

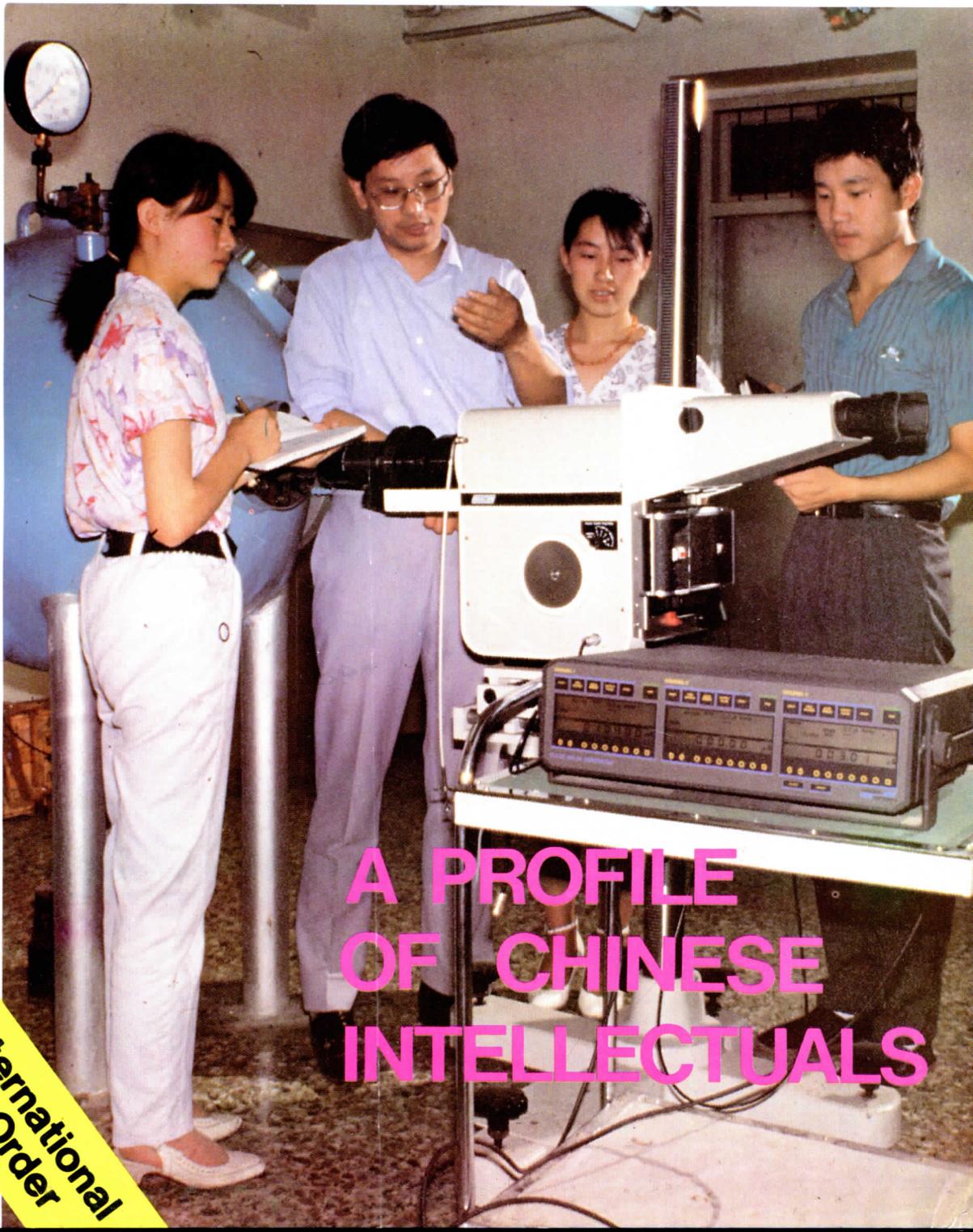
A CHINESE WEEKLY OF NEWS AND VIEWS

Beijing Review

北京周報

Vol. 33, No. 30

July 23-29, 1990



A PROFILE
OF CHINESE
INTELLECTUALS

Flawed International
Economic Order



Foreign tourists visiting the Ming Tombs enjoy a souvenir photo of themselves dressed in imperial clothing. These two tourists laugh it up as they pretend to be "emperor and empress of the Ming Dynasty." *Photo by Shi Li*



Intellectuals Contribute to Modernization

□ Respecting knowledge and talent is the watchword in China, and the government makes it a point to raise the political and social status of intellectuals, improve their working and living conditions and encourage them to play their part in socialist modernization. (p. 13).

Willingness to Ease Sanctions not Enough

□ Speaking at a recent State Council plenary meeting, Chinese Premier Li Peng said that a willingness on the part of the seven industrial nations to ease sanctions against China doesn't go far enough. He also said that China's economy has generally taken a turn for the better, and another record harvest of summer grain has been reaped. (p. 4).

Biased Economic Order Hurts Poor Countries

□ North-South economic disparity, the result of an irrational international economic order, has proved a major obstacle to the development of economically backward countries. Only a shift in the current economic order can lift poor countries out of abject poverty and boost the world economy on a sound basis. (p. 10).

Forest Protection Tightened

□ Through legal, economic and technical means, China has achieved tangible results in its move to protect forest resources. There has been a crackdown on indiscriminate felling of trees; forest fire hot-spots are carefully watched; the outbreak of a variety of diseases and insect pests is being prevented. (p. 22).

Safeguarding Consumer Rights

□ Along with the rapid economic growth since 1979, violations of consumer rights have become a common occurrence. To protect consumer rights, consumer organizations have been set up to handle a wide range of complaints. On International Consumer Day, March 15, various publicity activities were organized as China demonstrated its determination to protect consumer rights and interests (p. 17).

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COVER: Feng Changgen (second left), a professor of the mechanical engineering department of the Beijing Institute of Science and Engineering, and his students in the laboratory.

Photo by Xu junchao

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Published every Monday by BEIJING REVIEW

24 Baiwanzhuang Road, Beijing 100037

The People's Republic of China

Distributed by China International Book

Trading Corporation (GUOJI SHUDIAN)

P.O. Box 399, Beijing, China

Subscription rates (1 year):

Australia.....	A.\$30.50
New Zealand.....	NZ.\$40.50
UK.....	£16.50
USA.....	US\$30.50
Canada	Can.\$30.50

Easing Sanctions Takes More Than Words

Chinese Premier Li Peng told a recent State Council plenary meeting that a willingness on the part of the seven industrial nations to ease sanctions against China doesn't go far enough.

"We have taken notice of the fact that the seven Western countries expressed willingness at their recent economic summit in Houston, the United States, to loosen their sanctions against China," Li said. "This step, however, is not yet big enough."

Noting that China is a developing country with a large population, Li said his country is willing to develop friendly and co-operative relations with all countries on the basis of the Five Principles of Peaceful Coexistence, and improve its relations with Western countries.

What China has done over the past year is testimony to the world that it will never barter away principles or yield to foreign pressure, the premier said. Any country attempting to isolate China will harm not only China, but the country itself as well.

The reason China is able to stand firm in a complicated and changeable world situation, Li said, is that it has maintained its domestic political, economic and social stability.

"Only by running domestic affairs well can we further break the economic sanctions and create a more favourable international environment for the country's modernization drive," he said.

Reviewing the domestic economic and reform situation,

the premier said the economy has generally taken a turn for the better thanks to the effort that began early this year to rectify the economy and deepen the reform. Since March, China's industrial production has registered a gradual recovery, Li said.

He also noted that another record harvest of summer grain has been reaped. The total output is expected to reach 98 million tons, an increase of four million tons over 1989.

For the second half of this year, Li said that interest rates on loans will be lowered to a moderate level at a suitable time in order to reduce the burden of enterprises and create a more relaxed environment for them. At the same time, it will be necessary to introduce differential rates in order to effect a rational industrial setup. The banks, he added, will provide adequate loans for industries to renovate and replace their equipment.

Prices will remain basically stable, the premier said, with the rate of increase staying below 10 percent for the entire year. ■

Companies Slashed By One-Third

China's efforts to screen its state-run companies since the second half of 1988 have yielded remarkable results. Nearly one-third of the nation's companies, or 102,177 to be exact, had been closed or merged by the end of April, 1990. Of those companies, 55.3 percent were in the

marketing sector.

Figures from 30 provinces and municipalities showed that 88.8 percent of all enterprises affiliated with government or Party organizations were closed or merged, while the rest were taken away from their original owners.

The figures also indicate that 96.4 percent of all 49,300 Party and government officials who currently held posts in the companies have given up such posts, while the rest will do so after they finish their contracted duties in foreign-related firms.

During the screening, 95,827 cases of criminal offences were uncovered among the companies, and so far investigations into more than 90 percent of those cases have been completed.

China first started screening state-run companies in 1985, cutting the number of companies to 180,000 from 320,000 in a year's time.

The State Administration for Industry and Commerce, which oversees the screening effort, issued a statement concerning the liquidation and settlement of those companies closed or merged on July 6 requiring governments at all levels to publicize the names of the closed or merged companies and the methods used. The document also required that companies to be closed or merged must, starting from the first day they are given official notice, stop all activities except clearing work, which is to be completed within three months.

Foreign-funded and private enterprises and companies will not be affected by the screening work. ■

Sino-Canadian Ties: Dispelling Clouds

In a meeting with former Canadian prime minister Pierre Trudeau on July 10 in Beijing, Chinese Premier Li Peng said there are some difficulties in the current Sino-Canadian relations, but "the dark clouds will soon be cleared away."

Trudeau, who was on his eighth visit to China, arrived in Beijing on July 9 at the invitation of the Chinese People's Institute for Foreign Affairs.

The Chinese premier expressed his appreciation of Trudeau's contributions to the Sino-Canadian friendship both during his 16 years as prime minister and after his retirement from Canadian politics, and hoped he would make new contributions to restore and develop co-operative relations between the two countries.

Trudeau said he was glad to visit China as the two countries marked the 20th anniversary of the establishment of diplomatic ties. He said he shared Li's hope for new progress in bilateral relations.

During their talks, Li briefed Trudeau on China's current economic situation and the economic retrenchment policies in an effort to combine a planned economy with market regulation.

Li noted that China would emphasize the readjustment of the economic structure and an increase in efficiency as the next step in economic development.

Trudeau said he appreciated the progress China had made in its 10-year reform and the measures the Chinese government had taken in controlling

inflation.

He also said that it was appropriate for China to give priority to agricultural production. ■

Power Transition Without a Hitch

Younger and competent leaders fully supported by veteran revolutionaries are a guarantee of long-term stability and development in China, said Chinese Vice-President Wang Zhen.

The vice-president made the comment during a meeting with a delegation from the Democratic Union of Central Africa's National Assembly headed by its president, Michel Docko. The incumbent Party leaders, including General Secretary Jiang Zemin and Premier Li Peng, are in their prime years; and they have been chosen by the "second-generation leadership" with Deng Xiaoping as its core, Wang explained.

The new leadership has proved to be competent and has won respect from the people, he added.

"We veterans spare no efforts to support them in their work, along with their still-younger subordinates at the provincial and lower levels," Wang said. "This is an important guarantee for our long-term stability and development."

"We are fully confident about building socialism with Chinese characteristics and are bound to achieve our goal to carry the cause pioneered by the revolutionary veterans—Mao Zedong, Zhou Enlai, Liu Shaoqi and Zhu De—to its eventual success," Wang said. ■

Chinese Win IMO Title

The Chinese team took the title in the 31st International Mathematics Olympiad (IMO) with a total score of 230.

Teams from 54 countries and regions, including China, the United States, the Soviet Union, West Germany, German Democratic Republic, Hungary and Romania, competed in this year's IMO in Beijing on July 11-12. The Soviet team ranked second.

This is the first time an Asian country hosted the world's highest-level maths competition.

In 1985, China, for the first time, sent two high school students to participate in the maths Olympiad, bringing home a bronze medal.

Last year, China grabbed four gold and two silver medals at the IMO, becoming the first Asian country to win the overall championship.

This time, however, two of the six Chinese competitors got the full score of 42. And mathematics experts said that the questions for this year are the most difficult in IMO history. ■

Over 30,000 Back From Abroad

About 33,000 Chinese students who went abroad for advanced studies had returned to China by the end of 1989, according to Wang Zhongda, an official of the State Education Commission.

Wang said last year saw a total of 1,000 Chinese scholars back despite the turmoil

of last June. And the proper assignment of work for them has been given top priority by various government agencies and departments.

"We hope our research achievements abroad will be put into practice in China," said Zhang Hailan, a researcher at the Chinese Academy of Sciences who finished his studies in Britain.

To Professor Hu Shaoxue of Qinghua University who had been a visiting scholar in Oxford University and to 215 other students who have returned from Britain over the past two years, it was simply a matter-of-course to go home "because there is lots of work waiting for us to do."

These people had studied in Britain under the Sino-British Friendship Scholarship which, founded in 1986, is provided to researchers in the fields of science, technology, economics and social sciences. Thanks to their training abroad, all of them have demonstrated their new talents and ability in their present work. Nearly half of them have published high-level papers. One-third of them have added new courses to university curricula and 14 percent have made achievements in scientific research.

At the annual meeting for the implementation of the scholarship programme on July 5, the British side spoke highly of the Chinese students' diligence and talent.

Talent-hungry China has sent more than 80,000 students to study in 70 countries and regions since 1978. That number includes 20,000 self-funded students. Another 82 Chinese students will leave for Britain soon.

China views sending students abroad as a very effec-

tive way to introduce into China advanced foreign knowledge, science and technology and managerial experience and as a way to train highly qualified professionals.

Wang Zhongda reaffirmed that the Chinese government will continue to send talented people abroad in order to promote China's economic development. ■

Anti-Drug War Makes Headway

Last year, China seized a total of 290 kilogrammes of opium and 560 kilogrammes of heroin in the fight against drug trafficking, according to a public security official.

Yu Lei, vice-minister of public security, told a conference marking the third International Day Against Drug Abuse and Trafficking on June 26, that a joint operation by his ministry and the provincial authorities of Sichuan, Yunnan, Gansu and Guangdong had busted an international narcotics smuggling ring, involving 10 suspects from Hong Kong, Macao and Myanmar and 41 from China's mainland. The police seized 221.3 kilogrammes of heroin and assorted firearms in the case.

