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BEIJING REVIEW
A CHINESE WEEKLY OF NEWS AND VIEWS

- Developing Rural Commodity Production
- 30 Years of Tibetan Autonomy in Qinghai
Flocks of sheep raised in Haibei Tibetan Autonomous Prefecture, Qinghai Province.

SPOTLIGHT

The Longyangxia hydropower station in Hainan Autonomous Prefecture of Qinghai Province is now under construction.

The Tibetan grasslands are kept well watered with this sprinkler.

Tibetan herdsmen enjoy the old and new in their horse and motorcycle races.
HIGHLIGHTS OF THE WEEK

Vice-Premier on Rural Commodity Production

Vice-Premier Wan Li describes the problems and tasks facing the Chinese countryside as it develops from a self-supporting and semi-self-sufficient agricultural economy into a modern economy with large-scale commodity production (p. 16).

Specialized Households Enliven Rural Economy

The peasant specialized households now growing in China’s rural areas have become important suppliers of rural commodities and the representatives of the new productive forces in rural areas. Socialist in nature, their development reflects the inevitable transformation of China’s rural economy from a subsistence model to a commodity economy, and its agricultural production from traditional methods to modern farming (p. 4).

Tibetan Prefectures in Qinghai Forge Ahead

Known in the past as the “land of barbarity and desolation,” the Hainan, Huangnan and Haibei Tibetan Autonomous Prefectures in Qinghai, established in December 1953, have since undergone tremendous changes and entered a socialist era of progress, development and prosperity (p. 22).

Message Clarifies US Foreign Policy

In his State of the Union message, US President Ronald Reagan talked at length about his achievements since coming to power, the peaceful relations he wants to establish with the Soviet Union as well as US ties with its allies and the third world. Behind this optimism, however, there are numerous problems confronting his administration. In fact, the international situation remains tense and complex and US basic foreign policy has not changed (p. 27).

Mubarak Improves Ties With Neighbours

Egyptian President Hosni Mubarak’s recent visit to six African countries has improved his country’s standing in the Islamic and Arab world and provided him with an opportunity to express his views on the Middle East problems and African issues (p. 12).
New Productive Forces in Rural Areas

by JIN QI
Economic Editor

With the rapid development of the rural economy in the last five years, a contingent of new commodity producers, known as specialized households, have emerged and breathed new life into China's vast countryside.

Each specialized peasant household is engaged in a specific occupation such as grain or cash crop cultivation, livestock or poultry breeding, fishery, forestry, farm produce processing, transportation, commerce and other service trades. By the end of 1985, the number of specialized households rose to 24.82 million, accounting for more than 13 per cent of all China's peasant households.

In general, peasants engaging in specialized lines of production are comparatively better educated and more skilful in production. Working hard within the framework of the socialist co-operative economy, they always take the lead in using new techniques and are good at intensive farming, which is why their productivity is much higher than that of ordinary peasant households. As a result, they are able to sell 70-90 per cent of their output as surplus, and have become important suppliers of rural commodities. They have also set an example for other peasants who want to become better off through their own hard work. These specialized households are representatives of the new productive forces in the rural areas and are pace-setters for agricultural modernization.

The emergence and development of this contingent of rural commodity producers has a strong socio-economic and historical background. It reflects the inevitable transformation of China's rural economy from a self-supporting and semi-self-sufficient model to a large-scale commodity economy, and its agricultural production from traditional methods to modern farming.

China began socialist construction when its economy and technology were extremely backward and its commodity exchange was quite underdeveloped. Although the peasants had long been emancipated from the old exploiting system and agricultural production developed, raising the peasants' standard of living in the more than 20 years since the agricultural co-operative movement was completed in 1956, the backward subsistence style of production had still not been fundamentally changed. Furthermore, because of the influence of the "Left" trend of thought, the co-operative economy was handicapped by over-concentrated, single-crop farming and absolute egalitarian distribution methods. This forced the peasants, who make up more than 80 per cent of China's population, to tie up their labour power on a limited area of cultivated land just to feed the nation. This situation remained unchanged for a long time.

This lackadaisical situation began to change at the end of 1978 when a series of flexible rural policies were introduced. The household contract system within the framework of the co-operative economy is of particularly great significance. It makes the peasants not only producers but also relatively independent managers and beneficiaries, thereby effectively mobilizing the initiative of the millions of peasants. In 1983, the proportion of commodity production in the rural economy rose from 40 per cent in 1978 to more than 50 per cent, and about 100 million peasants have switched from farming to tapping and developing other natural resources. In this way, many new avenues for production have been opened.

The socialist system cannot be consolidated on the basis of a subsistence economy; and it cannot do without the development of commodity production. This is because only socialized mass commodity production can stimulate and enliven the existing productive forces, provide all the products needed by China's huge population and gradually enrich and consolodate the material basis of the socialist system. Commodity production has existed since people began the social division of labour and exchange activities. It serves a certain kind of social economy to which it is attached and by which it is circumscribed. Hence, it can serve either capitalism or socialism. The specialized households developing in China's rural areas are socialist in nature.

These households are managed in two ways. First, many households sign contracts with the collective for a certain area of farmland, forest, orchard, fish pond, pastureland or a processing workshop, with the basic means of production remaining under the public ownership. In this case, the specialized households are asked to hand over part of their products and income to the collective, while the collective economic organization plays a role in controlling, directly or indirectly, their economic activities.
More In-Depth Coverage

The “Letters” column is very interesting because it enables your readers to offer criticisms, make comments and discuss various general topics. If some readers’ opinions are wrong, others may correct them before you give any reply. However, I think this column should be presented in more varied forms and include even more letters.

I think the most significant column is “Notes From the Editors,” which is not only descriptive but also instructive. I regard articles in this column as editorials, the core of your weekly.

I think the articles in “Events and Trends” are too short. They can only function as news reports. I suggest that their contents be enriched; at the least, major and substantial conclusions should be included.

The “International” column is designed to explain China’s stand on international affairs, which is fairly realistic and serious. In addition, it also supplies the materials upon which you draw your conclusions. The current international situation is full of crises and militarist hegemonic activities. Under such circumstances, your column should not be confined to mere exposure.

The articles are also interesting. Besides variety, some articles give food for thought. For example, “Sino-Soviet Relations in the Early 1950s” (No. 47 in 1983) included some criticisms of Stalin, who nursed the personality cult not only in the Soviet Union but throughout the world. The paragraph on page 20 (English edition) reads, “At the dinner parties, Stalin used to drink the bottle of wine specially prepared for him. He would not drink the wine poured for him by other people, nor would he pour his wine for others...” I remembered that Chairman Mao once said Stalin was a friend of the Chinese people. He mentioned that Stalin’s errors accounted for merely 30 per cent of his deeds, and the remaining 70 per cent were correct. We should therefore evaluate him mainly on this merit. The article also gives me other background information.

Since many inside stories of the time were not revealed, some people felt perplexed after reading the article. I hope you will publish more articles on the subject to help us understand the actual situation at that time.

I also hope you will carry some articles related to Chairman Mao’s theory on the dictatorship of the proletariat.

A reader in Latin America

Colour Cover

Seeing the colour cover on the Jan. 2, 1984 magazine, I thought it was just for the first issue. But when the second and third issues came with colour covers, I began to realize that a great improvement has been made.

The contents are the same as in the past: fast and timely reports and objective commentaries on international events. Moreover, your Japanese is even more precise than our own. The typeface is also suitable. You have your readers in mind. This is really praiseworthy.

I continuously take in fresh air from Beijing Review and Radio Beijing, so that I can contribute my share to Sino-Japanese friendship in my remaining years.

Ichiro Tadano
Utsunomiya, Japan

“From the Chinese Press”

The column From the Chinese Press has made me see the danger of “peaceful evolution.” I feel China has maintained its own character while working for modernization.

Ali-Hajjou Abdenbi
Marrakech, Morocco

I hope you will give more space to From the Chinese Press, which can enrich our vocabulary and provide new information.

In addition, I also like How Will China Solve Its Energy Problem? (issue No. 35, 1983) and Changes and Developing Trends in the International Situation (issue No. 32, 1983). China’s research into the energy problems is directly concerned with its industrialization, and your condemnation of the two superpowers constitute a service to world peace.

Akouba Penoit Serge
Poto-Poto, Congo

I hope you’ll expand the column From the Chinese Press. Serial articles on certain subjects are also useful, and more should be published.

M. Michelin Georges
Paris, France
China's Public Order Further Improved

China's crimes rate is still one of the lowest in the world, Liu Fuzhi, Minister of Public Security, told Ban Yue Tan (Fortnightly Forum) early in January.

Since the Standing Committee of the National People's Congress decided last September to firmly and quickly crack down on criminals who seriously disrupt the social order, Liu said, judicial and public security departments at various levels have solved many criminal cases and meted out quick punishment to some serious offenders, bringing about a remarkable improvement in social order.

According to reliable sources, in 1983 only six in every 10,000 Chinese committed crimes. The number of criminal cases has dropped dramatically since September 1983.

Public order and social conduct have taken a turn for the better. This is most pronounced in railway stations, docks, recreation centres, downtown streets and rural fairs. The passenger harbours of Dalian in Liaoning Province, and in Qingdao and Yantai in Shandong Province were completely crime free last August and September. Criminal offences in Shanghai's passenger harbour have been dropping steadily since September.

Because serious criminals have been severely punished, many minor young offenders have come to realize their errors. They are determined to reform, either by confessing to the public security bureaus or returning stolen goods.

The crackdown on crime in the past few months has won support from the masses. Someone told a policeman, "Criminals are the scourge of society. Social security cannot be guaranteed if they are not punished." Liu Zhemin, who returned from Taiwan to settle on the mainland and now serves as a member of the Hebei provincial committee of the Chinese People's Political Consultative Conference, said, "The government's decision to fight criminal offences is really great, and I support it with all my heart."

Liu Fuzhi said that with the improvement of the social order, the people feel more secure in their everyday life. The public security departments have taken the initiative in this work. If their efforts can be maintained, the crime rate this year might be the lowest in history.

However, he said some confusion in understanding the struggle must be cleared up. For instance, some people thought the increase in criminal offences in recent years has been caused by the mistakes some departments made in their work. This has obscured the line between mistakes in work and criminal offences. It must be understood that some people committed crimes mostly because of their inflated egos. They should never be absolved from blame under the pretext of mistakes in work.

Some other people are worried that our resolute crackdown on crime might actually violate Chinese laws. This is also incorrect. Our law protects the people and attacks their enemies. Our present struggle against criminal offences is conducted in line with the provisions of the Constitution and the criminal law. Punishing criminals is just one way to implement the Constitution and the criminal law.

Liu Fuzhi concluded that we must understand the complex and arduous nature of the struggle to crack down on crime, and firmly carry it through to the end. Only in this way can we fundamentally improve our social order at an early date.

Famous General Su Yu Remembered

Senior General Su Yu, a celebrated PLA strategist, died of illness in Beijing on February 5. In a joint obituary issued on February 10, the Party Central Committee, the Central Advisory Commission and the Military Commission under the Party Central Committee called the general an "outstanding Party and army leader, a proletarian revolutionary and an eminent strategist."

According to the general's wish, no meeting for last respects to his remains or memorial service was held for him, and his ashes were scattered in Jiangxi, Fujian, Zhejiang, Anhui, Jiangsu, Shanghai, Shandong and Henan, where he had directed many battles during the war years.

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Born in 1907 in Huitong County, Hunan Province, Su Yu became a Red Army soldier and Communist Party member in 1927. He took part in the famous Nanchang Uprising in 1927 and the struggle in the early 1930s to establish the Central Revolutionary Council. Under the leadership of Mao Zedong and Zhou Enlai and through the practice of guerrilla and mobile warfare, he finally became a high-ranking commander and made immortal contributions in the Chinese people’s struggle for liberation.

