

Vol. 28, No. 25

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# BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF  
NEWS AND VIEWS

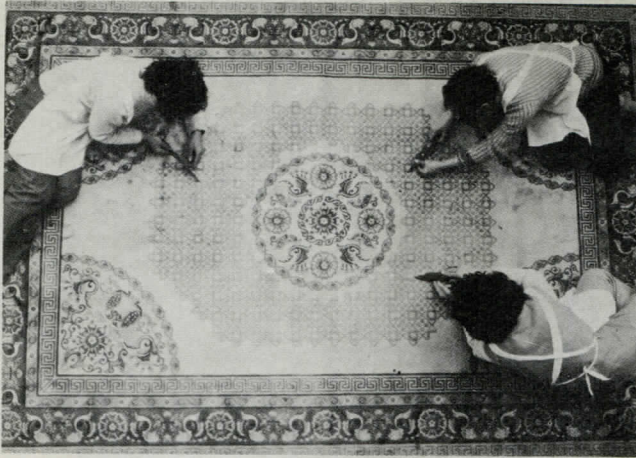
**China's Major Move for Peace**

**A New Step in Rural Reform**



*Awarding Inventions*





Workers put the finishing touches on a silk carpet.



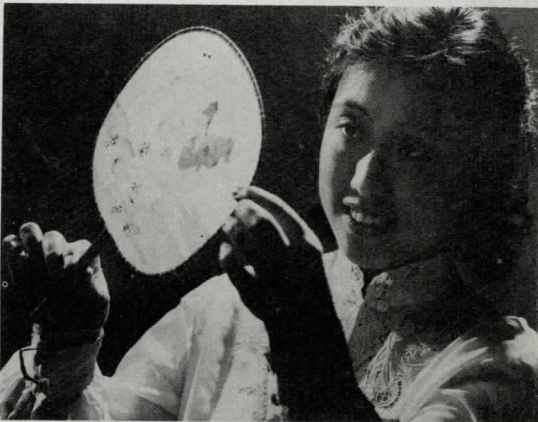
Designers paint on silk.

## Famous Nanchong Silk

The silk industry is thriving in Nanchong in Sichuan Province. The city's 46 silk factories produce more than 200 designs in over 2,000 colours. Nanchong is one of China's major silk exporters.

## SPOTLIGHT

Painted silk fan—a new product.



Making silk neckties.



Downtown Nanchong.

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<b>COVER:</b> Professor Li Jingxiong is a specialist in corn breeding. He and his assistants won a first-class prize in 1984 for the hybrid corn they developed.	

Photo by Yang Wumin

## HIGHLIGHTS OF THE WEEK

### *China Makes a Major Move for Peace*

China will cut its troop strength by 1 million men over the next two years, a move designed to increase the PLA's military and political quality, better defend the country and its modernization drive, and aid the cause of world peace (p. 4).

### *Rural Economic Reform Enters 2nd Stage*

While rural economic reform has paid off in increased production and income, the second stage of the plan will focus on the farm produce circulation system. Further changes will result in a market-regulated rural economy guided by the socialist planning system (p. 15).

### *Reward System for Inventions Re-established*

The policy of rewarding inventions and research achievements, suspended during the 1966-76 "cultural revolution," was re-established in 1979 to aid the country's modernization programme. Since then, more than 900 inventions have been cited (p. 18).

### *Work for the Benefit of Handicapped*

China's handicapped enjoy full state care. About 300 special schools for the blind and deaf-mute, and more than 20,000 welfare undertakings and production units, have been set up across the country. The China Welfare Fund for the Handicapped has also been established. For all these achievements, however, problems still remain, especially in education and employment (p. 20).

### *Rebirth of Contemporary Chinese Literature*

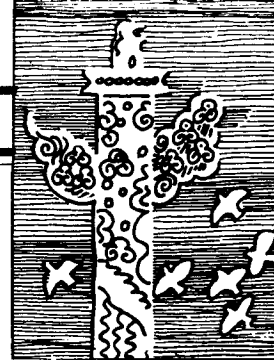
After experiencing many twists and turns since the country's liberation in 1949, contemporary Chinese literature has recently made significant advances in both form and content. Realistically depicting the lives and attitudes of the Chinese people, the works produced in this new period have gradually expanded writers' horizons to include a wide variety of styles and points of view (p. 23).

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# Troop Cuts: Major Move on Peace

by AN ZHIGUO  
Political Editor

Deng Xiaoping, chairman of the Central Military Commission, announced on June 4 that the People's Liberation Army will be cut by 1 million men over the next two years. The decision, made at a time when the two superpowers are bogged down in their marathon disarmament talks while intensifying their arms race, shows the Chinese government's willingness to contribute to disarmament and world peace not with words, but with deeds.

China constitutes an important factor in the defence of world peace. The Chinese people suffered a century of imperialist aggression and oppression; they have had their fill of war. They therefore treasure peace dearly — especially because it contributes to their current modernization drive.

The threat of a new world war comes mainly from the superpowers' rivalry for world hegemony. In order to maintain world peace, China has unswervingly opposed hegemonism, followed an independent foreign policy and sided firmly with the forces of peace. China will not join any military bloc, nor will it enter into alliance with any big powers. Still less will it establish strategic relations with them. China has no military bases in other countries, nor has it stationed a single soldier abroad or occupied a single inch of any other nation's territory.

When China successfully ex-

ploded its first atom bomb in 1964, the Chinese government solemnly declared that at no time, and under no circumstances, would China be the first to use nuclear weapons, nor would it use nuclear weapons against non-nuclear countries. Since then, China has reiterated this policy while calling for the complete prohibition and destruction of all nuclear weapons, the reduction of conventional weapons and the peaceful settlement of international disputes.

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***The troop cuts enable the PLA to increase its military and political quality and therefore to better defend the country, the modernization drive and world peace.***

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As things stand today, it is necessary for a country to build up its military strength. But China maintains this buildup should be kept within clearly defined limits, and for defence purposes alone. Judged against the size of China's population, the PLA is the smallest of the world's major armed forces. And its only objective is to help the country defend itself.

The decision to reduce the size of the PLA is based on an objective analysis of the current world situation. True, the danger of a world war still exists and will continue to grow as the arms race be-

tween the two superpowers escalates. But the people want peace, and the forces in favour of world peace will undoubtedly overcome the forces for war. With the forces of peace growing worldwide, it is possible to prevent a large-scale conflict for a long time to come.

The troop cuts are also based on a realistic assessment of China's defence capabilities. The decision itself shows mature self-confidence on the part of the Chinese government and people.

The Chinese people are applying their energies to achieving socialist modernization centred on economic development. Their aims are to quadruple the country's gross national output by the end of the century, secure well-to-do lives and catch up with the developed nations in another 30-50 years. To gain time for this, China hopes there will be no war — not only in this century, but also in future centuries.

Socialist economic development is China's major task representing the Chinese people's fundamental interests. National defence should therefore be brought within this framework so that our financial and material resources can be channelled into economic construction. A sound economy will provide a solid foundation for national defence.

The troop reductions also enable the People's Liberation Army to increase its military and political quality — and therefore to better defend the country, the modernization drive and world peace.



### Why Do I Appreciate "Beijing Review?"

As a European reader, I appreciate *Beijing Review* for two reasons.

First, your articles on international developments are written from the point of view of the third world and are impartial on the two superpowers. Although never strident, they are often penetrating and contrast informatively with publications in this country.

Second, it is clear that China is in the process of a great social experiment: How to unleash the initiative of each of its thousand million people within an overall socialist plan; and how to combine a thriving, diverse commodity economy with a strong spirit of collective welfare.

China is developing fast. Many of us in Europe look forward to its increasingly redressing the balance of international affairs, along with other third world countries, from the present situation dominated by the dangerous rivalry of the two superpowers. The 21st century is now only 15 years away! It will be different and better for the world, not least because the Chinese people are standing up!

**C. Burford C.**  
London, Britain

More coverage on the people's struggle in Namibia and south Africa and reports on China's open-door policy will make your magazine more attractive.

I like these columns: Events and Trends, International, Documents and Reports, Culture and Science and Letters.

**Bokassa Alexis**  
Brazzaville, Congo

### Jews in China

I suspect you had no idea how offensive parts of your article on Chinese Jews (April 8) would be to foreign Jews. The point of the article is, as its title sums up, "China's Jews Found Harmony." But according to the article, the Chinese Jews also found extinction. They lost their religious traditions and became "no different from the Chinese."

To foreign Jews, and I believe to members of any ethnic or religious minority proud of itself, the story of the Chinese Jews is quite lamentable. One of the reasons Jews are persecuted around the world is for our insistence on retaining our distinctive customs. A happy story would be one in which the Chinese Jews preserved their traditions and separate identity and nevertheless lived in harmony with their neighbors. Applauding the assimilation of the Chinese Jews is no way to win friends among Jews and other minority peoples around the world.

**Marcia Yudkin**  
Massachusetts, USA

### Understanding China's Countryside

In the article written by Wang Dacheng in issue No. 5 of *Beijing Review* ("Rural Economy No Longer Just Farming," in the "Notes From the Editors" column — *Ed.*), I read such words: With the problem of food and clothing basically solved, peasants have set their eyes on a more affluent future."

On reading this I thought: It really amounts to nothing to have solved the problem of food and clothing after 35 years of hard

work. Should it take 15 more years to achieve this?

Then, after consideration, I realized there might be some exceptions. I remembered the report in issue No. 4 ("Government Aids Poor Farmers" — *Ed.*), which said: In the countryside, tens of millions of peasants still worry about their food and clothing although their living standards have improved remarkably compared with the past.

That was what Deng Xiaoping said. No doubt Deng is a practical person and knows the current situation very well. Wang Dacheng may be a person full of confidence.

I suppose "tens of millions" may mean 70 million or 80 million or even 90 million. And these may be peasants who have failed to bring about the various achievements resulting from the responsibility system.

However, that this situation remains after 35 years of hard work provokes thought, as does what was said in the article "What Deng Says: Current Policies Will Continue" in issue No. 4 of your magazine.

**Ch. Paron**  
Tervuren, Belgium

### Humour, Cartoons and Other

To make your magazine more attractive, you should devote more pages to humour. Please give more information on Africa and write more about Chinese writers. You may also carry some information on hygiene and some cartoons for primary school pupils.

**Djaza Ahmed Mohamed**  
Moheli, Comores

# Friendship, Optimism in Zhao's Bonn Visit

After a successful week-long visit to the United Kingdom, Premier Zhao Ziyang continued his West European tour by visiting the Federal Republic of Germany from June 8-17.

In Bonn, Zhao had what he described as "cordial and sincere" talks with Chancellor Helmut Kohl on international issues of common concern and bilateral co-operation.

"From our talks and meetings, I keenly feel that China and the Federal Republic of Germany hold identical or similar views on such important issues as the maintenance of peace and economic development, issues on which hinge the future of the world and destiny of mankind," he said.

A follow-up to Kohl's Beijing visit last October, Zhao's trip is expected to further the already good relations between the two countries.

Sino-FRG political co-operation and economic and commercial exchanges have developed rapidly in recent years.

In 1984, more than 5,500 Chinese visited West Germany, while more than 34,000 people from the FRG toured China.

Bilateral trade last year reached US\$2.2 billion — an eight-fold increase over 1972, when the two countries established diplomatic relations, and enough to make the FRG China's biggest trading partner in Western Europe.

During Zhao's stay, Kohl told his Chinese guest that notable achievements had been made in furthering Sino-FRG co-operation. "But we should not become com-

placent. The potential of co-operation between Federal Germany and China is far from being fully exploited," Kohl said.

"China's policy of opening to the outside world and modernization, which we believe will continue into the next century, and our own possibilities will surely promote our partnership to a new high," he added.

Kohl also termed Zhao's visit "a milestone on the road of friendly co-operation between the two countries." He hoped China and West Germany "would jointly march forward on this road for the benefit and well-being of the peo-

ple of our two countries, and for peace and coexistence in the world."

During Zhao's visit, the two sides signed:

An agreement on encouraging Federal German investment in China and promoting bilateral economic co-operation;

A protocol extending their 1979 economic co-operation agreement for another 10 years after 1985;

And a memorandum on nuclear power co-operation.

After leaving Bonn, Zhao went on to visit the Netherland, the last leg of his West European tour.

## Flat Sales Cure Housing Headaches

Chinese government is stepping up real estate sales to ease housing shortages and improve living conditions throughout the country.

A lack of housing has long been the most sensitive social problem in China's cities. According to the Ministry of Urban and Rural Construction and Environmental Protection, each urban resident had an average of 4.8 square metres of living space at the end of last year. But one-third of China's city households, or about 7.5 million families, still live in overcrowded homes. Many sleep in rooms used as offices, stores, workshops, basements and classrooms during the day.

"The fundamental solution to the housing shortage is commercialized housing," said Xu Jingan, an official in the State Economic Reform Research Institute. China's present housing management system must be reformed, he added.

