

Vol. 26, No. 15

April 11, 1983

BEIJING REVIEW

Marxism and the
Reality of China



Egyptian President
In Beijing



Success Story of a
Steel Mill

北京周报

A CHINESE WEEKLY OF
NEWS AND VIEWS

LETTERS

'Beijing Review' Anniversary

Please accept greetings from friends including myself.

The coverage of the achievements of the Chinese people by *Beijing Review* and other Chinese publications is an arduous task; my friends and I salute your efforts. Particularly noteworthy is that the Spanish edition of *Beijing Review* has been published for 20 years.

I am pleased to say that since 1968 I have been a reader of your magazine. I have known about the Chinese people and cherished warm feeling for them for 15 years. Using Chinese publications, especially *Beijing Review*, I have learnt to read and write in Spanish.

I once again extend my congratulations on your fine work. May you go on with introducing the advances of China.

I shall continue to be your enthusiastic friend and I shall be pleased to co-operate with you in your publication.

John Jairo Zapata C.
Medellin, Colombia

On behalf of the members of the Great Britain-China Centre and its Executive Committee I would like

to congratulate you and your colleagues on the 25th anniversary of *Beijing Review*.

Many of us have watched with interest the changes in style and content of your publication over the years, and there is no doubt that you are now publishing the sort of magazine which foreigners find both interesting and informative. *Beijing Review* is now read in many languages in many countries and I am sure that you must feel that you have a great responsibility to portray China both honestly and positively, and I am sure that most people would now say that you have accomplished this.

From a personal point of view I have found many of your articles extremely useful, particularly those recent ones on economic change in both industry and agriculture, as I find the figures that they contain are very useful for the lectures which I give to British audiences about China.

Elizabeth Wright
London, Britain

Zhao's African Visit

I enjoyed reading the coverage of Chinese Premier Zhao Ziyang's African visit in issue No. 5. Following the earlier trip by Zhou Enlai, this was the second official visit to Africa by a Chinese Premier. It was of historic importance and was successful in all fields.

When Premier Zhao was in Africa, he expressed the Chinese people's desire to develop friendship and co-operation with the African people. In 1955 there were only a few independent countries in Africa; now, more than 50 nations have gained independence. Zhao Ziyang expressed a satisfaction with this. He strongly denounced colonialism and hegemonism and proclaimed China's hope for world peace and international co-operation. It was the action of a wise man to talk true and straight about problems with us Africans and to have no ulterior motives. This promoted unity of the African people on the basis of the OAU and helped solve issues.

We regretted the visit to Africa by US Vice-President George Bush. He declared that the question of the Namibian independence can be solved only after the withdrawal of the Cuban troops from Angola. We cannot understand why the US Government maintains such an attitude. The withdrawal of Cuban troops from Angola has nothing to do with Namibia. Why does the US Government oppose the Namibian efforts for gaining independence? I appreciate the African leaders' unanimous stand against Bush's infamous statement. They oppose Bush's words and deeds in Africa. Africans, let's unite!

Muampata-Kia-Lokakao
Kinshasa, Zaire

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Control Population Growth

Your recent article, "Controlling Population Growth" (No. 7) is very informative.

China has worked out a plan to effectively control population growth. The one-child family is a satisfactory solution.

I have a suggestion as how to counter the bias against a female child. People prefer male offspring as the boy will support them when he grows up. A girl, on the other hand, will leave the family when she marries. This can be compensated for if the state or the commune gives a sum of money to families when their daughters are married. Moreover, women should be given preference to men in jobs, especially intellectual professions.

Mahmood-I Elahi
Geneva, Switzerland

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CONTENTS

LETTERS

NOTES FROM THE EDITORS 4

Friendship with New Zealand
and Australia

EVENTS & TRENDS 5-10

New provincial Party commit-
tees formed

Cadres taking extra space con-
demned

Henan-Shandong oilfield to
be tapped

Foreign exchange reserves
grow

Egypt's President Mubarak
visits China

Ecuadorian Foreign Minister
visits China

Foreign Ministry's press brief-
ing

Beijing South-South Conference
opens

INTERNATIONAL 11-13

Viet Nam: Attack on refugees:
a desperate act

Seven South Asian Nations:
Regional co-operation
strengthened

Indonesia: Soeharto re-elected
to a 4th term

GDR: Science research saves
resources

Marxism and the Reality of China 14

FEATURE

Shoudu Steel—A Success
Story 19

New System Improves In-
dustry 25

FROM THE CHINESE PRESS 26-27

CULTURE & SCIENCE 28-30

ART PAGE 31

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HIGHLIGHTS OF THE WEEK

New Party Committees Elected

Party committees at the provincial, municipal and autonomous region levels now have better educated, more professionally competent, younger revolutionaries as leaders (p. 5).

Marxism Integrated With China's Reality

Integrating Marxist theory with China's concrete conditions — this guideline which brought victory to China's new democratic revolution will remain the cardinal principle for building socialism in the new historical period (p. 14).

New Oilfield To Be Developed

Zhongyuan Oilfield on the border of Henan and Shandong Provinces and rich in oil and natural gas will have advanced technology and a rational system of exploitation (p. 6).

President Mubarak's Visit

During this first visit to China by an Egyptian President, leaders of the two countries had wide-ranging exchanges of views on the Middle East problem, third world tasks and bilateral relations (p. 8).

Hanoi's Desperate Act

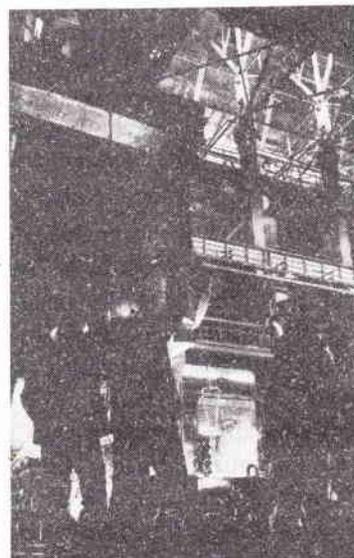
Renmin Ribao commentator condemns the recent Vietnamese attack on Kampuchean refugee camps along the Thai-Kampuchean border as well as the intrusions into Thailand by Vietnamese troops (p. 11).

Indonesian President Re-elected

A brief summary of Indonesia's achievements and problems over the past 17 years under President Soeharto, who was re-elected to a fourth five-year term in March (p. 12).

Success Story of a Steel Company

The Shoudu Iron and Steel Company, which adopted the responsibility system earlier than other industrial enterprises, has significantly raised productivity and workers' incomes (p. 19).



A glimpse of Shoudu Steel.
Photo by Wang Donghai

NOTES FROM THE EDITORS

Friendship with New Zealand and Australia

People are awaiting Premier Zhao's visit to New Zealand and Australia with great interest. Will you please discuss China's relations with these two countries?

Premier Zhao Ziyang is scheduled to leave Beijing April 12 on a tour of New Zealand and Australia. He will be the first Chinese Premier to visit these two Oceanian countries since diplomatic relations were established in 1972.

The Chinese Premier and leaders of the two host countries will discuss international issues of mutual interest and explore ways of expanding economic and technical co-operation.

China has enjoyed very amicable relations with both New Zealand and Australia. There are no outstanding issues in their bilateral relations.

A common stand against aggression and expansion and a joint desire to work for peace, stability and prosperity in the Asia-Pacific region have forged a firm friendship between China and these two Oceanian countries.

High level exchanges over the past decade have brought the prime ministers, Parliament leaders, foreign ministers and other ranking officials of New Zealand and Australia to China. In return, former Chinese Vice-Premiers Li Xiannian and Chen Muhua, Vice-Chairmen of the National People's Congress Standing Committee Ulanhu

and Zhu Xuefan, and half a dozen ministers have visited the two Oceanian countries.

Other exchanges have involved political figures, scientists, technicians, scholars, and art and sports groups.

The prime ministers of China and Australia have made a point of periodically keeping each other posted on important international developments. Regular consultations on bilateral and international issues were instituted in 1980 between the vice-ministers of foreign affairs of China and Australia.

Trade and economic co-operation between China and these two friendly countries have grown fairly rapidly.

The volume of China-New Zealand trade has increased 15-fold since 1972, from US\$9.70 million to about US\$140 million. The two countries have signed a long-term trade agreement, and a special joint committee meets regularly to study new possibilities for increasing trade between the two countries. New Zealand is helping China with the construction of modern seed and stock farms and light and textile industry projects.

Agreements on trade and scientific, cultural and technical co-operation have been signed between China and Australia.

Trade between the two countries reached US\$1.12 billion in 1982, making Australia China's fifth largest trading partner. Since 1972, China's imports from Australia have increased

about 27-fold and exports have risen almost five times.

China is co-operating with Australia in 27 technical projects covering agriculture and forestry, industry and energy, education and management, health and medicine, involving a total investment of \$A35.5 million.

Australia is helping China build a number of modern stock, poultry and cotton farms, hotels, and industrial and mining projects, and China is assisting Australia in training lichee growers and constructing a China Town in Geelong near Melbourne.

The growth of friendly ties between China and these two Oceanian nations testifies that countries with different social systems, as long as they adhere to the Five Principles of Peaceful Coexistence, can live amicably together and co-operate effectively for the benefit of their peoples.

It is China's consistent policy to seek mutual understanding and develop relations with all other countries on the basis of the Five Principles of Peaceful Coexistence, to further the interests of peace and security throughout the world.

Premier Zhao's trip to Oceania, coming shortly after his successful visit to 11 African countries, signifies yet another major step towards building stronger bonds of friendship with other countries and peoples.

— *International Editor Mu Youlin*

New provincial Party committees formed

The Communist Party organizations in 27 out of the 29 provinces, municipalities and autonomous regions (except Taiwan Province) have formed their new leading bodies by April 4.

This is an important part of the national structural reform for meeting the needs of the socialist modernization because the Communist Party is the ruling party in China and the Party organizations play decisive roles in their localities.

Led by the Chinese Communist Party, the Chinese people have won great achievements in their socialist revolution and construction. However, the leading members of the Party became older, were not so well educated nor very professionally competent. In addition, there was a proliferation of concurrent and deputy posts.

To meet the needs of China's modernization drive, General Secretary Hu Yaobang advanced the restructuring of the leading bodies and the cadre system at the 12th National Party Congress held in 1982. The ranks of the cadres are expected to be revolutionary, better educated, professionally more competent and younger.

Last year, the Party Central Committee and the State Council completed the streamlining of their structures. Since the end of last year restructuring of the leading bodies has been carried out at the provincial, municipal and autonomous region levels. Streamlining at the prefectural and county levels will be carried out in the future.

Members of the newly elected standing committees of the Party committees in various provinces, municipalities and autonomous regions adhere to the socialist road and are ready to dedicate themselves to the modernization of China. They are:

— Younger. The average age is now lower. The average age of the 10 standing committee members of the Shanxi Party committee is 55.8, 10.5 years younger than the previous leading body.

— Better educated. Many more members of the new Party committees have a college education. The portion of standing committee members of the Guangdong provincial Party committee with college education jumped from one-third to two-thirds.

— Professionally more competent. Many members of the newly elected Party committees are senior engineers, professors and experts in the cultural, scientific and technological contingents. In the standing committee of the Heilongjiang provincial Party committee, experts and professors accounted for one-third. A chief engineer of the Ministry of Coal Industry and a chemical specialist were elected to the Shanxi provincial Party committee. This will greatly facilitate the leadership of coal mining in the province.

In addition, the percentage of the minority nationality cadres elected to the new leading bodies in Tibet, Xinjiang, Inner Mon-

golia, Ningxia and Guangxi autonomous regions increased.

The members of these Party committees were elected from candidates chosen through recommendations and polls among the cadres at the provincial, prefectural and county levels as well as at factories, mines, enterprises, scientific research institutions, colleges and universities, upon the approval of the Party Central Committee.

In order to streamline the leading bodies, the number of the standing committee members is, in general, one-third less than it was before. In the new leading bodies, a number of experienced cadres retained their posts. However, other veteran cadres who are advanced in age left their posts and have tried their best to help younger cadres learn their new responsibilities.

Cadres taking extra space condemned

The Central Commission for Inspecting Discipline under the Chinese Communist Party recently wrote an open letter to the Party's leading cadres at all levels to correct the unhealthy tendencies by Party members and especially the Party's leading cadres to occupy more housing and land. This letter is one step that the Chinese Communist Party has taken to effect a fundamental change in the Party style in the next five years.

