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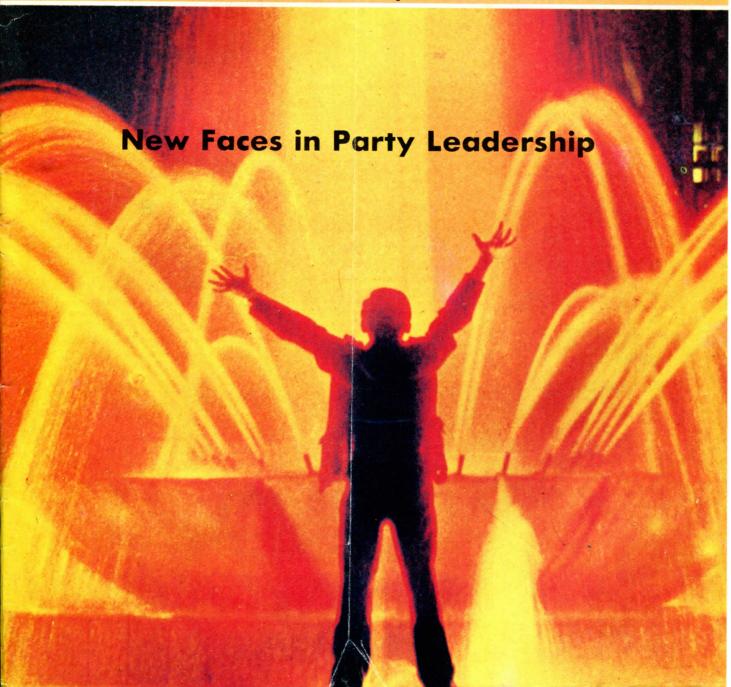
# BEIJING REVIEW

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A CHINESE WEEKLY OF NEWS AND VIEWS

**Major Speeches at Party Conference** 

Why SEZ Is an Experiment





A Uygur elderly goes to market by donkey.

Uygur girls selling *Nang*, a kind of crusty pancake (staple food of the Uygur and Kazak nationalities).



# Peasants from Hotan Prefecture selecting fabrics.

## A Glimpse of Free Market in Xinjiang



A fruit stand in Korla.

SPOTLIGHT

With more money to spend after a rich harvest, peasant Tula Olayin buys a horse and returns home from the market.

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COVER: Walking towards a promising future in high spirits. Photo by Ge Boxun HIGHLIGHTS OF THE WEEK

#### CPC Places Future in Hands of New Generation

In a bold move, the CPC elected 64 new and younger members to the Central Committee, while also approving proposals for moderate economic growth for the Seventh Five-Year Plan period (p. 6).

#### New Politburo and Secretariat Members

The Fifth Plenary Session of the 12th Party Central Committee elected six new members to the Political Bureau and formed an 11-member Secretariat, with several new faces added (p. 7).

#### Important Speeches at the Party Conference

Full text of speeches by Deng Xiaoping and Chen Yun delivered at the national Party conference deals with some of the major issues of the times (p. 15).

### SEZs: Why an Experiment

China's special economic zones have made much progress since their establishment. But they remain test sites for ambitious reforms — experiments that will take years to complete. Their role as "laboratories" in these sweeping social and economic changes is crucial to the nation's future (p. 4).

#### 40th UN Session Focuses World Attention

The United Nations marks its 40th anniversary this year. The session will attract worldwide attention, though solutions to many of the issues before it will be difficult to find (p. 11).

## A Film That Sparks Patriotism

Four Generations Under One Roof, the TV series based on Lao She's novel about ordinary Beijing residents' experiences during the War of Resistance Against Japan, was shown nationwide for the second time in August. This issue's article tells of the "secrets" to the film's popularity (p. 32).

## SEZs: Why an Experiment

#### by WANG DACHENG

**Economic Editor** 

In a meeting with foreign guests, a Chinese government leader said, "The Shenzhen Special Economic Zone is an experiment." Immediately afterwards, some overseas news agencies and newspapers commented that this meant the special zone is a failure. This, however, is groundless. Worries about the future of the SEZs are unnecessary.

Soon after China introduced its open policy, it established special economic zones at Shenzhen, Zhuhai and Shantou in Guangdong Province and Xiamen in Fujian. Flexible and preferential policies have been adopted in these areas to attract foreign funds, advanced technology, equipment and management expertise. These measures are an important policy-decision for promoting China's socialist modernization.

After the founding of the Soviet Union, Lenin said that a socialist country could use the funds and technologies of capitalist countries. But there is no thesis in Marxist-Leninist literature about the special economic zones, which are mainly composed of joint ventures and foreign-owned enterprises and have close ties with the international market. There is also no precedent for the SEZs in socialist countries. The special economic zone, in short, is a Chinese creation. And because of this we have to experiment and constantly sum up our new-found knowledge in order to find ways to make the special zones a success. We have already accumulated much valuable experience in the past five years. But the process is not complete and still must be developed in depth. It is in this sense that the special zones are still an experiment.

other words. it will experimentation take much to decide whether advanced foreign things can be used in China. The special economic zones are ideal places for carrying out this experiment. Things that prove suitable can be spread to all parts of China, while those which prove otherwise will not have much negative effects on the whole situation because their influence is limited within the SEZs.

In the past five years, the four SEZs have achieved much progress. They also have some problems; but generally speaking, they are developing healthily and their difficulties are being resolved. Among their main attainments:

- Large-scale capital construction has been undertaken, their investment environment has improved, and industry has developed rapidly. In Shenzhen for example, industrial output value increased from US\$20 million in 1979 to US\$600 million last year. In the first half of 1985, the figure topped US\$400 million.
- By the end of last year, the four special zones had signed more than 4,700 agreements with foreign businesses. A total of US\$2 billion in foreign investment was involved, of which US\$840 million has been used in the special economic zones. In the first half of this year, another 406 contracts were signed. Foreign investment amounted to US\$390 million, of which US\$160 million has been

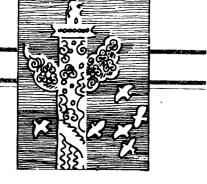
used, showing a marked increase over the same period a year ago.

- Successes have been achieved in urban economic reforms, and some of this experience has been spread to other places in China.
- Living standards have generally improved, society remains stable and the number of criminal cases has dropped.

When the special economic zones were established, the government stressed that they should develop a foreign-oriented economy. This means they should mainly be funded with foreign investment, with attention focused on importing technology- and knowledge-intensive projects. Their products are mainly to be sold abroad, and it is envisaged that exports will gradually make up 70 percent of the SEZs' total output value. A favourable balance of foreign exchange income and expenses must be achieved.

The special zones have taken the first step towards establishing a foreign-oriented economy. In the first half of this year, the industrial output value of joint ventures, foreign businesses and cooperative enterprises in Shenzhen accounted for 56 percent of the city's total, up 120 percent over the same period last year. The city sold US\$128 million worth of goods abroad. Exports rose from 20 percent in 1984 to more than 30 percent of its total sales volume, and the figure will continue to grow if greater efforts are made.

Currently, some of the special zones have failed to balance their foreign exchange income and expenses. That balance has been



basically maintained in Shenzhen's foreign investment sector because most of its products are sold abroad. But problems arise from enterprises set up by Chinese ministries, provinces and municipalities in the SEZ. These factories' products, however, are not competitive enough on the international market and a large portion of them is therefore sold at home. State foreign exchange subsidies are needed to prop the factories' operation. This problem has to be solved through fresh efforts.

At present, Renminbi, foreign exchange certificates and Hong-kong dollars are all used in the SEZs. The Chinese government attaches great importance to the problems caused by the multicurrency system there.

The general mood in the special economic zones is good, but there are also some malpractices, such as engaging in unlawful deals for ill-gotten profits, illegal trade in foreign currencies, and smuggling and trafficking in smuggled goods. These problems have aroused the authorities' attention and are being examined and tackled. From last November through March, the Shenzhen authorities checked more than 300 companies dealing in imports and exports. They found that 66 of which had violated China's foreign exchange control system. This practice has already been checked.

We are full of confidence that over the next few years we will gain more experience in running the special economic zones, and that they will play a great part in our country's construction.

#### LETTERS

## Exposing Superpowers' Evil

I read Beijing Review from end to end and appreciate your neutral position between the two superpowers. I feel China not only can make the United States and the Soviet Union maintain a military balance, but also can do a lot more. May I suggest that you try to expose the sufferings they have caused us by their wrong doings. Because, it is they who are responsible for the clashes and sufferings in the third world. You could report about the source of the tense situations in the world, and the immoral role the two superpowers are playing.

I feel your magazine does not give enough space to Africa. In order to attract more readers, you should write more about the daily life of your people. Some of my friends also read *Beijing Review*. They hope you will print more articles about Chinese wushu (martial arts)

Ba Ousmane Bogue, Mauritania

#### In Praise of a Good Series

During the 40th anniversary of the victory of the anti-fascist war, Beijing Review published a series of articles, which helped us recall the immeasurable contributions the Chinese people and the CPC made in their struggle against one of the world's strongest fascist countries. It was very sensible to organize such a set of articles, which were all excellent and easy to read.

Please continue publishing the statistics of the economic development in China. It is easier to

understand than lengthy articles and speeches.

Boccon-Perroud Bernard Pantin, France

#### Criticisms and Suggestions

I must say I value greatly being kept up-to-date with events and thought in modern China, for I foresee a great future for your people, especially since there has arisen a determination to seek justice for all your citizens.

However, to be frank, I consider your periodical does not do justice to your long-established culture, a culture renowned for its art and dignity. The recent colourful covers are a great improvement, but inside, the format does not gladden the eye, give a feeling of substance, rather does it give the impression of being down-at-heel!

In the latest issue the woodcut of "Trees," and similar woodcuts or papercuts elsewhere, did give me real joy. Like many of your correspondents I do appreciate the articles at the back on modern Chinese art and the latest archaeological discoveries.

Equally I value the articles on all aspects of daily life in China today, such as "Peasants Turn to Science for Help." It is good, too, to know what your young people do, think and enjoy.

Of course we do need to know what the government is doing and planning, and how the economy is faring; but statistics can be overdone, and many of these articles seem to come from sterile bureaucratic pens, incapable of sorting out the significant from the insignificant.

Hugh Seeds Hastings, New Zealand

## Conference Puts Future Into Younger Hands

The national conference of the Chinese Communist Party was the scene of a spectacular top-echelon shakeup this month, with 64 new leaders elected to posts on the Central Committee — 29 as full members and 35 as alternates. The new members, who replaced retiring Party veterans, average 50 years old. Seventy-six percent are college educated. Most were earlier elevated to high Party and government positions at the national or provincial level after the 12th Party Congress of 1982.

Another 56 officials joined the Central Advisory Commission, and 31 became members of the Central Commission for Party Discipline Inspection, following the resignation of 67 aging functionaries.

The reshuffle comes as the conclusion of two previous reform moves. One, in February 1982, ended de facto lifetime tenures for Party officials by establishing a regular retirement system. The other, carried out in the nine months prior to the September 18-

Hu Yaobang addresses the opening session



21 conference, gave more than handled at the National Party Con-200,000 younger, better-educated gress which convenes every five people leadership responsibilities years. But the 13th Party Conat and above the county level. gress is still two years away. "We

This orderly transfer of power to a new generation of officials has "done much to make the leadership of Party organizations and government departments better able to meet the requirements of socialist modernization, and to guarantee the continuity of the Party's Marxist principles and policies," said Party General Secretary Hu Yaobang as he opened the conference.

Not all of China's aged revolutionaries have stepped down, however. The Party has opted to keep some of its elder statesmen at the helm of its top policy-making bodies. Deng Xiaoping, 81, will remain in the Political Bureau along with President Li Xiannian, 76, and Chen Yun, 81, a chief architect of China's economic reforms.

The conference was also something of a race against time. Normally, important matters are

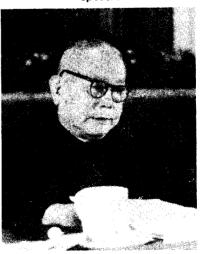
Zhao Ziyang explains proposals for drafting the Seventh Five-Year Plan.



handled at the National Party Congress which convenes every five years. But the 13th Party Congress is still two years away. "We cannot afford to wait that long," said Zhu Muzhi, a conference spokesman. "The next few years will be crucial to China's economic rejuvenation in the 1990s, and are the first step towards attaining the goals the Party has set for the end of the century."

While the conference was arranging future changes, there have been no changes in the Party's policies or areas of emphasis as some foreign press reports have speculated. The resignation of some top military leaders from the Political Bureau, for example, will not affect the role of the People's Liberation Army. Hongkong will remain vital to the country's reunification efforts even though Xu Jiatun, the highest-ranking Party official ever to become the Xinhua News Agency's Hongkong bureau chief, has quit his Central Committee post to take up membership on the Central Advisory Commission.

Li Xiannian delivers the closing speech.