After the founding of the People’s Republic, he served successively as Deputy Chief of the General Staff and Chief of the General Staff of the Chinese People’s Liberation Army, Vice-Minister of National Defence and Vice-President of the Academy of Military Sciences. He was a member of the 8th through 11th Party Central Committees and Vice-Chairman of the Standing Committee of the Fifth National People’s Congress. A few years ago he stepped down from his regular posts because of illness, and became a Standing Committee member of the Central Advisory Commission.

In his written message to a state Spring Festival gathering this year, Su Yu said: “We old comrades are often called ‘influential persons.’ As I see it, we are influential because of the Party’s high prestige, militant history and revolutionary traditions.” He called on all veteran comrades to “contribute more to the Party and the people during our evening years.”

Su Yu’s was a life worth remembering and emulating. His festival message shows that even in his last days, the Party’s cause and the interests of the people were still uppermost in his mind.

**National Conference on Economic Work**

In 1985, China’s total industrial output value increased by 10.2 per cent and revenue by 11.8 per cent. Lu Dong, Vice-Minister in Charge of the State Economic Commission, told the national economic conference recently in Beijing.

He also outlined the progress made last year in the nation’s efforts to improve economic results:

— The upturn in consumer goods production was kept well in pace with the rising demand of society. Retail sales of consumer commodities rose by 10.5 per cent, a little bit higher than the increase of the industrial output value. Thus a balanced increase in production and sales was achieved.

— About 47 per cent or 202 businesses designated as major enterprises in the state’s readjustment plan reached the prescribed standards. More than one million workers received a college education. Many enterprises which used to go single-mindedly after fulfilling production quotas began to improve their management, while doing a good job in production.

— More than 600 pieces of advanced technology were imported to update medium- and small-sized enterprises. About 10,000 products were cited for high quality.

— Energy equivalent to 18 million tons of standard coal was conserved in industry. Industrial output grew by 10.2 per cent, while energy production increased only by 5.1 per cent.

— The industrial output value in the 1985 national budget grew by 8.9 per cent, while taxes and profits went up 7.5 per cent, achieving an almost balanced increase rate.

Lu Dong pointed out that while some progress has been made since the emphasis was switched to better economic results at the end of 1981, China was still lagging behind both the world advanced levels and the best records the nation once chalked up.

The conference called on the various enterprises to reach all the targets set by the state and further increase economic results.

In 1984 the agricultural output value was expected to increase by 4 per cent, industrial output value by 5 per cent and total retail sales of consumer goods by 8.1 per cent. Production costs should drop by 2 per cent, so as to raise the state revenue by 8.8 per cent.

The conference decided to give top priority to developing energy, transportation, raw materials and intelligence. It called for continued efforts to transform and consolidate the various enterprises and accelerate technological development, so that greater achievements could be made in improving the variety and quality of products, reducing consumption of raw materials and increasing taxes and profits.

**Micro-Electronics Making Progress**

China is producing nearly 300 types of small and medium integrated circuits that meet international standards, and has mastered the basics of manufacturing large-scale integrated circuits with 10,000 or more elements, the Ministry of the Electronics Industry has announced.

Wei Mingyi, Vice-Minister of the Electronics Industry, said the promotion of the wider use of microprocessors was vital to the technical transformation of various sectors of the national economy.

Last May, the government decided to make the development of micro-electronics technology a
priority. He also announced that efforts would be made from now through 1990 to establish a national computer system. Its aim for 1990 is to bring 70 to 80 per cent of its major electronic products up to the advanced international levels of the late 1970s or early 1980s.

Chinese economic planners, factory managers and scientists are turning their sights to minicomputers for better efficiency and higher output. These machines are now used on a limited scale in manufacturing, agriculture, research, mail, telecommunications, traffic control, natural resource surveys, weather observation, hydrological forecasting, data processing, and designing engineering and construction projects.

At 8 a.m. every day, an up-to-the-minute report on China's iron and steel production is placed on the desk of the metallurgical industry minister. A minicomputer centre in the ministry does the elaborate job of collecting and processing statistics from 33 key enterprises, mines and metallurgical bureaus and finishes them in an hour.

Before the data-processing system was put into operation last August, a team of specialists had to get the figures from the mills and mines by telephone for compilation and analysis. The work was not only time-consuming, but also not always accurate.

The move to microprocessors is led by Shanghai. The Shanghai Railway Centre has already adopted computers to aid transport forecasting, helping it earn an additional 60 million yuan in 1983.

The Sichuan Chemical Works spent 600,000 yuan on a minicomputer system to control the consumption of natural gas. In less than half a year, the system had more than paid for itself.

Computerization has helped increase the daily profits of the Shoudu Iron and Steel Company by 11,000 yuan and helped it to trim its workforce by more than 10 per cent.

Nevertheless, no one lost his or her job as a result. The more than 8,000 workers who were no longer needed on their original jobs were retrained or transferred to new jobs.

According to statistics from the electronics industry, the production of such computers increased by 150 per cent in 1985. But output still falls far short of demand. The Beijing Wire Communication Facilities Factory turned out 500 minicomputers last year, but new orders have been placed by more than 5,000 customers.

Lack of expertise seems to be one of the problems holding back the spread of computer technology. In the Shanghai General Petrochemical Works, one of China's largest enterprises, 90 per cent of the technicians and engineers have not been trained in computer technology.

Efforts are being made to run computer training classes across the country and to help professionals keep abreast with world computer developments.

Elementary computer courses are being offered as an experiment at a number of middle schools in Beijing, Shanghai, Hangzhou and other cities.

**State Offer Saves Grain Surplus**

As 1983 was drawing to a close, cables poured into the State Council from Jilin Province in the northeast, asking for emergency help. Local granaries were filled to overflowing and much of the province's autumn harvest of 13.65 million tons of grain was in danger of rotting if acute storage and shipping problems were not solved quickly.

Vice-Premier Tian Jiyun headed a group of government officials to Jilin to look into the matter. There he discerned a silver lining in the local peasants' dilemma. Grains were piled up mountain-high in the villages, he said. This fact itself once again proved the correctness of the Party's rural policies and demonstrated the great vitality of the household responsibility sys-
tem, which bases remuneration on farm output.

With a rise of 56.5 per cent in grain yield over 1982, Jilin was among the provinces leading the nation in grain increases. Last year, China’s grain output reached a record high of 580 million tons despite natural disasters affecting vast tracts of farmland.

Surveying the situation, the vice-premier saw no reason why the grain surplus in Jilin should not be properly handled, since the state had not yet purchased its maximum. To let the peasants handle the problem on their own would have undoubtedly dampened their enthusiasm, so he assured the local people that the state would purchase whatever amount they wanted to sell. Not a single grain would be left to rot, he said.

Jilin’s acute problems in grain storage and shipping show that China’s commerce, transportation, storage and price system should be revamped without delay if they are to keep in pace with the rapid progress of the rural economy.

After repeated consultations between the departments concerned, the state purchased 6.5 million tons of grain from Jilin, which is being shipped out at the rate of 155 rail freight cars a day for a monthly total of 600,000 tons. Of the purchased amount, 2 million tons are being stored in granaries built where the grain was harvested. The prompt solution of the problem is a great satisfaction to the local peasants.

Slower Households Are Not Forgotten

For the peasants of Chuxian Prefecture in Anhui Province, the contracted production responsibility system based on the household is just like a race. Stronger people lead the pack while weaker ones trail behind. But they are all making headway towards the aim of common prosperity.

Chuxian is one of the first areas to implement the production responsibility system. In five years’ time, its total grain output has doubled. Per-capita income has increased from 107 yuan in 1978 to 350 yuan in 1983 for the 5.06 million people in the prefecture. Some 11,000 households earned a net income of more than 5,000 yuan.

However, there are still 9,900 households falling behind. Almost 2 per cent of the production teams have an average per-capita income of less than 100 yuan, although teams averaging less than 50 yuan per capita had been eliminated by 1982.

"This is the result of the genuine implementation of the principle of distribution according to work. But the differences between the rich and poor are caused by differences in labour and farming techniques among the households. They are worlds apart from the polarization which stemmed from exploitation," said Chen Tingyuan, an official of Chuxian.

An investigation into 17 poorer households in Jiashan County showed that 10 were shorthanded, four lacked money, and only three were badly organized or failed to properly arrange their production and life.

Local officials did everything possible to help these households. It provided low interest and interest-free loans or aid in manpower and gave them priority for chemical fertilizer, fine seed strains and technical instruction, so as to raise their production capacity. Those who were hit by natural or human disasters were given social relief and a reduction or exemption in their agricultural taxes.

Now all the counties in the prefecture have set up work groups to help the poor. They gather files on the slower households to find out what they are like, what their difficulties are and how to help them.

Among the 9,900 poorer households in Chuxian, 2,400 have already caught up with the average income in the prefecture. Another 2,000 are expected to catch up in 1984.

Working Fashion Brightens Life

Workers in 30 trades will soon be changing their drab old clothes for a bright new look as a result of the first ever reform of their long-neglected overalls, jumpers and aprons.

At a recent Beijing exhibition of work clothes, about 1,000 kinds of uniforms suitable for 30 different trades were on display. Visitors were dazzled by the wide variety of colours and designs. There were skirts for hairdressers, qipaos (a smock with buttons down the side) for textile workers, dust-proof overalls for street cleaners, and a rainbow more.

These work clothes are durable and comfortable, and some are even acid-, pollution- or heat-proof, as the individual trade requires. They were hailed by the visiting workers for their modern, practical designs.

According to an exhibition organizer from the commerce ministry, for a long time all workers, men and women, tall and short, stout and thin, were indiscriminately clad in drab work clothes which were uniformly dyed either black, white or dark blue.

About 120 designs will be selected from among the exhibits for workers in all trades to talk over. Their new work clothes will brighten up the appearance of the workers, mentally as well as physically.
Korean Vice-Premier Visits China

The Vice-Premier of the Democratic People's Republic of Korea has paid a week-long official visit to China at the invitation of Foreign Minister Wu Xueqian.

Kim Yong Nam, Korea's Vice-Premier of the Administrative Council and Foreign Minister, began his friendly visit on Feb. 7 in Beijing, where he met separately with General Secretary Hu Yaobang and Premier Zhao Ziyang.

Zhao, at his meeting with Kim on Feb. 13, said he was glad to see that the development of the time-tested friendship between the two countries has been deepening in all areas. The Chinese Party, Government and people will continue their efforts to strengthen the friendly Sino-Korean ties.

Kim expressed his thanks for China's unswerving support of the Korean people's just struggle for the independence and peaceful re-unification of their fatherland.

On behalf of President Kim Il Sung and Comrade Kim Jong II, Kim Yong Nam formally invited Hu Yaobang to visit Korea. Hu accepted the invitation, which he will honour some time this year.

The main purpose of his visit to Korea, Hu said, will be to enhance Sino-Korean friendship and learn from the Korean people.

After leaving Beijing, the Korean party visited Kunming, Guangzhou and Shenzhen in south China.

Greetings Extended To Current AFPPD

Peng Zhen, Chairman of the National People's Congress (NPC) Standing Committee, and Premier Zhao Ziyang sent a joint message of greetings on February 16 to the Asian Forum of Parliamentarians on Population and Development (AFPPD) on its inauguration in New Delhi, India.

The message said the population issue is one of vital importance. The Asian Conference of Parliamentarians on Population and Development held in Beijing in 1981 had been fruitful. The current convention will further promote the harmonized population, social and economic development of Asian countries. It will not only help develop Asian nations' culture and economy and improve their people's standard of living, but will exert great effect on global population trends and the development of the world economy.

Vice-Chairman Huang Hua of the NPC Standing Committee headed the Chinese delegation to attend the meeting.

Qian Xinzhong, Adviser to the Ministry of Public Health and the 1985 UN population award winner, was specially invited to the meeting and spoke at the opening session.

He said that in the light of China's experience, forming population policies and relevant laws and mobilizing the people are key factors in solving the population problem.