The letter has been heeded. According to the Central Commission for Inspecting Discipline, the people's government in He-

nan Province ordered all the leading cadres of the province's supply and marketing co-op to move out of new, better housing (each apartment had a floor space of 142.8 square metres) and it then reassigned the space.

Wenzhou city Party committee of Zhejiang Province measured the dwelling areas where its standing committee members and the deputy mayors of Wenzhou city lived. If they occupied more than their share, they had to relinquish it. Already, 46 leading cadres including two secretaries of the city Party committee have given up dwelling space totalling 2,588 square metres. Some of this housing has already been given to intellectuals, workers and staff members and cadres who had cramped quarters.

Party organizations and people's governments in other provinces, municipalities and autonomous regions are also taking measures to correct unhealthy tendencies in allocating lodgings.

Long years of erroneous guiding thinking in handling the relationships between economic construction and people's livelihood, especially during the ten tumultuous years of the "cultural revolution," resulted in too few residential buildings being constructed, thus causing the present housing problem.

After the Third Plenum of the Party's 11th Central Committee was convened at the end of 1978, the state began to pay attention to the housing problem and has since allocated huge sums of money to housing construction. However, the needs of the people have still not been met and citizens are highly sensitive about this issue.

The Chinese Communist Party is a political party that serves the people and the overwhelm-

ing majority of its members and leading cadres work wholeheartedly for the masses. Those Party members who are crowded into one or two rooms but try various means to help solve others' problems in living space are highly respected by society.

Nevertheless, some Party members, especially some leading cadres, have abused their power and occupied public land, allocated public funds and commandeered labour and transport to build new houses for themselves. Some diverted funds allocated for operating expenses and other purposes to build themselves fancy living quarters. Others allotted more or better housing to their own offspring and relatives. These evil tendencies have damaged the Party's prestige and aroused public indignation.

The style of a political party in power determines its very survival. In order to enforce Party discipline and correct the Party's style, the Central Commission for Inspecting Discipline decided: If those who made mistakes in building and allotting houses re-examine their actions, return what they

unlawfully possess, compensate and return housing or land they took in excess of their rightful share before July 1, 1983, they will be treated leniently or exempted from punishment. Those who fail to do this will be punished severely. Further, those leading cadres who looked but saw not, heard but investigated not and indulged those who had made mistakes will be investigated.

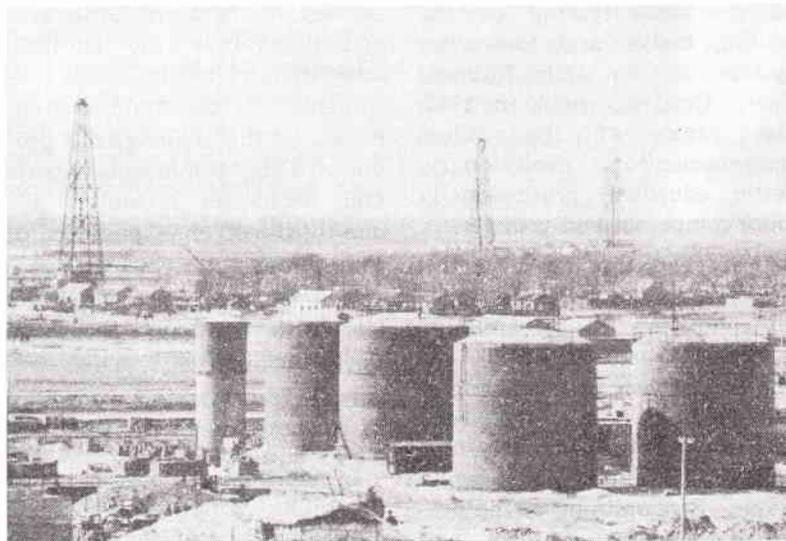
Henan-Shandong oilfield to be tapped

Exploration at the Zhongyuan Oilfield is being accelerated.

This oilfield covers an area of 5,300 square kilometres bordering Henan and Shandong Provinces.

Exploitation has already begun. In 1982, production of crude oil reached 2.15 million tons. In addition, 0.5 million cubic metres of associated gas was tapped.

China has decided to develop the Zhongyuan Oilfield into an



A corner of the Zhongyuan Oilfield.

important centre of petroleum science and technology with relatively advanced technology, a system of rational exploitation and relatively good economic results. To achieve this end, a group headed by Song Zhenming, former minister of the petroleum industry, has been established to tackle key technical problems in the construction and production.

The geological structure of the oilfield is rather complicated. There are many underground faults; the oil, gas and water are mixed together in some strata; and some oil-bearing strata are far underground. In order to solve related technical issues, Chinese and foreign advanced technology will be utilized in tapping this oilfield.

Oil is one of China's major energy resources. In 1982, 102 million tons of oil and 10,800 million cubic metres of natural gas were produced, of which 20.317 million tons of crude oil and petrol were exported. In the first quarter of this year, China produced 25.82 million tons of crude oil, 1.16 million tons more than planned.

China has abundant oil reserves. More than 300 sedimentary basins with a total area of over 4.5 million square kilometres of sedimentary rock have been identified. In addition, China has one million square kilometres of continental shelf.

In order to maintain the annual national oil output at 100 million tons, 35 million tons of new output capacity needs to be added in the next three years. By the late 1980s, some offshore oilfields will also go into production.

Foreign exchange reserves grow

China has maintained a favourable balance of international payments for two consecutive years (1981 and 1982), in spite of the depressed world economy. China's foreign exchange reserves which were US\$2,200 million at the end of 1980 grew further to US\$11,125 million in December 1982.

By the end of last year, China had repaid, in full, high-interest loans amounting to US\$5,100 million. The loans, altogether US\$7,500 million for purchasing equipment for 22 large and medium-sized projects in 1978, were borrowed from the European financial market at an interest rate of 15 to 18 per cent.

China will be able to pay from its own foreign exchange reserves the remaining US\$2,400 million for the advanced equipment yet to be delivered.

There are two reasons for China's basically stable financial market and the growth of China's foreign exchange reserves: First, China's political situation is stable and its economy is developing steadily. Second, a series of measures were adopted to promote the growth of both state and local exports, such as allowing localities and enterprises to retain part of the foreign exchange earned from their exports and the encouragement of exports and creation of more foreign exchange. The vigorous development of tourism and the implementation of policies for the overseas remittance have also led to a large growth in foreign exchange receipts from non-commercial transactions. The

curtailment of investments in capital construction and reductions in the import of equipment have resulted in lesser foreign exchange payments.

However, the growth of China's foreign exchange reserves has not solved the problem of a shortage of funds for domestic construction. According to Wang Weicai, Director of the State General Administration of Exchange Control, the increase in China's foreign exchange reserves is only a temporary phenomenon. From the long-term point of view, China's foreign exchange funds are still insufficient. With the development of China's modernization drive, more funds will be needed for the exploitation of petroleum and coal and the infrastructural projects for the development of transport and communications. China will still have to borrow from world financial organizations and other countries.

Wang Weicai is optimistic about the development of China's foreign exchange projects. He pointed out that the use of foreign capital including funds from foreign countries and international financial organizations will constantly expand; the number of enterprises with foreign funds and funds from overseas Chinese and joint ventures involving Chinese and foreign investment will grow; economic co-operation and trade exchanges with foreign countries will also develop steadily. Therefore, China's foreign exchange projects will surely make good progress.

Egypt's President Mubarak visits China

Mohamed Hosni Mubarak, President of the Arab Republic of Egypt, arrived in Beijing on April 1 for an official friendship visit at the invitation of the Chinese Government. China attached great importance to and warmly welcomed this first visit to China by an Egyptian President.

Premier Zhao Ziyang gave a banquet in honour of the distinguished guest and held talks with him. Deng Xiaoping, Chairman of Central Advisory Commission of the Communist Party of China, and Hu Yaobang, General Secretary of the CPC Central Committee, separately met with President Mubarak. During these meetings, the leaders of the two countries

had full exchanges of views on bilateral relations and on international issues of mutual interest.

Middle East Problem. Premier Zhao pointed out that the Begin regime in Israel is responsible for the protracted tension and turmoil in the Middle East caused by Israel's invasion of the Arab countries.

Zhao said: "The Government and people of China strongly condemn Israel for its policy of aggression and expansion. We firmly support the Palestinian and other Arab peoples in their just struggle to recover their lost territories and restore their national rights. We firmly support their determination to seek a comprehensive, fair and just

solution to the Middle East problem."

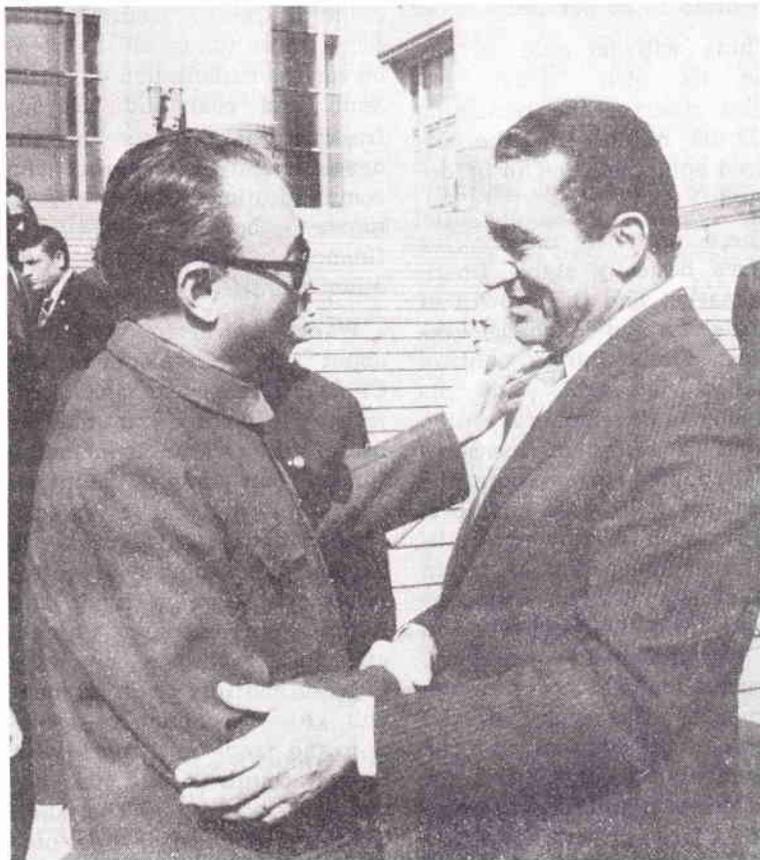
Deng Xiaoping said that final settlement of the Middle East problem hinges on the unity of the Arab world. He said: "We hope that the Arab countries will strengthen their unity and that Egypt will play a greater role in strengthening Arab unity."

President Mubarak said that it is the position of both Egypt and China that steps should be taken now to settle the Palestinian people's right to self-determination so they may build their national entity on their own land, and to ensure the right of all the peoples in the region to enjoy a secure and stable life.

He called for an immediate end to the Israeli occupation of Lebanon so that the Lebanese people may be freed from the suffering imposed on them and resume their national development and reconstruction.

Third World's Tasks. Premier Zhao said that in recent years the developing countries have come to see that, in the struggle to establish a new international economic order, it is essential to strengthen South-South co-operation while promoting North-South dialogue. It was very important, he said, that the Seventh Non-Aligned Summit Conference stressed the need for the developing countries to espouse the concept of collective self-reliance.

President Mubarak said that the third world peoples must strengthen their mutual ties and co-operation, and attach greater importance to the North-South dialogue and that "they must also oppose foreign intervention and attempts at colonial control and make sure that those peoples still suffering under foreign occupation and exploitation will be able to restore their just



Premier Zhao welcomes President Mubarak in front of the Great Hall of the People.

and legitimate rights and to express their own characteristics and their aspirations for independence."

Bilateral Relations. Premier Zhao and President Mubarak expressed satisfaction with the growth of Sino-Egyptian relations in all fields and said that the two countries would continue to promote friendly co-operation in economic development, trade, culture and science and technology.

Ecuadorian Foreign Minister visits China

At a banquet in honour of Ecuadorian Foreign Minister Luis Valencia Rodriguez on March 31, Foreign Minister Wu Xueqian said: "Of late, a superpower's intervention in Nicaragua has aggravated tensions in Central America.

