

A CHINESE WEEKLY OF NEWS AND VIEWS

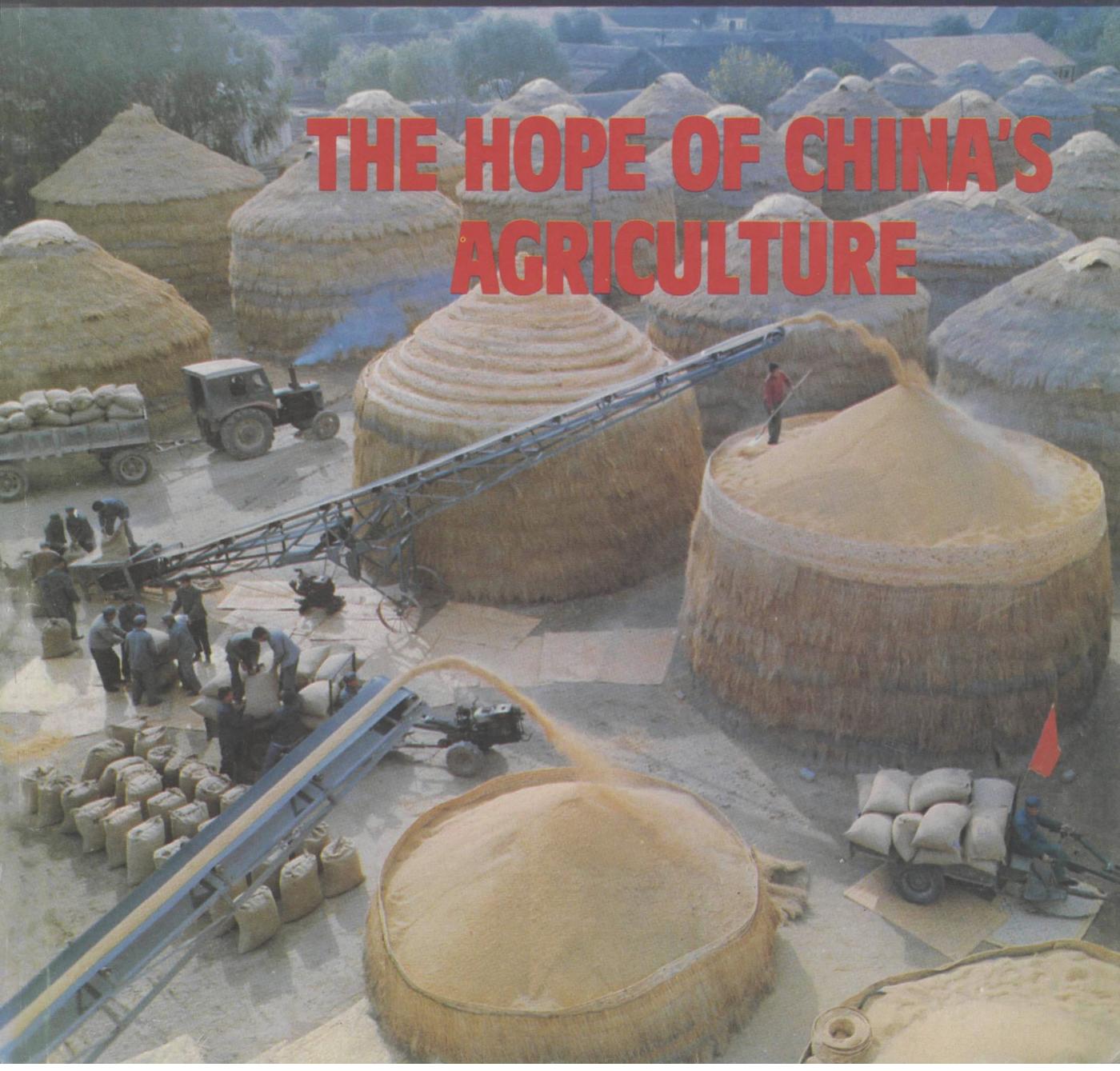
Beijing Review

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Religious Bureau Head Discusses Problems

**THE HOPE OF CHINA'S
AGRICULTURE**





An ancient folk art—cloth toys are very popular with the local people.