At the banquet given by Buta Singh, Minister of Parliamentary Affairs of India, Huang Hua said he expected to co-operate with other Asian nations on problems of population and development.

He said, "The Asian countries are in different circumstances. Therefore, they should work out their own population and development strategies independently, in accordance with their own conditions. At the same time, it is necessary to strengthen co-ordination between the Asian nations and co-operation with countries outside Asia and other international organizations."

Zhao Discusses Trade With Thais

A visiting Thai trade delegation was told that China is willing to discuss new fields and forms of
co-operation and the expansion of trade with Thailand and other countries in the Association of Southeast Asian Nations (ASEAN) on the principles of equality and mutual benefit.

Premier Zhao Ziyang, meeting on Feb. 10 with a delegation led by Minister of Commerce Kosol Krairiksh in Beijing, also said: "Since the establishment of Sino-Thai diplomatic relations in 1975, the two countries have established and developed good relations in trade and in the political, economic and cultural fields."

"There have been many exchanges of visits between top leaders of the two countries," he said. "There is still a great potential for the development of trade and economic and technical co-operation between China and Thailand."

"The Thai Government is trying to find new channels and ways to expand trade and economic and technical co-operation with China," said Kosol Krairiksh.

Wan Li Meets Soviet Official

A Chinese delegation headed by Vice-Premier Wan Li met with a senior Soviet official while in Moscow attending the funeral of the late President Yuri Andropov.

The delegation, which returned to Beijing on Feb. 16, was thanked by Gidiar Ali Aliyev, First Vice-Chairman of the Council of Ministers, for coming to the funeral.

Wan Li told Aliyev that China is devoting its efforts to socialist modernization, for which it needs a stable and peaceful international environment. China hopes that its relations with its neighbour, the Soviet Union, will be normalized, he said.

"It is good to see some improvement in relations between the two countries in recent years," he said. But there are still some obstacles hindering their development. He expressed the hope that substantial progress would be made in this area during the fourth round of Sino-Soviet talks, scheduled for March.

Aliyev expressed satisfaction with the improvement in Sino-Soviet relations and indicated that the Soviet Government would carry on a policy of seeking better relations with China.

Sino-Soviet Trade To Climb by 60 %

Sino-Soviet trade will increase 60 per cent this year over 1983 to 2.6 billion Swiss francs (US$1.18 billion), according to a new agreement between China and the Soviet Union on the exchange of goods and payments for 1984.

Under the agreement, which was signed in Beijing on Feb. 10, China will import rolled steel, pig iron, non-ferrous metals and other products from the Soviet Union. At the same time, it will export non-ferrous metals, frozen and canned meat, edible vegetable oil, soybeans, raw silk, silk fabrics, cotton, knitwear, garments, tea, animal by-products and light industrial goods.

Vice-Premier Yao Yilin met with I.T. Grishin, Soviet Vice-Minister for Foreign Trade, who came to the Chinese capital for trade negotiations on Feb. 10.

During the meeting, Yao pointed out that although Sino-Soviet trade was expected to grow considerably this year, it had not yet reached the high levels of the past. Both sides should work towards a long-term trade programme, he said.

Grishin said the volume of bilateral trade this year was the highest since he had begun conducting trade with China in 1964. The time spent on trade talks this year was the shortest and the negotiations continued smoothly, he said.

He said trade volume was still less than one might expect between two large countries, but there were broad prospects for growth.

Offshore Test Well Strikes Oil

Oil began to flow on January 6 from an exploratory well drilled in a Sino-foreign co-operation zone, the China National Offshore Oil Corporation (CNOOC) announced on January 10.

The drilling, in the Zhuhai (Pearl) River mouth basin of the South China Sea, was completed by the Nanhai Eastern Petroleum Corporation of the CNOOC and a consortium led by British Petroleum Development Ltd. (BP). The well is 5,451 metres deep.

Drilling began last November 6, contracted to the China Nanhai-Houlder Drilling Corporation Ltd., a joint venture set up by the CNOOC and the British Company Houlder, using China's Nanhai No. 22 semi-submersible drilling vessel. From its drilling, the corporation gained valuable data for further exploration in the zone.

China has co-operated with foreign countries in exploring for oil in the South China Sea since 1979. Twenty-seven corporations from nine countries signed 18 co-operative contracts with China after competitive bidding.
Egypt

Mubarak’s Visits Indicate Thaw

by XIN SHU

EGYPTIAN President Hosni Mubarak’s visit to six African countries shows that Egypt is using active diplomacy to play a greater role in the affairs of the Middle East and Africa.

Mubarak visited Zaire, Kenya, Somalia, Tanzania, the Sudan and Morocco from Jan. 51 to Feb. 10 — his longest trip since becoming President in 1981. His tour followed shortly after the Fourth Summit of the Islamic Conference Organization (ICO) decided to restore Egypt’s membership. Following the signing of the Egyptian-Israeli peace treaty in 1979, most Arab countries severed diplomatic relations with Egypt, and the ICO and League of Arab States (LAS) forestalled suit by suspending Egypt’s membership. This had isolated Egypt in the Islamic and Arab world.

There was no relaxation in the Arab countries’ relations with Egypt until last year. In March, at the Seventh Non-Aligned Summit held in India, Mubarak met with heads of state from Jordan, Lebanon, Kuwait, Qatar and Bahrain and with the Vice-President of Iraq. In December, he held talks with Yasser Arafat, Chairman of the PLO Executive Committee, in Cairo. He also sent Foreign Minister Kamal Hassan Ali to Iraq, Jordan and Morocco last year, and some Arab senior officials and special envoys visited Cairo. The development of the situation paved the way for Mubarak’s recent tour, enabling Egypt to have a voice in the affairs of the Middle East and Africa.

During his six-nation trip, Mubarak held talks with the leaders of these countries on the Middle East, Lebanon, southern Africa, the solidarity of the Organization of African Unity (OAU) and bilateral co-operation, as well as other international issues concerning them. The Middle East problems were high on the agenda. Mubarak holds that all Middle Eastern countries should recognize one another, and all Middle Eastern peoples should have the right to live on their own territory. He has pledged to support the Palestinian people’s struggle for self-determination and their legitimate right to build up an independent state on their own land. And he has urged Israel to return all Arab territories it now occupies and to withdraw its troops from Lebanon. This stand has been appreciated and supported by those countries he visited.

In his talks with leaders of these countries, Mubarak expressed concern over the disputes in the Horn of Africa, Chad and the Western Sahara, hoping they will be resolved in the spirit of African unity. He stated that African countries should “join in fighting against any attempts at foreign domination, exploitation or creating spheres of influence, and supporting, as happened in the 50s and 60s, the African liberation movements.” He condemned the oppressive policy pursued by South Africa’s apartheid regime.

Furthermore, Mubarak conferred with several leaders over how to promote the normal operation of the OAU. During his trip, he decided to send Minister of State for Foreign Affairs Butros Ghali to Ethiopia and Djibouti with letters to the presidents of both countries, expressing hopes to bring about an atmosphere amenable to solidarity and consensus prior to the coming conference of African foreign ministers.

Mubarak’s visit to Morocco was the focus of much attention, since it was the first visit by the Egyptian President to an Arab country that had severed diplomatic relations with Egypt in 1979. Before his visit to Morocco, there had been a turn for the better in relations between the two countries. Last October, at the UN General Assembly, Mubarak held talks with Morocco’s King Hassan II. Later, Hassan, as ICO Chairman, did a good job in bringing Egypt back to the organization. During their latest talks, the two leaders addressed themselves to the Lebanese situation, Palestinian issues and other subjects concerning the Middle East. Both sides shared similar views on the Jordan-Palestine talks.

Mubarak’s visit to Morocco will, on the whole, help promote the restoration of the Egypt’s diplomatic relations with the other Arab countries. A Moroccan official said the visit marks Egypt’s return to the Islamic ranks, and eventually to the LAS.
Federal Germany

Multi-Faceted Diplomacy at Work

by FANG XIANGSHENG

WITH the two superpowers still scrambling for nuclear superiority, East-West relations face a stern test. At the forefront of the North Atlantic Treaty Organization (NATO) is the Federal Republic of Germany, which is directly threatened by a large number of the Soviet troops in Eastern Europe. How to initiate diplomacy in the narrow space between the two superpowers is the difficult task facing the government of Chancellor Helmut Kohl, which came to power in October 1982.

The Kohl government clearly said in its first statement that the first diplomatic task was to dispel the shadow over its relations with the United States and strengthen and stabilize the friendship between the two countries. It also said that friendship with the United States is the foundation of its foreign policy. This stands to reason. Federal Germany is situated at the point of military confrontation between the East and West blocs and faces the threat of millions of troops, tens of thousands of tanks and thousands of missiles from the Soviet Union and other Warsaw Pact countries.

Under the circumstances, the Kohl government believes that Western Europe cannot deal with the Soviet threat with its nuclear arms alone and it must rely on US nuclear protection. Kohl has repeatedly stressed that Federal Germany's security can be guaranteed only by the United States and it stands on the side of the Western alliance. To be closer to the United States, he has altered some policies of the former Schmidt government. On the issue of nuclear missiles, he has supported the US stand towards negotiations, withstanding pressure from the Soviet Union and the peace movement in his own country and resolutely carrying out NATO's "double decision." After US troops invaded Grenada, Kohl duly consulted the NATO countries, asking them to end open disputes with Washington and to maintain their unity with the United States in a positive manner.

While maintaining close relations with the United States, the Kohl government has not given up the former Social-Democratic governments' policy towards the East bloc. Kohl stated that both friendship with the West and an agreement with the East are needed to safeguard the security of his country and stability of Europe. This means pursuing a policy of dialogue and negotiation and the willingness to co-operate and sign agreements with the East. However, the keen rivalry in Europe between the United States and the Soviet Union in the last year, especially over the missiles, made it difficult for the Kohl government to pull off this balancing act. Therefore, it stands on the side of the United States while making dialogue with Moscow. When US-Soviet tensions eased, it pushed the two superpowers to hold a summit meeting, considering it more important than ever.

At the same time, it energetically expanded trade with the Soviet Union to strengthen its economic ties. In doing so, Kohl paid more attention to the US stand than the previous government did. He said that it would not allow such disputes to arise again as occurred in the trade in steel gas pipes.

On relations with the German Democratic Republic, the Kohl government has been more active and changed the former governments' policy of taking small steps. In recent months, the leaders of the two countries have exchanged letters and held talks on Feb. 13 while attending at the funeral of the late Soviet President Yuri Andropov in Moscow. Politicians from both countries have met frequently. Federal Germany has lent Democratic Germany 1.000 million marks, and relations between the two countries have evidently improved.

The Kohl government, predicting that the talks between Washington and Moscow on intermediate-range nuclear forces (INF) could not go on and it was inevitable that the United States would deploy its new missiles in Western Europe, left room for manoeuvring. It sent Foreign Minister Hans-Dietrich Genscher to meet with Soviet Foreign Minister Andrei Gromyko and sent its Minister of Economics Otto Graf Lambsdorff to Moscow to discuss economic co-operation. The reasons behind this are that its relations with the Soviet Union and East European countries must not be so strained following the US deployment of new missiles and there must be room for manoeuvring.

If its close relations with the United States and its East policy are the main points of the Kohl government's existing foreign policy, the encouragement of a united Europe is the main foreign policy goal it wishes to develop. Both sides of the foreign policy are interdependent. Faced with the difficulties of integrating Europe because of conflicting economic interests of various countries, Kohl, upon taking office, expressed his hope of opening a new road to European unity and began to stir new feelings for it.

The West European alliance as imagined by Kohl would have cooperation between Federal Ger-
many and France as an axis. To encourage Western Europe to unite and speak with one voice politically, Kohl, since coming to office, has met with French President Francois Mitterrand nearly once every three months on the average. These two countries have consulted on the deployment of missiles and supported one another. Kohl has always supported Mitterrand's stand and opposed the inclusion of British and French nuclear weapons in the US-Soviet INF talks. Mitterrand personally persuaded the Belgian Government to accept the deployment of the US missiles to reduce the pressure upon the Kohl government in this respect.