With the leadership readjustment smoothly effected, the Party is now in a better position to meet the concrete challenges of economic reform. After six days of free and full debate, the conference approved proposals for the Seventh Five-Year Plan (full text will be carried in BR, No. 40).

Before they were tabled, the proposals went through seven rounds of major amendments under the scrutiny of more than 1,000 economists and planners. The keynote: Pressing ahead with the current reform drive to lay a solid foundation for dynamic, rational development. "Only when we remove all stumbling blocks to the growth of the country's productive forces and build up a new economic system full of vigour can we ensure sustained economic developments for years to come," said Zhu.

The suggested economic targets for the Seventh Five-Year Plan are ambitious, yet moderate enough to keep the economy on an even keel. China's gross national product (GNP) will grow at an estimated annual rate of 7 percent, a pace that will allow it to hit 1,100 billion yuan by 1990.

It is believed that this and other realistic targets will help arrest the country's current runaway industrial expansion, ballooning capital construction investment and exploding consumer purchasing power, and channel its enerimproving product into quality and getting better economic results. Balanced and systematic economic development, said Chen Yun, "is the only way to achieve the highest possible growth rate."

Opening to the outside world will remain a basic state policy. The proposals stress the importance of strengthening trade and other economic exchanges with foreign countries. They also call

## New Faces in Party Leadership

The major Party leadership reshuffle culminated in the election of six new members to posts in the Political Bureau at the Fifth Plenary Session of the 12th Central Committee of the Communist Party of China on September 24.

Elected as full members were Tian Jiyun, Qiao Shi, Li Peng, Wu Xueqian, Hu Qili and Yao Yilin, who replaced 10 veterans, Wang Zhen, Wei Guoqing, Ulanhu, Deng Yingchao (Mm. Zhou Enlai), Ye Jianying, Li Desheng, Song Renqiong, Zhang Tingfa, Nie Rongzhen and Xu Xiangqian. Political Bureau members remaining are Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Wan Li, Xi Zhongxun, Fang Yi, Yang Shangkun, Yang Dezhi, Yu Qiuli, Hu Qiaomu, Ni Zhifu, Peng Zhen and the two alternate members Qin Jiwei and Chen Muhua.

The Standing Committee of the Political Bureau remains unchanged except for the resignation of Ye Jianying. The Standing Committee is thus composed of Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian and Chen Yun.

At the same time, Qiao Shi, Tian Jiyun, Li Peng, Hao Jianxiu and Wang Zhaoguo joined the Central Secretariat, while Xi Zhongxun, Gu Mu and Yao Yilin resigned from it. Secretariat members remaining are Hu Yaobang (general secretary), Hu Qili, Wan Li, Yu Qiuli, Chen Pixian and Deng Liqun.

According to a session communique, the reshuffle is intended to give new vigour to the Political Bureau and the Central Secretariat and will help further consolidate and develop the current excellent political and economic situation in China, as well as promote its overall reform and the socialist modernization drive.

CONCRETE CONTRE CONTRE

for better handling of China's special economic zones and the 14 open cities and the three delta areas recently opened to foreign investment.

China's modernization drive, the Party conference warned, still faces formidable challenges. The country's huge population, weak economic foundation and low technological level all constrain the growth of its economy. A particular problem at present is overheated industrial growth. Industry grew by 14 percent in 1984 and 22.8 percent in the first six months of 1985.

One more problem is that, due to lack of attention on the part of the entire Party membership, much remains to be done to build a socialist society advanced culturally and ideologically. As Deng Xiaoping puts it, "Material progress will suffer delays and setbacks unless we promote cultural and ideological progress as well. We can never succeed in revolution and construction if we rely on material conditions alone."

Major efforts are needed to address these problems. But the new generation of younger, more competent officials, together

#### News in Brief

#### Rocket Launch Dates Fixed

According to the Xinhua News Agency, China will launch a carrier rocket to a target area in the Pacific Ocean with a radius of 35 nautical miles, centred at 28 degrees 13 minutes north latitude and 123 degrees 53 minutes east longtitude, between September 28 and October 18.

#### Islamic Centre Planned

Ground recently was broken for a centre for China's Islamic activities in Yinchuan, capital of Ningxia Hui Autonomous Region.

The Ningxia Islamic Cultural Centre, which covers 15 hectares, will include a 2,500-seat domed mosque, flanked by three minarets and other facilities. Most of the cost of the project, estimated at 20 million yuan, will be covered by the state, with some money coming from the region and Islamic countries and organizations.

#### China Bans Blood Imports

In an effort to prevent the occurrence of AIDS, or Acquired Immune Deficiency Syndrome, China has banned the import of all blood products except a small quantity of human serum albumin, a type of blood with the greatest functional capacity for regulating blood flow.

The decision was made recently by the Ministry of Public Health and the General Administration of Customs.

with economic targets set at a sensible level, are expected to bring sustained, steady development to help the country attain its goals by the end of the century.

## Guizhou Gets New Young Party Chief

China's bureaucratic reform drive took a giant step forward this summer when remote Guizhou Province in the southwest came under the leadership of Hu Jintao — at 42, now the youngest among the country's 29 provincial Party committee secretaries.

Born in eastern Anhui Province, Hu gained a degree in engineering from Qinghua University in 1965. He later took part in the construction of two hydroelectric power stations on the Huanghe (Yellow) River while serving as deputy director of Gansu Province Capital Construction Commission and secretary of the provincial Youth League committee. He was named secretary of the Youth League Central Committee in 1982.

On his new assignment in Guizhou, Hu said: "Ever since I came here I have linked myself closely with the rejuvenation of the province, with the destiny of its 29 million people."

After an 11-day tour of local prefectures and counties, he said that Guizhou has high promises with its rich natural resources, beautiful landscapes and hard-working people.

His efforts will initially focus on the current economic reform and give first priority to education, Hu said.

"I'll pay much attention to the specific conditions in building the province and must not mechanically follow the experience of others," he added.

Hu Jintao was elected one of the 56 newly elected members of the Chinese Communist Party Central Committee at the recent national conference.

Reshuffle. China has completed the readjustment of leading bodies in all 29 provinces, autonomous regions and municipalities, according to the Party's Central Committee organizational department.

So far, 126 younger officials have been promoted to Party and government posts at the provincial level since the reorganization started in April 1984. About 90 percent of these officials are under the age of 55, and 80 percent of them are college-educated.

The average age of provincial Party and government leaders has dropped from 57 to 53. About 60 percent are college educated, against 43 percent previously.

"This marks a big step forward in making the leading bodies of Party committees and governments at this level younger, more knowledgeable and professionally competent," a spokesman said.

All provincial, autonomous regional and municipal leaders above the age of 65 have retired except four, who will stay on with the approval of the Central Committee.

# Singapore Leader Visits Beijing

There are no disputes between Singapore and China, Singaporean Prime Minister Lee Kuan Yew told Chinese Premier Zhao Ziyang last Thursday in Beijing.

"The purpose of my visit to China is to renew friendship with Chinese leaders and to search out new ways for expanding economic contacts," he added.

During their meeting in Bei-

jing, the two prime ministers discussed the development of bilateral economic relations.

Zhao said that, in addition to their trade, economic and technological ties, China and Singapore would also explore other areas of co-operation. Exchanges of personnel were one way to learn from each other's experience, he added.

Lee praised China's achievements of the past few years, and made suggestions for future work. "According to the Singaporean experience, the mental outlook and working attitude of managers and workers are very important," he said.

During his three-day visit to Beijing, Lee also met Chinese leaders including Deng Xiaoping and President Li Xiannian.

# TV Satellites Now Hit Outback China

Residents of Lhasa, one of China's remotest cities, now watch pro-

grammes transmitted by Central Television (CCTV) at the same time as viewers in Beijing, thanks to the wonders of modern technology—a new satellite ground station which went into operation this month.

The station is one of 53 recently installed in 16 provinces and autonomous regions including Tibet, Xinjiang, Qinghai, Gansu, Ningxia, Guizhou and Shaanxi.

More than 1,000 satellite receiving stations will be built nation-wide in the next two years.

An agreement between the Chinese Ministry of Posts and Telecommunications and the International Telecommunications Satellite Organization allows China to use satellites orbiting over the Indian Ocean for three months free of charge. CCTV will begin paying user's fees of US\$1.6 million a year in November.

All the equipment in the receiving stations was designed and produced in China by an institute under the Ministry of Posts and Telecommunications.

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© Satellite stations now in operation

1. Heilongjiang Province; 2. Jilin Province; 3. Inner Mongolia Autonomous Region; 4. Xinjiang Uygur Autonomous Region; 5. Gansu Province; 6. Ningxia Hui Autonomous Region; 7. Shandong Province; 8. Shaanxi Province; 9. Qinghai Province; 10. Tibet Autonomous Region; 11. Sichuan Province; 12. Jiangxi Province; 13. Hunan Province; 14. Guizhou Province; 15. Yunnan Province; 16. Guangxi Zhuang Autonomous Region.

China plans to buy two foreignmade telecommunications satellites to be launched in early 1987. By the end of that year, the country will also orbit the first home-made TV satellite, with which CCTV will stretch its broadcast time by more than eight-fold to 172 hours a week and its programmes will be received in 64 percent of the country, up from 30 percent today.

China currently has only one experimental telecommunications satellite in orbit. Several years are needed before it can be applied to general purposes.

According to Li Yuan, director of a Shanghai research centre under the Ministry of Posts and Telecommunications, China will have to build 30,000 receiving stations to make CCTV available to 95 percent of its total land area.

# Progress Made In Medicine

Significant progress has been made in Chinese medicine as a result of the co-ordinated efforts of the medical workers throughout the country, according to Chen Minzhang, vice-minister of public health.

At a national conference held recently on scientific and technological work in medicine and health, Chen said that for many years Chinese medical scientists have chosen as their major research projects the prevention and treatment of diseases that seriously threaten the people's health.

Chen said a number of important achievements have been made in epidemiology, pathology, early diagnosis and comprehensive treatment as a result of this concentrated effort.

Recently, researchers have finished investigating the number of deaths from malignant tumours over a period of three years throughout the country. Using five years as the standard period, they found the survival rate for liver cancer has reached 72 percent; for esophagus and stomach cancer, 40 percent and 30 percent respectively. Among these diseases, if discovered in the early stages, the survival rate can reach around 90 percent on the average, according to the research findings. These figures are near or up to the advanced international standards in treatment of malignant tumours.

In cardiovacular diseases, China has also made progress in recent years in the study of rescuing, nursing and treating of acute myocardial infarction or heart attack victims. The death rate of inpatients in acute stages has dropped from 40 percent reported in the 1970s to the present 10 percent. The cure rate of lung-heart disease, which is very common in some areas in China, has risen remarkably. According to the statistics in Beijing, death rate for lung-heart disease sufferers has dropped from 31.7 percent recorded before 1973 to today's 14.6 percent.

Supervision and survey of these and other diseases is being introduced across the country. Data on life expectancy, health organizations, epidemics, immunity programmes and the examination of pathogens has been collected. So far 40 supervision points have been established in 16 provinces and municipalities, covering a population of 5 million.

Systematic and persistent research has been made in the prevention and curing of schistosomiasis, malaria and filariasis, Vice-Minister Chen said. The number of epidemic areas has been reduced markedly and the number of sufferers has dropped considerably.

While confirming the achievements, Chen said the current and most arduous task for Chinese medical workers is to apply and popularize the techniques they have mastered in the prevention and treatment of diseases. Both central and local governments should earmark special funds to support the exchange and spread of the scientific achievements that have proved to be efficient.

Although traditional diseases such as schistosomiasis, malaria, filariasis, tuberculosis and hepatitis have dropped considerably due to long years of efforts, heart diseases, cerebral diseases and malignant tumours seem to be rising in China. Statistics from last May showed that these diseases are the top three killers in China. The three were the fifth, sixth and seventh in 1957 respectively. A 1983 survey of 28 cities, including Beijing and Shanghai, showed that 21.4 percent of the people died of heart diseases; 21.3 percent from cerebral diseases and 20.5 percent from malignant tumours.

In Shanghai, cancer has become the No.1 killer, closely followed by heart disease, according to recent statistics from the Shanghai Tumour Research Institute. At present 26 percent of all deaths in the city are caused by cancer. annual incidence the 1980s has been around 14,000. of which about 10,000 cases are fatal. Among the cancers the most fatal are stomach, lung and liver cancers. Around 55 in 100,000 men and 23 in the same number of women are diagnosed with stomach cancer each year.

The increase of these diseases has been attributed largely to the improvement of living standards and improper diet habit, the worsening of industrial poliution and the increasing tension of modern life

### China & the World

Sino-Japanese Trade Seeking Balance

Balance is necessary for the further development of trade between China and Japan, said Deng Xiaoping, at a meeting with a Japanese.

Deng told the delegation led by Yoshihiro Inayama that in trading with China, Japanese entrepreneurs should consider the entrance of Chinese commodities into Japanese and international markets along with Japan's exports to China. Deng said that only with a better trade balance could a bright future for the economic relations between the two countries be ensured.

