Vice-Minister on Student Unrest
Courtyard of a Farm House.

Photo by Yang Guilin

Riding motorcycles to fetch their brides.

Photo by Zhang Ruizeng
HIGHLIGHTS OF THE WEEK

Special Report on Campus Unrest

(1) In an exclusive interview with Beijing Review, one of China's leading education officials explains the relationship between the recent student unrest and the trend of bourgeois liberalization which he sees as having run unchecked for the last few years. He also spells out government policies towards students involved in the turmoil (p. 14).

(2) An analysis of the progress and problems of China's higher education and the strengths and weaknesses of present-day university students (p. 21).

(3) A chronicle of the student demonstrations (p. 17).

Multilateral Asian-Pacific Party Meeting Declared

A Chinese Foreign Ministry spokesman declared that conditions are not yet ripe for a multilateral meeting of communist and workers' parties. The most pressing issue today is for all parties concerned to take concrete actions to remove "hot spots" in the region, he stressed (p. 8).

Obstacles to South Pacific Nuclear Free Zone

Washington's refusal to sign the three protocols for the South Pacific nuclear free zone pushes the prospect of nuclear demilitarization there much further away (p. 10).

Contributions to the IYSH

During the current UN-sponsored International Year of Shelter for the Homeless, the Chinese government plans to build 150 million square metres of housing in urban areas and 600 million square metres in the countryside. It has set goals to the year 2000 and measures to ensure their realization. To provide adequate housing for a billion people will be no small contribution to the world's efforts (p. 4).
Greeting International Housing Year

by Xin Lin

The United Nations has designated 1987 as the International Year of Shelter for the Homeless. Its aim is to call the society's attention to the lack of adequate housing and urge governments of all countries to make renewed efforts to solve the problem. The People's Republic of China has actively responded to this call.

This year, China plans to build 150 million square metres of housing (more than 2.7 million flats) in urban areas and 600 million square metres in the countryside. The nation will see 50 million people move into new homes. According to a general survey conducted in 1985, a quarter of the Chinese people still lack adequate housing. Construction of new houses will ease this shortage.

It is indeed a tremendous task to provide adequate housing for a billion people. In old China, a handful of high-ranking officials and landlords and big capitalists lived in sumptuous private homes and spacious courtyards, Western-style houses with gardens or big apartment buildings, whereas the majority of people had to make do in ramshackle houses, some of the more poverty-stricken having no shelters at all.

Since the founding of the People's Republic in 1949, this great disparity has disappeared. In terms of property rights, 84 percent of urban housing is publicly owned; in terms of housing area, the flats or houses the government provides to officials at the ministerial level are only twice or three times larger than those for ordinary staff members and workers.

Over the last 30 years or more, although the state has not been in easy economic circumstances, it has built large quantities of housing for urban dwellers. Large-scale housing construction began after the 1970s, of all housing space, those completed in the 1980s accounted for 36 percent; in the 1970s, 32 percent; only 9 percent was built before 1949. Compared with 1978, in 1985 investment in urban housing construction increased nearly 8 times, housing area completed rose more than 4 fold, averaging a 22.26 percent increase a year.

Rural houses were built with funds raised by the farmers themselves. Compared with 1978, in 1985 investment grew more than 10 times, averaging an annual growth of 32.05 percent. The first thing a well-off farmer wants to do usually is to build a new house. The number of new houses is increasing in the countryside and the standard of housing construction is rising with most houses constructed with bricks, tiles and sometimes reinforced concrete. The number of old-type mud and thatched huts is decreasing. The average amount of living space for farmers is conspicuously larger than that for urban dwellers.

As a developing country, China's economic power is still very limited. Although housing area has expanded greatly, standards of housing are still very low. Quite a number of people live in crowded quarters, while housing facilities and the availability of private flats are still far from meeting people's demand. Steady, long-term efforts are still necessary to improve people's living conditions. The government has paid great attention to this and has set the goal for the year 2000: Each household in most cities and towns will have an economical and livable flat and each rural family, a practical, hygienic and compactly laid-out house which will basically meet the farmers' living and production needs.

According to the China Committee for the International Year of Shelter, the government will adopt the following measures in order to achieve the above goal:

- Changing the low-rent system under which all urban workers' housing is provided by the state. China will try to absorb more private funds for housing construction and increase the proportion of housing expenditure in individual consumption (now it accounts for only 3 percent), so as to quickly solve the housing problem.

- Effectively controlling the growth of urban population. China will strictly limit the scale of big cities, reasonably develop medium-sized cities and actively expand small cities and towns, so as to avoid housing and other problems brought about by overly-large cities.

- Keeping housing standards under control. The emphasis of urban housing construction will be on small and medium-sized flats to suit family structures tending to become smaller.

- Encouraging the building of apartment houses to meet the urgent needs of newlyweds.

- Encouraging the purchase and construction of houses by individuals.

- Developing low-cost building materials.

- Stressing the transformation of old residential quarters and old residences. Efforts will be made to improve their infrastructures, the environment and interior facilities.

Improving living conditions and solving the housing problem for a billion people will indeed be no small contribution to the world.
Light Industry Urged to Boost Export

With the growth in the world economy, China’s light industry is faced with challenges as well as opportunities. To meet the challenges and take advantages of the opportunities, China must expand the exports of manufactured goods so as to earn as much hard currency as possible. “This is a major strategy for vitalizing China’s light industry,” said Hao Jianxiu, member of the Chinese Communist Party Central Committee Secretariat and a model worker in the 50s, at a national conference on light industry which opened on February 8.

Accordingly, China’s light industrial manufacturers should shift the emphasis on to more sophisticated products and the expansion of exports, especially those in coastal cities, which possess the technical competency, a complete range of industries and comparatively high management standards. “Meanwhile,” she added, “the industry will try to adapt more quickly to market changes and consumer preference.”

Light industry constitutes an important source of China’s national income and foreign exchange earnings. Over the past few years, the country has depended on its light industry for about 20 percent of its foreign exchange earnings and 35 percent of its consumer goods. “The light and textile industries are, in my view, the most promising export sectors. They can make full use of the country’s natural resources,” said Hao.

Hao told the conference that light industry has witnessed a 36.8-fold increase in the past 37 years since the founding of New China—an average annual growth of 10.5 percent in terms of output value—while the state has invested a total of 27 billion yuan (US$7.3 billion) in developing light industry during the same period. The industry has, at the same time, reinvested another 20 billion yuan (US$5.4 billion) of its profits in its own expansion. Last year the country generated a light industrial output value of 172.6 billion yuan (US$46.6 billion), an increase of 11.5 percent over 1985, and upgraded 20 percent of its products.

Although the country’s light industry has been doing well with consumer goods for domestic market, many of its products still do not suit to the needs of international customers. Major problems include drabness, limited variety, poor quality and outdatedness, the conference was told.

To tackle these problems and make light industrial products more competitive in the international market, Minister of Light Industry Yang Bo, also present at the conference, announced that the ministry will develop some 6,000 new varieties of textile products to replace 20 percent of the existing ones in the years 1987-90, with emphasis on developing new products in the areas of furniture, cooking utensils, small household electrical appliances, electronic toys and cosmetics.

According to Yang, light industrial production is expected to increase 8 percent this year over 1986 and the quality of 90 percent of its products will be improved.

“These tasks should be fulfilled mainly through technical renovation and self-improvement of the enterprises, not through heavy capital investment, because we cannot expect the state to invest much more in the industry,” he said, noting that the key to meeting the targets lies in improved efficiency.

Yang urged all enterprises involved to follow state standards strictly, make efforts to turn out products in line with international quality standards. The minister also called on workers to make greater contributions to the current nationwide drive to increase production, save resources, reduce material consumption and production costs and improve management.

At the conference, officials reiterated that the current drive against bourgeois liberalization is designed to rectify unhealthy tendencies in China’s political and ideological field, and will not adversely affect the policy of opening China to the world.
Afforestation: More Trees Planted

Since the Fourth Session of the Fifth National People’s Congress held in December 1981 adopted a resolution on launching a nationwide voluntary afforestation campaign, over 5 billion trees have been planted, an average of five per person.

Wan Li, vice-premier of the State Council and concurrently chairman of the Central Afforestation Committee, urged a recent meeting of the committee to push the effort to make the country greener. He said that it is imperative to make people, especially leading officials, understand that the prosperity of the country and the people depends on economic development, and that economic and social development cannot be achieved without afforestation and environmental improvement.

Wan Li asked cadres at various levels to make tree planting a priority. In his speech, he praised Gansu provincial Party committee secretary Li Ziqi, Guangdong provincial Party committee secretary Lin Ruo, Shandong provincial Party committee secretary Liang Buting, Beijing mayor Chen Xitong and Tianjin mayor Li Ruhuan for their unswerving efforts in afforestation.

Yang Zhong, minister of forestry, said at the meeting that over the past five years more than 200 million people came forward for voluntary tree planting, and as a result, the wooded area in the cities increased by nearly 50 percent as compared with five years ago.

According to statistics collected from 324 cities, 89 have covered 20 percent or more of their land with trees, whereas there were only 37 five years ago. In addition, trees have been planted along some 50,000 kilometres of highway and 14,000 kilometres of railway.

In the Sixth Five-Year Plan period (1981-85), orchard acreage in China went up 26.9 percent, and fruit output increased 47.7 percent. At the same time, 4 million hectares of land were seeded from the air with trees and another 584,000 hectares with grass, representing a 2.7-fold and 15-fold increase in such seeding over the Fifth Five-Year Plan period (1976-80).

The People’s Liberation Army (PLA) has taken an active part in this drive. In five years, they planted 110 million trees and turned 45,000 hectares of wasteland into forests.

In many localities, people plant trees to mark important events in their lives, such as birthdays, enrolment in and graduation from school, finding a job and weddings.

More than 3,000 foreigners from 30 countries living in Beijing also planted 4,900 trees in the International Friendship Forest to the north of Beijing. Some diplomats go to water the trees they planted from time to time. In addition, diplomatic envoys, business groups and individuals from the United States, Canada, Britain, Japan, France and Australia have donated more than US$20,000 to support China’s afforestation efforts.

China’s IBM — Stone’s Ambition

Chinese Vice-Premier Wan Li and other Party and State leaders met on February 12 in Beijing with some of the entrepreneurs who participated in a forum on privately owned scientific and technological units. Among them was Wan Runnan, general manager of the Stone Group Corporation.

The Stone Group Corporation, a collectively owned Chinese company, plans to introduce six new types of computer products based on the MS-2400 Chinese-language word processor in the domestic market in 1987, Wan Runnan told Beijing Review recently.

Stone Group emerged in May 1984 from the powerful torrent of reforms of the country’s economic, and scientific and technological systems. It is an enterprise for developing scientific research, jointly established by a dozen young and middle-aged scientists and technicians who left their jobs at the Chinese Academy of Sciences located in Beijing. The working capital needed to start the company was borrowed from Sijiqing Township in Beijing’s Haidian District. Stone is mainly engaged in technical development of microcomputers, technical service and the sale of other electronic products. It now deals with more than 4,000 kinds of products.

The MS-2400 Chinese-language word processor is one of Stone’s new products put on the market last year. The machine has been well received by users. The MS-2400 employs a newly developed method for distinguishing identical consonant and vowel sounds in different words. With multiple functions, the machine can type Chinese, English, Japanese, Russian and Greek words.

Stone has co-operated with Mitsui, a Japanese company, to produce the MS-2400. Mitsui was in charge of developing the machine hardware, and the software was developed by Stone in China. Computer and office automation equipment manufacturers in Japan and the United States have been moving ahead with developing Chinese-language word processors. The MS-2400 is the first machine to employ software developed in China.

The software centre of the Chinese State Scientific and Technological Commission made an appraisal of the MS-2400 late last year. Experts of the centre are of the opinion that the machine holds a leading position among
the same kind of products in the world. The price of the machine is about 8,000 yuan, and some foreign companies regard the MS-2400 as having the lowest price among its competitors, considering its functions. Mitsui plans to introduce the machine into the Japanese market.