Housing in cities and towns is now allocated by the government, often at rents too low to cover maintenance and management costs. In Beijing, for instance, most residents have long paid between 0.12 yuan and 0.16 yuan a month per square metre. For a typical five-member family, that means a monthly outlay of 3-4 yuan — only 2.5-3 percent of their income, if each of the parents earns the national average of 60 yuan a month.

China began testing the market for apartment sales three years ago in four cities — Changzhou in Jiangsu Province, Zhengzhou in Henan, Shashi in Hubei and Siping in Jilin. The experiment has since been gradually expanded.

Typically, purchasers must pay one-third of the apartment's cost. The remainder is covered by sub-

sides from the state and local employers. Prices average 500 yuan per square metre in Beijing, where businesses and government departments began selling apartments on January 1. All organizations in the city have been ordered to set aside 20 percent of the apartments they build for sale to their employees, with priority to those who have no homes or live in overcrowded conditions.

Previously, all Beijing residents were allocated homes by their employers or the local housing administration. Housing sales began in the capital in 1982, but only to overseas Chinese.

Last year, 1.9 million square metres of housing was sold to private buyers in 111 cities and 200 counties across China. That was a 91 percent increase over 1983, said an official of the Ministry of Urban and Rural Construction and Environmental Protection.

In Shanghai, the country's most crowded metropolis, about 1,000 new apartments were sold last year. Under that programme sponsored by the Shanghai Industrial and Commercial Bank, prospective buyers were required to make regular savings account deposits for a specified time. They were then entitled to bank loans for the sum needed to purchase their new homes. The bank, meanwhile, used the added deposits to finance more housing projects.

In spite of these moves, however, China's housing situation seems very little improved. Some experts predict that by the end of this year, as many as 470,000 more families will lack adequate housing in Shanghai alone. In addition, about 2 million urban young couples reach marriageable age each year, making the housing problem a potentially explosive one.

In order to reach its goal of 8

square metres of living space for each urban resident by the end of the century, China will have to take other measures, said Xu Jingan.

One of these is to sell over 900 million square metres of existing government-built housing. That could recoup nearly 23 billion yuan to finance more new homes if half is sold at 50 yuan per square metre.

Housing contractors and development companies across the country should be aided with funds and materials to speed up construction. "Real estate should become big business," he said.

Xu also urged a boost for the construction and building materials industries to make them pillars of China's economy. Local governments and collectives should be encouraged to build small cement and glass plants to supplement large state ones, he added.

## Birth Drop 'Grays' China's Population

China is preparing to relax its one-child policy in some areas.

"The one-child policy is an interim measure inapplicable to

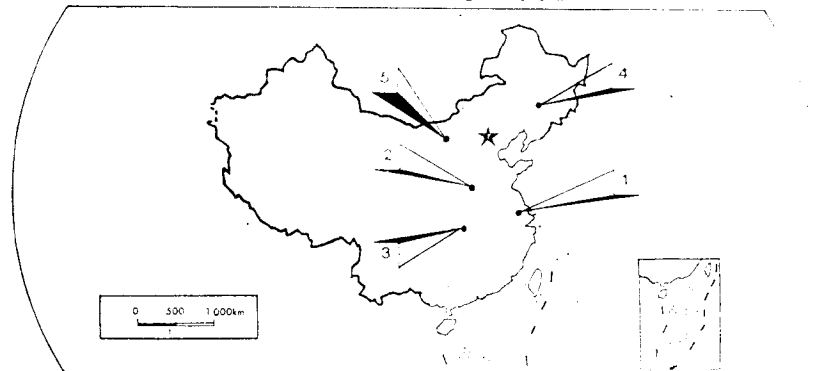
rural families with special difficulties, who may have two children, and to non-Han ethnic minorities, who may have three," said spokesman for the State Family Planning Commission, Shen Guoxiang.

However, the policy has been serving its purpose, he noted. According to a recent nationwide survey, China now has 35 million one-child families, or 21.2 percent of the total at child-bearing age. The country's birth rate last year dropped to 17.5 per thousand, as against 18.62 per thousand in 1983. Its population growth rate also declined to 10.81 per thousand, compared with 11.54 per thousand the year before.

About 20 percent of all women of child-bearing age now have two children, the survey also said, while another 20 percent have three or more.

Responsibility for meeting China's goal of holding its population to 1.2 billion by the end of the century is delegated to provincial authorities, Shen added, so that local economic, religious and cultural factors can be taken into account. In Guangdong, for example, families can have a second child if their first-born is a girl. The province's objective is to increase two-child families at the expense of larger ones, he said.

### PLACES IN THIS ISSUE



- (1) Changzhou (p. 6) (2) Zhengzhou (p. 6) (3) Shashi (p. 6)  
(4) Siping (p. 6) (5) Baotou (p. 18)

## News in Brief

China has set up a state education commission to replace the Ministry of Education.

The move is aimed at giving the State Council a comprehensive department in charge of improving education, unifying policy and guiding future reforms.

\* \* \*

China will spend more than 1.2 billion yuan on providing urban gas supplies and central heating during the Seventh Five-Year Plan (1986-1990).

The programme will save coal and heavy oil worth 157 million yuan every year. It will also cut pollution by reducing sulfur dioxide smoke by 40,000 tons, dust by 206,000 tons and coal cinders by more than 430,000 tons annually.

\* \* \*

Chinese mathematician Hua Luogeng died in Tokyo on June 12 while lecturing to the Japan Mathematics Society of the Tokyo University. He was 74 years old.

A special plane left Beijing on June 14 to bring Hua's ashes back to China.

\* \* \*

Over 580,000 couples assigned by their government employers to work in different cities have been reunited in the past five years, according to the Ministry of Labour and Personnel.



Zhang Shuhong (left), a Shandong doctor, giving a peasant girl her regular check-up.

The one-child policy is echoed in Jiangsu, China's most densely populated province. In the locality women in the 15-49 age group had an average of 1.44 children in 1983, down sharply from 4.61 in 1970 when the national family planning programme went into effect. A recent opinion poll indicated that many women now believe more children mean more hardship — not more happiness, as Chinese tradition would have it.

The construction of local homes for senior citizens has also played a part in reducing family size, by assuring support for the aged, as has increased knowledge of contraceptives.

While the family planning programme is succeeding, however, it has also become apparent that China is rapidly aging. About 8 percent of its population is now over 60 years of age, and that figure is expected to rise further to 11 percent by 2000, and then to about 20 percent in the first quarter of the next century.

To solve the difficulties that may arise from this trend, an article in

the *Gongren Ribao* (Workers' Daily) newspaper suggests:

- Introducing labour-saving techniques and equipment to offset possible losses caused by aging labourers;

- Establishing a national social security system to replace the pensions now issued by factories and government departments. Shanghai's 1.2 million retired workers now draw pensions accounting for 20 percent of the city's total payroll. The more retired workers a factory has, the heavier its burden, dampening its workers' enthusiasm for their work — another expression of "everybody eating from the same big pot" regardless of their productivity;

- Creating job opportunities for retired workers. About 500,000 of Shanghai's retirees can still work; giving them jobs would not only ease a burden on society, but also increase their income and make their later lives happier;

- And developing welfare programmes for senior citizens, with priority given to childless elderly people.



• And giving senior citizens better legal production. Law should be formulated to protect senior citizens' rights and interests, the paper said, adding that at least one child should be required to live with and support a widowed parent, in return for a larger share of the family inheritance.

## Technology Fair Gets Results

China's first 25-day national technical trade fair closed in Beijing on June 10, with more than 10,000 contracts signed and agreements reached on about 3 billion yuan worth of technology transfers.

The fair was co-sponsored by the State Science and Technology Commission, the State Economic Commission, the State Scientific Commission for National Defence and the Beijing municipal government. Its participants included 3,000 corporations from throughout the country. On sale were the results of about 15,000 technical

projects and a wide range of new products. A further 500 technical projects were put up for bidding.

Guo Shuren, president of the fair's board of directors, said that the event served as a link between academic research and economic development, and helped spur the growth of national markets for technical services.

Over the past three decades, Guo added, research has been separated from the commodity market, and was regarded as common property to be shared free of charge. The result was that many research institutes paid little attention to the practical applications of their work because of a lack of incentives, while factories found themselves without the modern technologies they needed to update their equipment and products.

The March national science conference, at which research results were defined as commodities, gave great impetus to the development of technical trade fairs and transfer centres all over the country, Guo said.

"This national fair," he said, "will help make research results commercially viable and serve the

nation's economic development with know-how."

A highlight of the fair was the transfer of military and other advanced technologies into civilian use. A delegation from the Ministry of Astronautics Industry signed more than 2,000 technology transfer contracts worth 300 million yuan. The Shanghai Astronautics Bureau's satellite adhesive, for example, has been applied to the production of artificial marble—a move well-received by small and rural factories, since the artificial stone is as hard and beautiful as natural marble, but 25 percent cheaper.

China plans to hold technical fairs every year. Business people from abroad will be invited to attend the next session, a bid to make it an event of worldwide importance, Guo said.

## Surly Sales Clerks Dis-serving People

A university professor makes it a rule to go to stores as little as possible. "Not only do I want to save time," he says. "What's more important, I don't expect to be treated with disdain or even rebuked by the sales clerks." A housewife echoes his thought, then adds, "If you want to make yourself unhappy, go to a shop."

Their comments reflect the opinions of many shoppers in China, including some foreign residents, who have long been dissatisfied with the surly attitudes of assistants in department stores, restaurants, hotels, railway ticket offices and other public places. The problem has been the target of several national courtesy drives. Local governments, which realized the seriousness of the situation somewhat earlier, have also launch-

**An official of the China Science and Technology University showing his clients his new products. The university has signed 99 technology transfer contracts with 22 provinces.**



ed courtesy campaigns of their own. In general, however, only a little progress has been made. "Whether you accept it or not, bad attitudes are still one of the biggest and oldest social problems in China," one young shopper said.

The subject has been a constant topic for social critics writing in Chinese newspapers. This month, in fact, has seen a rash of reports — perhaps more than ever before — discussing the attitude issue as an indicator of China's national dignity. "During the war, in the early 1940s, common people judged the Communist Party on the behaviour of its Eighth Route Army," explains Yi Jianxiang, a manager at Beijing's Wangfujing Department Store, one of the largest in China. "But now they judge socialism by its service trades. In a socialist country, people are equals and should be helpful towards one another. But can you say it is socialism when you glower at customers, or even quarrel with them?" he asked.

Although his department store has been praised by some shoppers, Yi added, it does not mean its staff are doing perfect job. "Perhaps you happened to meet a model saleswoman the other day," he said. It's natural for people to be eager for good service. "When you meet a good salesgirl, you can't help buying more goods, even if they are expensive," a woman said.

According to a recent random survey, only half of China's ten major department stores give their customers courteous service. The honour list included the Wangfujing Store in Beijing, the Nanfang Department Store in Guangzhou and Nanjing's Xinjiekou Department Store.

Quarrels with customers, once common, are now seen less often because these can result in the loss of a monthly bonus. But cold attitudes and insults are all too normal in many Chinese shops, espe-

cially where no incentives are offered for better performance.

"A saleswoman may hold her temper because she's afraid of losing income. But she loses nothing if she ignores customers or uses harsh words to send them away," one shopper said.

One of the least popular — but most commonly heard — expressions is "meiyou" (we don't have any). That phrase, one foreign resident of Beijing said only half in jest, was the first she learned after coming to China.

While welcoming the exposure of particularly bad examples in the national media, many sales people believe there are two sides to the problem — and that not only their side is to blame.

"I often meet rough, impolite shoppers. They look down on my job. They are condescending to me, and treat me like a child. I can't put up with this. I treat people just the way they treat me." a young salesman said.

Shop managers are working to change the situation, but many find it an uphill fight. "All we can do is settle one concrete problem at a time. We have no way of resolving the issue completely. The problem is a social one, and can't be resolved at a single stroke," says Li Xianhe of the Dazhalan No. 1 Department Store in Beijing.

The newspapers only see the obvious parts of the problem, he added, suggesting that they dig deeper to find its roots. Li said that his younger clerks make only 41 yuan a month. In addition, many have headaches of their own such as housing — some even have to rent farmers' houses. All these factors influence their feelings, he noted. "Our sales clerks are required to serve the people courteously. But, at the same time, society should be concerned with their interests. After all, they are people too," Li said.

## China & the World

### Li to see US, Canada

President Li Xiannian and his wife, Lin Jiamei, will pay a state visit to North America next month, a Foreign Ministry spokesman announced in Beijing on June 14.

Li will be the first Chinese head of state to visit Canada and the United States since Beijing established diplomatic relations with the two countries in 1970 and 1979.

### President Grooms US Team

President Li recently met a visiting US baseball team from C.W. Post University in New York and Dr. Leonard Milton, president of the people to people sports committee of America.

During the meeting, C.W. Post Dean Dannis Payette presented Li a gold medal lion and certificate naming him a Grand Marshal of Long Island.

