popular.

It is important, however, that changes in the steps and methods of reform are not regarded as retrogressive. They are aimed at further promoting reforms, and so price reform has been temporarily moderated, not cancelled. The Third Plenum of the 13th CPC Central Committee has adopted in principle the "Initial Plan for Price and Wage Reforms," which the State Council will gradually and steadily implement over the next five or so years in accordance with the need to strictly control price rises.

In future supplementary reforms, intensive enterprise reform will occupy an important place. Above all, the reform of large and medium-sized state-owned enterprises will be accelerated. Government administration will be further separated from enterprise management, and experiments conducted on will be introduction of a public shareowning system and the developenterprise groups. ment of Economic results should be

improved by allowing enterprises to operate independently with sole responsibility for their own profits and losses under overall state control

Improving the economic enviradjusting and economic order should provide the necessary conditions for deepening China's reforms and stabilizing its economy. Many of the measures currently being adopted are important reforms in themselves. For instance, rectifying the disorder in the circulation of commodities, cleaning up companies where government administration is mixed with enterprise management, and punishing "official racketeers" who abuse their powers for personal gain, not only helps to check arbitrary price rises, but also facilitates the healthy expansion of the socialist commodity market and the establishment of a new order for the socialist commodity the economy. Indeed. economic process through which governments at all levels will tighten their control over the economy during the next few years will lead to the gradual establishment of a complete macroregulatory system in itself an important part of the reforms.

One of the major measures for improving the economic environment is limiting the economic growth rate. The current bout of inflation is an overall reflection of various contradictions in the national economy. Its roots lie in economic overheating in which social demand outstrips supply, causing shortages of energy, raw materials, transport and daily necessities. Under these circumstances, the overly high economic

growth rate of the past few years must be reduced to the originally planned target of 7-8 percent per year. This remains a fairly high rate, and therefore cannot be labelled an economic recession.

The overextended capital construction programme epitomizes the problem of the overheated economy. Reducing its scale is the key to improving the economic environment. In adjusting the rate of economic growth, attention should be paid to adjusting China's industrial composition. Some infrastructural projects involving energy, transport, raw materials and agriculture, should be retained so as to maintain economic development. At the same time, production of those goods which enjoy a ready market. are in short supply, are indispensable to people's lives and produce good economic results should be promoted.

At a recent meeting with foreign guests, Premier Li Peng clearly stated that cutbacks in capital counstruction will not affect China's economic co-operation with other countries. Contracts already signed for goods and joint ventures will be implemented as planned. He said China was aiming principally at halting the construction of non-productive projects such as auditoriums, hostels and processing enterprises. The country would continue to invest in its infrastructure and in buying technical projects and equipment to develop its raw material and chemical industries from abroad, he added.

Clearly, economic disorder is also unattractive for foreign investors, therefore resolving China's current economic difficulties should create a better business environment for overseas companies as well as for Chinese ones.

China Checks Institutional Buying

The State Council, China's highest governing body, is to tighten its control over the purchasing power of many groups throughout China in a bid to improve the country's economic environment, ease the strain between supply and demand, and prevent extravagance.

This decision will affect Party and government bodies above county level, people's organizations, state and collective institutions, and capital construction firms with a staff of more than 200. They must cut their spending this year and the next by at least 20 percent of what it was last year. They will be given spending quotas and be subject to an administration planned by the state.

The number of commodities under special state control will be increased from 19 to 29 items and include mainly cars, sofas, carpets, air conditioners, cassette and video recorders, cameras and various electronic appliances. No institutions will be allowed to buy these commodities for any reason without the approval of the relevant authorities.

Purchases of colour television sets, famous-brand homemade and foreign cigarettes, and wine will be strictly forbidden under the new decision, and approval for the purchase of other commodities under the special control will not be granted unless they are to be used directly in production, management, scientific research, education, medical treatment or for other special purposes.

The State Council decision stressed that the existing system of management and supervision should be improved and completed. Institutions and enterprises are to stop using high-class tourist hotels for meeting places, holding banquets, treating guests to cigarettes and wine, and giving souvenirs and local products as gifts.

The decision also requires governments above county level to set up special leading groups for the control of institutional purchasing, and large institutions and enterprises should devote special personnel to tackling the task

Harsh punishment awaits those organizations that flout the rules and regulations concerning the purchase of commodities under special control. Institutions that buy extra commodities will be fined under 50 percent of their value and commodities bought without authorized approval will be confiscated.

CPC Invites Ideas On Reform

The Chinese Communist Party (CPC) Central Committee called a meeting recently to solicit opinions and suggestions from leaders of China's non-communist parties on some vital issues the country now faces. This October 11 discussion was presided over by Zhao Ziyang.

The non-communist participants voiced their support for the decision of the Third Plenum of the 13th CPC Central Committee to improve the economic environment and rectify the economic order. They expressed the conviction that so long as the decision is truly implemented, hope will be high for the success of China's reforms and construction. They also proposed ways of achieving the projected targets set by the plenum.

Attending the discussion at

Zhongnanhai, headquarters of the CPC Central Committee were President Yang Shangkun of the People's Republic, National People's Congress Standing Committee Chairman Wang Li and Communist Party leaders Hu Qili, Song Ping, Rui Xingwen, Yan Mingfu and Wen Jiabao.

Speaking at the discussion, Zhao said that the CPC Central Committee will hold such discussions at irregular intervals every year. He thanked the noncommunists for their suggestions and opinions. It is up to the efforts of those present to implement the principles and policies laid down by the Third Plenum, in addition to the resolution and work of the CPC Central Committee, he said. Besides, steps will be taken to enable increasingly greater numbers of non-communist party members and people without any party affiliation to participate in government work, Zhao said.

Proposals from the noncommunist parties on the subject of education, for example, were far-sighted. The destiny of China and its rise and fall will be determined by education, the leader said.

Science and technology will determine the development of the national economy, and it is up to people with expertise to develop science and technology. But it is education that produces people with expertise, he said.

Non-communist speakers at the meeting included Wang Guangying, vice-chairman of the All-China Federation of Industry and Commerce, Feng Tiyuan, vice-minister of Supervision and vice-chairman of the Central Committee of the China Democratic National Construction Association, Zhao Chaogou, a standing committee member of the Central Committee of the China Democratic League, and Li Ganliu, vice-chairman of the Central Committee of the Revolutionary Committee of the Revolutionary Commit-



On October 14, CPC Central Committee called another discussion with non-communists on reforms.

tee of the Chinese Kuomintang.

They shared the view that vital to the implementation of the Third Plenum decision are better supervision by the public, stricter CPC and administrative discipline, and stricter implementation of laws and regulations.

Some speakers called attention to serious corruption among some public servants, such as bribery and illegal spending, and proposed dealing with notorious cases to enhance the people's confidence.

They also stressed the importance of abolishing similar activities and profiteering at top levels of government. Stricter management of the Chinese Communist Party and officials was suggested.

To this end, some speakers called for the faster building of China's legal system and improvement of laws and regulations to clog loopholes in economic life.

Others proposed that the state intensify its administrative mechanism and exercise unified management of important capital goods and materials in short supply. Zhao expressed thanks for their candid views and proposals on the work of the CPC and the government.

"True, there is some corruption among Party and government workers," e said. "If no effective measures are taken to overcome this, it will spread. This is one of the problems the people resent most. That's why the Party Central Committee has paid close attention to the importance of honesty."

A fundamental way to solve the problem lies in establishing what he called "a new socialist commodity economic order" by deepening reforms.

"Nevertheless, we should not start to combat corruption only after the establishment of the new order and let corruption run rampant now," he told the meeting.

The leader vowed to set up the new order while taking effective measures to crack down on corruption. He urged for a wider implementation of the corruptionreport system, noting that lawenforcement offices, offices with the power to distribute materials, and the examination and approval authorities are subject to supervision by the public.

Zhao also pledged to give fuller play to the advantage of the current political consultation system and to intensify the role of the CPPCC organizations in democratic supervision. "I agree with the adage that so-called democratic supervision is first of all supervision of the CPC by the non-communist parties," he noted.

Screening Drive Challenges Firms

Kanghua Development Corp. (KDC), a Beijing-based business firm affiliated with the China Welfare Fund for the Handicapped (CWFH), decided that the group would sever all its ties with the latter and, therefore, no longer enjoy the preferential treatment it previously received. In this way, the KDC has started to respond to the government's recent decision to rectify all kinds of companies in the country.

The KDC used to be tax-exempt because of its role as a fundraiser for the CWFH, a national charity organization headed by Deng Pufang, son of Chinese senior leader Deng Xiaoping. Now the KDC has 58 secondary and 113 tertiary affiliates throughout the country. This is too large a group for its small-company economic strength.

At a recent board meeting, the company decided to cut ties with all of its tertiary affiliates and restrict its role within five categories: productive investments, technological developments, building contracts, consultation services and trusts and investments.

The decision the KDC re-

sponded to was made jointly by the Chinese Communist Party and the State Council on October 3. It affirmed the role new companies are playing in promoting production and circulation. But, "a considerable number" of them have Party and government functionaries working as their leaders or executives and resort to profiteering resales for exhorbitant profits, it added.

"The existence and development of these problems," it continued, "damage the interests of the state and people, give rise to unfair distribution, disrupt the economic order and cause the social morality to degenerate, thus seriously hampering the current reforms."

"It is now essential to rectify and screen these companies," the decision concluded.

It noted that the screening endeavor shall focus on companies set up since the latter half of 1986, especially multi-purpose, financial and commercial companies. Companies founded earlier shall also be included if they have evidently committed grave misdeeds.

Companies shall be deprived of their administrative functions, the decision ordered. Except for a small number authorized by the State Council, no company shall have the right to distribute supplies and investment, examine and approve infrastructure building and technical renovation projects, plan for imports and exports, or use foreign exchange.

The decision forbids Party and government offices to launch companies with their operating funds, and companies they have already set up must immediately separate themselves from them. The portion of such funds already invested in companies shall automatically become state property subjected to the unified control of government financial organs.

The decision reiterated the principle of forbidding Party and government functionaries to engage in business or run enterprises, saying that those who already have posts in companies must give them up or resign their official posts.

And any one proven to have acted in violation of this rule shall have their illegal income confiscated, be penalized according to discipline or even be sued if their deeds are serious enough to constitute crimes.

The decision also declared that all privileges previously offered to some of the companies, such as tax reductions and exemptions, as well as reduced interest rates for loans to them, shall be cancelled.

It stipulated that companies must not engage in resales of important production means and durable consumer goods in short supply.

The decision will also be effective for trade unions. women's and youth organizations, organizations of writers and artists, as well as various associations. societies and foundations.

Democratic League Holds Congress

members of the China Democratic League, one of the eight non-Communist political parties in China, were called on to help improve China's economic environment, rectify its economic order and combat corruption. The call was issued in a resolution of the league's sixth national congress which was held October 8-16.

At the opening ceremony of the congress, Yan Mingfu, speaking for the secretariat of the CPC Central Committee, conveyed a congratulatory message. He also said, "At present, socialist democracy should be promoted and effective measures taken to

encourage non-Communist parties and personage without any party affiliations to play a still better role in managing state affairs."

During the congress, a work report of the league's Fifth Central Committee was examined and the league's task in the next five years was defined.

The work report was delivered by Qian Weichang, vice-chairman of the league. Speaking to 880 delegates representing 80,000 league members, Qian said that in the last five years, league members have offered good suggestions on major policies, the formulation of the Seventh Five-Year Plan and reform schemes, particularly in regard to the educational system.

The league was founded in 1941, and its present membership consists mainly of intellectuals as well as prominent public figures and experts. Among them, more than 300 are deputies to the People's Congress National of the (NPC) or members National Committee of the Chinese People's Political Consultative Conference.

Taking advantage of its own superiorities, Qian said, the league has conducted a number of surveys in several provinces and autonomous regions. The league's suggestions, such as setting up a multi-national economic zone in the upper reaches of the Huanghe (Yellow) River, have drawn much attention by the government, he said.

The league has also launched 350 schools, which have produced 360,000 graduates. Members have also lent a helping hand in the development of China's poverty-striken areas.

A revised constitution of the league was adopted at the congress. Among its political propositions are safeguarding the country's Constitution, making great efforts to carry out the legal system, adhering to co-operation

between various parties and promoting political consultation.