Vice-Minister of Public Health Gu Yingqi said at the meeting that the number of drug addicts is increasing in China as a result of growing infiltration of international drug trafficking into this country.

Drug abuse and trafficking cases have mostly taken place in frontier provinces and autonomous regions, such as

Yunnan, Guizhou, Sichuan, Guangxi and Guangdong, but indications are that the trend is spreading towards the Chinese interior.

So far, at least 146 residents in border areas of western Yunnan have been tested positive with Aids virus, due to communal use of contaminated syringes for intravenous drug injection, the public health official said.

The number of drug-related crimes, such as larceny and robbery, is also reportedly rising in these areas.

Gu told the conference that the Chinese government has been taking drastic measures to crack down on drug abuse and trafficking.

A national anti-narcotics co-ordinating committee composed of officials from the ministries of public health, foreign affairs, public security and the customs, was set up in 1987. ■

Multi-Party Ties Stressed Again

Further measures are needed to ensure full participation of the democratic parties in state and government affairs, General Secretary Jiang Zemin of the Communist Party of China (CPC) said at a forum held by the CPC Central Committee in Beijing on July 13.

Attending the forum were also Li Peng and all the other members of the Standing Committee of the Political Bureau of the CPC Central Committee, and leading members of the central committees of the democratic parties and the All-China Federation of Industry and Commerce along

with representatives of non-party persons.

Jiang stressed that while co-operating and working with democratic party and non-party people, it is necessary for the CPC to carry on a democratic style of work and strengthen mutual supervision.

He said that on the one hand, it is necessary to recommend more democratic-party and non-party persons for leading posts in government departments. On the other hand, governments at all levels should strengthen their contacts with the various democratic parties.

Besides inviting some members of democratic parties to governmental meetings, the Party chief said, the government should also consult the democratic parties on special subjects so as to make the policy-making process more democratic and scientific.

He said in building up socialist democracy it is imperative to adhere to and improve the People's Congress system, the multi-party co-operation under the CPC's leadership and the political consultation system. ■

China Launches Heavy Duty Rocket

China's newly-developed four-booster-reinforced "Long March 2E" carrier blasted off and successfully sent an simulation satellite into its planned orbit on July 16.

The launching took place at the space centre of Xichang, where the AsiaSat-1 was successfully lauched on April 7 this year. The rocket, sent out from a new giant launch pad, also carried a small exper-

imental satellite for Pakistan.

The figures and graphics transmitted from the Xian Satellite Monitoring Centre in Shaanxi Province indicated that the entire launching procedure, from lift-off to the final rocket and satellite separation, went to a successful end.

The launch operation, as part of a programme to develop China's space industry and international space-technology services, indicated a major progress in China's carrier rocket manufacturing technology and launch facilities.

The decision to design and manufacture the "Long March 2E" carrier rocket was made at a State Council conference chaired by Premier Li Peng in

1988. Chinese space scientists and engineers, working in concerted collaboration, completed the design and production of the new rocket within 18 months.

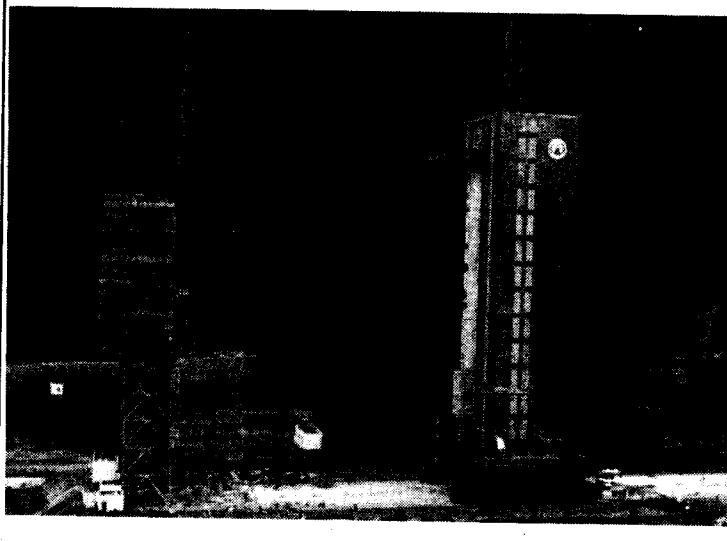
The powerful carrier, fitted with four boosters, is able to carry an 8.8-ton satellite into near-earth orbit, 200 to 400 kilometres above the earth.

Experts said the experiment has proved the rationality of the new carrier's overall design, the reliability of the new launch facilities, and the satisfactory coordination of various systems, including the carrier itself, the simulation satellite, communications and control, and the launch facilities. ■

China Sets Up New Launching Pad

The first phase of a new rocket-launching pad has been completed and put into operation in Xichang, China's satellite launching base in Sichuan

Province. The project is composed of a 74-metre-high fixed launching pad (left) and a mobile 97-metre-high service tower (right). KE XUAN



Problems Surrounding German Unification

Wang Defeng and Na Fucai

On July 1, the treaty creating an economic, monetary and social union between the two Germanies went into effect. The day before, the official currency of Democratic Germany was withdrawn from circulation, making the West German deutsche mark the sole legitimate currency for both countries.

Although the two Germanies are rapidly moving towards unification, disagreements remain over the state treaty, the speed of unification, the post-unification army and bloc membership.

Federal Germany, in particular Chancellor Helmut Kohl, has spared no effort to seek early unification while Democratic Germany, though also in favour of early unification, has acted with more caution.

Upon his return from a visit to the United States on June 13, Democratic German Prime Minister Lothar de Maiziere told reporters the rapid process of German unification, including Bonn's scheduled all-German election, cannot keep pace with European unification. Democratic German citizens, he added, want unification to be carried out step by step.

Although he favours Bonn's proposal to hold an all-German election on December 9 this year, he said work must be done to retain the five states of Democratic Germany, work out a second state treaty of the two Germanies and devise ways for Democratic Germany to join West Germany.

The two Germanies will face some problems with their mone-



XU RUYUAN

British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl hold a news conference in London to discuss issues involving German unification and the European Community.

tary union. In West Germany the increased demand for deutsche marks will probably lead to inflation, affect the stability of the currency and increase financial burdens and social pressures. Karl Otto Pohl, president of the Deutsche Bundesbank, pointed out that if the government of West Germany does not protect the amount of money issued, the financial burden will be shared by every person in the country. One way to safeguard the money supply, he said, would be to cut back on military spending.

West Germany agreed to Democratic Germany's use of the deutsche mark on condition that Democratic Germany hand over its economic and monetary sovereignty. Therefore, West Germany will not suffer losses in the

long term. In Democratic Germany some enterprises will close down, unemployment will increase, the price of commodities will rise and the standard of living will decline. Sixty percent of the workers are worried about their jobs and 69 percent of women are afraid of losing their jobs.

On the question of a post-unification German army, Federal German Defence Minister Gerhard Stoltenberg said a unified Germany should have one army, with the Federal German army as its backbone.

However, his Democratic German counterpart, Rainer Eppelmann, suggested establishing another army on what is now East German territory. This second army, which would oversee East German territory only, would

not be controlled by a unified German defence ministry or belong to any military bloc. Rather, this army would be commanded jointly by the five states of the former Democratic Germany.

Regarding bloc membership of a unified Germany, Democratic Germany, unlike Federal Germany and its Western allies who want an unconditional NATO membership for a unified Germany, wants to give more consideration to the security concerns of neighbouring countries, in particular the Soviet Union.

The Soviet Union views a unified Germany as a member of NATO as unacceptable. But, in an effort to break the deadlock on the issue, Moscow has proposed a unified Germany belonging to both NATO and the Warsaw Pact.

Although Democratic Germany supports a unified Germany belonging to NATO, it has insisted on the reconstruction of

NATO to politicize it. It also advocates that the Warsaw Pact be changed from a military-political alliance into a political alliance. The country also supports the dissolution of the military blocs and the formation of a new European security system which would be free from such blocs.

At the second round of the "two-plus-four" talks on June 22 in Berlin between the two Germanies and the four victors of World War II, Soviet Foreign Minister Eduard Shevardnadze proposed to pull out all allied troops from Berlin within six months of German unification and to end the city's special status.

His proposals also included the establishment of a three-year transition period following German unification and retainment of troops to a maximum of 200,000 to 250,000.

The four victors — the Soviet Union, the United States, Britain and France — should reduce the

number of troops stationed in Germany by 50 percent two years prior to the withdrawal of all allied armed forces from German territory, Shevardnadze suggested.

The Soviet proposals were rejected by West Germany, the United States, Britain and France. However, Democratic Germany's Foreign Minister Markus Meckel said he appreciated the Soviet proposals and supported the proposal to withdraw all troops of the four great powers from Berlin.

Democratic Germany's attitude towards these issues will probably make the West consider German unification more comprehensively. However, both Meckel and Kohl have stressed on different occasions that a united Germany is an irreversible trend.

It is expected that by the end of this year, there will be a compromised plan on German unification acceptable to all sides. ■

Iran-Iraq Negotiations Take Favourable Turn

by Liu Shun

Recent face-to-face talks between the foreign ministers of Iran and Iraq have broken a two-year-old stalemate in peace negotiations, thus paving the way for the two countries to hold a summit meeting.

The July 3 meeting at the Palais des Nations in Geneva was the first time Iraqi Foreign Minister Tareq Aziz and his Iranian counterpart, Ali Akbar Velayati, had spoken directly since August 1988, when a ceasefire was called in the Persian Gulf War.

United Nations Secretary-General Javier Perez de Cuellar was also at the historic meeting. Afterwards, he described the

talks as friendly, adding that there was a possibility that a summit meeting between the presidents of the two countries would take place. He also said he was considering visiting Iran and Iraq at a date to be decided upon later.

At the conclusion of the Geneva talks the two sides issued a joint statement reaffirming that they would continue to support the secretary-general's role in the implementation of United Nations Resolution 598, the basis of bilateral contacts. Perez de Cuellar called the direct talks a breakthrough and a clear sign of the two countries' willingness to

settle their bitter conflict.

Over the past two years, the two foreign ministers have held several rounds of indirect talks. Because of this, the UN secretary-general or his personal representative had to shuttle between the two delegations. Even if the two foreign ministers were in the same room at the same time, they talked to the secretary-general rather than addressing each other.

With the United Nations mediating, Iran and Iraq reached a ceasefire in their bloody eight-year-long war on August 20, 1988. Five days later, the two ministers, under the auspices of

the United Nations, entered into negotiations at UN headquarters in Geneva and began the long process towards a peaceful settlement of their conflicts.

But the peace talks have been deadlocked for most of the two years, bogging down in disputes over the question of priorities: whether Iraq should first withdraw its troops from Iranian territory or whether the issue of the strategic Shatt al-Arab waterway on the southern border of the two countries should be settled first. The disputes have hampered the exchange of an estimated 100,000 captives held by both sides.

Iraq has insisted that it has exclusive sovereignty over the Shatt al-Arab waterway. Iran, however, said the Algiers Agreement of 1975 which dictated the border between the two countries was still in effect. That agree-

ment stipulated that the central line of the main passage of the Shatt al-Arab waterway was the boundary and that both countries could use the waterway.

Things have begun to change since the beginning of this year, however. In late April, Iraqi President Saddam Hussein sent a message to Iranian President Hashemi Rafsanjani calling for a summit meeting between them in Mecca, Saudi Arabia. Although Rafsanjani categorically refused to attend talks in Saudi Arabia, with which Iran has not maintained diplomatic ties since April 1988, he was favourable to the idea of a meeting under UN auspices. The devastating earthquake that shook the northwestern Iranian provinces of Gilan and Zanjan in June provided another opportunity for improved ties between the two countries. Iraq through Egypt provided two

airplanes for rescue work, a gesture which was welcomed by Teheran.

The war between Iran and Iraq, which had brought heavy casualties and a tremendous property loss to both countries, was the result of national contradictions, religious disputes and territorial conflicts, old issues that cannot be resolved overnight.

Another sore point is who started the war. Iran claims Iraqi troops were the first to cross the border, provoking war on September 22, 1980. Iraq insists that on September 4, 1980, Iran heavily shelled its border cities, thus starting the war.

Nevertheless, if the two sides can preserve the momentum of the current peace negotiations and promote an early meeting between the two heads of state, the possibility of realizing lasting peace looks bright indeed. ■

Biased Economic Order Hurts Poor Countries

by Yang Hexiang

Over the past decade, an unequal international economic order has widened the gap between developed and developing countries. The economic situation in developing countries has taken a turn for the worse.

Since the late 1970s, the international division of labour has become unfavourable to the developing countries. This is because, on the one hand, developed countries, hit twice by skyrocketing oil prices in the 1970s and experiencing a revolution in science and technology, rapidly reorganized industries by introducing energy-saving technologies and new materials. Therefore, they reduced their dependence on the raw materials

and primary products of developing countries.

On the other hand, developing countries largely relied on Western countries' technology and equipment for their industrialization programmes. Most developing countries are technologically backward and are capable of producing only a small number of products.

Taking advantage of advanced technology, Western countries then monopolized sophisticated

technologies and key spare parts while transferring outdated techniques and industries to the developing countries. In this way, the developing countries were forced to depend more heavily on developed countries.

Technologically advanced countries have profited from the worldwide exchange of products. They shifted some traditional industries, such as metallurgy and textiles, to the developing countries to take advantage of cheap

labour and raw materials there. The developing countries were then forced to compete with each other over the selling of raw materials and similar primary products.

Protectionist Trading System

The international trading system also hurts developing countries. Affected by long colonial rule, the national economies and exports of many developing countries have been dominated by one or two products. After they successfully decreased their dependence on the products of developing countries, developed countries followed a protectionist trading policy that seriously weakened the developing countries' position in international trade. The export growth rate for developing countries dropped to 8 percent during the 1980s from 13 percent in the 1970s. Furthermore, the damage that the developing countries suffered from the exchange of goods on unequal terms increased. In 1988 compared with 1979 the price of manufactured goods on the international market rose by 33 percent while that of primary products rose only 2.7 percent.

Unequal Monetary System

Since the beginning of the 1980s, Western countries have been raising interest rates by a big margin. In 1981, commercial loan interest rates on international monetary markets climbed as high as 14 percent. Because of this, it cost more for developing countries to borrow money and increased the interest on old debts.

The International Monetary Fund estimated that by 1988 developing countries' debts totalled US\$1.2 trillion, half of which were the result of rising interest rates between 1979 and 1986.