"It is our consistent position that affairs of a country should be settled by its own people and that no other country has the right to intervene, directly or indirectly, whatever the pretext."

"We support the Latin American countries in their fight against the attempt of the two superpowers to include the issues of Central America within the scope of their contention for world hegemony. We hope that the Latin American countries will respect each other, refrain from interference in each other's affairs, observe the norms of international relations, and resolve their disputes peacefully and reasonably," said Wu.

Valencia said: "At the very start of our talks, we found that we share identical views on many major issues. This is very heartening."

The Governments of China and Egypt signed an agreement on scientific and technological co-operation. They also signed the letters exchanged on agricultural projects for scientific and technological co-operation for the year 1983-84, and a protocol for 1983 to the long-term trade agreement.

The two sides also reached agreement on establishing an Egyptian consulate-general's office in Shanghai.

The two foreign ministers held talks on bilateral economic and trade relations and international issues of common interest.

Meeting with Valencia on April 1, Premier Zhao Ziyang stressed the importance of South-South co-operation to the establishment of a new international economic order.

Zhao said China looks favourably on developing economic and technical co-operation and trade relations with Ecuador and other Latin American countries. He expressed the belief that such co-operation will grow.

Zhao renewed the Chinese Government's invitation to Ecuadorian President Osvaldo Hurtado to visit China.

Valencia also conveyed the Ecuadorian President's invitation to Premier Zhao to visit Ecuador. Zhao accepted the invitation with pleasure.

On April 1, Valencia, on behalf of Ecuadorian President Osvaldo Hurtado, awarded Wu Xueqian the Ecuadorian National Grand Cross.

Foreign Ministry's press briefing

The Chinese Government has lodged a strong protest with the Netherlands Government for its approval of air routes between the Netherlands and Taiwan, Qi Huaiyuan, Director of the Information Department of the Chinese Foreign Ministry, announced at a news briefing on April 5 in Beijing.

Qi said, "On January 31, 1983 the Chinese Charge d'Affaires to the Netherlands made a solemn representation to the Netherlands Foreign Ministry concerning the approval by the Netherlands authorities of the conclusion of an agreement on opening air services between Martinair Holland N.V. and 'China Airlines' (Taiwan)."

This Dutch act, taken without even consulting the Chinese Government, "is yet another act taken by the Netherlands Government following its approval of the construction of two submarines for Taiwan in 1981, which openly infringes on China's sovereign rights, interferes in China's internal affairs, and creates 'two Chinas,' in violation of the principles set forth in the communique on the upgrading of diplomatic relations between China and the Netherlands in 1972," Qi said.

In view of the gravity of this matter, Qi said, the Chinese Government once again asks the Netherlands Government to give serious consideration to the Chinese position, to respect the fundamental interests of our bilateral relations and withdraw its approval of the agreement

so as to prevent further harm to the relations between China and the Netherlands."

At the news briefing, Qi also issued a statement condemning the recent attack by Vietnamese troops on Kampuchean refugee camps and their intrusion into the territory of Thailand.

On the US Government's grant of political asylum to a Chinese tennis player named Hu Na, Qi said it was a grave, premeditated, political incident engineered by the United States.

The Chinese Government will react to this matter and make stern representations to the US Government, he said.

Qi noted that the so-called request of Hu Na to the US authorities for political asylum was the result of enticement and coercion by a handful of Americans in collusion with Taiwan agents.

The US Government has no grounds whatsoever to grant "political asylum" to Hu Na, he said. This action on the part of the United States is bound to impair Sino-US cultural and sports exchanges and adversely affect Sino-US relations generally.

Answering an earlier question on Hu Na's worry that she might be persecuted after her return, Qi Huaiyuan said that the Chinese Tennis Association has declared that if Hu Na decides to return home, the association will still send her to participate in the International Tennis Tournament to be held in Switzerland in June this year.

"There was no question of persecuting her in the past nor will it arise after her return to China," Qi declared.

Beijing South-South Conference opens

Seeking practical measures to strengthen relations among third world countries was the focus of the South-South Conference on Strategies of Development, Negotiations and Co-operation at the Great Hall of the People in Beijing, April 4-7.

Co-sponsored by the Third World Foundation for Social and Economic Studies and the Chinese Academy of Social Sciences, the conference drew 68 noted political figures and scholars from 26 Asian, African and Latin American countries.

In a speech on the opening day, Premier Zhao Ziyang said: "This conference is convened at a time when the world economic situation is extremely grim and the developing countries are seeking ways to cope with it.

"In recent year, the developed Western countries have been in the grip of the gravest economic crisis since the 30s. Under its impact the economic growth of the whole world, and the third world countries in particular, has been seriously hampered.

"It is most timely and meaningful for the Beijing South-South Conference to explore and address itself seriously to such important issues as the development strategies of the developing countries, North-South negotiations and South-South co-operation.

"The struggle of the developing countries to expand their national economies must be closely integrated with the struggle for the establishment of a new international economic order.

"It is desirable for the third world countries to put forward some urgent and feasible projects through full consultations in the spirit of seeking common

ground while reserving differences and co-ordinate their actions in various forums of North-South negotiations."

Strengthening South-South co-operation would help the third world countries to enhance their economic capabilities, strengthen their position in North-South negotiations and play a great strategic role in breaking up the old international economic order and establishing a new one, Premier Zhao said.

The co-chairmen of the conference, Adviser to the Chinese Academy of Social Sciences Huan Xiang and Chairman of the Selection Committee of the Third World Foundation He SS Ramphal, also spoke at the conference.

Huan Xiang stressed the urgency of strengthening South-South co-operation. The conditions and interests of the developing countries may be different in some respects, he said, but their common interests are to eliminate underdevelopment. Therefore, it is necessary to seek ways to strengthen concrete co-operation, he said.

Dr. Ramphal said that there is no better way of doing so than by exploring the strengths of the third world, correcting its errors, rectifying its weaknesses and reinforcing the integrity of its commitment to a genuine internationalism.

In another action at the conference, Premier Zhao was entrusted by the Third World Foundation to confer the Third World Prize for 1982 on the Philippines International Rice Research Institute. Since the institute was established in 1960, it has attained a series of major scientific achievements and won high prestige in the third world.

*Viet Nam***Attack on refugees: a desperate act**

ON March 31, the Vietnamese troops occupying Kampuchea, under the cover of artillery and tank fire, mounted a barbarous attack on Kampuchean refugee camps along the Thai-Kampuchean border, wounding and killing a number of civilians and forcing others to flee into Thailand. Small groups of Vietnamese troops even penetrated into Thai territory.

This atrocity has fully revealed the vicious and yet weak nature of the Vietnamese authorities as a regional hegemonist.

Since the beginning of the dry season, Viet Nam has made preparations to stage attacks in Kampuchea in its attempt to weaken or wipe out the patriotic resistance forces of Kampuchea. Meanwhile, it has proposed "partial troop withdrawal" and a "regional conference" to hoodwink public opinion and win recognition for its occupation of Kampuchea.

As long as the Vietnamese authorities refuse to accept the UN resolutions on the Kampuchean question and withdraw their troops from Kampuchea, all suggestions that they are willing to solve the Kampuchean issue by peaceful means are sheer lies.

The Vietnamese troops directed their recent attack at defenseless Kampuchean refugees. The Chinese people, together with the people of the world, strongly condemn this inhuman atrocity and appeal to the international

community to put an immediate end to it.

The massive Vietnamese military operations along the Kampuchean-Thai border poses a serious threat to the security of Thailand, and the inflow of large numbers of refugees into that country has created great difficulties for it. Thai military authorities have strongly condemned the Vietnamese aggression. The five ASEAN states have issued a statement denouncing the Vietnamese attack on the Kampuchean refugee camps and appealed for urgent assistance from the international community.

The Chinese people resolutely

support the just stand of the Thai Government and people in safeguarding territorial integrity and opposing foreign aggression. China firmly supports the statement of the five ASEAN countries and demands that the Vietnamese authorities put an immediate end to their military operations along the Kampuchean-Thai border and to the killing of Kampuchean refugees.

The Vietnamese authorities should know that the flames of the struggle for Kampuchea's national salvation can never be extinguished. Despite all the Soviet arms and money, Hanoi has failed to extricate itself from the difficulties brought about by its invasion of Kampuchea. The only way out is complete withdrawal of all the aggressor troops from Kampuchea.

(Excerpts from April 3 "Renmin Ribao" commentator's article)

Seven South Asian Nations**Regional co-operation strengthened**

THE 4th meeting of the foreign secretaries of seven South Asian nations, held March 28-29 in Dhaka, Bangladesh, issued a joint communique saying that the foreign secretaries had agreed on an integrated programme for regional co-operation to be set in action as soon as possible and that a meeting of the foreign ministers would be held in New Delhi August 1-3.

Common Aspirations

The seven South Asian countries, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and

Sri Lanka, include one-fifth of the world's population. Most of the South Asian countries have suffered from Western colonial exploitation. Though they have now won political independence, the people of these countries are still poor. Five of the 30-odd least developed countries, as cited by the United Nations, are South Asian countries. The security of the South Asian region has been threatened by the foreign invasion of Afghanistan.

The seven countries share a common desire to develop their national economies and to safeguard their security and stabil-

ity has made these countries unite. Therefore, when the late Bangladesh President Ziaur Rahman in May of 1980 first proposed a summit conference to discuss regional co-operation, Nepal, Sri Lanka, Bhutan and other countries in the region expressed their support.

Progress

The first meeting of foreign secretaries, who are lower in rank than the foreign ministers, was held in Colombo, Sri Lanka, in April 1981. This meeting set the basic principles guiding their regional co-operation, the main points being: first, co-ordinated consultations; second, discussion of regional co-operation only, not bilateral and disputed problems; third, regional co-operation should supplement rather than replace bilateral or multilateral co-operation. At this meeting, five study groups were set up to determine the potential and scope for regional co-operation in the fields of agriculture, rural development, telecommunications, meteorology and health. The study groups were to prepare detailed proposals for the next meeting.

In August of the same year a commission of experts from the seven countries was established to explore possibilities for a broader scope of regional co-operation.

The second meeting, held in Kathmandu, Nepal, in November 1981, scrutinized the reports and proposals of the five study groups and reorganized them as working groups. In addition, the meeting selected three fields — transportation, postal service and science and technology — for further study. The meeting also discussed a date for a conference of the foreign ministers of the seven countries.

The third meeting held in Is-

lamabad, Pakistan, in August 1982 discussed matters pertaining to the proposed meeting of foreign ministers.

There are still a few pending bilateral problems or disputes among some of the South Asian countries, each of which has

different conditions. But these countries have decided that their differences should not block co-operation based on equality and mutual benefit. This is certainly a positive trend in South Asian relations.

— Chen Anning

Indonesia

Soeharto re-elected to a 4th term

PRESIDENT Soeharto of Indonesia, 62 years of age, was re-elected to a fourth five-year term on March 10. Soeharto's government has brought political stability and economic development to Indonesia, but faces serious economic and social contradictions.

Following its independence in 1945, Indonesia's next 20 years were characterized by frequent cabinet changes and an unstable political situation. Rising to power after the "September 30 Incident" of 1965, Soeharto was inaugurated President in March 1968. He has arrogated all powers to himself for the past 16 years — something rare in Indonesian history.

Soeharto's Achievements

Upon assuming office, Soeharto stressed domestic economic construction and adopted a series of important measures designed to establish a "new order" in Indonesia. In internal affairs, he reshuffled parliament and government functions, streamlined his political party and implemented a policy of army participation in government and political affairs. In foreign affairs, Indonesia rejoined the United Nations, improved relations with Malaysia and other neighbouring countries, and actively participated

in the founding of the Association of Southeast Asian Nations (ASEAN) which became the central focus of its foreign affairs. In the economic sphere, Soeharto returned foreign enterprises confiscated by Soekarno's government, carried out an open-door policy to introduce foreign investment and aid, exploited natural resources (particularly oil), reformed rural policies, vigorously promoted rice production and carried out three consecutive five-year construction plans.

These measures have changed the lives of the 150 million people residing on the 13,000 islands of Indonesia. Inflation rates dropped from 600 per cent in 1966 to 9.69 per cent in 1982. Foreign exchange reserves of only US\$8 million in 1966 increased to \$6,300 million in 1981. In 1981, the GNP growth rate was 7.5 per cent and per-capita GNP reached \$520, six times the \$89 per-capita GNP of 1966. The World Bank in 1982 listed Indonesia as a medium-income nation. After years of rice shortages Indonesia is basically self-sufficient in rice today.