Stone Group’s economic growth has been phenomenal. Its turnover of nearly 10 million yuan in 1984 more than tripled in 1985 to 32 million yuan. With the appearance of the MS-2400, its output value reached more than 100 million yuan last year—the equivalent of 500,000 yuan per person—which is 50 times more than the output value of similar enterprises in Beijing. Stone has turned over tax revenue of 12 million yuan to the state and donated 300,000 yuan to social welfare. Now its fixed assets are valued at 1 million yuan.

Stone, formerly a regional company, has become a nationwide group incorporating eight professional companies. It has set up research divisions, offices and sales networks in 60 cities and regions throughout the country, including Shenzhen, Shanghai, Urumqi, Changsha and Wuhan.

Stone is to open a division in Hong Kong this year.

All these achievements lay a solid foundation for Stone to move towards world market and realize its ambition of becoming the largest associated computer enterprise in the country—China’s IBM.

What has enabled Stone to achieve such big success within such a short period of time? “Superiority in ideology is a factor of the first importance to the success of Stone,” said Wan Runnan.

Stone has stressed development of the spirit and culture of the enterprise since it was first set up. The company has formed its own set of new concepts, including management methods, personnel policies, and distribution system.

In China, the situation that scientific research is divorced from production has existed for a long time. There are thousands of research institutions all over the country, and the government makes big investments in scientific research every year. But many research institutions do not realize returns on the investment. They become wrapped up in developing scientific treatises instead of scientific products. They care little whether their scientific research can be quickly applied to productive use, so many prototypes they develop later became waste products.

Stone changed this situation. It insisted on gearing its research work to the needs of the marketplace. Through market surveys, it found that the development of Chinese-language word processors may become the breakthrough point in developing the nation’s information industry. “I think we not only provided a new product to the domestic market, but also tapped a new industry that can potentially achieve an output value of 10 billion yuan and help make traditional Chinese typewriters obsolete,” Wan said.

The corporation pays great attention to economic results. It accepts the idea that all enterprises should aim to make profits, but it is careful not to harm consumer interests while making money. “We put the reputation of the company above our immediate profits because we want to make further advances,” Wan Runnan said. “We regard the users as our supporters.”

Qualified, knowledgeable people are respected at Stone. Each employee has his or her own strong point. The company gives full scope to the special skills of all its members, and it allows free movement of workers within the corporation. Employees who wish to leave Stone can do so at any time, and those who fail to live up to their jobs are dismissed. Last year four people were discharged from Stone for violating work rules.

Stone Group’s assets belong to all members of the corporation. Everyone in the company has shares, which increase in value when Stone makes profits, and decrease in value when the corporation loses money. So employees at Stone are all concerned about the corporation’s growth.

In the larger economic environment, Stone opposes any form of protectionism and hopes that the government will provide opportunities for fair competition among all the enterprises, including private ones.

Recently, some people were worried that Stone would not be able to compete with the Great Wall Computer Group Corporation, a newly established state-owned computer syndicate. “Don’t worry,” said Cao Wuqi, director of the general manager’s office of Stone, “no single enterprise can monopolize an entire industry.” For example, he said, IBM is the largest international computer corporation with an annual turnover of more than US$40 billion, yet it does not monopolize the entire international computer industry. Thousands of small and medium-sized computer enterprises have sprung up around the world. “Each one can find a place to develop its own potential,” Cao added.

“Although we are weaker on the technology side of things than the Great Wall Group, we have our own superiorities,” Stone is an independent enterprise that assumes sole responsibility for its own profits and losses. As such, it has far more flexibility than a state-run enterprise when deciding what it will produce and quickly put its decision into practice.

The Chinese transliteration of the name Stone is ‘Sitong’ which means extending in all directions. In English, a stone can be a milestone. “We hope our company will develop rapidly and
realize all our ambitions. We also want to be a milestone in the country’s reforms,” Cao Wuqi said. “If we fail, we will be satisfied to have been a stone, paving the way along the country’s road of reform. But we are confident that we can succeed and achieve our goals through our determination and efforts.” he concluded.

by Wang Yanjuan

Firecrackers Dash Firemen’s Hope for Easy Spring Holiday

It is Spring Festival Eve. Fire fighters of the First Detachment of the General Fire Brigade of Beijing Security Bureau, in Fuyou Street, xicheng District, are watching television. Jiaozi (dumpling), the traditional festival food in north China, are in the pot. Outside the deafening sounds of firecrackers rattles the neighbourhood. Then suddenly, the alarm goes off. The firemen jump to their feet and rush to the fire engines. Seconds later they are speeding to the scene of a fire.

During the Spring Festival (from January 28 to February 1 this year), there were 426 fire calls in Beijing, including two major fires. The fires injured one person and caused financial loss of over 328,000 yuan. Most fires were caused by firecrackers. During the fireworks climax (from midnight to one o’clock), there were 104 fire calls, one for every 35 seconds.

“We spend all our holidays like this,” says He Changcheng, political instructor of the detachment. “We were called out nearly 20 times the night of January 28.”

He Changcheng has been in fire fighting units for over 10 years. Throughout this period, he has not been able to stay at home and celebrate Spring Festivals with his family like his fellow Chinese. He spent almost all his holidays at his post or at the scene of a fire. Even though his wife is eight months pregnant, he is not able to spend the holiday with her this year. How does she feel about this?

“She does not complain. She knew before we got married. She knows that my job is important in protecting the life and property of the people,” He says.

Frontier guards are defending the country and the people along the borders, firemen are protecting the people’s lives and property in the inland. They risk their lives, they are on a round-the-clock call all the year round. “We are busy when other people are working. We are very busy in the holidays when other people can down their tools and rest,” He says.

According to Kang Haishan, an official of the General Fire Brigade of Beijing Security Bureau, the number of fires and the damage they cause is increasing year by year.

Last year, fires claimed 41 lives and injured 73 people in Beijing. The total loss from the 791 fires exceeded 7 million yuan, about three times as much as in 1985.

The number of big fires is increasing. There were 59 big fires last year, most of which occurred at night.

Kang blamed the high fire rate last year on imperfect safety regulations in many factories and institutions. People on night duty in some places were sound asleep as fires were raging around them.

With the rise in people’s living standards, the use of electrical appliances is burgeoning. Fires caused by faulty appliances are also increasing. “In our area,” says He Changcheng, “most fires were caused by fireworks from January 28 to 29. But most fires were caused by electrical appliances from January 30 to February 1.”

The fire rate was higher in rural areas than in the city last year. There were 434 fires in the countryside. Forest fires were more numerous than usual
because of the dry weather last spring. During the first five months of last year, there were 42 forest fires, a 68 percent increase over the same period of 1985.

In recent years, the official says, the number of high buildings has increased rapidly, and many factories are producing beyond their designed capacities. There are fire dangers inherent in all this, he points out.

He suggests that authorities at all levels pay careful attention to fire prevention and safety. The success of fire prevention depends on the enthusiastic co-operation of the whole community. "We will disseminate fire prevention techniques among all Chinese people, down to the children," says Kang.

Last year fire prevention teams of youngsters were organized in Beijing's Dongcheng, Xicheng, Xuanwu, Chongwen and Fengtai districts, whereby children were taught how to prevent fires and spread their knowledge.

Fires caused by children recently amounted to about 10 percent of the total number of fires in Beijing. "So the spreading of knowledge about precautions among children is of great importance in reducing the incidence of fire." He also says that a good way of spreading knowledge of fire prevention to society is through children. It receives the parents' full support.

Even children in many kindergartens in Beijing are receiving fire prevention instruction. Beijing's Chaoyang District held a competition last year on fire prevention knowledge among kindergarten children.

"I hope more and more people will know and apply fire prevention," Kang Haishan says. He also suggests strengthening the law so that those who are responsible for fire can be severely punished.

By Wang Yanjuan

Weekly Chronicle (Feb. 9-15)

POLITICAL

February 11

The National Conference of the Revolutionary Committee of the Chinese Kuomintang closes and calls on its members to work for realizing China's peaceful reunification.

ECONOMIC

February 9

China will strengthen control on foreign exchange and foreign loans. Spending of foreign exchange for non-trade and non-production purposes will be curbed, Xinhua says.

February 10

There are now in China eight open coastal cities, each of which can turn out an annual industrial output value of more than 10 billion yuna (US$2.7 billion), Xinhua says.

Xinhua reports that China will in 1987 issue 6 billion yuna (US$1.6 billion) in treasure bonds, the same amount as in 1986.

February 11

To bring in another bumper harvest of grain, cotton and other cash crops, in 1987 the Chinese government will allocate nearly 40 percent more funds than in last year for improving irrigation and other facilities in the rural areas, according to Xinhua.

The State Statistical Bureau discloses in 1986 China's state-owned enterprises completed capital construction worth 115.3 billion yuan (US$31 billion), up 7.3 percent over 1985.

Six independently managed airline companies will be formed according to a national meeting of the Civil Aviation Administration of China (CAAC).

CULTURAL

February 9

Xinhua reports that the China Institute of Advanced Acupuncture Studies has opened its door to foreigners.

February 11

A giant seismic data processing system for oil exploration, based on Chinese-made massive Galaxy computer, goes into operation in Zhuozi near Beijing, Xinhua says.

FOREIGN RELATIONS

February 9

China hopes Japan will properly handle a lawsuit concerning a piece of Chinese-owned real estate in Japan, a group of Chinese law experts said after a week-long visit to Japan.

Shenzhen will simplify procedures for foreigners to enter China from the Luohu and Shekou border stations beginning on February 16, a local official announced.

February 11

While answering some foreign newsmen's question on the expulsion of Lawrence McDonald, AFP correspondent in Beijing, on January 30, a Chinese Foreign Ministry spokesman says, "China's policies towards foreign news organizations and reporters will not change. We welcome foreign journalists to reside in and report on China and we will give them active assistance so as to enable them to know China better and report on it objectively."

"Foreign journalists can doubtless continue to have normal contacts with Chinese citizens," he added.
SOUTH PACIFIC

Nuclear Free Zone Treaty Pigeonholed

A complete South Pacific nuclear free zone has been ruled out since the US government has decided not to sign the three protocols to a treaty on the matter.

The Reagan administration has recently decided not to sign three protocols to the South Pacific nuclear free zone treaty as requested by 13 nations in the region. The impact has already begun to be felt. Australian Foreign Minister Bill Hayden has said that the United States should not take its refusal to sign the protocols for granted. Chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs Stephen Solarz told reporters that it was a mistake for the US government to reject the protocols.

US State Department spokesman Charles Redman said on February 5 that the US government has informed Australia, New Zealand and the other countries involved that "in view of our global security interests and responsibilities, we are not in a position to sign the protocols. We view the growing number of proposals for regional nuclear free zones as potentially undermining the policy of deterrence which has been the cornerstone of Western security since World War II."

The South Pacific nuclear free zone treaty was initiated by Australian Prime Minister Robert Hawke in 1983, and the 13 members of the South Pacific Forum endorsed it in Rarotonga, Cook Islands on August 7, 1985.

The treaty has 16 items and three protocols, requesting the signatories to ban research, manufacture and possession or importation of any nuclear weapons. It also includes a ban on nuclear testing in the South Pacific (land or sea), on deploying nuclear weapons in the signatory territories or under the sea and on dumping nuclear waste in the sea. The question of foreign ships and planes with nuclear arms entering any country's territories is left up to each signatory individually.

The treaty zone stretches north to the equator, south to the demilitarized Antarctic non-nuclear zone, west to the Indian Ocean shore of Australia and east to the Latin American nuclear free zone defined by the treaty of Tlatelolco.

Protocol No. 1 of the treaty demands that France, the United States and Britain pledge to implement the main items of the treaty in Polynesia, Samoa and Pitcairn which are controlled by them. Protocol No. 2 asks the United States, the Soviet Union, China, Great Britain and France not to use or threaten to use any nuclear explosive device against the South Pacific nuclear free zone, and Protocol No. 3 calls on the five states not to conduct nuclear tests in the region. After the treaty came into effect on December 1, 1986, the above countries were asked to sign the protocols.

Serious objections have been frequently registered against French nuclear tests in Mororoa, the dumping of nuclear waste in the South Pacific and the superpowers' nuclear arms race in the region.