The league also stands for the reform and opening to the outside world; maintaining the rights of citizens and the legitimate rights and interests of intellectuals to bring about political democracy and freedom of speech; promoting democracy and scientism in policy-making; and improving the ethics and scientific and educational quality of the whole nation.

A resolution of the congress called on the members to plunge into the country's reforms, drive to open to the outside world, serve its socialist modernization programme and contribute to China's reunification by enhancing friendships with Taiwan, Hong Kong and Macao compatriots and overseas Chinese.

The congress elected the league's new Central Committee composed of 250 full members and 50 alternate members. Of them, 25 percent are newly elected.

Fei Xiaotong, 78, a leading sociologist, was re-elected chairman of the league's Central Committee. He is also the vice-chairman of China's NPC Standing Committee.

In his closing speech, Fei expressed full support for the decision of the Third Plenary Session of the 13th CPC Central Committee to focus on China's reforms and construction in the next two years by improving the economic environment and rectifying the economic order.

Rising Prices Drop Real Income

In the first three quarters of this year, China has suffered from an overheated growth of industry, a rise in commodity prices and inflation, Zhang Zhongji, spokesman for the State Statistics

Bureau, said.

Compared with the same period last year, the social retail price index in the first three quarters rose by 16 percent, and the cost of living for workers in 32 major cities went up 18.3 percent.

In the same period, the average per-capita income of urban residents was 87 yuan, a real increase of 0.5 percent. Yet actual income for many workers went down.

On the other hand, Zhang said, consumer spending rose too fast. Panic spending sprees in some cities were caused by the great demand, and unusually high sales were stopped only after the State Council issued an urgent call for the stabilization of prices.

At the same time, institutional purchases rose 21.3 percent this year to 48.7 billion yuan. But departments have continued to issue bonuses indiscriminately. During the January-September period, the total payroll of the nation's employees increased by 20.1 percent from a year earlier, reaching 150.9 billion yuan. Of this, 25.1 billion were bonuses, up 46.6 percent.

Zhang said that the overheated growth of industry, especially that of the processing business, has worsened the already strained energy supply and transport services.

Statistics showed that the gross industrial output value in the first nine months totalled 883.3 billion yuan, an increase of 17.5 percent over the same period last year.

Industrial momentum reached its peak in September, with a rise of more than 20 percent over the same month in 1987, Zhang said. The output of many products in short supply, such as household electrical appliances, salt, pesticides, mixed fodder and farm machinery, went up, but the output of energy and raw materials was still lagging behind the pace of industrial growth.

The ratio between the development of industry, the output of electricity and railway transport capacity has dropped from last year's 1:0.73:0.5 to 1:0.63:0.30, Zhang said. He warned this trend would present a major obstacle to future industrial development.

Despite attempts to tighten state control over fixed asset investment, there are still too many projects under construction; those undertaken by state-owned organizations have exceeded 1,000 billion yuan in value, far too much for the supply capability of financial and material departments.

But now, Zhang said, government ministries and localities have had 111 construction projects stopped or delayed, which could cut investments by five billion yuan.

Regarding foreign trade and economic activities, the spokesman said the total export volume in the first nine months was up by 24.1 percent to US\$32.19 billion, but because of a slowdown in exports and rise in imports, the country's trade deficit stood at US\$2.41 billion.

The period also witnessed an actual use of foreign funds equivalent to US\$5.97 billion, an increase of 30.7 percent, of which US\$1.56 billion were direct investments by foreign partners.

Weekly Chronicle

(October 17-23)

POLITICAL

October 20

■ At a weekly news briefing in Beijing, the Foreign Ministry spokeswoman Li Jinhua says China hopes to realize the normalization of relations between China and Indonesia.

She adds that such a normalization is in accord with the interests of the two peoples and also favourable to the peace and

friendly co-operation in the region.

At a meeting with Stadinger Istvan, speaker of the Hungarian National Assembly, Chinese President Yang Shangkun tells his guest that the socialist road is not always smooth and there is no fixed mold for socialist construction. China was once confined to a certain mold, which had both positive and negative sides. He says the negative side was that it could not bring the people's enthusiasm into full play.

October 21

■ Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee meets Angolan President Jose Eduardo Dos Santos, who arrived in Beijing October 20 on a five-day official visit to China.

Zhao says that China highly appreciates the Angolan government and people's unremitting efforts and struggle in keeping domestic peace and stability, revitalizing and boosting the economy, safeguarding the country's sovereignty and security, and opposing aggression from South Africa.

October October 22

■ The 11th National Congress of the Chinese Trade Unions opens in Beijing with 1,797 representatives attending.

At the opening ceremony, Zhao Ziyang, general secretary of the Communist Party of China Central Committee, gives a congratulatory speech and Ni Zhifu, chairman of All-China Federation of Trade Unions, makes a work report.

ECONOMIC

October 17

■ Of the 46 local branch offices under the ministries and commissions of the State Council stationed in Wuhan City, capital

of Hubei Province, 10 have been found to be involved in illegal profiteering activities and gained huge profits, *Renmin Ribao* (People's Daily) reports.

The Wuhan Administration of Industry and Commerce, since last May, has launched a campaign to battle against bureaucrat profiteers, but it encountered many obstacles, the paper says.

October 20

■ The feasibility study report on overall economic results of the Three Gorges water control project has been assessed and passed by experts, the overseas edition of *Renmin Ribao* reports.

This is the last of the 14 reports concerning the project, which affirms the building of the Three Gorges project as "rational and feasible" on the basis of scientific analysis.

CULTURAL

October 18

■ The life story of Qinshihuang, the first emperor in China's history (259-210 BC), and the terra-cotta warriors unearthed near the tomb site of the emperor will be shown in a a new film jointly produced by China and Canada.

The film, expected to be finished next January, will be shot in IMAX film introduced from Canada and projects an exceedingly wide screen image.

SOCIAL

October 19

■ On July 1, China's population, Taiwan excluded, hit a high of 1.07233 billion, according to the State Statistics Bureau.

This figure indicates that the yearly population growth for the last five years averaged 1.24 percent, the lowest growth rate since the founding of the People's Republic of China in 1949.

YUGOSLAVIA

Political Crisis Prompts Reform

Amidst a deep political and economic crisis, the 17th Plenum of the League of Communists of Yugoslavia ended by calling for Party unity and reform of the country's political and economic systems and the Party itself.

The 17th Plenum of the Central Committee of the League of Communists of Yugoslavia (LCY), which opened on October 17, ended on October 19 with the approval of a document designed to eliminate the county's political, economic and social crises.

The document, drafted by the Central Committee Presidium, analyzed the serious political and economic situation in Yugoslavia. It pointed out that the country's main task is to strengthen Party unity and carry on ecnomic and political reforms, as well as to reform the Party itself, in order to help the country resolve the current crisis.

The plenum was held at a time when Yugoslavia was racked by a deteriorating economic situation and an unstable political and social state. Since the 1980s, the country's economic growth has slowed and finally stagnated. Inflation has run out of control. The steps taken by the LCY in recent years, especially those adopted at the representative conference last May, did not help much to turn the corner. Unemployment rate reached 15 debt percent, while foreign amounted to US\$21.3 billion. Prices were rocketing with a 217 percent inflation rate, reducing workers' real income and living standards and resulting in social instability.

The crisis is coupled with an intense national conflict between the country's Serbs and ethnic

Albanians, mainly in Kosovo, a Serbian autonomous province where Albanians constitute the majority. Over the past few months, some nationalistic and separatist Albanians intensified their activities, which aroused strong dissatisfaction from Serbs, and Montenegrins throughout the country. They staged dozens of mass rallies and demonstrations since July to demand more political power, accusing Albanians of trying to take over Kosovo. Demonstrations spread to Serbia's other autonomous province of Vojvodina where protests brought down the entire Party leadership.

Disunity in the country's leadership has aggravated the situation, leading to growing discord and conflicts, mistrust, bitter squabbles and rampant regionalism. This rendered the task set by the LCY to tackle the long-standing problems ineffective.

A sweeping reshuffle took place at the plenum. Four LCY Central Committee Presidium members resigned at the beginning of the meeting. They were France Setinc from the Republic of Slovenia; Bosko Krunic from the autonomous province of Vojvodina of Serbia; Milanko Renovica from the Republic of Bosnia-Herzegovina; and Kolj Siroka from ethnically torn Kosovo. The plenum also accepted a resignation from Dusan Ckrebic, a representative from Serbia, after he failed to win majority support in a secret confidence balloting on all 23 members of the LCY Presidium. Prior to the opening of the session, five of the 23 members had already resigned. In another move, the plenum decided to renew the leadership of the LCY by replacing one-third of the members of the Central Committee over the next one and a half months. This is intended to separate the functions of the Party from those of the government and absorb more young leaders to revitalize the LCY Central Committee.

plenum, Speaking at the Yugoslav State President Raif Dizdarevic said the crisis facing his country cannot be solved by introducing special measures or declaring a state of emergency; the only solution to the crisis is by democratic means. Meanwhile, most speakers strongly urged a strengthening of Party unity to rid the country of the present mire. It was agreed that this can be done political only through economic reform as well as through reform of the Party itself.

The plenum decided to establish a reform committee headed by LCY leader Stipe Suvar to implement the task of reforming the Party. According to Radisa Gacic, a member of the Presidium, the reform is intended to retain the Party's role of leadership in socialist self-government under new social conditions.

Suvar warned at the meeting that nationalistic forces unprecedented since World War II were seeking to destroy, break up and remodel the country. "They are penetrating the LCY with the aim of breaking it up into national parties and, at the end of the day, into nationalistic parties." He vowed that the LCY is determined to pull the country through the current difficulties.

by She Duanzhi

ALGERIA

After the Riot — Continued Reform

The recent riot in Algeria has quieted down at last. In view of its many causes, the government is taking measures to heal a poor economy and a discontented populace.

Turmoil occurred recently in Algeria. Several thousand young people began demonstrating in Algiers on October 4. They pounded the doors of some governmental and foreign offices, robbed shops and banks and obstructed traffic, creating confusion and tension in the capital. The turmoil also extended to the country's other cities.

Facing the most serious riot since Algeria's independence in 1962, President Bendjedid Chadli proclaimed a state of emergency in the capital and mustered a great number of troops and police to maintain order. Demonstrators clashed violently with the police. On October 10, the situation began to return to normal, and Chadli decided to lift martial law and the curfew, beginning the morning of October 12. The turmoil ended at last.

Mass demonstrations happened in Algeria in the past, but all those were less than this one in scale, range and losses. Analysts see following reasons for this:

First, the country's economic conditions have deteriorated. With the slump in oil prices and devaluation of the US dollar in recent years, Algeria's export income plunged from US\$13 billion in 1985 to US\$8 billion in 1987. Consequently, its import commodities had to be reduced by nearly a half. According to estimates of the International Monetary Fund, Algeria's foreign exchange reserve shrank to US\$1 billion at the end of June, thus only ensuring one-and-a-hal

months of import needs. At the same time, Algeria's payment on foreign debts has peaked. This year the volume of repayment reaches between US\$4-5 billion. accounting for 60 percent of the country's total income. All this forced the Algerian government to take measures of retrenchment and reduce some state subsidies. leading to material deficiencies, a shortage of supplies and a price rise. Algerian Minister of Information Bachir Rouis pointed out at a press conference on October 8 that the fall of living standards was partially responsible for the riot.

Second, the number of the unemployed has increased. Algeria's population growth rate increased annually by 3.2 percent, about 850,000. Economic retrenchment has caused difficulties for people seeking jobs, especially young adults. Their urgent demands have formed a large undercurrent for social unrest.

Third, fundamentalists have instigated anti-government sentiments. On October 8, a fundamentalist organization issued a statement to attack the government and incite the crowds to carry out anti-government activities. The fundamentalists even took to the street affer the government imposed the martial law.

Finally, the Algerian government has been attempting to carry out economic structural adjustments. Plans include completely reforming the economic management structure, gradually realizing the separation between ownership and management, dissolving state farms, further opening the private economy and reducing social welfare programmes. This economic flux has unavoidably touched some people's interests and caused grievances that may have contributed to the riot.

present. the Algerian government is taking measures to improve market supplies and check price rises. At the same time, it is advocating steps to increase democracy. After announcing his policy of political reform, Chadli again advanced a three-point plan to increase democracy. The plan calls for a referendum November 3 to determine whether or not to revise the country's constitution.

by Ke Yuelin

EC-ACP

EC Reconsiders Lome Convention

The Lome Convention has played a significant role in improving North-South relations and strengthening South-South co-operation. Renewal of the convention is necessary.