Over the past 16 years, Soeharto's administration has successfully maintained relatively stable government and policies. A stable and developed In-

Indonesia is essential to international stability, particularly that of the Southeast Asian countries. The "Inter-Governmental Group for Indonesia" headed by the United States and Japan has provided large amounts of aid. During the 1967-80 period, Indonesia received more than \$9,000 million in foreign investments from 29 countries.

Economic and Social Problems

Recently the Indonesian economy has been weakened by the Western economic recession and the drop in oil prices. Total exports fell 8 per cent, a loss of about \$9,900 million during January-September 1982 as compared with the corresponding period in 1981. From January to July last year, exports of oil and natural gas decreased 16.46 per cent from last year's figures, a loss of \$1,042 million in foreign exchange. Foreign exchange reserves in October 1982 fell to \$4,300 million, and GNP growth rate was less than 4 per cent.

Indonesia's foreign debt has risen to \$26,000 million since 1969. During the fourth five-year plan starting next year, Indonesia will have to borrow \$12,000 million if its economic construction is to continue as planned. Western bankers predict that Indonesia's growth rate will drop to around 2 per cent this year.

Noting the wide gap between the rich and the poor, Sumitro, Indonesia's noted economist, estimates that at present half of the Indonesian people are living in poverty. While 56.73 per cent of the GNP goes to the upper 20 per cent of the population, 40 per cent of the population with low incomes must

share only 11.15 per cent of the GNP. The jobless and semi-employed number nearly 24 million, and 17.6 million people have to rely on government relief.

Indonesia's political stability will be affected if these economic problems and social contradictions are not resolved soon.

—Huang Shuhai

GDR

Science research saves resources

IN developing science and technology, the German Democratic Republic (GDR) stresses lowering production costs and saving raw materials. Attention is also paid to improving the economic management system and the organization of labour.

The GDR is an industrial country with advanced scientific and technological development. However, it lacks natural resources and manpower and about 60 per cent of its fuel and raw materials are imported. Therefore, it has relied on scientific and technological development to promote productivity.

Germans strive to make full use of the latest advances in science so that they can produce more from less. For example, about 16 million tons of coal ash are produced by the power plants which burn lignite as fuel. Therefore, faculty members of an engineering college in Cottbus District and experts in building enterprises proposed

using coal ash for building and road construction. In the past 5 years, more than 11 million tons of ash have been thus used.

A centre for rational utilization of energy resources has been established in Cottbus District. Based on a proposal of the centre, a lignite enterprise constructed a facility for gathering waste heat from the process of producing coal bricks and then used the heat to provide heating for factories and houses.

The centre has also developed the utilization of slag and wastes of chemical factories instead of lime in glass production. Thus, a glass factory can decrease its energy and raw material consumption by 10 per cent and 8 per cent respectively while quality of its products is improved.

The GDR has been actively pursuing research and utilization of microelectronics, robots, computers and electronic controls in industry to save labour. Many old enterprises have been automated.

The GDR's successes in science and technology are the product of its highly developed educational system. Ten years of schooling is universal. College and university graduates account for 18.8 per cent of all employed persons and 95 per cent of the young employees receive two to three years of professional training after graduation from middle school. Thus employees are familiar with the latest scientific and technological achievements and are a motive force in promoting scientific development.

—Xin Futan

Marxism and the Reality of China

by Hu Sheng

- China's social and historical conditions put the revolution of this giant Asian nation on its own unique road.
- Since China has never experienced the stage of developed capitalism, it is unlikely that its ongoing socialist construction can avoid a host of special problems and difficulties.
- We should learn all useful aspects of the capitalist system but at the same time we should make careful differentiations and analyses before absorbing and remoulding them.
- We should proceed from the specific conditions of China and use universal Marxist principles to build socialism in a Chinese way.

OVER six decades ago, Marxism spread to China and rapidly integrated itself with the workers' movement and other revolutionary movements. Armed with Marxism, the Chinese Communist Party appeared in its infancy with a new vitality unprecedented in China's ideological and political arenas.

At the time the Chinese revolutionary movement for a bourgeois republic was at an impasse, with slim chances for success. Marxism and the Russian October Revolution broadened the horizon of the Chinese people, particularly the advanced elements among them, who gradually came to the conclusion that the future of the Chinese nation, like that of the oppressed people throughout the world, lay in socialism and communism.

The earliest Marxists in China believed that the country's problems could be solved simply by copying methods of socialist revolution adopted by the Western proletariat. But before long, they came to see from their own experience that this would get them nowhere. In the giant Asian country of China, then already reduced to both semi-colonialism and semi-feudalism, the target of the revolution was not the ordinary bourgeoisie, but imperialism, feudalism and the comprador-bureaucrat bourgeoisie which ganged up with them.

Moreover, the country's political and economic development was uneven and its capitalism undeveloped. While the ranks of the proletariat were not large, the peasantry had inex-

haustible strength that could be called into action. Apart from the urban petty bourgeoisie which could be its ally, the proletariat could also find allies in other classes and social strata particularly in its struggle against imperialism. Under these social and historical conditions, China had to take a unique road in developing the revolutionary movement up till it entered the stage of socialism.

Because China was a semi-colonial, semi-feudal country, its revolution had to proceed in two steps: first achieving victory in the democratic revolution and then starting the socialist revolution. China's special conditions determined, among other things, that the proletariat should, and could, win the leadership over the democratic revolution; that the proletariat-led democratic revolution should take armed struggle as the major form supplemented with other forms of struggle; that the proletariat must establish rural revolutionary base areas, develop the peasant revolutionary war under its leadership and encircle the cities from the rural areas; and that the proletariat could form a united front with the bourgeoisie under certain conditions.

In human history, a socialist society does not come out of the void. It is established on the basis of civilizations created by humanity down through the ages, particularly the civilization created by capitalism which is at a level far higher than any previous one. Capitalism created tremendous productive forces and, in cor-

respondence with these forces, developed full-fledged education, culture, science and technology, economic management and so on. All these furnish the "building blocks" needed for socialism once the political power of a developed capitalist country falls into the hands of the proletariat and the socialist public ownership of the means of production is established.

However, China is totally different. Its socialist society grew out of a semi-colonial, semi-feudal one where elements of capitalism existed but were undeveloped. It has never experienced the stage of developed capitalism, and the "legacy" it inherited from the old society contained virtually nothing of what a capitalist society could have offered.

For that reason, in building socialism China will inevitably encounter many special problems and difficulties in the economic, cultural and political arenas. We should therefore conscientiously solve these problems within the framework of the socialist system and learn everything necessary for socialism, which other nations have learnt under the capitalist system. In taking our own socialist road, we should take this reality into consideration, just as we proceeded from the reality of China as a semi-colonial, semi-feudal society in carrying out the democratic revolution.

The absence of the stage of full-grown capitalism in our history has caused some special difficulties but, on the other hand, it has also had some advantages. Tempered in the long years of national sufferings and revolutionary struggles, the Chinese people have fostered the outstanding tradition of unity and hard struggle under the banner of patriotism.

The Chinese working class has rarely been

Workers of a Jilin provincial chemical industrial company work hard for the accomplishment of modernization in China.



influenced by social reformism and "labour aristocracy" which appeared in capitalist countries but has never appeared in our country.

In the long years of revolutionary wars, the land reform and the co-operative movement, our peasants established a close alliance with the working class and had great confidence in the leadership of the Communist Party.

Our intellectuals from the old society are, generally speaking, imbued with strong patriotism although they received bourgeois education. Their experiences in the old and new societies have convinced them that only the socialist system can make China prosperous and powerful.

After the socialist transformation of private ownership of the means of production was undertaken by the peaceful "buying out" policy, the majority of the Chinese bourgeoisie consciously remoulded themselves into labourers earning a living by their own sweat and were willing to contribute their experiences and abilities to the socialist motherland. Similar changes took place among other members of the upper-strata of the old society.

These and other phenomena provide favourable conditions for building socialism. Fully utilizing these conditions will, of course, help overcome our weaknesses; but if we pay no attention to overcoming our weaknesses, we will not be able to fully tap our strengths.

Generally speaking, building socialism is an arduous task. Since entering socialism, China has had to face problems which will not happen to developed capitalist countries when they change over to socialist society (these countries, in turn, will have problems we do not have).

What are our special problems? For example, the socialized production in our society as a whole, especially the vast countryside, remains at a fairly low level and the commodity economy is underdeveloped; there is still much illiteracy, national education is not yet universal and our educational facilities are scanty; our science and technology are backward and we have too few intellectuals and even fewer highly qualified intellectuals; and we lack experience in running large-

scale production and commerce, which sometimes results in poor management.

The socialist system has indeed brought about an unprecedented growth of China's social productive forces. In summing up the achievements of the 32 years since the establishment of the People's Republic, the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China, adopted by the Party Central Committee in June 1981, pointed out: "We have scored signal successes in industrial construction and have gradually set up an independent and fairly comprehensive industrial base and economic system." "The conditions prevailing in agricultural production have experienced a remarkable change, giving rise to big increases in production." "There has been a substantial growth in urban and rural commerce and in foreign trade." "Considerable progress has been made in education, science, culture, public health and physical culture."

All these point to the fact that the economic and cultural situation in China today has undergone tremendous change from what it was in the early post-liberation days or when the socialist transformation had just been completed. Although our socialist construction has traversed a tortuous road and suffered many setbacks due to "Left" mistakes, our achievements are undeniable.

The "Left" mistakes committed by our Party in socialist construction culminated in the launching of the "cultural revolution" which continued for a long time and affected the overall situation. These, of course, were due to the complex social and historical factors which were profoundly analysed and expounded in the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China.

One of the major lessons that we must draw from our "Left" mistakes is that if one turns a blind eye to China's actual conditions and becomes dogmatic about certain "formulas" (which, more often than not, are derived from



Hua Luogeng, Vice-President of the Chinese Academy of Sciences, conducts investigations in a Harbin factory. This celebrated mathematician is only one of the many Chinese intellectuals who are lending their skills to socialist construction.

one-sided interpretation of Marxism), then one cannot correctly guide the revolution and socialist construction.

There are also many things we have to learn and a good deal of complicated work we have to accomplish. All this will take a long time. We will commit gross errors if we fail to take note of this and expect to quickly fulfil the tasks of the socialist period and move on to communism, or even believe that every problem can be solved by one or two mass movements.

The contradiction between the relations of production and the productive forces and the contradiction between the superstructure and the economic base still exist in a socialist society. This is unmistakably correct. Bearing this factor in mind is of great significance to our probes into the laws of the development of socialist society. But this is, after all, one of the general laws. If we fail to proceed from China's actual conditions, we will never pinpoint what needs to be reformed in the superstructure or the relations of production. If we undertake a "reform" according to such abstract concepts as "the bigger the size, the higher the level of the public ownership, the better," then inevitably we will see more practices like everyone eating from the "big rice pot" which hinders the development of the productive forces. The formula of "a revolution in which one class overthrows the other" applies to a society in

human history based on class exploitation; using it in a socialist society which has abolished the system of exploitation of man by man can only scuttle the socialist superstructure and the relations of production.

"Socialism should fight the bourgeoisie" was regarded as the soul of the so-called "continuing the revolution under the dictatorship of the proletariat." This formula neither distinguishes the period of transition to socialism from the period in which the socialist system has been established, nor makes a specific analysis of things that could seemingly be labelled bourgeois but even slaps this label on people right and left—we have all seen the disastrous results of abusing this label. It goes without saying that during the socialist period it is necessary to combat decadent bourgeois ideas and crack down on any bourgeois force that seeks to undermine socialism.

However, in our socialist endeavours we should learn all useful things produced under the capitalist system. Some of these (such as natural sciences and technology) have no class nature. Some (such as the management system for large-scale production) bear class hallmarks but should still be carefully distinguished and analysed so we can absorb and remould them; this is of special significance under China's historical conditions.

In a capitalist society commodity production grows at a level higher than any previous societies, but according to an assumption by Marx and Engels, it will be liquidated in future societies. In China, however, commodity production, rather than being fully developed, remains weak and small. If we equate commodity production with capitalism regardless of China's reality and if we regard the assumptions of the creators of Marxism as a formula that can be applied arbitrarily, then the development of our socialist production will be impeded.