The Reagan administration's rejection of the protocols arises from the rivalry between the United States and the Soviet

China Signs Two Protocols

On February 10 China signed Protocols Nos. 2 and 3 attached to the South Pacific nuclear free zone treaty in Suva, capital of Fiji.

Chinese Ambassador to Fiji Ji Chaozhu did the signing and read a statement on behalf of the Chinese government at the Headquarters of the South Pacific Bureau for Economic Cooperation of the South Pacific Forum.

The statement declared that China respects the status of the South Pacific nuclear free zone and will not use or threaten to use or test nuclear weapons in the region.

However, the statement pointed out, the signing of the protocols does not imply that China has changed its position on the Non-Proliferation Treaty or on the Partial Nuclear Test Ban Treaty.

China will fulfill its obligations under the two protocols, the statement said, but added that "the Chinese government reserves the right to reconsider these obligations if another nuclear state or the contracting parties to the treaty take any action in gross violation of the treaty and its attached protocols, thus changing the status of the nuclear free zone and endangering the security interests of China."

"In making the South Pacific a real nuclear free zone, states in possession of large nuclear arsenals bear a special responsibility," the statement stressed.
Union in this region. For years Washington has been strengthening its defence line from Japan and the Philippines to Australia. In recent years Moscow has answered with a marked increase in its military presence there.

It is reported that the United States is ready to build a missile testing ground for its Strategic Defence Initiative on Marshall Island in the South Pacific. Furthermore, the United States has fears that the anti-nuclear

**JAPAN**

**Diet Smitten With Dissension**

*The Japanese Diet is facing its worst crisis in the decade as the ruling party clashes with the opposition.*

The Japanese Diet reconvened on January 26 after a month-long New Year recess. On January 28, Prime Minister Yasuhiro Nakasone delivered his policy speech. The agenda required the opposition then to put forward questions, but they refused to because the prime minister had made no mention of sales tax, the people’s main concern. The deadlock continued for five days and it was only when Nakasone agreed to make an additional speech about sales tax that the meeting proceeded to question period.

On February 4, the ruling Liberal Democratic Party (LDP) suggested that the 1987 budget be submitted to the budget committee for consideration. But the opposition parties demanded to take part in the discussion and asked the government to submit all the tax reform plans. The LDP rejected this and unilaterally summoned the meeting of the budget committee. Because of the opposition parties’ boycott, the meeting was once again suspended.

The two matters at issue here are the sales tax and defence spending. For fiscal 1987 the budget allocated more than 1 percent of the gross national product to defence, contrary to the 1976 cabinet decision to keep defence outlays below 1 percent of GNP. On the eve of the Diet’s reconvening, the Japanese government decided, in view of strong opposition, to declare the total defence spending now for the following five years. This drew still more objections from the opposition who fears this is part of Nakasone’s plan to remove limit on defence spending and put Japan on the road to a big military power.

The sales tax is an equally thorny question. Japan now is levying a selective tax on certain commodities and an alcohol tax. The proposed 5 percent sales tax would cover processing and manufacturing through circulation to wholesale and retail sales. The opposition parties claim that the sales tax is an unfair tax revenue, it would confuse circulation, increase the burden on smaller industrialists and businessmen and cause prices to shoot up. All this would hamper the domestic market.

The issue has also aroused some opposition within the LDP. In last year’s Diet election, about 20 percent of the LDP councillors were against introducing large-scale indirect tax. It was reported recently that there were 6 councillors in the Tokyo electoral district who definitely opposed the sales tax. About dozens of prefectoral assemblies have disapproved of the sales tax. Groups in the commercial field who formerly supported the LDP declared that if the party did not scrap the sales tax plan, they would withdraw their support, and they have initiated action to prevent councillors who support the sales tax from being elected. In view of this, the LDP decided to convene a national convention to promote tax reform so as to reach party unity on the issue. The prime minister also hinted recently at a possible revision of the sales tax bill, hoping to quieten the country and encourage a compromise with the opposition parties.

**ECUADOR**

**Kidnapping Troubles the President**

*Although Ecuadoran President Leon Febres Cordero has successfully got through his kidnapping, he is having difficulties tackling government in the wake of the abduction.*

Ecuador’s President Leon Febres Cordero was kidnapped by paratroopers on January 16 when he was attending a military ceremony at Taura Air Base. Defence Minister General Medardo Salazar Navas was also taken. Two men were killed and...
six others seriously wounded in the exchange of gunfire with the presidential guards.

In a statement, the abductors demanded, among other things, the release of the imprisoned Air Force General Frank Vargas Pazos and the resignation of the president.

Agreement was reached after about six hours’ negotiation. President Cordero was freed after pleading that Gen. Pazos would be released and that no action would be taken against the kidnappers.

On March 2, 1986, when his term of office expired, Gen. Pazos refused to resign from his posts as chief of staff of the Armed Forces and general commander of the Air Force as the law required. Instead, on March 7, forcing his way into the defence building, he accused the defense minister and the general commander of the army of grafting military funds. A quarrell ensued, and gunshots were fired.

Later, President Cordero relieved Gen. Pazos of all of his posts. Pazos rejected the order, and returning to his hometown, he occupied an air base there, and caused a confrontation between the army and the air force. The beleaguered president had to cope with Pazos on the one hand and investigate the corruption on the other. Not until the defence minister and the army commander left their posts did Pazos give up his air base and surrender to the government.

On March 13, Gen. Pazos seized another air base and a neighbouring international airport in the hope of toppling the government. He was defeated and taken in custody, prompting forces loyal to him to kidnap the president.

Civilian constitutional government did not take over from the military in Ecuador until 1979. Febres Cordero, the second president serving the civilian system, has been beset with difficulties over the past two years and has received tough criticism at home and abroad. In the National Congress election held last June, the ruling party and its allies obtained only 19 of the 71 seats, so the opposition parties could use their majority to influence the government.

On January 22, the Ecuadoran National Congress passed a resolution calling for the resignation of President Cordero. The Congress charged him with violating the country’s constitution, transgressing against the Congress and provoking his own abduction. Though non-mandatory and rejected by Febres, the decision damages the president’s reputation.

The 74 paratroopers from Taura Air Base who kidnapped the president were transferred to Quito. They are reportedly to be prosecuted. The political situation in Ecuador remains tense in the aftermath of the abduction.

Febres faces the biggest challenge in his two and a half years in office as he decided how to deal with the mutinous military.

by Zhu Manting

CANADA/USA

Cobbled Free Trade Talks

Canada and the United States are once again to sit down and attempt a settlement of their long trade dispute.

At the end of last year, Canada’s Prime Minister Brian Mulroney reiterated that his government would continue to pursue the free trade talks between Canada and the United States in the hope of persuading the US to moderate its trade policy with its neighbour, for the slowdown in trade is estimated to have cost 500,000 Canadians their jobs, half the total unemployment population.

Free trade talks between Canada and the United States formally began last June and are now going into their tenth round. Being each other’s leading trade partner, both sides attach great importance to the matter.

Over the last four years, Canada’s economy has slowed down, burdened by a 4 percent inflation rate, a 9.6 percent unemployment and a financial deficit. The economy grew 3.3 percent in 1986, compared with 4 percent or over in the two previous years. It is estimated that the growth rate of the economy this year will drop to 2.5 or 3 percent.

One third of Canada’s GNP is its export income and its trade with the United States alone accounts for one quarter of the total. The row over bilateral trade in recent years has harmed not only relations but also the economies. Canada believes that the United States is the key to Canada’s economy becoming stable and more competitive.

Unfortunately for Canada, the obstacles to a settlement are intractable. To reduce its staggering trade deficit, the US has turned to protectionism. Last year, the US suffered a US$170 billion trade deficit, 10 billion of which was with Canada. So the US unilaterally raised its duties on Canadian red cedar, soft wood and oil equipment three times last year.

With indignations running high at home, the Canadian government has been anxious to settle this dispute. In the autumn of 1985, it issued a statement proposing the co-ordinated step-by-step removal of duties on each
other's exports over ten years, and trying to reduce such "non-tariff barriers" as quotas to a minimum. This prompted the beginning of the free trade talks.

The proposal has led people in political, economic and business circles into quarrels over the best way to expand trade. Many big companies and nine provinces (but not Ontario) have supported North American free trade. Some economists have asserted that the protectionism which has been in evidence since the 1970s is not the solution to Canada's economic problems and Canada-US economic co-operation would prevent Canada's economy from choking.

Opponents, mostly smaller enterprises and particularly the manufacturers in Ontario, who are less competitive than their US rivals, worry that free trade would bring Canada under Uncle Sam's thumb, given the US's lead in technology and in economic power: the United States' GNP being 10 times as great as Canada's.

Other suggestions have since been thrown up, a "common market," for example, by which all trade barriers would come down and the free mobility of labour and currencies be assured. Canada and the US would also erect a united tariff wall against other countries. Support for this suggestion is sparse as Canadian economists fear it will jeopardize Canada's sovereignty. "Partly free trade" and establishment of a "trade zone" are also under consideration.

The greatness of the issues at stake will themselves put brakes on the smoothness and speed of the talks.

by Guo Wenfu

CUBA

Austerity Measures in the Offing

In the new year Cuba will take austerity measures to prevent its economy from further deteriorating.

Entering the new year, Cubans will have less rice, milk, gasoline and textiles, according to an announcement made by President Fidel Castro at a congress of the Cuban National Assembly of People's Power last December 26. A total of 27 austerity measures — the first such sweeping and stern provisions since the revolution 28 years ago — will be carried out to overcome Cuba's current economic plight.

The cutbacks for 1987 are aimed at combating the drop in foreign exchange earnings, reducing expenditures, and balancing the budget without drastically sacrificing economic growth. Castro told the national assembly.

The austerity programme includes abolishing free lunches which have been provided by the government for years at cafeterias in factories and at snack bars in government agencies. Some holiday subsidies will also be abolished.

At the same time, the Cuban government decided to reduce TV programmes and change the hours of sports events to save electricity in night lighting, cut gasoline consumption in government agencies by 20 percent, and double public transportation charges from five centavos to 10 centavos (about 10 US cents). Electricity rates will rise from 6.5 centavos to nine centavos (about nine US cents), and more textiles will be exported at the cost of home consumption.

The austerity measures were triggered by a low growth rate of between 1.5 percent and 2 percent last year, the lowest in the past several years, and the sharp drop in Cuba's export earnings, which are expected to plummet from US$1.2 billion in 1985 to only US$600 million this year.

The drop was attributed to falling oil and sugar prices, the depreciation of the US dollar and the worst drought in 40 years.

Cuba gets 13 million tons of oil from the Soviet Union annually and is allowed to export what it does not need for home consumption. Cuba earns more foreign income from this surplus oil than from its sugar exports, but plunging oil prices last year cost Cuba about US$300 million.

Mismanagement, poor labour discipline, extravagant bonus systems and waste have all contributed to Cuba's economic problems. The country's foreign debt has piled up US$4 billion, which forced the government to negotiate with foreign banks to reschedule the debt payments.

Speaking at the third plenary meeting of the Central Committee of the Cuban Communist Party, which was called to pre-examine the socio-economic development plan and the state budget for 1987 prior to the National Assembly session, Castro urged the Party to accomplish the plan and underlined the need for persevering and serious effort every day. He also stressed the decisive role that human, ideological and conscience factors play in fulfilling the tasks.

Castro said Cuba could not depend on the Soviet Union to solve its shortage of foreign exchange reserves, because the Soviets have also been hit hard by sliding oil and gas prices. In early December, he called on Cuba's 10 million citizens to tighten their belts and revitalize their "internationalist" spirit in a bid to meet the bleak economic outlook.

by Gao Yonghua
INTERVIEW WITH CHINA'S TOP EDUCATOR

Campus Unrest: Result of ‘Liberalization’

The few Chinese campuses briefly ruffled by student protests this winter have quickly quieted down. Yet people are still asking: Why was the incident attributed to the influence of bourgeois liberalization? How do the Chinese government and universities handle the students involved? Will socialist democracy be advocated on the campus any longer? And will the short-lived hubbub change China's policy of dispatching students for studies overseas? A high-ranking official answered these questions in a February 12 interview with 'Beijing Review' correspondent Lu Yun. He Dongchang, vice-minister of the State Education Commission, is considered as the nation's top educator, who presides over the Commission's day-to-day work.