The European Community (EC) opened negotiations on October 12 with 66 countries from Africa, the Caribbean and the Pacific (ACP Group) to renew the Lome Economic Convention. The

original convention, signed in 1975 for a period of five years, has been renewed twice.

The current "Lome III Convention," which will expire in February 1990, allows unre-

stricted access to the Common Market for all the ACP countries' industrial products and 96 percent of their agricultural products. The EC offers exportation stabilization funds for important ACP products and provides 8.5 billion European Currency Units (ECUs) in financial and technical aid to ACP countries.

ACP Responding the to Group's problems of food shortages and foreign debts, the EC has declared its willingness to strengthen co-operation with the ACP Group and to adapt the accordingly. EC convention sources said that the substantive will begin negotiation November.

The Lome Convention has built up and improved co-operation the industrial between developing nations, said Ambro-Gambouele, the Congo's ambassador to the EC and chairman of the ACP Ambassador Committee to the EC. He called the Lome Convention an unprecedented example of rich and poor countries working together to solve the problems of economic development. The 66-member ACP Group has been conducting economic and trade relations with the EC through the Lome Convention since 1975. Gambouele emphasized, however, that this co-operation benefits both sides, not just the ACP countries.

In the negotiations of the previous three Lome Conventions, concessions were made by both sides in a spirit of mutual benefit and co-operation, which has enriched the programmes and caused the membership to flourish. Membership of the ACP Group has jumped from the original 46 to the present 66. This shows that the convention tallies with the interests of the signatory states. It has also served as an example for the co-operation between developed and developing countries.

As East-West tensions are tending to ease at present, the two peace of tasks development have become much more outstanding. A peaceful environment will surely favour development. And economic development is an urgent problem that now faces many countries. Post-war economic activities have proved that all countries are interdependent in their course of development. Developing countries need the technologies and funds of developed countries; at the same time, the economic status of developed countries at home and on the international market depends upon the improvement of developing countries' economies. However, due to historical factors, many developing countries are still very poor, and the gap between them and developed countries continues to widen. Demands for strengthening cooperation to achieve common development are strong in the general debate of the 43rd Session of the UN General Assembly. Helping poor countries get richer has thus been recognized by many as an urgent task facing the whole world.

For more than a decade, EC countries, through the Lome Convention, have helped ACP countries to profit by offering them unilateral preferentials, price subsidies and financial aid. This has lessened ACP members' economic losses caused by the scissors differential on the international market and, thus, promoted the improvement of North-South relations.

Of course, results of the Lome Convention have not been completely satisfactory. For example, the co-operation between EC countries and ACP countries has not reached real equality. ACP's quota of imports into Europe needs to be increased, and subsidies for ACP's primary, semi-finished and finished products need to be raised. If EC countries support these measures, a renewed Lome Convention will surely increase the benefits for both EC and ACP countries.

by Yao Li

USSR-FRANCE

Step Towards Overall Dialogue

The three-day visit by Eduard Shevardnadze to France was the first by a Soviet foreign minister to the country since 1980. It took place against a background of improved East-West relations and has pushed Franco-Soviet relations to a turning point in overall dialogue.

Eduard Shevardnadze, foreign minister of the Soviet Union, paid a visit to France from October 10 to 12, during which he met with French President Francois Mitterrand, Prime Minister Michel Rocard and Foreign Minister Roland Dumas to discuss some current significant international issues and bilateral relations. International observers noted that each side promoted its own interests during the takhs, but both made concessions and narrowed their differences on some key questions, making progress towards strengthening their political relations and pushing them to a turning point in overall dialogue.

Shevardnadze and Mitterrand announced after talks that Mitter-

rand and Soviet leader Mikhail Gorbachev would exchange visits to each other's countries, with the former making the trip this coming November and the latter, in the first half of 1989.

This demonstrated the restoration of political relations after differences over disarmament and human rights had chilled their dialogue, reduced their official contacts and finally resulted in the expulsion of diplomats by both sides in April last year.

During his visit, Shevardnadze expressed the hope that an improved Soviet-French dialogue would ease the process to improve international situations.

The visit also saw a switch in France's position regarding the three scheduled follow-up meetings to Helsinki's 1973 Conference on Security and Co-operation in Europe (CSCE). The first two are scheduled to be held in Paris and Copenhagen. The third, scheduled for Moscow, drew opposition from some Western European countries, including France, on grounds that the site is inappropriate for a meeting on human rights. But during his visit, Shevardnadze succeeded in persuading the French leaders to give up their former objection. Dumas said. after his talks with Shevardnadze, that, in fact, the marathon conference has to plan one of the three meetings in Moscow in order to concentrate on human rights.

But differences between the two sides over disarmament in Europe still existed. France insisted that priority should be given to removing the imbalance in conventional and chemical weapons in Europe, a view with which the Soviets disagreed.

France also adhered to its nuclear deterrent, saying that it should maintain its own forces to guard against possible attacks.

by Mao Ruiging

PAKISTAN

Court Referees Election Dispute

To avoid more confusion, the Pakistan Supreme Court recently issued a decree ordering the general election to be held as scheduled on a party basis.

The Pakistan Supreme Court's decision of October 5 has satisfied personalities of various circles. They all praised the court's decision for its unprecedented contribution towards defending the constitution's honour and the country's stability and solidarity.

On May 29 this year, the late President Mohammad Zia Haq dissolved the National Assembly and the federal government. In late July, he announced that the general election would be held on November 16 on a non-party basis. This evoked controversy with some opposition parties. Most parties strongly demanded that the future election be held on a party basis. To this end, Benazir Bhutto. leader of Pakistan People's Paty, filed a lawsuit in the Supreme Court. Because of the death of Haq in mid-August, the controversy was unresolved.

When Chairman Ghulam Ishaq Khan succeeded to the presidency, he avowed that the government would perform strictly in accordance with the constitutional empowerment. As to the date and method of general election, the Supreme Court would give a final decision, he said.

On September 20, the Lahore High Court began to try the lawsuit field by some former members of the disbanded National Assembly. The court decision said that Haq's reasons for dissolving the National Assembly were not valid, so his order was without legal basis. But the court verdict also said that the disbanded National Assembly must not be revived, for Khan had

already announced that the general election would soon be held and a new National Assembly would be born then.

On September 30, the Pakistan Supreme Court announced that it would try the lawsuit brought by Bhutto about the method of general election and the case by former members of the disbanded National Assembly, who rejected the second part of the Lahore decision and demanded restoration of the dissolved Assembly.

On October 2, the Supreme Court first tried the lawsuit on the method of election. After three hours of court debates, Chief Justice Mohammad Haleem read the brief court verdict before the public. Invoking many legal provisions, the court said that all parties may participate in the general election and use a campaign mark.

The same day, President Khan immediately summoned a cabinet meeting, deciding to carry out the court's verdict and hold the election as scheduled on a party basis.

In the following days, the Supreme Court tried the case in which some former members refused to accept the Lahore High Court's ruling.

The decisions of the Pakistan Supreme Court enjoyed widespread support and were welcomed by various circles. They settled several important controversies facing the country and marked a step towards legal institutions.

by Chu Qimen

New Challenges to Women's Employment

Recent years have witnessed a widening income gap between men and women with the introduction of economic competition via the reform programme. At the same time, ever more companies are employing increasingly lower proportion of women. This poses a new challenge to the policies of equal treatment for men and women, low wages and high employment pursued by China since 1949.

by Our Correspondent Lu Yun



RALLIANCH

Yang Shangkun delivers his speech of greeting to the Sixth National Women's Congress.

The policies of equal treatment for men and women, low wages and high employment pursued by China since 1949 have resulted in the wide employment of urban women, who have received similar treatment in terms of wages and other benefits as their male colleagues. In recent years, however, with the introduction of competition into all areas of social life by the reform programme, the income gap between the sexes has widened. Owing to their physiology, female employees have always received more care than men, such as fully paid maternity leave. And this has made more and more enterprises reluctant to hire women workers, imposing a new challenge on equality for urban women.

How to view and solve this problem was a major topic at the Sixth National Women's Congress held in early September.

Chances and Challenges

Many delegates to the congress held that although reform has proved a severe challenge to women's rights, it has also created a whole new series of opportunities.

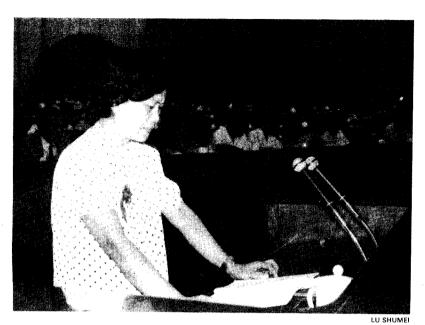
With the growth of the national economy and the readjustment of China's industrial structure, particularly the development of tertiary industry, women have been given both more employment opportunities and a wider range of choice. China's publicly and collectively owned urban enterprises now employ 48 million women, 50

percent more than in 1978, and accounting for 36.8 percent of all their employees. One-third of the rural households specializing in production of a single or small range of commodities are now predominantly worked by women. There are 35 million female workers and staff in township enterprises, around 40 percent of their workforce. Women also make up 50 percent of all the employees in commerce and service trades, and 24 percent of the 21 million self-employed workers across China.

More women now hold responsible positions. Many capable women directors and managers have leased or contracted enterprises and become outstanding entrepreneurs. In recent years, 2,100 export-oriented businesses have been established in Shenzhen City's Baoan County, employing 140,000 women workers, or 80 percent of their total employees. More than 270 of them are directors or managers.

However, there are many indications that competition has worsened the overall stituation for women.

From May to September 1987, the Women Workers' Work Committee of the All-China Federation of Trade Unions polled 660 enterprise leaders and 15,000 employees (81 percent women, 19 percent men) on attitudes to female employment. Following discussion meetings, it



Vice-President of the All-China Women's Federation Zhang Guoying encourages Chinese women to contribute to China's economic expansion at the Sixth National Women's Congress.

was discovered that the main problems women face could be summarized as:

A Reluctance to Employ Women. When asked "if there is a job suitable to both men and women who will you employ, men, women, or both of them in proportion," 30.4 percent of the 660 enterprise leaders answered they would prefer men, 5.3 percent women, and 64.3 percent in proportion. The response from leaders of 48 electronic enterprises, whose work is well-suited to women, showed that 35.7 percent favour male employees, percent women and 57 percent would like employment in proportion. Even among the 89 womendominated textile enterprises, 37.5 percent of the leaders ticked men and only 25 percent women.

Because of this inbuilt bias, not only do many unskilled women find it hard to secure employment, but many with a university or a secondary vocational school education find it hard to get their ideal job. Under the contract system, pregnant women face the threat of unemployment.

Women Form the Majority of the Surplus Labour Force. To improve productivity and cut costs, Chinese enterprises have strictly fixed the numbers of their employees and optimized the organization of labour, thus expanding the ranks of the surplus labour force.

Across all the 660 enterprises, 2 percent of employees were classified as surplus at the end of June 1987 (the actual figure may be greater than this). Of these, women accounted for 64 percent. In the nine branches of industry investigated, 82 percent of the surplus labour in the commerce and service trades were women, in machine-building, metallurgy. petrochemicals, electronics, textiles and transport and communications they constituted 60 percent, and in electricity and power, post telecommunications made up 35 percent.

Limited Choices and Numerous Restrictions. When asked what job they would prefer, 32.8 percent of the women polled chose

government insitutions, 15.4 percent chose science, education, culture and public health, and 12.5 percent chose finance and insurance. The total of 60.7 percent for these three areas contrasted strongly with male preferences—only 45.6 percent of men selected these trades.

When asked about the criteria for defining their preferred work, except for wanting a high salary which was shared by both sexes, most women ticked "close to home" so as to be able to take care of their families, while many men wanted a job which would give full play to their talents.

Investigations have revealed that commerce, service trades and tourism have become the most popular forms of employment for urban women. The Qiulin Department Store in Dalian planned to recruit 50 women from 500 applicants in 1986. On the other hand, owing to low wages and anti-social hours such as night shifts, the textile industry has been spurned. A large textile mill in Wuhan, for example, planned to recruit 500 new workers, but only five were actually employed because the low number applicants.