Instead of using money for economic progress, developing countries sent large chunks of money to developed nations to pay off their debts.

During the 1980s, developed countries also reduced indirect investment in developing countries — to US\$1 billion in 1986 from US\$89 billion in 1981. There was also a reduction in direct investments by developed nations.

Heavy Debt Burden

By 1989, the developing countries' foreign debt had increased

to US\$1.3 trillion because of reduced exports, unequal exchanges of goods and irrationally high interest rates.

Developing countries have paid a high price for their foreign debt. Between 1979 and 1988, Latin American countries annually repaid creditor nations 5 percent of their gross national product (GNP), or US\$289 billion of capital plus interest. African countries repaid US\$30 billion for their foreign debts annually or 40 percent of their total export income.

Since 1983, the amount of interest and profit repaid by the developing countries to the creditor nations surpassed the amount of money borrowed by the developing countries. In 1987, US\$29 billion of capital was transferred from the developing countries to developed countries.

The stagnation of the poor countries' economies and the disparity of development between North and South have hampered the co-ordinated development of the world economy. Therefore, the concept of a new international economic order based on equality and mutual benefits is drawing more and more support. ■

Latin America Speeding Towards Integration

by Guan Yanzhong

In May new steps were taken by Latin American countries to accelerate regional integration.

The Latin American Economic Commission held its 23rd ministerial meeting on May 9 in Caracas to discuss and draft Latin America's development strategy in the 1990s and for the future. The meeting stressed that Latin American coun-

tries must strengthen regional integration and rely on regional self-dependence to develop their economies.

From May 22 to May 24, the Andean Pact countries held their third presidential summit in the ancient Inca city of Machu Picchu at which they decided to set up a presidential council to strengthen verification of

the integration process in the region. A summary issued by the summit members said that by 1995 free trade, and by the end of this century the free flow of capital and personnel, can be expected to be realized within the group.

On May 25, Argentina, Brazil and Chile agreed to set up a free trade zone beginning in June, which could

be joined later by other members of the Latin American Integration Association.

These steps were taken to accelerate Latin American integration in order to strengthen the region's competitiveness in the international economic arena where several strong economic groups have appeared and the European Community, which has close relations with Latin America, is going to have a unified market in 1992.

Ties With the EC

Latin American countries have a profound historical relationship with Western Europe. After shaking the colonial rule of Spain and Portugal, most Latin American countries again became spheres of influence competed for by Britain, France and Germany. After World War II, Western Europe's influence in Latin America weakened sharply and was replaced by that of the United States. Since the 1960s, political and economic relations between the European Community and Latin American countries have resumed. In 1971, the European Community established dialogue at the ambassadorial level with Latin American countries and signed trade and economic agreements with Argentina, Brazil and Mexico.

Since the 1980s, the European Community has strengthened economic relations and political dialogue with Latin American countries, especially with Central American nations. In November 1985, the European Community signed with the five Central American countries and the Contadura Group an economic co-operation agreement lasting five years and a memorandum on regularizing political dialogue. In February 1987, the economic co-operation agreement went into effect. In June 1987, the European Community for the first time drafted a policy towards Latin America, deciding to strengthen economic and technological co-operation with Latin American countries, provide them with financial aid and support the Central American peace process. Contacts between the two areas increased. In April this year the Euro-

pean Community and the five Central American countries held a ministerial meeting and signed a three-year financial agreement. The EC also plans to increase its development aid to the five nations by 50 to 60 percent in order to promote trade and economic integration in Central America.

The changes in the world economic pattern and the ever-widening gap between the North and the South are unfavourable for the economic development of Latin American countries. After their severe economic crises and internal difficulties, most Latin American countries have paid more attention to developing relations with West European countries. Since it was set up in 1987, the Rio de Janeiro Group consisting of eight Latin American countries, has held regular meetings with the EC to discuss how to strengthen bilateral relations. Although the EC is an important trading partner of Latin America, the proportion of its trade with Latin America has fallen in recent years. In 1987, Latin America's exports to the EC amounted to US\$20 billion and imports from the EC US\$14 billion, or 21 percent and 18 percent respectively of Latin America's total exports and imports.

The slow development of trade between the two areas has been attributed to trade protectionism practised by the EC. After the European single market is set up in 1992, trade protectionism may increase sharply and, as a result, will affect Latin America's economic recovery and development.

Self-Reliance

Harsh economic realities forced Latin American countries to explore new ways of self-reliance and to accelerate integration towards setting up a regional common market. They're looking at 1992 as well.

The Latin American Integration Association, the Andean Group and the Central American Common Market have jointly made efforts to discuss and implement integration measures. The Group-8, whose population and territories account for 80 percent of the Latin American region, has also tried to build closer

relations with other regional organizations while strengthening co-ordination within the group.

A comparatively practical and feasible way at present is to increase trade and economic co-operation within the region in order to create conditions for establishing a common market. According to the Latin America Integration Association, Latin America's exports last year were US\$110 billion of which trade within the region was 35 percent, a sharp rise from previous years. At the end of last year, the eight-nation group decided to remove non-tariff barriers in mutual trade, and provide preferential tariffs for all goods, expand bilateral trade agreements and reduce tariffs through negotiations.

Later this year, the Latin American Integration Association will hold the first round of trade talks to discuss the problem of gradually removing non-tariff barriers and reducing tariff rates.

Latin American countries are also exploring more channels for trade with foreign countries. Much concerned with the rapid flourishing of Asian-Pacific economies in recent years, Latin America has begun to pay more attention to developing relations with those countries while maintaining economic and trade relations with the United States and Western Europe.

Regional integration relies heavily on the development of the economies of the countries involved. Documents adopted recently by the Latin American Economic Commission point out that Latin American and Caribbean countries should seek reasonable production reform in order to achieve economic growth, improve people's livelihood and consolidate the democratization process. In recent years, Brazil, Mexico, Argentina and Chile have pursued an export-oriented development strategy. They carried out economic structural reforms, made efforts to invigorate the private sector, expanded foreign trade and improved export structure. They also reduced restrictions towards imports, raised the competitiveness of their products in world markets and at the same time reduced the outflow of capital. Private foreign investment has also been encouraged.

Intellectuals Contribute to Modernization

by Our Staff Reporter Yao Jianguo

Respecting knowledge and respecting talents constitute one of China's basic policies. In the last few years China has improved the living conditions of the intellectuals, who are playing an important role in socialist modernization construction.—Ed.

In China, the term "intellectuals" refers to people with a secondary or higher educational level as well as those who have a higher technical title than assistant engineer. In 1989, there were 22.18 million intellectuals in China, one-third of whom had received a college education. This stands in sharp contrast with the less than 1 million intellectuals in China shortly after liberation in 1949.

Along with this increase in the number of intellectuals there has been a change in the structure of various professions. In 1952, there were only 900 people involved in scientific research, 130,000 in engineering technology, more than 10,000 in agro-

technology and over 180,000 in health care technology. At the time, only 4,000-plus held a title higher than engineer or lecturer. By 1989, however, the number of scientists and researchers had increased by more than 381 times, that of engineering technical personnel more than 31 times, agrotechnicians close to 41 times, and people engaged in health care technology 15 times. The number of professors, associate professors, senior engineers, engineers and lecturers reached some 2 million, more than 500 times that of 1952. As a percentage of the Chinese population of 1.1 billion, however, they comprise only 2 percent, a figure lower than many other developing

UNESCO official (second right) set up a test for Shi Fengshu (first left), whose fast method of calculations has aroused great interest in both Chinese and foreign scholars.

YANG WUMIN



countries. Such a small technical pool cannot meet all the needs of China's modernization drive and so it is necessary that the nation make the most of their talents and at the same time train increasing numbers of people in science and technology.

Respect for Knowledge

After the Third Plenary Session of the 11th Party Central Committee held at the end of 1978, China moved to correct past mistaken policies towards intellectuals. It was stipulated explicitly in the 1982 Constitution of the People's Republic of China that "in building socialism it is imperative to rely on the workers, peasants and intellectuals" and the Party also approved the policy that both knowledge and talents must be respected and, with regard to intellectuals, they should enjoy equal treatment and care in life. Such steps have contributed to improving the status of intellectuals in society.

A Rise in Status

The political and social status previously enjoyed by the intellectuals has been reaffirmed during the last ten years because, like workers and farmers, they are also masters of the socialist country. A large number of pol-

itically sound and professionally competent intellectuals have been promoted to various levels of leadership since 1982. Nationwide, more than 1 million technical personnel now hold important, decision-making positions.

The proportion of intellectual deputies to the National People's Congress and intellectual members of the Chinese People's Political Consultative Conference (CPPCC) has increased. For example, 63.5 percent of the deputies to the Seventh National People's Congress are intellectuals with an education above the secondary polytechnical level. Moreover, the overwhelming majority of the CPPCC members are intellectuals.

In the ten years between 1979 and 1989, some 2.75 million intellectuals have joined the Communist Party of China, half the total of their CPC membership. Many other intellectuals have joined various democratic par-

ties and people's organizations, and are actively involved in state political activities. Through a variety of channels, they can criticize and make proposals regarding affairs of state. Today, the government and CPC Central Committee regularly solicit the opinions of intellectuals before coming to a final policy decision.

Academic Titles.

Since China began issuing academic titles in 1985, some 6.3 million people have been employed as senior professors, associate professors and lecturers or their equivalent. Of these people, 930,000 were granted a degree equivalent to professor and associate professor and 5.36 million conferred a title equivalent to lecturer. Some 6 million technical personnel have received pay rises at an additional expense to the state of 1.4 billion yuan. This has helped to improve the treatment justly due to intellectuals and inspired them to work harder.

—Improvement in working conditions and life.

Intellectuals have seen improvement in both their working conditions and life. According to statistics, since 1983, close to 1 million intellectuals who had not been able to put their knowledge to work suited to their special training had been properly placed. At the same time, efforts were made to help the some 1.4 million intellectuals unite with their spouses living in other cities or in rural areas. Many cities

and units now provide physical examinations for intellectuals and devote major efforts to solving their housing problem.

To redress the situation in which many intellectuals were paid low salaries, the state has raised the standard of wages for intellectuals to allow for higher pay rises and bonuses. These measures have enabled a considerable number of intellectuals to increase their incomes and, currently, the total wages for the intellectuals in such areas as education, scientific research and public health are growing at a rate faster than any other.

To encourage this situation, the state has, three times since 1984, selected and awarded young and middle-aged scientists, technical workers and managers who have made outstanding contribution in their field of work. Those chosen, 2,219 in all, receive special treatment in wages, housing and health care. Compared with the intellectuals in developed countries, however, Chinese intellectuals still have poor working and living conditions. The steps taken, though not changing the fundamentally poor situation, do demonstrate the Chinese move towards improvement; they show society's recognition of the intellectuals' wisdom and labour.

Outstanding Achievements

China's intellectuals have a tradition of patriotism. Despite the country's low level of economic development and the consequent low pay scale and poor working conditions, they still work to the best of their ability for the rejuvenation of their country.

In the early 1950s, soon after the founding of New China, more than 2,500 experts, scholars and students, including geologist Li Siguang, physician Qian Xue-

ZHU GUANGZHI
Soil expert Yu Renpei (right) and his colleagues have developed a technology for the comprehensive treatment of drought, waterlogged, alkali-saline and poor fertility soil.



sen, mathematician Hua Luogeng and bridge expert Mao Yisheng gave up the comfortable working and living conditions abroad and returned to China. Together with other scientific and technical personnel, they succeeded in developing such technical products as an artificial synthesis of insulin, the atomic bomb, hydrogen bomb and satellites. They also explored and opened up new oil-fields in the face of an imperialist blockade, removing once and for all the idea that China was an oil-poor country. The oil finds fulfilled growing domestic needs and provided the nation with a commodity to sell on the international market.

In 1978, China opened its doors to the outside world.

Since then, in order to fill the gaps in science and technology between China and foreign countries, more than 60,000 students have been sent abroad to study the latest in scientific and technological developments. At the same time, visiting scholars and postgraduate students have also been sent abroad in unprecedented numbers. Those students who have completed their studies and returned home have found work based on their specialities studied abroad, thus providing the opportunities for them to give full play to their talents.

Xu Rigan, an expert of the Mongolian nationality, is praised internationally as the "father of test-tube goats" because he successfully bred the world's first externally fertilized test-tube goat while studying in Japan in 1984. After he returned home, the state helped him to continue his research by earmarking special funds for an animal experi-



DENG YAPING

For senior engineer Liang Zhenting's (right) great contribution to the development of the Dachang Tin Mine, the largest of its kind in China, he was offered the Chinese geological field's highest prize, the Li Siguang Geological Science Prize.

ment research centre staffed by six assistants. Since that time, he has concentrated all his energy on his work, successfully completing 78 experiments. As a result, the success rate of the external fertilized test-tube goat increased from the previous 45 percent to 95 percent. Following this achievement, he succeeded in test-tube fertilization of an ox, marking a giant leap of China's research in the field into the world's most advanced ranks.

There are many intellectuals in China like Xu Rigan and they can often do a lot even if they have never studied abroad.

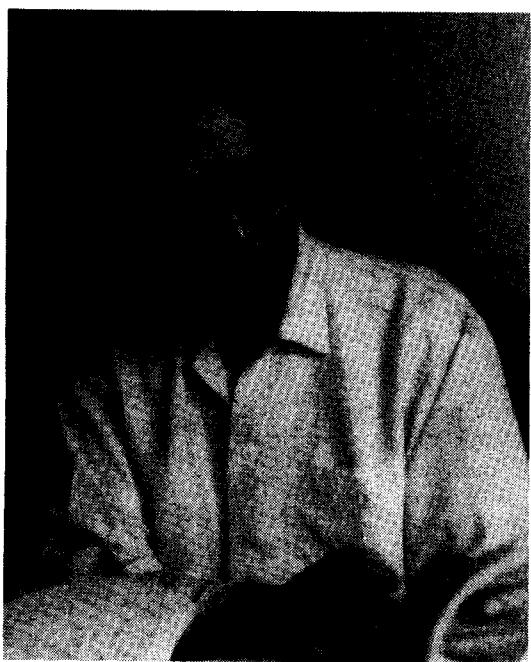
Fu Huimin, now only 34 years old, is one of the youngest members of the school affairs committee of the Beijing Institute of Aeronautics and Astronautics. He obtained his Master's degree in engineering in 1984 and a Doctorate degree in engineering a year ahead of schedule in 1986. After graduation, he had

planned to do research in the United States. However, when his tutor advised him to remain in China because of the great amount of teaching and scientific research work to do at the institute, he agreed. Over the past several years, in addition to participating in two graduate study programmes each term, he took part in 15 scientific research projects, seven of which have been completed, five of which passed ministry-level test, three of advanced international levels and one of advanced domestic level. In 1988, his research won the 3rd class award for national natural science achievements and, in 1989, he won Fok Ying Tung's (Henry Fok) award for "Young Teachers," first class. His name will appear

in *Biographies of Contemporary Famous Figures*, compiled jointly by China, the United States, Japan and other countries.