He also forwarded letters from American President Ronald Reagan and New York Major Edward Koch.

### China Condemns SA Raid

China strongly condemned the invasion of Botswana by South African troops, the Foreign Ministry said in Beijing on June 15.

The South Africans attacked 10 targets in Gaborone, capital of Botswana, on June 14, killing 12 people and wounding many more.

Chinese statement said this was a brazen encroachment upon the sovereignty and territory of an independent state by the South African authorities, and a flagrant provocation against the African countries and people.

## US-USSR

### SALT II's Future in Doubt

**Although the Reagan administration has decided to continue to live up to its second Strategic Arms Limitation Treaty with the Soviet Union, many question whether the pact will restrain the arms race.**

by ZHANG DEZHEN

US PRESIDENT Ronald Reagan on June 10 announced that his administration would continue to live up to the second Strategic Arms Limitation Treaty (SALT II) with Moscow. But he required the Soviet Union to correct its noncompliance with the treaty and reserved the right to respond in kind to any Soviet violations. His announcement thus ended the internal debate on whether to abide by the pact or annul it.

SALT II was signed by US and Soviet leaders in Vienna on June 18, 1979. With the Soviet invasion of Afghanistan, relations between the United States and the Soviet Union have deteriorated. Although the US Congress has not ratified the treaty, the two sides have expressed their willingness to observe its terms. However, since the treaty was signed, neither has fulfilled its promises. Each side has attempted to exploit the treaty to get an edge in the arms race, resulting in numerous violations.

Recently the two sides again crossed verbal swords, accusing each other of violating the treaty. The United States has blamed the Soviet Union of contravening a provision under which each side can only manufacture and deploy one new type of strategic missile. Besides the SS-X-24 missile,

Washington says, the Soviet Union has also manufactured the new SS-X-25. The US administration has also accused the Soviets of being 600 delivery vehicles over the limit of 2,250 stipulated in SALT II. In response, the Kremlin pointed out that the United States has also been responsible for violations of the treaty. Washington has exceeded the quota for multi-warhead missiles, Moscow says, while speeding up deployment of sea-based cruise missiles. The war of words seemed aimed at shifting responsibility for the violations to each other.

The most pressing problem, however, is that SALT II will expire at the end of this year. The Reagan administration must make a choice on whether to continue to abide by the treaty or abandon it. The question is complicated by the fact that a new Trident nuclear submarine will start its sea trials in September. If the United States is to keep its missile forces within the limit set by the accord, it will have to dismantle an old missile submarine.

Within the US government, there are two prevailing views on these issues. Pentagon officials state that since Moscow has repeatedly violated the treaty, the Reagan administration should let the military adopt corresponding actions. At the same time, the State Department notes that ter-

minating the SALT II accord would send the arms race out of control and have a grave impact on the current Geneva disarmament talks and US-Soviet relations as a whole. On June 5 the US Senate passed a resolution requesting that the Reagan administration continue to abide by SALT II by 1986. Earlier this month, West European countries attending the NATO foreign ministers' conference urged the United States not to annul the accord. Under pressure from public opinion at home and abroad, the United States finally decided to abide by the treaty.

Of course, Reagan's decision has some conditions. If a Soviet violation of the treaty is discovered, he said, the United States will reserve the right to make "appropriate and proportionate responses" to it. Furthermore, he ordered the Defence Department to give a report on the Soviet arsenal and its implementation of the treaty before November 15. He will base his final decision on SALT II on this report.

Although SALT II was signed six years ago, these years have shown that the superpower arms race has not been restrained by a paper agreement. On the contrary, since the treaty only limits the number of their nuclear weapons and does not curb their qualitative development, it has actually left the door open for the superpowers to study and manufacture more advanced weapons and speed up their programmes of replacing old arms with new. The US MX missile and the Soviet SS-X-24 have both been developed under the terms of SALT II's one-missile limit. If the United States and the Soviet Union lack sincerity on disarmament, no treaty will halt the superpower arms race.



## Pakistan

# Protesting Afghan Border Raids

**The Afghan issue cannot be settled as long as the Kabul authorities only pay lip service to finding a political solution and make military provocations instead.**

by **SHI ZONGXING**

**W**ITH their wanton and indiscriminate bombing of Pakistan on May 31, the Afghan authorities have shown that they and their supporters are not sincere in seeking a peaceful solution of the Afghanistan issue.

From May 25-31, Diego Cordovez, the special United Nations envoy and personal representative of Secretary-General Javier Perez de Cuellar, shuttled between Islamabad and Kabul. As a result, both Pakistan and Afghanistan agreed to attend a fourth round of indirect talks to be held in Geneva.

On the day Cordovez's visit ended, however, two MiG-19's violated Pakistan's airspace near Drosh, in the Chitral district, dropping 14 bombs and launching 200 rockets. Thirteen Pakistani civilians were reported killed and 35 wounded in the raid.

In a strong protest lodged with the Kabul regime, the Pakistan National Congress called on the government to adopt all necessary measures in order to safeguard the country's sovereignty and the lives and property of its people.

President Zia ul-Haq on June 8 made a special trip to the bombed area, to meet and console those who suffered losses. While there, he urged Kabul to halt its bombing of Pakistan. He also warned that if the attacks do not cease, Pakistan will change its attitude of restraint.

Afghan planes have violated Pakistan's airspace more than 600 times since Soviet Union troops invaded Afghanistan in December 1979. The raids have caused great damage in villages near the

Pakistan-Afghan border. Over 100 people were killed and 71 others wounded in two of the most serious attacks in January and September 1984. Other incidents have also taken place in which Afghan troops crossed the border and fired at Pakistanis.

For its part, Islamabad has filed 83 protests with the Afghan authorities, but it has so far taken

## Israel

# Aim of Troop Pullout Delay

**Israel has not yet withdrawn all its troops from Lebanon, and the pullout delay has now become a new obstacle to restoring the country's sovereignty.**

by **CHEN JICHANG**  
and **ZHOU GUOMING**

**L**EBANON, already reeling from weeks of bloody fighting between Shiite Muslims and Palestinians battling for control of refugee camps in Beirut, was stunned by yet another blow this month when Israel delayed its plan to pull its troops out of the war-weary country.

The pullout was to have completed on June—the third anniversary of Israel's invasion of its splintered northern neighbour. But even though one Israeli army commander said the withdrawal had been completed, on June 7 Defence Minister Yitzhak Rabin stated that Israel would maintain several hundred troops along the Lebanon-Israel border.

The move seemed certain to continue what has now become Israel's most costly military adventure. The toll for the three years: 654 Israelis killed and 3,873

no military action over the attacks.

Although Zia has severely condemned Kabul's actions, he in a recent statement stressed his hopes for peaceful solution of the Afghan issue.

Kabul and its supporters, however, while saying they were willing to settle the issue peacefully, have withdrawn none of the foreign troops stationed in Afghanistan. Instead, they intensify the war and impose military pressure upon Pakistan. This shows they only pay lip service to the idea of a political solution to end the five-and-a-half-year war.

wounded. In addition, the war also placed a heavy new burden of US\$1 million a day on the backs of the country's already hard-pressed taxpayers, bringing its economy to the brink of collapse and touching off new political and social crises in the process.

The delay also apparently contradicted the programme announced on January 14, when the government of Prime Minister Shimon Peres gave up its demands for a simultaneous Israeli-Syrian troop withdrawal from Lebanon and declared its three-stage pullout. The first two stages of the plan were completed on schedule by mid-April; but then Israel insisted on the establishment of a so-called "security zone" along its northern border. The zone, 8-20 kilometres deep, would be controlled by the pro-Israeli South Lebanon Army (SLA). And it was concern over whether the SLA could maintain control of the area after the Israeli pullout that finally prompted the postponement.

Other events in Lebanon have also played a part in the Israeli decision. The refugee camp conflicts, which pit Shiite Amal militiamen against beleaguered Palestinian fighters, have continued as peace negotiations between the combatants remain in deadlock.

An additional factor is the recent Syrian-Lebanese summit in Damascus, and its plan for Lebanon, while the Lebanese government army will expand its garrison in the south of the country — an area already assigned by Israel to its allies in the SLA. The postponement, according to the Lebanese press, was Israel's silent vote against the summit plan.

As if to confirm this, then SLA recently prevented government troops from entering Jezzín area,

south of Beirut, and continued launching new operations against Shiite villages and towns in South Lebanon. According to observers in Damascus, the move was also aimed at keeping some countries from taking diplomatic action for Mideast peace negotiations.

The Lebanese government, meanwhile, called on Israel to withdraw all its troops under United Nations Security Council resolution 425. The Lebanese also oppose Israel's demands for a "security zone" in South Lebanon, and the stationing of troops along the border.

Anti-Israeli forces in South Lebanon have declared that they will continue to fight until all Israeli troops are driven out of the country.

nels between Khartoum and Addis Ababa. For its part, the Sudan made it clear that it would not allow Ethiopians on its territory to engage in anti-Ethiopian government activities, while the Ethiopians promised to make efforts to guarantee the peace, unification and stability of the Sudan.

A month later Sudanese Defence Minister Osman Abdallah extended an olive branch to the Soviet Union. "We have not so far started a dialogue with the Soviet Union," he said in a May 26 interview on Sudanese television, "but we are keen on normalizing our relations with the Soviet Union." Soviet leader Mikhail Gorbachev twice wrote to the Sudanese chairman, expressing his hopes for friendly relations with the Sudan.

Since the military coup the Sudanese Military Council has repeatedly stressed the strength of its links with Egypt. Khartoum's joint defence pact with Cairo was still in effect, Osman Abdallah said, denying reports that the agreement would be abrogated. The Sudan has also pledged to continue to upgrade and develop its relations with Egypt, while Cairo has promised in return to maintain its support for the new Sudanese government.

Relations with the United States have come in for a discreet boost as well. At the end of May US Assistant Secretary of State Chester Crocker visited the Sudan to convey a message from President Reagan to Chairman Suwar al Dahab. In his letter Reagan stressed that his administration would keep up its aid for the Sudan.

Somewhat closer to home, the Khartoum administration has sent diplomats to 27 African and Arab countries since coming to power. The response to this initiative has so far been positive. Sudanese Premier Dafalla's mission to Saudi

## Sudan

### New Leader Forges New Ties

**While continuing to maintain its traditional friendly relations with Egypt, Saudi Arabia and the United States, Sudan's Transitional Military Council has energetically improved its ties with Libya, Ethiopia and the Soviet Union.**

by ZHAO ZHUXIU

Since coming to power in a military coup on April 6, the Sudan's Transitional Military Council has begun readjusting long-standing foreign policies implemented by the former government, and is actively seeking better relations with countries outside its traditional orbit.

In its shift towards non-alignment, the government of Suwar al Dahab has been maintaining friendly relations with Egypt, Saudi Arabia and the United States. But it also has energetically courted Libya, Ethiopia and the Soviet Union — countries which previously received cold-shoulder treat-

ment, or even outright hostility, from diplomats in Khartoum. The first concrete results of these overtures were not long in coming.

On April 11, a Sudanese delegation visited Libya for contacts that led to an agreement on restoring diplomatic relations between the former adversaries. Soon after, top Libyan official Abdel Salam Jaloud led a return trip to the Sudan to sign a joint communique on developing political, economic, social and technical co-operation.

In late April, another Sudanese delegation was dispatched to Ethiopia, touching off reports that the two sides had solved a number of fostering disputes and agreed to open diplomatic chan-

Arabia, Kuwait and other Gulf countries won agreements on US\$1 billion in economic aid to help the Sudan overcome its present economic difficulties.

In view of the interference by some internal political forces and pressure abroad in its foreign pol-

icy, the Sudanese leader recently, solely declared that to develop the relations with any country must be based on respect for its independence, national dignity and freedom of making decisions by itself. The Sudan would never become a satellite or dependence of any superpower.

high interest rates. The rate on Africa's debt was up to 10.1 percent in 1982, from 4.1 percent in 1971.

On top of this, however, the policies carried out by the African governments have contributed little to improving the situation. In the past decade, some African countries have launched hasty industrialization drives in an effort to limit or replace imports of competitive products. This has resulted in a weakening of Africa's national industries.

Worse, agricultural development has been neglected as a result of this stress on industrialization. In some countries, agriculture gets less than 10 percent of the government's investments. Some countries have even limited agricultural price rises and lowered farm export prices to maintain urban living standards and increase government revenues.

In spite of this, though, prospects for an invigorated African economy have not been extinguished. In recent years, many African countries have given more attention to agricultural development. Some have raised prices of farm products, increased investment in private sector and reduced public spending. All these changes are aimed at readjusting Africa's economic structure.

## Africa

# Obstacles Block Economic Growth

**Both internal and external factors contribute to the underdevelopment of Africa's economy, and these are further aggravated by natural calamities. But African governments are now settling down to solving their long-standing problems.**

by CHEN HEGAO

THE year 1984 was the worst for Africa's economy since the great depression of the 1930s. Widespread drought has taken the lives of millions of people, and is continuing to threaten 20 million more with hunger and death.