Question: The university student unrest that took place in some Chinese cities has drawn to an end, but our readers are still very much concerned about it. Would you please tell us why the incident is seen as a result of the influence of bourgeois liberalization?

Answer: Very few universities and students were involved in the recent disturbance. Fewer students took to the street in demonstration*. They got involved out of different purposes—for example, some wanted to lodge their grievance against university management, and some had hard feelings against the authorities in a certain area. But on the whole, the agitation reflected the influence of bourgeois liberalization that had appeared in the last few years. To advocate bourgeois liberalization is to write off the socialist system and replace it with the capitalist system, with the purpose of opposing the Communist Party leadership.

A basic fact to keep in mind is that over the years, Chinese university students have come a long way ideologically. The influence of bourgeois liberalization began to show itself on the university campus in 1980. A number of Beijing University students then were campaigning for nomination as deputies to the local legislature, the Haidian District People's Congress, and surprisingly, one or two of them won prolonged applause from their campus constituency after identifying themselves as non-Party members. But such hard feelings against the Party gradually softened under the challenge of solid reality, that is, the country's success in economic reform and improvement in farmers' living standards. As a result, the number of students applying for Party membership and admitted into the Party has increased.

Bourgeois liberalization, however, reared its head once again among university students beginning in 1984, as a result of activities of a tiny number of advocates. These advocates were often Party members, so they influenced quite a few students.

China is making economic progress—registering tangible results in rural and urban reform and improvement in the people's livelihood. But why did the students change their minds so quickly?

The only explanation is that for a time, a few people in the cultural, ideological and theoretical fields were writing articles and delivering speeches in opposition to the four cardinal principles (the socialist road, the people's democratic dictatorship, leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought) that have been laid down in the Constitution in spirit and letter. While extolling everything under capitalism, they describe China's socialism as feudalism. Some went so far as to say that the spirit of selflessness should be written off and the idea of "everyone for himself" should be kept alive. These erroneous ideas gradually spread and their influence on the students reached its climax during the campus disturbance towards the end of last year. Take Fang Lizhi, the former deputy president of the China University of Science and Technology, for example. Resorting to demagogy in his speeches to university students in Shanghai, Hefei and Zhejiang, he openly called on his audiences to "change the colour of the Party" and to achieve "complete Westernization." The campus unrest was allowed to happen because many organizations at both the central

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* Only a little more than 1 percent of China's 2 million university students took part in the campus protests, according to the vice-minister at a December 30 press conference in Beijing (see p. 5, Beijing Review issue No. 1)
and local levels, with much laxity and confusion in their ideological and political work, did little to combat bourgeois liberalization.

Q: What policies have the government and university authorities taken against campus agitation participants?

A: As I have already told you, only a small number of students in very few universities were involved in the student protests that lasted but a few days at the most in each school. These students were actually victims of wrong ideas. Some of them have begun careful self-reexamination and sensed that they were on the wrong side. In fact, no student could raise any good reason to justify their use of street demonstrations to voice their opinions.

In 1957, the Party committed the grave mistake of widening the scope of the anti-Rightist struggle among intellectuals, patriots and Party officials. Some university students were also labelled Rightists. This was of course wrong. Today we have seen to it that past mistakes will never be repeated. No government crackdown happened during the unrest, and by publishing regulations governing parades and demonstrations, authorities in Beijing and Shanghai have brought such activities into the orbit of state law.

The handful of law-breakers who disguised themselves as students and made trouble on the campus will be dealt with according to law. The very few students who have run seriously afoul of the law (such as those who had damaged public property, burned up motor vehicles or sold confidential information to foreigners) will also be brought to legal account. Everyone is equal before the law, and no exception will be made for the students at the expense of the dignity of the state law. No legal action will be brought against minor malfeasants who are willing to mend their ways. Those who are Party members will be criticized in the Party and those who have violated discipline with serious consequences will be handled according to the Party Constitution.

For the overwhelming majority of students involved in the recent campus disturbance, it is generally a matter of study and self-education. The policy is based on the unshakable belief that the young people of today are a very promising generation. The students will draw lessons from the incident and become more mature politically. As the saying goes, "God allows the youth to commit mistakes." Didn't we ourselves make mistakes when we were young? This is why we should care for the young and guide them with patience. In providing guidance, we will bear two basic points in mind. First, the policy of reform, opening to the outside world and rejuvenating the home economy should never be relinquished; and second, the four cardinal principles should be adhered to.

Q: What impact have the student protests had on ideological and political work in universities?

A: What happened on the campus will prompt university authorities to sum up their experiences and improve their work in the political and ideological field. For instance, the students will be instilled with the knowledge of the legal system, with the emphasis on the letter and spirit of the Constitution and the notion that the dignity of the Constitution allows no encroachment. The basic point here is to uphold the four cardinal principles, persevere in reform and the open policy, safeguard socialist democracy and maintain social stability and unity.

More opportunities will be provided for middle school and university students to get in touch with society and reality. Participants in the campus unrest were mostly first- and second-year students, who are quite different from those enrolled in 1978, the year the college entrance examination system was reinstalled. The "cultural revolution" not only robbed them of their schooling opportunities, but they never let up studies of science and culture. Having suffered a lot during that traumatic decade, they treasured their regained learning opportunities more than anything else. Years
of physical labour in factories and rural areas also earned them considerable practical experiences and, above all, a certain degree of political maturity.

By contrast, the university students of today were born shortly before or during the "cultural revolution" and they had little idea about what a catastrophe China suffered during that period. They grew up at a time of nationwide improvement in the living standards. Many are only children so pampered that they had to be accompanied by their parents when they first went to university.

They were mostly hard-working students during their middle school days. Upon entering university, they suddenly found themselves as grow-ups, people who have to decide for themselves and citizens with the right to vote. But, ignorant of history, inexperienced in practice, immature politically, they are prone to erroneous tendencies. It is therefore necessary for students to maintain close contact with society and reality from the day they enter schools.

People with knowledge and talent will be held in high esteem as before. We'll work to bring about a vast contingent of people who are down-to-earth yet highly creative in their work, rather than people who know nothing about the workers and peasants, the real situation of the country, and the complexity and difficulties of the reform—people so naive as to assume that reform and development of the country will take a course as smooth and wide as Beijing's Changan Boulevard.

It is imperative for school education to be integrated with reality and physical labour so that university students can learn how to proceed from reality and base themselves on Marxist theories and the practice of society in their search for the ways and means of making the nation strong and the people prosperous. In doing so, they'll inevitably come to conclusions identical with, or at least similar to, those of the Party and the government. In this regard, the short-lived unrest on the campus will, in the long run, produce positive results.

The need for schools, society and families to work together in student education has aroused attention from all quarters. An example of this is that during the short winter school holiday this year student social activities took on a scope much wider than before.

The temporary student agitation has also brought home to parents the importance of improving their children's ideological judgment. Most of these parents, having seen the old and new society and the disastrous "cultural revolution," know that the current political stability and unity that makes it possible for the whole nation to concentrate its resources on modernization is hard won. They are in a better position to help their children see society and reality in the right perspective and resist the temptation of wrong ideas.

Q: Will the campus unrest change China's policy of sending students for studies overseas?
A: The open policy will stay in force in the field of education, and China will continue to draw on useful things from foreign countries according to its actual needs. Because ours is a big developing country handicapped by a comparatively low economic level, we have got to dispatch people to study abroad strictly according to the country's needs. Therefore work in this field will be improved with more attention paid to choosing people who are morally and intellectually sound. China will gradually rely on its own universities to train people towards MA and PHD degrees, and efforts will be made to tackle the problem of returnees unable to apply what they have learned abroad. Given the limited state resources, it is impractical to start large-scale research in basic science and for this reason not many people in this field will be sent abroad. But on the whole, the number of students studying abroad will not be reduced but will be increased.
Recent student demonstrations in China have come as a surprise, and have aroused much speculation abroad. The situation has now calmed down, and the time seems right to explore what has been happening with Chinese college students.

November 10. Big-character posters appeared on the campus of East China Teachers' University in Shanghai opposing new school regulations which required student participation in morning exercises. The posters also voiced students' opinions about campus food, management and educational reform. Within a few days more than a hundred posters were posted, some with political content. One, for example, declared gratuitously: "Students are slaves of the president appointed by the State Education Commission, which is under the jurisdiction of three magnates. Aren't we then slaves to the three big wigs?"

Mid-November. Some students of Shanxi University in Taiyuan, Shanxi Province, organized a boycott of the student canteen because the food there was expensive and monotonous. They also put up big-character posters criticizing the school authorities for poor management.

Two graduate students of Northwest University in Xian were beaten up by the children of a teacher. Because the matter was not handled promptly, students took to the streets and appealed to the provincial government.

November 18. Some students of Shandong University in Jinan, dissatisfied with meals served in the canteens, staged a hunger strike. Several hundred students demonstrated and appealed to the provincial government on November 23.

In less than two months, a dozen or so disturbances of this kind arose in institutes of higher learning across the country.

In mid-November, Fang Lizhi, then the vice-president of Hefei's China University of Science and Technology, Anhui Province, went to universities in Shanghai, Zhejiang and other places, where he delivered a number of speeches.

November 15. Speaking at Jiaotong University in Shanghai, Fang Lizhi said: "Students are a progressive force for democratization. This has been the case in all past eras." He instigated the students to lash out at society and incited them by innuendo to oppose the Party's leadership. He said: "Chinese intellectuals should demonstrate their own strength. In fact, they already have this strength; but they are not conscious of it or have not dared to demonstrate it. If only they dare to stir up trouble, the impact will be very great."

November 16. In a discussion with graduate students and young teachers of the East China Chemical Industry College, Fang called for "changing the Party's colour" because, he added, "the Party is now black."

November 18. Speaking at Tongji University in Shanghai, Fang said: "I appreciate the viewpoint of complete Westernization. When viewed as a socialist system, I think what we have done in the last 30 years is a failure. The result of the pursuit of orthodox socialism by Marx, Lenin, Stalin and Mao Zedong and what we pursue today is actually a failure."

November 19. Speaking at Ningbo University, Fang said: "I appreciate the viewpoint of complete Westernization. 'Complete Westernization' includes the West's science, technology, culture, politics, ideology, morality, everything. It also includes Westernizing our political system and the system of ownership."

Early December. Some students at Hefei's China University of Science and Technology put up big-character posters and held rallies. They criticized the election of deputies to the district people's congress then under way in Hefei, saying that the nomination of candidates through democratic consultation was not fully consistent with the electors' democratic rights. They demanded that deputies to the district people's congress be elected through campaigns. Later the election was carried out in conformity with the demand of the majority of people.

A student rally took place again on the evening of December 4. At the rally Fang delivered a demagogic speech, thus adding fuel to the students' resentment over the election. He said to the impassioned students: "Democ-
racy is not granted from the top, it is won by individuals.” Some students took to the streets. The following day, some students of the Science and Technology University contacted several thousand students in other institutes of higher learning in Hefei, and another street demonstration took place. During the parade, the students shouted such slogans as “We don’t want democracy bestowed,” and “We will fight for genuine democracy.” Individual students even shouted: “Down with feudal dictatorship.”

The news quickly spread. Many schools received leaflets and propaganda materials issued in the name of the students of the Science and Technology University.

**December 4.** Newspapers published the new decision on the election of deputies to the county and district people’s congresses adopted by the Standing Committee of the National People’s Congress on December 2. The new electoral method strengthened socialist democracy. For instance, it stipulated that a person named by 10 or more voters should be included in the list of candidates initially nominated. The method of election in which the number of candidates nominated was equal to the number to be elected was changed into a method by which the number of candidates is greater than the number to be elected.

**December 9.** Students from several institutes of higher learning in Wuhan, under the slogans “We want democracy,” and “We want freedom,” took to the streets in solidarity with students from the Science and Technology University.