Recalling his younger days, he said with a deep feeling that "without the support of the state and of the people, I never could have achieved what I have today. As a young intellectual, I can and will do a lot for my country."

Since China instituted national awards for natural science achievements in 1956, more than 700 awards for excellence in scientific research have been given out. Of these, the proof for the Goldbach conjecture by mathematician Chen Jingrun along with other achievements received international recognition. Over the past ten years, since state awards for inventions began, some 1,344 inventions which have won public notice in this way generated an economic return of more than 32.8 billion



WANG PING

Chen Guoda, a professor of **Zhongnan Industrial University**, was highly praised by Chinese and foreign experts for the theory of geo-depression he had developed. He was included in a biography of the world's outstanding people compiled in the United States in 1988.

yuan. In 1989, some 20,278 major scientific and technological achievements won awards designated higher than provincial and ministerial level. Of these, 777 were at the state level and 11 percent at international level.

Mobile Stations

Those who hold a doctor's degree are the elite of the nation's 20 million intellectuals, and they enjoy special care by the state in their study and scientific research.

Since the Regulations on Academic Degrees came in force in 1981, China has trained some 4,800 doctorates. In order to provide them with necessary working conditions and bring their ability and intelligence into full play, China has established 157 post-doctorate mobile stations at 93 colleges and universi-

ties and research institutions since 1985 in Beijing, Shanghai, Xian, Nanjing, Changchun, Harbin, Wuhan, Hangzhou and other cities. Some 76 of the stations are used for science, 75 for physics and eight for agriculture, medicine and law. A total of 651 researchers who graduated from schools in China and abroad are enrolled at each station as post-doctorate research personnel. Some 206 of them obtained the doctorate degrees abroad.

In order to support talented post-doctorate research personnel, the state earmarked 20 million yuan (including US\$2 million) to set up a science fund for which all post-doctorates doing scientific research can apply. After a six-stage screening, some 304 doctors have won access to the fund of 2.286 million yuan in Renminbi and US\$360,500 in foreign exchange. They were able to buy small apparatus and equipment, experimental materials and books with the money. Some of them used the funds to hire assistants while some 80 or so post-doctorates used the foreign exchange to participate in international academic symposiums or go abroad for short-term joint research and experimental work related to their speciality, thus promoting the development of scientific work.

During the "Seventh-Five-Year Plan" period (1986-90), some 261 post-doctors conducted a total of 414 programmes of key scientific and technological re-

search, including high technology, the national natural science fund programmes, major scientific and technological programmes at the provincial and ministerial levels and highly explorative frontier science programmes. Most were successful and 19 of them won science and technology awards from the state and its ministries. More than ten programmes are being reviewed by the relevant departments or have been approved for a patent by the state. About 748 research papers were published in in-house or external academic journals and international academic conferences.

Guo Yiajun, a post-doctorate student of the Shanghai Institute of Biochemistry under the Chinese Academy of Sciences, achieved outstanding results in his research and comprehensive treatment of liver cancer. His new method for the comprehensive treatment of tumours reduced the cancer recurrence rate in the liver and prolonged the life of patients suffering from middle and terminal stages of the diseases. His research has been highly valued by international medical circles and, in 1989, he was selected one of the top ten scientists.

China's post-doctor mobile stations have been instrumental in training high-level specialists, pushing scientific research forward and promoting the construction of the national economy and social development. They have also provided a way out for those who earned a doctorate degree abroad to get back to work in China before taking a fixed post. Last year, 33 doctorates returned from the United States, France, Britain, Japan, Australia and other countries and took up research work in the post-doctorate mobile stations around China. ■

Protecting Consumer Rights

by Our Staff Reporter Liu Jianjun

International Consumer Day, March 15, was marked by various activities throughout the country as many mayors gave TV speeches, consumer protection organizations provided advice and exhibited the most common fake commodities found on the market and the news media broadcast several special programmes on the subject. Many consumers noticed that the scale of activities surpassed those of previous years.

Since China introduced the policy of reform and opening up in 1979, the rapid development of production and the thriving market have enriched, improved and enhanced the level of consumer purchases. There was a change, as well, in the consumption pattern. At the same time, many socialist enterprises, influenced by the changing value system which placed profit above other social considerations and assisted by an imperfect legal system, disregarded their role of serving the people. The result was the violation of consumer rights and the consequent remedial steps taken to spread a consumer rights movement.

Consumer Organizations

Since the founding of the China Consumers' Association in 1984, local organizations have developed apace. According to the latest statistics of the association, there are now 1,726 consu-

mer associations in 25 provinces, municipalities and autonomous regions throughout the country.

These associations in turn have also set up 18,000 branches, supervision stations and liaison stations in urban neighbourhoods, rural towns, government offices, and industrial and commercial enterprises with a total of 24,600 full-time and voluntary personnel.

In addition, some provinces and municipalities have set up industrial and other special associations such as the Elderly Consumers' Associations in Wuhan, Hubei Province, the Youth Consumers' Association in Beijing, and the Catering Trade Consumers' Association and the Commercial Consumers' Association in Fujian Province.

These consumer protection organizations are semi-official organs. Positions of responsibility are held by government officials while the council is staffed by personages from all social strata, including consumer representatives. They are therefore quite authoritative. Wang Renzhong, vice-chairman of the Standing Committee of the Chinese National People's Congress and chairman of the legislature's Financial and Economic Committee, is the honorary chairman of the Beijing-based China Consumers' Association, and senior government officials serve as its chairman and vice-chairmen, thereby strengthening govern-

ment leadership and co-ordination.

The major tasks of the national association and of its branches in various parts of the country are to expand their organizations, formulate laws and regulations, handle complaints, supervise and check up on work of commercial and industrial enterprises, give publicity to their movement, provide guidance for consumers and promote exchanges with other countries.

During a typical day in the association's office in Xiamen, Fujian Province, an energetic and bustling atmosphere prevails from morning till night. Telephones, letters and consumers come in an endless stream. Some of the hard pressed staff participate in a national conference, some travel to other locations to prepare for the establishment of new branches and others, after receiving visitors, then leave to investigate and handle their complaints. At the end of the day, the staff often holds discussions with enterprise representatives seeking advice on consumer problems. The hard work of the organization has earned it a reputation as one of the busiest organs in China.

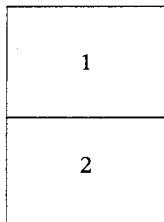
An association staff member noted that they serve several hundred million consumers in more than 100 areas. "Our organization," he said, "functions both as a government agency and as a consumer protector, its

Chinese Intellectuals

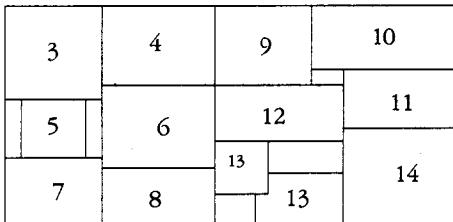
"Comrade Mao Zedong once said during the period of the new-democratic revolution, without the participation of the intellectuals, victory in the revolution is impossible.

"Today, without the participation of the intellectuals, victory in the economic reform is all the more impossible."

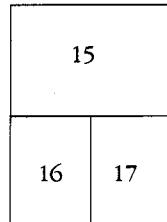
— Jiang Zemin, General Secretary of the CPC Central Committee.
(Extracts from a speech "Patriotism and the Mission of China's Intellectuals" made at a rally held in the capital on May 3, 1990 to mark the May 4th Movement of 1919.)



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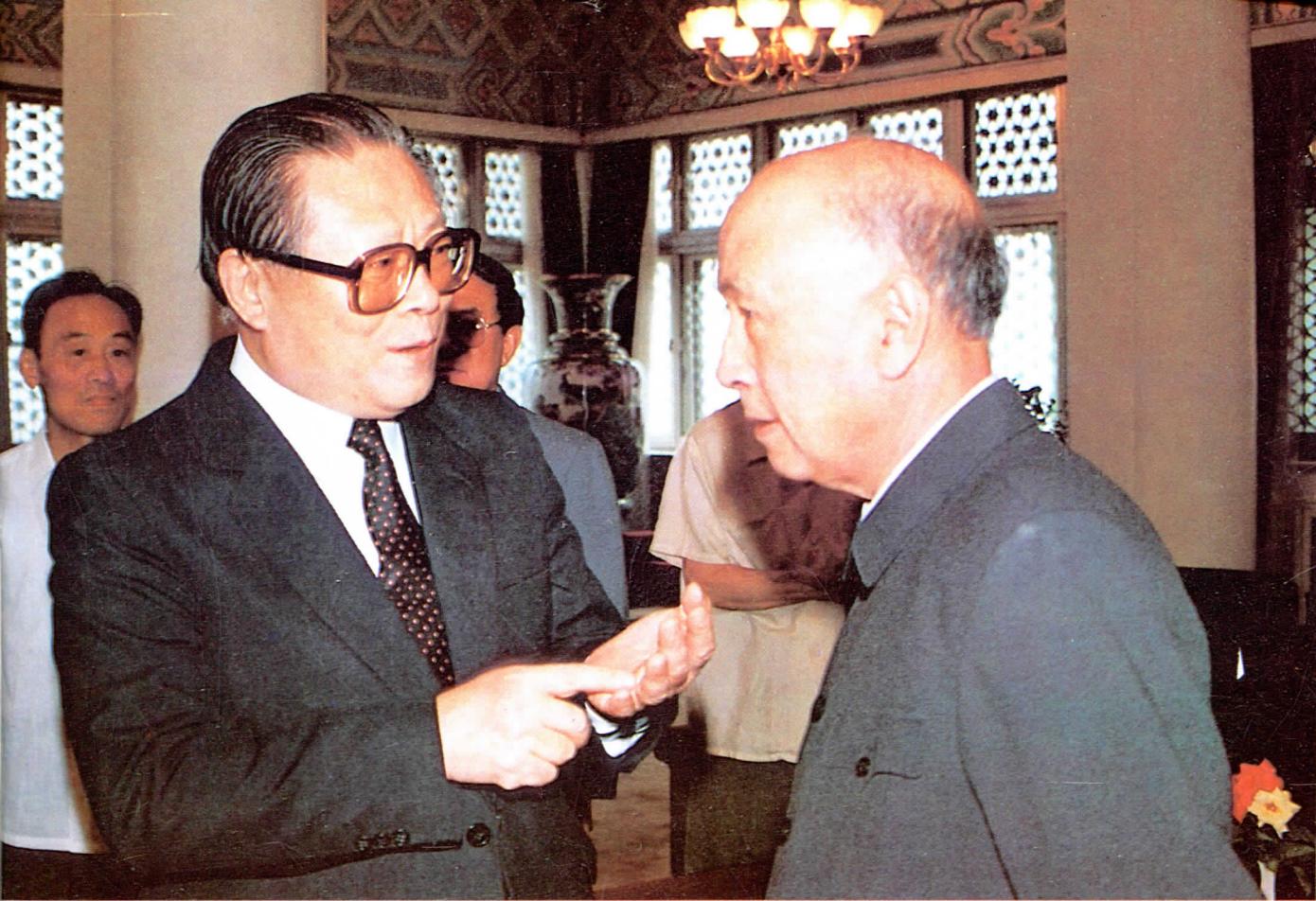