Photo by Zhang Shenggui

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COVER: Farmers from Fengyang
 County, Anhui Province, selling grain
 to the distribution station in Zongpu
 District.

by Ding Mei

Promoting Clean Government, Combating Corruption

□ The recent decision of the CPC Central Committee and the State Council to act to promote the fine tradition of hard work and honest performance of duties and combat corruption has been acclaimed by the people. It also meets public concern. The decision does not consist of empty slogans but lists concrete items of work to be done. It calls on leading cadres to set an example. It has greatly inspired the people and reinforced their determination to continue reform and opening to the outside world and to proceed with the drive for socialist modernization (p. 4).

Way Ahead for Agriculture

□ Despite the worries many people have about the prospects for China's agricultural development, experiments on the Huanghe-Huaihe-Haihe Plain indicate that it is possible to raise production further by transforming low-yielding land and raising per-unit output. The key lies in increasing technological and means of production inputs and adhering to the policy of support and encouragement (p. 15).

Attitude to Religion Explained

□ In a recent interview with *Beijing Review*, Losang Chenlei, deputy director of the State Council Religious Affairs Bureau, explained China's policy on freedom of religious belief and gave his opinions on Sino-Vatican relations and China's attitude towards the Hong Kong and Macao religious communities (p. 22).

Smuggling Developed to a Fine Art

□ Recent customs statistics show an increase in the nation's smuggling cases and in the value of smuggled goods in 1988. Smugglers at sea and on land are reportedly carrying out their activities in a more covert and cunning manner. Smuggled items include false donations, overseas materials for processing, tax-free imported materials, narcotics and pornographic books and video tapes (p. 24)

Grenada-Taiwan Ties Under Fire

□ The establishment of "diplomatic relations" between Grenada and Taiwan is a "dual recognition" plot aimed at splitting China. To defend its principles, China has severed diplomatic relations with Grenada (p. 7).

Unless written by Beijing Review staff, the opinions expressed in signed articles do not necessarily reflect the view of the Beijing Review editorial board.

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Encouraging Clean Government, Combating Corruption

by Dai Yannian

The CPC Central Committee and State Council have recently acted to maintain and promote the fine tradition of hard work and honest performance of duties and to punish corruption. This decision meets public concern and has been widely acclaimed.

The decision has the following two characteristics:

First, it does not consist of empty slogans, but lists seven items of work to be done, including further cleaning up and reorganizing companies; stopping the children of high-ranking officials from engaging in commerce; cancelling the "special supply" of certain foodstuffs to leading cadres and providing motor vehicles only according to regulations; banning the practice of giving dinner parties and presenting gifts; controlling visits abroad by leading cadres; investigating and dealing with criminal cases such as graft, bribery and speculation. Specific requirements are set out for each item. Take the reorganization of companies for example. The decision begins by dissolving two large companies directly under the State Council and merging another two. The audited results of several large companies will soon be made public. Such a clear and concrete requirement is easy to implement and checking up is simple.

Second, leading cadres are required to play an exemplary role. Take for example the stipulation that children of high-ranking officials are not allowed to engage in commerce. The decision first requires that spouses of members of the Political Bureau and Secretariat of the Party Central Committee and of the Standing Committee of the State Council, their children and children's spouses should neither engage in business activities nor hold any posts in companies. Those holding posts or working in companies must resign or withdraw before September 1, 1989. The leaders themselves should, without exception, use cars made in China, should not entertain Chinese guests at public expense, take ordinary meals when they go down to grass-roots or subordinate units and that they should not accept indigenous specialties or other articles offered to them as gifts. Visits abroad by leading cadres at or above the provincial or ministerial level must be in performance of official business under their charge or an official work. They must not accept invitations to visit abroad from foreign businessmen or from Chinese enterprises overseas. Nor must they make visits abroad which do not concern their official business, or which are incompatible with their posts or status.

As a Chinese proverb says, "When someone can't behave himself, how can he get others to behave themselves?" When the leaders are strict with themselves, they can also be strict with others, encouraging the broad ranks of cadres to be honest in performing their duties.

In regard to investigating and dealing with criminal

cases, the decision says explicitly, "It is necessary to uphold the principle that citizens are, without exception, equal before the law. Anyone who deserves punishment according to the law, no matter who he is, must be penalized without exception." It is highly necessary to emphasize this principle. In the past there were such unusual phenomena as an investigation not being carried through because the case involved people holding important posts. So it was shelved and left unsettled. People mocked this as "killing only mosquitoes and flies and not daring to fight tigers." Emphasizing the above principle will help check this tendency.