#### Madrid, Beijing Foster Ties

Officials from Beijing and Madrid signed an accord in September pronouncing the two capitals "sister cities."

The agreement, signed in Madrid on September 16, marks a new stage in the friendly relations between the two cities and provides favourable conditions for Sino-Spenish co-operation in economic, trade, science, technology, culture, education and urban construction.

## Korea: Joini Olympic Sponsorship Urged

Zhong Shitong, chairman of the Chinese Olympics Committee, recently wrote to Chairman of the International Olympics Committee luan Antonio Samaranch urging him to help 'North and South Korea reach an agreement on jointly sponsoring the 24th Olympic Games due to be held in Korea in 1988.

#### **United Nations**

## Session Becomes World Focus

The 40th session of the UN General Assembly will become the focus of world attention with scores of world deaders arriving in New York to speak on international

#### JAY CHEN YICUN

The 40th session of the United Nations General Assembly opened on September 17 and will climax between October 21 and 24, a period specially set to celebrate the 40th anniversary of the sounding of the world body.

Over the past 40 years, the world situation has changed much. The global colonial system has distintegrated. Founded by 51 countries, the UN now has 159 members, two thirds of them from the developing world. The rise of the third world has given the UN a new look.

But due to the arms race and competition between the two superpowers, the session will be marked by calls for arms reduction, and this issue will likely dominate many speeches and motions.

Heads of state or government from 86 countries and special envoys from 18 more are set to address the assembly.

A declaration will be adopted on October 24 to reaffirm the aims and principles of the United Nations Charter and call for disarmament, the maintenance of world peace and closer international economic co-operation. Meanwhile, the assembly will also declare 1986 "International Peace Year"

in an effort to mobilize people of all nations to urge arms reduction and the prevention of nuclear war.

On September 26, the Security Council will hold a foreign ministers' meeting on ways to bolster the council's role in anticipating or checking aggression and preserving world peace.

According to an interim agenda, 147 motions will be submitted for discussion, many of them related to disarmament and security. Already, 150 representatives, including 13 heads of state, are listed as participants in the 3-week general debate.

It is supposed that the coming Soviet-US summit will also touch on the issue of disarmament. But UN sources say it will be difficult to reach substantive agreement since both sides have been taking a tough line on the issue. This will also be true for the UN assembly.

South Africa, already condemned worldwide for its apartheid system and the suppression of its black citizens, will come under further attack in the UN session. The call for sanction against Pretoria will be clearer than ever before. Some officials point out that this year marks the 25th anniversary of the UN declaration giving colonial nations and people their independence. The Namibia independence plan was also been passed by the UN seven years ago, but Namibia is still ruled by South Africa. This aspect of the South African problem is also expected to be given much attention.

At previous sessions, most UN members have demanded the with-drawal of Soviet troops from Afghanistan and a Vietnamese pull-out from Kampuchea. The two countries have turned a deaf ear to these demands, and will again



come under fire at the new session.

The issue of the Middle East will be again raised, but no progress is expected as the United States refused to abandon its pro-Israeli policies.

The global economy will be another major issue for discussion. The third world countries will appeal to the international community to set up a new economic order, eliminate trade barriers and solve the debt problem.

The Iran-Iraq war, Cyprus and Central American issues will also be brought up at the assembly.

During their stay in New York, the international leaders will hold private meetings and exchange views on issues of mutual interest. This, pundits say, will contribute to promoting bilateral relations and solving disputes.

Although the superpowers can the power of the United Nations to settle these problems remains limited.

no longer call the tune at the United Nations, however, their influence should not be underestimated. As long as they oppose solutions to some important international issues, observers note,

## Northern Africa

## **Expulsions Create New Tension**

Libya's expulsions of foreign labourers have increased tension in an already volatile region. But although the crisis continues, a showdown seems improbable.

## by REN WENHUI

IBYA'S relations L neighbours with in northern Africa, especially Tunisia, have recently deteriorated because of its expulsion of foreign workers. The situation, though not get explosive, is getting tense.

Libya, one of the continent's major oil producers, has a population of only 3.2 million. As its oil income increased, it imported labour to complete the large numconstruction of projects mounted by the government. In boom times, the country employed as many as 1 million foreign workers to meet its manpower needs. Immigrants poured in from Egypt, Tunisia, Mali, Mauritania, Niger, Algeria and Turkey. When the expulsions began in early August, there were about 100,000 Egyptians and 92,000 Tunisians in Libva.

Within a month more than 40,000 of them had been deported. Most were Tunisians, an estimated 28,000 of whom were sent home. Some 6,000 Egyptians were also sent packing. According to Tunisian press reports, many of the deportees lost property, passports and money in border confiscations by Libyan officials.

The Libyan authorities said the move was made necessary by falling oil income. Many construction projects had been cancelled, while a number of others were now completed, they added.

In fact, Libya's oil output has dwindled to about 45 million tons a year from its 1979 high of 100 million tons due to a glut on the international market. This year Libya will earn US\$8 billion from oil production, down from US\$23 billion in 1980.

However, Libvan leader Muammar Gaddafi claimed that the expulsions were caused not by economic pressure, but by a political decision. The foreigners were not skilled workers, he said, and could easily be replaced with Libyan labour. He also criticized Egypt for its policies towards the Arab-Israeli conflict, and the massing of Egyptian troops on the Libyan border. Libya could not allow money earned within its borders to be used for supporting Egyptian policy, Gaddafi said.

Following the Libyan expulsions, Tunisia in turn deported Libvans. including diplomats, for spying and inciting terrorism and sabotage. Tunisian authorities also reinstated the use of visas between the two countries and closed down a Libvan cultural centre in Tunis.

In retaliation, Libya abrogated all its agreements with Tunisia and cut off trade ties. Libyan military planes intruded into Tunisian air space twice in August, and troops from both sides are assembling along their border.

With the crisis escalating, Algerian President Chadli Bendjedid made a brief surprise visit to Tunisia on September 2, in which he assured Tunisian President Habib Bourguiba of Algeria's assistance. On September 3, Egyptian President Hosni Mubarak warned Libya not to use force against its neighbours. Other Arab states including Iraq and Jordan also expressed their support for Tunisia. Tunisian Prime Minister Mohamed Mzali declared on September 4 that all Tunisian workers and technicians in Libya would be repatriated.

According to observers, Algeria's move towards closer ties with those opposed to Libya is aimed at offsetting Libya's alliance with Morocco and redistributing the balance of power in northern Africa. As far as the Algerians are concerned, they add, the Libyan expulsions were engineered by the Tripoli-Rabat axis.

#### Middle East

## Arab Nations Set to Solve Disputes

With the help of an Arab reconciliation commission, Syria, Jordan and Iraq have made new contacts to improve their relations and strengthen unity in the Islamic world.

## by CHEN JICHANG and ZHOU GUOMING

SEPTEMBER may prove an important month in Arab history. During that time, Syria, Jordan and Iraq began contacting each other, directly or indirectly, in an effort to resolve their long-standing disputes and feuds. Officials of an Arab reconciliation commission visited the three countries September 10-13. Jordanian minister of transport then journeyed to Syria, and the prime ministers of Syria and Jordan met for the first time in seven years in Jiddah, Saudi Arabia. These diplomatic exchanges served to improve not only their relations, but the general political climate in the Arab world.

Syria has long-standing disputes with Jordan and Iraq on a number of issues. Amman, with the support of Iraq, holds that the Jordan-Palestine joint agreement provides a basis on which to seek a fair solution to the Middle East question. Damascus, on the other hand, denounces this as a betraval of the national rights of the Palestinians and has boycotted the Middle East peace talks together with the opposition faction in the Palestine Liberation Organization. On the Iran-Iraq war, Syria sides with Teheran, while Jordan supports Baghdad. When Jordan restored diplomatic ties with Egypt last September, the move was described by Syria as a violation of Arab summit conference resolutions. Damascus also resents Iraq, which maintains substantial bilateral ties with Cairo, although they have no formal diplomatic relations.

These disputes led Damascus to boycott the Extraordinary Arab Summit Conference held last month in Morocco and seriously undermined Arab unity. In view of this, the summit decided to set up a reconciliation commission composed of Saudi Arabia, Tunisia and the Arab League to mediate

between Syria, Jordan and Iraq. It seems that the commission has achieved some initial successes.

Saudi Arabia played the key role in the effort. It has maintained good relations with all three quarreling countries and has given them financial aid, making it an influential arbitrator. Rivad, which made important contributions fo the convocation of the 1982 Arab Summit in Fez, Morocco, is now working hard to harmonize Arab relations and pave the way for the twice-postponed 13th summit it will host in November. However. reconciliation drive requires sustained efforts by all the Arab nations. Middle East observers note. This is not an easy task, they say, because of the complexity of Arab affairs and outside interference. But it is not an impossible task, either. For, as Saudi Crown Prince Abdul Aziz said. "The links between Arab nations based on brotherhood are much stronger than their differences."

## Britain

## **Unemployment Causes Social Unrest**

Britain's unemployment, still high in spite of the country's economic progress, has led to a major cabinet shakeup and social unrest.

#### by LI YUNFEI

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m E}^{\,_{
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m Prime}}$ this month, British Minister Margaret Thatcher announced a major cabinet shakeup: Lord Young was appointed Secretary of State for Employment, Leon Brittan designated Secretary of State for Trade and Industry and Kenneth Clarke was given the post of Paymaster General as well as the Lower House's spokesman for the Department of Employment. This is the biggest cabinet reshuffle since Thatcher came to power in 1979, and it is aimed, as stated by the prime minister, to tackle

Britain's record unemployment in time for the next general election.

Unemployment is Britain's most severe economic headache. The number of jobless has risen continuously for the past six years—from 1.4 million in 1979 to today's 3.2 million, or 13.4 percent, the highest of any Western industrial country. This stunning rate is attributed, first, to the decline of traditional industries, which results in factory closures and the dismissal of large numbers of workers.

Second, the application of new industrial techniques and modern management methods, though helpful in enhancing work efficiency and boosting product quality, has deprived many of their jobs. Each year since 1983, about 140,000 more people have been thronging labour exchanges to look for jobs.

In Britain today, unemployment is also a social and political problem. Last year, the government's closedown of some of the unprofitable coal pits prompted the largest strike in British labour history. The same year, another threatening strike loomed when the railroad department announced plans to abolish the jobs of attendants on its train. This year, a labour-management dispute between the Mirror Organization and its workers led to a temporary halt of all of the organization's publications. The reason was that print workers opposed the adoption of electronic composing techniques which would have thrown them out of work. The recent riots in Birmingham, opposition leaders say, was related to unemployment. About 50 percent of the black youths in that area are jobless.

Thatcher government's monetary policies have yielded inspiring achievements in the past six years. Inflation has been reduced and the domestic economy has made a strong recovery. Since 1981, Britain's gross national product has been rising at an average of 3 percent annually, while international trade has seen successive surpluses. These trends are continuing this demonstrated vear. as by the country's 5.5 percent increase in fixed asset investment and 9 percent rise in exports. It is predicted that Britain's economic increase rate will be 3.5 percent this year.

However, while these economic gains win voters' favour for the ruling party, unemployment will decrease its popularity. A recent public opinion poll showed that about 80 percent of all Britons regard unemployment as their country's biggest problem. If the

ruling Conservative Party fails to create more job opportunities, it will inevitably lose votes in the coming general election.

Though its present policy remains unchanged, the government has promised to expand youth vocational training programmes,

encourage local welfare projects and develop smaller businesses to halt the rise of unemployment. No one can predict whether the Thatcher government will be able to harvest the fruit of these efforts by 1988, when the election is scheduled.

#### EC

## Treaty Reforms to Speed Change

The European Community decides to amend the Treaty of Rome in order to streamline decision-making procedure.

#### by WEIWEI

THE European Community (EC) held its first round of talks in Luxembourg on September 9 to work out draft amendments to the Treaty of Rome.

The move was mandated by the June EC Milan summit. That summit meeting broke the principle of consensus through consultation and adopted by a vote a resolution amending the treaty, which functions as the EC's constitution. Only Britain, Greece and Denmark voted against the measure. It also decided to hold a representative meeting in mid-October to discuss concrete changes.

The Rome Treaty was signed in March 1957, on the eve of the founding of the EC. In the past 28 years, the EC's membership has increased from six nations to ten, and will further increase to 12 on January 1, 1986. The world situation has also changed during this period. The treaty's limitations have become obvious, and the need for amendments is urgent, according to EC officials. It is reported that President of the European Commission, Jacques Delors, will also put forward proposals including the establishment of a unified internal market and monet-However, the first ary system. question facing the drafting committees will be the reform of the EC's decision-making institutions, including whether to continue the need for unanimous agreement or majority vote in the Council of Ministers.