The public ownership of the means of production, the principle of distribution "to each according to his work" as well as the planned and proportionate development of the national economy represent only the general laws of the socialist system. If we rely solely on these general laws but fail to integrate them with our concrete conditions, we will accomplish nothing. If we design a "pure" and "perfect" socialism according to these laws and become obsessed with such abstract concepts as "pureness" and "perfectness," we can get nothing but guiding principles that are estranged from reality and spoil things that could have been done well.

During the "cultural revolution," China's situation was wrongly assessed and it was believed that bourgeois reactionary forces were ubiquitous and, worse still, the wrong conclusion was made that the status quo could be changed and a "purest" and "most perfect" socialist society established with one or two thrusts of the mass struggle. All these, needless to say, are utopian ideas which bring nothing good but harm.

Comrade Mao Zedong made monumental achievements in his decades-long efforts to base the Chinese revolution theoretically on materialism. Mao Zedong Thought, which applies universal Marxist principles to the concrete historical conditions of China and which sums up the creative experiences of the practice of the Chinese revolution, is the crystallization of the Chinese Communists' collective wisdom, but Comrade Mao played an exceptionally important role in its formation. Long periods of practice showed that he was a great Marxist ready at any time to break new ground. In his later years, however, he depended too heavily on practical experiences gained in the past protracted revolutionary struggle while paying inadequate attention to conscientiously studying the new situation and new problems arising after China had entered the socialist period. As a result, he gradually departed from the principle of combining theory with practice. Because he had deviated from the principle that he had always advocated, when he believed that he was blazing a new trail for socialism, he was actually bound hand and foot by a number of abstract concepts and formulas which were divorced from reality. This serves as a profound lesson for future generations.

To correct the "Left" mistakes and lead China's socialist construction on to a correct road, it is necessary to restore the tradition of Mao Zedong Thought, i.e., the tradition of combining universal Marxist principles with the concrete practice of the Chinese revolution. It is necessary to resolutely safeguard the materialist foundation of socialism and at the same time dare to creatively use Marxism to solve China's problems.

This was precisely what the Party did at the Third Plenum of the 11th Party Central Committee held in December 1978. Since then, the Party has in its guidelines gradually fulfilled the arduous task of correcting past wrongs in all fields of endeavour; Party and state principles and policies have scored remarkable achievements, bringing about an unprecedented

edly excellent situation in the economic, political and cultural fields.

The Party and the state have resolutely shifted the emphasis of their work to socialist economic construction, which is not merely a return to the principles and policies laid down at the Eighth Party Congress in 1956. Our experiences over the past 30-odd years have brought home to us that in socialist revolution and construction, we should, rather than being dogmatic about what is called universal formulas, use the Marxist stand, viewpoint and method to understand the reality of China and that we should formulate our principles, policies and measures on this basis.

It is necessary to refer to the experiences of other countries, but on no account should we simply pattern ourselves after them. Both in understanding and practice of socialist construction, our Party has become far more mature than at any time since the founding of the People's Republic.

China's current conditions are vastly different from what they were in 1956, the year the socialist system was established. The socialist system has endured severe tests in the recent three decades and has struck solid root on the vast territory of China. Our socialist construction has been crowned with tremendous successes, and the mental outlook of the workers, peasants and intellectuals have undergone enormous changes. These are China's basic conditions, which we should bear in mind in all our endeavours.

Both the achievements we have made and the changes that have taken place in the course of building socialism deserve our earnest analyses and studies, but due attention should also be paid to our difficulties and weaknesses resulting from the fact that our socialist society evolved from a semi-colonial, semi-feudal society and that China has not undergone the period of full-fledged capitalism. There are other factors that should not be neglected in studying the concrete conditions of China: the huge population in sharp contrast to the limited arable land, opulent natural resources most of which wait to be tapped, and so on.

In the rural areas, we have adopted various forms of the responsibility system which bases remunerations on output and contract production tasks along specialized lines. This has vigorously developed sideline occupations and other diverse economic undertakings and has expanded commodity production and exchange.

In the economic fields, we have carried out structural reforms centred on improving economic results, in particular, we have restructured the management system. We have made education and science our major strategic focuses in developing the economy and are striving to maximize the role of intellectuals and to train as many new intellectuals as possible. We have strengthened socialist democracy and improved the socialist legal system. On the basis of self-reliance, we have developed economic cooperation and technical exchanges with foreign countries.

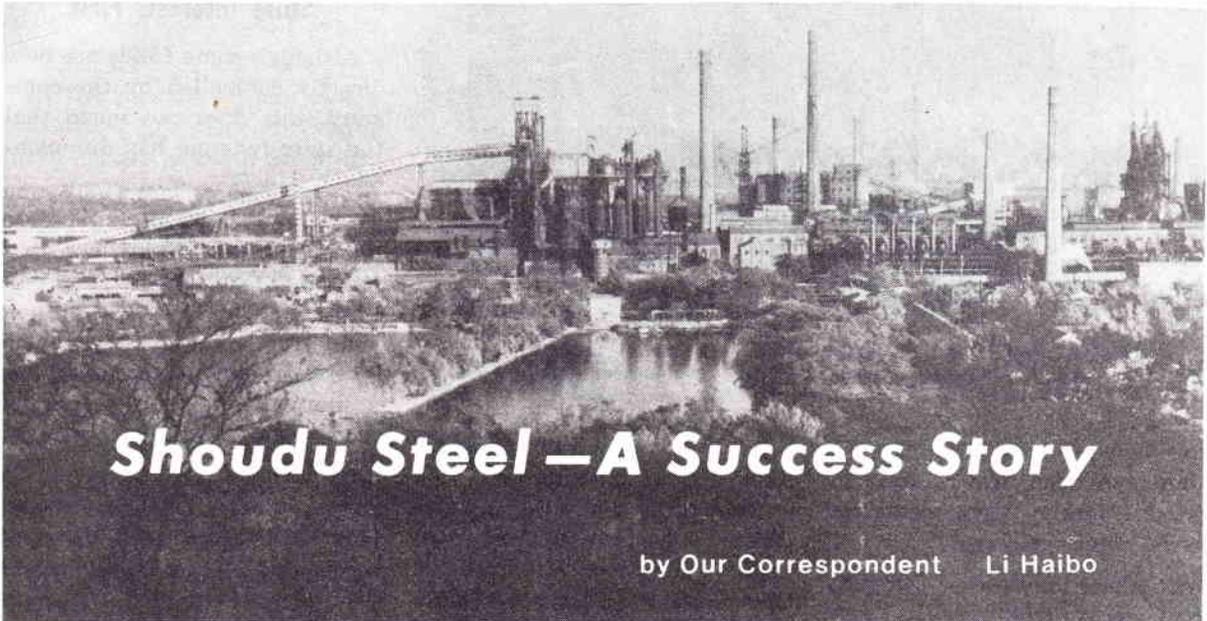
All these and other efforts are conducive to developing the current socialist system and our achievements in socialist construction; they also help us to overcome weaknesses that resulted from the absence of a capitalist period in Chinese history.

We can certainly overcome the special difficulties caused by social and historical conditions and build socialism in a distinctive Chinese way provided that we can comprehensively study and understand our nation's specific conditions and, in the light of these conditions, use the universal Marxist principles to construct our socialist material and spiritual civilization.

(Abridged translation of a "Hongqi" article, issue No. 6, 1983.)



Benefited by the rural responsibility system, members of the Xiaolan commune in Jiangxi Province harvest the rice crop.



The responsibility system first instituted in the countryside is now taking root in Chinese industrial enterprises. The Shoudu (Capital) Iron and Steel Company, a huge state-run enterprise that adopted the system earlier than others, has achieved results that have aroused nationwide interest. It is a good indicator of China's ongoing economic reforms. — Ed.

AS one of China's state-run industrial giants, the Shoudu Iron and Steel Company has more than 70,000 workers and staff members on its payroll, with an annual output of 3 million tons of iron, 1.5 million tons of steel and one million tons of steel products. Its main plants are situated at the foot of Shijing Hill on the western outskirts of the nation's capital.

This 64-year-old enterprise has been rejuvenated as a result of managerial reforms

and increased decision-making power since 1979.

In each of the last four years, it has recorded an average increase of over 20 per cent in profits. Its achievements far exceed those of other enterprises in 32 of the 55 main economic targets, with six such targets reaching advanced international standards.

A New Look

The factory zone has a pleasant environment, its broad highways lined with shade trees

and elevated multi-colour pipelines. Everywhere — under the blast furnaces, in front of the factory buildings, on both sides of the maze of railway tracks — flower beds, arbours, fish ponds and lawns flourish.

The company's 10 goals for the 1983-85 period are posted on bulletin boards in the compound of the company headquarters.

The first goal is to hand in to the state a profit of 1,005 million yuan by 1985, a sum equivalent to the net value of the company's entire fixed assets at present. Also posted are the details of the company's 17 key technical transformation projects and plans for the development of collective welfare services.

All these projects are to be financed by the company itself without a single cent of state investment. Such ambitious plans were, of course, out of the



Company leader Zhou Guanwu talks about the long- and medium-term plans for the development of the enterprise.

question prior to 1978. Even if they had been drawn up, they would surely have remained mere plans on paper.

In those days, the company had no control over its own funds, despite its annual output value of more than 1,000 million yuan. Revenue and expenditure were handled centrally by the state and the company manager was allowed only 800 yuan to use at his discretion.

In 1979 the state conferred more decision-making power on enterprises and allowed them to utilize a portion of their own profits. Between 1979 and 1982, Shoudu Steel set aside 189.78 million yuan for its own use, or 15.92 per cent of its net profit.

These funds have allowed it to institute many technical changes, develop collective welfare services and pay bonuses to its workers and staff members.

The result: the company has become a successful, going concern.

State Interests First

Although some funds are now directly controlled by the company, this does not mean that the state revenue has diminished.

In the 1975-78 period before power of decision was increased for the enterprise, the state collected a profit of 574 million yuan from Shoudu Steel which received a state allocation of 350 million yuan, resulting in net receipts of 224 million yuan for the state.

However, in only four years, between 1979 and 1982, the state received 1,016 million yuan in profits and provided the company appropriations to the tune of 125 million yuan, for a net income of 891 million yuan for the state.

"An enterprise must be well aware of its economic commitments to the state and persist in

Economic Results of Increased Decision-Making Power for Shoudu Steel

unit: one million yuan

Year		Profit	Profit to state	State allocations	Net state receipts	Funds kept by company
1978	before increased decision-making power	189.51	180.92	153.70	27.22	8.59
1979	after increased decision-making power	234.63	213.13	68.06	145.07	19.04
1980		290.16	246.88	42.07	204.81	37.08
1981		316.48	270.00	10.10	259.90	40.08
1982		379.79	286.20	4.80	281.40	79.51

Note: Between 1979 and 1982, the annual profit was divided into two main parts, one for the state and the other for the company itself. The remainder represents special funds, as required by law, for environmental clean-up and repayment of state loans.

giving first place to the interests of the state. It must ensure fulfilment of the state plan and satisfaction of the needs of society," said company leader Zhou Guanwu.

In the past few years, while guaranteeing a larger revenue for the state, Shoudu Steel also has managed to increase the amount of funds reserved for the company and the income of its workers and staff members.

In 1981, for instance, the profit the company turned over to the state rose 9.4 per cent over the previous year, the funds reserved for the company grew by 8.1 per cent and bonuses paid to workers and staff members increased by 2.88 per cent.

In 1982 Shoudu Steel committed itself to annual increases in profits for the state. Using 270 million yuan (the 1981 profit for the state) as the base figure, the company promised to hand in 6 per cent more profit every year in order to guarantee the state a sustained, stable increase in revenue.

The state also ceased allocating funds to the company. All enterprise expenses are now covered by the retained profits. Thus, the company must increase its yearly profits faster than 6 per cent if it expects to have money at its own disposal. In 1982 it made a profit of 379.79 million yuan, a 20 per cent increase over the previous year.

The new system has proved to be of great advantage to the enterprise. Because it has committed itself to a target that will remain unchanged for a fixed number of years, it is in a position to map out plans for its own future development.

70,000 People Involved

How is the power of decision exercised inside the company?



Qi Shusen (wearing glasses) briefing the next shift at the furnace.

The operations of one steel-making shop are typical.