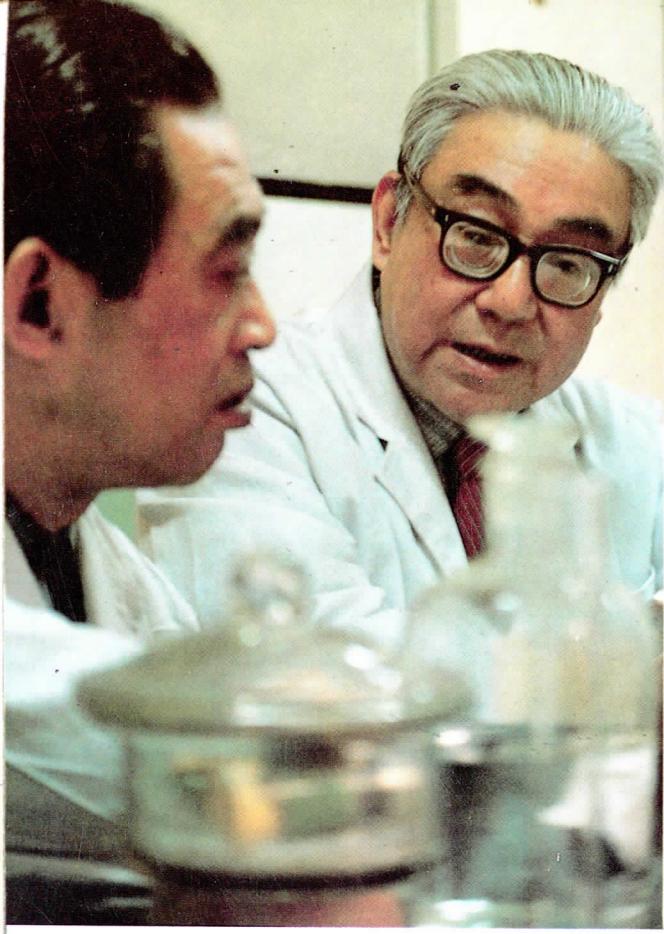
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1. CPC General Secretary Jiang Zemin with the well-known physicist Qian Xuesen (right).
2. On April 7, 1990, the Chinese Long March III carrier rocket launched the AsiaSat-I into space, a symbol of China's entry into the business of international space technologies and a demonstration of China's scientific and technological level and the strength of its scientific and technological contingent.
Professor Xie Guangxuan (right) was the general designer of the Long March III carrier rocket.
3. Professor Song Hongzhao (right) of the Beijing Union Medical College Hospital made a breakthrough in the study of choriocarcinoma treatment, increasing the rate of cure to 82.2 percent. His achievement won the first class honour of the national science and technology progress awards in 1985 and the Chen Jiageng Medical Award early this year. His research achievements are at advanced international level.
4. Qin Dahe, 43, the Chinese member of an international walk-across-the-Antarctic scientific exploratory team, returned to Beijing on April 5. Qin, together with other team members, travelled 5,984 kilometres on foot in 219 days from July 1989 to March 1990, completing the unparalleled feat of crossing the Antarctic continent without mechanical support. Qin Dahe, deputy director of the polar region and glacier research office and associate research fellow of the Lanzhou Institute of Glaciology and Cryopedology under the Chinese Academy of Sciences, went to the Antarctica three times to conduct scientific research.
5. Doctor Chen Zhangliang, 28, in charge of the state genetic engineering office under Beijing University and a member of the biology/high technology expert committee, is one of the youngest professors in China.
6. Ning Hongbin, special-grade teacher of Beijing No. 80 Middle School, made outstanding achievements in the teaching of Chinese. His teaching method which combines listening, oral, reading and writing abilities has resulted in marked improvement in students' cognitive ability.
7. Chen Zhu, teacher of Shanghai No. 2 Medical Sciences University, and his wife Chen Saijuan both earned a Doctorate Degree in France. In September 1989, the two declined a request by the French to stay and returned to their original unit in China. They have had recent progress in their studies of the cell genetics of leukemia.
8. Shen Guojun (second left), president of the Beijing Stone Company and an entrepreneur in the scientific and technological field, was graduated from the Mathematics Department of Beijing University in 1959. The company, made up mainly of scientific and technical personnel, deals in a wide range of technical products and services.
9. Professor Zhang Qingqin of the Guizhou Agricultural College made an important contribution to the research of wheat anti-powdery mildew, three-rust disease and scab, winning him the title of a "state-level scientific and technological worker who made outstanding contributions."
10. Professor Xu Rigan (right) of Mongolian nationality, who taught at Inner Mongolia University, successfully carried out test-tube fertilization of goats, sheep and calves many times.
11. Qamba Chilei, a well-known Tibetan medical science expert, an astronomer, and president of the Tibetan Hospital of the Tibet Autonomous Region, won the title of state-level expert in 1987 for his outstanding academic contributions.
12. Professor Li Xuezhu (centre), a famous fruit tree growing expert of the Chongqing Institute of Citrus under the Chinese Academy of Agricultural Sciences, examines citrus specimens together with technicians.
13. Medicinal researcher Zhao Zhangguang, originally a rural doctor, invented the "101" hair tonic which has cured many patients both in China and abroad. In 1987, he entered his medicine in the Eureka World Inventions Fair in Brussels and was awarded a first-grade cavalier medal by the King of Belgium. In the 16th international exhibition of new technologies and inventions held in Geneva in 1988, Zhao won the only Oscar Gold Cup Award for personal invention. His "101" hair tonic won a gold medal award. Zhao Zhangguang (left picture) and (below right) his medicine production workshop.
14. China's young ballet dancers Li Ying and Pan Jiabin, several times international award winners, perform the ballet opera *flower festival*.
15. Well-known physicist Qian Sanqiang and his wife He Zehui appreciate flowers with their grandsons in Zhongshan Park, Beijing.
16. Wu Zuoren and his wife Xiao Shufang, both well-known painters in the traditional Chinese style, are also fond of growing flowers.
17. Veteran educator Wang Nianxian used to be a special-grade teacher in Beijing No. 1 Experimental Primary School before his retirement. He has dedicated his life to education and his former pupils are now found everywhere. Here, his pupils gather to celebrate his 84th birthday. □









work involves the entire range of issues affecting consumer rights and interests."

The report of the 13th National Congress of the Chinese Communist Party held in October 1987 and the report on the work of the government to the National People's Congress held in March 1989 emphasized protection of the rights and interests of the consumers and the role of consumer associations.

Documents issued by the State Council have clear and definitive stipulations on consumer rights. For instance, the Regulations on Appraisals and Selection of Quality Products of the State stipulates that the Examination and Approval Committee should solicit opinions from consumer associations regarding the appraisal and selection of products. Generally, other support given by the state is evident. It is unimaginable that without full government backing consumer associations would have been set up so quickly in each county in Fujian, a southeast coastal province.

The establishment of these consumer protection organizations provides consumers with a channel to voice their complaints to the local authorities or directly to the regional consumer association. They are regarded by the general public as the "Home of the Consumers."

Legislation

Along with the establishment of the associations, localities have been active in drafting and publishing laws and regulations which offer legal guarantees to consumers.

According to Li Yanshou, chairman of the China Consumers' Association, local laws and regulations to protect consumers have been promulgated and implemented in 20 provinces, mun-

icipalities and autonomous regions. Moreover, national and special laws and regulations have been drafted and will be promulgated upon approval of the National People's Congress.

The steps taken by Fujian Province to draft laws and regulations are representative. After the establishment of the provincial consumers' association in 1988, the province began to formulate China's first consumer protection regulations, based on the opinions of consumers, producers and various social departments, and on an analysis of the experience of other countries.

The regulations are regarded as fairly complete and special to protect consumers, clearly defining the rights and interests of the consumer, the obligations of consumer protection organizations and the legal responsibility of enterprises, and stipulating the period of time within which complaints must be handled.

The province has also drawn up relevant regulations and measures concerning how consumer rights' committees should make inquiries, handle complaints, arbitrate disputes involving small amounts of money and bring a lawsuit.

With this as the beginning, 25 provinces, municipalities and autonomous regions have promulgated and implemented special laws and regulations, laying a foundation for the formulation of national laws and regulations.

Governments at all levels and consumer associations have energetically publicized these laws and regulations. In addition, 100 news agencies throughout the country have given them prominent coverage, thus strengthening the public's awareness of consumer protection and marking the entry of consumer rights into the legal sphere.

A teacher in Guangdong Prov-

ince purchased a shoddy product, and he did not know how to deal with the situation for as long as six months because he was unfamiliar with the rights granted to consumers by the new laws. After reading about consumer laws and regulations in the newspaper, however, he brought his complaints to the consumer association and his problem was quickly resolved.

Handling Complaints

The handling of complaints is routine work for consumer organizations.

According to statistics of the China Consumers' Association, since 1984 the association has handled 500,000 complaints, 80 percent of which have been solved. The assistance of the association has retrieved an economic loss of some 170 million yuan for consumers.

Complaints came from domestic and foreign consumers as well as those from Hong Kong, Macao and Taiwan. Some complaints involved sums as high as 10,000 yuan, some as small as 0.3 yuan. The bulk of the cases in which every type of commodity was represented included fake or shoddy goods, false advertisements and swindling.

An unfortunate example involved a farmer in Fujian Province who died after receiving an electric shock from a defective motor. After accepting the complaint, the consumers' association of the province, together with the public security and judicial organs and the quality inspection department, made a thorough investigation. They dealt firmly with the enterprise involved and the person most directly responsible, levying a fine of 7,000 yuan.

The quick handling of cases, the general crackdown on and a halt to illegal acts which might

seriously harm the life and health of the consumers have had strong repercussions throughout society.

A swindling case involving some 1 million yuan occurred in Nanjing, Jiangsu Province, when a trade company which was supposed to sell colour TV sets instead swindled over 1 million yuan out of 1,196 consumers. After receiving the report, the city's consumer association, together with the industrial and commercial, and public security and quality inspection departments, visited the consumers within one month. They managed to stop the swindle in good time, recovering 800,000 yuan for the consumers.

A major fake advertising campaign which swindled consumers in 26 provinces and municipalities was also investigated in Nanjing. The fakers and law-breakers were ordered to publish accounts of the swindle in newspapers, their illegal income was confiscated and they were given criminal sanctions. The association was also able to retrieve several hundred thousand yuan for the consumers.

Consumer organizations attach equal importance to minor cases. For example, an 80-year-old retired worker in Quanzhou, Fujian Province, bought several dozen spokes for his bicycle, two of which, worth 0.3 yuan, were not up to standards. The consumers' association of the city accepted the case and on the same day ordered the producer to make compensation.

The consumers' association has also accepted some 100 complaints by foreign, Hong Kong, Macao and Taiwan consumers. For instance, in March 1988, Zhang Jing-hung from Taiwan complained that the necklace she bought in Guilin was a fake. After an investigation, the consumer association recovered

3,200 yuan for her. Following this, the association also inspected 300 handicrafts shops in the city, took over 200 fake goods and imposed a fine of more than 20,000 yuan on the violators.

Supervision

In order to prevent infringements on consumers' interests, the consumers' associations and some related departments often check both retail and wholesale product quality.

In 1988, the Guangxi Consumers' Association, for example, evaluated 6,000 weight scales in 30 counties and found that 800 of them were inaccurate. This was in addition to 12,000 electrical products found to be substandard. The scales were confiscated and the electric products destroyed. The association has launched nearly 300 similar activities, and dealt with some 1,300 illegal cases.

According to statistics of the China Consumers' Association, consumer protection agencies at all levels have conducted some 52,700 evaluations and examinations over the past five years. In order to teach consumers to best determine quality of a product, many exhibitions of fake and substandard products have been held.

In addition to major inspections, each consumers' association has set up many public supervisory or liaison stations. The Fujian Consumers' Association, for instance, has established such stations in some urban enterprises and shops. They often make checks on the quality of commodities and services.

Consumers' associations also make public comparison appraisals of the quality of different products and the credit standing of enterprises.

According to statistics, over the past few years the con-

sumers' associations at various levels have conducted 1,814 appraisals of fine-quality products, 2,106 quality tracking activities, 1,415 public appraisals and 1,449 appraisals of fine enterprises and trustworthy shops. They have also held more than 5,000 forums geared to solving particular problems and improving service and product quality. These activities have promoted enterprises to improve their products' quality. The Wanbao Electrical Appliance Group, the biggest in China, for example, has declared March as "quality" month in order to solicit consumers' suggestions and criticisms and establish a system of after-sales services.

Directing Consumption

Another daily activity of the consumers' associations is to help consumers with shopping plans, pass on consumption knowledge and improve the consumption pattern.

Since 1986, all levels of the consumers' association have carried out dozens of investigations of expenditures for marriages, young and old people's buying habits in more than 10 provinces and cities.

Discussions on consumer problems are often published in newspapers and magazines and shown through televisions. In each issue of *Zhongguo Xiaofeizhe Bao* (the China Consumer News), there are such columns as consumer trends, market information, food for children and fashion.

In 1988, the China Consumers' Association held a national discussion and published more than 120 research papers about consumer issues.

These activities have played a positive role in guiding consumption and changing traditional backward concepts and

customs. Take Hebei's Renqiu City for instance. Previously, city residents squandered a lot of money on marriages, funerals and interments. The local consumers' association tried to show the people how they could be more frugal by holding collective weddings and memorial meetings, and a major change was brought about in spending habits.

International Exchange

In September 1987, the China Consumers' Association joined the International Union of Consumers' Associations and attended the 12th international consumers protection meeting in Madrid.

Over the past five years, some members of the China Consumers' Association and its local branches have visited more than ten countries and regions, including the United States, the Federal Republic of Germany, Poland, Japan, Switzerland and Hong Kong.

In September 1988, a delegation of the China Consumers'

Association visited four Japanese cities including Tokyo and Yokohama at the invitation of the Japanese consumers' association. During their visit, members of the delegation participated in the 25th anniversary of the founding of the Japan Consumers' Association and held discussions with 21 consumer protection organizations.

As of now, the China Consumers' Association has established ties with its counterparts in 15 countries and regions.

Problems and Future

Referring to the present issues facing consumers, Li Yanshou noted, "We've only taken the first step; we have a long way to go. The most important step we can take is to improve consumer status." Under the present underdeveloped commodity economy, he said, the seller's market still plays a leading role in China and, because consumers are restricted by the country's economic and cultural level, they have few means to protect themselves

and lack a sense of rights. Thus, the phenomenon in which consumers' rights and interests are damaged is still quite common; incidents of death, poisoning and injury caused by substandard and fake products occur from time to time and complaints lodged increase year by year.

Moreover, consumer protection organizations need improvement, especially in the rural and outlying areas. Special regulations concerning production and commodities need to be worked out and consumer protection organizations lack adequate funds, personnel and advanced technical equipment.

All levels of consumers' associations, thus, need to continue to perfect their organizational network and to protect consumers' rights and interests. They should strengthen supervision and examination over commodities and services, promote self-supervision by industrial and commercial departments and expand international exchanges and co-operation.

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Forest Protection Strengthened

by Our Staff Reporter Han Guojian

By legal, economic, scientific and technological means, China has continued to strengthen management of its forest resources. Tangible results have been achieved in stopping indiscriminate felling of trees, preventing and putting out forest fires, and preventing and controlling plant diseases and insect pests.—Ed.

Early this year, a forest resources supervisory system was established in the provinces and autonomous regions of southwestern and northeastern China. Shi Binxiang, deputy head of the Forest Resources Administrative Department under the Ministry of Forestry, considers the establishment of the system another significant measure in strengthening forest resources management. According to Shi, all the counties in the country's forest areas will appoint supervisors by the end of the year who will have the power to put a halt to and report to higher authorities any local activity they deem to be in violation of the Forest Law.

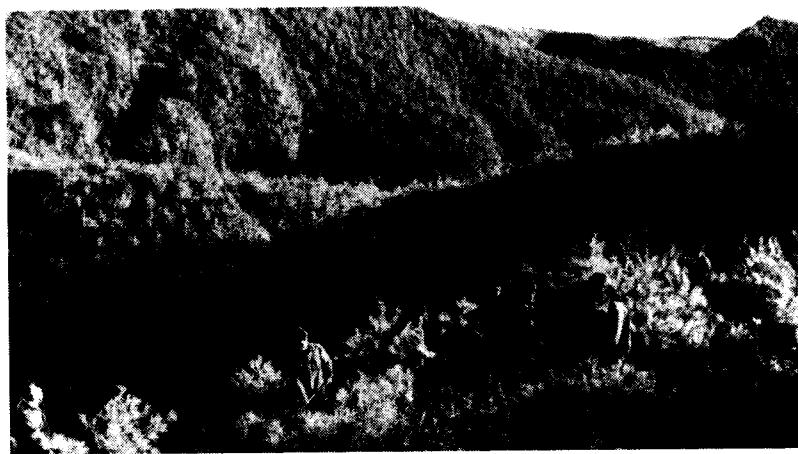
The Forest Law is another major weapon in the fight to save China's forests. Promulgated in 1984, the Forest Law, the provisions of which protect a wide variety of forest resources, is viewed by the public as the main bulwark against destruction of natural forest resources. Its publication marked for the first time that protection of forest resources was legally codified.