These two leaders recently discussed West European future defence plans and reached an agreement to manufacture anti-tank helicopters jointly.

In today's multipolar world, the weight of German foreign policy and its room for manoeuvre is decided by the political force of the NATO alliance and Federal Germany's role in this alliance. Therefore, while energetically encouraging West European countries to unite, the Kohl government is trying to make its policy a component part of the West European alliance, thus playing its effective role in the international arena.

countries which then lacked an adequate labour force. The foreign workers did the most dangerous and the dirtiest jobs and made great contributions to create the "economic miracle" of post-war Western Europe.

However, since the 1970s the capitalist world has experienced one serious economic crisis after another, putting the migrant workers in Europe in an unfavourable situation. The unemployment figure in the 10 member countries of the European Economic Community has exceeded 12.3 million. The economic predicament in these countries has aroused racial discrimination, with many people saying that the rise in unemployment is tied closely to the number of immigrants.

In these circumstances, immigrants in England face discrimination in employment, housing and medical care. In Federal Germany, where there are 1.6 million Turks, a strong anti-Turk sentiment has arisen. Immigrant workers at the Talbot automobile factory say, "While we were young, we worked hard, ruining our health, and now we are dismissed." A Moroccan worker who worked in France for 25 years said, "France no longer needs us now, but I cannot find any job if I go back to my own country." His wife wept, saying, "Our three children want food to eat; we can do nothing for them."

Racial discrimination is spreading in Western Europe. But the fair-minded media has condemned this trend. The French paper Le Monde published an article describing the great contributions made by immigrant workers to France. The London City Council has chosen 1984 as "anti-discrimination year." Some West European countries have accepted Indochinese refugees and given them jobs.

Nowadays, Western Europe and

**Western Europe**

**Recession Breeds**

by LIN JUN

WORKERS at the Talbot automobile factory in France held a one-month strike in December because the French Government approved a decision to dismiss workers at the factory. (Foreign workers account for 70 per cent of the total staff). The French Government has ruled that immigrant workers will be sent back to their own countries on a voluntary basis.

After the Talbot strike, more than 7,000 Belgians held demonstrations against a draft law put forward by the Minister of Justice to limit foreign immigrants. Last November, Belgian students held a hunger strike to protest against the Government's law restricting the families of foreign workers and students from entering Belgium. The local press reported that the hunger strike, which drew many students, was one of the largest demonstrations in the Belgian student movement during the last 10 years.

During recent years, racial discrimination has erupted frequently in Western Europe. In France, immigrants from North Africa have been persecuted by a small group of racists. Ultra-Rightists in the Federal Republic of Germany attacked Turkish immigrants and the black people in the Brixton district of London rioted. Some West European governments have repeatedly imposed restrictions on foreign immigrants. The British Government has twice revised its immigration laws. Switzerland tightened the conditions of its entry visa. Like France, the Federal Republic of Germany is planning to return immigrants to their own countries.

Over the years, about 12.5 million immigrants have settled in Western Europe for various historical reasons. Some of these immigrants have been Indochinese refugees fleeing Viet Nam several years ago. But most are workers recruited by the West European countries 20 or 30 years ago. They were once welcomed by those...
countries face the problem of reforming the economic structure, and they are striving to realize industrial modernization. But modernization is not synonymous with unemployment. Solving the immigrant problem properly would be an important and inevitable advance in overcoming their economic difficulties and realizing their modernization.

Argentina

A Tough First Step Required

by LI ZHIMING

ALTHOUGH the prices of goods in Argentina rose 12.5 per cent in January this year, exceeding the target of 11 per cent set in the state plan, the overall inflation rate has dropped markedly from the 17.7 per cent of last December.

When President Raul Alfonsin was inaugurated last December, Argentina faced stagnant production, an annual inflation rate of 433 per cent and a foreign debt of USS45,600 million. Overcoming the economic crisis became the new government's main headache since a stable economy is the primary condition for solidifying the newly restored democratic system. Shortly after taking office, Alfonsin announced his three economic targets: to bring about an economic recovery, to hold down inflation and to increase wages.

The government has recently announced that the gross domestic product (GDP) will increase 5 per cent in 1984 and real personal income 6 to 8 per cent. The inflation rate will decrease to 4 per cent in December of this year. The government regards the fight against inflation as its major task, inflation being the most important obstacle to economic development.

Argentina believes that the inflation was caused by its enormous budgetary deficit, which accounted for 14 per cent of total GDP last year. It was made up by issuing paper money. Therefore the government has decided to decrease the deficit to 4 per cent of GDP this year. According to official estimates, the enormous deficit was mainly caused by rapidly expanding public departments, massive losses incurred by mismanagement in state-owned enterprises, and widespread tax evasion.

Public departments account for a large proportion of Argentina's economy. The total value of more than 300 state-owned companies accounts for 40 per cent of GDP, but most of the companies are poorly managed. The government has established a special committee to study the problem of how to turn state-owned companies over to private ownership. It plans to do this with many of them with the exception of those departments such as energy resources, communications and transportation. At the same time, the Argentine authorities have drawn up a draft law for reforming the tax system, which will greatly increase national income.

Argentina's economic plan is strongly influenced by its massive foreign debt. It is estimated that Argentina must pay USS20,000 million in foreign debt by the end of this year (including defaulted debt for the past two years). The 1984 maximum surplus in foreign trade is estimated to be USS3,500 million, which will not be enough to pay the interest on the foreign debt. The World Bank has insisted that the negotiations on future loans to Argentina and the rescheduling of existing debt depend on the government's current economic policy. It is well known that the International Monetary Fund's terms are opposite to those needed to bring about an economic recovery and wage increases. Alfonsin has stressed that Argentina is willing to abide by the obligations of foreign debt, but it will not go further into economic recession. The new finance minister has twice visited the United States to discuss with the World Bank the problems concerning its foreign debt, but no progress was made.

The public believes that the government's analysis of key economic questions and the goals it has set conform with the actual situation, but concrete measures should be adopted to achieve these goals. It is believed that a good beginning will of course give great impetus to the people. The success of the new government in fighting inflation in its first month is an important initial step in overcoming the country's economic woes.

February 27, 1984
Developing Rural Commodity Production

China's countryside is now developing from being a self-supporting and semi-self-sufficient agricultural economy into a modern economy producing commodities on a large scale. What are its problems and tasks?

by WAN LI
Vice-Premier of the State Council

NINETEEN eighty-three was a year when the contract system, linking remuneration with output, was widely adopted and economic reform in the rural areas developed in depth. It was a year in which agricultural production, triumphing over various natural disasters, advanced with giant strides. It was a year in which commodity production in the countryside developed vigorously and on an unprecedented scale. It was also a year in which many places explored various local resources to develop the scale and quality of production.

New Conditions. At present, the contract system, based on individual households, has been adopted by more than 90 per cent of the peasant households. Some places—those which are comparatively rich or have a higher level of mechanization, or where people lack confidence in the contract system—have also gradually chosen the system in the past few years after seeing others' experience and comparing it with theirs. In these areas, there is a tendency for the latecomers to surpass the old-timers. State farms have also begun to popularize the contract system and adopt it on a household basis, achieving extremely satisfactory results.

As a great creation of the country's 800 million peasants under the leadership of the Party, the contract system which links remuneration with output has taken root in China. It is not merely an expedient policy to solve the problem of feeding the people but a fundamental reform of the economic system in the countryside. It is of indescribable significance for building socialism with Chinese characteristics.

What is more inspiring is that throughout the country there have sprung up great numbers of specialized households which have prospered through hard labour. Learning from this example, some villages and towns have switched over to certain types of specialized production, and even some specialized markets have emerged. In the past year, noticeable progress was made in starting new undertakings. Some regional development principles and plans are being drafted gradually.

However, the economic foundation in the countryside as a whole is still very poor and its capacity to fight serious natural disasters is weak. In some areas, the development of the last few years was to a considerable extent needed simply to restore production. Although the living standards of the peasants have improved in general, life in a few places is still rather hard.

With the development of the various reforms in the countryside, the constant growth of the productive forces and the diversified development of the rural economic structure, more and more new problems have cropped up and will become more and more complicated. Among them are the problem of commodity circulation, the problem of further improving the contract system, including re-distributing, the land and subcontracting the problem of policies concerning funds, resources and labour force in the countryside, the problem of reforming the economic system and administrative system in the countryside, the problem of disseminating scientific, technological and cultural knowledge as well as the popularization of education, the problem of improving management, reducing costs and raising economic results, the problem of constructing water conservancy projects and energy and transport projects as well as small towns, and the problem of strengthening ideological and political work and strengthening the enhancement of material wealth and the development of social ethics.

All these are problems we confront in our advance. On the one hand, we must be firm and full of confidence. On the other,
we must face up to difficulties and solve these problems in a calm and earnest manner so as to push the rural economy forward continuously, which is full of vitality, further tap the vast reservoir of enthusiasm for socialism and potential for production among the hundreds of millions of peasants and turn them into real productive forces.

However, we, from the top level to the bottom, lack the experience of leading large-scale commodity production. Our old experiences are not enough. Some of them has become outdated. Therefore, we must renew our knowledge and improve our leadership from the point of view of developing the productive forces of society—a basic view of Marxism, of developing commodity production on a large scale in the countryside and of building a socialism with Chinese characteristics.

**Treating Peasants Correctly.** China has a population of 1,000 million, 80 per cent of whom are peasants. Their situation has an extremely important bearing on China's economic development and the consolidation of the state power. Chairman Mao Zedong once pointed out that it could be very dangerous for our Party to alienate itself from the peasant masses who constitute over 80 per cent of our population. If the 800 million peasants are not well-off, it is impossible to realize the four modernizations. Therefore, we must greatly cherish, resolutely protect and give full play to the enthusiasm of the peasants at all times and further consolidate the alliance between the workers and peasants.

Historical experience has proved that whenever the Party's policy is correct and the relationship between the state, the collective and the individual is handled properly, the peasants' enthusiasm will be high, agricultural production will rise and things in general will be easier for the country. Whenever the Party's policy is incorrect and too much harm is done to the individual interest of the peasants, their enthusiasm will ebb, agricultural production will go down and things will be harder for the country. However, we often forget the pain after the wound was healed and on many occasions repeated past mistakes. It was not until the Third Plenary Session of the 11th Party Central Committee convened at the end of 1978 that the problem of guiding ideology was fundamentally solved and things were set to right. Since then, a series of correct policies have been adopted and this has ushered in an unprecedented situation.
Understanding of the great importance of protecting the enthusiasm of the peasants has a direct bearing on the implementation of the policies. In its No. 1 document of 1983, the Party Central Committee made a comprehensive summary of the contract system which links remuneration with output. It spoke highly of it, pointing out the trend of development in the future and put forward some new flexible stipulations, allowing, among other things, the peasants to market their surplus goods after fulfilling the state purchasing quotas, to transport goods long distances for sale, to buy farm machinery and transport vehicles either individually or collectively, allowing the movement of funds, technology and labour within a certain range and allowing various kinds of alliance.

As many people have understood these policies correctly and implemented them consciously, the peasants have given further play to their enthusiasm, commodity production has developed vigorously and the productive forces have been further emancipated. At the same time, however, in a few places and departments where the leaders cannot adapt their thinking to the development of the situation and are acting indecisively, the situation has remained as it was.

It should be affirmed that the peasants are willing to follow the Party to take the socialist road so long as our policies are correct and we take into consideration their legitimate interests. For instance, they have wholeheartedly supported the policies adopted since the Third Plenary Session of the 11th Party Central Committee. Generally speaking, they have made outstanding contributions to building a socialism with Chinese characteristics. This is a most important and fundamental fact.