Reasons and Counter-Measures

According to the poll, the major reasons for the emergence of these new problems facing women's employment prospects were:

Women workers are physically weaker than men. In particular, maternity rights and leave cause economic losses. A worker at the Beijing General Automobile Replacements Plant earns an average 20,000 yuan of profit a year. The figure for a pregnant woman or nursing mother is 6,600 yuan less because she enjoys longer breaks, maternity leave and breast-feeding hours.



Women arts and crafts workers at the Zhongyan Bamboo Weaving Factory in Qingsheng County, Sichuan Province.

- Raising women's self-respect and confidence in themselves to cultivate a spirit of independence and self-improvement, which in turn should increase their ability to compete and acquire more employment opportunities.
- Prejudicial treatment of women should be avoided when enterprises reorganize their workforces for optimum efficiency by opening up the process for public scrutiny. Men and women should be allowed to compete for jobs on a fair and equal basis. Trades and types of work suitable to women should absorb the largest possible number of female workers.
- The government should provide guaranteed maternity welfare payments. Since September 1 this

- Traditional concepts and practices which regard women as inferior have psychologically blocked many women from participating in competition, fostering a lack of independence and a tendency to rely on others.
- The labour system that existed up until the initiation of the reform programme created unfair practices. In the past, jobs were assigned by the state in a unified enterprises, For all wav. proportion between men and women was set arbitrarily, with little consideration to women's physiology. Those who found it hard to handle their assigned jobs could not be transferred. With the introduction of the optimum organization of labour, these women have been the first to be leave. Industrially asked to developed Liaoning Province predicts that 70 percent of its surplus industrial 600,000 labourers are women.

Wang Qingshu from the All-China Women's Federation has said that despite these factors, she and her colleagues are optimistic for the future providing various counter-measures are taken: Liaoning Province has nominated Cui Shuying (centre), director of the Shenyang Aluminium Products Factory, one of the area's outstanding entreprenuers.



year, Nantong City of Jiangsu Province has introduced a women employees' child-bearing fund. All enterprises, no matter how many women employees they have, must contribute towards the fund. which is then redistributed among the companies according to the real number of women maternity leave. This method helps reduce the burden enterprises with more women workers. In Anshan City of Liaoning Province, the wages of women employees on maternity leave are paid half-and-half by both the husband's and wife's work units.

- Women employees who are asked to leave during the reorganization of labour forces should be encouraged to undertake professional training.
- Studies should be made of the trades and types of work best suited to women, and methods should be developed to encourage the flow of women employees at different ages according to appropriate work and posts. Studies should also be made to develop a flexible and varied women's employment system in line with the growth of the socialist commodity economy. Measures

to be examined should include flexible hours, half-day working, payment by the hour and piece rate system, all of which would help women find the jobs that fit their needs and optimize their participation in social production.

Hope for the Future

The problems facing women's employment have roused concern in many circles. In his message of greeting to the Sixth National Women's Congress, Yang Shangkun, president of the People's Republic. stressed that government and the public should consider and take care of the special needs of women in order to safeguard their interests. The government's labour department has decided to draw up concrete measures and stipulations for social compensation during and after pregnancy.

Some places have already made positive efforts to take care of surplus women employees. Zhang Baohua, head of Shenyang City's Women's Federation, said the city has assigned surplus women workers to newly opened service

businesses such as sewing, laundry and repairing. Those who cannot immediately find jobs are given a long leave backed by benefits according to their circumstances. For instance, those with children under seven years old can apply for leave of more than one year, during which they will be paid 70 percent of their standard wages. Currently, neary 13,000 women employees in Shenyang take advantage of the scheme - 76.3 percent of the city's surplus women workers. Most of them stay home, taking care of their children and doing house work, although some have found various kinds of casual jobs.

So far, Shenyang has found work for 3,000 women, most of whom have taken to their new jobs with alacrity—mastering new techniques and raising efficiency. The introduction of competition into economic life may have caused problems for many women, but it is also forcing people to think anew of women's role both in the workplace and society. Experiments such as those that have taken place in Nantong, Anshan and Shenyang may well point the way to a better all-round future for women in China.

Businesswomen—A Product of Reform

China's reform programme has given birth to a great number of aggressive, acquisitive and internationally minded entrepreneurs. Many of them are women, who have made their mark in a wide array of industries.

by Our Correspondent Lu Yun

The tide of reform that has swept China over the last decade has brought forth a great number of bold and talented entrepreneurs. Many of them are women, who have seized the opportunity to make their mark on the Chinese economy.

Silky Skills

When Wang Dezhi visited Japan in 1984 on a fact-finding mission about silk production, she heard that the tussah silk of Shandong Province was of a rather poor quality. She went to inspect the Japanese factory where the silk was processed. A quick survey revealed the source of the problem. She turned to the manager and said, "There's nothing wrong with the quality of the silk. But there's a lot wrong

with the management."

Wang then took a roll of silk from the factory's store and proceeded to work with it for 50 minutes. Previously, there had been endless problems and stoppages because the threads constantly snapped. Wang said that the difficulties arose from the way the silk was stored: despite being sensitive to damp, it was kept on a concrete floor and the windows were kept open through the rainy season, allowing the silk to absorb moisture and become untwisted.

It did not take long to rectify the problem, and the factory has benefited ever since. Indeed, both the management and the workers all arranged to have their photographs taken with Wang.

Wang began working with silk as an ordinary worker in a collectively owned mill in Shandong Province's Wendeng ago, Seven years County. equipped with crude and outdated machinery that could only manage to reel and interweave silk, the bankruptcy. faced enterprise Wang was appointed its director in 1981. On top of the mill's internal problems, the silk market had entered a stage of fierce competition. Many people voiced fears, not just about the future of the mill, but also whether Wang would be able to shoulder such a burden.

Wang immediately realized there was no hope in trying to improve matters as they stood—a new direction was needed. Together with her designers, Wang visited many silk factories in Zheijang and Jiangsu provinces. To discover what the consumers wanted, she then went to the silk stores in Beijing's Wangfujing Street and Shanghai's Nanjing assembling Road. After material and evidence, Wang determined new products were needed; the interwoven silk had to be dispensed with and high-grade jacquard weave silk to be produced in its place.

To raise the quality of production, Wang invited some retired technical workers from Zhejiang Province to advise and rebuild the equipment and the workshop. By the end of 1981, five varieties of jacquard weave silk were in trial production. When put on to the market, they immediately sold well.

As Wang believes that the local conditions—notably the fact that her company's tussah silk is reeled through hot spring water—give the silk a unique soft and jewelry-like sheen, she has turned her eyes to the international market. After dozens of tests and trials, she has succeeded in selling new products to 14 countries and regions across Europe, America and Southeast Asia. As long as new, bold designs can be created, she feels the factory will remain competitive.

To stay ahead of the market, Wang has taken several college courses and kept up with the latest technical developments through wide reading. As enterprise reform has deepened, she has actively instigated the contract responsibility system, introducing piecework wages and employment selection tests.

There is no doubting her business acumen. In 1983-87, profits at her mill increased by an average of 39.8 percent a year. As a tribute to her skills, Shandong Province has nominated her both a model worker and a pace-setting woman entrepreneur.

Toy Expert

In March this year, Lin Xiaojuan, a toy garment factory director of Chashan Township in Dongguan City, Guangdong Province, was elected one of China's top 50 women entrepreneurs for her remarkable achievements.

Lin, 50, used to be a tailor in a small garment factory. But

China's reforms provided her with the opportunity to extend her talents. With the opening to the outside world. Lin took advantage of flexible state policies and the company's proximity to Hong Kong to engage in toy production with materials supplied by Hong Kong clients. Now they are able to produce cuddly toys, dolls' clothes and other cloth toys. Not only are these up to international standards, but all of them are sold abroad. So, from being a small factory employing 20 or so people in 1979, Lin has guided her business into a major toy export production base.

The factory now covers 18,000 square metres, and is equipped with more than 1,800 industrial sewing machines and other related machinery. There are over 3,000 workers, but only seven managerial personnel including Lin.

Despite their small numbers, managerial flexibility has been the company's keynote. To provide Hong Kong and overseas businesses with all possible conveniences, Lin and her colleagues have persisted in working a 16 hour schedule so that people can telephone or visit at any time between 7 am and 11 pm. Since 1985, the factory has invested more than 3.5 million yuan in extending and renovating its buildings and buying equipment create a sound business environment. International direct dialing telephone equipment and a facsimile machine have been installed. All of which has been praised by overseas businesses dealing with the company. In April last year, a businessman from Hong Kong asked the factory to deliver some glove puppets in 15 days. Despite the fact that his materials arrived one week late, Lin Xiaojuan organized the labour force to work day and night. They delivered the goods on time, much to the satisfaction of the Hong Kong businessman.

Lin holds that strict management to achieve high quality at a low cost is the cornerstone of her company's success. workers with a strong sense of responsibility are chosen to act as production group leaders. In processing work, technical personnel dissect sample toys with great care to raise the firm's ability to copy goods and ensure that all products reach international standards. This has the added advantage that Hong Kong businesses do not have to spend money on sending their own technicians to guide the work.

But above all, Lin says, in order survive a company consistently to produce goods of a high quality. To this end, she has established a rigid check-andaccept network across her factory. Now, Hong Kong clients can directly sell their goods abroad without having to check their quality again -- a sure sign of the confidence they have in the output of Lin's enterprise.

Grape King

Li Jiemin and her husband have prospered through cultivating grapes. From 1983-87, their net income topped 400,000 yuan. Last year, they spent 100,000 yuan on buying nine strains of American They also spent grapevines. another 100,000 yuan on twothirds of a hectare of land on Hainan Island to grow grapes an unimaginable act for an ordinary farmer 10 years ago.

Li Jiemin comes from Hongqi Village in Laixi County near Qingdao City, Shandong Pro-When the contracted household responsibility system was put into effect there in 1983, Li and her husband contracted onethird of a hectare of land and planted it with several new varieties of Jufeng grape.

The couple admit now they were the time. Threeanxious at

quarters of their 6,000 yuan investment was borrowed. First, they planted over 10,000 new grapevines using a hotbed method to accelerate the root growth. Around 7,000 of the vines survived, reproducing a total of 32,000 vines. These were sold for more than 65,000 yuan—exciting news in a village where the annual per-capita income was only 345 yuan. Ever since, Li and her husband have been called "the Grape Kings."

The following year, they helped 27 of the 70 households in their village to plant Jufeng grapes, teaching them the skills of cultivation as they went along. By late autumn, every household had reaped a sizable profit, and 18 of them had passed the 10,000 yuan mark.

Now I realize that the way of letting some farmers become rich first, and then raising the prosperity of the rest together is completely right.'

From then on, every household in the village planted grapes. The per-capita income now stands at around 3,000 yuan, and the Grape Kings have become well-known far and near. People have come to learn from them and letters have poured in asking for advice. Li and her husband have always attempted to answer every query. To make life easier, they compiled a pamphlet summarizing their expeposting the material out.

and her husband have been on trial prove successful. If they praised by the local government, and they are encouraged to pass on their technical skill and Hainan.' experiences to the economically backward areas of the Yimeng for the future.

mountains in western and eastern Shandong Province. In 1985, they signed contracts with four villages to help them cultivate hectares of grapevines. Through a mixture of visits at key times (involving 7,000 km of travelling) and correspondence courses, the mountain farmers made startling progress. In Lin Ruizhuang, a 23-household mountainous village, the average household income passed 10,000 yuan within 12 months, making it the first 10,000 yuan-household village in the entire Yimeng area.

With money in hand, Li has become more concerned with public welfare service. Her family invested 10,000 yuan to install running water for every householdin her own village, and they donated 25,000 yuan towards a park and children's recreation ground in Laixi county town. To express solicitude for China's frontier soldiers, they have sent them 1,500 yuan worth of canned foods.

Li Jiemin says, "Now I realize that the way of letting some farmers become rich first, and then raising the prosperity of the rest together is completely right. In 1983, only my family was the only 10,000-yuan-household in the village. Now every household has become rich through cultivating grapes. There are many new buildings in the village, each with a colour TV."

Talking about why she bought land in Hainan Island, Li says, "The money we earn has to be reinvested, and there must be a good market for growing grapes in Hainan now it's special economic riences and techniques, and in one zone. I want to produce grapes for year, they spent over 1,000 yuan export to Hong Kong and the international market if the new The methods employed by Li strains of American seed we've got don't, we'll process them into grape juice for drinking

Clearly Li is full of confidence

Chinese Writers On Literary Creation

Six Chinese writers attended the 52nd Congress of International PEN, the worldwide writers' association, held in Seoul from August 28 to September 3.