Timbering Under Control

China is not rich in forest resources. The forest area per capita is only 18 percent of the world's average. As a result, the

SUN ZHONGJING

A balanced timber industry—newly planted trees in the Zengjia Forestry Centre, Guangyuan County of Sichuan Province exceed the amount felled each year.



Chinese government has always paid attention to the management and protection of the nation's forest resources, formulating a series of policies and regulations to protect and develop the natural resource.

A limit to felling of trees. According to statistics, China has 131 state-owned forestry bureaus and 4,000 forestry centres engaged in the production of timber, as well as a large number of village and township-run forestry centres and family farms. Due to the shortage of forest resources, however, the domestic supply of timber falls short of demand. Though the government repeatedly called for an appropriate amount of felling and the combination of felling with planting, some units and individuals felled trees indiscriminately in their rush for quick profits. The government thus decided that the key to protection of forest resources was the strict control over the lumber industry. Thus, in 1985, in accordance with the Forest Law, the Ministry of Forestry ordered that each province, autonomous region and municipality set the amount of trees cut below the annual growth rate.

In 1986, the State Council set annual limits to the felling of trees for the years between 1987

and 1990 for each province, autonomous region and municipality, explicitly ordering that the felling amount can be lower but not higher than the stipulated quota. The annual average felling allowed was 126 million cubic metres, much lower than the annual average growth rate. In order to control lumbering, appropriate measures were adopted by each locale. Chenzhou Prefecture of Hunan Province, for example, linked the felling target with the afforestation schedule.

The felling license system, adopted nationwide in 1987, is another measure designed to control felling. Except for the small number of privately-owned trees in front or at the back of houses in rural areas, the system stipulates that any unit or individual must apply in advance to the local department in charge of forestry for a felling license.

Contract system. During the past decade, local authorities have made great efforts to implement the policies on farmers' right to use of mountains and to own trees they planted, on division of hillsides for personal use over a fixed period of time and the establishment of the contract system of responsibility in forest production. These policies are the most important forestry reform measure since 1981. By the end of 1987, more than 50 million farmers from 80 percent of the nation's counties received certificates giving them the right to use mountain and forest areas. Some 60 million hectares of hilly area was shared out or contracted. Within their assigned areas, farmers can pass on to descendants trees which belong to them. The length of time for use of the land or term of the contract is 30 to 50 years. Such measures have aroused the enthusiasm of farmers and brought about newly added forest areas throughout the country of some 6 million

hectares a year because they make it easier for farmers to manage the land and reduced the amount of indiscriminate felling. Each village has formulated appropriate rules and regulations to protect forests. According to Shi Binxiang, the task of issuing lumbering licenses will be completed by the end of July.

Forestry funds. In order to ensure adequate funds for afforestation, in addition to funds provided by the state, tree cutters are asked to use some 10-15 per thousand of their yearly timber income to develop forest resources. Since 1981, the proportion has been increased in some areas. In Fujian Province, for example, it is now 20-50 per thousand.

Forest management. Over the past few years, forest administrative and judicial departments have been strengthened. According to statistics, China's forest services now has 55,000 administrative personnel and a contingent of around 1 million of security personnel; and 29 provinces, autonomous regions and municipalities have set up forest security bureaus, under which there are 3,355 branches with 40,000 policemen. In addition, 13 provinces, autonomous regions and municipalities have established forest procuratorates and courts.

Crack down on theft. In order to adjust up the planned price of timber and increase the income of forest farmers, China opened up a timber market in southern China. In some areas, however, illegal fellings occurred. In state forest and natural reserves in Fujian, Hubei, Guangdong, Guangxi, Guizhou and Sichuan, for instance, the amount of illegally removed forest resources reached 1.02 million cubic metres and was worth 100 million yuan. Sixty-six of the 88 state forestry centres in Guizhou



DAI SHUNQING
Forest rangers in Heilongjiang Province with wind-powered fire extinguishers.

Province have suffered from illegal fellings. In a forestry centre of Guangxi Zhuang Autonomous Region, there was around 1,000 violations each day and, as a result, about 2,000 hectares of forest was destroyed, a loss of some 210,000 cubic metres of wood. Public security and procuratorial organs and courts in forest areas, however, dealt the violators a crushing blow. According to available statistics, between 1985 and 1987 the judicial departments of 11 southern provinces and autonomous regions investigated and dealt with 32,100 cases including 550 serious ones, arrested 2,026 persons and sentenced 419 of them. They also recovered 150,000 cubic metres of timber, preventing a loss of 30 million yuan. As a result of the crackdown, there have been no major cases of illegal fellings since 1987.

Responsibility system. During their term of office, county magistrates and secretaries of county

Party committees who don't do their utmost to protect forest resources must be called to account, while those who do well are cited and rewarded. The results of the system have been particularly evident in Guangdong where, since the implementation of the responsibility system in afforestation throughout the province in 1986, all of the area's barren hills have been transformed into green areas.

Poor management is evident in

several areas. For example, vast stretches of forests were cut for firewood. There was an increase in felling outside the plan, especially in Hainan, Yunnan and Guangxi. In Hainan, for instance, 70 percent of the area's annual timber output was used as firewood. The result is that the primeval forest has been seriously destroyed and the total forest area reduced year by year. As of now, the local officials still take a laissez-faire attitude towards the problem.

extinguishing bombs, artificial rain, infrared fire detectors and fire engines are also widely used to fight fires. In addition, satellites and computers have begun to be utilized in order to more accurately forecast forest fires. In 1986, scientists, using the meteorological satellite, correctly fixed the location of fires in the northeastern forestry centres and sketched a colour map of fire distribution and trends, a rewarding job for fire prevention.

Unfortunately, statistics show that 80 percent of all fires are man-made and, although the losses caused by fires have been reduced annually, they number in the tens of thousands nationwide. Consequently, some experts consider strengthening the public's sense of fire prevention as the country's major task.

Fire Prevention

The climate in China is conducive to forest fires and so the government has paid much attention to its prevention. Not long after the founding of the People's Republic of China, the government put forward a policy of prevention first in a strategy to actively wipe out the danger; it strengthened organizations and fire prevention facilities at various levels to deal with forest fires. As a result, the number of fire has been reduced year by year. In 1988, the rate of loss caused by conflagrations went down from the previous 18.8 per thousand hectares to 0.6 per thousand hectares, a rate lower than the world average of 1 per thousand hectares.

China now has 240,000 full-time and 430,000 part-time forest rangers. Moreover, the key forestry centres in the northeastern, southwestern and southern provinces and autonomous regions have established fire brigades with a total membership of some 10,000, built 300,000 kilometres of separation belts, 3,900 watch towers and 9 air forest protection stations. These areas also have 30 aircrafts, 30,000 wind-powered fire extinguishers, 6,400 sets of radios and 14,000 walkie-talkies. High-efficiency fire-extinguishing chemicals, fire-

Expanded Pest-Control

There is a variety of forest insects in China. According to research conducted in the early 1980s, there were 5,600 kinds of forest insects and 1,000 kinds of forest diseases. Some 170 insects and more than 60 kinds of diseases can cause serious damage to forests. There are 20 common insects, for example, which cause injury. These include pine moths, gathay poplar longicorn and bamboo locust. There are also 15 common diseases such as chestnut blight which are of concern. The affected area of insect pests and diseases cover 8 million hectares and cause an annual loss of at least 10 million cubic metres of timber.

It is no wonder then that China attaches great importance to the prevention and control of forest diseases and insect pests. The government has adopted many measures and achieved tangible results over the past years. The prior situation in old China in which forest diseases



HAN GUOJIAN
A truck load of timber inspected at a check point in Guangdong Province.



DAI SHUNQING

A forest patrol on duty.

and insect pests spread quickly and dead trees were left scattered about the forest has been put to an end.

Currently, a forest disease and insect pest control network has taken shape across China. The Ministry of Forestry has set up plant quarantine centres in Jiangxi Province in the south and Liaoning Province in the north and provincial-level forest disease and insect pest control stations, quarantine stations or forest protection centres have been established in 24 of the country's provinces, prefectures and cities where forests are comparatively concentrated. Forestry animal disease prevention and control centres have also been set up in Anhui and Jilin provinces and more than 1,400 insect pests prevention and control stations have been established by forestry departments in various places, employing a total of 6,000 professionals. Some 3,000 centres have been set up in state-owned and collectively owned tree farms with more than 6,000 full- or part-time analysts. In order to strengthen overall experimentation and research, the China Forestry Scientific Research Institute and forestry research units in various provinces, prefectures and cities have established forest protection or forest disease and insect pest prevention and control offices.

With the increase in the number of forest disease and insect pest control organizations and personnel, China's ability to prevent and control forest insect pests has increased. During the 1950s, forest insects were caught and exterminated mainly by hand or mechanically. During the 1960s, China began to use chemicals and mechanics on a large scale for insect prevention and control and following this, in the 1970s, it used *rricho-gramma* in a large area to artificially

tame and lure birds and other animals as a method of prevention and control. During the 1980s, progress was made in the popularization and use of chemicals and animals as a comprehensive prevention and control technology. In the 1950s, the area of forest diseases and insects needing prevention and control covered only 130,000 hectares, and it expanded to 2.7 million hectares during the 1980s. With improvement in techniques during the early 1960s, China was basically able to control the harm caused by *ceracris kiangsu* and, in the beginning of the 1980s, such forest diseases and insects as pine moth and loopers were brought under control in some regions.

It is worth mentioning that China is now publicizing a system engineering project for comprehensively preventing and controlling forest diseases and insect pests in 21 provinces, prefectures and cities. Proceeding from the need to maintain the ecological balance of the forest areas and, geared to the different pest or disease being dealt with, reforestation, chemical, biological and physical prevention and control measures are used in a reasonable and co-ordinated way so as to achieve the long-term goal of preventing forest diseases and insects.

According to an official from the Ministry of Forestry, China currently spends an annual sum of 50 million yuan in preventing and controlling forest diseases and insect pests. Nevertheless, forest diseases and insect pests remain a formidable enemy which threatens China's forests. Statistics indicate that in 1989 the damage caused by diseases and insect pests to China's forests exceeded that caused by forest fire. Moreover, the large areas of forests artificially cultivated in recent years have failed to form

an ecologically balanced environment which can control the spread of forest disease and insect pests. Thus, efforts for artificial prevention and control have had to be increased. At present, the area affected by forest diseases and insect pests exceeds 10 million hectares nationwide. Only 30 percent of this area has been brought under control and major insects such as pine moths and the US white moths are still a problem in forest areas. So far, however, no effective method has been found for their prevention and control.

Natural Reserves

Establishing natural reserves is an important means by which forest resources and wild animals can be protected. China began to establish natural reserves during the 1950s. The more than 400 natural reserves throughout the country cover a total area of 22 million hectares. Ecological systems in these reserves, such as tropical forests, mangroves, subtropical ever-green broad-leaf trees, Korean pine forests, the frigid and temperate zones' coniferous trees and water forest as well as a variety of rare trees, are well preserved. Also, some animals in the preserves have taken a rebound, back from the brink of extinction, and increased in number quite rapidly such as Chinese alligators and the Hainan splay deer.

There are 56 natural reserves at the state level. Of these, six—the Changbai Mountains in northeast China, the Dinghu Mountain in Guangdong, the Fanjing Mountain in Guizhou, the Wuyi Mountain in east China, and Xilin Gol in Inner Mongolia—have been included by UNESCO in the world's Man and Biosphere research plan because of their unique ecological environment. ■

Deng Xiaoping on Literature and Art

Edited by the Propaganda Department of the CPC Central Committee and published by the People's Literature Publishing House, the two-part, 73,000-character book *Deng Xiaoping On Literature and Art* is a collection of Deng's articles and speeches on the subject between 1975 and 1989.

Proceeding from China's national conditions at the primary stage of socialism, Deng firmly adheres to fundamental principles of Mao Zedong Thought and boldly gives up some outdated conclusions. He also makes new summarization in the light of fundamental principles of Marxist literary theory. His thoughts on literature and art are a component of the theoretical framework of the construction of socialism with Chinese characteristics.

In the book, Deng clearly defines the status, role and historical mission of literature and art in the great and systematic project of building a Chinese-type socialism.

"We must insist on Comrade Mao Zedong's proposition that literature and art must serve the broad masses of people, particularly workers, peasants and soldiers and uphold the principles of letting a hundred flowers blossom, weeding through the old to bring forth the new, and making foreign things serve China and the past serve present," he points out.

He says the slogan that literature and art are subject to politics is no longer used but they are inseparable from politics by nature. He urges the Party to help writers and artists acquire conditions to boost literature and art according to their own natures and principles and their law of

development. But in his opinion, before they set out to educate the people, writers should subject themselves to the education from the people, because "the people are the mothers of literary and art workers."

In addition, Deng discusses such subjects as the study of Marxism, the social effects of literary products, the source of the themes, motifs, context and language, techniques and the moulding of a new socialist figure. As China is striving to achieve four modernizations, he believes that the scope for literary and artistic creations has widened. In this field, criticism and counter-criticism should be encouraged and carried out in a reasonable way.

In the book, readers can easily find Deng's clear-cut and consistent policy of upholding the four cardinal principles (adherence to the socialist road, to the leadership of the Communist Party of China, to the people's democratic dictatorship, and to Marxism, Leninism and Mao Zedong Thought) and opposing bourgeois liberalization.

Early in the late 1970s, when the trend of bourgeois liberalization emerged soon after the downfall of the "gang of four," Deng put forward the four cardinal principles and criticized the harmful trend. Afterwards, he repeatedly pointed out, "In our country, to advocate bourgeois liberalization is to advocate capitalist road," and spiritual pollution "will lead to nothing but calamity for the country and the people." He has opposed so-called "democrats," and ultra-individualism, national nihilism, abstract humanitarianism and human value, and socialist alienation in the ideological and cul-

tural circles. He has also attacked the trend of putting money first in everything, all kinds of decadent thoughts, bourgeois life styles and pornographic and obscene films and publications.

As Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, puts it, the publication of the book will give a boost to the work of eliminating the influence of bourgeois liberalization, particularly on China's cultural front, and upholding the Marxist line.

Who's Who of Chinese Experts

This publication introduces the achievements of Chinese intellectuals. The first volume of *Who's Who of Chinese Experts* has been recently published by the China Urban Economic and Social Publishing House and is earmarked for domestic and foreign distribution.

According to official statistics, there are more than 6 million senior and middle level professionals in China; they are the main force of the country's modernization drive.

Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission noted, "Without knowledge and intellectuals, it would be impossible to build socialism." The publication of the book is part of the nation's effort to "respect knowledge and the talented."

The 3.7 million-character first volume contains entries on 20,778 experts who are active in 29 specialities in higher education, natural sciences, engineering and technological institutions.

The second and third volume are both at the editing stage.

by Lou Xinyue

Guangdong's New Policy

In order to attract foreign investment and improve the industrial structure, Guangdong, China's first province opened to foreign economic involvement, listed on June 26 three kinds of foreign-funded projects to be encouraged, restricted or forbidden.

For a limited time, Guangdong Province will encourage foreign investment in the following areas: power industry, ports, railway, highway, airport and telecommunication; the industry of raw material for which the province has relied on imports for a long time; the production of spare parts for automobiles, electronics and electronic appliances, precision mould manufacturing and surface heat treatment; new technological industries such as electronic information, new materials and bio-engineering; agro-technological industry; and the introduction of new seedling and their breeding technology, agricultural products processing items and export processing projected with a big margin of value added.

Guangdong Province will give the above items favourable treatment by putting them into the category of fixed asset investments and arranging for the needed funding and supply of materials; give them exemption or reduction on local income tax for a certain period; for co-operatively managed projects, the depreciation rate can be accelerated; the maximum term of 50 years for land use rights can be prolonged if need be; some products which originally depended on imports can be designated as import-substitutes; and invest-

ment in energy and transportation can receive comprehensive compensation.

Those foreign-funded items with a saturated domestic market and limited foreign market, products which are mainly for domestic sale and for which a foreign-exchange balance is difficult to achieve, will be restricted. They include such items as assembly lines and imported parts which produce only for the Chinese market and which make a profit solely on the differentials between foreign and domestic prices.

Investment projects which concern the sovereignty, safety and interests of the state as well as those which pollute the environment, destroy natural resources and damage health are forbidden.

All other projects not listed in the category whose raw materials are mainly imported while all or most of its products are exported, are allowed to receive foreign investments. ■

Import and Export Perk Up

According to Customs statistics, China's export volume in the first half of this year reached US\$25.65 billion, an increase of 15.4 percent over the corresponding period of 1989. Of the US\$23.09 billion imports, import of high-grade consumer goods was down because of restrictions.

Since January, China has seen a considerable increase in the export of textiles, clothes, machinery, electric products, cement, coal, finished oil, household ceramic wares, toys, fireworks and firecrackers, medicines, medicinal herbs, aquatic products and pork. There's been some reduction in

the export of cereals, eggs, filament silk, cotton, cotton yarns, cashmere, tungsten ores and others.

In the first half of this year, China saw an increase in the import of chemical fertilizers, pesticides, crude oil, vegetable oil, copper, and copper alloy, and a decrease in natural rubber, logs, paper pulp, synthetic fibres, wool, iron ore sand, cement, rolled steel, aluminum, and aluminum alloy. The imports of cigarettes and high-grade consumer durables dropped considerably. For example, the import of cars in the first six months was 46.2 percent less than the corresponding period last year.

In the first six months of the year, China was ranked among the top ten trade partners of the following countries and regions: Hong Kong, Japan, the United States, Federal Germany, the Soviet Union, Singapore, Britain, Canada, Taiwan and France. In general, China has increased its exports to varying degrees to all countries and regions, excluding Japan and the United States. ■

Yantai's Zone in Good Shape

At the end of 1989, the Yantai Economic and Technological Development Zone which opened in March 1985 had 52 industrial enterprises under operation, 88 percent of which are currently running well. The Sino-US Fulai Food Processing and Freezing Co. Ltd., the China-Hong Kong Yadong Standard Parts Co. Ltd. and the Hualain Co. Ltd. are some of the companies which have already recovered their capital outlay. Last year, the 52 enterprises realized a total output

value of 182 million yuan, a 36.8 percent increase over the previous year. Among them, 13 joint ventures generated foreign exchange earnings 3.6 times as much as the previous year. From January to May this year, the total volume of earnings for all industrial enterprises in the zone was US\$14.875 million, a 59.8 percent increase over the corresponding period of last year. Among them, foreign exchange earnings generated by joint ventures increased by 141.5 percent.

After five years of construction, the starting area of two square kilometres has formed an initial investment environment. Infrastructures, living quarters and service facilities are set up. Based on its natural resources, the zone has mainly developed food, light industry, electronic products, textiles, machinery, chemical industry and new materials. The zone is also encouraging overseas businessmen to run scientific research undertakings.

By the end of May, the zone had signed 117 contracts with foreign and Chinese businessmen involving 961 million yuan. Out of these projects, 42 are foreign-funded enterprises with contracted foreign investment totalling US\$49.78 million. Investors came from the United States, Hong Kong, Japan, France, Norway and other countries. About 80 percent of these enterprises are export-oriented and through product sales in the international markets. Seventeen kinds of their products have already made their way into foreign markets. About one-third of all the enterprises in the zone are equipped with advanced technologies. The newly built spandex factory, for example, now has an annual production ca-

pacity of 300 tons and its products can substitute for imports.

The China Resources (Holding) Group of Hong Kong has invested US\$31.86 million to build a polyamide fibre factory in the zone. The frame-work of the project, begun being constructed in June of last year, has been basically completed and most of the production equipment has been shipped to the work site for installation. The first phase of the project is expected to be completed at the end of this year. This factory involving 110 million yuan in investment will be the second largest Sino-foreign joint venture in China's textile sector. With Italian and Federal German highly automatic equipment of the advanced 1980s standards, the factory will have an annual production capacity of 2,668 tons of polyamide filament, thus becoming the largest polyamide filament producer in China. In addition, projects for production of air conditioners used in cars and buses and English-system circular cone bearings are under construction. Equipment is being installed for plane brake devices, triple electroplating and quartz crystals.

From 1991 to 1995, Yantai Development Zone will emphasize imports of large amounts of foreign capital and advanced technologies for the development of precision machinery, electronic instruments and metres, electronics, new materials and other high-tech projects. At the same time, efforts will be made to set up various scientific research institutions and schools of higher learning. By the year 2000, the development zone will be turned into new scientific and industrial area.

by Lu Yun

Hebei Beckons on Taiwan Investors

Hebei Province formulated "Regulations on Taiwan Investment" last month to encourage Taiwan compatriots to invest in the province, set up enterprises and hold economic and technological co-operation.

Under the regulations, Taiwan investors can establish wholly Taiwan-funded, jointly funded and co-operative enterprises in the province, carry out materials processing and parts assembling, and compensation trade; purchase the property and stock rights of small state-owned enterprises, and contract to operate small state-owned and collectively run enterprises; legally obtain the right to use the land, and, transfer, sublease, mortgage or exchange land within the use period. In addition, the Taiwan businessmen who invest in the coastal open Qinhuangdao-Tangshan-Cangzhou area are provided with many services and convenience.

According to the regulations, Taiwan-funded enterprises which operate for more than ten years can receive exemption from income tax during the first three profit-making years. Beginning in the fourth year, they are exempt from half of the income tax due. After the exemption period expires, the tax rate can be reduced by 20 percent based on the then current tax law.

Export-oriented enterprises and enterprises with advanced technology, and projects providing technical upgrading for enterprises, or investing in the fields of energy resources, communication, harbour development, raw materials and agriculture, and in remote, poor areas can receive exemptions

from local income tax for seven years. Enterprises which encounter tax-payment difficulties in their initial period of operation can receive exemption from industrial and commercial consolidated duties for one year.

Any Taiwan businessman who reinvests his share of profit for five years and more may receive a refund of 50 percent of the income tax already paid on the reinvested portion; those who invest in the export-oriented enterprises and enterprises with advanced technology can take back all income tax paid.

Taiwan-funded enterprises can receive exemptions from land use fees during the construction period and within five years after the operation. During the same period, they are exempt from property tax and license plate tax for cars and ships.

Moreover, Taiwan-funded enterprises can receive exemptions from import tax and industrial and commercial consolidated duties and exemption from import licensing when they import machines and equipment, cars and office facilities, and raw materials and fuel for production within their total investment volume.

Regulations indicate that the investment, interest and profit netted by Taiwan compatriots can be transferred and inherited. The products of Taiwan-funded enterprises which can be used as import-substitutes can be sold in domestic markets for foreign currency. Taiwan businessmen and the managerial and technical personnel they invite can apply for multiple exit and entry permits and apply for permanent residence. In addition, Taiwan investors can ask their mainland relatives to act as their agents,

arrange for relatives to settle in the location where enterprises are located and be guaranteed food supply.

Apart from these regulations, Taiwan-funded enterprises enjoy treatment similar to foreign-funded enterprises operating under related economic laws and regulations the state and the province have promulgated.

by Kou Zhengling

Motorola to Invest More

Chi-Sun Lai, corporate vice-president of Motorola, announced that his firm plans to increase investment in China in order to strengthen co-operation in the field of the telecommunications.

Chi-Sun Lai said his company has signed an agreement with the development zone in east China's port city Tianjin for a solely owned venture, the construction for which is scheduled to begin at the end of the year. Total investment in the Motorola subsidiary, which will produce such telecommunications facilities as walkie-talkies and telephones, is estimated at US\$300 million to 400 million, of which US\$20 million will be made in 1991.

He said Motorola will also increase investment in other manufacturing projects involving auto electronics, telephones and semiconductors. He said more customer service and products maintenance facilities are also planned for China.

In addition to the two Motorola mobile-phone systems already installed in Beijing and Shanghai, three more are expected to go into operation in Xiamen, Fuzhou and Jinan.

A major international tele-

communications manufacturer, Motorola developed the first mobile-phone system in the world. Lai noted that poor communications infrastructure has hindered China's economic development. He expected further co-operation with China and expressed full confidence for future co-operation. ■

Jianlibao in Soviet Union

Deng Qiao, deputy general manager of Guangdong Jianlibao Group Co. Ltd, recently announced that his company will send experts to advise the Sino-Soviet venture Jianlibao Drink Factory in the Soviet Union.

The contract, signed this June during China's first trade talk with the Soviet Union and East Europe, has a total investment of 9 million Swiss francs with 40 percent coming from China and 60 percent from the Soviet Union.

That is the first time China's famous drink producer has undertaken a co-operative venture with the Soviet Union.

The contract prescribes that the Soviet partner should provide all the data needed for the construction of the factory and other facilities while the Chinese side is responsible for the overall design and the provision of drink processing equipment and installation technology.

Deng noted that the construction of this joint venture is a new experiment on forms of co-operation between China on the one hand and the Soviet Union and East Europe on the other. He believes it will be a success.

by Li Ming

Agriculture: Experience

KEJI RIBAO
(Science and Technology Daily)

Of the world's 1.373 billion hectares of land under cultivation, China has only 100 million hectares or 7 percent. Out of a global population of 5 billion, 1.1 billion or 22 percent live in China. However, China has since its founding in 1949 succeeded in solving the problem of feeding its huge population. This remarkable achievement has attracted worldwide attention.

In 1949, China's grain output was 113.2 billion kg. By 1988, the figure shot up to 394 billion kg, registering an annual increase of 3.3 percent. Between 1949 and 1988, however, the world's grain output increased at an average rate of 2.4 percent a year. During the same period, the grain output increased at an annual rate of 0.9 in the United States, 2.5 percent in France and 2.4 percent in the Soviet Union. The increase rate in China is obviously higher than all developed countries in the world, with the per-hectare yield increasing by 69 kg every year or amounting to 151 percent over 40 years ago. During the same period, the per-hectare grain yield of the world increased by 121 percent.

There are several policies that have helped China achieve success in its agricultural production. They include:

- Adhering to the principle that "agriculture is the base of the national economy, and grain is the core of the base." This principle conforms with China's actual conditions.

- Improving farm production conditions by continuously increasing the supply of chemical fertilizers, water conservancy facilities, farm machinery, etc.

- Developing agriculture

through technical transformation and scientific farming. According to international economists, about 20 percent of the increase in farm production early in the 20th century was the result of scientific farming. Today, that has increased to 70-80 percent in developed countries. In China, between 1981 and 1985, it was 35 percent.

— Strengthening agricultural regional development and setting up commodities production bases. This is deemed as an important strategic measure for sustained growth in farm production.

(May 13, 1990)

Non-Government Enterprises

JINGJI ZHONGHENG
(Across the Economic World)

China's non-governmental scientific and technological enterprises are not privately owned. They are not owned by socialist groups either. Socialist groups operate under their respective sponsors, while the non-governmental scientific and technological enterprises are completely independent.

Such enterprises do not fit into the mixed ownership system. Some, however, may employ a shareholding system in the future but will not become joint-stock companies.

The following are characteristics of the non-governmental scientific and technological enterprises:

- (1) Funds needed for their establishment and operation are not allocated by the state, but raised by themselves from banks and individuals.

- (2) Their establishment receives support from the society,

the government institutions, local Communist Party and government leaders and even the units of their sponsors.

(3) Their sponsors are usually highly talented people from units with public ownership, who remain with the unit after joining the enterprise but are no longer paid by it.

(4) Internally, there is a distinction between ordinary members or labourers and the leading group, which is composed of owners and managers.

(5) In income distribution, there is an obvious income difference between the leading group and their employees. But the majority of the profit is put towards further development.

The above shows that these enterprises follow a small collective ownership, which is somewhere between collective ownership and private ownership.

(Issue No.4, 1990)

Who Run China's Factories?

ZHONGGUO QIYEJIA
(Chinese Entrepreneurs)

As an integral part of China's society, Chinese factory directors must abide by certain rules in the operation of their firms. Guidelines to be adhered to include the following: **Position.** Chinese factory directors are in a position between administrative officials and entrepreneurs, but leaning more towards the entrepreneurial side. Their political position depends on their rank within the enterprise administration whether they are at the bureau, department or section level; their scale of production; managerial situation, and their enterprises' type of ownership. Their economic status depends mainly on their

managerial situation, what contract relations their enterprises have established with the state and the managerial ability of the factory directors themselves.