The head of the workshop He Hualong, a 1966 graduate from the Department of Metallurgy of Chongqing University, said that since the institution of the responsibility system in June 1981 (see the following article), each unit and each individual has been assigned well defined responsibilities and authority from the company headquarters down to the factories, workshops, shifts and teams, to workers and staff members. Moreover, the system specifies the amount of bonus for the over-fulfilment of each task. Cadres and workers of the company work in close co-operation with the objective of improving economic results not only for their own units but for the company as a whole.

For instance, in the past no one cared much about the length of steel ingots when they were cast. But, last year the company authorities became very strict about the specifications for the ingots and routinely checked the lengths.

"This," He Hualong said, "means more work without any

economic benefits for our own mill. But because this helps production in the steel-rolling mill and brings an annual extra profit of 2 million yuan to the company, we're glad to comply."

Another example of increased power of decision can be seen in Blast Furnace No. 4.

"Our responsibility is to fulfil the various targets set by the work section," said leader Hui Zhifang. "For instance, one regulation says that we are allowed to use only three drills a month, no more than that."

As he talked, he picked up a drill from the tool box to illustrate his point. Worth 58 yuan, it is the size of a human fist and is used to poke the furnace door to tap the molten pig iron, he explained.

"In the past we just threw them away when they were worn out, and every month we needed more than a dozen replacements. Now we repair the used ones and only one or two are replaced each month, so every month we save over 500 yuan on this alone."

Other targets of the responsibility system for Hui Zhifang

include "the 95 per cent rate of punctuality of tapping" and coordination with other departments. Implementation of these rules are supervised by the furnace leader.

Another change from the rigidly egalitarian past is that Hui has the power to examine the work of those on his shift, just as his superior has the power to examine his work.

"For a worker to be promoted, he needs to be recommended by the team leader who also has the right to determine how many points to award the members of his team."

The point system is the basis for determining how much pay workers receive. A worker who has done his work in accordance with the basic stipulations under the responsibility system receives 100 points; but he can lose points for falling short of this goal in various ways.

"In the past, only the interests of the state were taken into consideration, not personal interests. Egalitarianism prevailed in wages. Today, the practice is 'to each according to his work.' Everybody now takes responsibility for his work because his personal interest is involved. And, as a team leader, I now find my work easier than before."

However, he said, there was "no chance" a worker would work for his own interests alone.

"We all know that when we have made great contributions to the state, our enterprise will be able to keep more profit for its own use and only then can each individual earn more. We have come to see this very clearly in these years. If our company fails to fulfil the task entrusted to it by the state, a rise in wages is simply out of the question.

There were 11 workers in Hui's team, mostly young men who entered the factory after 1970.

"Everything is so rigid now. You can't afford to do wrong; if you do, you lose some points," said 35-year-old Pi Zhankui, his eyes blinking.

A Vivid Lesson

"Did you ever lose some points?"

"Just once."

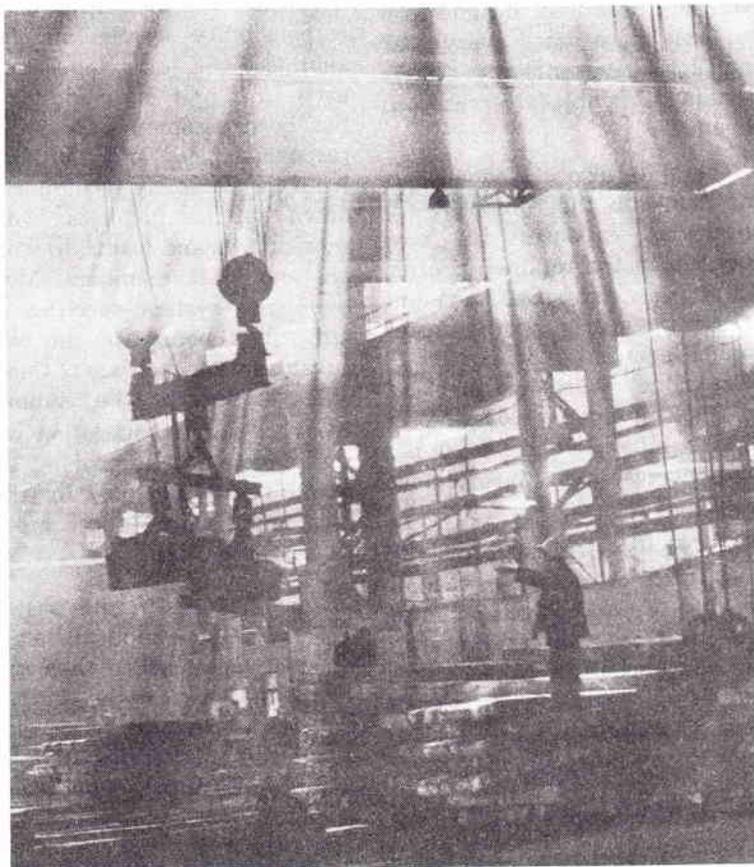
That was when he kicked up a row with a fellow on the shift before his. The fellow named Liu refused to do things according to the rules during the shift change. Pi protested and Liu simply ignored him; they came to blows. Liu was in the wrong and was the one who started the fight — he lost his bonus for the month. Pi was right but be-

cause he had hit back, he lost 30 per cent of his month's bonus.

The leaders of Blast Furnace No. 4 did not merely take this economic measure. They held a discussion about the incident among all the furnace workers and drew lessons from it. The consensus was that when something has gone wrong in work, the proper way to solve the problem is to make criticism and self-criticism, certainly not to resort to violence. The two parties concerned both made self-criticisms and said that they thought their leadership was fair in handling the matter.

Technical Innovation

Furnace leader Qi Shusen, Party branch secretary Cheng Guihua and technician Wen Shizhan discussed the technical innovation in Blast Furnace No. 4.



Steel billets ready to be shipped out.

One of four furnaces at Shoudu Steel, it has a 1,200-cubic-metre capacity. It was put into commission in 1972 and rebuilt in 1977. By 1980, it again needed a major overhaul. Because the company could not afford to suspend production at that time and the furnace itself was technically in working order, the repairs were postponed.

By the last quarter of 1981, Blast Furnace No. 4 still somehow managed to achieve its various technical targets, after a fashion. Some people thought it was too old to be renovated and could not be expected to function any better than it was then.

"We didn't see it this way and believed that it still had some potential that could be tapped," Qi Shusen said. "When we enforced the responsibility system, we thought of not only profit but mainly of making still greater contributions to the state. Without tapping the potential, how can we make further contributions?"

After an analysis of the furnace, the cadres concluded that the key to improving the economic results was to change the fairly primitive method of charging the furnace. They studied other blast furnace plants both at home and abroad and worked out a new method of charging. In December 1981, they put the new method into practice. The result: higher output, a longer life for the furnace and reduced energy consumption.

The furnace has maintained a high output since 1982. In September it beat its own average daily record by producing 2,675 tons.

Similar stories could be seen and heard everywhere in Shoudu Steel. For instance, the 650-type steel rolling machine, after



Liu Sili (left) was formerly a delinquent. Now, thanks to the help of Wang Zhian, he has become a model worker.

technical transformation, was twice as efficient in handling small steel billets so that the total investment was recovered in a year.

Between 1979 and 1981, the company spent 140 million yuan on technical alterations, on the project to increase the variety of products, save energy and reduce pollution. This was a major contributor to the large annual improvements in economic results.

"Opposition Leader" Changes His Mind

Some workers did not expect to like the new system, like the "infamous" Ma Guitian once nicknamed the "opposition leader" of the mill soldering sheet iron tubes and another worker, Ye Zhencheng, also known as Ye the Big Lazybone.

Ma Guitian, 42, is an overhead travelling crane operator.

"I became a worker before I finished my primary school education. I came to this factory in 1958. I took it easy whenever I could. I used to quarrel with my boss and was always troublesome. Sometimes I cursed and swore. I would say, for instance, that my boss 'was even harsher than foremen of the old days,'" he said. As time went on, he came to be known as the "opposition leader."

Ma was sceptical when Shoudu Steel introduced the economic responsibility system. "Another new trick, eh?" he surmised. But gradually he came to see from how things were going that the concept of workers becoming masters of their own jobs was not just empty talk. Those who worked diligently were awarded and those who idled about, penalized.

His wife, who had begun to work at the plant after he had, always did a good job, was placed higher than he was on the wage scale and earned more pay. This hurt his pride, and made him feel uneasy, he said.

"I told myself, you are no longer a young man. You have been a worker for many years. Maybe you should set a better example for others." He decided to mend his ways.

People around him were happy to see him change. The leadership went to see his wife and said: "Your husband is making progress now. But that's only a beginning. You've heard his nickname. It doesn't sound very nice, does it?" His wife felt dishonoured at her husband's nickname. When he came home, she encouraged him to change his ways.

As Ma Guitian plunged into the job, he became a versatile worker and often helped others with their jobs. In the past,

THE economic responsibility system is a new management method and a new approach to the distribution of earnings that we have introduced to our socialist enterprises in recent years. It is a sweeping change from the old practices of over-centralization and "everybody eating from the same big rice pot."

The new system gives enterprises more power of decision under the guidance of standardized state policies and plans. The new system clearly defines the rights and responsibilities of each position in the enterprise, from the leadership down to the least skilled jobs. It also assigns specific wages (remuneration) to each job, and defines how bonuses are awarded. It includes practical provisions for enforcing the principle of "more work, more pay."

This new system was initiated first in the countryside. Later, it was applied to industry and commerce. Today, the responsibility system in diverse forms has been introduced to most industrial enterprises in the country, which has stimulated the enthusiasm of workers and staff members for production and yielded good initial results.

In the distribution between the state and enterprises, most enterprises adopt the method of handing profit over to the state while retaining a certain percentage of it at their own disposal; a small number of large enterprises (such as Shoudu Steel) commit themselves to an annual increase in profits for the state; still 456 others are experimenting with the method of paying a certain amount of tax to the state. The results prove the last method to be most effective. The State Council has decided to popularize this method.

New System Improves Industry

There are also different forms of distribution within an enterprise. For example, bonuses to those who have overfulfilled the production targets, piece rate wages, floating wages (i.e., floating within a 20-30 per cent of the basic wage), floating grades (i.e., whether one should go up one grade should be decided according to his work done in the year. Only those who have made great contributions for years on end can have their floating wage grades changed into fixed wage grades.)

The economic responsibility system instituted in Shoudu Steel embodies two main aspects:

(1) The enterprise is economically responsible to the state.

The company has the following economic commitments to the state:

1. To hand over planned profit to the state;
2. to fulfil the plan for the output, quality and variety of its major products;
3. to fulfil the state plan for the amount of products to be allocated to other departments;
4. to see there is a market demand for the products, to avoid overstocking;
5. to maintain energy consumption at the level allowed by the state;
6. to maintain the allocation of bonuses for workers and staff members no higher than the maximum allowed by the state (in 1981 the state stipulated that the total amount of annual bonuses must not exceed three months' base pay, averaged for all those on the payroll);
7. to proceed with the larger projects of reconstruction and capital construction items financed through self-collected funds as approved by the state.

The company has power over four areas:

1. The power to set aside some of its profits for its own use. Under the former method, the state handled enterprise expenditures and revenues in a uniform manner. This practice has been eliminated. A certain proportion of the profits is set aside for use by the enterprise for developing production, establishing collective welfare services and awarding workers and staff members.

2. The power to buy some of the materials it needs and change the former method under which the state distributed all means of production in a unified manner.

3. The power to arrange certain production tasks and to market products other than those required by mandatory planning. (At present, sales of such products account for about 15 to 20 per cent of the company's total sales.)

4. The power to make certain investments and to borrow from the state bank.

(2) The economic responsibility system instituted within the enterprise.

The company concretizes its economic commitments to the state and its task of co-ordinating with other departments by assigning particular tasks to every plant and mine, every workshop, every shift and team down to every individual. Thus the enterprise has a total of over 230,000 targets. Leadership at each level conducts strict checking procedures to determine how well the targets are achieved. These procedures serve as the basis for evaluating

workers' reward and promotion.

Pi Zhankui, 35, a slag cleaner, is a worker of the 4th grade whose basic monthly pay is 56.80 yuan.

His job includes six duties, such as routine clean-up of slag, keeping material consumption within the specified limit, recovering scrap iron and so on.