Seeing that some peasants have prospered, a few people are worried that “polarization” might occur in the countryside. These worries are not well-grounded. The difference in the individuals’ levels of prosperity in the countryside is simply a matter of some prospering first and some later. There is no such thing as some people exploiting the labour of others. Those peasants who have prospered earlier achieved so mainly through labour. This is shown most conspicuously by the emergence of specialized households in recent years.

What kinds of peasants make up the majority of the specialized households? According to a survey by Yingxian County in Shanxi Province of its 20,989 specialized households, they mainly fall into the following five categories:

First, production brigade or team leaders and peasants who were once cadres. They have acquired certain managerial experience, are very sensitive to and can quickly understand the Party’s policies, and started working early. So they prospered fairly early and account for 43 per cent of the specialized households.

Second, educated youth and demobilized soldiers. Usually, their educational level is above the junior middle school. As they are knowledgeable and far-sighted, they are quick in understanding the Party’s policies and can readily accept scientific and technical knowledge. They account for 42 per cent of the specialized households.

Third, peasants with certain skills. After signing contracts with the production brigade or production teams, they opened up more avenues to prosperity and brought into full play their skills. They account for 9 per cent of the specialized households.

Fourth, talented people. They are good at production management and were criticized but did not give in during the period when “Left” policies held sway. As they have faced the world and braved the storm, and have more contacts and are broad-minded, they have prospered quickly because they know what kind of jobs in a diversified economy they should go into. They account for 5 per cent of the specialized households.

As for those who had this or that kind of undesirable events in their personal histories, and those who have violated the law in their activities, they make up fewer than 1 per cent.

The investigation by Yingxian County and some other counties has fully proved that the overwhelming majority of those peasants who prospered early are the most active elements among the peasants, who are good at combining the various productive factors, are vanguards with cultural knowledge, skills and special talent in economics to promote the development of productive forces. They will be the backbone of commodity production in the future. Although they have different economic, political and social backgrounds, are engaged in different jobs and have achieved different degrees of prosperity, their common experience can be summarized as “prospering through hard labour.”

With regard to the small handful of people who seek ill-gotten gains through dishonest practices, especially the few cadres at the grass roots with power in their hands who hanker after personal gains and even obtain large loans and amounts of materials listed in the state plan through illegal means, such cases can be found in many places. It is necessary to strengthen ideological and political work, improve the style of work of the Party, improve management and pay attention to preventing and correcting such mistakes in time. But in any way,
these deviations are not the main stream. We should not confuse them with prospering through hard labour; still less should we mistakenly take them as the essentials.

We must do a good job in guiding those peasants who have prospered first, because our purpose is to push forward the rural economy as a whole through their example so as to reach the goal of common prosperity. In 1983, some provinces and autonomous regions summed up the common experiences of the specialized households and found their fundamental characteristics for commendation. They were praised as models who have prospered through labour, enthusiasts in seeking, demonstrating and spreading scientific and technological knowledge, and advanced elements in building socialism in the countryside. I think such commendation is correct in stand and proper in method. If we say the peasants in the 1980s are of a new socialist type, we can see it most clearly in the specialized households.

Of course, we must work hard and do well in helping those peasants who are still poor. At the same time, however, we must also appraise affirmatively and protect the specialized households who have appeared and prospered since the Third Plenary Session of the 11th Party Central Committee, and the peasants who took the lead in prospering through labour. It is they who have inherited and carried forward the fine traditions of the Chinese peasants and at the same time acquired new qualities for commodity producers under the socialist system. They are the representatives of advanced productive forces in the countryside, the forerunners in leading the broad masses of peasants to take the road of common prosperity, and active elements in following the Party to carry out in-depth reform of the economic system in the countryside. So long as the enthusiasm of these peasants is protected, others who are still leading a fairly difficult life now would have something to look forward to and the goal of common prosperity will no longer be a pie in the sky.

Catering to the Needs of Commodity Production. The Party Central Committee's No. 1 document of 1983 pointed out that China's countryside is now in a historical period in which the self-supporting and semi-self-sufficient, traditional agricultural economy is developing into a modern economy with large-scale commodity production. This is a major trend and also the background for peasants in the 1980s to take part in economic activities. We cannot say that everyone has a clear understanding of the great significance of this historical change. I feel that our work in many aspects is incompatible with the development of the situation.
A basic feature in developing commodity production is that we must be good at making use of the law of value and must change products into commodities through circulation. The problems in circulation involve the price system and financial subsidies, as well as the readjustment and reform of the national economy as a whole. At the same time, our present storage and transport facilities cannot meet the needs of the rapid development of commodity production. To solve these problems calls for concerted efforts of the various departments concerned and requires a certain amount of investment and a certain period of time.

However, it is also necessary to point out that although some policies, such as allowing the peasants to do their share in circulation in the countryside under certain conditions, including transporting goods long distances for sale, have been promulgated, some people still hold different views and maintain their worries. They either have failed to implement these policies or have given up leadership or have argued back and forth over trifles. As a result, some problems which could have been solved still remain. It is amazing that in some places, large amounts of fruit, milk, fish, shrimp and grain have gone bad. The problem of people finding it difficult to buy and sell is still fairly common. Some peasants in Qingxian County in Hebei Province put up a couplet on the gate of a purchasing station, which says, “When the good is kept, the rotten is sold; when the rotten is sold, the good becomes rotten.” The horizontal scroll says, “Getting rid of the old to make room for the new.” Is such pungent criticism not enough to arouse our attention? Should we emphasize developing socialist production while remaining indifferent to such unnecessary serious waste?

Of course, many people are not deliberately laying obstacles in the way of commodity production. They have done some foolish things simply because they are locked into some old views. For a long period in the past, we had not enough goods and materials and could only solve economic problems with the supply system left over from the war years. This has left a deep impression on the people’s minds. They mistakenly hold that to do economic work is just to exercise “control.” The result is the more control, the fewer commodities. If we can make use of the law of value properly and give play to the great role of social demands on social production, the market will be enlivened and there will be more and more commodities. As ours is a socialist country and mainly practises a planned economy, necessary purchasing quotas cannot be dispensed with. However, the regulating role of the market should never be ignored. We should understand the characteristics of commodity production and give comprehensive consideration to how to make the rural circulation system and pricing policy cater to the needs of commodity production.

I have said on many occasions that the major contradiction at present is that the growth of production cannot satisfy the material and cultural demands of the people. Therefore, the most important contribution made by the peasants to the country’s modernization programme is to supply the state with more and better commodities. In the final analysis, what the Party wants to do is to lead the peasant masses to do this work well. Many of our county heads and Party secretaries have acquired some initial knowledge about agricultural production. But they know little about commerce, finance and trade. It will not do for our county Party secretaries to be “agricultural secretaries,” still less “grain secretaries.” They must learn how to make use of the law of value and grasp the principles of commodity production and commodity circulation. They must assume responsibility for the economy as a whole.

It must be clearly pointed out that China’s countryside today is no longer a field for agricultural activities only. It embodies ex-
tremely rich environmental, economic and social contents. People in some places put it well, "Without agriculture, the rural economy could not be stable; without commerce, it could not be vigorous; and without industry, it could not be rich." This embraces a profound truth which is suited to China’s conditions.

**Future Tasks.** No doubt, the general trend for future development in the countryside is to march forward along the socialist road of modernization with Chinese characteristics. This fundamental orientation was pointed out by Comrade Deng Xiaoping. This is a large subject. We can say that till today, a beginning has just been made in some aspects of the rural work while in others, nothing has been done. We must exert ourselves and march forward continuously.

In 1984, the Party’s tasks in the countryside, apart from the problems mentioned above, are to do really well in the following aspects.

First, further improving the contract system, which is based on household management and links remuneration with output. The contract system has taken root in all parts of the country. But much work still needs to be done to consolidate and develop it. As the development in all places is uneven, the emphases should be different in work. Now, a fairly common question is to encourage the peasants to make investments in land and increase the soil fertility. At the same time, proper concentration of land should be allowed so as to gradually enable peasant households to carry out specialized production. When the land system is improved, the foundation for the contract system will be consolidated.

Second, raising the level of management of individual peasant households and making energetic efforts to develop various kinds of specialized households. Peasant household management under the contract system has become the foundation of the co-operative economy in China’s countryside. Now, the specialized households appearing in various places no longer exhibit household management in the traditional sense. Specialized grain-producing households in Yanbei Prefecture in Shanxi Province accounts for only 4 per cent of the total number of households. Yet in 1983 they sold to the state 170 million kilogrammes of grain, equivalent to 75 per cent of the total amount of grain sold to the state by the prefecture. Experience has proved that the scale and level of household management can vary greatly. It is not right to think that we will take the old road of "big and public economy" and negate household management whenever raising economic results and expanding management scale are mentioned.

Third, making the most energetic efforts to run various services well. Commodity production in the countryside cannot make a single step forward if there are no necessary circulation channels, necessary guidance in science and technology, necessary transportation and communications facilities, necessary means of production and necessary information services. The commercial, scientific and technological, transportation and communications, agriculture-serving (Continued on p. 25.)

*Oranges produced in Jiangxi Province are loaded on to boats to be shipped to other parts of the country.*
Tibetan Autonomous Prefectures Mark Growth

Poverty, backwardness, isolation ... these were the lot of the Tibetans in Qinghai for generations; today, with the tribal system gone, they are on the road to prosperity.

JIANG PENG
Guest Correspondent

Last December, three Tibetan autonomous prefectures in Qinghai Province — Hainan, Huangnan and Haibei — celebrated the 50th anniversary of their establishment. To mark the occasion, our guest correspondent filed the following report from the highland province. — Ed.

Population of 3.8 million includes Hans, Tibetans, Huis, Tus, Salas, Mongolians and Khazaks. The 800,000 Tibetans mostly farm and raise livestock around Qinghai Lake and in the upper reaches of both rivers. Their ancestors were the pioneers of the Qinghai Plateau.

After liberation, five Tibetan autonomous prefectures were set up in Qinghai under the Party's Ming (1368-1644) and Qing (1644-1911) Dynasties, the Mongolians also entered the area.

Prior to 1949, the Tibetans and labouring people of other nationalities lived in poverty, isolation and ignorance under the oppressive rule of the Kuomintang warlords, tribal chiefs and Lama monasteries. The endless winds and snowstorms, recurring livestock epidemics and frequent inter-tribal strife over pastures and mountain slopes left many herdsmen destitute and homeless.

Despite early agricultural development, grain output, handicapped by negligible water conservation and a primitive farming system, was precariously low in the valleys of the Huanghe and Longwu (a tributary of the Huanghe). Culture, education and public health were backward, transportation services poor, and industry, science and technology virtually non-existent. The result was stagnant social development and separation from the modern civilization. Hence the term "Land of Barbarism and Desolation."

Liberation opened a new chapter in the history of Hainan, Huangnan and Haibei. In the early 1950s, these places were designated as Tibetan autonomous prefectures. Then, after the democratic reform in 1958 and the subsequent socialist transformation of the ownership of the means of production, they abolished the conservative and declining feudal tribal system and embarked on the road of socialism, which promises progress and prosperity.

QINGHAI, located in the north-eastern part of the Qinghai-Tibet Plateau — the "Roof of the World," is an enchanting place. Stretching far and wide over an area of 720,000 square kilometres, it is the source of China's two longest rivers, the Changjiang (Yangtze) and the Huanghe (Yellow). Also found in the province is Qinghai Lake, the nation's largest highland salt-water lake.

The province's multinational nationality policy. They include Hainan and Haibei Prefectures on the northern and southern banks of Qinghai Lake, and Huangnan, which is located south of the Huanghe River, is adjacent to Hainan.