In that disastrous year, the output of Africa's manufacturing industries fell by 1.2 percent, the share of industry in its collective gross domestic product dropped below the levels of the 1970s, and its foreign debt shot up to US\$150 billion. Debt servicing alone drained 20 percent of the continent's export earnings.

However, natural calamity is only one of several factors contributing to Africa's current dilemma. Also responsible for its collapse are some internal and external factors including an unfavourable global economic environment and dramatic increases in foreign debts, interest rates and debt servicing costs.

Under colonial rule, and even after their independence, the African countries sold raw materials such as cotton, coffee, bananas, tea and tobacco to pay

for imports of food. Most depended on a single product to prop up their economy. However, in the recent world economic recession the developed countries cut their purchases of African commodities and lowered prices of primary products and raw materials. In 1982, the prices of many important African exports fell to their lowest levels since World War II. The mild rises that have since taken place still leave some products costing only half as much as they did in the 1950s. The African countries have lost an estimated US\$2 billion as a result.

Huge foreign debts have also impeded Africa's economic recovery. The continent's estimated total medium- and long-term debt at the end of 1982 was over US\$48 billion, most of it on non-concessional terms. Debt servicing costs have been rising, and are scheduled to increase even further in the near future; debts that cost \$4.1 billion in 1981 will soak up \$11.6 billion a year in 1985-87.

The factors bringing about the swelling debt include trade imbalances, the unreasonable world economic order, and, above all,





# Second-Stage Rural Structural Reform

The second-step reform of the rural economic structure will result in a kind of open market and constitute a market-regulated economic mechanism formed under the guidance of the socialist planning system.

by DU RUNSHENG

THE contract responsibility system was introduced universally as a first step in the reform of China's rural economic structure which began in 1979. A two-tier management system which integrated peasant household with collective management was established. In these co-operative economic organizations, peasant households are relatively independent commodity producers. Given decision-making power in production, the peasants can, in the light of their specialities and advantages, choose what to produce. As a result, the output of farm produce grew by a big margin and peasant incomes increased from year to year. Grain output went up from 304.77 million tons in 1978 to 407.12 million tons in 1984 — a 33.6 percent increase; cotton output, from 2.17 million tons to 6.08 million tons — up by 180.4 percent; oil-bearing crops from 5.22 million tons to 11.85 million tons — a 127.1 percent increase. Peasant incomes went up from 133 yuan per capita in 1978 to 355 yuan in 1984. But the per-capita annual income for nearly 100 million people remains below 150 yuan.

With the development of rural commodity production, the rural co-operative system has gradually improved and developed. New types of co-operation and organization keep emerging, such as regional co-operation, specialized co-

operation, co-operation in the process of direct production, in supply and marketing, processing, and technical service, co-operation between individuals and between collectives, joint management between the collective, the state and the individual. These different types of co-operative organizations were formed voluntarily by people themselves, and developed and grew strong by relying on their own economic gains.

## Disadvantages of State Monopoly of Purchase

In 1985 China has taken the second step in the structural reform of its rural economy, i.e., reform of its farm produce circulation system.

Beginning in 1953 China maintained a state monopoly in the purchase of grain, cotton, oil-bearing crops and timber and fixed-

quota purchases of more than 100 varieties of other farm and sideline products. Also, cotton wadding and cotton cloth were rationed for both urban and rural populations, as well as the supply of staple and non-staple foods for urban residents. Because of China's large population and limited arable land, agricultural products have all along been in short supply; as the urban population increases, the shortage becomes more acute. City employees, whose wages are relatively low, find fluctuations in consumer goods prices hard to bear. And because of its weak industrial foundation, China has to derive a certain amount of funds from agriculture for economic development. This being the case, the adoption of the system of monopolized purchase and marketing of farm products played an important role in guaranteeing supplies for city people and obtaining

Peasants working in a village vermicelli factory in Hubei's Hanchuan County air their products.



The author is the director of the Rural Development Research Centre of the State Council.

a certain amount of accumulated funds.

However, this system had many disadvantages. The most serious one was that it cut agricultural producers off from their market. This threw the rural economy into a state of isolation over a long period. The commercial system of monopolized and fixed-quota purchases left peasants no other choice than to sell their farm products exclusively to state-owned purchasing departments. Commodities were not tested by market authorities, and in the

absence of competition and elimination of shoddy goods, the quality of products could not improve, production costs could not be reduced and technical progress was slow. Because the supply of staple and non-staple foods for urban citizens was planned and prices long remained unchanged, consumers' demands could not be reflected through market price changes and the peasants could not gear their production to needs. This phenomenon inevitably impeded reasonable adjustment of the rural economic structure.

Furthermore, because there was a lack of competition, a bureaucratic business style was engendered among state-owned commercial departments, giving rise to a complicated, multi-level management system which resulted in a long period of circulation, huge waste and high costs.

In 1979 while purchasing prices for farm produce were raised, selling prices all along remained unchanged. As a result, the state had to take up an increasingly heavy burden of financial subsidies as production developed. All this made it essential to reform the farm product circulation system and the price system.

**This Wuxi rice market reopened during the economic reform.**



### **Purchase Under Contract And in Market**

This year the monopolized and fixed-quota purchase system is being changed. Except for certain specific products, the state will no longer fix quotas for purchase of farm products from the peasants. Instead, it will, according to different circumstances, adopt the methods of purchase under contracts signed with the peasants and purchase in the market.

The crux of the reform lies in the matter of prices. At present, the state pays 20 fen for the sale of every kg of grain and 1.6 yuan for each kg of edible oil. This involves a heavy financial burden. In addition, there are irrational price differentials between regions, farm products and their quality.

The approach to price reform will be through small, and not sweeping, measures, to minimize any market fluctuations that might arise. The state will first gradually decontrol purchasing and selling prices of fish, poultry, eggs, vegetables, meat and other perishable foods. The prices will be regulated by market forces. The state will subsidize the costs to urban consumers according to

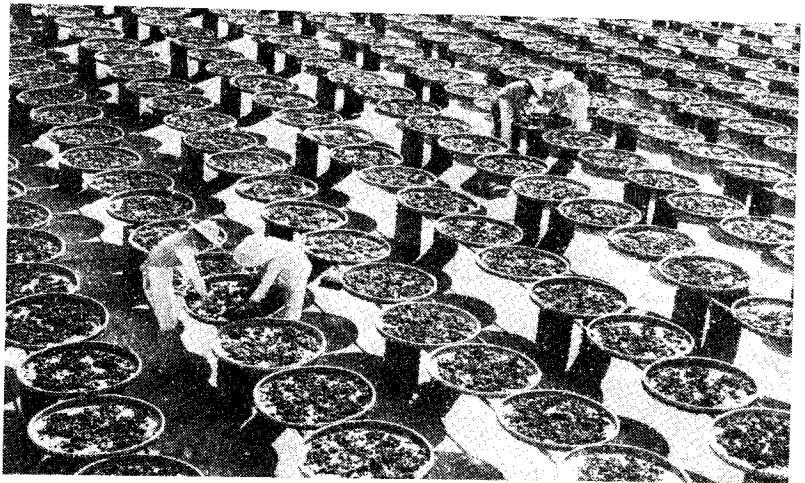
particular local conditions. Prices will also be fixed for grain, edible oil and other major products as well as products purchased under state contracts. The purchasing and selling prices of these products are the same in the rural areas, while the selling prices are lower for urban consumers. Grain and oil-bearing crops not included in the contracts can be sold at market prices, but the state sets minimum protective prices so that the peasants will not suffer unacceptable economic losses due to price fluctuations.

The second-step reform of the rural economic structure will result in a kind of open market and constitute a market-regulated economic mechanism formed under the guidance of the socialist planning system. By giving play to the role of market mechanism and adjusting the rural economic structure, China will be able to quickly develop the commodities needed both at home and abroad wherever the resources and capital are available.

In crop cultivation, China will, by giving play to the role of prices, increase the proportion of cash crops as well as of high-quality cereals and soybeans.

At present, animal and aquatic products are the weak links in agricultural production. With the price reform in purchasing and selling and price decontrol, an upward trend has emerged for a big development in aquaculture.

Agricultural production is now governed by free market demands instead of by the former monopolized and fixed-quota purchase system. This change-over will definitely attract better and more varied farm products to the market. However, owing to the restrictions of China's current economic structure and the limited consumption level of town and city residents, agricultural commodity production will encounter still another obstacle in the course



The preserved fruit processed by a peasant-funded factory in Zhejiang Province is marketed in Hongkong and overseas.

of development, that is, low consumer purchasing power. Of China's 1 billion people, 800 million are peasants; and of the total labour force, about 70 percent work in agriculture. This picture would indicate that the commodities supplied by 800 million peasants are consumed mainly by 200 million urban residents. The elasticity of farm product consumption is small. A slight increase in farm products threatens an oversupply in the city. But this surplus emerges when the production and consumption levels are still very low, therefore the problem should not be solved simply by restricting production; instead, it must be solved by adjusting the economic structure, transferring surplus labour directly from agricultural production to non-agricultural departments. This would raise people's incomes and enlarge the scope of market needs for agricultural products. We plan to fulfil the transfer of over 50 percent of the surplus labour from agriculture to other departments by the end of the century.

Township industries which are mushrooming in China today are playing a significant role in the transfer of surplus rural labour and the creation of new job opportunities. In 1984 the total output value of China's township en-

terprises reached 170 billion yuan. They include agricultural enterprises (4 percent), industrial enterprises (71 percent), transport (4 percent), construction (13 percent), commerce and service trades (8 percent). The industries include metallurgical (3 percent), coal (5 percent), chemicals (7 percent), plastic processing (4 percent), machinery (24 percent), food processing (9 percent), textiles (11 percent) and building materials (20 percent). By the end of 1984 the number of employees had reached 52.06 million (including privately run enterprises). The growth of township enterprises has provided fresh experience for China's economic and social development. These enterprises develop not by relying on state investment but by relying on their own accumulation funds. This gives them a strong vitality—they are highly adaptable to the market and can flexibly adjust their production orientation to suit changes in domestic and world markets.

### Expanding Market Needs

The structural change in the rural economy envisages a growing market demand in China's rural areas:

— The transfer of surplus la-

*(Continued on p. 22)*



# Inventors Encouraged to Aid Economy

China has finally cast off its ignorance of scientific invention. The government encourages inventors to aid the country's modernization programme, and awards have been established to reward scientific achievements.

by **WEI LIMING**  
Our Correspondent

**L**U JIAXI, a middle school teacher in Baotou, an iron and steel production centre in Inner Mongolia, died of heart failure in October 1983. The news, which was made public by *Renmin Ribao* (People's Daily), China's most influential newspaper, has given many food for thought.

Lu, who taught at the Baotou No. 9 Middle School, was only 48 years old when passed away. Even his friends never knew that the middle-aged man was a highly accomplished scientist.

In 1957, when he was still in university, Lu began studying a complex mathematical problem posed by a British mathematician. Four years later, he sent his first paper on the subject to the Institute of Mathematics of the Chinese Academy of Sciences. Receiving no reply, he sent another paper in 1965, but again to no response. In 1967 he read a paper by a foreigner who had partially solved the problem. He then submitted his solution for the third

time, with the same lack of results.

Finally, in 1975, he learnt that the problem had been solved abroad—but not until 1971, ten years after his first submission. With grief, Lu wrote, "I solved the problem in 1961. It has been 18 years since then, which means that my first child—my brain child—is now 18 years old. It is, however, an unfortunate child. Eighteen years is not a short period in one's life. In fact, it is an awfully long time in terms of modern science. Shouldn't we learn something from it?"

Lu's lesson is truly a bitter one for Chinese inventors. Although rewards were offered for innovations and research achievements in the 1950s and early 1960s to help promote scientific development, this programme was suspended during the ten chaotic years of the "cultural revolution," leaving amateur and professional scientists alike out in the cold.

After the "cultural revolution" was brought to an end in 1976, some of Lu's papers were publish-

ed in foreign academic journals. His work then caught the attention of many prominent researchers and success finally seemed to be coming his way when in 1983, he was invited to read a paper at a national mathematics conference. His address was well-received. But a heart attack brought on by years of overwork took his life the day he returned from the conference.

Today, less than two years after Lu's tragic death, the inventors' lot is improving. In 1978 the State Council again mandated a system of awards for achievements in the natural sciences. The awards were extended to include inventions a year later, with winners to be chosen by evaluation committees established by the State Science and Technology Commission.

The evaluations, made quarterly, are based on three major criteria: The inventions submitted must be new, advanced and of proven practical value. Once examined and approved by the evaluation committee, the submissions are published in newspapers. Objections may be raised within three months after they are made public.