Originally, according to the Rome Treaty, the Council's decisions were adopted by majority vote. However, French President Charles De Gaulle thought this would threaten the member states' sovereignty and so he proposed the "Luxembourg compromise" 1965. This forbids the Council of Ministers from approving decisions if a single country votes against them. The council's effectiveness was thus reduced, especially in situations requring urgent attention. In the cases of EC agricultural policy, budget expenses and monetary systems in particular, the council has been unable to reach agreement for a number of years. Next January, Spain and Portugal will join the EC. If the Council of ministers continues to follow its current methods, decision-making will be even more difficult than before.

The EC is also facing sharp economic competition from the United States and Japan. The Europeans lag behind their antagonists in sophisticated technology, especially because it has been unable to react to the changing situation with quick policy decisions. This is forcing the EC to change its procedures in order to strengthen co-operation.

## Deng Xiaoping's Speech

Reform is part of the self-perfecting process of the socialist system, and to certain scope and extent, it is also a revolutionary change. It is a major undertaking that shows we have begun to find a way of building socialism with Chinese characteristics.



Comrades,

This National Conference is a very good one. It has successfully accomplished the scheduled tasks. Now I will speak on four points.

First, about the situation and the reform. As is clear to everyone, the period of almost seven years since the Third Plenary Session of the 11th Central Committee has been a crucial one and one of the best since the founding of the People's Republic. It has not been easy to make it so. We have done mainly two things: We have set wrong things right, and we have launched the comprehensive reform.

For many years we suffered badly from one major error: We still took class struggle as the key link, and after the socialist transformation of the ownership of the means of production had been basically accomplished, we neglected to develop the productive forces. The "cultural revolution" carried this tendency to the extreme. Since the Third Plenary Session of the 11th Central Committee, the Party has shifted the focus of all its work to the drive for socialist modernization and, while adhering

to the four cardinal principles, has concentrated on developing the productive forces. That was the most important thing we did to set things right. The good situation we have today would not have come about if we had not thoroughly corrected the "left" mistakes and shifted the focus of our work. At the same time, if we had not conscientiously adhered to the four principles, we would not have been able to maintain political stability and unity, and we would even have gone from correcting "left" mistakes to "correcting" socialism and Marxism-Leninism. And then the good situation we have today would not have come about either.

The issue of reform was already raised at the Third Plenary Session of the 11th Central Committee. When the reform first started in the countryside, people said all sorts of things about it. But after three years, when many problems that had arisen in practice had been solved and good results had been achieved, there was more agreement about it. Of course new problems will crop up and have to be tackled. Since the Third Plenary Session of the 12th Central Committee, reform has focused on the cities. After years of preparation, and on the basis of the success of the reform in the rural areas. we have gradually undertaken a comprehensive reform of the economic structure. The reform has stimulated the development of the productive forces and has resulted in a series of profound changes in economic life, social life, people's work style and their mentality. The reform is part of the selfperfecting process of the socialist system, and to certain scope and extent, it is also a revolutionary change. It is a major undertaking that shows we have begun to find a way of building socialism with Chinese characteristics.

In the reform we have consistently followed two fundamental principles. One is the predominance of the socialist public sector of the economy; the other is common prosperity. The utilization of foreign investment funds in a planned way and the promotion of a degree of individual economy are both serving the development of the socialist economy. It is precisely for the purpose of spurring more and more people to become prosperous until all are prosperous that some areas and some people are encouraged to do so first. The standard of living of the people, with a few exceptions, has improved to varying degrees. Naturally, some negative phenomena inevitably appear in the process of reform. As long as we face them squarely and take firm steps to deal with them, it will not be difficult to solve these problems.

The all-round reform of our economic structure has just begun. The general orientation and principles are already established, but we still have to work out specific rules and regulations by trial and error. While identifying and tackling problems early, we must seize the opportunity of the moment to explore new possibilities boldly and unswervingly and strive to complete the reform in the not-too-distant future. It is my belief that no matter how many difficulties may arise, all things that are in the fundamental interests of the vast majority of the people and are supported by the masses will succeed.

Secondly, about the Seventh Five-Year Plan. The Proposal for the Seventh Five-Year Plan, which has been adopted by this conference, is a good document setting forth correct principles and policies and

The CPC National Conference, held from September 18-23, in session at the Great Hall of the People in Beijing.



realistic targets. It is projected that during the period of the Plan the annual growth rate of the total value of industrial and agricultural production will be 7 percent, a figure on which the Standing Committee of the Political Bureau has unanimously agreed, and which may be exceeded in practice. That growth rate cannot be considered low. If the growth rate were too high, that would create many problems that would have a negative effect on the reform and on social conduct. It is better to be prudent. We must control the scale of investment in fixed assets and see that capital construction is not over-extended. We must manage production well, ensure quality, and seek economic and social returns. Only based on this, can a growth rate withstand test.

The five years of the Seventh Five-Year Plan are very important ones. If at the end of these five years the reform has been basically completed and the economy is developing in a sound, steady, balanced way, then we are sure to meet the targets set by the 12th Party Congress by the end of the century.

People are saying that notable changes have taken place in China. I said to some foreign guests recently that they were only small changes. When we have quadrupled the value of our gross annual industrial and agricultural production and are reasonably prosperous, we can say there have been changes of medium importance. By the middle of the next century, when we approach the level of the advanced countries, then there will have been really great changes. At that time the strength of China and its world role will be quite different. We shall be able to make greater contributions to mankind.

Thirdly, about socialist civilization with advanced culture and ideology. The question of building a socialist society that is advanced culturally and ideologically was raised long ago. The central and regional authorities and the army have done a lot of work. In particular, a large number of advanced persons have emerged from among the masses, and that has had a very good influence. However, considering the country as a whole, we must admit that so far the results of our work are not very satisfactory, mainly because it has not had the serious attention of the entire Party membership. We exert ourselves for socialism not only because socialism provides conditions for faster development of the forces of production than capitalism, but also because only socialism can eliminate the greediness, corruption and injustice which are inherent in capitalism. In recent years production has gone up, but the pernicious influence of capitalism and feudalism has not been reduced to a minimum. Instead, some evil things that had long been extinct after liberation

have come to life again. We must be determined to change this situation as soon as possible, or how can the superiority of socialism be brought into full play? How can we effectively educate our people, especially the younger generations? Material progress will suffer delays and setbacks unless we promote cultural and ideological progress as well. We can never succeed in revolution and construction if we rely on material conditions alone. In the past, however small or weak our Party was, and whatever difficulties it faced, we always maintained great fighting capacity thanks to our faith in Marxism and communism. With common ideals we have strict discipline. Now, as in the past and in the future. that is our real strength. Today, some comrades no longer have a clear understanding of this truth. So it is hard for them to pay close attention to building a society that is advanced culturally and ideologically.

At present, in building such a society we must first concentrate on bringing about a fundamental improvement in Party conduct and in general social conduct.

The improvement of Party conduct is the key to improving general social conduct. In consolidating the Party, we must carry out the decision of the Second Plenary Session of the 12th Central Committee and succeed in all four tasks: achieving unity in thinking, improving Party conduct, strengthening discipline and purifying the Party organization. The Party Constitution contains clear provisions in this regard. Every Party organization must ask its members to measure themselves against each of the articles in the Constitution and to conduct self-criticism and criticism among themselves, and every Party organization must take disciplinary action when necessary. If all Party members set good examples, things will become easier.

The improvement of social conduct must be accomplished through education, and education must be linked to realities. To overcome major ideological weaknesses found among some cadres and people which affect the social conduct, we must carry out in-depth investigations and assign proper people to conduct painstaking and convincing education. Over-simplified, one-sided or arbitrary arguments will not serve the purpose. Also, leading comrades at various levels must constantly explain the practical problems concerning people's life and issues of policy in which the masses show an interest, giving facts and telling them the objective situation and what efforts the Party and government have made to solve those problems. In addition, they must act promptly to remedy situations about which the people justly complain. Only when the masses see concrete evidence that the Party and socialism are good

can we teach them to cherish ideals and observe discipline and imbue them with communist ideology and patriotism.

We should strengthen ideological and political work and reinforce the ranks of cadres in this field. At the same time, we should continue to crack down on serious criminal activities and prohibit all decadent practices that undermine standards of social conduct. Enterprises and institutions must seek people's trust above all else in their economic activities and administrative and judicial work. They absolutely must not harm or extort the people.

Ideological, cultural, educational and public health departments should take social benefit as the sole criterion for their activities and so must the enterprises affiliated with them. The ideological and cultural circles should produce more fine intellectual products and resolutely ban the production, importation and circulation of undesirable products. In our propaganda work, we must firmly oppose bourgeois liberalism, that is, publicity that favours taking the capitalist road. It goes without saying, however, that we should adhere to the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" and uphold the freedoms guaranteed by the Constitution and laws of the state. With regard to erroneous ideological tendencies, we should adopt a policy of persuasion and education, and refrain from political movements and "mass criticism." Those Party members who refuse to correct their errors must be disciplined. However, under no circumstances should we repeat the "left" errors of resorting to summary measures and over-extending the scope of attack.

Fulfilment of the above-mentioned tasks will ensure a fundamental improvement in standards of social conduct.

Fourthly, about the succession of new cadres to old and theoretical study. The succession of new cadres to old and their co-operation have been going on fairly well over the past few years. A number of outstanding people in the prime of life and of both ability and political integrity have been promoted to leading posts in the Party, government and army from the central to local departments. A satisfactory job has been done in replacing old members with new ones in the three central leading organs. As a result, the average age of Central Committee members, in particular, has been significantly reduced. A number of veteran cadres have taken the lead in abolishing the system of life tenure in leading posts, furthering the reform of the cadre system. This deserves mention in our Party's annals.

The members newly elected to the Central Committee as well as ministers and provincial Party

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committee secretaries who were recently appointed are comparatively young. They are generally in their fifties, with some just over forty. In the early days of the founding of the People's Republic, many of the ministers and provincial Party committee secretaries were in such age groups. What is most important for the young and the middle-aged cadres in succeeding to the old is to emulate their heroic spirit of maintaining the revolutionary struggle. It is my hope that through your efforts, the Party's fine traditions and work style will be carried forward. I once said that younger age and professional knowledge alone are not enough. To this must be added a fine work style. I hope you will serve the people wholeheartedly, go among the masses and listen to their opinions: dare to speak the truth and oppose falsehood, refrain from seeking undeserved fame and perform more actual deeds; make a clear distinction between public and private interests, refrain from seeking personal favour at the expense of principles; and appoint people on their merits, rather than by favouritism.

We often say that the succession of new cadres to old provides the organizational guarantee for the continuity of our Party's policies. What does this continuity actually mean? It means, of course, the continuity of the domestic and foreign policies of independence, democracy, legality, opening to the outside world and invigorating the domestic economy, which we will by no means change. And all these policies are based on the four cardinal principles. There is even less possibility of our changing or deviating from these principles. If we did, our society would be plunged into chaos, stability and unity would be out of the question, and the construction, reform and rejuvenation of China would become no more than empty talk.

Now I would like to propose a new requirement — the study of Marxist theory, a requirement not only for new cadres but for old ones as well. Some comrades may say: We are now busy with construction and what we need most is professional knowledge and managerial skills. What immediate use is there to study Marxist theory? Comrades, this is a misconception. Marxist theory is not a dogma, but a guide to action. It calls on people to proceed from its basic principles and methodology and apply them to changing conditions to devise solutions to new problems. By this process, Marxist theory itself will be further developed. Did not the Russian October Revolution and our Chinese revolution succeed because of this? The time and tasks have changed. We are now building socialism with Chinese characteristics. There is indeed much new knowledge we need to master, but this only increases the need for us to study basic Marxist theory in light of the new situation. Because only thus can we increase our ability to apply its basic principles and methods to come up with solutions to the fundamental questions arising in the political, economic, social and cultural fields. In this way we can both advance our cause and the theory of Marxism itself and prevent comrades, particularly those newly promoted young and middle-aged comrades, from losing their bearings in the complex struggle. Therefore, I hope that the Central Committee will formulate a workable decision so that Party cadres at all levels. but above all leading cadres, will still find some time in their busy schedules to study so as to become well-versed in basic Marxist theory, acquire a stronger sense of adhering to principles in work, a systematic approach, foresight and creativity. Only thus can our Party keep to the socialist road and build socialism with Chinese characteristics until the realization of our ultimate goal — communism.

## Chen Yun's Speech

Promoting young and middle-aged people to leading posts by tens of thousands will ensure an orderly succession of cadres in the Communist Party from generation to generation.

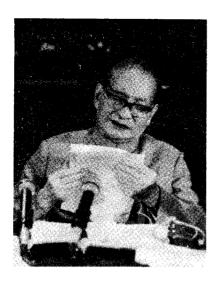
Comrades,

I support the proposal of the Central Committee for furthering the succession of new members to old in the central leading organs. Its proposal for the formulation of the Seventh Five-Year Plan and the speeches delivered by members of the Standing Committee of the Political Bureau. Now let me discuss the following issues.

(1) There must be an orderly system of succession for cadres.

Promoting young and middle-aged people to leading posts by tens of thousands to reinforce the leading bodies at all levels is an important task that our Party has stressed repeatedly over the past few years.