**December 10-13.** Big-character posters appeared in succession in Jiaotong, Tongji and Fudan universities in Shanghai, mainly about student demonstrations in Hefei and their support for the upheaval.

**December 18.** Shanghai Mayor Jiang Zemin was invited to Jiaotong University and had a talk with the students. He affirmed the students’ enthusiasm and concern for reform, and answered some of their questions. He hoped the students would correctly exercise their democratic rights and maintain political stability and unity.

**December 19.** Thousands of students gathered at People’s Square in Shanghai. Several hundred of them crossed the iron balustrades and swarmed into the premises of the municipal people’s congress standing committee. A number of students returned to their schools after being persuaded to do so. At about 7:00 p.m., some students streamed to the gate of the building of the municipal government, thus blocking traffic. Deputy Mayor Ye Gongqi had a dialogue with student representatives.

At 12 o’clock midnight, Mayor Jiang received student representatives at the municipal government office. He patiently persuaded the students to go back to school as quickly as possible. He told the students that their actions should conform to the provisions and requirements of the Constitution, and that their call for reform and quickening the development of socialist democracy was understandable.

But, he added, “We don’t favour the method of taking to the streets.” He explained that Shanghai is a big city with a population of 12 million, and that it was near the end of the year, when the people of the whole city were working hard to fulfil production tasks. If social order, political stability and unity were harmed, it would cause unnecessary economic losses. Jiang added that under no circumstances should patriotic students do anything detrimental to the interests of the state and the people. They must be vigilant against a handful of people with ulterior motives stirring up trouble.

**December 19-21.** College students in Shanghai took to the streets for three consecutive days. At most the number of students was just over 10,000 (Shanghai has 45 institutes of higher learning with 175,000 students). This aggravated the already crowded traffic situation in Shanghai. Incomplete statistics show that during the three days city buses covered 85,000 kilometres less than their usual mileage. Because workers and staff members could not get to work as usual, the normal operation of factories, shops and other organizations was seriously affected. During the three days more than 2,600 people missed trains and nine postal transport lines were disrupted. A handful of lawless persons took advantage of the confusion to wreck cars, insult women and disrupt social order. Some passengers on buses being held up said to the students: “You want freedom, but you interfere with our freedom to get to and from work!”

**December 19.** The Shanghai Municipal Public Security Bureau issued two circulars on maintaining social security and traffic order. The municipal government arranged special motor vehicles to send the students back to their schools. A few reluctant students were forced by the police to board the vehicles and go back to their campuses, but no students were arrested. Policemen on duty received orders that under no circumstances were they allowed to beat or abuse students, even though more than 30 policemen were wounded by some extremists in the crowds.

**December 22.** Newspapers and radio stations publicized the Shanghai municipal government spokesmen’s answers to correspondents’ questions on student demonstrations. The spokesman said: The majority of students took part in the demonstrations out of concern for reform and with good wishes for speeding up the process of socialist democracy. Such enthusiasm is understandable. But it should be noted that
China's reform; they only have some students do not quite progress. The people of across the country have concentrated on the drive for modernization. They have achieved significant progress. The people of Shanghai, including university students, should treasure and continue to develop this hard-won progress. This was the first time that domestic mass media had given a detailed report on student demonstrations, and the first time that a local government had made known its position.

On the same day, a student of Jiaotong University issued an "Emergency Appeal," calling on student demonstrators to think seriously about the question: What will the consequences be if we go on with our actions? We should calm down, and not let the situation deteriorate. In just a few hours a dozen or so proclamations appeared in response. The cause of students' self-questioning was the lawless elements' sabotage and trouble-making. On the evening of December 21, when the news spread about lawless elements overturning two cars in front of the municipal government and some bad elements insulting women, student representatives from several institutes of higher learning immediately indicated that they would withdraw from the demonstrations.

At the democratic discussions held on the evening of December 22 in the Shanghai East China Chemical Institute, many students recounted what they had heard and seen during the demonstrations and rallies, confirming that there were indeed people who tried to induce students to attack the police, or passed themselves off as students to attack the police and create disturbances. The Shanghai Public Security Bureau arrested two lawless persons who had infiltrated the student ranks and instigated the burning of cars, charging them with the crimes of disrupting public order and damaging public property. The students began to realize that, far from speeding up the process of democratic construction, demonstrations would make a mess of things and were thus contrary to their original intentions. Since December 22, school returned to normal in the majority of institutes of higher learning in Shanghai. Students concentrated on studying for their final examinations.

**December 23.** The newspaper *Renmin Ribao* (People's Daily), organ of the Central Committee of the Chinese Communist Party, published an editorial entitled "Treasure and Develop Political Stability and Unity" The editorial said: "Political stability and unity is the key factor determining the success or failure of China's socialist modernization, and is the most important guarantee for persisting in reform and opening up to the outside world. As the reform is a deep-going revolution, it is normal to have different views on the question. The Party and government welcome criticism and suggestions offered through normal democratic channels. But if some people take extreme actions just because they have different opinions, they will affect stability and unity and obstruct the smooth progress of the reform. Even if done with good intentions, things will go contrary to their wishes, and they will play into the hands of those who harbour ulterior motives and are anxious to stir up trouble. That was the first statement *Renmin Ribao* published about the student demonstrations.

**December 21-25.** A small number of university students in Nanjing and Hangzhou took to the streets in solidarity with the campus upheavals in Hefei and Shanghai. The slogans they raised were more or less the same as those in Hefei and Shanghai. They shouted "We want freedom," "We want democracy." Some even introduced such slogans as "We oppose the Constitution," "We oppose the four cardinal principle.*" Thousands of people, including student demonstrators and on-lookers gathered, holding up urban traffic in the downtown area. A handful of lawless elements took advantage of the opportunity to make trouble. For instance, Cheng Keqin, a young worker from the Nanjing Clothing Factory, infiltrated the student paraders, used flower pots to smash residents' windows, climbed up and intercepted a truck, and poured rice from a loaded truck. He also incited students to ransack a restaurant. He started making trouble at 5:00 p.m. and did not stop until early morning the following day. He was arrested by officers of the city public security bureau.

**December 30.** At a press conference held by the All-China Journalists Association, He Dongchang, vice-minister of the State Education Commission, briefed more than 100 Chinese and foreign correspondents on student demonstrations in Hefei, Wuhan, Shanghai, Nanjing and Hangzhou, and answered their questions. He said that so far no students had been arrested. Foreign reports claiming that many students had been arrested were incorrect.

China's Constitution stipulates: "Citizens of the People's Republic of China enjoy freedom of speech, of the press, of assembly, of association, of procession and of demonstration." The Constitution also stipulates: "The exercise by citizens of the People's

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*The four cardinal principles are: Upholding the Party leadership, socialism, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought, which have been written into China's Constitution.
Republic of China of their freedoms and rights may not infringe upon the interests of the state, of society and of the collective, or upon the lawful freedoms and rights of other citizens." In order to ensure the implementation of the Constitution, local governments have begun to work out appropriate regulations.

December 26. The standing committee of the Beijing municipal people's congress adopted the Provisional Regulations Concerning Procession and Demonstration. The regulations consisted of 10 articles, including one saying that organizers of processions and demonstrations must file a written application to the public security organs of the locality concerned five days in advance. Permission would be granted on applications, except for those violating provisions of the law and Constitution. At the same time, public security organs may, in accordance with the need for maintaining traffic and security order, change the time, place and route as stated in the original application. Paraders and demonstrators are not allowed to possess weapons, particularly lethal weapons, inflammables, explosives or other objects endangering public security, nor are they allowed to disrupt public order, hold up traffic, write, inscribe and put up slogans on their way, or damage gardens, lawns and public facilities. As for permissible processions and demonstrations, public security organs would be responsible for maintaining traffic and security orders. With regard to processions and demonstrations that go against regulations, security organs should adopt necessary measures to persuade the paraders and stop the demonstrations. Processions and demonstrations are not permitted around the Great Hall of the People, Zhongnanhai, the Diaoyutai State Guest House or the Beijing Airport.

December 27. Beijing Ribao (Beijing Daily) published the regulations, and at the same time cited similar regulations laid down by Federal Germany, France and Tokyo, Japan, concerning rallies and demonstrations. It pointed out that it is simply not true people can stage demonstrations without restrictions in capitalist countries, as some may have imagined.

December 29. Most residents supported the regulations. But some students resented them, thinking that they restricted their "freedom." Several hundred students from Beijing Teachers' University, instigated by individuals with ulterior motives, took to the streets on the morning of December 29 without going through the procedures of application and approval. The basic cause was that some big-character posters on the campus with content against the Constitution and fanning up trouble were taken down.

When a small number of students of Beijing Teachers' University took to the streets, they shouted the slogan "We want liberty," and stormed into People's University, Beijing University and Qinghua University, encouraging students to take part in the demonstration, but they received no response. Some Beijing University students said: "You have the freedom of procession, we have the freedom to sleep."

Some Qinghua students urged the intruders to return: "Final exams are about to begin; you'd better go back and prepare for them." A few hours later, the crowds dispersed.

December 30. The Beijing Public Security Bureau, informed by students' reports, and after making investigations and obtaining evidence, arrested Xue Deyun, who had passed himself off as a student and sneaked into institutes of higher learning in Beijing, where he tried to foment disruptive activities. Xue was a dismissed employee of a company in Tongren County, Guizhou Province. He had earlier made demagogic speeches at institutes of higher learning in Guangzhou and Shanghai; later he used the assumed name of Ma Zhe and sneaked into the student dorms of Beijing Teachers' University.

A spokesman for the Beijing people's government delivered a speech about this, calling on city people to heighten their vigilance against sabotage by bad elements. He pointed out that when leaflets and big-character posters had recently appeared in several places in Beijing, instigating people to make trouble at Tian An Men Square, a foreign radio station played this up in its Chinese-language broadcasts. Presently, some people were making secret contacts between Beijing and other cities and engaged in conspiracies. They declared that unless there was chaos in Beijing, there wouldn't be chaos in the whole country, and thus they wouldn't be able to achieve their aims.

January 1, 1987. In Beijing, 150,000 university students held activities on campuses to celebrate the New Year. Many studied for the final exams. An atmosphere of tranquility prevailed throughout the campuses. At about 1:00 p.m. several hundred students launched an unlawful demonstration on the street east of Tian An Men Square. They quickly held up well-prepared banners with slogans on them. There were agitators and organizers in the procession, some of whom took the lead in shouting "Demand freedom of demonstration," "Abolish the 10-article regulations" and "Oppose tyranny." The procession caused a temporary traffic jam. The public security organ stopped this unlawful procession. Security officers took a number of trouble-making leaders away from the spot, counselled and questioned them. After counselling, the students were taken back to their schools the same evening by responsible
University Students and Higher Education

by Hu Junkai and Zhao Yining

In China, if you ask a secondary school student what he or she plans to do after graduation, the answer, in most cases, is "to take part in the national university entrance examinations and go to university." To many Chinese youngsters, institutions of higher learning are sacred shrines of knowledge which they have yearned to enter since childhood. Enrolling in a university or college means that the door leading to a professional career has opened, what with millions of young people thirsting for knowledge and society increasingly in need of trained personnel and professionals of all kinds. Now the number of institutions of higher learning has topped 1,100, with a combined enrolment of 2 million.

China's institutions of higher learning have grown in roughly three stages.

First stage (1950-65). Development during this period, as compared with the time prior to the founding of New China in 1949, was fairly fast. In 1965, the number of China's institutions of higher learning reached 434 (more than doubled the pre-1949 record) and the total enrolment, 674,000 (4.4 times higher). Many university graduates trained during the first 17 years have become the backbone of their professions; not a few have emerged as specialists and scholars well known at home and abroad.

Second stage (1966-76). Beginning from 1966, China experienced the turmoil of a decade-long "cultural revolution" during which the development of institutions of higher learning came to a standstill and suffered serious setbacks. According to the statistics of the State Education Commission, between 1966 and 1969, none of China's colleges or universities enrolled a single student. Many school buildings

Education in Three Development Stages

Since 1977, China's institutions of higher learning have developed apace, what with millions of young people thirsting for knowledge and society increasingly in need of trained personnel and professionals of all kinds. Now the number of institutions of higher learning has topped 1,100, with a combined enrolment of 2 million.