In 1982, prizes were awarded to 428 inventions. One—a new variety of nonglutinous hybrid rice—was singled out for a special award. Since its first successful tests in 1975, the new strain was planted on 16.6 million hectares between 1976 and 1980, increasing their output by 13 million tons. The hybrid rice was sold in 1980 to growers in the United States.

Among the other innovations cited in 1982, the top 12 projects have since brought in annual profits of 10 million yuan, thus proving their economic value.

**Yuan Longping (first from right) won a special award for developing a new strain of hybrid rice.**



In addition, 122 research projects also took awards for achievements in the natural scientific research — with a cash reward of 10,000 yuan for first-class winners. Among them, 40 were related to mathematics and physics; 25 were in chemistry; 28 were in geoscience; 15 were related to biology and 16 were in the technological sciences. Some of the prize-winning projects were urgently needed by the country's economy. For instance, the geological and geophysical studies undertaken by the Daqing Oilfield provided a scientific basis for the development of China's oil industry. The successful solution of the theoretical problems related to physics, mechanics and mathematics led to the successful development of China's first generation of nuclear weapons. Theories on how to forecast the movements of the East Asian migratory locust — a serious threat to crops — have enabled China to basically eliminate locust plagues and turn formerly disaster-ridden areas into lands of abundance.

In 1984 another 204 scientific and technological research achievements were awarded state prizes. Among them was the technology for mass breeding of river crabs in brackish water — a development that reaped a first-class ci-

tation for Zhao Naigang, director of the institute of aquatic sciences in Chuxian County, Anhui Province.

The crabs, a favourite east China delicacy and a popular subject for traditional Chinese painters, migrate down the Changjiang (Yangtze) River each autumn to the sea to mate and spawn. After the eggs hatch, the young crabs travel back upriver the next spring. But dams built among the river cut off the crabs' migration routes, breaking their reproductive cycle. This, together with serious water pollution, brought the river crabs to the brink of extinction in the 1960s.

In 1959 Zhao Naigang graduated from the Nanjing Marine Products Institute and was assigned to work in an out-of-the-way town in rural Chuxian County. There he saw the precarious situation of the river crabs, and made up his mind to save the delicacy for future generations.

Zhao began his first experiments in crab breeding in 1974, and finally succeeded ten years later. The brackish water he used suits the crabs' reproduction cycle so well, in fact, that their survival rate in captivity now far exceeds their natural rate in the wild.



**Xu Jintang, an associate research fellow at the Institute of Medicinal Plant Resources Development under the Chinese Academy of Medical Sciences, picked a second-class prize for a new method of growing "Gastrodia elata."**

With Zhao's method, each kilogramme of young crabs costs 100 yuan to produce — a sum equivalent to that formerly needed to catch and transport them. A kilogramme of young crabs requires 26 to 52 hectares of water surface and can bring an income of 2,000 to 4,000 yuan.

Experts evaluating Zhao's work say that his invention not only solves the problem of providing young crabs for China's 4 million hectares of inland waterways, but may also lead to the breeding of fish, shrimp and other migratory aquatic creatures.

Since the state introduced the awards system in 1979, more than 900 inventions have been cited. The inventions have yielded a total economic return of 25 billion yuan. It is no wonder, then, that prizes for such useful innovations have also risen — to 20,000 yuan for first-class inventions; 10,000 yuan for second-class inventions; and 5,000 yuan for third-class projects and 2,000 yuan for fourth-class inventions. □

**Cheng Dian (right), an engineer at the Ministry of Machine-Building Industry, won a second-class award for his work on radiation equipment.**



# Work for the Benefit of Handicapped

by DENG PUFANG

*Deng Pufang is the director-in-chief of the China Welfare Fund for the Handicapped. In this article he briefs readers on the fund's accomplishments since its establishment in March 1984. — Ed*

ACCORDING to estimates, there are at least 20 million handicapped people in China. Not long ago, the government decided to carry out a comprehensive survey of their numbers, ages, sex and employment nationwide.

China takes every care of the handicapped. The Constitution stipulates that the state and society help make arrangements for the work, livelihood and education of the blind, deaf-mute and other handicapped citizens. There are now about 300 special schools for the blind and deaf-mute, and more than 20,000 welfare undertakings and production units in the country. In addition, the state has established a number of associations and other organizations for

the disabled, and has published special books and periodicals for them. The disabled live peaceful lives and are respected and supported by society.

To speed the development of welfare services for the handicapped in China by mobilizing all social forces to show concern for the disabled, we established the China Welfare Fund for the Handicapped with government help.

In the past year, we have done our utmost to actively publicize socialist humanism through newspapers, radio, television and the foreign press. We did this to explain the importance of our work, in order to galvanize the social forces serving the disabled. To boost the morale of the handicapped, the fund publishes a monthly magazine named *The March Wind* which discusses the lives, work and studies of disabled people. In addition, the fund has produced a film, *Challenging Destiny*, and the TV play *A Boy Without Arms*. It has also held photo

exhibitions to reflect the handicapped's enterprising spirit displayed under adverse circumstances.

The China Welfare Fund for the Handicapped has collected more than 39 million yuan both at home and abroad through donations, fund-raising efforts, benefit performances and art exhibitions. At the same time, it has established a number of industrial and commercial enterprises, including the Kanghua Industrial Company, the Kangyi Photographic Company and the Kanghui Travel Service, that guarantee it a stable flow of revenue.

The money will also be used to establish the China Handicapped Rehabilitation Research Centre in Beijing, which will be completed by the end of 1987, and to help set up other centres including one in Tangshan and another in Shaanxi Province. These facilities will help end China's backwardness in the rehabilitation of the handicapped.

The welfare fund is to set up a legal advisory committee. On the basis of its investigations, it has already put forward specific proposals on the enrolment of disabled students in universities and on exempting the handicapped from taxation on their private enterprise income.

The fund has provided grants or low-interest loans to welfare factories for the handicapped, and has organized vocational training courses in subjects including computer languages, photography and the use of English-language typewriters to help give the handicapped more chances for jobs. It has also given 1,500 colour TV sets to welfare undertakings across the country, and held many get-togethers and forums.

Over the past year, the fund has

Wang Wencai (middle) of Zhangjiakou in Hebei Province trains tailors.



established friendly relations with foreign individuals and associations for the handicapped through meetings both in China and overseas. In our contacts with the people of other countries, we have learnt many useful things. We have also laid a solid foundation for friendly international relations and economic and technical co-operation. In June 1984, the fund joined the International Association for the Handicapped. This is a new way for China to play its part in international efforts to benefit the rehabilitation of the disabled.

Although China's handicapped people have accomplished much, they still face many problems. Two of the most serious are unemployment and insufficient education.

Since the founding of the People's Republic, especially since 1979, the Party and the state have taken a series of measures to resolve the problem of employment. As a result, fundamental changes have taken place and great improvements have been made. But the problems still exist. In some places, it is still hard for the disabled, even those with specialized skills, to find job. Many welfare factories are poorly equipped and have difficulty getting materials and selling their products.

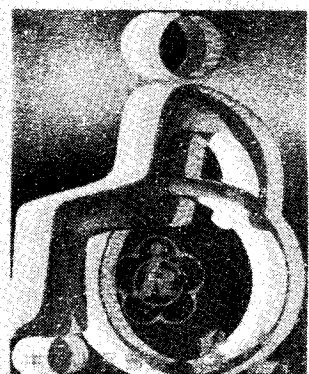
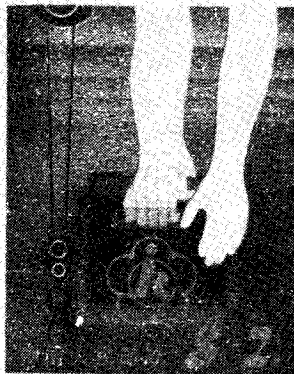
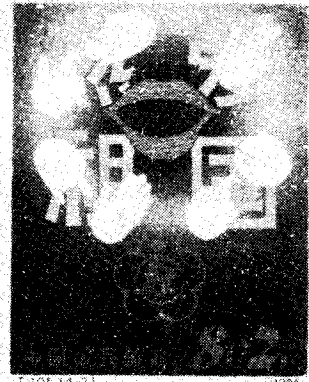
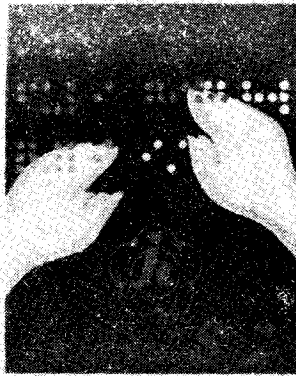
Although special schools for the blind and deaf-mute have been set up in many cities and some cities also have established special schools for retarded children, special education is backward in the countryside.

There are also very few vocational schools for the handicapped in the country. This, too, causes difficulties for disabled people to get jobs.

Last year, 301 handicapped applicants, more than ever before, were admitted to colleges and universities thanks to efforts made by the Ministry of Education and lo-



A group wedding at the Wuhan Iron and Steel Company.



A set of special stamps.



cal governments. But some universities and colleges are still reluctant to enrol disabled students.

There are two reasons for the above-mentioned problems. First, China is still economically backward and social welfare work has a poor foundation. Second, the legal measures needed to guarantee the handicapped their education, employment and livelihood have not yet been perfected.

Our work has drawn the concern and support of the Party and the government. On February 25,

1985 the Ministry of Education, the Ministry of Labour and Personnel, the State Planning Commission and the Ministry of Civil Affairs issued a joint circular on school enrolment and postgraduation job assignments for the disabled. This means that more handicapped will be enrolled in universities and colleges. On March 15, 1985, a year after the fund's establishment, a set of special stamps was issued by the Ministry of Posts and Telecommunications to help raise money for the welfare fund. We are planning to use the money for educa-

tion of the handicapped, including higher education, vocational training and special education. The money also will be used to endow scholarships for handicapped people who pursue knowledge through independent studies.

To resolve these problems thoroughly, we depend mainly on the development of the China's economic and legal systems. At the same time, we must also work hard to publicize our work, collect funds and set up more welfare undertakings. □

*(Continued from p. 17)*

bour has brought in the use of more machines by peasants in agricultural production. Today rural mechanization shows an expansion from 200 million hp in 1980 to 265 million hp in 1984.

— A huge quantity of equipment will be required for farm-produce processing industries, especially for setting up the food and fodder industries, and for the technological renovation of ordinary processing industries.

— The domestic market demands for farm products will expand when large numbers of peasants change their role from suppliers to consumers of farm products as township enterprises develop.

— The increase in the peasants' cash incomes will considerably boost social demands for industrial goods of daily use, durables and building materials. In 1984 China's commodity retail sales totalled 284.94 billion yuan, a 17.4 percent increase over 1983. Of this total, rural retail sales accounted for 70 percent (up by 19.5 percent), surpassing the nation's growth rate in this area. When there was a relatively rapid growth in the purchase of industrial consumer goods in general, the increase in the purchase of durable consumer goods was particularly

striking. The sales of TV sets, cassette recorders, refrigerators, washing machines and electric fans were 70 percent to 200 percent greater than in 1983. Even micro-computers, telephones and pianos have found their way into the homes of some well-to-do peasant families.

— Efforts must be made to open up more foreign markets for China's farm products. In 1984 exports of farm products and processed farm products were valued at US\$10 billion. Farm products sold in large quantities include maize, soybeans, edible oil, meat, vegetables, cotton, tea, fruit, rabbit hair, leather, flowers and handicrafts. There is great potential in beef, pork, leather, fruit and tea production, but the goods do not always conform with export needs because of poor quality, and much remains to be done to improve the variety, processing, preservation, storage, packaging and hygienic standards. We plan to speed up technical renovation and update varieties. By reforming the rural commodity export system, we can adjust farm products better to international market needs in both quantity and quality.

### Funding

The growth of China's rural commodity economy will spur the

reorganization of various factors in production. Among them the most important is large-scale funding. According to estimates, by the year 2000, the development of China's rural economy will require from 1,000 billion yuan to 1,500 billion yuan. The state is able to allocate part of the investment for the construction of large infrastructural facilities, but the overwhelming proportion of the funds will be obtained from the people. This calls for great efforts to develop rural credit, expand the scope of the circulation of funds and raise the efficiency of the use of funds. As of now, the Agricultural Bank of China has founded the commission, trust and investment business; rural credit co-operatives have become non-governmental financial agencies. The rate of interest will be allowed to float within suitable limits to gain flexibility and speed in the circulation of rural funds. Many collective credit organizations and capital-circulation units have emerged in quite a number of places. A certain form of "capital market" compatible with the socialist system will appear first in the countryside.

While accumulating funds independently, China also needs to import foreign capital so as to speed development of the rural economy. □

# Modern Literature Reflects Chinese Life

Contemporary Chinese literature is growing more vivid and varied as restrictions are removed and the freedom of writers to create and comment is guaranteed.

by XIE YONGWANG

CONTEMPORARY Chinese literature — works written since liberation in 1949 — has experienced many of the same ups and downs as the People's Republic itself. It has prospered, as it did in the early 1950s when writers poured their vitality into creations limning the history of the revolution and the following struggle to build a new country. In this, their works reflected the spirit of national unity which marked the early post-liberation years. In the late 1950s, however, literary creation was constrained by overly harsh criticism and political struggles. Then during the

The author is a literary critic, chief editor of the journal *Wen Yi Bao* (Art and Literature Gazette) and a council member of the Chinese Writers' Association.