New Chapter. Since ancient times, the area has been peopled by nomads, mostly settlers from north-west China. The Tibetans' forefathers were the first to appear and quickly increased. During the
Thriving Economy. During his visit last July to an animal farm beside Qinghai Lake in Hainan Prefecture, General Secretary Hu Yaobang was fascinated by the farm's success story told by its 59-year-old leader. Since the Third Plenum of the 11th Party Central Committee in 1978, the farm's livestock has increased from 33,000 head to 45,000, and its collective income has risen from 170,000 yuan to 220,000 yuan. The thriving economy has ensured a steady rise in the herdsman's annual incomes. The farm leader's 11-member family earned 6,500 yuan in 1982, no small income by Chinese standards.

This single farm is a microcosm of the three Tibetan autonomous prefectures, where animal husbandry makes up much of the local economy, owing to productive pasturelands. Despite setbacks and failures over the past three decades, efforts made in that period have brought marked improvement in the conditions for animal husbandry. The damage wrought by rats and pests to some pasturelands has been reduced to a minimum, and livestock has doubled. Where water is scarce, pipes have been laid to supply drinking water for herdsmen and animals; irrigation networks have also been built to save drought-stricken meadows. While the vast grasslands provide most of the forage, any deficiency is made up with man-made pasturelands. For generations, the nomadic herdsmen lived in felt yurts; today, some of them have moved into houses to get over the chilly seasons of spring and winter.

With the dissemination of modern science and technology, the production level of animal husbandry has been raised. In the past, traditional breeds of sheep and yaks raised around the Qinghai Lake were characterized by slow growth and low birth rates. After the 1960s, better breeds were developed, notably a type of sheep which yields twice as much fine, long wool as the traditional breeds.

Farmland in the low-lying areas along the upper reaches of the Huanghe reminds me of the fertile lands in areas south of the Changjiang River. There, wheat, rape and melons of all sorts grow in profusion over the vast stretches, crisscrossed by an extensive network of irrigation ditches and dotted here and there with Tibetan villages.

Agriculture in these areas dates back 600 years. But for years drought had been a perennial threat, and the riverbed of the Huanghe was so deep as to make irrigation efforts difficult. This problem was solved after the 1960s, when nearly 100 pumping stations were built in Guide, Jainca and Tongren Counties along the banks of the Huanghe and Longwu Rivers, bringing large tracts of farmland under irrigation.

Long spells of sunshine are the rule on the Qinghai Plateau. There is also a large difference between daytime and nighttime temperatures. Keeping this in mind, the local peasants, with the help of agrotechnicians, conducted suc-
cessful experiments in search of ways to raise spring wheat yields. Guide County, for example, devotes more than 3,000 hectares every year to these experiments, one-third of which has a per-hectare yield of 7.5 tons. The whole county's per-hectare grain yield has been maintained all along at more than 3,750 kilograms, making it a highest-yielding wheat-producing county on the Qinghai Plateau. The Huanghe River basin in Hainan and Huangnan Prefectures is fast becoming a fruit-producing region. Hundreds of strains of fruit trees from over a dozen places in the country have been planted there for the first time.

In the past three decades, the three prefectures have built up their industries from scratch. The development of hydraulic resources is leading the province's ambitious modernization programme. The Longyangxia Hydropower Station will be the largest on the Huanghe River when completed. With a designed installed capacity of 1.2 million kilowatts, the station will generate 6.000 million kilowatt-hours annually and become the chief supplier of electricity in northwest China.

Civilization Reborn. Culture, education, public health and science and technology have also proceeded apace, thanks to the support of the Party and People's Government. In its early days, Huangnan Prefecture had only three town primary schools. Today, there are 267 primary, middle and secondary technical schools with 19,700 students, 12,000 of them children of minority nationalities.

Hospitals have mushroomed everywhere. A contingent of traditional Tibetan medical practitioners is quickly growing, with numerous hospitals and medical teams staffed entirely with local doctors. Gabuzang, a 58-year-old physician, is one of the most accomplished Tibetan medical practitioners. He has distinguished himself in the study of the four leading Tibetan medical treatises and is much respected in Huangnan and neighbouring Gannan Prefecture for his superb skills. Although kept busy by his work as a deputy county head, he still finds time to treat patients. In the last five years, he has supervised the establishment of a Tibetan medical centre in Henan County, and trained 60 doctors for it. He has taken part in compiling a big volume of a medical encyclopedia and is now compiling a book about Tibetan pathology, diagnosis and medication.

On the banks of the Longwu River in Tongren County, Huangnan Prefecture, nestle five neighbouring villages. It was in these villages, known as the "home of Tibetan painters," that the celebrated "Five-Village Art" originated, a school of Buddhist art which emerged with the spread of Lamaism and the construction of temples and monasteries. Since the 17th century, artists from the five villages have travelled extensively throughout Qinghai, Tibet, Gansu, Sichuan and Inner Mongolia, where they left large numbers of murals, sculptures and embroideries in temples and monasteries. Today, the systematic collection, collation and study of the Five-Village Art by artists and librarians have added lustre to this ancient cultural gem.

Xiawucailang, who heads the Five-Village Art Research Group, is a veteran Tibetan painter. Now in his 60s, he began learning how to paint when he was 11. At 17, he was invited by the traditional Chinese painter master Zhang Daqian to copy the Dunhuang Grotto
pursues his career with a youthful vigour and teaches as well.

Tibetan opera is yet another pride of the Tibetan people. In a bold reform of this ancient art form, the Huangnan prefectural troupe has imparted a rich liveliness and distinctive personalities to *Prince Lopsong* and *Fairy Yile*—two important works in the Tibetan opera’s rich repertoire. In the old versions, singing dominated; today, they are a combination of singing, dialogue, acting and dancing. In the past, only a drum, a symbol and a flute were used for musical accompaniment; today, the stage is aglow with a sizeable orchestra. The costumes and stage props have also been improved and modern elements incorporated into the lighting, stage craft and acoustics. The Hainan Prefecture Troupe has also done its share in updating traditional Tibetan opera. Recently it staged the full-length *War Over Huiling Mountain*, adapted from the popular Tibetan epic *King Caser*.

All these performances were immediate successes, becoming the talk of the town when they were staged in Beijing, Shanghai, Guangdong and Sichuan in April-June 1983.

**Inter-Nationality Unity.** Tibetan people of the Hainan, Huangnan and Haibei Prefectures (where Princess Wencheng of the Tang Dynasty passed on her way to be married to the Tibet king), have long developed friendly relations and economic and cultural exchanges with Hans in neighbouring areas.

These intimate relations have been further developed. Many Tibetans have assumed leading posts in various Party and government organizations and are fighting in the vanguard of socialist construction. The secretaries of the three Tibetan autonomous prefectures are all Tibetans. Fighting shoulder to shoulder with them are large numbers of Hans who have sacrificed the comforts of their hometowns and dedicated themselves to modernizing the Tibetan areas. Three decades of revolution and construction have fostered a rapport among both Han and Tibetan cadres.

(Continued from p. 21.)

...industrial, and educational departments should fully understand the urgent demands of the peasants and further enhance their consciousness to serve the countryside.

Fourth, developing various kinds of non-farmland projects and further readjusting the structure of agricultural production, including running some processing industries within the capability of the localities.

With the development of diversified economy and specialized production, more and more peasants will be separated with farmland. This is an inevitable historical progress. With regard to enlarging the scope of production, we must pay attention, on the one hand, to the vast expanses of mountains, hilly land, grassland, water surface, sea and beaches in an attempt to make a better use of the potential economic resources, and on the other, to both the cities and countryside and both China and foreign countries in an attempt to open up a broader market. With regard to developing the depth of production, we must carry out multi-level comprehensive and cyclic utilization so as to constantly raise the ecological and economic results of agriculture.

To build a modern socialist agriculture with Chinese characteristics, it is necessary to grasp at the same time the development of socialist ethics. Now, the situation in the countryside as a whole is excellent. But the leadership in some places is indeed weak, incompetent, or actually non-existent. In these places, ideological and political work is poor and unhealthy tendencies are serious. Therefore, we should, through the Party consolidation and in-depth and meticulous ideological and political work, encourage healthy trends and suppress evil ones, energetically carry out education on patriotism and communism as well as a movement to build villages and towns where socialist ethics reign so as to effect a fundamental turn for the better in the style of the Party and social behaviour and make the modernization programme in the countryside achieve new progress and development in 1984.
China's Agro-Technology Aid Abroad

by LU YUN
Our Correspondent

WHILE receiving outside aid, China also plays an active role in exchanges with and aid to other countries in agricultural technology. Since the end of 1978, it has been able to increase its foreign aid. China strives for better economic results for the recipient countries, by providing fine seed strains and some advanced technologies.

Enhancing economic results. More than 800 Chinese agrotechnicians now working in 29 countries help with grain, sugarcane, vegetable and fish raising and other production techniques. Closely following the principles of equality, mutual benefit and practical results, Chinese specialists are praised by other third world countries for their efforts to improve aided countries' economies.

Previously, due to poor management after handover upon completion, some Chinese-aided projects in third world countries did not do very well. In recent years, China has sent its technicians to those projects which were doing poorly. After a period of joint administration with native workers, these programmes showed new life.

One example is China's aid to a sugarcane plantation and sugar refinery complex in Sierra Leone. After handover in 1981, Chinese experts remained as technical directors and participated in management in order to bring the project into full play and benefit the local people.

As a result, sugarcane output increased from the originally planned 60 tons per hectare to 77.5 tons and sugarcane for pressing went up from 60,000 tons to 76,000 tons. In order to keep the cane from rotting, the managers decided to raise the daily pressing capacity. Chinese experts helped work out administrative regulations and reward and punishment systems to boost production, which effectively raised work efficiency. The work has since followed a smooth course, earning US$965,000 and meeting 53 per cent of the nation's sugar demand.

The Chinese experts won the praises of Sierra Leone officials and people and other foreigners in the country. An African assistant administrator under the UNDP said, "The enterprise carves a deep impression upon me. You are very good at organization."

Chinese experts follow the principle that one major product, supported by other minor products, generally proves most successful. In 1979 they helped establish a fishery in Egypt, where they not only built 367 fish ponds but also planted fruit trees, set up a mill to process pellet fish food, put up 52 duck sheds and opened fish and duck shops. Developing a diversified economy with fish as the main product, they merged agriculture, industry and commerce into an integrated enterprise. The late Egyptian President Anwar Sadat praised the Chinese experts highly for the splendid work they had done in his country. On August 14, 1981, Sadat specially entrusted one of his ministers to issue a state science medal class II and certificate to them.

Providing seeds, breeds and techniques. In the past few years, China's assorted seeds, animal breeds and advanced agro-techniques have been sought after in its technical co-operation with other countries.

China's fine seeds and breeds are well-received in the developed and developing countries alike. Its meishan pig boasts a high propagation rate, strong disease resistance and tasty meat. Crossbred with French pigs, they brought forth even better breeds.

China's soybeans, rice and forage grass have taken root in the United States. The natural enemy to
US Foreign Policy Clarified

by ZHUANG QUBING

US President Ronald Reagan’s State of the Union message on Jan. 23 was quite distinct from his message a year earlier, stating that America is “much improved” and that “there is renewed energy and optimism throughout the land.” The United States is “safer, stronger, and more secure in 1984 than before.” Reagan said and outlined four goals, including the building of “a meaningful peace.” He talked at length about his achievements and domestic affair since coming to power. Regarding foreign policy, his keynote was the struggle for a lasting peace, stressing the US desire to establish “peaceful relations with the Soviet Union,” seek a reduction in nuclear weapons on the grounds that “a nuclear war cannot be won,” “strengthen allied relationships across the board,” “assist developing countries,” and “reinforce US peace-making efforts in the Middle East, Central America and southern Africa.”

The message pointed out that US troops must stay in Lebanon, and the US Government must carry out the proposal on Central American issues made by the Kissinger Committee. It declared that the United States favours free world trade. If one compares this message to Reagan’s Jan. 16 speech on Soviet policy, one finds in it a clearer version of Washington’s foreign policy because it is more explicit, thorough and detailed.

citrus plant pests began working in Japan. Chinese carps swim in Brazilian ponds, while comprehensive fish-raising methods are becoming popular in Thailand, Malaysia, Indonesia and Burma.