The overall theme of the congress was "change and permanancy of literature in rapidly developing societies." Topics for group discussion were "peace and freedom in literature," "third world writing" and literary translation."

During the congress, UNESCO organized a symposium on the characters portrayed in Asian literature at the end of the 20th century.

Following are two speeches delivered by Chinese representatives.

Recent Changes in Chinese Literature

by Xiao Qian*

Phroughout the Second World War, I was a member of the International PEN in London. At 'all our conferences and meetings, the topic uppermost in our minds was our aspirations for the postwar world, particularly the desire for everlasting peace. Now, 43 vears after the end of that war, we are all gratified to find that peace has indeed been maintained. Not no local there are skirmishes—some on a fairly large scale -- but another world war has not broken out. This is a tremendous achievement, and one, I am sure, to which the contribution of the International PEN has been considerable. It has done much to foster understanding between peoples and promote goodwill beyond national borders.

1978 was a crucial year in recent Chinese history. In that year, a nation-wide debate took place. It was philosophical in nature and concerned the criterion for judging truth. The consensus was that it is through practice that we can find the most reliable criterion for judging truth; not from the subjective intention. Since then, China has rid itself of the dogmatism which ruled for many decades. For the first time, we have liberated ourselves from that self-imposed yoke. As a result, the policy of reform and opening to the world emerged in China's political and economic spheres.

To me, reform means to move from the irrational to the rational, or from stupidity to wisdom. The implementation of the open policy means to cease being a closed society and to join the rest of humanity. The fact that China now takes part in the various activities of the International PEN itself signifies the eagerness and determination of Chinese writers to maintain fraternal relations with writers all over the world and to make Chinese literature an integral part of world literature.

As early as 1956, China declared "Let a hundred flowers bloom." That is to say, writers should be allowed to determine what and how to write according to their own conscience and artistic instinct. Unfortunately, because of the publishing set-up in our country, this freedom could not be realized until 1978. Until then, in

imitation of the Soviet Union, China had only one publishing house specializing in literature for the entire country. It happened to be the publishing house where I worked, the People's Literature Press. This press was divided into classical modern, contemporary and foreign literature departments. All manuscripts had to be sent to our press, whether poetry, fiction or translation of foreign works. If the manuscript was rejected department bv the concerned, that was the end of it. This kind of set-up was bound to standardization and lead to stereotyped writing.

In foreign literature studies, we were also under the influence of the Soviet Union. This resulted in many absurd prejudices. For instance, Byron and Shelley were hailed as revolutionary romantics, while Wordsworth was branded a reactionary romantic. As to Joyce, Faulkner, Brecht and Kafka, writers who explored new forms, they were not translated.

But now, there are more than 400 publishing houses in China, more than half of them printing literary works. Thus, if a writer or a translator is rejected by one publisher, he has many others to

^{*} Xiao Qian is a novelist and translator. During World War II, he was a war correspondent in London and a member of the London-based International PEN.

Copyright Protection For Overseas Work

Although China has no copyright law as such and is not party to any international copyright convention, a foreign author who has his or her work first published in China is entitled to the same legal protection as any Chinese writer.

Since 1984, the Chinese government has formulated a series of regulations concerning the publication of foreign material in China. Earlier this year, the State Publishing Administration declared that all works for which foreigners have given a right of use to Chinese publishers, theatres, recording companies and radio organizations would be fully

protected from illegal copying.

All material produced jointly by foreigners and Chinese has the same protection.

China's publishers, film, recording and video companies, and radio and television organizations are now eager to introduce more overseas-originated material to China with the co-operation of foreign colleagues.

The Chinese government has given its backing to these activities, believing it will promote international friendship and cultural exchange, and so advance the overall development of world culture.

go to. Consequently quite a number of experimental writings have appeared, and the works of foreign writers, including Albert Camus, have been translated and printed.

It is no exaggeration to say that the proliferation of publishing houses has played a major role in the present flourishing of literary works.

An important development has also taken place in the field of literary studies with the introducpopularization and of comparative literature. Until 1978, few scholars took an interest in this field of learning. No one thought of comparing Wang Wei of the Tang Dynasty (618-907) with William Blake of 18th century England, despite both being lyrical poets and accomplished painters; nor of comparing China's Dream of Red Chamber with Japan's Lady Murasaki. Then, we did our literary studies behind closed doors.

Since 1978, however, various universities, starting with Beijing University, have offered courses in comparative literature. A national society of comparative literature has also been formed. Every year, many writers and scholars go abroad to attend literary conferences—this is my seventh foreign trip since 1979. We have also invited foreign writers and sinologists to come to China and exchange opinions. Since 1983, there has been a yearly encounter between Chinese and American writers, in which I took part in October, 1984.

Creative writing has also extended its scope during the last ten years, surpassing all previous writing in its wide range of themes and techniques, as well as in quantity. But most striking has been the breaking out from long-standing taboos.

During the years when class struggle was the order of the day, various restricted areas existed, both in subject matter and treatment. Take for instance, the treatment of the theme of love between the sexes. In fiction as well as on the stage, man and woman became husband and wife not because they were physically attracted to each other, but because they were politically oppressed or economically exploited. In other words, romance was built solely on class struggle. Writers who were bold enough to try to break away from the stereotype were invariably severely criticised.

But in actual life, men and women do not form liaisons in accordance with party lines. Love sometimes comes as an avalanche; sometimes it lingers like a fading tune on the harp.

Attempts to break through this taboo started in the late 70s. This was followed by extra-marital love—a subject that has been absolutely taboo, even though it occurs in everyday life, and not infrequently. A few years ago, some writers, including a few women writers, even began to write about sexual love.

Of course at each new departure, there were always some conservative critics who voiced their disapproval. But unlike in the past, other more liberal critics were allowed to defend the writers. In fact, the writers themselves often came to their own defence.

This public exchange of opposing views has produced a healthy climate for the development of our literature.



Freedom of Expression in a Changing Society

Ke Ling*

Freedom of expression may sound all too familiar to us, but it is indeed a topic of utmost importance and immediacy. Without freedom, writing stops being genuine, and no writer, true to the profession, will ever exist. Freedom does not reject rationality. It is rather the very fruit born of enhanced rationality.

A writer works as an independent individual by virtue of his own conscience, his ability to perceive the universe and his unique talent. Nevertheless, he is not an isolated being detached from society. He lives among his own people and is rooted to his native land. He is, for that matter, also a member of the human race.

Unless he locks it up in his drawer or hides it away deep in the mountains as the ancient Chinese once did, anything he has written and allowed to circulate through print is bound to evoke responses that are either enthusiastic or indifferent, positive or negative. The responses will in turn feed back to the writer, and this interplay creates mutual fluences that are pervasive and unavoidable. Modern civilization has brought different parts of the world closer and closer together, and made it possible for influences of this kind to spread far and wide. Therefore, we cannot but focus more attention on "freedom of expression."

Freedom is the inalienable right of all citizens of any modern nation. Freedom it follows is the inalienable right of all writers. As the unique character of his profession, the writer is urged to transcend the mundane world,

either soaring up to a heavenly kingdom or plunging down to hellish purgatory, while his soul is able to roam across the boundless infinite. Freedom of expression does not place itself in opposition to law, morality, religion, customs and conventions. But they are areas with which writers can be profoundly concerned. It is inevitable that they will bring restraints to bear on the freedom of expression.

These restraints have positive as well as negative sides. In this world of ours, there never exists a thing without any restraint. Restraints are not insignificant; they are even indispensable. A right devoid of any restraint is very often a peril. Sometimes the two come into sharp conflict with each other. If the writer stands on the side of truth, he may bring a charge against law, morality, religion, customs and conventions at the court of history, demand that a just verdict be passed and win the case. The history of literature all over the world (including China) has furnished us with quite a few cases in point.

No one is free from the influence of his time and its politics. A writer is no exception. He explores man's inner world, depicts his joys and sorrows, his loves and hates, his virtues and evils, his hopes and ideals, all on the strength of his keen moral sensibility, his sense of justice and his sharp intellectual insight. Literary characters are like a mirror through which are reflected the spirit of the age and trends of political life. Societies rise and fall, political life ebbs and flows, but human nature remains, in contrast, universal and everlasting.

Writers should be fearless spokesmen of people, not their literary entertainers. The latter not only bring harm to the freedom of expression, but even ruin the cause of literature.

The idea of absolute freedom is regrettably a little naive. A writer's environment, inheritance, upbringing, experience, personality, interests, etc. all weave web after web around his artistic inspirations. He is thus apt to be blinded by biased views and rudimentary knowledge and see the world in distorted colours and images. It will be a great test for him to break out of such a selfhood. But the worst he can do is voluntarily close himself up, for this leads his thinking to a dead end.

Freedom of expression calls for a just and democratic environment. It is an easy prey to political tyranny and the crushing of democracy.

In China, the May 4th New Culture Movement in 1919 and the movement to emancipate thinking in 1978 are two giant milestones that mark the turning points in the course of modernizing China. The former, upholding the banner of democracy and science, forged ahead despite many twists and turns. While the latter, swinging open the floodgates of reform and opening to the outside world, has forced its way through the barrier of worn-out ideas and values and has led to new historical era. Literature, was once a writer's which wasteland, has now ushered in a period of lush growth in which new ideas and techniques are rapidly taking shaped. Freedom of expression, long since prohibited, is no longer a closely guarded

^{*} Ke Ling is a famous prose writer in Shanghai.

taboo shunned by writers. Of course, there might still be setbacks and low ebbs, but the trend is irreversible.

What makes freedom of expression so dear is the guarantee it provides for the writers to speak on behalf of truth. The importance of truth can never be overem-

phasized. Without it, there can be

no virtue and beauty to speak of. Freedom of expression must, first and foremost, be full and intact. It allows no alteration or omissions; neither can it tolerate the absence of a self-regulatory force. Self-restraint comes only from a balancing of emotion and reason. Indulging one's own emotion only serves to betray one's immatur-

ity What we cherish most is the freedom to seek truth, not to embrace errors, the freedom to soar up into the sky, not to wallow in the gutter, the freedom to be true to literature, not to flirt with it. Confucius once said, "Satisfy one's desire without exceeding the rules," and that, to me, is the ideal.

China, USSR to Normalize Ties: A Trend

by Wu Jin

he announcement made by the foreign ministers of China and the Soviet Union, following their recent talks in the United Nations, that Chinese Foreign Minister Oian Oichen will visit Moscow before the end of the year immediately became a fascinating topic for the international press. Visits at such a level occur frequently between nations every year. Why has this planned visit attracted so much world attention? Perhaps this is because of the prevailing belief that the visit may be a prelude to the long-proposed Sino-Soviet summit in the near future and that the strained relations between the two countries are nearly ripe for normalization. A UPI report, released on the same day as the announcement, said the visit will be the first step towards improvement of Sino-Soviet relations and will probably lead to a meeting between Mikhail Gorbachev and Deng Xiaoping.

Judging by the public opinions of various sources on the development of Sino-Soviet relations, the international community is in a complex frame of mind: Most people welcome a normalized relationship between China and the Soviet Union, while some have worries.

Those who welcome the development certainly have ample reasons to do so. China and the Soviet Union, the two largest countries on the Eurasian Continent, have between them a population of 1.3 billion, accounting for one-fourth of the world's total. Their combined area is 32 million square kilometres, making up nearly one-fourth of the world's total land area. If these two "colossuses" can normalize their relations, the significance in regard to the elimination of unstable factors in their region and to the preservation of world peace is self-evident.

Since the mid-1980s, a trend towards relaxation has appeared world as the two superpowers, the United States and the Soviet Union, have been easing and improving their relations. Some "hot spots" in Asia, Africa and the Middle East are "cooling down," and some disputes are being settled through consultation and dialogue. In this context, if China and the Soviet Union can normalize their relations and devote themselves to the cause of world peace and development, it is sure they can powerfully push further the trend towards detente. Such a prospect is, beyond any doubt, a welcome one for the people of both China and the Soviet Union and the people of other countries who are longing for peace. So, how can they not applaud it?

On the other hand, however, it should be admitted that the worries that some people have are not entirely beyond understanding. For, after all, China and the Soviet Union have identical political and social systems; in its early years, New China was once "inclined towards one side" - the Soviet Union: and in the Korean and Vietnamese wars against US aggression, China and the Soviet Union were actually on the same front. Today, as international relations are undergoing a period of drastic readjustments, will the Sino-Soviet "honeymoon" of the 1950s reappear in the process? Will the two "communist giants" again join hands and fight the Western developed countries?