After repeated examination, a number of out-



standing young and middle-aged cadres have been elected to the central and local leading organs.

This system will ensure that there will be an orderly succession of cadres in the Communist Party from generation to generation. We have already achieved successes in this respect and must continue to do a good job.

## (2) We must continue to pay attention to grain production.

Thanks to the contracted responsibility system with remuneration linked to output, agricultural production has increased, peasants' incomes have gone up and living standards have improved.

There are rural households whose annual incomes have reached 10,000 yuan or more through agricultural and sideline occupations, but their number is extremely small. The media have for some time exaggerated the number of "10,000 yuan households." Actually there are not that many. Our media's reports are divorced from reality.

Some peasants are no longer interested in growing grain. We must address this problem.

Comrade Lu Dong recently said in his Report on Some Problems in the Present Economic Work, which has been approved by the State Council, that peasants engaged in industry and business earn more than those who grow crops. They are not even interested in raising pigs and vegetables, because in their opinion there can be "no prosperity without engaging in industry."

Town and township enterprises should be developed. The thing is that the call of "no prosperity without engaging in industry" is heard much louder than that of "no economic stability without agricultural development."

Feeding and clothing a billion people consti-

tutes one of China's major political as well as economic challenges, for "grain shortages will lead to social disorder." We cannot afford to underestimate this matter.

## (3) The socialist economy must be developed proportionately and in a planned way.

We are Communists. Our goal is to build socialism.

The ongoing socialist economic restructuring represents the improvement and perfecting of the socialist system.

Our economic structural reform is aimed at developing the productive forces and gradually improving the people's standard of living. Marked results have been achieved in the rural economic reform. The general orientation for restructuring the urban economy is correct, but we are experimenting with concrete measures for its implementation. We must look carefully before taking each step, and constantly review our experience to make a success of the reform.

In terms of the country as a whole, the planned economy's primacy and the subordinate role of market regulation are still necessary.

Of course, planning consists of both mandatory planning and guidance planning. Although different in approach, both involve the planned use of economic regulators. And guidance planning is not the same as market regulation. Market regulation involves no planning, blindly allowing supply and demand to determine production.

Planning is the essence of macroeconomic control. Only by doing a good job of macroeconomic control can we stimulate the microeconomy and make it dynamic but not chaotic.

The Proposal that has been adopted by this Conference for the formulation of the Seventh Five-Year Plan sets annual industrial and agricultural growth rates at 7 and 6 percent respectively. These are respectable. And although they may be surpassed during this period, there is no reason to set them higher subjectively.

During a meeting with foreign guests on August 2, Comrade Xiaoping mentioned China's excessive industrial and agricultural growth rates, saying, "It sounds good, but contains disturbing elements." I agree with this.

Total industrial output value in 1984 registered a 14 percent increase over the previous years, while that in the first seven months of this year was 22.8 percent higher than in the corresponding period in 1984. This high growth rate cannot be maintained because it is straining our current energy, transport, raw and semi-finished materials and other resources.

In the final analysis, we should continue to make steady but balanced and systematic progress. This is the only way to achieve the highest growth rate. Otherwise, dislocations will arise, inevitably leading to setbacks and slowing down the progress. As the saying puts it, "More haste, less speed."

## (4) Improving Party conduct remains a major task of the entire Party.

Over the past few years, the central leading organs have worked hard to improve Party conduct. There remains, however, much to fundamentally improve it.

Today, there are a few Party members and cadres—veteran members and cadres in particular—who have failed to adhere to the principles and spirit of the Party and have yielded to unsound practices.

A number of serious violations of Party discipline and laws of the state, such as producing fake medicines and liquors and wines, occurred during the Party consolidation campaign.

The vast majority of cadres and people inside and outside the Party have been offended by these cases, which deserve the serious attention of the whole Party.

We must on no account dismiss the importance of improving Party conduct.

First, Party organizations at all levels should pay full attention to this. Second, leading cadres at all levels, particularly senior ones, should do so and set good examples. Third, veteran Party members and cadres, including those who have resigned from leading posts or have retired altogether, should pay full attention to the task. There's no such thing as retirement when it comes to setting good examples, concerning oneself about Party conduct and discipline and exercising supervision. Every Party member should always stand at the front line so long as he or she is alive.

I hope that the Party's senior leaders will set a good example in educating their children, who absolutely must not use their parents' positions in pursuing personal power and interests and becoming privileged.

# (5) We must intensify ideological and political work and preserve the prestige of the Party's departments in charge of this work.

In my opinion, it was essential that intensifying ideological and political work was recently discussed by the Secretariat. At present, our Party, which is in power, is facing a new period of national development. So how to build up the Party ideologically and organizationally is of paramount importance.

There are now some people, including some

Party members, who have forsaken the socialist and communist ideal and turned their backs on serving the people. In pursuit of their own selfish gain, they "put money above all else," regardless of the state's and people's interests, to the extent of violating the law and discipline. As the press has more than once published, some of them have become rich by unlawful means such as speculation and swindle, graft and acceptance of bribes. In their dealing with foreigners, they have no consideration of personal or national dignity.

These problems can be attributed to the relaxation of ideological and political work and the decline in the function and authority of departments in charge of ideological and political work. We should take this as a lesson.

Party organizations at all levels should conduct ideological and political work in earnest and safeguard the authority of those departments.

Education in communist ideals and publicizing the Party's four cardinal principles should be regarded as the central tasks of our ideological and political work. We must absolutely not slacken our efforts in these respects. On the contrary, we must redouble our efforts.

During the democratic revolution, we educated Party members and progressives among the masses in communist ideals, thus endowing the Party with inexhaustible combat effectiveness and, thereby, the ability to win victory in the revolution.

Socialist economic development and reform of the economic structure require an even higher degree of dedication to the communist cause.

Intensive education in patriotism and revolutionary traditions should be conducted hand-in-hand with intensive education in communist ideology.

## (6) Adherence to democratic centralism is a principle prescribed by the Party Constitution.

Experience teaches us that practising democratic centralism is not easy.

It is my hope that the young and middle-aged cadres just elected to the leading bodies will learn how to perform their duties in accordance with democratic centralism.

Leading bodies at all levels must practise democracy fully, take heed of the full range of opinions, especially differing ones. They should discharge their duties according to the Party Constitution. No individual should try to have the final say.

All decisions on important issues must be made by the collective after complete discussion to avoid mistakes and unnecessary detours and to achieve better results.

That's all I have to say today.

## Chinese Athletes at Kobe Universiade

by LING YANG Our Correspondent

"The Chinese athletes displayed good sportsmanship and, at the same time, learnt a lot from athletes from the other countries." said Zhao Changtai, head of the Chinese sports delegation to the 13th Universiade held in Kobe. Japan, from August 24 September 4. The Kobe Universiade, attended by 4,800 athletes from 106 countries and regions, was the competition's largest since the first Universiade was held in Paris in 1957. China sent 162 people to the event and collected six of the 118 gold medals awarded at the games. Chinese athletes

also won seven silver and six bronze medals.

#### **Divers Excel**

The Chinese diving team captured first place in four of the six diving events—the women's team, the men's springboard and the men and women's platform competitions. China's divers also won two silver medals for second place finishes in the men's team and the women's springboard diving events and one bronze medal in the men's platform diving.

China's Tan Liangde, 20, won the springboard diving championship after bridging a narrow gap between his score and that of Cuba's Abel Ramirez when Tan executed a near-perfect forward two-and-a-half flip with two twists.

In the women's platform diving final, Lu Wei, 20, the women's platform diving champion of the 12th Universiade, recaptured the title, giving China both the men and the women's diving championships.

Tong Hui, 22, nabbed the men's platform diving title with a performance that included five different somersaults.

#### **Gymnasts Share Gold**

The first gold medal of the competition for China was awarded to Huang Wofu in the men's floor exercise event. Dmitry Bilozerche of the Soviet Union, shared the first place title with Huang.

In the women's gymnastics team event, the Soviet Union emerged once again as the world's top gymnastic team. China, however, beat out Romania for the silver medal.

## Fencing Champion Retains Title

Luan Jujie, 27, China's Olympic fencing champion, defeated Olga Voshakina of the USSR to capture the top honour in women's foil fencing. Luan's victory was intensified by her performance three months ago at the world fencing tournament in Brazil in which she did not even enter the finals. Her Chinese fans, rooting for a win, were relieved when after a worrying loss at the start of the finals, Luan rebuilt her momentum and took first place.

Despite Luan's stellar performance, on the whole, China is

Tan Liangde performing his last dive in the men's springboard competition at Kobe Universiade.



weak in the fencing events, which have been traditionally dominated by the Europeans. Judo was included in the 13th Universiade for the first time, and China's Xu Guoqing finished second in the open category final, earning China's first honour in world Judo competition.

#### Football Prowess improves

Out of the 12 teams participating in the football competitions at Kobe, China's team came in third, giving China its first football prize at a world tournament.

Earlier, at the First International Football Federation (FIFA) Under-16 Kodak Cup World Tournament held in Beijing in August, the Chinese team made it as far as the quarterfinals. At the International Youth Football Championships, held in the Soviet Union at the same time as the Kobe games, China also entered the quarterfinals, showing that the gap between China and world-class football teams is narrowing.

China's Universiade records in basketball and volleyball were, however, disappointing. China's women's volleyball team lost to the team from the Democratic People's Republic of Korea in preliminary events.

Prior to the Universiade, China's women's basketball team defeated America's university students' team. But at the Universiade, the Chinese team lost to Yugoslavia and the United States. Despite a strong effort, China's basketball team placed only fifth.

The Chinese men's basketball team lost its first game against Egypt in the preliminary competition due largely to its inability to shift rapidly from offensive to defensive plays.

China's tennis and water polo



The Chinese team competing against the American team in a football game.

performances were equally as weak, with all four male and female tennis players eliminated in the preliminaries, while the water polo team came in only eighth place.

## Track and Field Showing Weak

The Chinese athletes failed to shine in the track and field events and swimming events, which are considered the most important sports at major competitions since they are the sports that indicate the level of a nation's physical culture.

Only two of China's swimmers entered the finals, while two track athletes, however, and field silver medals. captured Both women, the silver-medal track and field winners were Yang Yanqin, a shot-putter, who managed a distance of 17.79 metres (2.68 metres less than the champion), and Yan Hong, a heel-and-toe walker who came second in the 5-km race. Last year, Yan, then 18 and 1.51 metres high, won the walking race held in Norway with a time of 21 minutes 40.3 seconds, cutting the world record by 11 seconds. At Kobe, however, Yan was left behind by a Soviet walker who battled with Yan for the lead after the 11th lap and finally overtook her in the last 300 metres.

China's weakness in track and field events is a long-existing problem and is due mainly to the athletes' poor physiques. At the Universiade, although some Chinese athletes had fair finishing scores in the men's 100-metre race, triple jump and pole jump, most failed to make it as far as the finals.

Some athletes from other countries, however, did quite well at the tournament. A 22-year-old Soviet jumper 1. Paklin set a world record by clearing 2.41 metres, while others bettered the Universiade records.

At the Universiade, the Chinese athletes discovered many of the problems that have widened the gap between themselves and the world's outstanding athletes. In so doing the athletes have thought of the tournament as a chance to test and improve their skills. Thus, in spite of the overall performance, all of China's athletes left Kobe feeling they won something.

## Snow's Star Still Shines

At a symposium held in July in Hohhot, Inner Mongolia, to mark the 80th birthday of American writer Edgar Snow, participants recalled Snow's journey from Shanghai to Saratsi, Inner Mongolia — a journey that marked a milestone in Snow's ideological development and provided abundant material for his world-famous book "Red Star Over China."

## by LING YANG

Our Correspondent

A CADEMICS, journalists and historians from around the world gathered in Hohhot, Inner Mongolia, in July to mark the 80th birthday of American writer Edgar Snow (1905-72). Snow, the first Western writer to follow the lives and the progress of the Chinese people and their leader Mao Zedong during the battle against Japanese occupation and the Kuomintang forces, achieved celebrity status after the publication of his world-famous work *Red Star Over China*, which chronicles those experiences.

The five-day symposium highlighted Snow's journey from Shanghai to Saratsi, Inner Mongolia, where he was sent by the *China Weekly Review* in 1929, as a milestone in the author's ideological development.

"Fifty-six years ago the horror of a famine in Inner Mongolia awakened the fledgling American reporter to the immediate need for conscientious investigation and consideration of the causes of such tragedies," said Lois Wheeler Snow, the author's second wife. That realization, she said, led Snow "into a life-long commitment against bigotry, fascism and Nazism everywhere.

"Here on Inner Mongolian soil, Ed's worldwide writings and reportings came into being."

Later in 1929, Snow published an account of his findings in Inner Mongolia in a piece entitled Saving 250,000 Lives, a work that is now considered the predecessor to Red Star Over China.