The United Nations commission-

ed China to open training classes on biogas, comprehensive fish cultivation, silkworm breeding, and overall development of the countryside. Every year these classes turn out specialists for other countries.

International academic circles also welcome and highly regard China’s tea cultivation, veterinary acupuncture, and the more widespread use of fine hybrid rice seeds all over the country.

Basic Policy Unchanged

All in all, the Reagan administration changed little in its basic foreign policy other than toning it down somewhat, in particular stressing peace and negotiations. The absence of changes in basic policy can be traced to the characteristics of the Reagan administration. It is the most conservative US Government since World War II, and unlike previous governments, it has reviewed US foreign affairs in recent years, giving it a conception of foreign affairs that differs in varying degrees from that of the previous governments. It holds that a reliance on a position of strength is fundamental to the pursuit of foreign affairs and that it should step up its rivalry for hegemony with the Soviet Union by reinforcing its military strength. It sees this contention with the Soviet Union as the central link in its foreign affairs and a long-term historical task. The US Government puts particular stress on “two poles politics” as a basis for organizing strength and adopting measures.

Reagan, in his Jan. 16 speech, estimated that after three years of efforts, “1984 finds the United States in the strongest position in years.” Last year — aside from its “potent” economic recovery, and unity and solidarity with its allies — the United States demonstrated its strength by military actions in Lebanon and Grenada and by deploying medium-range missiles in Western Europe. Therefore, the policy of exerting pressure upon the Soviet Union to make concessions will continue.

Why should the United States make tactical changes? First, US-Soviet relations last year worsened to the “lowest point since the Cuban incident,” and the international situation became more strained. Since the Viet Nam War, the United States has outragedly resorted to using direct force abroad, which has met with a strong reaction at home and abroad. Under these circumstances, Washington feels that an adjustment of its tough policy is necessary for improving its international image and ending its isolation.

Second, to win the presidential election this year, Reagan must gain support by any means from every avenue of political influence and every constituency. At present, worries in the United States of war outweigh fears about unemployment. The economic recovery has forced the Democratic Party to concentrate its attack on the government’s foreign policy. Therefore, while preaching “bipartisan co-operation,” Reagan has to bring his foreign policy closer to the middle-of-the-road stand.

For these reasons, both Reagan’s speech on Soviet policy and his State of the Union message hold aloft the banners of “negotiations” and “dialogue,” and no
longer describe the Soviet Union as the "focus of evil." Western countries, including the United States, put forward proposals at the Stockholm Conference on Disarmament in Europe (CDE). The United States agreed to resume talks on European Common Equitable Disarmament. Reagan called for "senior talks to become a normal factor between US-Soviet relations." The US flexibility is, of course, very limited, and unable to outstrip the self-styled three-in-one principle of "realism, strength and dialogue."

**Behind Optimism**

The optimistic State of the Union message has a very strong flavour of an election campaign. For the benefit of propaganda, the message exaggerated US strength and its international role, but dared not speak about the country's difficult problems and the risks it faces, and even covered up its real intentions. In fact, judging from the current international situation and US foreign relations, observers can easily discern the following conditions.

1. There have been no great changes in the international strategic situation or balance of military strength between the United States and the Soviet Union. Since last year, the US-Soviet rivalry for hegemony has been stalemated, with each side going through both offensive and defensive gestures. In June 1982, the United States shielded Israel's invasion of Lebanon; last year it sent more troops to the Middle East and Central America for armed interventions and strengthened the defence of Western Europe with medium-range missiles. This has thrown the Soviet Union into a state of passivity. However, it has not reached the point of upsetting the global strategic equilibrium.

2. The United States, falling deeper and deeper into the conflicts in Lebanon, has found itself caught in a dilemma. The situation there has grown more complicated. More than 200 US soldiers have been killed and at home the demand for a troop withdrawal has grown louder. This call comes not only from the Democratic presidential aspirant Walter Mondale, but also from the Republican Senator Barry Goldwater. Reagan and Secretary of State George Shultz still talk tough, saying that US troops will never be evacuated until certain goals are achieved. They are running a great risk. It is not impossible that the United States could suffer from an unexpected attack should there be a sudden turn of events. Some American academics have even worried that the economy will be affected if the Middle East crisis is expanded.

3. At home and abroad, heavy pressure has been built up on the United States to enter into disarmament talks and reduce the arms race. A host of countries in North Atlantic Treaty Organization (NATO), in an attempt to prevent the arms race, are willing to bear the responsibility of huge military spending. They are afraid that after the medium-range missiles are deployed, the United States intends only to reinforce its military strength rather than alleviate tension in Europe. In the United States, people also feel more deeply that massive military spending and an intense arms race will threaten security and the national economy. These people, including some noted figures such as Senator Edward Kennedy, former Special Assistant to the President Averell Harriman, former Defence Secretary Robert McNamara, and former presidential adviser George Bundy, advocate a policy of refusing to make a first strike, a genuine easing of tensions with the Soviet Union and a freeze on nuclear weapons. This is a sharp contradiction of the Reagan administration's idea that only by intensifying the arms race can it force the Soviet Union to make concessions. Apart from this, it is worth noting that Reagan has decided to develop a "permanently manned-space station" and to do it within a decade, supposedly for the purposes of science. This is actually related to the US plan to build up space weapons and an attempt to prevail over the Soviet Union in this field. Reagan has already decided to develop a large-scale defensive system on space strategy, and push the arms race to a new high.

4. There are numerous problems existing in the United States' relations with its allies and with the third world. The West European countries' agreement on the deployment of US Pershing II missiles and cruise missiles is not enough to show that their solidarity with the United States has already been consolidated. In fact, the West German-Chinese rapprochement recently strongly repudiated the Reagan administration's pursuit of the "highest interest rates since the birth of Jesus Christ." At the same time, the Soviet Union continues to try to split up Western Europe politically and economically. The West European political and economic cooperation is becoming more and more difficult.

5. The leaders of the third world are steadily deteriorating. The United States has not only shielded and supported reactionary regimes in Israel, South Africa and South Korea, but has also been indifferent towards the improvement of North-South relations. Ignoring international opposition, it reduced

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its contributions to the International Development Association and decided to withdraw from the United Nations Educational, Scientific and Cultural Organization (UNESCO). It is considering withdrawing from the International Fund for Agricultural Development, which aims at helping the third world. Reagan's State of the Union message spoke insincerely of assisting developing countries. Besides, the United States is planning to set up rapid deployment forces to strengthen its power to mount armed intervention anywhere in the third world. The Reagan administration's miscalculated actions towards third world nations will eventually put it in further isolation and disadvantage.

(5). The economic recession is still a hard nut to crack for Reagan. The United States began to extricate itself from its serious economic crisis at the end of 1982 and is marching down the road towards economic recovery. The Reagan administration must try its best to maintain economic stability in this election year. Many people predict that, barring unforeseen events, the economy will continue to pick up this year, but the growth rate will be lower than that of last year. However, many economists are not so optimistic. Behind the problems of high interest rates, huge trade deficits and a slow economic growth rate is the huge federal deficit, which is expected to reach US$180.4 billion in the next fiscal year. The State of the Union message admitted the seriousness of the deficit. It did not propose remedial measures, merely consultation between the two major parties. There has been a heated debate in Washington on how to cut current government expenditures and reduce deficits. Reagan is determined to maintain huge military spending while reducing other expenditures, including social welfare funding, and has restated his opposition to chopping defence spending or increasing taxes. This will certainly lead to a major debate in Congress. It is believed that Reagan plans to raise 1985 "actual" military spending by 13 per cent, which would bring it to 28.6 per cent of the total federal budget. At present, 15 per cent of Americans live below the "poverty line." Reagan's policy of guns over butter is opposed by most people.

Flexible or Tense?

Although the United States has made some progress in a few sectors, the situation of its foreign relations and its international position are not as good as the State of the Union message made them out to be.

When considering the prospects of US foreign policy, besides the factors stated above, one should include, of course, the problem of Soviet policy. Recently, the Soviet Union has strongly castigated the Reagan administration, saying that it "represents the interests of the most reactionary and most aggressive monopoly groups" and likening Reagan to Hitler. Some Americans hold that the Soviet Union will continue its rigid attitude to prevent Reagan from benefitting in the election campaign. But this is not necessarily so. Although the Kremlin dislikes Reagan, it still uses hard and soft tactics depending on the overall situation and its interests. It is currently holding forth the banner of peace. The late Soviet President Yuri Andropov delivered a speech on Jan. 24 expressing Soviet willingness to negotiate, but reiterated at the same time that it would resume talks on medium-range Euromissiles if the United States was willing to return to the state prior to its deployment of medium-range missiles in Europe. In his response the following day, Reagan welcomed Andropov's proposals. In addition, the Soviet Union still justifies its invasion of Afghanistan and supports Viet Nam's invasion of Kampuchea; it attempts, while the United States is at a disadvantage, to take further actions in the Middle East and other hot spots. The United States and several European countries recently put forth a six-point proposal at the CDE intended to prevent the outbreak of surprise attacks in Europe by the Soviet Union. The Soviets also put forward some proposals, including an agreement not to use a first strike, the conclusion of a mutual non-aggression pact, and support for establishing a nuclear-free zone in Europe. But there is still wide discrepancy between them. Nevertheless, to avoid direct confrontation, both sides are unwilling to slam the door for further negotiations. They want to win over participating countries and develop a situation beneficial to themselves. Therefore, under the influence of many international and domestic factors, the two sides may show some flexibility in their tense relations for a short period. However, as each side is trying hard to overwhelm the other in their global competition, it would be difficult to produce any effect on disarmament talks. As the two superpowers' ability to control the situation weakens and with the constant aggravation of the arms race, it is quite possible that the two superpowers will become involved in conflict should a sudden world crisis occur. Thus the international situation has grown strained again.

In short, the basic policy of the Reagan administration remains unchanged and the international situation extremely complex. As reported by the US media, Reagan's advisers have confessed privately that foreign policy is Reagan's biggest covert weakness during his election campaign. It seems that the helmsman of the White House cannot but be cautious.

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February 27, 1984
'Gold Coast' Has Economic Potential

from BAN YUE TAN
(Fortnightly Forum)

China's "Gold Coast," including Fujian and Guangdong Provinces, like the Changjiang (Yangtze) Delta, Bohai Bay and the Songliao Plain, is one of the four large economic hubs in east China. By the standards of world economic development, it is regarded as among the dozen or so significant economic areas in the world, which can compare favourably with Tokyo-Osaka in Japan, Calcutta-Bombay in India and Venice-Rome-Marseille in Italy and France.

China's "Gold Coast" covers 330,000 kilometres, an area almost as large as Japan, and has a population of 80 million. Situated in the subtropical zone, the region is bordered by mountains and seas. It is rich in rice, sugarcane, tobacco, rubber, tea, pepper and lemon grass.

The "Gold Coast" is one of China's major fishing zones, alive with squid, cuttlefish, butterfish, Spanish mackerel and groupers. The prospects are bright for increasing the fish catch and developing its aquaculture.

Booming light industry is another feature of the area. Guangdong is an important production base of light industrial goods, leading the country in its output value from sugar, canned food, pottery and handicrafts.

The area is also one of the significant channels through which China carries out its external trade. Meizhou Bay, sandwiched between Putian and Huian in Fujian Province, is a potential site for a harbour capable of handling ships of 100,000 to 150,000 tons. It could be turned into a deep water harbour of a quality which is rare both at home and abroad.

The "Gold Coast" is home to most returned overseas Chinese, compatriots from Xianggang and Aomen and relatives of the overseas Chinese. Overseas Chinese having their roots in this area number 10 million. Many of them are patriotic industrialists, scientists, engineers and artists.