Liu Binyan.



ten-year "cultural revolution" which broke out in 1966, most writers fell victim to outright persecution. By that time no real literary works could be spoken of reflecting the voice of the people.

Chinese literature only began to revive with the end of those dark years in 1976. Veteran and middle-aged authors such as Ba Jin, Wang Meng and Liu Binyan took up their pens again, together with a growing number of gifted young writers. In the six or seven years that followed, literature experienced a significant liberation in both form and content.

## A Salient Feature

The works of this new period depict the real lives and attitudes of the Chinese people.

A new fictional form, the "wounds literature," developed in this time to express the national agony so recently ended. The representative work is *Wounds*, a short story published in 1978. It

is about a young woman who had to leave her aged mother during the "cultural revolution" and settle in a remote village. Others in this category include *The Blood-Stained Magnolia* by Cong Weixi about a Communist Party member who is imprisoned on false charges and later killed while climbing a wall to pick a magnolia flower to mourn the death of Premier Zhou Enlai; *A Flower-Covered Wrong Road* by Feng Jicai, about a girl student who regrets her participation in beating a teacher; and *The Class Teacher* by Liu Xinwu on middle school life.

This genre has been acclaimed by many readers. But at the same time, it also worried others who thought it would hinder socialist construction. The debate went on for several years, only ending with the consensus reached at last winter's Fourth National Congress of the Chinese Writers' Association. After lengthy discussions, the delegates agreed that the "wounds lit-

Liu Xinwu (second from left) talks with teachers and students of the Beijing No. 26 Middle School.



erature" had taken the lead in negating the "cultural revolution," and thus helped emancipate society from the effects of that period. The form also benefits the development of literature itself by touching on society's shortcomings and thus restoring realism to literature.

A number of works have also extended this approach to expose mistakes committed before the start of the "cultural revolution." During the 1957 campaign to oppose "bourgeois rightists," for instance, some people were wrongly criticized for pointing out the failings of the bureaucracy. Many of these people had to wait up to 20 years for rehabilitation. Then came the Great Leap Forward which began in 1958. In the rush to establish rural communes na-

tionwide, many areas reported exaggerated production figures and other false gains. Peng Dehuai, then a member of the Political Bureau of the CPC Central Committee and minister of defence, stood out as the campaign's most prominent critic. For this, he was dismissed from his posts and disgraced. The writers of that time could not reflect that reality without bringing trouble on themselves. But that situation has now changed. *The Criminal Li Tongzhong*, a novelette by Zhang Yigong, describes how a rural Communist Party member leads his starving villagers in borrowing food from a state granary after a natural disaster—only to be imprisoned as a thief. In praising the Party member's boldness and devotion, the work describes the people's suf-

ferings and the seamy side of the society, but never disseminates any destructive pessimism. Such genuine literature cautions people not to repeat past tragedies and arouses sympathy, warmth and humanitarianism among its readers.

Gao Xiaosheng.



## For Your Reference

### Chinese Writers' Association

The Chinese Writers' Association is a voluntary mass organization joining more than 10,000 professional writers, literary theoreticians and critics as well as translators of all nationalities in the country. According to the new constitution adopted at its Fourth National Congress held in January 1985, the association's aim is to carry forward democracy, ensure freedom of literary creation and develop socialist literature in the Chinese way. Writers are encouraged to bring forth new ideas, create works in varying themes and styles, and compete with each other to raise their creative and artistic levels.

The association puts itself under the leadership of the Chinese Communist Party and orients its service for building socialism.

The new constitution also emphasizes respect for the literary traditions of China's minority peoples, support for minority writers, and increasing literary exchanges among peoples of all nationalities.

China has 56 nationalities, of which the Han is the largest. Of these nationalities, 40 have professional and amateur writers working in more than 30 languages.

The association's leading bodies are:

- The council: Elected at the Fourth National Congress, the new council is composed of 236 members, including 22 women and 25 minority members, and is responsible for the implementation of the decisions of the national congress.

- The presidium: Giving leadership when the council is not in session, the 32-member presidium is headed by its chairman, novelist Ba Jin, and 11 vice-chairmen.

- The secretariat: The secretariat is composed of nine members chosen by the presidium, and is responsible for the routine work of the association.

- The advisory group: This group has 29 noted veteran writers who join at the invitation of the presidium.

Magazines and periodicals published by the association and distributed nationwide include:

- *Wen Yi Bao* (Art and Literature Gazette), a literary and artistic periodical, which carries comments, news and articles on policies and experiences.

- *Rénmin Wenxue* (People's Literature) publishes new novels, reportage, prose and poetry.

- *Xiaoshuo Xuankan* (Selected Novels) carries the best new medium-length and short stories.

- *Shi Kan* (Poems) publishes new poems, translations and comments.

- *Minzu Wenxue* (Minority Literature) carries literary works by minority peoples written in or translated into the Han language.

- *Xin Guan Cha* (New Observer), an illustrated biweekly publishes articles on life in China and overseas.

- *Zhongguo Zuoja* (Chinese Writers), a new bimonthly, carries full-length novels, novelettes and reportage.

- *Zhong Guo* (China), a new bimonthly, publishes novels, stories, poems, proses and other literary works.

More recently, the sweeping economic reforms introduced in both rural and urban areas since 1979 have naturally become a major focus of some contemporary writers. The rural author Gao Xiaosheng gained national prominence for his *Li Shunda Builds Houses*, a novel exposing the problems peasants face in building new homes. His other works include *Debtors*, about peasants' difficulties in making ends meet, and a series of novels — *Chen Huansheng's Adventure in Town*, *Chen Huansheng Changing Trades* and *Chen Huansheng Contracts for Production* — chronicling the great changes economic reform has brought to rural China. But these works do not merely record improvements and praise the Party's current policies, instead, they focus on delineating characters and their psychology, on the historical changes manifested in human relationships. They express the authors' keen observation of social progress while offering readers rich and complex descriptions of vivid characters drawn from real life.

At the same time, some writers have made the "cultural revolution" their main theme — but in a way quite different from the authors of "wounds literature."

Li Cunbao.



These artists concentrate on the meaning of life rather than historical pains and sorrows. One army writer Li Cunbao published his novelette *Nineteen Graves in the Mountains* in 1984. The book tells of 19 soldiers who are killed in an incident caused by their commander's blind faith in higher leadership. The soldiers' needless deaths are an indictment of the absurd times they live in; but at the same time their tragedy also arouses in readers a determination to make more of their own lives. A 1984 novelette, *The Chess Master* by the young writer Ah Cheng illustrates how the talents of millions of educated youths were wasted after they were sent to settle in the countryside during the "cultural revolution." It also depicts the younger generation's desire for civilized lives with its forceful writing and adept characterizations. These works were named the best novelettes of the past two years by the Chinese Writers' Association.

### Varied Artistic Styles

As various restrictions on art are removed, Chinese literature has gradually expanded its horizons to include a wide variety of styles and points of view. With their freedom of literary creation now guaranteed, writers are able to express their different experiences, qualities and opinions in works richer than any seen before in the People's Republic. Some contemporary writers specialize in depicting historical figures including kings, emperors, imperial concubines, generals, scholars and peasant leaders; other prefer to deal with China's struggles against imperialism and feudalism in the first half of this century. Most, however, concentrate on modern life. Wang Meng, who earned a national reputation for his wide range of subjects and style, was the first to use a "stream of consciousness" narrative to

depict the rich inner lives of contemporary people. Zhang Jie portrays profoundly the psychology of modern Chinese women, depicting both their nobility and their selfishness through illustrations of their loves, marriages and morality. Her 1981 novel *Heavy Wings* is the first work to explain the targets of China's industrial reforms. Another book, *Emerald*, about a female mathematician growing up in New China, shows her skill at portraying and analysing her characters' innermost feelings. The novelist Deng Youmei uses his ear for the local Beijing dialect to clearly delineate the lives and customs of people in that ancient capital city. Liu Binyan, on the other hand, uses forceful reportages to expose the shortcomings of society, including bureaucratism, official conservatism and other trends. These authors, with their wide variety of styles, represent just a few of the many voices now being heard in contemporary China.

At a national conference of writers and artists held in November 1979, Deng Xiaoping pointed out that the government should not interfere in an author's choice of themes or methods of expression. This guiding principle was emphasized again in a Party Central Committee message to the recent Fourth National Congress of the Chinese Writers' Association. The Central Committee absolutely guaranteed the freedom to write and make comments on literary works. Freedom of creation means, as one writer said at the congress, that authors are free to express their own feelings about life and adopt whatever artistic methods they think best. Some people still held different views on these issues. But in general, contemporary Chinese literature is growing more vivid and varied, and its writers are gaining more respect as they pursue their quest for the truth which lies at the heart of modern Chinese life. □



# Economist On Socialist Commodity Economy

— An interview with Liu Guo-guang, vice-president of the Chinese Academy of Social Sciences

**Question: Why is the socialist commodity economy considered an important theoretical foundation for China's current economic structural reform?**

**Answer:** In the past people used to link a commodity economy with capitalism. In fact, commodities came into existence with the advent of the division of labour, the appearance of different kinds of ownership and the beginning of exchange activities. Commodity exchanges took place in primitive, slave and feudal societies. Capitalism emerged only when commodity economies developed to a certain stage. Capitalism, in turn, has brought commodity economies to an unprecedented level of development. Clearly, the commodity economy is not unique to capitalism.

China's economy used to be highly centralized. Under this system, businesses lacked autonomy. The state plan was ensured by administrative means. All the industrial materials were allocated by the state. Different departments and regions could not do business directly.

All these problems stemmed from the fact that the central planners did not really pay attention to the commodity economy and the law of value. This fossilized way of thinking had to be reformed, because it is not in line with China's circumstances and cannot mobilize the initiative of businesses and their workers.

The aim of socialist development is to satisfy the people's ever-increasing demands for material and cultural wellbeing. It is impossible for the government's over-centralized plan to include everything and to satisfy their ever-

changing demands. These demands can only be met by developing the commodity economy.

Currently, China's social productive forces are still relatively backward, and are developing unevenly. Given this, diverse forms of ownership including the collective and individual ownership and Chinese-foreign joint ventures, will coexist for a long time, under the guidance of the state-owned economy. State-owned factories too must be separated from government administration and given autonomy in management. This makes the commodity economy inevitable in China's current stage of development.

The commodity economy has an active role to play. It may help people respect the law of value and urge businesses to pay attention to changes in market demand, improve their management, services and products and upgrade their equipment and technology.

**Q: Will China's economic reform lead to capitalism?**

**A:** After several hundred years' experience, the capitalist commodity economy has devised rather efficient ways to organize large-scale production and the circulation of commodities. China should make use of these experiences.

However, exploitation is inherent in the capitalist system; it turns almost everything into a commodity, and turns the relations between people into mercenary relations. China should reject this decadent ideology and the cut-throat competition which comes with capitalism. The planned commodity economy practised today will enable China to regulate its economy and help the country avoid the cyclical economic recession and polarization brought about by the capitalist system.

**Q: Can state planning still control or guide the economy after the role of market regulation has been expanded?**

**A:** The commodity economy is subject to the law of value, and central planning must also obey this law. The two are not antagonistic, but complement each other.

Under China's socialist system, the publicly-owned sector is predominant in the national economy. In 1983, 99 percent of China's total industrial output value came from state or collectively owned businesses, while only 1 percent came from Chinese-foreign joint ventures or privately owned businesses.

This being the case, the law of value cannot play a completely spontaneous regulating role, as it does in a capitalist society. Instead, its role as a regulator is operating within a rather limited scope. The state still uses mandatory plans to control those businesses, materials and construction projects vital to the state economy and people's livelihood. The state also uses economic levers such as prices, taxes, loans and interest rates to provide guidance planning.

This is proved by the successes China has scored in the past six years in readjusting the seriously disproportionate national economy.

For instance, no mandatory quotas have been set for grain and cotton production in recent years, yet their output rose. One important reason is that their purchase prices were raised.

In the final analysis, under socialist public ownership there are no fundamental conflicts of interest among the people. This enables the government to implement a planned economy to regulate the interests of various sectors. □

### **Job Woes Waste Wanted Skills**

from "ZHONGGUO FUNU BAO"

(Women of China Weekly)

**I**N the past few years, many universities and colleges in China have been confronted with problems in finding jobs for their female graduates — and the reason is that employers demand men to fill their available posts.