After returning to Shanghai from his Saratsi trip, Snow quit his job with the New York Herald Tribune and began working for the US Consolidated Press Association as a roving correspondent. After a year in that job. Snow had toured central, south, east and southwest China, as well as other areas in Asia. "All my experiences were going to shape my life and work beyond any capacity of mine as yet to appreciate," Snow later said of those early years. "I was losing my good prime ignorance and beginning to know a little something about 'not-knowing.'"

Robert Farnsworth, an executive member of the board of directors of the US Edgar Snow Memorial Fund and a professor of British and American literature, in a speech entitled, "A New Man, A New Land," focused on Snow's recollections of his Saratsi experience and on how later events gave perspective and meaning to what he experienced there.

Yao Xipei, a literature researcher from the Lu Xun Museum in Beijing, analysed in her paper how Snow acquired a deep understanding of the Chinese situation after his Saratsi trip and got "a key to the understanding of China" from Lu Xun, a famous writer and one of the leaders of the left-wing literature movement. Yao also explained how Snow knew the Chinese people about

their lives and their thinking through Chinese literature and art and in 1936 edited and translated a collection of short stories under the title *Living China* written by 15 modern Chinese writers.

Rewi Alley, a New Zealand writer and poet and a friend of Snow's, reiterated the importance of Snow's Saratsi awakening with a personal anecdote.

"One impression he had that he did not write of was when he stood on the new canal bank and saw a thousand or more farm folk, all clothing off, working together like some powerful machine. Paid in grain, they had been eating relatively well and so had preserved considerable strength. Some years later in Shanghai, Snow said that sight was where he first got the understanding of the enormous strength organized and led in a way that made him feel he was looking at the harbingers of a new era in China."

Other friends of Snow's — Israel Epstein, Ruth Weiss, Ruth Coe and William Hinton — also recalled in their speeches the important personal benefits they each gained from knowing Snow and from reading his works after his odyssey in Inner Mongolia.

Lu Guangmian, former head of the Northwest Industrial Co-operative, explained how China Indusco, established under the auspieces of Snow and his first wife, Helen Foster Snow, whose pen name was Nym Wales, supported the protracted War of Resistance Against Japan and had the sympathy of the people of the world for the war.

Wang Fushi, who accompanied Helen Foster Snow in 1937 to Yenan as her interpreter, said he found new hope for the battle against the Japanese in Red Star Over China and translated the book into Chinese under the title, A Foreign Correspondent's Impressions of the Northwest China.

Xu Erwei, who served as Snow's interpreter in 1970 during his third visit to China after the founding of the People's Republic, said that at that time Snow had become very interested in acupuncture and barefoot doctors, and that he said he doubted about the teaching methods used during the "cultural which emphasized revolution." practical experience to the neglect of systematic study. Snow also told Chairman Mao of his unease about the cult of personality and his resentment against the practice of disparaging and attacking veteran cadres and the empty rhetoric that was rife among certain people. Xu said Snow even ridiculed one of Shanghai's rebel leaders.

Xu also recalled Snow's last days in Switzerland. When he was told that the Chinese government was sending him a medical team, Snow's response to the offer, Xu said, was a simple "I am humbled."

Xu said Snow had moved to Switzerland because his ideas on China were incompitable with those of the US government and some newspapers were refusing to publish his stories because he permitted no change made in the contents of his contributions. Furthermore. Snow's wife was a victim of a government blacklist that made finding work nearly impossible. Under such circumstances, the family was compelled to migrate to Switzerland, where they felt they understood and were better respected.

At the symposium, many partici-

pants also discussed the influence of Snow's works in Italy. Maurizio Brunori, an Italian expert at Radio Beijing, called Snow the "Marco Polo of the Modern Age," and said his works had a particularly strong impact on Italian responses to China.

Peter Hyun, an American publisher and writer of Korean origin, talked of his efforts at introducing Snow's work to his Korean colleagues, while Wu Songjiang, a lecturer from Fujian University, said Red Star Over China had lost its value as a news story, but that its influence and prestige as historical literature endures. Red Star Over China is still a strong seller in the United States and China and has been published in more than ten languages including French, Swedish, Japanese and Hebrew. Its English edition, of which 8,000 copies are sold each year, has been listed as one of the 20 best books about China by the US Department of State.

Several Chinese correspondents and journalist researchers appreciated Snow's unique journalist style, especially his spirit of respecting the objective reality and exposing the facts boldly, and called him a "brilliant example for all correspondents." Wu Songjiang

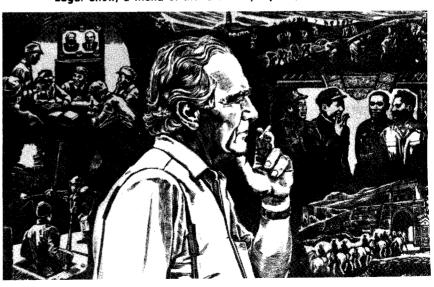
analysed the artistic achievements of *Red Star Over China* and its vivid, fluent and humorous language. He called the book a combination of a reportage, biography, tale, diary and comment.

#### Other Friends Remembered

Huang Hua, chairman of the Smedley, Strong and Snow Society, the main sponsor of the symposium, said at the opening ceremony that Snow represented an important element in the anti-fascist age in which the Chinese and much of the world struggled for independence and the right to build their countries. Huang also extolled Snow as a representative of a group of "advanced internationalists," who worked for understanding, friendship and co-operation between the Chinese and American peoples. He called for the studies of all internationalists who helped the Chinese revolutionary cause, and for publicizing their merits in order to educate the young generations.

Historian Tom Grunfeld from New York introduced more than 30 representatives of the Communist International, doctors, journalists and religious figures who visited China before the

Edgar Snow, a friend of the Chinese people. (Woodcut)



founding of New China in 1949. These people, Grunfeld said, exerted an influence on the Chinese people they contacted during that period.

Linn Lubkeman, a professor at the University of Wisconsin, spoke of her research into the motivation of Agnes Smedley, another American journalist, and Strong to commit themselves to the Chinese revolutionary cause and the influence they received in China.

#### Visit to Saratsi

Following the symposium the participants travelled together to the much-discussed Saratsi and found a place entirely different from which so affected Snow.

Today the "land of death," as Snow called it, has changed beyond recognition.

They found a gratifying pas-

toral setting of willows and pines, healthy fields, canals, and pumping stations that irrigate tens of thousands of hectares of land. Correspondent Guo Yu from Inner Mongolia Daily told this correspondent that fishing in canals has been developed in the last few years and local people earned a considerable sum of money from breeding silver carps, Chinese ides and American rainbow trouts and Pacific herrings. Indeed, the days in which Snow "estimated each catty is sufficient to feed five persons for one day" are long gone. The local people now live in brickand-tile houses, buy modern furniture, eat plenty of nourishing food and wear fashionable clothes.

The scene the group encountered in contemporary Saratsi proved Snow's prediction right that for the people of that village the "Red star is a symbol of hope and freedom."

## **Death and Taxes**

The following is a reprint of the chapter from Edgar Snow's book "Red Star Over China." The chapter describes Snow's journey to Inner Mongolia in 1929. This excerpt is intended to help our readers better appreciate the foregoing article "Snow's Star Still Shines." — Ed.

During the great Northwest famine, which lasted roughly for three years and affected four huge provinces, I visited some of the drought-stricken areas in Suiyuan (which was incorporated into Inner Mongolia in 1954 — Ed.), on the edge of Mongolia, in June, 1929. How many people starved to death in those years I do not accurately know, and probably no one will ever know; it is forgotten now. A conservative semi-official figure of 3,000,000 is often accepted, but I am not inclined to doubt other estimates ranging as high as 6,000,000.

This catastrophe passed hardly noticed in the Western world, and even in the coastal cities of China,

but a few courageous Chinese and foreigners attached to the American-financed China International Famine Relief Commission — including its secretary, Dwight Edwards; O. J. Todd, the American engineer; and a wonderful American missionary doctor, Robert Ingram\* - risked their lives in those typhus-infested areas, trying to salvage some of the human wreckage. I spent some days with them, passing through cities of death, across a once-fertile countryside turned into desert wasteland, through a land of naked horror.

I was twenty-three. I had come to the East looking for the "glamor of the Orient," searching for adventure. This excursion to Suiyuan had begun as something like that. But here for the first time in my life I came abruptly upon men who were dying because they had nothing to eat. In those hours of nightmare I spent in Suiyuan I saw thousands of men, women, and children starving to death before my eyes.

Have you ever seen a man - a good honest man who has worked hard, a "law-abiding citizen," doing no serious harm to anyone - when he has had no food for more than a month? It is a most agonizing sight. His dying flesh hangs from him in wrinkled folds; vou can clearly see every bone in his body; his eyes stare out unseeing; and even if he is a youth of twenty he moves like an ancient crone, dragging himself from spot to spot. If he has been lucky he has long ago sold his wife and daughters. He has also sold everything he owns - the timber of his house itself, and most of his clothes. Sometimes he has, indeed, even sold the last rag of decency, and he sways there in the scorching sun, his testicles dangling from him like withered olive seeds the last grim jest to remind you that this was once a man.

Children are even more pitiable, with their little skeletons bent over and misshapen, their crooked bones, their little arms like twigs, and their purpling bellies, filled with bark and sawdust, protruding like tumors. Women lie slumped in corners, waiting for death, their black blade-like buttocks protruding, their breasts hanging like collapsed sacks. But there are, after all, not many women and girls. Most of them have died or been sold.

Those were things I myself had seen and would never forget. Millions of people died that way in famine, and thousands more still died in China like that. I had seen fresh corpses on the streets of Saratsi, and in the villages I had



Snow and his wife, Helen Foster Snow, in China in the 1930s.

seen shallow graves where victims of famine and disease were laid by the dozens. But these were not the most shocking things after all. The shocking thing was that in many of those towns there were still rich men, rice hoarders, wheat hoarders, moneylenders, and landlords, with armed guards to defend them, while they profiteered enormously. The shocking thing was that in the cities - where officials danced or played with sing-song girls - there were grain and food, and had been for months; that in Peking and and elsewhere were Tientsin thousands of tons of wheat and millet, collected (mostly by contributions from abroad) by the Famine Commission, but which could not be shipped to the starving. Why not? Because in the Northwest there were some militarists who wanted to hold all of their railroad rolling stock and would release none of it toward the east, while in the east there were other Kuomintang generals who would send no rolling stock westward - even to starving people - because they feared it would be seized by their rivals.

While famine raged the Commission decided to build a big canal (with American funds) to help flood some of the lands baked by

drought. The officials gave them every co-operation — and promptly began to buy for a few cents an acre all the lands to be irrigated. A flock of vultures descended upon this benighted country and purchased from the starving farmers thousands of acres for the taxes in arrears, or for a few coppers, and held it to await tenants and rainy days.

Yet the great majority of those people who died did so without any act of protest.

"Why don't they revolt?" I asked myself. "Why don't they march in a great army and attack the scoundrels who can tax them but cannot feed them, who can seize their lands but cannot repair an irrigation canal? Or why don't they sweep into the great cities and plunder the wealth of the rascals who buy their daughters and wives, the men who continue to gorge on thirty-six-course banquets while honest men starve? Why not?"

I was profoundly puzzled by their passivity. For a while I thought nothing would make a Chinese fight.

I was mistaken. The Chinese peasant was not passive; he was not a coward. He would fight when given a method, an organization, leadership, a workable program, hope—and arms. The development of "communism" in China had proved that. Against the above background, therefore, it should not surprise us to learn that Communists were popular in the Northwest, for conditions there had been no better for the mass of the peasantry than elsewhere in China.

Evidence to that effect had been vividly documented by Dr. A. Stampar,\*\* the distinguished health expert sent by the League of Nations as adviser to the Nanking Government. It was the best thing available on the subject. Dr. Stampar had toured the Kuomintang areas of Shensi and Kansu, and his reports were based on his own observations as well as official data opened for him.

He pointed out that "in the year 240BC an engineer called Cheng Kuo is said to have constructed a system for irrigating nearly a million acres" in the historic Wei Valley of Shensi, cradle of the Chinese race, but that "this system was neglected; the dams collapsed, and, though new works were from time to time carried out, the amount of territory irrigated at the end of the Manchu Dynasty (1911) was less than 20,000 mou" about 3,300 acres. Figures he obtained showed that during the great famine 62 percent of the population died outright in one county of Shensi; in another, 75 percent; and so on. Official estimates revealed that 2,000,000 people starved in Kansu alone - about 20 percent of the population.

To quote from this Geneva investigator on conditions in the Northwest before the Reds arrived:

"In the famine of 1930 twenty acres of land could be purchased for three days' food supply. Making use of this opportunity, the wealthy classes of the province

(Shensi) built up large estates, and the number of owner-cultivators diminished. The following extract from the report for 1930 of Mr. Findlay Andrew of the China International Famine Relief Commission conveys a good impression of the situation in that year:

"'... The external appearances of the Province have much improved on those of last year. Why? Because in this particular section of Kansu with which our work deals, death from starvation, pestilence, and sword have doomed during the past two years such large numbers of the population that the very demand for food has considerably lessened.'"