These fears, though understandable, are groundless. This is because, first of all, the present international situation is not as it was, and bloc politics and hegemonism have landed themselves in an impasse. Today, even the two superpowers have come to realize that they are unable to continue their confrontation and rivalry which, in the past several

decades, have caused them more and greater losses than gains, and that they have to replace confrontation with dialogue. Such being the case, it is inconceivable that China will get involved in such games of major powers and support one side to fight another.

It is said that China, the United States and the Soviet Union form a "strategic triangle." Whether this statement is correct is a matter of individual judgement. Suppose it is true. Then, since in the the Sino-American "triangle" relations have long normalized and US-Soviet relations are easing, it is only natural for China and the Soviet Union to normalize their relations. If these three important powers can maintain a normal relationship among them, will it not be a good thing for the world and peace?

Second, historical facts prove that any country's foreign policy is primarily dictated by its national interests, not by ideology. As is known to all, World War II did not start between countries with different social systems, and in postwar years, disputes, conflicts and even wars have occurred frequently between countries with the same social systems. Take

relations. Sino-Soviet for example. They have not been normalized for a long because there exist three major obstacles, none of which has anything to do with ideology. Now the two sides are working towards normalizing their relations, but such efforts are made not because they want to reconfirm the identity of their ideologies, but because the Soviet side has agreed to remove these obstacles. To China, what is of primary importance is to urge Viet Nam to withdraw all its troops from Kampuchea as soon as possible so that the Kampuchean question can be reasonably settled at an earlier date. On this the summit meeting between the two countries and the normalization of relations are conditioned. So. if observers still try to observe the development of Sino-Soviet relations from an ideological point of view today, they inevitably will arrive at wrong conclusions.

Third, and most importantly, the policy of independence and opening to the outside world is China's state policy and not an expedient. Independence here means that China will not ally itself with any blocs of major powers, and by opening to the

outside world, we mean that China will develop exchanges and co-operation in political, economic, scientific and technological and cultural fields with all other countries, big or small. China is a large country, but an backward economically country. Its future—or a way out-lies in its development in peace and concentration on the fourrealization of its programme. modernization Therefore, China has always maintained that all the countries should develop among themselves relations of friendship and cooperation based on the Five of Peaceful Coex-Principles istence. China wishes to be a friend of all countries and an enemy of none.

The times are advancing; detente, consultation and dialogue are the themes of the day. In this context, that Sino-Soviet relations are moving towards normalization reflects the general trend and the aspirations of the people. There is nothing strange about it, and no worries are necessary, are there?

(This is a translation from the article published in "Outlook", issue no. 41, October 10, 1988.)

China Expands Overseas Academic Exchanges

by Our Correspondent Lou Xinyue

Nearly 120 young and middle-aged students and scholars from universities, colleges and scientific research institutes across China attended the first training course sponsored by the Sino-British Summer School of Philo-Qinghua in Beijing's sophy August University on Professor Peter Strawson, an authority on analytical philosophy of the Oxford school, and three other British scholars helped Chinese students study modern Western analytical philosophy through lectures and symposiums. This academic exchange was a result of China's open policy of the last decade.

Turning Point

Ten years ago, when Chinese ideological circles were still under

the trammels and political pressure of the "two whatevers"*, some progressive intellectuals bravely put forward the Marxist

^{*} The "two whatevers" view refers to a statement in a *Renmin Ribao* (People's Daily) editorial on February 7, 1977 which stressed "whatever policy decisions Chairman Mao made must be resolutely supported and whatever directives Chairman Mao issued consistently followed."

view that "practice is the only criterion of truth." This touched off a nationwide debate which helped emancipate the minds of the Chinese people and paved a way for shifting the focus of the country's work to modern economic construction.

In the 1980s, the Chinese have continued to take a great interest in theory, and works of philosophy and social science have enjoyed an ever increasing market. According to a recent investigation of the books purchased by university students, Beijing's philosophical and social science texts made up 32.9 percent. Another investigation among 3.000 students at more than 10 institutes of higher learning in Shanghai showed that Western philosophy was one of their four most favoured reading subjects.

Analytically Absorbing Western Culture

After the chaotic "cultural revolution" ended in 1976, the Chinese discovered they had to study hard to catch up with recent developments in modern thought.

As Professor Xing Bensi, president of the philosophy summer school and director of the Institute of Philosophy under the Chinese Academy of Social Sciences, pointed out, "In its modernization drive, China must learn Western culture and theories, and analytically absorb all the useful results of world civilization."

The desire of the Chinese people for knowledge and modernization has in turn stimulated the publication of philosophical and social science works. By the end of 1987, the Higher Education Press alone had organized translation of and published 440 texts and reference books originally printed in North America, Eastern and Western Europe and Japan.

Around 4 million copies of books with a total of 140 million Chinese characters have been printed and distributed. The first edition of *Modern English* published by the Macmillan of Britain ran to 170,000 sets. The Commercial

A fter the chaotic 'cultural revolution' ended in 1976, the Chinese discovered they had to study hard to catch up with recent developments in modern thought. The desire of the Chinese people for knowledge and modernization has in turn stimulated the publication of philosophical and social science works.

Press in Beijing has published four collections of world famous academic works in Chinese, with 257 titles ranging across philosophy, economics, theories of different schools of socialism, politics, law, history, geography, linguistics and influential works of other branches of learning. These now serve as an ABC of Western history and culture for Chinese readers.

It is no wonder that Dr. Antony Grayling, the British dean of the summer school, marvelled at the changes which had taken place in China since his first visit in 1983. At that time, he found that Chinese students had little access to Western philosophy because few books were available. Today, many Chinese publishing houses are making contributions. The Sichuan People's Publishing

House has published a series of books titled Marching Towards the Future. The Three Union chain of book stores has published a series on modern Western thought including translations of Martin Heidegger's Being and Time, Jean-Paul Sartre's Being and Nothingness, Max Weber's The Protestant Ethic and the Spirit of Capitalism, and other influential writings of the 20th century.

Wide-Ranging Exchanges

Since China opened its door, more and more Chinese scholars have participated in international academic exchanges. At a recent symposium titled "Per-Capita GNP: From US\$300 Comparative US\$4,000 — A Study of Socio-Economic Development of Various Countries in the World" sponsored by Beijing Ribao (Beijing Daily), many young and middle-aged Chinese scholars quoted American and West German authorities to support their own arguments.

Between 1977 and 1986, Beijing University alone sent 852 visiting scholars abroad, and 1,241 of its staff attended international academic meetings or paid short visits overseas. In 1987, the university hosted more than 20 international academic conferences.

Professor Qiu Renzong, chairman of the Chinese committee of the philosophy summer school, said, "Both sides encountered problems numerous initially. However, things rapidly improved. To expand exchanges, we must first understand the other party. The summer school is a useful tool to promote mutual understanding. I hope this understanding will lead to bilateral academic meetings and a wider range of exchanges with other European and North American countries."

FACTS & FIGURES (A Decade of Reform VI)

Scientific and Technological Progress

by the State Statistical Bureau

Since China initiated its programme of reform and opening to the outside world in 1978, its science and technology have developed vigorously, promoting the country's socioeconomic development as a whole.

Expansion of the Scientific Community. By the end of 1987, China had 9.366 million people working in the fields of natural science or technology at county level or above, 4.797 million more than in 1978. This has meant their numbers have increased on average by 533,000 annually, 3.4 times more than the average annual increase of 159,000 during the period 1953-78.

1987, there were scientists and technicians for every 10,000 state employees, 48 percent greater than the 1978 figure of 480. Their quality has also improved: by the end of 1987, 46.9 percent of the 8.894 million scientists and technicians working in stateowned units had received higher education, 3.5 percent more than in 1978. Altogether, 192,000 or 2.2 percent of China's scientists and technicians are now classified as high-grade. Around 1.42 million or 16 percent are classified as middle-grade, a far greater number and proportion than in 1978.

Scientific Theory into Economic Practice. Since 1980, scientific and technological research has led to the development of 63,447 important new items. Of these, 1,297 have won state invention prizes, and 3,086 have received national awards of "Scientific and

Technological Progress."

Some of the developments stand comparison with the best products of any other country, such as China's micro-neutron source reactors, its series of laser generators; a precision axle system and a solar magnetic field telescope.

These and other scientific achievements have had a profound effect on both the national economy and people's living standards. For example, since "Top-Quality Hybrid Rice, No. 63" was widely popularized in 1984, rice output on 66.7 million hectares of cultivated lands in 14 municipalities provinces. autonomous regions has increased by 6.8 million tons, worth 2 billion yuan. Chinese scientists medical workers have also successfully developed an effective hepatitis B vaccine.

In April 1985, China passed its first patent law. By April 1988, the State Patent Bureau had handled 68,996 patent applications. Of these 53,260 came from China—9,411 in 1985, 13,680 in 1986 and 21,663 in 1987. Applications from abroad for patents in China totalled 15,736, coming from 56 countries and regions. So far, 13,671 applications have been approved—12,719 from China and 952 from abroad.

Technical Market Soars. In the last few years, China's technical market has flourished, making it an important part of China's socialist commodity economy. In 1983, its total volume was worth 30 million yuan. In 1984 it leapt to 700 million yuan, and has

continued to spiral: 2,000 million yuan in 1985 and 1986, and 3,350 million yuan in 1987—111.6 times greater than in 1983. Thus the process of changing technical results into commodities has accelerated, resulting in improved social and economic results.

China has also made encouraging progress in developing its ties with the international technical market. According to official statistics, from 1979-86, China exported 60 technical items, earning 60 million yuan for the state. In the first half of 1987, China signed 24 technical export agreements worth 49 million yuan. The situation where China just imported overseas technology has now ended, and its technical exports have a bright future.

Technical Results Applied Into Economic Construction. During the Sixth Five-Year Plan period (1981-85), China initiated a programme of major scientific and technical projects to promote industrial and agricultural modernization, and to develop its energy resources, raw materials, transnetwork. telecommuniport and machine-building cations industries. Chinese scientists and technicians developed 4,000 new technical products, 3,100 of which have been applied to economic construction projects. During the Seventh Five-Year Plan period (1986-90), the number of key scientific and technical projects rose to 76, twice the figure for the Sixth Five-Year Plan period. For the Seventh Five-Year Plan, 4,000 contracts have been signed for key technical projects between work units and research departments involving 100,000 scientists and technicians. Most of these have fulfilled their targets for 1986-87. To date, 53 of the 663 contracted scientific and technical items have been introduced into 423 industrial, or transportation enterprises, generating new products worth 69.26 million yuan, of which 40.38 million yuan can be directly attributed to new techniques or machinery. In addition, 18 technical developments have been applied across 8,363,333 hectares of agricultural, forestry or pasture land and fisheries. Around 1.81 billion yuan of this area's total output value of 5.35 billion yuan stems from the application of new techniques.

The "Spark Plan." Since 1985, the state "Spark Plan" has been implemented in almost every

county across China. The Spark Plan involves applying newly developed scientific techniques in rural areas. By the end of 1987, 360,000 scientists and technicians had been organized to work on 961 state projects and 8,694 provincial or municipal projects. To date, they have given technical training to 2.6 million people. By the end of 1987, 2,500 technical items produced through the plan had been checked and approved by the government, resulting the 2,000 development of varieties of goods. Their application has increased output value by 7.4 billion yuan and profits and taxes by 1.6 billion yuan. And some of them are now being exported. In order to provide assistance and training in depth, about 100 integrated "spark" complexes or groups had been founded by the end of 1987.

Institutional Reform. In 1987, China had 5,222 state-owned scientific research and development institutes at county level or above. As a result of reforms, these can now generate their own income by providing technical services or marketing the results of their technical services or marketing the results of their technical research. And now, 2,443 of them (46.8 percent) operate either without state funding or with less funding than they previously were allocated.

The numbers operating entirely without state funding have increased year by year, from 323 in 1985 (6.6 percent of the total), to 533 in 1986 (10.1 percent), and 676 in 1987 (12.9 percent). In 1987, research institutes earned 3.611 billion yuan—53.7 percent of their total funding from the state.

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Beggars Sham for Easy Money

"JINGJI RIBAO"

(Economic Daily)

In recent years, some beggars can often be found in China's urban restaurants, residential areas, railway stations and docks. The increasing number of beggars has become a social phenomenon that makes people feel extremely worried.