The Beijing Foreign Studies University (formerly translated as the Beijing Institute of Foreign Languages), for example, graduated equal members of both sexes in 1983. But when university officials began their annual job search, not one request came in for a qualified woman. The same held true at Shanghai's Fudan University, where 70 employers — one-third of those contracted — claimed that they would turn away any women assigned to them by the school. Even worse, it also has harmed female students' enthusiasm for their studies and cast doubt on their future role in society.

In fact, almost all schools and work units acknowledge that Chinese college women are as qualified as men. A large number of them have become leaders in their fields, and now work as scientists, university professors, managers and government officials. Their scholastic performance also lends convincing supporting to their case at Beijing's Qinghua University, to name but one high-ranking institution, top marks went to equal numbers of men and women in 1982, 83 and 84.

In the past few years, increasing numbers of women have enrolled as post-graduates in various insti-

tutes, which further confirms that women are capable of getting good grades. It is reported that in 1984, 18.78 percent of China's post-graduate students were women, up from 14.47 percent only three years earlier. That figure is expected to rise still further in years to come.

China also fares well in the college enrollment of women when compared with countries overseas: the United States ranked first in the world with 51.7 percent in 1981, while Federal Germany recorded a figure of 36.7 percent in 1980, Japan had 22.3 percent in 1982 and China had 28 percent in 1984. This proportion, too, is expected to grow in the future.

Indeed, China could do much

more to educate its women. Due to some historical and social causes, Chinese women are confronted with more difficulties and will have to make more efforts to catch up with their male colleagues. However, they are a fundamental force for the country's present and future development, and their treatment is an important issue in the government's policies on intellectuals.

Truly, the employers' rejection of qualified college women not only wastes valuable intellectual resources, but also harms the schools' enrollment policies. Some schools even complain that finding job assignments is so difficult that they have to enrol some men with poor academic records while rejecting young women with far higher grades. This situation must be eliminated as quickly as possible.

### **Eugenics Successes Recorded in China**

from "JIAN KANG BAO"  
(Health News)

**C**HINA'S first healthy birth following artificial insemination with frozen sperm shows that eugenics is improving the quality of the country's population. Since eugenics research began in 1979, China has made headways in programmes stressing pre-marriage examinations, prenatal diagnosis, inheritance consulting and epidemic disease study.

The successful breeding of amniotic fluid cells, done jointly by the Heredity Institute of the Chinese Academy of Sciences and

the Union Hospital in 1976, helped turn a new page in the history of prenatal diagnosis.

In recent years, the state clinical department has been publicizing the use of Type-B ultrasonic diagnostic equipment and breeding villus cells for early-stage in-utero pregnancy examinations to help prospective parents give birth to healthy children.

To further ensure this aim, many Chinese clinics have started special pre-marital examination programmes for young couples.

According to statistics collected during three years of research in

Shanghai, 25,432 of 180,219 people examined, or 14.11 percent, carried diseases that could effect the quality of their children. Last year, among the 90 percent of all newlyweds who underwent pre-marital check-ups in Harbin, 20.09 percent had abnormalities. These statistics imply that science is helping to ensure the happiness of Chinese families.

In many big cities, pre-marital, pre-gestation and inheritance consulting agencies have been set up

to counsel people on eugenics problems. According to surveys, China now has 256 inheritance consulting agencies, up 2.16 times over 1981.

Sperm banks have also been set up in Shanghai, Hunan, and Qingdao, leading to new gains in studies on the freezing of human sperm and artificial insemination. The country's first successful birth by artificial insemination has brought glad tidings to infertile couples.

## New Wedding Ways in Tibet

from "GONGREN RIBAO"  
(Workers' Daily)

SINCE Tibet's peaceful liberation in 1951, the region's formerly traditional polyandry and polygamy have been swept away in favour of more modern marriage customs.

Many young people in Lhasa today are ignorant of the city's "Marriage Introduction Office," and prefer not to choose their spouses with the help of local matchmakers. Instead, they like to meet the opposite sex through their friends, especially on picnics in suburban parks.

Most Tibetan wedding ceremonies are held in the home of either the bride or the groom, with the final decision depending on which is more comfortable and where the new couple would like to live. In fact, some parents regard their daughters even more highly than their sons. For instance, although Lazhen is going to get married this August, her parents still want her to live at home—in spite of the fact that they also have a son. After discussing the matter, Lazhen and her future husband agreed to her parents' wishes, and decided they would have their wedding party at her home.

In Lhasa, young girls are optimistic, easy-mannered and not as shy as the Han girls in dealing with boys. They also show less interest in the material side of marriage, placing little stress on whether their potential husbands own luxury goods such as a television set, cassette recorder or refrigerator.

According to one Tibetan girl: "A common language is good enough for both of us. Other things are unimportant, as long as we can have a family of our own."

## Production Set-Up Key to Economy

from "JINGJI YANJIU"  
(Economic Research)

CHINA is getting down to the task of readjusting its production set-up in order to push its national economic development to a new stage, according to a research report by the China Research Group Studying the Problems in Rural Development.

In the past few years, China's gross national output value has increased at an annual average of 9 percent—5 percent of which actually came from the countryside. The sky-rocketing growth of agricultural production and peasant income has stimulated the expansion and prosperity of China's domestic market, giving a major boost to the country's imminent economic take-off.

But this momentum cannot be maintained. According to known information, nationwide surpluses of grain and cotton were first seen in 1983. By 1985, this situation was producing a storage crisis in these vital crops for the first time in Chinese history.

China's grain production output growth should therefore be held

under 3 percent from 1985 to the end of the century. If no necessary measures are taken, the major positive element in the country's economic expansion will become a negative factor.

From now on, every year about 40 million peasants—and a large amount of idle money—flood from the countryside into cities, towns and industrial departments. But this transfer, at present, is blocked by the unique situation of China's markets and processing industries. The Chinese people have passed through a phase of necessities consumption. They have even gone past buying bicycles, watches, transistor radios and sewing machines, and are now seeking colour TVs and other high-quality consumer durables. Meanwhile, as influenced by the mould of development, China's manufacturing industry has surpassed that of many other countries with similar per-capita incomes.

Thus, China's current readjustment in production set-up is fundamental to meeting the new needs in a changing economic situation, and will have a profound effect on its long-term development and social prosperity.

## Expanding Foreign Insurance Business

"The People's Insurance Company of China (PICC) has paid about 100,000 yuan in foreign exchange to the owners of the five foreign cars which were damaged in a soccer match riot at Workers' Stadium in Beijing on May 19. The cars, owned by embassies and other foreign organizations in Beijing, were all insured by the PICC. Representatives from the foreign organizations have expressed their satisfaction with the prompt and effective settlement of their claims." Li Qiang, deputy general manager of the overseas business department of the PICC, told *Beijing Review* on June 8.

"According to the company's motorcar insurance clauses, we are obliged to pay for damage caused by a third party's malicious act," Li said.

So far, about 100 embassies and 310 Beijing-based foreign enterprises, banks and press offices have bought insurance policies from the PICC.

The company opened 2,100 branches and 800 sub-branches in

the interior of China. It has also set up branches or liaison offices in Hongkong and Macao, and in Singapore and London. The PICC has empowered its agencies in over 100 countries to make on-the-spot inspections of insured ships and cargoes and pay off claims.

The PICC, China's sole state-owned insurance company, has expanded its business in recent years. It now insures property valued at US\$100 billion.

The company has joined the Asian Reinsurance Corporation and the South Place Syndicate, a member of the New York Insurance Exchange. The PICC and the US International Insurance Group jointly set up the Sino-US Insurance Corporation in 1980. The PICC has now forged reinsurance business ties with 1,200 insurance and reinsurance companies worldwide. It takes in premiums totalling US\$100 million each year.

Li Qiang noted that foreign tourists, entrepreneurs and foreign organizations in China are

welcome to have their property insured with the PICC.

To protect the interests of the insured, Li said, China has promulgated insurance regulations on enterprises.

## The China Hotel — A Rising Star

The China Hotel, a Guangzhou tourist complex jointly financed by local and Hongkong firms, celebrated its first anniversary on June 10. Two unusual things have marked to its initial success:

First, its 19-storey building covering an area of 168,000 square metres, which includes 1,200 hotel rooms, offices, apartments and a shopping arcade, were completed in only 28 months, six months ahead of schedule, thanks to the concerted efforts made by investors, builders, operators and the local government.

Second, it not only began earning a profit in its first year of operation — a situation far from common among large new hotels — but also paid US\$20 million in capital and interest on its total investment of about US\$100 million.



Gabon embassy officials in Beijing claim damages for their car at the PICC business office.

Left: An outside view of the PICC.





A standard room.



Food street.

More important, the China Hotel has earned a high reputation abroad. "While staying at this hotel, we can savour the flavour of the Hongkong restaurants; see the top-notch service attitude and enjoy modern hotel facilities. The China Hotel is almost the same as those in Hongkong and the United States," one guest said.

Foreign businessmen and tourists can now reserve rooms in advance by long-distance telephone from more than 100 booking agents around the world.

The hotel is also notable for its success in integrating highly efficient Western management and traditional Chinese courtesy.

But officials say the key to its operation is the recruiting and training of talented people. Apart from the 180 major managerial personnel recruited from overseas and Hongkong, most of its 3,000 staff members are hired after passing public examinations. Their average age is 22 years. In the past year, the hotel's training centre has run courses for 9,216 peo-

ple. This ensures that its staff are competent and offer services according to set standards.

Although it was originally planned as a four-star hostelry, many believe that the China Hotel may eventually achieve a five-star ranking. Joachim Burger, its general manager, and his colleagues hold that, "the grade of the hotel should be judged by the hotel guests. The criteria are: First, the main part of the building; second, the interior decorations; and third, the managerial level and service quality."

"We place our hope on our own efforts. We shall encourage our staff to provide the best service for our guests," he added.

## China Buys More Foreign Planes

China signed its largest aircraft purchase contract of the year when it agreed to buy eight planes from the Boeing Company of the United States.

The US\$350 million deal will give the General Administration of Civil Aviation of China (CAAC) two Boeing 767s, one 747 jumbo jet and five 737s. The US company will also deliver six more planes purchased under an earlier agreement.

Early this year, the Chinese national airline also purchased three Airbus A310s from Airbus Industrie of Europe, eight Short Brothers' Short 360 from Britain and a number of TU-154s 160-seat aircraft from the Soviet Union. CAAC signed an agreement on the purchase of six BAE-146 passenger aircraft with British Aerospace in May.

CAAC has so far purchased 40 aircraft from abroad this year.

### Fossils Reveal 18 Million-Year-Old World



China's first county-level paleontology museum has been established in Shanwang village in the suburbs of Weifang City, Shandong Province. Its thousand fossils, all collected in the vicinity, indicate that the locality was much warmer and moist 18 to 20 million years ago than it is today. Its climate was almost the equivalent of south China's, which is in a subtropical zone. In the Miocene epoch most existing animals and plants or their nearest ancestors appeared there.

**Plant fossils.** Fossils of nearly 100 species (belonging to 15 genera) of one-celled algae have been discovered. Eighty-five percent are existing species, the rest extinct. After studying these fossils, scientists concluded that the vicinity used to be a freshwater lake. One-celled algae lived in the shallow, dirty water near the shore, where the water was still and nutritious.

There are also fossils of spore pollen of algae and fern, of leaves, seeds, fruit, flowers and spore pollen of ivy, pine and other trees, wind-borne, according to scientists, from distant mountains.

**Animal fossils.** Most animal fossils are complete. Some show a struggle before death. Fish were usually buried in groups. Some

animal fossils show fine details, such as an insect's wings and feet, a bat's thin wings and a rat's whiskers. Others mark the contents of an animal's stomach.

The animal fossils include vertebrates and invertebrates. About 100 species of insects resemble those that survive today in south China and India, but they are bigger and appear more primitive, evidence of evolution.

Fish are the earliest vertebrates. The fossils illustrate China's specific fish families. Most are now extinct; a few are like carp that existed two or three million years ago.

The fossils of amphibious animals include a frog discovered in the 1930s and salamanders and toads found in the 60s and 70s, along with a lot of tadpoles and young frogs. These fossils are well preserved and include many species.

Reptile fossils include all types of existing reptiles: turtles, crocodiles, lizards and snakes. Snake fossils are especially well preserved.

Shanwang's bird fossils are the most numerous and intact in China. In 1976 China's first complete bird fossil was discovered there. Four years later the fossils of a peacock-size bird with strong claws was

unearthed. China's earliest and most complete duck fossil is also displayed in the museum. Scientists conjecture from its shape that it may have been related to the ancestor of today's duck. A tiny bird fossil in the museum is also in good condition and, most wonderfully, pebbles in its gizzard can be seen very clearly.

Mammal fossils are valuable for studying the evolution of existing mammals that came into being 25 million years ago. They include flying squirrels that have ever-growing front teeth and other animals of the mouse family as well as bats.

Scientists find it interesting that all carnivorous-animal fossils discovered in Shanwang belong to the bear family. One of them has long, thin limbs and a tail. Scientists regard it as a collateral branch of today's bear family and have labeled it "ancestor of the oriental bear." Another animal resembles a bear in frame but has a different tooth structure.