As early as the beginning of the 1980s, Chinese leader Deng Xiaoping stressed the need to carry out the policy of reform and opening to the outside world, while at the same time cracking down on economic crimes and doing ideological and political work. Another state leader, Chen Yun, also pointed out, "The problem regarding the style of a ruling party is a matter concerning the life and death of the party. Therefore, the problem regarding the Party style must be tackled, always and without delay."

The overwhelming majority of the cadres of the Chinese Communist Party and governments at all levels are good, honest and serve the people wholeheartedly. There is no denying, however, that there are some Party members, including leading cadres, who have failed to withstand the test of the new period of reform and opening to the outside world. Their abuse of power for personal ends, their corruption and degeneration have evoked the people's strong resentment. Over the past few years, although the Party has called for a struggle against corruption, the results have not been as good as desired. The main reason for this is that for a period Party building and ideological and political work were neglected. There was lax discipline and laws were not strictly enforced or were even ignored. All this has directly affected the results of the struggle against corruption.

The decision of the Party Central Committee and the State Council concentrates the opinions of the people and embodies their wishes. The decision also demonstrates the firm determination of the Party and government to punish corruption following the summing up of experience and the lessons learnt. People have generally said, "This time corruption is being dealt with in real earnest."

Around the time the Party Central Committee made the decision, Beijing, Shanghai, Hunan, Sichuan and Jiangsu also adopted similar measures. A climate of promoting clean government and combating corruption is developing right across the country. This has greatly heartened the people and strengthened their confidence to continue reform and opening to the outside world and to proceed with the drive for socialist modernization under the Party's leadership. □

Subversive Acts by Fugitives Continue

A Number of fugitives from justice, including Yan Jiaqi and Wuer Kaixi who fled from China to other countries are continuing their furious attacks on the Chinese government under the protection and with the support of the reactionary forces from the United States, Hong Kong and Taiwan.

The fugitives arrived in the United States from Paris to attend the so-called "first congress of Chinese students and scholars in the United States" in Chicago on July 28.

The Voice of America has given enormous coverage and publicity to the three-day "congress." On July 31, it repeated reports time and again about the "congress" in its 30-minute news broadcasts.

It was also reported that the so-called "autonomous federation of Chinese students and scholars in the United States" was set up at the "congress" and a "declaration" aimed at the overthrow of the Chinese Communist Party and the people's government was adopted.

The "congress" also "called for imposing selective economic sanctions on China."

Yan Jiaqi, who had earlier vowed to "overthrow the Beijing government" at a Paris press conference, clamoured again at the "congress" that the "present Chinese government will surely collapse."

Wuer Kaixi claimed to "erect the statue of the goddess of democracy at Tiananmen Square one day."

It was reported that Wan Runnan, general manager of the Stone Company, and Li Lu, who is one leader of "the Beijing college students' autonomous federation" and who is on the wanted list, also attended the "congress."

According to a July 28 report

released from Chicago by a special correspondent of the Taiwan-based *United Daily News*, most part of the funds for the "congress" came from "leaders of pro-Taiwan overseas Chinese."

"The overseas hostile forces from the mainland know clearly that they need money to do things and Taiwan is one of the long-term reliable sources of funds," the paper said, adding that "the mainland democrats have no reason not to receive the donations from pro-Taiwan overseas Chinese leaders. They of course understand the political implications of accepting such donations."

The paper also reported on the same day that after arriving in Chicago from Paris on July 25, Wuer Kaixi met and had a picture taken with Hsin-hsiung Cheng, head of the Overseas Work Committee of Taiwan's Kuomintang. "Students from the mainland are talking about the matter," the paper said.

According to the paper, the meeting was arranged by Ying-yi Wu, president of the Taiwan Association of Fellow Countrymen in Chicago. Wu donated a large sum of money to the "congress" and appeared to enjoy the trust of the leading students at the "congress."

It was also reported that Yan Jiaqi, Wuer Kaixi, Wan Runnan, Su Shaozhi, Liu Binyan and others issued in Paris on July 20 a proposal to establish a so-called "front of democratic China" that advocates the overthrow of the socialist system in China.

According to the *United Daily News*, the "front of democratic China" had "profound discussions about how to contact the political forces in Taiwan in a careful and gradual way. In general, the organization would recognize all

those who support the democratic movement in China as partners. Therefore, the money from pro-Taiwan overseas Chinese leaders may be accepted."