According to incomplete statistics, from 1984 to the end of June 1988, there were 5,118 vagrant beggars flowing into Yancheng City, Jiangsu Province. Of them, 2,467 were tramps, 1,700 were thieves and swindlers, 428 were paupers, 246 were deaf-mutes and mental patients, and 234 were visitors from other localities appealing to higher authorities for help.

Categorized by age, 2,453 were bellow 25, accounting for 48 percent of the total, 2,038 were aged between 26 and 50, amounting to 39.8 percent, and 627 were aged 51 or over, making up the remaining 12.2 percent. Among them, the youngest was only five years old and the oldest was 93.

Of the total 5,118 vagrant beggars, 4,401 were men and 717 were women; 4,675 were from the countryside and 443 were from urban areas.

Each beggar has a unique style. With sweet words, some of them cheat people out of money and belongings. For instance, a certian person called Xu, more than 60 years old, has begged for several decades. He used to bring his sons and daughters to beg for food. Now all his children have married and start their careers. Not long ago, he adopted a little girl from Beisha Township, Funing County. Every day he sits on the side of a road with his adopted girl and

for money from begs pedestrian traffic. In front of them is a paper lying on the ground. The paper says: "My houses have been burned down and both my son and daughter-in-law have died. My granddaughter is orphaned and helpless and we have to depend on each other for survival. Please show kindness to us." Although the content is familiar reading, people take pity on them and help them generously with money.

Some young beggars with strong bodies find it difficult to evoke sympathy. They defraud viewers of their money and belongings by pretending to be street-performers. A person called Yang from Xinyang Township in Sheyang County, for example, left home and begged for food when was a child. Now he is too he ashamed to go begging from door to door because he has become a young man at the age of 18. Everyday he cheats people by pretending to perform qigong (breathing exercises) and magic in the streets and lanes. Some beggars are very persistent. A certain person called Ge, for instance, has made a living as a a beggar for a long time. In the daytime, he begs for leftovers in restaurants, and at night, he goes from door to door to ask for money. If someone doesn't meet his needs, he will pester him or her endlessly. In only a few months his income from begging has increased to about 1,000 yuan.

The survey also shows that some beggars in Yancheng City are not begging for difficulties in life, as was the case in the past, but for easy money. Among them, some have become rich by begging, some have earned enough to build new houses and buy new luxury goods for their families.

The vagrant beggars have

seriously hindered public security. For example, 5,118 beggars were collected and repatriated by Yancheng authorities from 1984 to the end of June 1988. Of these, 1,700 had committed illegal acts of stealing, defrauding and hooliganism.

According to the survey, the reasons for the increasing number of beggars in Yancheng are as follows:

- 1. The development of social relief facilities and public welfare undertakings cannot meet the needs. As a result, some people with difficulties, especially the disabled, have to beg for food and money.
- 2. Some farmers in rural areas are eager to become well-off sooner. They flow into cities to do business or work as casual labourers. A few of them have acquired bad habits, such as stealing and defrauding. They do not have difficulties in making a living, but just take begging as a way to become prosperous.
- 3. Owing to some unreasonable educational methods in families and schools and the influence of some unhealthy films and TV programmes, some pupils leave home and are driven onto the streets.
- 4. Forsaken by their families, some dull-witted people become vagrants.
- 5. Those who love ease and hate work also join the beggar ranks.

In order to solve this social problem, the local governments should take it as an important task. The policy should be one of preventing people without difficulties from begging while helping those with real difficulties to get better through honest work. As begging is often associated with crime, there is also the need to ferret out those law offenders from among the beggars, gather them together and punish them severely without mercy.

(August 28, 1988)

Maritime Courts Settle Water Fights

"LIAO WANG"

(Outlook Weekly, Overseas Edition)

To date, six maritime courts have been established in Tianjin, Shanghai. Oingdao. Dalian. Wuhan and Guangzhou. Their jurisdiction is from the Beilun River mouth in south China's Guangxi Zhuang Autonomous Region to the Yalu River mouth in eastern Liaoning Province. They are responsible for accepting and hearing maritime cases occurring in the South China Sea, the East China Sea, the Yellow Sea, Bohai

Sea and coastal ports.

The jurisdictions of China's maritime courts are not restricted by administrative divisions. For instance, the jurisdiction of the Shanghai Maritime Court is from the sea area where Fujian Province and Guangdong Province meet, and the Fuzhou port, including the Minjiang River mouth, to the Changiang (Yangtze) River estuary. It includes the East China Sea, southern Yellow Sea, Taiwan Province, islands and islets, as well as Xiamen, Fuzhou, Wenzhou, Ningbo, Shanghai, Nantong. Zhangjiagang and Lianyungang ports. The jurisdiction of the Guangzhou Maritime Court is from Guangxi's Beilun River mouth to the sea area where Guangdong and Fujian provinces meet and from the Zhujiang (Pearl) River estuary to the Guangzhou port waters, which includes the South China Sea. Hainan Island and the major ports of Fangcheng, Beihai, Zhanjiang, Huangpu, Guangzhou, Shekou and Shantou.

A maritime court enjoys the same power as the local intermediate people's court. Its administration of justice is supervision by the local higher people's court. According to indicial administrative needs, the maritime court has the right to establish agencies in ports under its jurisdiction. In addition, the state plans to set up maritime courts in other port cities such as Xiamen and Haikou.

The court tries domestic and foreign maritime disputes but not civil and criminal cases. At present, the maritime courts are authorized to deal with cases between both Chinese and foreign enterprises. organiations citizens, which should be handled in China, in the following respects:

to decide compensations for losses caused by ship collisions; to decide compensations for the sea and port facilities' losses caused by ship collisions;

— to decide compensations for water pollution created by ships' harmful discharges:

-to mediate disputes over ocean shipping contracts and disputes on ship leasing, agent and repairing contracts;

—to deal with disputes over maritime rescue, salvage and ship tugging, as well as loading and unloading operations and tally; and

ships before detain -to

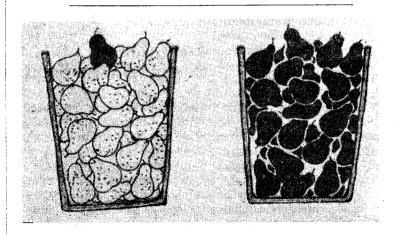
prosecution in line with appeal from one party involved in maritime disputes.

According to the actual needs in the administration of justice, the maritime courts will expand their work scale later.

At present, China's maritime courts handle cases mainly in accordance with the Law Governing Civil Procedures of the People's Republic of China (for trial implementation), the Law of Maritime Environmental Protection of the People's Republic of China, the Law of the People's Republic of China on the Safety of Maritime Traffic, as well as related decrees and regulations promulgated by the State Council, and in reference of international conventions and practices.

Since their founding in 1984 to the end of April 1988, China's six maritime courts have accepted and heard more than 940 cases. Of foreign these. 110 involved businesses or ships and 36 involved firms in Hong Kong and Macao, in addition to 13 cases in which both parties were foreign enterprises. Now, more than 750 cases have closed, involving more than 20 countries and regions as well as more than 400 million yuan.

(No. 34, 1988)



Reluctance to throw away a pear

by CHAO KAIXIANG

Foreign Trade in the Black

China's balance of trade for 1988 stood at US\$4.582 billion in its favour by September 20, Zheng Tuobin, minister of Foreign Economic Relations and Trade, told a press conference in Beijing.

The total volume of foreign trade had reached US\$52.45 billion divided between US\$28.156 billion for exports (up 14.8 percent on the same period last year) and US\$23.934 billion for imports (up 24.6 percent).

According to Zheng, China's foreign trade has had following characteristics this year: ■ Import Management Strengthened. Stricter import controls have been enforced on ordinary machinery, electronic products, instruments, meters and highgrade durable consumer goods, such as motor vehicles and household electrical appliances. Imports of raw materials and technological equipment for industry and agriculture have been increased.

- **Exports Increased.** Although overseas sales of some staple products such as oil and cotton and artificial yarn and cloth have fallen and their price has dropped, great efforts have been made to increase the export of traditional commodities and new products.
- Barter Trade Developed. This year, China's barter trade with the Soviet Union and Eastern Europe has increased slightly, and new links have been established with third world countries for sales of machinery and electronic goods.
- **Export Mix Improved.** Exports of finished products have continued to increase, particularly in the fields of textiles, light industrial goods, chemicals, handicrafts and native and animal products. Machinery, electronic goods and technological exports have also developed rapidly.

For example, in the first half of this year, China exported US\$2.1 billion of finished goods to Japan, a rise of 66.8 percent over the same period last year. A breakdown of this total is shown in the following table.

Breakdown of Export of Finished Goods to Japan

	US\$ (million)	Increase on 1987 (%)
Fibre products	1,060	53.9
Garments	573	78.8
Chemical		
products	288	44.2
Office		
equipment	4.87	402.1
Electronic		
components	0.084	143.1
	•	

Zheng said that China's trade prospects for the rest of the year continue to look bright. He added that in 1989 the country would continue to improve the export commodity mix, expand its overseas sales of finished goods and reduce its exports of raw materials.

by Li Ping

East China Port Seeks Foreign Funds

n a bid to attract foreign capital, the port city of Yantai in Shandong Province has ploughed 200 million yuan into improving its infrastructure. A new economic development zone has taken shape along with the construction of transport, and telecommunicafactory facilities and tions buildings.

To date, the development zone

has signed more than 70 contracts for joint or co-operative ventures, involving US\$15 million worth of foreign currency, with companies from 24 countries and regions around the world. An official from the development zone said a new currently being batch are negotiated.

Already 29 ventures are in operation, producing machinery, textiles, electronic goods, meters instruments. building materials and foodstuffs. Their annual output value is expected to

top 100 million.

The development zone emphasizes efficiency in its enterprises. The Yadong Machinery Manufacturing Co. became profitable within a year of opening. Over 70 percent of its products have been exported to a dozen countries and regions.

by Liu Jianjun

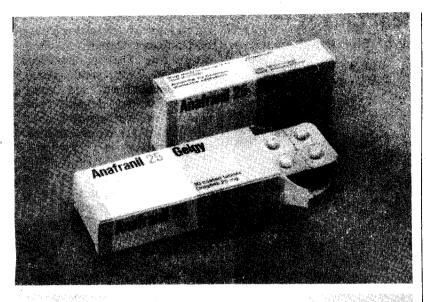
Ciba-Geigy Start **Factory in Beijing**

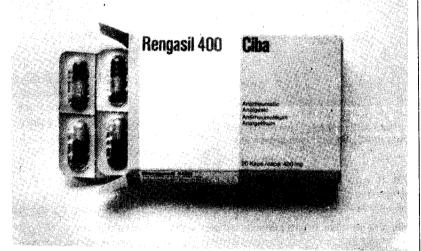
gighteen months after signing the contract, work has started on a Sino-Swiss pharmaceutical ioint venture in China.

The Beijing Zhong Rui Ciba-Geigy Pharmaceutical Co. Ltd., a tripartite venture between Ciba-Geigy of Switzerland, the Beijing General Pharmaceutical Corp., and the Beijing No. 3 Pharmaceutical Factory, will produce Western medicine for the treatment of cardiovascular and nervous diseases and rheumatism.

Since 1971, Ciba-Geigy has exported these medicines to China because the country lacked the facilities to manufacture them.

According to Guy Clayton, general manager of Ciba-Geigy (Hong Kong) responsible for Chinese affairs, more than 50 percent of his branch's turnover comes from China. The company has constantly expanded its trade





Drugs to be manufactured in China by the Beijing Zhong Rul Ciba-Geigy Pharmaceutical Co. Ltd.

with China, and now has liaison offices in Beijing and Shanghai, and a bonded warehouse in Nanjing.

When the joint venture begins production in 1990, annual output is expected to be around 200 million doses of medicine, rising to 600 million after six years. As well as supplying China's domestic market, some products will be sold under the Ciba-Geigy brand name around the world.

With a 25-year contract, US\$10

million will be invested in the equity joint venture, which has a registered capital of US\$5 million.

The factory has been designed according to World Health Organization standards, requiring the import of advanced equipment and modern managerial expertise. Because of this, it has qualified for preferential treatment through the Chinese government's policy of encouraging overseas businesses to introduce high technology into China.