China's institutions of higher learning have grown in roughly three stages.

First stage (1950-65). Development during this period, as compared with the time prior to the founding of New China in 1949, was fairly fast. In 1965, the number of China's institutions of higher learning reached 434 (more than doubled the pre-1949 record) and the total enrolment, 674,000 (4.4 times higher). Many university graduates trained during the first 17 years have become the backbone of their professions; not a few have emerged as specialists and scholars well known at home and abroad.

Second stage (1966-76). Beginning from 1966, China experienced the turmoil of a decade-long "cultural revolution" during which the development of institutions of higher learning came to a standstill and suffered serious setbacks. According to the statistics of the State Education Commission, between 1966 and 1969, none of China's colleges or universities enrolled a single student. Many school buildings

Third stage (1977-). Development continued during this period, what with millions of young people thirsting for knowledge and society increasingly in need of trained personnel and professionals of all kinds. Now the number of institutions of higher learning has topped 1,100, with a combined enrolment of 2 million.

China's institutions of higher learning have grown in roughly three stages.
Professor Yang Jike lecturing on the development of rural enterprises to students of the China University of Science and Technology.

were turned into factory workshops or barracks; educational facilities were damaged or carelessly disposed of; countless books and materials were lost; numerous lecturers and professors were humiliated and branded as "reactionary authorities," and the majority of university faculty members were sent to the countryside, factories or army to do physical labour. Some universities were moved to out-of-the-way places, and some were closed down.

During the ten years, a total of 106 colleges and universities were disbanded. By 1976, while some new ones were established, only 392 universities and colleges were left and the number of students in school was 16 percent less than in 1965. Although China's institutions of higher learning began to enrol students in 1970, the national university entrance examinations, however, were cancelled and the candidates were workers, peasants and soldiers recommended by their localities. The university students enrolled throughout this period were called "worker-peasant-soldier" students. This system kept many talented young people outside the doors of institutions of higher learning. In respect to educational level, these "worker-peasant-soldier" students were uneven. Of course some of them were well qualified, but there were many with only a primary school education. Disruption during the "cultural revolution" actually dragged China's higher education back dozens of years and planted a timebomb which exploded in later years as a serious dearth of specialized personnel.

A higher maths class at Shazhou Vocational Engineering College.

This situation lasted till the downfall of the gang of four in 1976. Suggested by Deng Xiaoping, the Chinese government began to resuscitate and revamp the university enrolment and higher educational systems. University entrance examinations were formally restored in December 1977; this ushered in the third stage of the development of China's institutions of higher learning (see table).

Third stage (since 1977). The rebuilding and development of China's institutions of higher learning started on a very weak foundation. A sharp increase in the number of schools and students brought on a series of new problems and contradictions. Construction of school buildings lagged far behind growth in the number of students, which put a strain on the students' living facilities.

The China People's University in Beijing is a key university. Soon after the "cultural revolution" started, almost all the university staff and their families went to the rural areas to receive "re-education." The library books and materials were disposed of and the school campus was taken over by an army unit which built living
## Development of China's Institutions of Higher Learning

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Institutions of Higher Learning</th>
<th>Number of University and College Students</th>
<th>Number of Graduate Students</th>
<th>Investment in Capital Construction of Education (million yuan)</th>
<th>Proportion of Investment in Education to the Country's Total Investment in Capital Construction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>404</td>
<td>625,000</td>
<td></td>
<td>115</td>
<td>1.00</td>
</tr>
<tr>
<td>1978</td>
<td>598</td>
<td>856,000</td>
<td></td>
<td>334</td>
<td>1.29</td>
</tr>
<tr>
<td>1979</td>
<td>633</td>
<td>1,020,000</td>
<td></td>
<td>684</td>
<td>2.12</td>
</tr>
<tr>
<td>1980</td>
<td>675</td>
<td>1,144,000</td>
<td>21,600</td>
<td>900</td>
<td>2.51</td>
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<tr>
<td>1981</td>
<td>704</td>
<td>1,279,000</td>
<td>18,800</td>
<td>982</td>
<td>3.42</td>
</tr>
<tr>
<td>1982</td>
<td>715</td>
<td>1,154,000</td>
<td>25,800</td>
<td>1,058</td>
<td>3.16</td>
</tr>
<tr>
<td>1983</td>
<td>805</td>
<td>1,207,000</td>
<td>37,200</td>
<td>1,518</td>
<td>4.05</td>
</tr>
<tr>
<td>1984</td>
<td>902</td>
<td>1,396,000</td>
<td>57,600</td>
<td>1,948</td>
<td>4.25</td>
</tr>
<tr>
<td>1985</td>
<td>1,016</td>
<td>1,703,000</td>
<td>87,300</td>
<td>2,663</td>
<td>4.07</td>
</tr>
</tbody>
</table>

Quarters on the sports ground. The university was formally reopened in 1978, although the teaching staff, classrooms, dormitories and facilities were inadequate. Because the canteen was too small, the students enrolled in 1979 had to dine in the open air. About two-thirds of the students lived at home. The same problems beset many other universities. In recent years, with the increase of state investment in education, conditions in China's institutions of higher learning have greatly improved. The "internal injuries" caused by the 10 chaotic years, however, could hardly be healed in a short time.

## Characteristics of Today's University Students

The revival of the university entrance examination system has provided Chinese young people with an opportunity to continue their education. It began to meet the country's immediate needs for all kinds of professionals and fostered a sense of superiority among university students. Today's university students gained their seats through stiff competition. In 1980, for instance, there were 6.162 million senior middle school graduates. The enrolment of all institutions of higher learning that year, however, was 147,000. Only one out of every 40.2 secondary school graduates had a chance, in addition to numerous other young competitors from graduates of previous years. In 1985, the competition eased up a bit. But still, only one out of every six attending the national examinations was enrolled. Under the circumstances, the successful ones develop a sense of superiority as a matter of course. The work assignments received by the first and second batches of university graduates after the resumption of the examination system further enhanced their "superiority complex," as all of the graduates were immediately grabbed by units short of trained people.

Due to their sense of superiority, the students care a lot about the realization of their value. On the one hand, they are motivated to make sacrifices for their motherland and set a high aim for themselves.

First-year students at the East China Teachers' University in Shanghai are learning about remote sensing technology.
their future, on the other hand, they cannot always persist in their efforts to attain their ideals.

It is apparent that university students are getting younger in recent years. Among the students enrolled between 1977 and 1986, those attending university in the first three years had comparatively more life experience. Most of them had been workers, soldiers, unit leaders or educated city young people working in the countryside. Thus, they have seen more, done more and understood more about China’s conditions.

Today, generally speaking, Chinese students enter university at the age of 16 or 17, and are around 21 when they graduate. They spend their time in studying in school, free of household chores. Examinations year after year keep them from showing concern for social affairs; at the very most they only talk during a break or after meals, participation in social activities being largely out of the question. They are economically dependent on their parents or grants-in-aid from the government. Parents pay special attention to their children’s school life so as to encourage them to be good students. In 1986, Beijing University saw one-third of the new students’ parents coming to school with their children, helping them to register, even making up their beds for them. The survey at Beijing Polytechnical Institute shows that some students have never washed clothes, swept the floor, or joined in general clean-up activities during their three years in senior middle school. While at university they still take their dirty clothes home to be washed. They take little interest in physical exercise and many of them have not the slightest idea how to keep healthy and strong. Students in one Shanghai university objected to doing early morning exercises on campus. Many of them said they preferred to stay in bed rather than get up for physical exercise training. In today’s universities, a considerable number of students are tall but thin, because intellectual development is stressed, body building neglected.

The students of this generation have developed in a special social environment, quite different from that in which previous generations grew up. Beginning in 1978, China has pursued a policy of opening to the outside which has led to a tremendous influx of new things, both spiritual and material. After the Party held discussions on the criterion of truth in 1978, people’s ideas were released from the old established confines.

With such a background, these students, as they step into the gate of the university, feel as if they are in a new land, and are dazzled by all kinds of foreign and domestic theories and schools of thoughts. Sometimes they feel this theory is reasonable, sometimes they believe that one is logical. Their views and major concerns waver and they cannot stand firm in their opinions for any length of time. They always try to absorb new thoughts and views but fail to conform with them in their actions. On the one hand, they are moved to tears by the devotion of PLA fighters in safeguarding Chinese territory in the Sino-Vietnam border battles, on the other hand, they speak highly of existentialism. Moreover, they appreciate China’s reforms and open policy but at the same time, will turn over a new car, just because it is Japan-made. Their tendency to go to extremes clearly demonstrates the vulnerability and contradictions in their thinking. In fact, people of older generations also feel at a loss when something new emerges, although the feeling is sharper among young people because of their inexperience.

Most of the students in the recent demonstrations were from the countryside or from the lower grades in the university. In secondary school they had thought of nothing but preparing for the national university entrance examinations. As soon as they entered university and came across so many new things, their inability to absorb them with discrimination became apparent. Some things which they accepted, they could not even understand, let alone digest.

According to the State Education Commission’s survey at Beijing University, students are more concerned and worried about China’s current reforms, including educational reforms that are closely related to their future, than they are about the poor management of the dining halls, dormitories, libraries and classrooms. In general they don’t like watching TV, but took great interest in The New Star, a TV series about reform and reformers. The survey shows that 98 percent watched it, and carried on animated discussions about it as well as about other reforms. About 86.31 percent are satisfied or relatively satisfied with the economic reforms and 13.68 percent are dissatisfied. As to the various reform policies adopted by the central government in the last few years, 96.77 percent were satisfied and 3.23 percent were dissatisfied. In their interviews with the students, the reporters found that most of the students, while showing concern about reforms, underestimate the difficulties involved, and do not realize that the reforms have a long way to go and will meet twists and turns, and are over-anxious to see it succeed overnight. A law department student who made a social investigation in his last summer vacation said, “Before I began my investigation, I always thought the reforms were so slow and unscientific. I even believed the fear of losing their leading post and shouldering responsibilities prevented some leaders from taking bold actions. My own experience during the investigation has helped me understand that because of the uneven development of the Chinese economy and culture, we have to
be prudent and careful in carrying out reform and to push it forward step by step. Only if in the course of social practice can we really understand the correctness and reasonableness of the government's reform policies.

In fact most university students know little about Chinese society. They tend to think highly of themselves and entertain grandiose aims but show little or no ability to solve problems which crop up in the present reforms. When they join the burgeoning reform they immediately feel out of place and don't know what action to take or how to behave.

Students from the Beijing Polytechnical Institute made an investigation in about 50 factories and mining undertakings and heard with their own ears the assessment on university graduates of different decades: Those who graduated in the 1950s and 1960s are working hard to build up the country; those who finished their studies in the 1970s are modest, keen on their work and on good terms with the people around; the graduates of the 1980s have expansive ideas and extensive knowledge but lack practical ability and discipline. They aim high but work incompetently and find it hard to stick to a plan. Some like to put on airs; they can't perform important tasks but consider routine work beneath them.

**Reforms in Education**

More and more specialists are needed in the reform, and university students must be provided with a good education. China is carrying out a series of reforms in connection with work assignments for university graduates, the enrolment system, scholarships and stipends, said an official from the planning and statistics section of the State Education Commission. An official in charge of the political education section explained the concepts in regard to the reform of political education in institutions of higher learning.

In early summer of each year students about to graduate worry about their future work. In China the graduates are assigned under a state unified plan and only a few students have a chance to choose the job they are interested in.

The students therefore have either to wait around for something to turn up or find a good job with the help of friends or relatives. If they are unwilling to stay and work in the district or unit to which they were assigned, they have great difficulty in obtaining a transfer because of the inflexible personnel system. Not only the students but the work units as well are dissatisfied with this system, because only too often graduates are sent to work in units where they are not needed.