There are fossils of tapirs, rhinoceroses, pigs and deer. In 1978 scientists found China's first complete, standing rhinoceros fossil — 4.2 metres long and 2.05 metres high. It is different from existing ones because it has no horn.

The discovery of the fossils of four ancient deer, named "tri-antler ancient deer," had special significance because it proved that ancient male deer had three antlers whereas females had none. Deer fossils found in Europe were not complete enough to indicate whether they had antlers or not.

The finding of fossils of lagomeryx, a kind of ancient deer, (see picture) which have life-long antlers was an even more splendid discovery. More than 40 fossils of lagomeryx have been unearthed in Shanwang, making Shanwang the largest and best-preserved fossil site of its kind in the world.

In 1980 the locality was designated by the government as a major national nature reserve. No one is allowed to dig inside a 1.2 square kilometre area without the State Council's permission.

The fossils come from a layer of rock made of piled-up shells of ancient algae. A pit, the size of a basketball court, has been dug. The edges of pieces of grey rock are turned up like pages of an old book because of exposure in the air. Since 1978 over 10,000 fossils have been unearthed, representing more than 300 species, of which 100 are extinct.

## **New Forecast For Good Weather**

China will invest 98.8 million yuan in a modern medium-range weather forecasting system to improve the efficiency and accuracy of its international and domestic meteorological services.

The system, to be built in the northwestern suburbs of Beijing, is scheduled for completion before 1990. Its forecast, issued four to six days in advance, will meet current European standards for medium-range predictions — now the most accurate in the world.

The new system will help protect agriculture, animal husbandry, fisheries, communications and offshore oil prospecting against natural disasters.

It will include seven sections governing global meteorological data gathering and transmission, global prediction models and high-speed computer and telecommunications networks.

To speed up construction, the National Meteorological Center and three other research facilities will establish a joint committee to supervise the project and tackle related scientific problems.

Although Chinese short-range weather forecasts are 80 percent accurate, medium-range predictions issued from three to ten days in advance are still not accurate enough and thus fall short of the needs of various departments.

## **More Nuclear Centres Go Up**

A dozen radiation centres using cobalt 60 isotopes to disinfect medical equipment, process chemicals and keep food fresh will be built in China over the next 18 months.

China's largest nuclear radiation centre is scheduled to go into operation in July 1986 in Lanzhou, capital of Gansu Province in north-west China. The centre will sterilize herbal medicines and furs, preserve vegetables, fruits, meats and eggs, and develop superior strains of cotton and other crops.

Other radiation centres will be set up in large cities including Shanghai, Tianjin, Nanjing, Zhengzhou and Chongqing. These facilities will mainly be used for isotope research, although they will also undertake commercial projects for local hospitals, chemical factories and agricultural units.

Chinese scientists began studying the peaceful use of nuclear energy in the 1950s. In agriculture, radiation techniques have since been used to develop 150 superior seed strains, boosting grain yields by 2,500,000 tons. The new strains have been planted on 6,600,000 hectares nationwide.

## **China Organ Swaps Tops in World**

Chinese doctors are among the world's most skilled at performing organ transplants, according to medical experts at an international symposium on organ grafting held in Wuhan, Hubei Province, in April.

The country's first kidney transplant was performed in the late 1960s. Surgeons later went on to successfully carry out over 1,500 operations involving lungs, spleens, endocrine glands, adrenal glands and testes.

The symposium, sponsored by the Hubei branch of the Chinese Medical Association, attracted 120 medical specialists and professors from the United States, the Federal Republic of Germany, Austria, Japan and China.

## **The 10,000 'Li' Huanghe**

*The 10,000 "Li" Huanghe* by Zhou Zhongfu, 158 metres long and 46 centimetres wide, depicts landscapes, customs and historic sites along the Huanghe (Yellow) River and extols the achievements of the Chinese people in harnessing this unruly river since 1949.

Zhou, 70, was born and still lives near the Huanghe River in Henan Province. To paint this scroll, he followed the river from its source to the sea, making more than 10,000 sketches. He began the painting in 1978 and finished in the late 1984.

## Chinese Spikers Win in Beijing Tourney

World triple crown holders China spiked their way to an impressive victory in the Seagull International Volleyball Tournament in Beijing May 27-29 — but runners-up Cuba gave the champions a clear warning of stiff competition for future titles.

The Chinese women, trying out several new faces on their home court, showed much progress in net blocking, often leaving their opponents with no reply to variations on their proven point-winning tactics.

The young Cubans, however, were difficult to impress. Averaging 19.5 years old and 1.82 metres tall, they matched the more experienced Chinese at the net with their excellent jumping ability. Their strong spiking, superior agility and sharp, heavy serves also forced their opponents into many errors. And although they finally lost to the Chinese by a score of 2-3, the Cubans left even partisan Beijing fans with no doubts about their new status as a major threat to China's crown. Cuba captured

the Eighth World Cup in 1978. In their eight previous encounters with China in the 1982, they ran up a record of two victories against six defeats.

The Chinese revealed a depth of talent hidden in new, young players. Seventeen-year-old, 1.77-metre-tall Wu Dan showed herself a stand-out by reeling off point after point in the crucial fifth set

against Cuba. But after watching this tournament, experts believe that China's major task will be to increase the killing capacity of its serves and improve its defensive capabilities against taller rivals such as Cuba and the United States.

Chief coach Deng Ruozeng sees the Beijing tournament as a warm-up for the World Cup this November in Japan. Players will need excellent stamina to make the cut for that competition, he stressed.

## School Trains New Football Stars

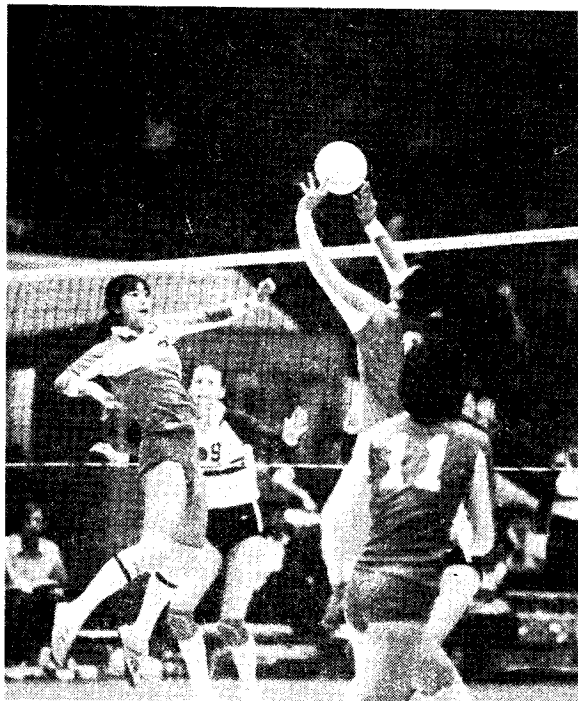
Only after China's national soccer team suffered major defeats in several crucial international tournaments, did football experts here begin to think seriously about pinning their hopes for the future on training new stars.

The recent establishment of a soccer school for pre-school children in Beijing's Shijingshan District reflects this decision — and the country's love for sports. About 800 boys, their parents in tow, rushed to the school's first preliminary entrance examination

in response to a newspaper advertisement financed by its sponsor, the Beijing Soccer Club. After passing several tests, only one hundred of the 5-6 year olds were admitted.

The first two-hour class was held on June 1, International Children's Day. After some basic instruction in the classroom, the boys will concentrate on practical field techniques. Some of the school's coaches are former soccer players of national fame.

Near-perfect co-ordination for a quick strike.



The entrance examination picks future world coppers.





## Shapiro's Book About Chinese Jews

**Jews In Old China**

Compiled and translated by:

Sidney Shapiro

Published and distributed by:

Hippocrene Books, Inc.,

New York, USA

Price: US\$15.95

"You've been living in China for over 30 years and your name is Shapiro, so of course you know all about the Chinese Jews. What's the story?" For all his qualifications (which, incidentally, include an exceptional command of spoken and written Chinese) Sidney Shapiro did not know. But he does now and he tells us the story in *Jews In Old China*, a scholarly but unpretentious and readable book, which should be of exceptional interest to many of the pilgrims from the West now pouring into China.

Jews first settled in China centuries ago. Some sensational speculations push their arrival back to biblical times. More sober estimates start about the 7th century AD, when Jews, generally with Persians, Arabs and other Muslims, travelled to China by two main routes. One was by land along the Silk Road, the other by sea from south India. Successive waves of Jewish immigrants flowed in during the Tang, Song and Yuan dynasties, that is from the 7th to the 14th century. During that time there appear to have been Jewish communities not only in Kaifeng, the biggest and best-known settlement, but also in Luoyang, Xian, Dunhuang, Hangzhou, Guangzhou, Nanjing and Beijing. Later Westerners who reported on Jews in old China range from 17th century Jesuit missionaries to the 20th century Bishop White of

the Canadian Church of England. This is nothing new.

A special, perhaps unique contribution of Sidney Shapiro's book is that it makes available in English the researches of over a dozen Chinese scholars on the subject of Jews in old China. Their work from the end of the 19th century up to the present decade is impressive, covering the religion, history, economic, social and political activity of the Jews and their eventual assimilation in old China.

The Jewish people had survived dispersion and persecution in biblical times (by the Egyptians, Assyrians, Babylonians and Romans) as well as in medieval Europe, 19th century Russia and Hitler's 3rd Reich. So their assimilation in China is a thought-provoking phenomenon. A Jewish reader recently wrote from the USA to *Beijing Review*: "The point of the article (B.R. April '8, 1985) is, ... 'China's Jews found harmony.' But according to the article, the Chinese Jews also found extinction. They lost their religious traditions and became no different from the Chinese." The writer of the letter finds this lamentable, stating: "One of the reasons (we) Jews are persecuted... is for our insistence on retaining our distinctive customs. A happy story would be one in which the Chinese Jews preserved their traditions and separate identity and nevertheless lived in harmony with their neighbours..."

The letter-writer's point deserves consideration and debate. Why is it that the Jews became extinct in China but not in so many other countries? And why did so many other nationalities in China survive, despite being at a less advanced level of social development than

China's Han majority and perhaps her Jewish minority? Answers to these and other questions may be inferred from Sidney Shapiro's book.

Not all traditions are sacred, however. They may be feudal, capitalist or socialist; patriarchal, sexist or humane. This applies to both Jewish and Chinese traditions. Preservation and development of positive traditions and customs enriches a culture and promotes its progress. This assumption (as well as socialist tolerance and socialist humanism) is presumably part of the ideological basis of China's policy to minority nationalities. It is conceivable that the Jewish people, who elsewhere produced such figures as Moses, Jesus, Marx, Freud and Einstein, might, if they had survived, have produced comparable figures in China. But China can hardly be blamed for their non-emergence in this country where, by the way, as the author points out, anti-Semitism has to all intents and purposes, never existed.

On the contrary, the painstaking scientific research by Chinese scholars into the history of Jews in Old China indicates the existence of a current of respect for them among other minority nationalities. At the same time, of course, there has been a counter-current, exemplified by the fascistic racism and xenophobia nurtured by Chiang Kai-shek, Jiang Qing and others. It is precisely this conflict of currents, with its relevance for China's 50-odd nationalities, which gives Sidney Shapiro's book significance beyond the scope of its title *Jews In Old China*. Perhaps some day, as an old Jew in New China he will carry the story forward into the 19th and 20th centuries.

— David Crook



Portrait of a Woman.



A Youth and an Old Man.

## ART PAGE

### Sketches by Wang Zongzhou

Born in 1946 in Qishan County, Shaanxi Province, Wang Zongzhou teaches in the fine arts department of the Central Institute for Nationalities. These sketches are the result of many tours through China's ethnic minority areas.

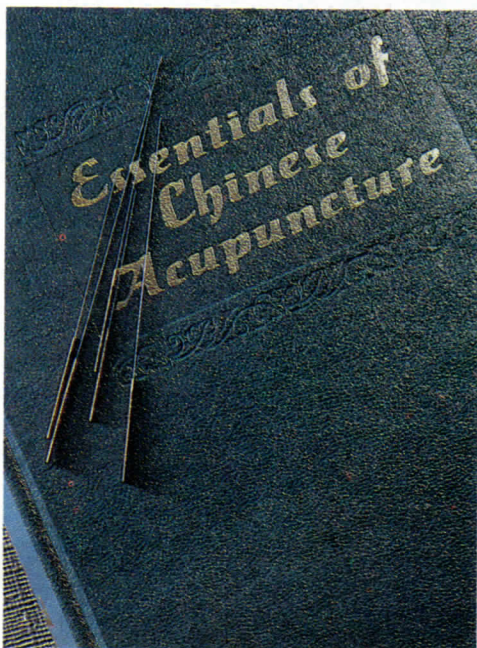


Tibetan Women.



Tibetan Women.





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