China is expected to begin manufacturing increasing numbers of medicines which it presently imports from the Swiss compony. A few more projects are currently under consideration, including further joint ventures, scientific and technological agreements and a co-operative project on pesticides.

by Li Ning

News in Brief

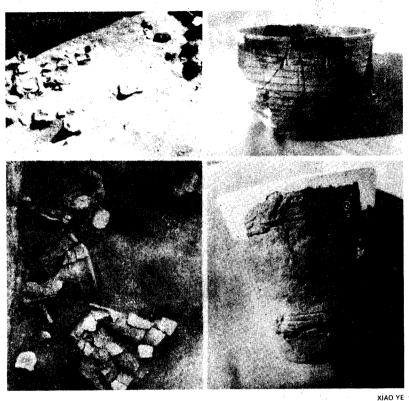
■ The first Sino-foreign qigong breathing exercises joint venture was unveiled recently in Beijing. The Beijing International Qigong Service Corp. has been established between the Changping County Tourism Board, the Changping Liuting Restaurant and the East West Development Corp. of the United States.

The joint venture, set up with a total investment of US\$105,000, aims at promoting qigong performances, training and health services. Already plans have been drawn up to establish a training course for overseas students in China, and preparations are going ahead for a qigong performance in Ohio of the United States around Christmas.

■ China's overseas contracts for construction and for provision of overseas workers have increased at a rate of 50 percent a year since 1979, according to the State Statistics Bureau.

The country now has 81 corporations undertaking economic co-operation with foreign countries. These corporations have signed various project and labour service contracts with 115 countries in Asia, Africa, Europe and America, involving US\$9.24 billion. More than 58,000 Chinese are working abroad on various projects.

Liaoning Finds a Historical Clue



Chahai's pre-Hongshan stoneware and pottery (upper left); pot jars (lower left); pot vessel with winding lines and pressing lines (upper right); jug with pine-branch lines (lower right).

Archaeologists have recently discovered the site of an ancient village in Fuxin's Chahai region, located in western Liaoning Province, northeast China. It is regarded as traces of an 8,000-year-old pre-Hongshan Culture.

Hongshan Culture is a primitive culture of North China's New Stone Age, which is scattered over the vast areas from the Liaohe River Valley in the east to Yanshan Mountain in the west.

The newly discovered site is located on hilly land far from any villeges. This land, surrounded by mountains, is 10,000 square kilometres. Now, 1,000 square kilometres have been excavated, revealing traces of houses that are all the same size. The partially subterranean houses were built with square corners. The culture

layer is one metre thick and 20 centimetres into the earth's surface.

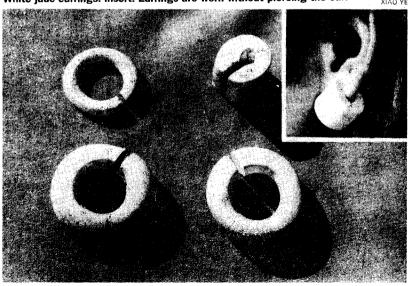
Pottery ornamentated with zigzag lines, pottery characteristic of Hongshan Culture, has been unearthed. The pottery jars unearthed have winding-lined, pine branch-lined and pictographic fish-lined designs. These uniquely shaped, smoothly lined artifacts are scarce in the other unearthed Hongshan sites.

Engraving zigzag lines on pottery has a broad and deep historical background in Chinese primitive culture. Zigzag lines on formerly unearthed Hongshan pottery ware are highly developed. However, the origins of the zigzag line are unknown. Primary and more advanced zigzag lines from pottery unearthed at Chahai seem to show how the line progressed.

Professor Su Bingqi, a Chinese archaeologist, inspected the relics of Chahai. "The Chahai style can be considered one of the fountainheads of Hongshan Culture. It has a close relationship with the ancient civilization of Niuheliang, where Hongshan Culture reached its peak," he said.

Four white jade earrings with greenish flecks have been unearthed. They are smoothly polished and have lustre. The biggest measures four centimetres in diametre and one centimetre in

White jade earrings. Insert: Earrings are worn without piercing the ear.



thickness. In addition, polished agate stoneware and many stone agricultural implements were discovered.

Some experts believed that Hongshan Culture developed under the influence of Yangshao Culture, which is scattered further south in the Huanghe (Yellow) River Valley. This may not be so as seen from the relics unearthed in Chahai. Northern Chinese ancient culture, characterized by Hongshan Culture, has a style of its own and existed independently. The style of Chahai is the earliest among the Hongshan Culture branches. Its discovery offers valuable materials for studying the early formation and subsequent Hongshan development of Culture.

Exhibition Reveals Last Emperor's Life

The film The Last Emperor, directed by the Italian director Bernardo Bertolucci, has stirred the world's curiosity about this historical figure. To satisfy people's desire to learn more about Pu Yi, an exhibition of the last emperor's life is being held in the Palace Museum, otherwise known as the Forbidden City.

In 1909, at the age of three, Pu Yi was brought to the throne. During the 1911 Revolution, he was forced to abdicate the throne, but still lived in the Forbidden City until 1925. The exhibition is divided into the following sections: the accession to the throne, entertainment, marriage, studies, bedrooms and dining hall. More than two hundred cultural relics depicting Pu Yi's youth in the Forbidden City are on public display for the first time.

The accession to the throne reveals Pu Yi's governing activities during childhood and early youth. Small and medium-sized court robes, pearls and boots are displayed. The draft of the imperial edict issued by the dying Empress Dowager Cixi, in the name of the Emperor Guangxu (1875-1908), may also be viewed.

The entertainment section exhibits all of Pu Yi's toys. The secluded palace separated the lonesome child from his relatives, and his life was very tedious.

Although Pu Yi was not an emperor when he married, the Oing emperor's conventional grand matrimonial ceremony was adopted. The section about his marriage exhibits gifts, such as silk and jewelry presented by original court members of the Qing Dynasty. Among them, a pair of painted plates, presented by Kang Youwei (a reformer of late Qing), is most attractive. One portrays the matrimonial ceremony of Napoleon Bonaparte and Josephine, and another shows the queen's coronation, which was held for her by the Pope. The letters written by the Japanese and American legations asking to attend the ceremony are shown, as as the entry badges. emblazoned with the insignia of a dragon and a phoenix.

Influenced by the time and Johnston, Pu Yi's life-style mingled Chinese and Western influences. In the Oriental study are writing brushes, ink sticks, an ink slab and paper. In the Western study are a table lamp, telephone, electric bell, Pu Yi's English text books and *The Encyclopaedia Britannica* published in New York in 1910.

Pu Yi's bedroom has been restored to its original form. In it are the customary *kang* (brick bed), Western sofa and dressing table. The room is also adorned with various Western porcelains, pendant lamps and cosmetics, characteristic of the early 20th century.

by Wei Liming

Language Boost Urged

ment to take effective steps to improve the teaching of the Chinese language both inside the country and abroad, the Guangming Daly reported.

Over the past decade, there has been a boom in studying the Chinese language in foreign countries, said the paper. For instance, there are over a million Japanese who are learning Chinese at present.

And the Chinese language has become one of the most commonly used tongues in some East Asian countries with many citizens of Chinese origin.

Compared with other countries which have tried hard to spread the use of their native languages, China has lagged far behind the demand, according to the linguists.

The country needs to reform its student-enrolment system to attract more foreigners to learn the language in China.

They also suggested establishing fellowships to encourage foreign students to study Chinese here and allow them to use their spare time to work as teachers or translators while studying.

The paper suggested that foreign students would have a better mastery of the Chinese language through studing Chinese history and culture.

The government was also called upon to reconsider its policy of sending teachers abroad. We should also consider letting teachers of Chinese teach abroad, if they are sponsored and financed by authorized foreign institutes, the paper said.

Zhou Bingqi, vice-president of the Beijing Institute of Linguistics, said he believed that foreign students should not be kept away from their Chinese schoolmates

Jianguo Hotel Regains Investment

Jianguo Hotel in Beijing, the first joint venture in China, has recouped its investment since it opened for business in April 1982. It was built by Chen Xuanyuan, an Chinese American architect, of Zhong Mei Hotel Development Venture Ltd., Hong Kong, and the Beijing branch of the China International Travel Service. The total investment was US\$22.29 million, of which 49 percent was American 51 percent. and Chinese. The period of cooperation was set at ten years. During the first five years of operation, it was managed by the Peninsula Group in Hong Kong with the Chinese assisting. In April 1987, when the contract ended, the Chinese assumed managment and Swiss Bel-Hotel Managment Ltd. was invited to become a consultant.

The present general manager, Li Zhonggeng, said that when the hotel was opened, the location, cost of rooms and management were the reasons for its success.

In the five years since it opened, the hotel has not been able to meet the demands for rooms which have always been fully booked during peak seasons. Located in a popular, wealthy urban area, it is very convenient for guests. The number of rentals average more than 90 percent of capacity.

The average building cost per room was US\$47,000, which is much lower than the average US\$70,000-110,000 spent later by other joint-venture hotels. This also allows the hotel to compete well on the market.

The Peninsula Group is a world-famous hotel management group. It has introduced its advanced management and services into the Jianguo Hotel, whose services have always ranked first in China. The hotel has been cited as an example by the State

Tourism Administration, for all the 102 main hotels.

Although its present achievements and situation are favourable, Mr. Li Zhonggeng dares not rest on his laurels. In the long run, he said, he has still much to do. First, he has to still raise the quality of services. The hotel has set up a department to train all its workers and staff. Second, the hotel intends to do some general renovating with part of its capital. Third, the hotel plans to increase new service items to enrich hotel life for its guests.

by Han Guojian

Heilongjiang Hosts Winter Tours

ong winters that are ideal for tours distinguishes Heilongjiang Province, situated in the northernmost part of China. Thousands of tourists from abroad have recently enjoyed such activities as ice lantern shows, mountain skiing, wild animal hunting, ice-fishing and sleigh rides during the coldest months of the year.

Travel departments there have opened dozens of scenic spots and held more than 30 special tours.

The Qingyun area, 242 kilometres from Harbin, has a 1,700-metre-long steep ski track and a 15-kilometre-long open space and curved track which is ideal for mountain skiing. The Taoshan wild animal hunting reserve, situated on the southern slope of the Lesser Hinggan Mountain range, is the first of its kind open to foreign tourists. In the natural reserve on the outskirts of Qiqihar, tourists can enjoy ice-fishing and ride a miniature train through the forests. In the hunters'

camp they can also taste delicacies from land and sea.

There are 26 different travel services which, the director of the Heilongjiang Travel Bureau said, also arrange tours to ice lantern shows and sleigh rides drawn by reindeers. The eight guest houses in Heilongjiang received 50,000 tourists in 1987 from foreign countries, Hong Kong and Macao to enjoy these winter pleasures.

by Han Guojian

News in Brief

■ From October 18 to 27, the first Nadám Fair was held at the foot of Longfeng (Dragon-Phoenix) Hill near the Ming Tombs on Beijing's outskirts.

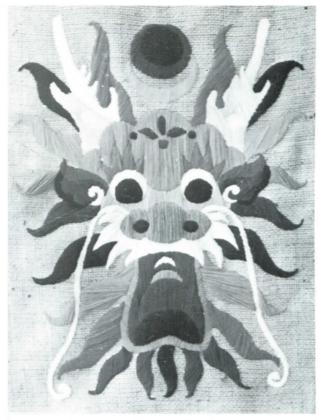
Nadam Fair is traditionally held by the Mongolian people to celebrate bumper harvests. In Mongolian, "nadam" means recreation and games. Changping County in Beijing and the Xilin Gol League of Inner Mongolia Autonomous Region sponsored this fair for Chinese and foreign tourists. At the fair, participants competed in activities such as horsemanship, archery and wrestling, in which all Mongolian Xilin Gol League people excelled.

■ An exhibition of historical Chinese locomotives toured Datong, Shanxi Province in mid-September. There were China-made engines, as well as foreign ones that used to run in China. The oldest engine was No. 0 made in England in 1882. It is rumoured to have pulled a train carrying the Empress Dowager of the Qing from Beijing Dynasty Shenyang. Over 140 kinds of steam engines have been used in China since railways were first years ago. Now built 100 preparations are under way in Datong for the construction of a museum for steam engines.

ART PAGE



Tiger.



Dragon's Head.



Lotus Fairy.

Embroidered Linen Tapestry

Zhao Feng's Shanxi tapestries feature various coloured wools embroidered on a linen background. They are a fine example of the bold folk art style of northern China.



Tiger and a Child.

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