Wan Runnan, the so-called secretary-general of the "front of democratic China," even told the *United Daily News* that he could not rule out the possibility of his visit to Taiwan in the near future.

The Hong Kong-based *Oriental Daily News* reported July 30 that an organization in Hong Kong called the "Federation of Hong Kong Residents Supporting the Patriotic Democratic Movement" had allocated 1.2 million Hong Kong dollars to Yan Jiaqi, Wuer Kaixi and their company for their battle chest.

The Voice of America is the most active and open supporter of the fugitives in their attempt to overthrow the Chinese government. Over the past few days, anti-government speeches and activities of Yan Jiaqi, Wuer Kaixi and their like have been the main content of the VOA's Chinese broadcasts.

Not long ago the VOA twice broadcast a long interview with Wuer Kaixi that continued to spread the lie of "bloodshed at Tiananmen Square." By quoting Wuer Kaixi, VOA repeated the rumour that 3,000 people died at Tiananmen Square and tens of thousands of people died in the whole city of Beijing.

VOA also claimed that almost all the members of the pickets of the "Beijing workers' autonomous federation," or several dozens of people, were killed at Tiananmen Square. To this, however, Wuer Kaixi had to comment, "I myself didn't see this."

Observers in Beijing pointed out that no matter how loud Yan Jiaqi, Wuer Kaixi and other fugitives raise their hue and cry with

the support of the reactionary forces from the United States, Taiwan and Hong Kong, and no matter what farcical show they knock together, they will meet their doom. They have already failed in China. Neither will they succeed when they, after becoming traitors, rely on reactionary forces in the United States, Hong Kong and Taiwan.

VOA, an official propaganda machine of the United States, has wantonly interfered in the internal affairs of China when it used these fugitives to unbridledly advocate the overthrow of the government of the People's Republic of China. By doing so, the VOA had seriously hurt the national feelings of the Chinese people and severely damaged the friendly relations between China and the United States.

It is believed that by doing so, the VOA will ultimately lift a rock only to hit its feet. □

Party Still Backs Intellectuals

A *Renmin Ribao* (People's Daily) commentary on August 4 reaffirmed the Party's policy towards intellectuals saying that since the Party's modernization goal and the policies formed by the Third Plenary Session of the 11th Central Committee of the Party have not changed, the policy towards intellectuals has also not changed.

The paper said China needs many professional experts and a large contingent of intellectuals as well for its modernization drive.

Intellectuals, part of the working class, are the forces that must be relied on to attain the modernization goal, it said while adding that the broad mass of intellectuals working hard in various fields are the "real elite" of the nation.

The commentary pointed out that Chinese intellectuals are trust-

worthy, for they have undergone long-term education by the Party and many tests in the course of socialist revolution and construction that include the trials of the recent turmoil and the quelling of the counter-revolutionary rebellion in Beijing.

The very few intellectuals who oppose the Party and people do not represent the broad mass of intellectuals but their scum, said the Party newspaper.

After the quelling of the counter-revolutionary rebellion in Beijing, in which some intellectuals had taken part in, there was public concern as to whether the Party's policy towards intellectuals would change or not, the commentary said.

Therefore it is necessary to reaffirm that the Party's policy towards intellectuals has not changed and will not change, said the paper.

The *Renmin Ribao* commentary said Party organizations at different levels must show concern for and protect intellectuals and support their work so as to let them better demonstrate their talents. □

China Fights Tax Dodgers

The State Administration of Taxation issued August 1 an announcement on new moves in tightening controls over taxation in the booming private sector.

At a recent press conference, Jin Xin, director of the tax administration, said that a nationwide inspection, scheduled for August and September, is aimed at rectifying private business in paying their state taxes, or else.

So far, China has more than 14.50 million private businesses that employ a total of 23 million people. The development of private business has played an active part in boosting production, enlivening the market, bringing extra conveniences to the lives of peo-

ple, providing more job opportunities and expanding the state's revenue.

Last year, Jin said, the government got 9.2 billion yuan in tax revenue from private businesses which accounted for almost 6 percent of the state's total tax income.

Tax dodging, however, is a serious problem among the private sector. Total tax evasion throughout the country is estimated to have been more than 18 billion yuan last year. That amount comes to two-thirds of the total tax revenue that private business should have paid the state.