In 1985 Chinese universities and colleges started to bring in reforms. Qinghua University, China People's University and Shanghai Jiaotong University were the pilot units. Now people from the work units which need graduates come to the university to introduce their units to the students and describe the qualifications they require. At the same time they look into the study, achievements and character of the applicants. This sort of reform gives both students and units a wider range of choice but it also requires graduates to work in remote areas for a certain period. More reforms will follow as experience accumulates.

Some reforms have also been made in the enrolment system. At present students are enrolled on the basis of their entrance examination marks. At the same time, students from senior middle schools, chosen for all-round excellence in study, good health, sound basic knowledge and good conduct, or for some particular outstanding talent, are allowed to enter the university without an exam. This reform discourages middle school students from aiming only for marks required by the university to the neglect of everything else. To ease the pressure on institutions of higher education which mounted with the increased enrolments of recent years, the State Education Commission decided to limit the number of students in 1986.

In the past China followed a stipend system in the universities and the government supplied subsidies for the students' study and living expenses. Experts discovered that this system on one hand helped needy students financially, but on the other, did not necessarily induce the students to study hard and learn conscientiously. In fact some students did not devote much effort to their study, but took their state subsidy for granted and were satisfied with just passing the mark of 60.

To avoid the shortcomings of this system, some universities and colleges have introduced a new system under which scholarships are granted to those who are excellent in study and exemplary in conduct as a means of encouraging students to put forth their best efforts. Some universities and colleges have also increased the percentage of scholarships and decreased the percentage of stipends. Students who study diligently but have financial problems can apply for loans. This system which encourages competition is being popularized and is generally welcomed by the students.

Institutions of higher learning in China have also improved their classes in politics, a compulsory course. The political classes in the past were not convincing and thus not favoured by students. By way of improvement, Fudan University in Shanghai, for example, ran a series of forums on trends of thought in Western countries for the students interested in Western theories and trends of thought.

(An abridged translation of an article from "Outlook Weekly" Overseas Edition issue No. 3, 1987)
A Nobody Touches a Big Problem

"LIAONING RIBAO"
(Liaoning Daily)

It is unnecessary for China’s major cities to accomplish the goal of quadrupling their 1980 gross industrial and agricultural output value by the year 2000. The rate of industrial and agricultural development in big cities should be lower than the national average. Service trades, however, should be developed rapidly on a large scale, said Jin Fengde in an academic thesis entitled “Is It Necessary or Possible for Big Cities to Lead Growth in Industry and Agriculture?”

Jin Fengde is a 1983 graduate from the Japanese Economic Research Institute of Jilin University with a Master’s degree and now works at the Economic Research Institute of the Northeastern University of Finance and Economics.

Central government officials took the matter seriously. Premier Zhao Ziyang read the paper and wrote: “I agree with the author. But it should be pointed out that after adopting a new strategy of development, large cities may experience a lower industrial growth rate than the national average, but their total output value and national income growth rate may very well be higher. Therefore, the gross national product and income should be made the principal yardstick for assessing the economic performance of a major city.”

After the 12th National Congress of the Communist Party of China in 1982, the various parts of the country put forward their programmes for quadrupling the 1980 gross industrial and agricultural output value by the year 2000. Some comrades engaged in urban research even thought that major cities should develop their economies at a higher rate in order to play the role as centres for political, economic and cultural activities.

It was under such conditions that Jin Fengde wrote his paper and sent it to the Party Central Committee. He discussed the experience of some countries in developing their national economies after World War II, and China’s tortuous path in its economic construction. He argued that China’s major cities should now put stress on management and transformation because they have already quite expanded. If major cities continue to pay more attention to multiplying output value, Jin said, and ignore development of service trades regardless of objective reality and long-term interests, the present unreasonable structure of production and distribution will be aggravated.

This insightful paper received nationwide attention after it was published. In his report on the work of the government to the Third Session of the Sixth National People’s Congress in 1985, Premier Zhao Ziyang repeated the idea contained in his inscription on Jin’s article and stressed that it is necessary to “adhere to the principle of seeking truth from facts and making steady progress, resolutely guard against blindly pursuing a higher rate of development and vying with one another to this end.”

The Lisus Learn to Do Business

“RENMING RIBAO”
(People’s Daily, Overseas Edition)

Since ancient times, the Lisu people of Nujiang Lisu Autonomous Prefecture in Yunnan Province held back on trade, as they considered commerce disgraceful. But, with the development of local economy, science, technology and civilization, the Lisus have changed their traditional ideas and begun to learn business.

In the past, things were sold in piles in the country fair. The Lisus put their goods on the ground and hid. They walked slowly towards a potential customer and dared not bargain with him. The price was not determined according to the quality of the product, and buyers could pay what they liked. All the streets and lanes in Liuku Town, the capital of the autonomous prefecture, were deserted until 1980.

In 1981, the local government decided to stimulate the exchange of urban and rural products. More and more people from other parts of the country came to do business. Seeing the profits available from selling products, local people began to learn trading arts. Now the Lisus not only dare to bargain face to face with customers but also skilfully use balances for weighing and calculators in the market.

The Lisu nationality had no history of slaughtering pigs and selling pork in the past. Those people who did sell pork in the country fair sold their pork with skin and bristles. Now they have mastered the skill of slaughtering and have worked out prices in the market according to the quality.
At present, there are more than 20 butchers selling pork in the Liuku country fair, all of whom are Lisus.

The Lisus have also learnt to transport goods for sale in other localities. They carry local products such as medicinal herbs and firewood to other parts of China, while bringing back farm produce, industrial goods and sideline products. Now the Liuku market is brisk. Stands managed by the Lisus are strung in a line and provide everything one would expect to find. As a result, a fair number of Lisu people have become well-off.

A Breakthrough in Higher Education

"BEIJING RIBAO" (Beijing Daily)

A cableway craze has threatened the rapid development of China’s scenic spots. According to reports, more than 20 cableways are planned for well-known mountains, involving the spending of more than 200 million yuan. China has 5,000 famous mountains. If each of them were to have a cableway, the state would have to invest at least 30 billion yuan.

The disadvantages of cableways outweigh the advantages. First, the building work damages the landscape and plant life. For example, Mount Taishan, one of China’s best-loved peaks, has been badly affected. One-third of the Guanyue Peak at the top of the mountain was blasted away in order to build a stopping place for cable cars. This was the most wanton destruction. Secondly, the cableways do not blend in with the scenery. Long cables several thousand metres long and high steel frames merely get in the way when one is trying to look at exotic pine trees or rare rocks. Thirdly, the value of the mountains themselves is belittled if one views them by cable car. There are so many beautiful places and cultural relics and historical monuments to be seen in the Mount Taishan area that most would be missed one just sits in a cable car.

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FEBRUARY 23, 1987
New Method for Tungsten Ore Export

The Ministry of Foreign Economic Relations and Trade adopted on February 10 a new method for enhancing the export of tungsten ore and para-ammonium tungstate.

According to the new method, the China National Nonferrous Metals Import and Export Corporation and the China National Metals and Minerals Import and Export Corporation will be the only companies concluding contracts for exporting these products and their branches will carry out these contracts.

Tungsten ore is a sensitive commodity. When its price dropped China lost considerably. To raise and stabilize the price China has adopted this new arrangement and the granting of licenses to producers of tungsten ore and tungsten products.

First Commercial Carrier Rocket to Be Produced

The production of the first commercial carrier rocket, Long March 3 ordered by the United States for launching satellites, was started in mid-February 1987 in Shanghai.

The space industrial departments in Shanghai will produce the control system for the first stage, second stage and third stage of the rocket. To ensure good quality they made careful preparations and will complete production by the end of this year.

CITIC Acquires 12.5 Percent CPA Shares

China International Trust and Investment Corporation (CITIC) has authorized CITIC (Hong Kong) Ltd. to acquire 12.5 percent of the shareholding in Cathay Pacific Airways Ltd. (CPA), a CITIC spokesman said by the end of January.

The acquiring of CPA's shares is another major move in CITIC's overseas investment. Prior to this, CITIC invested in Citifor Inc., a timber company in the State of Washington, USA, the Portland Aluminium Smelter Project in Australia and the Celgar Pulp Mill in Canada. Moreover it invested in the second cross-harbour tunnel in Hong Kong and acquired 95 percent of the capital share of the Ka Wah Bank in Hong Kong.

CITIC established a branch office in Hong Kong as early as 1980, which evolved into CITIC (Hong Kong) Ltd. in 1985. Over the past few years CITIC (Hong Kong) Ltd. has launched several companies and joint ventures and successfully undertaken business operations in production, technology, finance, trade and services.

To meet the needs of business development, CITIC has also decided to set up CITIC Hong Kong (Holdings) Ltd., and legal procedures for the new company including the registration process are under way.

China to Buy Three Boeings

The General Administration of Civil Aviation (CAAC) has recently decided to buy three Boeing 757-200 passenger aeroplanes equipped with the RB-211 engines.

These three Boeings are advanced medium-haul passenger planes and with the spare parts are valued at US$125 million. They are expected to be delivered in September and October this year.

In the last few years, China has ordered from the US company 10 Boeing 707s, 23 Boeing 727s, 10 Boeing 747s and 6 Boeing 767s. Of them 8 were ordered in 1986. Two Boeing 767-200ER aeroplanes and a Boeing 747-COMBI will soon be delivered to China.

Investors Grow Confident in China

The Beijing Friendship Winery Co. Ltd. was jointly established on January 12 in Beijing.
by the China Beijing Winery, China Economic Development Corp., France’s Pernod Ricard, the French Banque Indosuez and British Caldbecks Macgregor (Hong Kong).

The company has a total investment of US$1.2 million, 56.67 percent of which comes from the Chinese side. 38.33 percent from the French side and the rest from the British company. The cooperation is for 14 years. With a production capacity of 600 tons a year, the company will produce quality dry red wine, dry white wine and medium-dry white wine and export 30 percent of its produce.

According to the contract, the Beijing winery provides land and workshops, the French companies the advanced technology and management and the British company is responsible for sales.

In order to guarantee the quality of the wine, the company will import from France grinders, squeezers, wine pumps and other equipment as well as enough grape sprouts for 33 hectares.

Thierry Jacquillat, general manager of the French Pernod Ricard Wine Co., said at the contract signing ceremony: Overseas expansion makes us look for co-operative partners abroad. Five years ago we tried to expand in two Asian countries but failed in one of them. Later we shifted our focus to China. The experience in the last two years for the Beijing winery has proved that we have found an excellent partner. As for the risk, any investment involves risk. The various trade forms and flexible policies China has adopted to open to foreign investment make us confident about our investment in China. We have taken the first step. We will take the second. China’s present policies help convince us to stick to our present path.

The British company, with several dozen years of experience in selling wines, is also confident about marketing the produce. T.Y. Wong, manager in charge of trade with China, said: The quality wines, which will be produced by the Chinese company with the French technology, will certainly find a ready market in the world.

by Yao Jianguo

Three Cities Host Trade Fairs

Beijing will hold its first foreign economic trade fair on February 19-28. More than 50 foreign trade companies, and six Sino-foreign joint ventures in Beijing and 1,000 business representatives from over 60 countries and regions, including Japan, the United States, France, Britain, Federal Germany and Italy, will attend the meeting.

The negotiations will centre on export trade. An exhibition hall of 6,000 square metres will hold more than 1,000 kinds of export commodities on display, including carpets, lacquer ware, Xinghai-brand violins and osmanthus flower wine.

Talks on import, joint ventures and co-operative management will also be held during the meeting. Beijing Municipality will propose 283 co-operative projects of varied forms, including co-operative management, joint venture, exclusively foreign-owned business, processing imported materials or processing according to designs and samples provided by foreign businesses, compensatory trade, joint design and project contracting.

- The Fifth Shanghai Foreign Trade Symposium will be held between February 27 and March 8 at the Shanghai Exhibition Centre. The several hundred negotiation chambers will also display Shanghai’s well-known brand products both standard and new. The technology export corner, to be opened for the first time, will put on show products of advanced technology and results of scientific research.
- Relevant investment and trust companies, technology trading businesses and import companies will also hold talks with overseas business representatives on import, co-operative production, joint management, technology transfer and establishing exclusively foreign-owned businesses.
- Nanjing will host Jiangsu Province’s foreign trade negotiations which will begin on February 22. All the province’s import and export companies, local trading companies, industry- and technology-trade integrated companies, and Sino-foreign joint ventures will attend the meeting. These businesses have formed 19 trading groups to deal in import and export through both normal and flexible channels.