General Secretary and His Teacher

from ZHONGGUO LAONIAN
(China's Aged People)

"Dear Master Keying, I still vividly remember you and some other teachers in my primary and junior middle schools," wrote Hu Yaobang, General Secretary of the CPC Central Committee, in his letter to his former teacher Yu Keying on November 29, 1981.

"It is because these teachers are righteous, honest and dedicated, they have had a great influence upon me.

"I expect to meet you in Beijing," Hu added, "but the climate here is not agreeable to you. I'm afraid. Cold weather might not be good for aged people. However, I hope you will make a trip next summer or fall."

On July 5, 1982, Yu Keying took a train from Nanjing up to Beijing. He arrived in the capital next day and at 3 p.m. on July
Public Comforts Neglected Parent

from BEIJING RIBAO
(Beijing Daily)

CAN you imagine what it would be like to grow old and so senile that it frightens away even your own children?

Radio Beijing recently uncovered an instance of an old man being maltreated, which aroused widespread indignation and sent crowds of strangers to the old man's help. This proved to be a blessing for old people and reassured thousands more of happier late years.

Zhao Songling, 85, widowed 15 years ago, has a son and three daughters. He was living in a tiny house without a fireplace. The eldest daughter was already retired and although she lived within call of the old man, she limited her care for her father to making him two meals a day. The son passed his father's house every day going to and from work at the railway, but he seldom if ever stopped for a visit in scores of years. The second-elder daughter, who works at a hospital in Beijing, had not turned up at her father's house even once, according to the old man's neighbours. The third daughter works in Gansu Province: every two months, she sent her father 10 yuan.

Living without heat or food, Zhao fell ill and was confined to bed for more than a month. During that time, the neighbourhood committee got his children together to discuss how to take care of their father, but they refused to take on the responsibility. This infuriated the neighbours, who wrote to Radio Beijing to denounce the children's misconduct.

Hardly had the story been on the air when people hurried to help Zhao. Within four days, 400 people had visited him. The first to come was a woman asking after his health. Later a man came from the southern outskirts of the city on behalf of his colleagues and neighbours to bring the old man refreshments and canned food. Four Young Pioneers, expressing the concern of all their classmates, followed suit by sending him oranges. A 62-year-old woman walked for an hour in the biting wind to chat with the old man. A retired worker, also representing the wishes of his wife and his granddaughter, came to invite Zhao to move to his home.

Two men from the municipal telephone bureau went to repair Zhao's house after their night shift. Leaders and doctors from a hospital went to examine him. Members of a Communist Youth League branch in a factory sent a walking-stick, quilts, hot-water bottles, socks and cotton-padded shoes. The leaders of his children's work units also visited him. Finally, the Secretary-General of the China Senility Problem Commission made a special trip to his house.

The morning after the story got around, a deputy head of Xicheng District went to the scene to investigate the situation and called a meeting afterwards to solve the problem.

These numerous examples of generosity and concern deeply shamed the old man's children, who agreed to put their father in the care of the son while the three daughters would share part of the expenses.

When the old man entered his son's home and lay down on the bed prepared by his son and his daughter-in-law, he couldn't help saying: "Nice, nice."

Zhao is reported well and recovering his vigour, complexion and appetite.
Rural Life Drawn in Searching Film

A Story That Should Not Have Happened, a feature film produced by the Changchun Film Studio, has attracted wide notice since its release last October. Its subject—the improvement of Party working style—is highly topical, coming at a time when a nationwide Party consolidation is under way. The film examines the necessity for a Party rectification and whether the Party can correct its mistakes through its own efforts.

The story takes place in 1980 in Ming Yue Gou (Bright Moon Vale), a village in northeast China. The commune members are enthusiastically organizing their productive units according to the new production responsibility system when they discover that nobody is willing to have the five Communist Party members in their groups. It is revealed that they do not think Party members are men of action.

The incident deeply shakes the Party members, who recognize that they have let the people down. Starting with serious self-criticism, they begin to correct their mistakes. They organize a production group, taking in all those rejected by the other groups—the old, the weak and the disabled. When a drought threatens the village, they block up a channel passing through their fields and divert the water into the fields worked by the other groups. During a fertilizer shortage, they share their own three tons with others.

The sincerity of the Party members moves their fellow villagers. The village has a good harvest that year and the Party organization again becomes the commune's core of advancement along the socialist road.

A Story That Should Not Have Happened is based on a report published by a young writer, Qiao Mai, who heard about the story while living in a Liaoning village. He thought the incident illustrated the unusual relationship between the Party and masses—a problem existing today. His report, titled Story of Sanmenli Village, won a prize at the Second National Awards for Reportage.

Besides being popular, the film is also a critical success. Its style, characters and language are steeped with the flavour of the northeast. As the film starts, the commune members are going by cart to shop in the county town: old peasants in stained sheepskin coats, women in colourful padded coats with baskets on their arms, girls and young men, happy and gay, talking and teasing. At the top of her voice, a middle-aged woman jokes with a rough tongue. The rattle of the cart, the laughter and cries vividly recreate the circumstances of life in a remote village.

The outdoor scenes and part of the indoor scenes were shot in the rural northeast. The audience sees the panorama of the vast Northeast Plain, the peasants' earthen huts, their keng (beds built with bricks and mud) and various customs.

"The story is realistic and the living conditions are similar to ours," said local peasants who had seen the film.

Women's Team Hits Home Run

China's women's softball team—the dark horse in the Second Xianggang (Hongkong) International Women's Softball Invitational Tournament—created a furor by battling its way to the championship. Hence its place as one of the 10 newsmaking events of 1983 in Chinese sports.

The competition at the tournament included the reigning world champions from New Zealand, the bronze medalists from Australia, a
strung contingent from Canada, and veterans from that softball kingdom, Japan. The Chinese girls’ hard-won victory attests to the fact that following table-tennis and badminton, China has reached world levels with another “little ball.”

Softballs did not begin to bounce on China’s playgrounds until the beginning of this century. The sport first reached coastal cities such as Shanghai and Tianjin from America, and was enjoyed by only a few students at the time.

After the founding of New China in 1949, athletic activities made rapid progress and softball was high on the agenda for sports development. Physical culture institutes and departments all listed the sport in their syllabus, bringing forth coaches and players.

In 1956, China held its first national softball exhibition games, which boosted the sport in this country. But 10 years of domestic turbulence put the balls in mothballs.

Then in 1979, with the establishment of a softball association, softballs returned to the grips and legs of the players after a lapse of 15 years. In 1982, the first national championships were held, with more than 200 players from 11 provinces and municipalities.

At present, China boasts an entire team of excellent players, the most prominent being 26-year-old Li Nianmin. Standing 1.68 meters (5 foot 6), she is the national team’s ace pitcher. When she stepped over the threshold of a spare-time sports school at 16, she had her heart set on volleyball, hoping to become either a spiker or a setter. But her stature stopped her short of her expectation.

After unremitting efforts, however, Li ended up at the pitcher’s plate, having fostered a pitching style of her own—swing pitch, which is underneath, fast and varied.

While contending with New Zealand in Xianggang, Li put her opponents out one-two-three within seven minutes. The velocity of her pitched ball is 103 kilometres per hour (64 mph); that is, the ball covers the distance of 12.19 metres (40 feet) from the pitcher’s plate to the catcher in a fraction of a second.

Twenty-year-old Hua Lie is a rookie. Slim as she is, she has fearsome batting arms and can drive the ball 66 metres, earning her the nickname “Power House” on the national team. Hua graduated from the Beijing Institute of Physical Culture, where she had majored in septathlon. A solid training in track and field provided her with a good physique. Fleet-footed and nimble-wristed, Hua has quick reflexes and a full-swing batting style.

To wind up the battery, Wang Laidi, 25, from Shanghai, is the A-I catcher. She is the commander on the diamond and she co-operates with pitcher Li Nianmin hand in glove. She is alert and calm, agile and observant. It is nearly impossible to steal a base under her sharp eye. During important games, she is more often than not the first up to bat to ascertain the opponents’ strength, which explains her nickname “the First Bat.”

Also on the national roster are good back-up players like Yang Daijing and Ren Yanli, who help put up an excellent offense and defence.

The most important factor in its victory in Xianggang is that China’s softball team is under the coaching of one who really knows the ropes. A Taiwan islander born in Japan, Li Minkuan returned to China’s mainland at age 16. Although he studied to become a mining engineer, his childhood in the softball kingdom had steeped him in formal training in the sport. His attainments in the field qualified him as an ideal candidate and he was invited to coach the national team in the late 1970s.

When Li Minkuan first met with his trainees, he was disappointed by the crowd of 17- and 18-year-old weaklings in front of him. But the girls’ eagerness to excel strengthened his confidence and desire to train a top-flight team.

Thanks to his correct coaching, the Chinese women’s softball team has developed its own unique

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*February 27, 1984*
style: strong offense, close defence, varied tactics, tacit understanding of each other and, last but not least, a tenacious style of playing.

Li Minkuan believes that softball is not so much a game of emulating strength as one of competing wisdom. Therefore, he does not rest content with the improved level of his team. Instead, he urges his players to reach relatively higher cultural standards.

As a result, the girls are all interested in cultural courses. Eight of them have passed entrance exams and been enrolled in colleges, night and correspondence universities. Others have handed in dissertations on pitching and batting. This is really unprecedented among the sports teams in China.

Taigu Genic Male-Sterile Wheat

Wheat is one of the staple food crops of mankind. In order to raise its output and quality, breeders are trying to find new ways of breeding such as pollen culture and utilization of heterosis. But so far, no new breakthrough has been made. Some breeders propose to use the method of recurrent selection in wheat breeding. However, because there is no ideal genic male-sterile material, this hope has not been realized. It is fulfilled just after the discovery and determination of the Taigu genic male-sterile wheat.

In 1972, Gao Zhongli, a young woman agrotechnician in Taigu County, Shanxi Province, found a "non-pollen type" male-sterile plant in the field of cultivated wheat variety. Since then, some breeders have carried out a penetrating study of it. In 1979, Dr. Deng Jingyang, a research fellow in the Institute of Crop Breeding and Cultivation of the Chinese Academy of Agricultural Sciences, based on his own studies and the data accumulated by the predecessors, made known for the first time the results of the research, designating the plant as a kind of wheat controlled by a dominant single male-sterile gene and giving it the name of Taigu genic male-sterile wheat.

After reviewing an extensive literature on this topic, it was found to report that 88 spontaneous male-sterile mutants had been discovered among 48 vegetations, 81 of which were controlled by recessive genes (including eight of wheat) and only seven by dominant ones, namely: three occurrences in cotton, two in lacticus, one in centranthus and one in potato. The male-sterile wheat discovered in Taigu County is a spontaneous mutant of dominant genic male-sterility which is the first ever found in the world.

There has long been a dispute over whether there is genotypic male-sterility in wheat or not, the discovery of Taigu dominant male-sterile gene gives a sound scientific evidence to its existence and solves this problem in genetics.

Wheat is a self-pollinated plant. In the past the improvement of seed variety was carried out only with traditional breeding method. The discovery of the Taigu genic male-sterile wheat which is transformed from self-pollination to open-pollination, will lead to an important innovation for wheat breeding method. It is used as a tool for cross-breeding needless of emasculation; its characteristic of open-pollination will open up to recurrent selection to obtain population improvement, stabilizing high yielding varieties, composite varieties and combined varieties possessing wide adaptability and disease resistances. Meanwhile it can be used as a tool for distant hybridization in order to transfer the desirable genes from different genera to common wheat. Thus wheat varieties improvement can be accelerated. On this basis a species or a generic gene-pool will be established too.

In September 1980, a research group for Taigu genic male-sterile wheat was set up. Since then four nationwide symposiums on this research have been held, an executive group of experts is organized to give guidance to the work. At present, good results have been gained in this research all over the country.
Li Wenhan’s Traditional Chinese Paintings

Born in 1937 in Tianchang County, Anhui Province, Li is now working at the Beijing Art Studio. Combining classical and modern elements, his work has evolved a style of its own.
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