Predicament. Chinese factory directors must not only abide by the ethics of administrative officials, but must conform to enterprise managerial behaviour in the commodity economy in handling their affairs. They not only need to make a good impression with the authorities, but also need to use every method to obtain favourable economic results in their enterprises in order to enjoy the trust of their colleagues and workers. Therefore, factory directors are the representatives of the state, enterprise and workers. When dealing with a conflict of interest among the state, enterprise and workers, the factory director must become the mediator.

State of Mind. The position and the plight of the factory director often puts him in a state of conflict and confusion. Factory directors hope to be promoted to a higher administrative rank, but at the same time they want to be rid of interference from higher authorities to run their enterprises. Factory directors often have inner conflicts: legal versus illegal; for the public purpose or his own purpose; taking the initiative or remaining passive; making money versus conscience; material interests and morality; individual interests as opposed to state interests. Sometimes, factory directors are caught in awkward situations thinking one way but behaving in another.

Behaviour. In their daily words and actions, factory directors gradually become better managers. In dealing with state departments and higher authorities, they often stand by their workers and staff to maintain the interests of the enterprise. But within the enterprise, they often represent the state to educate

their workers and staff to maintain the interests of the state.

Qualities. Above all, factory directors should be professionally qualified to be factory directors. They should have high political standards. They need to be adept at co-ordinating human relations. And they should have an over-all point of view and be capable of adjusting themselves to a changing environment. Factory directors should also be broad-minded and devoted.

(Issue No.2, 1990)

tion Department of the county Party committee and deputy county magistrate. But Cao never used her husband's status to change her job and remains a street cleaner.

Cao works hard, vying with her colleagues for the more difficult jobs such as sweeping streets, carrying garbage, making brooms and repairing garbage containers. Cao and her colleagues clean five kilometres of street every day and more than 150 underground neighbourhood garbage cellars every five days. But she never complains about the hard work.

On the eve of the 1989 Spring Festival, a clear day after several days of rain, people were hurrying home for the traditional family reunion. Cao, however, could still be seen loading rain-drenched garbage spade by spade and then carrying it to the outskirts of the county. When fire-crackers went off at midnight, she returned home, exhausted and covered in dust and sweat. Her husband was waiting for her with the family reunion dinner already prepared.

As a street cleaner, Cao has the support of her husband. In the evening, he carries her sweeping tools upstairs for her and back down again in the morning. For seven years running, Cao has been chosen a model worker.

(April 16, 1990)

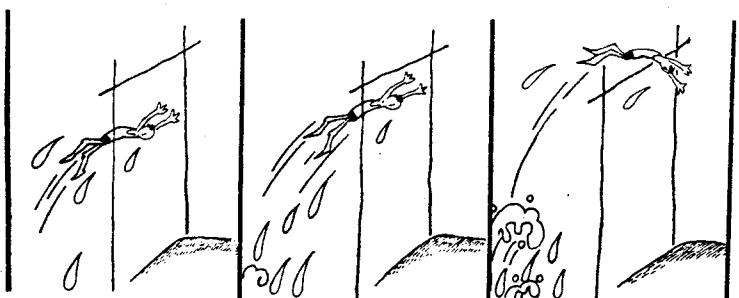
Official's Wife Sweeps Streets

RENNMIN RIBAO HAIWAI BAN
(People's Daily, Overseas Edition)

Whatever the weather a 50-year-old woman can be seen sweeping the streets every day in Wannian County in southern China's Jiangxi Province. She is Cao Yuzhi, wife of Ye Lianghe, the deputy county magistrate.

For the past seven years, Cao has been working with the County Environment and Hygiene Administration as a sanitation worker.

Ye Lianghe has served successively as a member of the CPC Standing Committee of Wannian County, head of the Organiza-



Success depends on how much you sweat.

XU HUAFENG

Traditional Folk Dance Loved by Farmers

In contrast to the people in big cities, who are fond of disco and break dancing, farmers in the Huaihe River area of southern China show more enthusiasm for a local folk dance called huagudeng (flower-drum dance). Historical records indicate that the origin of the dance dates back more than 1,000 years.

A flower-drum dance festival recently held in Bengbu, Anhui Province, demonstrated the local dance craze. More than 1,000 people from 38 local performing teams took part in the five-day festival. The performers came from various walks of life, including farmers, workers, cadres, teachers and owners of private businesses. The oldest was 78 and

the youngest only four. Their dances were of different schools and styles but all won the admiration of the spectators.

The flower-drum dance, named after the chief musical instrument that accompanies the dance, has been popular in the Huaihe River area for centuries. It is actually a comprehensive performing art, including dance and singing and snatches of local opera. Most of the dances, which reflect daily life, combine with elements of classical dances, acrobatics, martial arts and Peking Opera. The dance can be divided into solo, duet and ensemble performances, usually accompanied by a drum-and-gong team of seven to nine players.

Dancers can also be accompanied by solo or antiphonal singing. Most of the songs are local tunes, very enchanting and with strong local flavour.

There are also different styles of flower-drum dance. Some are characterized by simple and honest movements, strict composition and a slow pace, while others are light and vigorous.

Traditional flower-drum dancing does not require a stage. The props are simple everyday things, such as umbrellas, handkerchiefs or hip drum. Ordinary farmers use the props to perform dances of varying tempi and movements to show their emotions and feelings.

Now the traditional dance is facing the challenges of the modern world. Relevant departments in Anhui Province are working hard to preserve this part of the country's cultural heritage. Many measures have been taken, including opening flower-drum courses in arts schools and allocation of special funds.

Through these efforts, the traditional dance has flourished.



A flower-drum dance performed by a dance team from Fengyang County, Anhui Province.



Two elderly farmers give their performance.

Photos by CHEN TIEZHONG

It is not an unimportant form of entertainment but a serious art. At the National Dance and Music Competition in 1986, the flower-drum dance performed by farmers from Huaiyuan County won top prize. At the celebration marking China's 40th na-

tional day, the flower-drum dance impressed Beijing viewers with its exciting emotion and elegant and graceful movements. As the late premier Zhou Enlai said, the flower-drum dance is the Orient's ballet.

by Zhang Xiaodong.

Chinese Divers Sweep Golds At Beijing Meet

Despite the presence of such diving powers as the United States, the Soviet Union and German Democratic Republic, Chinese competitors swept all six gold medals at the three-day China Open June 15-17 in Beijing.

Nearly 100 divers from 17 countries and regions took part in the event, the largest of its kind held in China. It was held at the Indoor Swimming Pool in the National Olympic Sports Centre in northern Beijing, which was built for the upcoming 11th Asian Games.

The competitors included such luminaries as Americans Wendy Williams, last year's World Cup champion in the women's 10-metre platform event, and Mark Bradshaw, springboard titlist in the 1990 US championships, and Irina Lashko of the Soviet Union, who was among the top six finishers at the Seoul Olympics. Some news agencies considered the quality of the competitors at the China Open to be on a par with the Olympics.

But Chinese veterans Tan Liangde and Xu Yanmei easily captured the men's three-metre springboard and women's 10-metre platform events. "Diving Queen" Gao Min defeated Lashko to take the gold in the women's three-metre springboard. The men's and women's one-metre springboard were won respectively by Wang Yijie and

Yu Xiaoling.

In the men's 10-metre platform, 14-year-old Sun Shuwei ranked second with a score only 0.87 less than winner Xiong Ni, a runner-up at Seoul. Zhu Jinhong, also 14, finished second in the women's 10-metre platform, ahead of Williams.

Several years ago, Xu Yiming, coach of China's diving team, began to train young divers ranging in age from 12 to 16. This approach has proved effective in building reserve forces for the national team.

Since 1979, China has won 29

golds at various world diving competitions. The recent World Cup showed that China has no lack of diving talent.

The China Open featured performances of highly difficult moves, including Chinese diver Wu Feilong's four and a half forward somersaults in the men's platform event and Chen Xiaodan's one and a half reverse somersaults and three and a half twists. Generally speaking, divers from the United States and Europe performed better in twist manoeuvres but the Chinese were better at somersaults.

The Democratic People's Republic of Korea displayed the unexpected progress it has made over the past two years. Kim Chun Ok finished seventh in the women's 10-metre platform and Song Yong Il ranked sixth in the men's 10-metre platform.

In an interview, Gao Min expressed the same hope as her coach Xu Yiming that the Chinese team would capture all the diving golds at the Asian Games.

by Lou Linwei

International Ceramic Festival To Be Held in Jingdezhen

The International Ceramic Festival will be held in Jingdezhen of Jiangxi Province, porcelain capital of China, on October 11-14. The festival is aimed at promoting economic, technological and academic exchanges between China and foreign countries in the ceramic industry.

Jingdezhen is one of China's best known manufacturers of porcelain. Due to its rich porcelain clay resources, Jingdezhen began pottery production in the first century and porcelain production in the fifth century. By the 11th century, kilns at Jing-

dezhen were listed as imperial kilns and their products, known for exquisite craftsmanship, were sent directly to the imperial palaces. After the Ming Dynasty (1368-1644) the porcelain products of Jingdezhen began to enjoy international fames and were exported to European countries, where they were regarded as artistic rarities.

Since the implementation of the reform and open-door policy, Jingdezhen's ceramics industry has entered a new phase of development. The kilns now can produce 20 categories, 200 series and more than 1,000 kinds of

porcelain products. Jingdezhen's porcelain products have won four gold medals at international exhibitions and six national gold medals.

During the festival, the Jingdezhen Cup International Ceramic Competition will be held to attract the world's best ceramic products. A panel of experts will serve as judges and gold and silver awards will be given to the

winners.

Master craftsmen and experts using unique technology will be invited to give demonstrations. Their products will go on sale when finished. Auction activities will also be arranged.

Archaeologists from home and abroad will be invited to participate in a symposium and give lectures on their research concerning the imperial kilns of the

Yuan, Ming and Qing dynasties (1271-1911). Also scheduled are exhibitions of ancient ceramics and an on-the-spot investigation of the ancient kilns.

An international symposium on ceramics will be held at the Jingdezhen Institute of Ceramics and an exhibition fair and trade talks are also planned.

by Wei Liming

Ding Jie's Dancing Party

Ding Jie, 23, a leading actress of the Beijing Institute of Dancing, held a one-person dancing party recently.

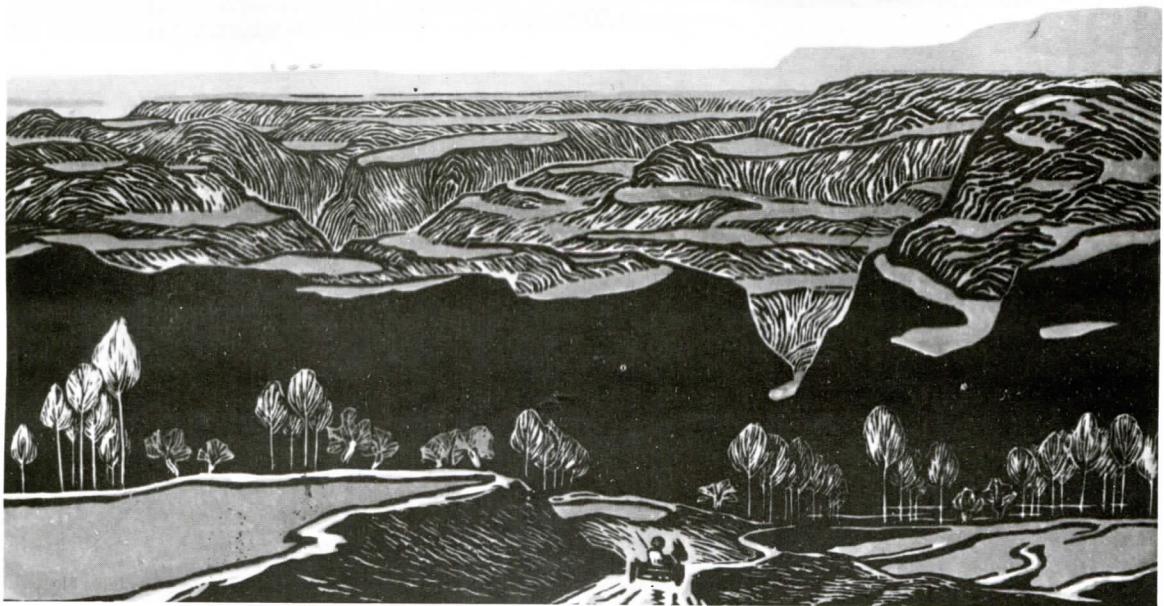
Here is a scene from *The Re-*

turn of Mu Lan. The dance, integrating classical dance, folk dance and jazz, reveals the heroine's happiness in reunion with her family. Mu Lan is a

heroine in a Chinese legend who combats in the disguise of a man.

by Feng Jing and Xu Xiangjun





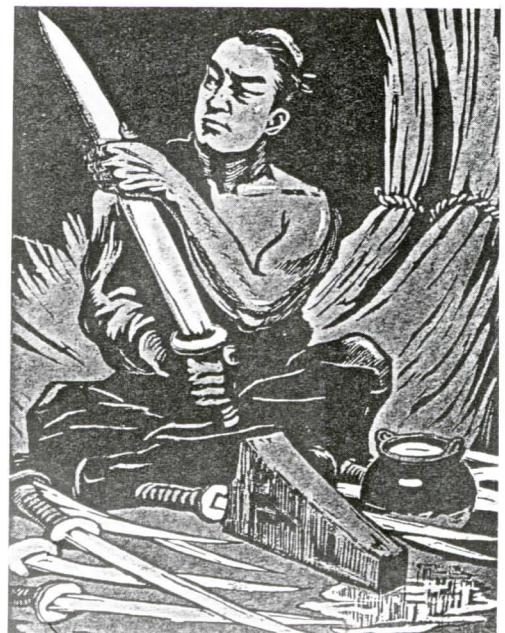
Spring.



A Rural Woman.

Engravings by Yu Husheng

Yu Husheng, born in Shanghai in 1934, now teaches at the Zhuzhou Engineering Institute in Hunan Province. His simple but vivid works show his rich engraving skill.



An Illustration From "A Folk Tale."

Chinese Trumpet Creeper: Trueran Gauze



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