Pi is supervised by a team leader and is responsible to him. If he performs his duty entirely in accord with what is required under the responsibility system, he gets 100 points; if he fails to meet some of the requirements, he loses points. In the maintenance of equipment, for instance, if the machine does not function properly and Pi fails to report this to the team leader, he loses two points.

The amount of bonus he receives is determined by the number of points he earns. According to Pi himself, he usually earns his full 100 points and gets an average monthly bonus of about 25 yuan. This, plus his regular pay, and a health-protection subsidy (around 11 yuan), a night shift subsidy (six to seven yuan), comes to a total of about 100 yuan a month.

About a year ago, Shoudu Steel, out of its own funds, instituted a new wage system known as the "floating wages and grades" system. To date, 20 per cent of its workers and staff members, that is, 14,000 people, have been promoted one grade higher on the wage scale (Pi was one of them). This promotion is "floating": if he does not work as well next year, the promotion from the previous year will be cancelled. Only those who maintain their floating promotions for three years in a row can, in the 4th year, have their floating wage grades changed into fixed wage grades.

scrap materials scattered around the shop were considered refuse. Now he collected them when he had time and sent them to other sections for use. This saved the company a lot of money.

"In the past I was like an engine that has to be pushed before it ignites. Now it starts automatically," he said.

A Lazybone Gets Busy

Like Ma Guitian, Ye Zhencheng, 47, began working at Shoudu Steel in 1958.

He recalled the influences of anarchist thinking from the days of the "cultural revolution" (1966-76). "In those days, during work hours I played cards or shot the breeze with other fellows. I washed my clothing, repaired my bicycle and indeed, did everything except my work."

"That was how you earned your name, eh?" I was referring to his nickname Ye the Lazybone.

He nodded. That was what he was called 15 years ago and at that time he just didn't care. No matter what he did, he received his monthly pay just the same.

After the introduction of the responsibility system, the principle of "more work, more pay" was instituted. "Everybody got busy," Ye said. "I knew that I could not get along like I did before."

Leadership at different levels came to talk with him. One section head named Cao told him, "You're a veteran worker now. You should be leading others. Won't you be ashamed of yourself if you don't work harder to create a better life with your own hands?" Ye has a family of

four to feed. He was told that if he worked hard, he could earn more and he and his family could live better. This sounded attractive to him.

"Now, things are getting better and better in our country. I am aware that if things go on like this, the prospects are good. If we workers do not work hard, how can our country become prosperous and strong? We expect to become moderately well off in less than 20 years. We must not just talk, but act," he said emphatically.

Ye is quite dexterous. Once he realized what benefit the responsibility system would bring him, he became diligent as well. Now he is a deputy team leader who has been commended as an advanced worker.

Ye also openly described his finances. Before the reform, his maximum income was 56 yuan a month, barely enough to keep the wolf from the door. Now he earns more than 100 yuan and has some spare cash to buy some decent clothing, some non-staple foods and other small amenities. "When life gets better, we know what we are working for!" □

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OPINION

An incompetent director

There is a kind of cadres who are always in poor spirits and just muddle along. And it is precisely such persons who make enterprise reorganization difficult.

The No. 5 Wood Products Factory of the Fushun Furniture Company in Liaoning Province, for example, is only a small factory but last year it lost 181 cubic metres of wood worth 53,000 yuan. When the company decided to reorganize the factory, the company manager talked with the factory director:

Manager: "Labour discipline in your factory is poor. Why haven't you strengthened it?"

Director: "That's impossible."

M: "Why?"

D: "If I tried to tighten discipline, they would throw stones at the windows of my home."

M: "Is wood stolen from your factory?"

D: "Sure. We lose wood every-day."

M: "Why don't you stop it?"

D: "I can't."

M: "They say that you and the workers buy good lumber from the factory and pay fire-wood prices for it. And the workers steal when they can't 'buy' it. Is that so?"

D: "That's true. But nobody could stop that even if they tried."

The conclusions drawn from this conversation were: First, the director did not supervise the factory properly; second, he could not do so because of his own misdeed.

What should be done? The company leaders gave this problem careful consideration. Here is their conversation:

A: The three administrators of the No. 5 Wood Products Factory are not conscientious in their work. That's the problem.

B: Let's transfer them to some other administrative posts.

A: The workers resent this practice. They call those cadres who are always being transferred from one leading position to another but never work conscientiously, "touring cadres."

B: We simply don't have any regulations on what to do with such cadres.

A: But the CPC Central Committee has already emphasized ending the practice of lifetime leadership. It remains a form of lifetime leadership when incompetent cadres are transferred to another organization but retain their leading posts.

B: You're saying they should be removed from their posts?

A: Yes. We should remove them from their offices and let them work as ordinary clerks. And in their place we should select new leaders.

The company soon announced its decision and appointed a new Party secretary and a new factory director. Another cadre was elected from within the factory. Since the drastic reorganization, the declining factory has regained its strength and vitality.

— "Liaoning Ribao" (Liaoning Daily)



Competent Cadre

Lu Dongming (left), general manager of the Mindong Electrical Machinery Company in Fujian Province, is referred to as an "intelligent and capable businessman." Thanks to his competent leadership, the company's products sell well in Xianggang (Hongkong) and Southeast Asia.

Letter from Tokyo

A letter of thanks from the Tokyo Wako Transaction Society, dated April 19, 1982, addressed to the crew of the Chinese Qingdao Railway Sub-Bureau, reads, "My lost money and traveller's check have now been received in Tokyo. Please accept my sincere appreciation and gratitude for returning these. Yours truly, Yoshio Takata."

On April 11, Yoshio Takata took the No. 240 train from Qingdao to Beijing. On the train, he dropped his wallet down the toilet on to the tracks.

The head of the train crew, judging from the time of loss, located the likely place to find the wallet. He contacted the nearest station, Bozhen, and also asked train attendant Xiao Dai and train policeman Zhu Sizhong to get off the train and

join the station in attempting to retrieve the wallet.

A policeman from the Bozhen Station went along the tracks for 20 kilometres and found only a 10-cent note. When Xiao Dai and Zhu Sizhong arrived on the spot, they gave the whole thing some thought and concluded that the wallet must have been blown off the tracks by the wind and may have been picked up by villagers living nearby.

After a 13-hour search, they found the wallet containing a traveller's check worth 200,000 Japanese yen plus 460.30 yuan Renminbi in cash and vouchers.

Yoshio Takata sent a box of fine pastry from Tokyo which the Qingdao crew gave to Qingdao's children.

— "Gongren Ribao"
(Workers' Daily)

promote collective fisheries.

Jiefang Ribao (Liberation Daily) — Shanghai completed 3.977 million square metres of apartment construction last year, a 30.8 per cent increase over 1980, and the largest annual amount of apartment space built since liberation in 1949.

Wen Hui Bao (Literary Gazette) — Shanghai's first spare-time art school, sponsored by veteran artist Zhao Jingshen and two of his colleagues, will open soon.

Tianjin Ribao (Tianjin Daily) — Tianjin has adopted a responsibility system under which residential construction and facilities all come under the municipal building company instead of being under the original three separate companies of municipal engineering, public utilities and electricity.

Nanfang Ribao (South China Daily) — A 70-year-old senior engineer, Shen Datong has succeeded in making chemicals for developing colour films and the products sell well throughout the country, increasing the enterprise's profit by 3.7 times.

Liaoning Ribao (Liaoning Daily) — In January, provincial industrial production hit a record high, increasing by 12.5 per cent over the same period last year.

Jingji Cankao (Economic Reference) — In order to improve factory services, Xuzhou worker Li Qingfa, who is good at cooking, offered to run a canteen and assume sole responsibility for its profits or losses.

Shaanxi Ribao (Shaanxi Daily) — Vice-Director of Xian Film Studio, Lin Feng, said that the studio would make films through a contract system and would pay taxes in place of handing in a fixed quota of its profits to the state.

— "Renmin Ribao," Feb. 9, 1983

NEWS

One day's lead articles

Guangming Ribao (Guangming Daily) — Since the percentage of technical personnel in the Shanghai labour force is lower than the national average, the municipal government has suggested that Shanghai's economic development plans include the training of technical personnel. This is an important change in economic planning.

Jingji Ribao (Economic Daily) — The state agricultural bank will extend credit mainly to individual peasant households instead of communes and production brigades.

Gongren Ribao (Workers' Daily) — Veteran worker Guo Jing-

tian in Shandong Province regards the coalfield as his own home and spent his 24th Spring Festival in the coal pit.

Beijing Ribao (Beijing Daily) — To protect historic sites, the Summer Palace administration has proposed fines for vandalism.

Jiefangjun Bao (Liberation Army Daily) — Volunteer soldier Hou Xiaoxun is self-taught and has made some 30 innovations.

Hubei Ribao (Hubei Daily) — The most prosperous household in Xinzhou County, specializing in fishery, offered to lend 13,000 yuan worth of young fish to

ENTERTAINMENT

Rural recreational activities prosper

The responsibility system in rural areas has improved the cultural as well as the material life of peasants.

Many folk artists in Jiutai County, Jilin Province, have been touring in family groups. They work on the land in farming season but in slack times they travel to give performances for their fellow peasants. Guo Zhonglin with the other six members in his family formed a contingent, specializing in song and dance duet popular in the northeast. His 21-year-old daughter Guo Fengqin sings the leading roles in their repertoire of 40 with traditional and modern themes. Their performances are welcomed by local villagers.

In addition, family-run mini-theatres have sprung up. Su Fengpu turned his four spare rooms into a small theatre by taking down partitions and add-

ing stage and benches. It has a seating capacity of 150 and is visited by touring family troupes and storytellers who provide entertainment for packed audiences.

In an out-of-the-way village in Minquan County, Henan Province, three brothers Han Qingmao, Han Qingqi and Han Qingming spent 6,000 yuan on film projectors and generators and built an open-air cinema last November. This satisfied their fellow villagers' thirst for films, which in the past had been viewed as a luxury in this remote village. The regulations proclaimed by its manager Han Qingming at the opening ceremony are: Family members of PLA soldiers and revolutionary martyrs, elderly, widowers, widows and orphans — free of charge; students and teachers — half price. Thus this family cinema enjoyed 60 soldout houses in a row.

Farther south in Hubei Province, Ma Yunfa, a Tujia nationality peasant in Hefeng Autonomous County, had a grain harvest of 10,000 *jin* and an income of 4,470 yuan last year. He

bought a radio, a tape recorder, a TV set and 400 books. He subscribed to 45 newspapers and magazines, and set up his "family recreation room," free to all.

Peasants are enjoying more culture in every section of China. During this past Spring Festival, peasants used their own money to organize plentiful cultural and recreational events. They staged many traditional folk programmes, such as local operas, lion dance, dragon dance and stilt skits. In remote villages in Qinghai Province, 60,000 peasant actors and actresses took part in lively activities. The local operas were performed in Qinghai dialect and were so popular that others contracted them to perform right up until spring ploughing.

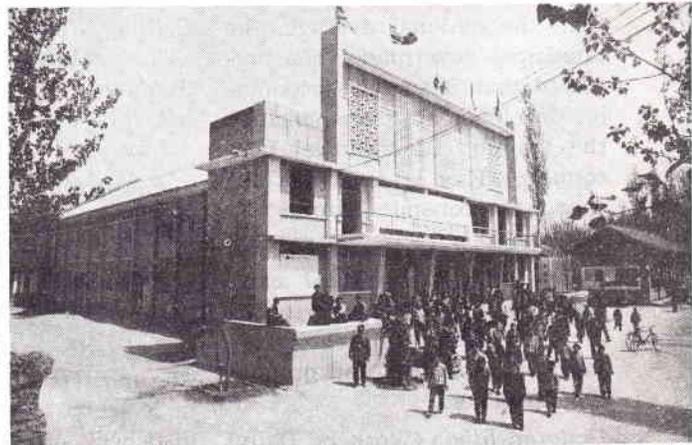
PUBLICATION

Book market flourishes

A recent survey by the head office of Xinhua Bookstore showed an increasing demand in



Left: A family touring group in Sichuan Province.



Right: A brigade-run cinema in Shanxi Province.



Booksellers are busy on Shenyang's morning market.

China for books on political theories, law, business management and youths' moral cultivation.

In Guangdong Province, more than 800,000 copies of *Cultivate Inner Beauty*, a collection of speeches by Li Yanjie, associate professor of ethics at Beijing Teachers' College, sold out quickly.