Coca-Cola Production Expanding In China

The Coca-Cola Company of the United States has met early success in China and is trying to increase its sales here. Mr. Henry L. Wah, manager of the sales section of the Coca-Cola China Company Ltd., said that his company plans to establish two manufacturing centres in Shanghai and Tianjin and three bottle plants in Shanghai, Nanning in Guangxi and Dalian in Liaoning in the next few years.

Over the last five years, the company has set up four bottle plants in Beijing (1981), Guangzhou (1983), Xiamen in Fujian Province (1984) and Zhuhai in Guangdong Province (1985) with good results. It has also built two production lines for filling 500 bottles and 300 tins of coca-cola per minute at the Guangzhou Coca-Cola Factory. In the last two years the factory has produced 62 million bottles of coca-cola and made profits of 2.8 million yuan.
Chinese New Year Galas

Spring Festival, the Chinese lunar New Year, is the biggest holiday of the year, and this year, the year of the rabbit, began on January 29. Spring Festival is a time for celebrations — fireworks, New Year’s paintings, dragon dances, lantern shows, and ice sculptures. Some of the most attractive celebrations this year were the fairs. In the city of Beijing alone 25 different fairs were held, and they were very popular.

Flower Shows at Longtan Park

This was the biggest folk art show for nearly forty years. Although called a “flower show” by centuries-old tradition, it was in fact a festival of folk arts. Each participating group carried a banner with its name and the name of its leader on it. The performances included:

— Wushi (lion dance). This is usually performed by one or two people in a traditional lion costume. The one-person dance is called shaoshi, lion cub dance, the two-person one, taishi, master lion dance. The “lions” are supposed to climb over a fence, and play with water when taken to the river. These actions are very demanding on the performers, and excite the spectators.

— Hanchuan (boating on land). A cloth boat is tied to the waist usually of a woman performer, who is followed by a boatman. Another piece of cloth hangs down from the bottom of the boat like water. So the whole picture is that of a woman sitting serenely on a boat, while the boatman rows. The woman, though, is far from serene. The lower half of her body, covered by the cloth, must move vigorously to imitate rough water. Up to nine boats perform together, requiring great coordination among the performers. Sometimes there are also individual figures like crabs, shrimps, turtles and fish performing alongside. Accompanying the performance is the percussion beat of drums, gongs and cymbals, and the performers sing along.

— Paolu (donkey running). The tradition is for a husband to accompany his wife to visit her parents on donkey back. The performance is similar to hanchuan, except that a donkey figure is tied to the waist of the “wife,” who is carrying a baby in her arms. The “husband” follows behind directing the animal. With fancy steps, the “donkey” acts out tricky movements, here tripping down, and there pretending to be unable to climb out of a pothole. The man synchronizes his steps with the woman’s. He either runs to the front to pull the donkey out or gives it a push from behind. Although he is sweating all over, the donkey still goes his own way.

— Lianhualuo. A kind of ballad singing, usually based on popular stories taking from folklores, to the rhymic accompaniment of bamboo clappers.

— Zhongfan (banner). A long and narrow banner with colourful decorations and bells hangs vertically on a bamboo pole well over ten metres long. The performer supports the pole on the top of his head, or on his forehead, shoulder, chest, or his back. The decorations stream in the wind and the bells tinkle prettily.

— Gaoqiao (higher stilts). Dressed like well-known figures in traditional Chinese opera, the
performers walk in groups on stilts, about three or four feet high. The group at the fair was made up of more than 30 people. They were dressed as fishermen, and farmers as well as opera figures.

Panggezhuang Village on the outskirts of Beijing is well-known for its water melons, and this inspired the villagers to put on an original show at the fair—a large barn topped with a huge water melon. This was surrounded by 18 oversized cymbals. Beyond these there were many more performing wushi, hanchuan, and datouwa, a dance of simple steps where the

“Zhongfan.”

YANG LIMING

performers usually wear big masks painted like girls and boys.

The success of the fair this year has aroused people's expectations of next year in Longtan (Dragon Lake) Park: for next year is the year of the dragon.

FEBRUARY 23, 1987

Variety Shows at Ditan Park

Ditan (Temple of Earth) Park fair—the third to be held there—was the largest fair in Beijing, with over 160 shows and 112 shopping stands. A special souvenir from this fair was a fengche, a sorghum stalk, wind-powered rattle shaped like a wheel. Walking among visitors to the fair as they left the park was a cacophony as everyone proudly held their fengche aloft.

One part of the fair was a sale of calligraphic works, paintings, kites, shuttle cocks, diabolos and the like. There were video shows, puppet-plays, stamp sales, a Chinese checker contest, and also exhibitions of paintings, calligraphic works, wushu (Chinese martial arts), folk art, and more.

Food also featured. Stands were arranged in two lanes which made for a walk through a snacker's heaven. There were: wotou: a coned bread made of ground walnuts, pea cakes, paicha: deep-fried dough slices, egg-rolls, spring rolls, qiegao: a special kind of sweet glutinous rice cake, and guotie: baked dumplings, all Beijing style. There were also Korean pickles, fish balls from Wenzhou, fried rice-flour noodle from Guangzhou, meat dumplings wrapped with bamboo leaves from southern Fujian, and many more. “This is incredible,” said one girl, busy eating. “I don’t have to run around all over the city to buy these foods. I wish we could have this kind of fair more often.”

The tea house is usually a hangout for the old. The tea houses at the fair were built in Qing style. Traditional tales were being told there; people would listen to them while sipping tea out of small tea cups and nibbling on the goodies they had just bought.

The toy fair was a mixed blessing of temptation and frustration: here were children pestering their parents to buy something for them, and the parents feeling they should satisfy the children during the holiday season. For the year of the rabbit the toys too, carried this theme.

Souvenir hunting at Ditan Park.

CHEN ZONGLIE
The bird fair was a major attraction: the colourful little birds were trained to do such tricks as fetching water, opening boxes, picking up marbles, and then collecting coins from the spectators.

Shows at the Grand View Garden

On January 20 as 2,000 pigeons were released into the winter sky, the red gate of the Grand View Garden was swung open for the waiting visitors. The garden was recently built like the setting of *A Dream of Red Mansions*, the famous classical novel by Cao Xueqin (?—1764), which tells the tragic love story of a young couple and the ups and downs of four inter-related family groups.

The garden was decorated according to clues and descriptions in the novel. Colourful paper cuttings were hanging from trees all over the garden. Various traditional operas based on the novel were on show. A hundred riddles from the novel were written on lanterns around the garden. There was a sale of paintings and calligraphy either quoted from or depicting the novel. Visitors could also have their photographs taken dressed in costumes described in the novel.

*A Dream of Red Mansions* has a unique position in Chinese culture, and walking through the garden in the atmosphere of the novel was, to many, a special treat.

Taoist Temple Resumes Its Fair

The eight-hundred-year-old Baiyun Taoist Temple, the largest in Beijing, became once more a major spring festival fair after forty years of suspension of its traditional activities.

Baiyun Taoist Temple is the centre of Taoism in north China, and it is said that the temple had a centuries-old tradition for holding fairs to greet spring festival.

The temple was decorated with lanterns and coloured streamers bearing auspicious words, and coloured flags fluttering in the breeze. Five children in beautiful dress, according to festival custom, rode on young donkeys. Eight priests in Taoist clothes, with Taoist musical instruments, stood on both sides of the decorated archway before the gate of the temple, receiving a warm ceremonious feeling. Taoist rites of blessing were performed twice a day, and veteran Taoist priests chanted propitious formulas for the fair goers.

The Baiyun Temple Fair featured decorated donkey rides, stone monkeys to touch, and throwing through the hole in a coin one metre in diametre, suspended under a bridge. It is said that touching the three stone monkeys on the front gate at spring festival will bring a good year. If the throw was good—a brass bell hidden in the hole of the coin sounded a clear toll, a good omen for the new year for whomever made the throw.

Lantern Fair at Beihai Park

During the spring festival holiday, Beihai park was devoted to folk lanterns from Zhenjiang, Jiangsu Province. At night, 2,000 decorated lanterns lined the walkways in the park, drawing streams of visitors.

One lantern was in the image of a fairy maiden standing on a blossoming lotus flower. Another...
Scientific Expedition of the Changjiang River

After six months of drifting in unpowered boats down the 6,380-kilometre Changjiang (Yangtze) River, the longest river in China and third longest in the world, the China Changjiang Scientific Expedition Team finally arrived at the mouth of the river near Shanghai last November, bringing with it fruitful scientific data.

During the expedition, the 11 scientists from the Chengdu scientists from the Chengdu Institute of Geography, the Changchun Institute of Geography, Northwest Institute of Plateau biology and Lanzhou Institute of Glaciers and Cryopedology, investigated geology, landforms, hydrology, climate and resources at different sections of the Changjiang, especially around its source area in Qinghai Province.

In this area, scientists collected many samples of earth, water, fish, rocks and glaciers, and shot more than 2,000 photos and about 1,000 metres of films.

Scientists found that there are more than 350 glaciers at the river's source area, which are shrinking. For example, over the past 10 years, there has been a 30-50 metre shrinkage in south and north Jianggu ridu glaciers. Also, the snow level at the top of the Geladandong Mountains show signs of rising, and has reached 5,800 metres in elevation so far. All these changes indicate that the climate of the river's source area is getting warmer.

First-hand data collected during the expedition also revealed that the real source of the Changjiang is the Dam Qu River and the Tuotuo River, not just the latter as is commonly believed. Surveys show that the Dam Qu River has a flow capacity three times as high as that of the Tuotuo River, and is two kilometres longer than the Tuotuo River.

At its source area, scientists found a vast expanse of grassy marshland, the largest in the world at a level of 5,300 metres, providing a good place for development of animal farming.

Besides grassland, the areas along the upper reaches of the river are also rich in mineral resources. Scientists found a 1.8-metre-deep layer of peat and copper mineral veins in mountains along the Tuotuo River. In addition, they discovered other minerals such as rock crystals, tungsten, lead, zinc and white marble.

The Changjiang's Hutiao (tiger leaping) Gorge, one of he deepest and most dangerous river gorges in the world, also has rich resources. With its densely forested banks and swift currents, the gorge has favourable conditions for building a hydroelectric power station. If a hydropower plant, equipped with 5.28 million kw generating capacity, is built, it could supply 30,400 million kwh of electricity a year.

After a comprehensive survey of the Jinsha River basin, scientists have discovered important data about the distribution, characteristics and potential hazards of mud-rock flow. Mud-rock flow partly results from natural factors such as earthquakes and landslides, and partly from human activities including deforestation, mine exploitation and channelling water through mountains. During their survey in the area, the scientists helped local people draw out a plan to control mud-rock flow.

During the expedition, ichthyologists Wu Yunfei collected more than 1,000 specimens of 50 varieties of fish. At the upper reaches of the Tuotuo River, 4,700 metres in elevation, he caught 56-cm-long *diptychus* which are the same as those found in Nujiang River and Langcang River. The scientists believe that some 10 million years ago it is possible these rivers were linked together as part of the same river system.

Important data were also collected about the formation and movement of the Qinghai-Tibet Plateau.
Since its publication in 1982, China's Foreign Economic Legislation, Volume 1, has been well received both in China and abroad. The English translations of the laws and regulations relating to foreign trade and investment have been carefully edited by American and Chinese experts. With the original Chinese texts attached, the book proves to be handy for use. David G. Pierce comments in the Malaya Law Review (1983), "Certainly dissemination of the book abroad will extend opportunities for study and analysis to foreign lawyers and potential investors who have had to rely, hitherto, on piecemeal publication of unofficial translations in a variety of periodicals. The compilers' meticulous translations and elaborate glossaries provide exactly the sort of foundations which will be required for more thoroughgoing analysis of the possibilities and prospects offered by China's new legal regime for foreign investment."


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