Much land had become waste, much had been concentrated in the hands of landlords and officials. Kansu especially had "surprisingly large" areas of cultivable but uncultivated land. "Land during the famine of 1928-30 was bought at extremely cheap rates by landowners who, since that period, have realized fortunes by the execution of the Wei Pei Irrigation project" (a famine-relief measure financed by the Commission).

"In Shensi it is considered a mark of honor to pay no land tax, and wealthy landowners are therefore as a rule exempted.... A practice which is particularly undesirable is to claim arrears of taxes, for the period during which they were absent, from the farmers who abandoned their land during famines, the farmers being forbidden to resume possession until their arrears are paid."

Dr. Stampar found that Shensi farmers (evidently excluding the landlords, who were "as a rule exempted") had to pay land taxes and surtaxes amounting to about 45 percent of their income, while other taxes "represent a further 20 percent;" and "not only is taxation thus fantastically heavy, but its assessment appears to be hap-

hazard and its manner of collection wasteful, brutal, and in many cases corrupt."

As for Kansu, Dr. Stampar said:

"The revenues of Kansu have during the last five years averaged over eight millions . . . heavier taxation than in Chekiang, one of the richest and most heavily taxed provinces in China. It will be seen also that this revenue, especially in Kansu, is not drawn from one or two major sources, but from a multitude of taxes each yielding a small sum, scarcely any commodity or productive or commercial activity going untaxed. The amount which the population pays is even higher than is shown by the published figures. In the first place, the tax collectors are able to retain a share - in some cares a very large share - of the amounts collected. In the second place, to the taxes levied by the provincial or hsien governments must be added those imposed by military leaders, which in Kansu Province are officially estimated at more than ten millions.\*\*\*

"A further cause of expense to the population is the local militia (min-t'uan), which, formed originally for defense against the bandits, has in many instances degenerated into a gang living at the cost of the countryside." Dr. Stampar quoted figures showing that the cost of supporting the min-t'uan ranged from 30 to 40 percent of the total local government budget — this quite in addition, of course, to the burden of maintaining the big regular armies. These latter, according to Dr. Stampar, had absorbed over 60 percent of the provincial revenues in both Kansu and Shensi.

A foreign missionary I met in Shensi told me that he had once personally followed a pig from owner to consumer, and in the process saw six different taxes being paid. Another missionary, of Kansu, described seeing peasants knock down the wooden walls of

thei. houses (wood being expensive in the Northwest) and cart it to market to sell in order to pay tax collectors. He said that the attitude of even some of the "rich" peasants, while not friendly when the Reds first arrived, was one of indifference, and a belief that "no government could be worse than the old."

And yet the Northwest was by no means a hopeless country economically. It was not overpopulated: much of its land was very rich; it could easily produce far more than it could consume; and with an improved irrigation system parts of it might become a "Chinese Ukraine." Shensi and Kansu had abundant coal deposits. Shensi had oil. Dr. Stampar prophesied that "Shensi, especially the plain in the neighbourhood of Sian, may itself become an industrial center of an importance second only to the Yangtze Valley, and needing for its service its own coal fields." Mineral deposits of Kansu, Chinghai, and Sinkiang, said to be very rich, were scarcely touched. gold alone, said Stampar, "the region may turn out to be a second Klondike."

Here, surely, were conditions which seemed overripe for change. Here, surely, were things for men to fight against, even if they had nothing to fight for. And no wonder, when the Red Star appeared in the Northwest, thousands of men arose to welcome it as a symbol of hope and freedom.

#### Notes:

<sup>\*</sup> Dr. Ingram was killed a few years later by Chinese bandits, but not Red bandits.

<sup>\*\*</sup> Dr. A. Stampar, The Northwestern Provinces and Their Possibilities of Development, published privately by the National Economic Council (Nanking, July, 1934).

<sup>\*\*\*</sup> This was a conservative estimate, since it included no mention of the chief illegal military taxation in both Kansu and Shensi, for many years the opium revenue.

## New Concepts of Choosing Profession

from "LIAO WANG" (Outlook Weekly)

S INCE 1982, 150 Shanghai college graduates have given up job opportunities in state-owned enterprises to go to work in neighbourhood workshops.

In the past, only a few senior middle school graduates were willing to work in restaurants and hotels. Since 1982, however, about 28 percent of Shanghai's middle school graduates every year wanted to work in the service trades.

Fashion and fine arts modelling, hair styling and advertising have also become favourite jobs for China's urban youth. And when five Shanghai art institutes and schools advertised for 10 artists' models, more than 1,800 candidates answered the call.

The east China metropolis now has about 50,000 individually-run shops and street stalls offering a wide assortment of popular goods.

But why do these once unpopular jobs now attract so many young people?

"A few years ago, I worked in a large state-owned factory. I soon found that I was idle and had little to do. So I transferred to a neighbourhood factory. Though it is small and unknown, I can use my knowledge there," said Feng Qifang, a university graduate.

Feng is now a head of his factory's technology section.

"More and more people are abandoning the old concept of only seeking fame and not having a practical point of view when they are looking for a job. One's reputation is not measured by which units he works for, but by how much he can contribute to the state and society," another graduate added.

Many young people now choose their professions according to whether they can display their talents and special skills there.

Xiao Xu, 27, formerly worked as a shop employee earning more than 100 yuan a month. He now takes home only 85 yuan from his new job as an artists' model. When asked why he chose the profession, he said: "When I was a child, an art teacher drew a picture of me. The picture was really true to life, and from that time on I took an interest

in art and sometimes modelled for painters.

"Now I am a professional model. When a class is over, I feel like I'm not stepping down from the platform, but from a picture. I take pride in my profession, and the students often compliment me on my work."

Working in funeral parlors is usually regarded as a low-status occupation. But 19-year-old Xu Wei of the Shanghai Longhua Funeral Parlor said, "I like to do the work that others don't like."

Last October, after passing an examination, Xu and 49 others were chosen for their jobs from among 1,000 applicants. The Longhua Funeral Parlor now has 190 employees — 80 percent of them young people who have been hired in the past three years.

## Mothers, Children - Partners in Time

from "BEIJING WANBAO" (Beijing Evening News)

A PART from having children in the same third grade class at a Beijing school, a group of mothers has something else in common — perfect attendance records at work.

These mothers can attribute their spotless work records to the efforts of their children. As part of the Young Pioneer organization's contest, the Creative Cup. 34 members of the team who are pupils at the Huijiachang Primary School in the Dongcheng District of Beijing signed mother-child contracts in which the mother was obligated to never miss a day of work as long as her child did his

or her share of the chores at home.

The contracts ensured that the children would wake up earlier in order to help with the laundry, cleaning, etc. In so doing, the children were supposed to be allowing the mothers more time to devote to their jobs outside the home and to become the model workers they once were — before their children were born and their home responsibilities began to infringe on those of work's.

The class won first place in the Creative Cup for their efforts, while their mothers have also been cited for their immaculate work records, proving that when families put their heads together, a lot can be accomplished.

## Answers of Primary School Pupils

from "ZHONGGUO FUNU" (Women of China)

L AST May two researchers surveyed 68 primary school children in Henan Province. Of those surveyed, 33 were boys and 35 were girls. The 12-year-olds in the poll were asked the following three questions: What would you like to be when you grow up? What sort of people do you dislike? And, what is your strongest wish?

With regard to the first question, 22.1 percent of the children said they wanted to be teachers; 20.6 percent wanted to be heroes; 13 percent wanted to be public security officers; 10.3 percent, scientists; another 8.9 percent (mostly girls) said doctors and nurses; 8.9 percent said they wanted to be like their parents industrious, honest and intelligent; 7.4 percent said people who could make outstanding contributions in ordinary work; percent said scholars and writers; and 4.4 percent said athletes.

In answering the second question, 45 percent of the pupils said they most disliked people who misbehaved and who liked to fight; 19 percent said that they disliked those who do not help others; 11.7 percent said they did not like dishonest and untrustworthy people; another 11.7 percent said they disliked disrespectful people who made fun of others; 8.8 percent noted pick pockets were the worst sort of people; while 2.9 percent said they disliked boastful people who did little rather than talk.

In answering the third question, 54.7 percent of the surveyed said their strongest wish was to enrol into junior middle school without any difficulty; 17.5 percent said they wanted to grow up soon and do something to alleviate their parents' burdens; 8.8 percent said they hoped to learn more and to make their parents and relatives proud; 7.4 percent wanted simply to study hard and stay healthy; 5.8 percent said they wished they could be among the top five students in their class; 4.9 percent said they wanted most to be trusted and understood, to graduate and to get a good job so they could become independent; and 1.4 percent said they wanted to learn how to drive.

## Sending Traditional Love Signals

from "NONGMIN RIBAO" (Peasants' Daily)

PEOPLE of the Zhuang nationality in Debao County, Guangxi Zhuang Autonomous Region, have some interesting traditional ways of showing love. Known by the local people as "signals" of love, the various procedures involved are as follows:

- The cogongrass method. a young man is fond of a young woman, he picks two cogongrass leaves, puts them together and nips off both ends, and then hands them to the woman of his affections. The young woman can her acceptance of her adorer's attention by accepting the leaves and then giving them back. If she is not interested, the woman can either refuse the leaves or take them, break off one of them and hand them back to the disappointed suitor.
- Bananas bring smiles and onions sour. If a young man wants to be friend a young woman, he can also send her a scarf. If the young woman accepts the gift, she should in turn send a pair of hand-made shoes to her devotee. If she plans to accept the young man's love, she will put a piece of a bajiao banana with the shoes. If she does not want to encourage his advances, she should put a piece of spring onion in the pair of shoes.

- One chopstick means yes, two no. If a young man is interested in a young woman, he may either write her, or, if she is illiterate, he should send her something to indicate his desire. If the woman responds to his sign with a pair of chopsticks, it means she has been engaged. If, however, only one chopstick is part of her reply. the woman is saying she is unattached and interested in making friends. No chopsticks from the woman means simply that she turns his offer down and that further attempts to woo her will be in vain.
- Turn-up pants legs mean serious intentions. When a young man visits a young woman's family with his trouser legs turned up, he is showing his determination to pursue the woman. If the young woman is co-operative, she should take the initiative by setting up a date. If by chance a young man who has already engaged to a girl is careless enough to go to a young woman's family with rolled-up trouser legs, he will be ridiculed by the villagers.



## China Honours Credit Cards

Although China is not a member of the international credit card organization, foreign credit cards have entered the Chinese market.

The use of credit cards in China started in 1981. With the implementation of China's policy of opening to the outside world and the development of the tourist industry, an increasing number of foreign businessmen and tourists have come to China, with the result that the credit card has developed more quickly. Up till now, the Bank of China has concluded credit card agreements with seven banks from Hongkong, the United States and Japan, and has opened credit card services at various offices in Beijing, Shanghai, Tianjin, Guangzhou, Nanjing and Hang-Master Card, Visa Card, Federal Card, Diners Club Card, Million Card, ICB Card and American Express Card all are now handled in China. The bank's credit card volume in 1984 was US\$60 million, and the figure is expected to reach US\$120 million in 1985.

Foreign credit cards are still not common in China. When conditions allow. China will gradually expand its credit card business to accommodate its growing international business and tourist trade. The participation of the Nanyang Commercial Bank, which is a member of the Bank of China Group in Hongkong and Macao, in the Master Card International Inc. last year will undoubtedly help popularize the use of credit cards in China. China does not have any special establishment to issue credit cards. Individual branches of the Bank of China, however. have attempted to handle this business.

Well before handling credit cards, the Bank of China had begun honouring travellers cheques in the 1960s. Travellers cheques issued by 40 banks from over ten countries, including the United States, Britain, France, the Federal Republic of Germany and Japan, can be cashed in 600 branches and

sub-branches of the Bank of China.

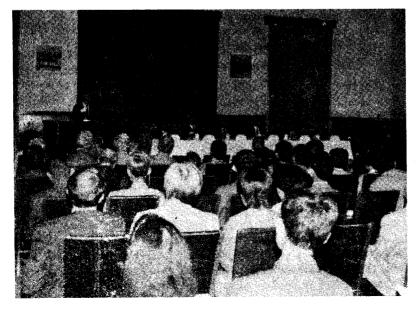
According to Russell Hogg, president of Master Card International Inc., there are bright prospects for popularizing the use of credit cards in China, but patience is required. "We are doing explorative work in the Far East. But this requires us to have some sort of farsightedness, which will enable us to be always competitive," said Hogg in a September 16 interview with Beijing Review.

Master Card International Inc. held its annual conference in Beijing on September 16 and 17, in an effort to spark further business in China. More than 200 bankers from 15 countries and regions attended the two-day meeting. Hogg said the conference was intended to enable China to become better acquainted with this world organization. At the same time, Master Card International Inc. was to come to better understand China. He said, "Our ultimate aim is that we hope China will join this international organization." Hogg also noted he is confident of developing a credit card business in China.