The demand for books on philosophy and political economics exceeded their supply. Marx's *Capital* sold out in many bookstores. In Changsha, capital of Hunan Province, one work unit bought up 80 sets at one time.

The Guangzhou Xinhua Bookstore carried 721 children's books and books concerning child care in the first six months

of 1982, a 46.8 per cent increase over the same period of the previous year and sales climbed to 492,000 yuan, a 2.6 times jump. As increasing numbers of Chinese families have only one child, so parents are concerned with child's healthy development and education. Books on infant care and cognitive development, picture and story books, collections of nursery rhymes as well as child rearing advice were sought.

Textbooks for self-study and short-term training courses continued hot items as

China's educational system expands. *Contemporary Chinese* and *Outline of Chinese History* for TV college courses, aids to

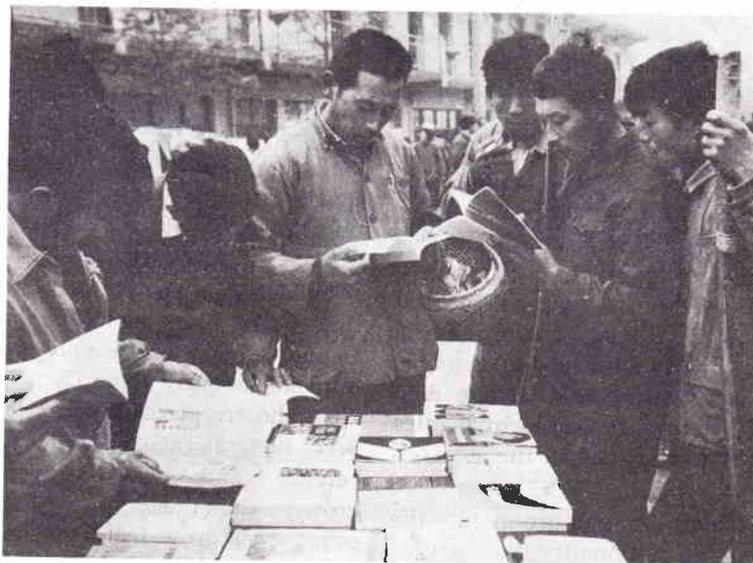
self-study of pedagogy, psychology, ethics, aesthetics and foreign languages and reference books for college entrance examinations all enjoyed readership.

Sales of books on business management, financial system, accounting, taxation and statistics rose as a result of China's modernization drive.

The responsibility system and diversified economy in rural areas have increased the peasants' interest in books about agrotechniques, livestock breeding, chemical fertilizers and insecticides.

As the people's livelihood has risen since the Third Plenary Session of the 11th Party Central Committee and more households have bought electrical appliances, purchases of books about maintenance and repair of TV sets, recorders and transistor radios have climbed.

Meanwhile, the Xinhua Bookstore's survey revealed, sales of low quality novels and some other literature decreased.



Peasants look over books offered for sale in rural areas near Shanghai.

ARCHAEOLOGY

Qidan Woman corpse

A Qidan (Khitan) female corpse which had been buried for 900 years was found in Inner Mongolia.

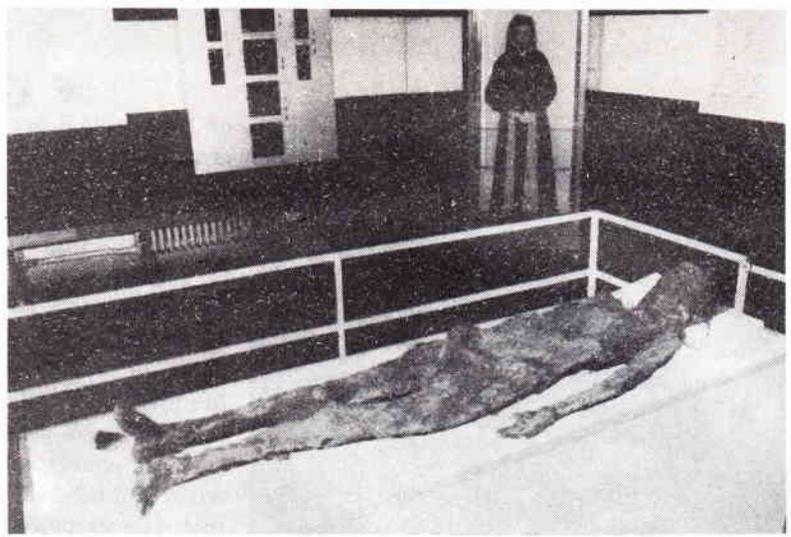
The corpse had a gold-plated bronze mask covering her head, and wore a shroud made of bronze wire mesh and a silk burial suit.

The stone arch-shaped tomb was situated at the foot of Wanzi Mountain, facing the east. It was 3.5 m high, with a diameter of 2.2 m. There were tunnels in the tomb and four chunks of stone were wedged inside against the door. The Qidan woman was found lying on a raised platform without a coffin. The burial style reflected the special features of the Qidan nationality.

The tomb is the sixth Liao tomb excavated east of Hohhot, capital of the Inner Mongolian Autonomous Region. It was among a group of tombs of the Liao Dynasty (916-1125) in the Qahar Right Wing Front Banner (a banner equals to a county).

The 1.65-metre-long corpse was well-preserved when it was discovered. Its skin was somewhat elastic and its hair, in good shape. Autopsy showed that most of the inner organs were dry and withered. The diaphragm between the chest and the abdomen, spinal nerves and parts of the lung lobes were well preserved. It was estimated that the woman was around 25 years old and her blood type, B. It was suspected that she died of white arsenic, as quantities of it were found in the stomach area.

Qidan, a sub-group of the Donghu nationality, was one of north China's ancient peoples. The Qidan emerged in the



The Qidan corpse with a reconstructed model of the woman (centre rear).

fourth century, resided in the upper reaches of Liaohe River and lived a nomadic life of fishing and hunting. In the early 10th century, the Qidan established the powerful north China state of Liao, which existed during the periods of the Five Dynasties (907-960) and the Northern Song Dynasty (960-1127).

BOTANY

Four trees from one trunk

An aged ginkgo tree, with three other trees (a Chinese pistache, a cypress and a mulberry) stemming from its trunk, was found recently at the Jingju (Seclusion) Temple in Guangshan County, Henan Province.

Ginkgo, one of the oldest tree species in the world, is often referred to as a living botanical fossil.

This ginkgo was planted more than 1,270 years ago by monk Daoan when the temple was built in the early Tang Dynasty. Now the tree is 24 metres tall, 6.77 metres in chest circumference, and 26.5 metres in crown diameter. The three other trees grow from the joint of branches with the trunk.

Specialists believe that this

phenomenon resulted from the dropping of tree-seeds by birds into the tree's forks where there was piling dust.

This ginkgo tree is particularly valuable to the study of the biological characteristics of tree species, breeding and propagation. In terms of botanical evolution, the Chinese pistache and mulberry trees are more advanced than ginkgo (the former being angiosperm; the latter gymnosperm and they seldom grow in proximity).

Ancient trees

An old walnut tree was found in the Qamdo region of Tibet during a joint survey by scientists of the Chinese Academy of Agricultural Sciences and the Tibetan Academy of Farming and Animal Husbandry.

This tree, 22.5 metres tall and 11.4 metres in chest circumference, is around 970 years old and bears 200 kilos of nuts each year.

A pomegranate tree in the same region has a chest circumference of 4.35 metres and is 810 years old; and a peach tree is 10 metres in circumference and 1,150 years old and bears peaches with smooth pits.

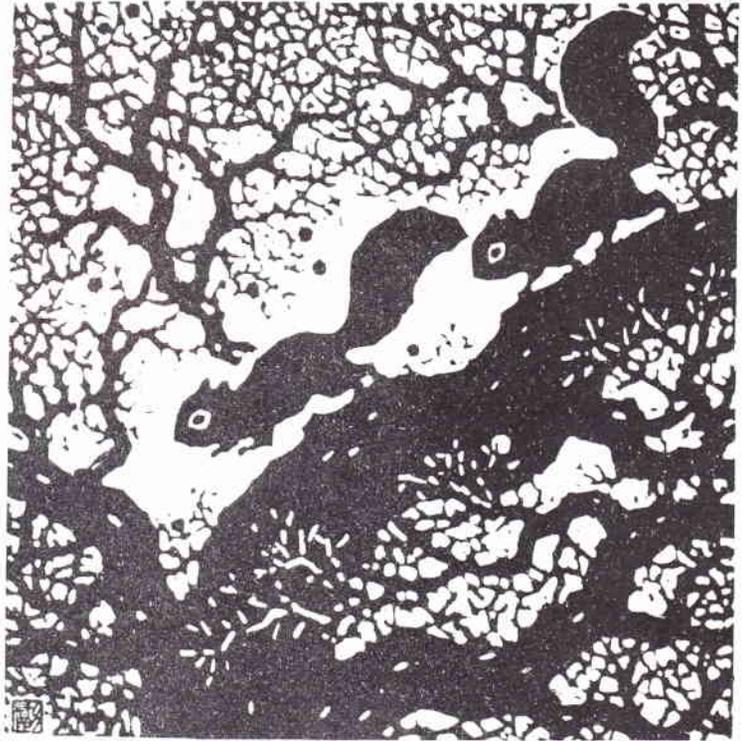
A 1,600-year-old mulberry tree was also found during the survey near Lhasa, the capital of Tibet.

ART PAGE

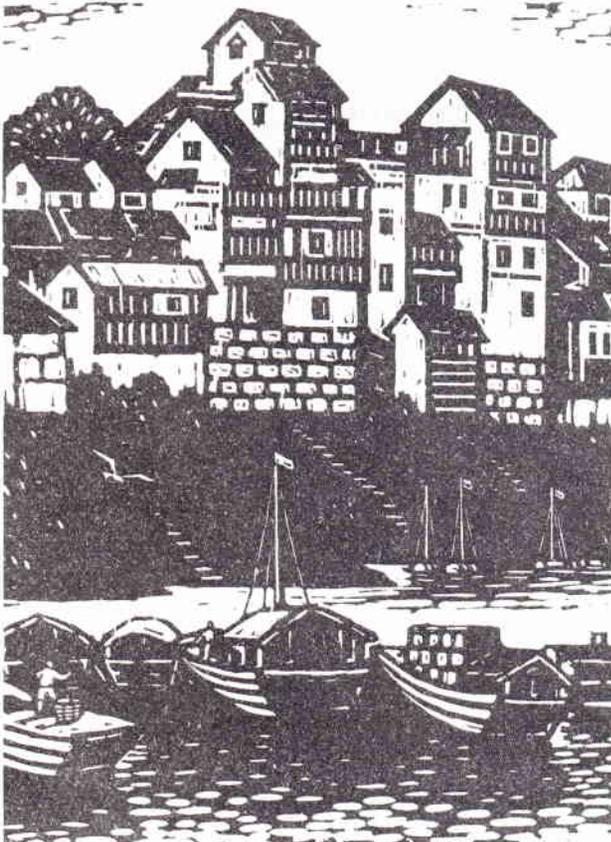
Woodcuts by Li Qun

Li Qun is one of China's experienced woodcut artists. Born in Lingshi County, Shanxi Province, in 1912, he has practised this art form for over 50 years, pursuing realistic expression with a Chinese flavour. His works capture the beauty of life.

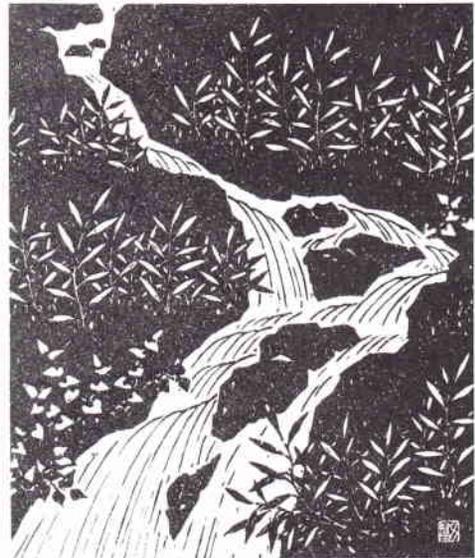
He now serves as a standing council member of the Chinese Artists' Association. Pictured here are some of his recent creations.



In the Woods.



On the Changjiang River.



Crystal Spring.