Master Card International Inc. is one of the world's larger credit card organizations, with 25,000 banks and financial institutions as members worldwide and 110 million card-holders. It has set up 5 million special agencies in 165 countries and regions around the world. Its business volume came to US\$60 billion in 1984, and is expected to be US\$80 billion this year.

## Beijing's Airfreight Takes Off

China's air transportation network, with Beijing as the centre,



has taken shape. Airplanes can now fly directly from the capital to 29 provinces, municipalities and autonomous regions (except Taiwan), and 650 cities in 150 countries and regions.

Beijing's import and export volume of airfreight accounts for more than 80 percent of the nation's total. In recent years, the Beijing airfreight station has forged business ties with 54 Chinese transport companies and 20 international transport agencies. Apart from handling the business of receiving and delivering, storing, declaring at customs, distributing and transferring import and export goods, the Beijing airfreight station has been expanding its business scope and has started an express delivery business for goods from Beijing to Hongkong, Tokyo, the United States and Europe.

A global express delivery service centre, China's first, was set up at the Beijing Hotel in the first half of this year. Commercial documents, materials and small parcels can be delivered on the same day a request is made. Express mails from abroad can reach the consignees within 24 hours.

Beijing's total import and export volume of airfreight in 1984 increased 280 percent over that of 1981. Imports went up 290 percent, while exports rose 19.3 times. The total weight of the 82,478 express mails delivered in 1984 showed a 6.2 times increase over that of 1981.

## Harbour Builders Speed Up Work

To further expand China's economic and trade relations with foreign countries and accelerate its modernization drive, major efforts will be devoted to harbour construction in 14 coastal cities and Hainan Island during the Seventh Five-Year Plan (1986-90). It is expected that 20 deep-water berths

will be built every year, for a total of 300 nationwide by 1990. Ten deep-water berths for 10,000-ton vessels and above will be built in Beihai in the Guangxi Zhuang Autonomous Region, Mawei in Fujian Province, Wenzhou in Zhejiang and Hainan Island.

A total of 54 deep-water berths were scheduled to be built during the Sixth Five-Year Plan period (1981-85). Twenty-one have already been completed and the rest will go into service by the end of this year.

More than 30 deep-water berths will be put into service this year, the biggest number in any year in China's harbour construction history.

# New Lease Firm Set Up in Dalian

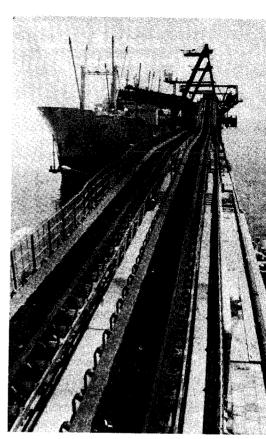
The North China International Leasing Company (NCILC) will open for business in October in the northeast China city of Dalian.

NCILC is jointly financed by the China National Technical Import Corporation, the Dalian branch of the Liaoning Provincial International Trust and Investment Corporation, the Dalian Trust and Investment Company, the Nichimen Corporation of Japan and the Standard Chartered Bank of Britain. The area's only leasing company, which is the first ever established in northeast China with investment from the British bank, will serve Heilongjiang, Jilin and Liaoning provinces and the Inner Mongolian Autonomous Region.

Contracts establishing the venture were signed on August 26 in Beijing. Preparations for the venture's opening are now under way.

#### **News** in Brief

• China signed a contract with Egypt on the establishment of a garment company that will turn out 2 million robes, shirts, dresses



The recently completed Qinhuangdao wharf where some of China's ships are loaded with coal for export.

and pajamas a year. The venture will have a registered capital of 2 million Egyptian pounds, in which Egypt will invest 75 percent, while Chinese will own 25 percent share of the venture. The head office of the venture will be set up in Cairo and the products will be sold in Egypt and other Arab countries.

It is also reported that an Egyptian garment company recently signed a contract with the China Sichuan Economic and Technological Corp., in which 22 pattern designers and tailors from Chengdu will work with the Egyptian company.

• In the first half of this year, China gave 50,000 tons of grain to 30 disaster-stricken African countries, including tht Sudan, Ethiopia, Mozambique, Niger and Tanzania. Together with the 120,000 tons of grain offered by China last year, the figure totals 170,000 tons.

## 'Four Generations' - a Hit in China

Because of popular demand Four Generations Under One Roof, a 28-episode television serial based on Lao She's epic drama of the same title, was shown again by China Central Television Station in August.

About ordinary people in Beijing during the anti-Japanese war, the serial has broad appeal not only for Beijing residents but also for the people in Shanghai and other cities in south China who are not familiar with the habits and customs of capital residents. During its first and second runs, people everywhere seemed to be setting their agendas around the airing of the drama's installments, afraid to miss one bit of the action packed series. Some factories even cancelled extra evening shifts, units rearranged their worktime and the usually committed taxi drivers hurried home to watch Four Generations.

The serial has become a popular topic of conversation among China's TV viewers, spurring the elderly to recall their miserable lives in the past and middle-aged people to remember their child-hood while the young also have been moved by the suffering caused by the Japanese invaders.

The serial has also drawn great attention from foreigners, with a dozen countries asking for copies of its video tapes. Yoshitaro Shibagaji, a professor at Tokyo University who studies Lao She's works, told an employee of the Beijing Television Station of his feelings for the drama, "Truly, I cannot afford for whole serial's video tapes. May I have three episodes?" When he got the video tapes, he felt as if he had found a treasure.

Cao Yu, a well-known Chinese playwright, called the serial "China's best ever television drama."

Shu Ji, daughter of the late author Lao She, said, "When the serial was on, all of my family, old and young, watched it like everyone else in the city. We were all very excited and moved by the programme and were glad that my father's long-cherished wish—'dedicated to the anti-Japanese war'— has been fulfilled."

Bao Chang, a member of the secretariat of the Chinese Writers' Association, said, "I have lived in Beijing since my childhood. The serial touches my heart."

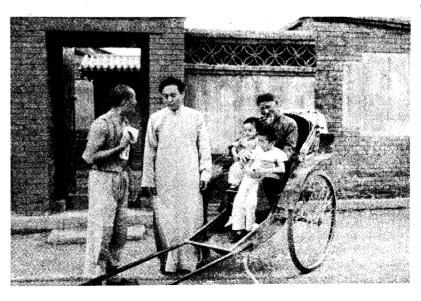
The Xiaoyangjuan Alley, where the serial is set, has now changed into Xiaoyangjia Alley. A 67-yearold grandma who lives in the lane recalled with tears in her eyes, "I never forgot the days of that period, and the serial describes them perfectly."

Lan Ling, a council member of the Chinese Writers' Association. spoke highly of the movie's "national style," saying, "All things with national features are always full of artistic vitality. Lao She's Four Generations Under One Roof profoundly analyses the society, the people's life and the national identity of that time."

The success of this serial should first of all be attributed to Lao She's work from which the story is drawn. In his work Lao She tells the story of Peiping (Beijing) under the occupation of the Japanese invaders during World War II through the eyes of people in an actual lane in Beijing's western district, where Lao She lived.

On July 7, 1937, the Japanese tanks entered Beijing and demolished the tranquility of the lane and its 11 families. More than 40 people lived in the lane. Their different responses to the events weave the dense fabric that is the Four Generations tale.

The main families are the Qi, Qian and Guan families. The Qi family has 10 members, Old Qi, his son Tianyou and wife, his



eldest grandson Ruixuan and wife. his younger grandson Ruifeng and wife, his youngest grandson and two great grandchildren. Old Oi's law-abiding son is subjected to the bullving and humiliation of the Japanese gendarmes and commits suicide by jumping into a river. The eldest grandson is arrested by the Japanese invaders, and a ne'erdo-well younger grandson throws in his lot with the Japanese invaders but is finally killed by them. The youngest grandson leaves home secretly and joins the anti-Japanese army.

Qian, a poet, lives two doors down from the Qi family, where he leads a secluded life drinking and writing poetry. Soon after Beijing fell to the Japanese, Qian's younger son, a driver, dies a martyr's death when he plunges his truck filled with Japanese soldiers down into a deep valley. Qian is arrested for his son's action and beaten by the enemy. Back home he finds his sick eldest son has died and his wife has killed herself by knocking her head against her son's coffin. Seeing that only a pregnant daughter-in-law is left; Qian is determined to join the underground work of opposing the Japanese.

Between the Qi and Qian families lives the Guan family. Guan Xiaohe and his family idle away their time in pleasure-seeking, and try to take advantage of the Japanese occupation by seeking positions among the invaders. Egged on by the wife (nicknamed Dachibao) the family informs against the poet in order to ingratiate themselves with the Japanese. Dachibao becomes head of the Peiping brothel management bureau and opens her family up for visits by prostitutes, hooligans, spies and traitors, thus is ridiculed by her neighbours.

Different from other works on the anti-Japanese war, Four Generations, instead of directly describing the Japanese invasion





and the Chinese war against it, portrays all the characters by describing the misery of their lives then. Though the setting is far from the battlefield, every stage of the war is reflected through the experiences of the characters. The film extols the patriotism and national dignity of the Peiping people and exposes the brutality and shamelessness of the Japanese invaders.

Lao She analyses the perplexity of the people who lived in the enemy-occupied areas, their struggles and their awakening. These people are coping with the reality of the war in their own way. At the same time they themselves are changing every day. Some people yield, betray themselves and unsuccessfully struggle to maintain their own dignity, while others awake and join the heroic fight against fascism. Lao She praises the national dignity of the Chinese people, and at the same time satiries and castigates the sordid actions of some.

Directors, cameramen and set designers have been very loyal to Lao She's work. They followed not only the original story and the development of every character, but also the author's rigorous realistic approach. They neither romanticized the story, nor added irritating scenes. Instead, they emphasized the description of the innermost world of the characters, making the show attractive and exciting.

Another secret of the success of Four Generations is the excellent performances given by actors and actresses. Lao She's wife Hu Jieqing and the chief director Lin Ruwei suggested that the actors and actresses be from Beijing, speak the local dialect and have faces unfamiliar to the audience. Every actor and actress auditioned for a part and was scrutinized by Lao She's wife. After a serious selection process that lasted six months, the huge cast was set up.

Li Wanfen, an actress from the Beijing People's Art Theatre who has become famous in Beijing for her part as Dachibao, Guan Xiaohe's wife, talked about what she thought when she accepted this role. "At first I was not interested in this role and was uncomfortable playing it. Later, I found the role had a complicated inner world. Dachibao is vulgar, servile, rude and arbitrary but pretends to be graceful. So I had to master the role and expose her filthy soul before the audience."

Shao Hua from the China Youth Art Theatre plays the 70-year-old Qi. Shao came from south China but knew the characteristics of old people in Beijing — how to wear his cap, how to look at people and how to hold his hands. When Old Qi discovers the death of his son, Shao intentionally limits his speech but repeats several times the movement of thumping his hand on the edge of his bed to express Old Qi's profound grief.

Old Qi's eldest granddaughterin-law Yunmei is gentle, virtuous and filial. After her father-in-law died and her husband was arrested, she continues to do heavy chores for the huge family and gradually becomes stronger through struggle.

The role demands the actress to be quick, neat and sedate, and is a difficult part for a young actress. Li Weikang, a member of the Beijing opera, was cast for the part. Her expressive eyes brimming with tears tell of her deep sympathy for the suffering people.

Zheng Bangyu plays the eldest grandson of Old Qi and his solid performance expresses the character's vacillation between the protection of the country and his family and between loyalty to the state and filiality to his family.

The third reason for the success of the serial is that people are now tired of shoddy love stories and kung fu films. From Four Generations people have seen the wide possibilities for Chinese television. Xia Chun, a well-known director of modern drama, said, "Four Generations has opened a new trail for television serials."

The rerun of Four Generations proves that the Chinese audience, including the young, is not only interested in different works with varied themes, but is also fond of works with rigorous themes and unique national styles.

CORRECTIONS: In the article "China's Administrative Regions: Hunan: Agriculture Enjoys Priority" in our issue No. 37, the first paragraph beneath the subhead "Other Main Products" on p. 21 should begin "Dongnanhu is one of Hunan's biggest producers of reeds."

The sixth line from the bottom, left column, p. 22, should read "percent in 1984, a shift made possible."

The third line of the first paragraph under the title "Hengdong County Taps Water Energy," p. 22, should read "million cubic metres of water, 218"

The first sentence beneath the title "West Hunan: Getting Rid of Poverty" on p. 24 should start "Western Hunan is inhabited mostly by Tuja and Miao people (the province is multi-national, with 40 ethnic groups, a total of 2.2 million people)."

The second line in right column on p. 26 should read "The province has also a young steel industry, however, its development is somewhat lopsided," and the third line in the next paragraph should be "lain production and ramie textiles have...."

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## ART PAGE

## Plastic Engravings by Fang Zhenning

Fang Zhenning, born in 1955 in Nanjing, now works as an artist at the Palace Museum in Beijing. Following is a suite of engravings entitled *Beauty of Nature*.



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