The director said that about 70-80 percent of private businesses in China were involved in tax evasion. A considerable number of private businesses did not register for taxation, while others failed to pay taxes in line with regulations or filed false tax reports.

In some of the worst cases tax dodgers even mobbed local tax offices and attacked the tax-collectors in order to bully taxmen into giving up on their collections.

Tax evasion not only caused losses to the state revenue, Jin said, it also disturbed the normal economic order and aggravated income disparity between state employees and those in private business.

He stressed that the government was determined to confiscate all illegal incomes, close down all illegal businesses and impose severe punishment on those engaged in illegal operations.

Jin said that 52 percent of profits of private businesses should go to the government as taxes. Chinese private businessmen should also hold back 30 percent of their profits for business expansion while the remainder can go to the owner of the business.

The current round of tax inspection will chiefly cover private businesses that are engaged in industry, commerce, transportation,

construction, catering and repairs.

This year's inspection will also be targeted at large-scale businesses, said Jin, adding that 40 percent of them will be audited. □

Rectify Foreign Trade System

China has decided to rectify all the 5,000 enterprises that have been granted the right to engage in import and export business so as to end the confused situation in its foreign trade, Liu Xiangdong, spokesman for the Ministry of Foreign Economic Relations and Trade announced on July 26.

Liu Xiangdong said that during this year's rectification, the number of enterprises having the right to deal in foreign trade will be greatly reduced. The enterprises that do not have necessary conditions for conducting foreign trade will either be dissolved or merged, he explained. But, he added, the contracts they have signed with foreign businesses will be fulfilled.

Liu said that from now on, only those big and medium-sized enterprises with the required conditions will be granted the right to deal in foreign trade and ordinary trading enterprises will have to fulfil strict requirements before being approved to conduct such trade.

Although more than 2,000 enterprises in China were granted last year the right to deal in foreign trade, Liu noted that many of them were incompetent. Hindered competition caused strong resentment from the industrial and trade circles both at home and abroad and affected the economic returns of China's export trade.

Liu also pledged that in order to keep a basic balance between imports and exports and avoid large trade deficits, China will continue to increase exports instead of a passive approach of reducing im-

ports during the second half of this year.

He also stressed that the movement to root out bourgeois liberalization in China will not affect the country's foreign trade policy.

Liu said the import of luxury consumer goods will be limited due to a shortage of hard currency. But, some of the commodities used in daily life will still be imported, he added. □

China Suspends Diplomatic Relations with Grenada

The Foreign Ministry of the People's Republic of China, on August 7, issued a statement on the suspension of China's diplomatic relations with Grenada.

The full text of the statement is as follows:

The government of Grenada announced on July 19, 1989 the establishment of its so-called diplomatic relations with the Taiwan authorities. As instructed, the Chinese Ambassador accredited to Grenada repeatedly made serious representations to the Government of Grenada. However, the Government of Grenada has ignored the position of the Chinese Government and maintained its erroneous decision.

The Government of the People's Republic of China is the sole legal government of China and Taiwan is an inalienable part of the Chinese territory. The erroneous decision of the Government of Grenada contravenes the principles enshrined in the Joint Communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and Grenada in 1985 and the commitment made by the Government of Grenada to the recognition of Taiwan as an in-

alienable part of the Chinese territory. The Foreign Ministry of the People's Republic of China has been instructed to declare: The Chinese Government suspends China's diplomatic relations with Grenada and the Government of Grenada shall be held responsible for all the consequences arising therefrom.

China's consistent position on the Taiwan question has the understanding, respect and support of all the countries that have established diplomatic relations with China. We are categorically opposed to the establishment of official relations and the conduct of exchanges of an official nature between Taiwan and the countries that have diplomatic relations with China, while taking no exception to their economic exchanges, trade and cultural contacts of an entirely non-governmental nature.

The Taiwan authorities will never succeed in their attempt to pursue the so-called elastic diplomacy, to bring about "dual recognition," or to create "two Chinas" or "one China, one Taiwan." The Chinese people will definitely realize their great cause of national reunification and no force can stop them from doing so since it accords with the general trend of the times and the desire of the people.

The Chinese people cherish their friendship with the people of Grenada. We hope that the Government of Grenada will, proceeding from the long-term interest of relations between China and Grenada, correct its erroneous decision and return to the principled position as set forth in the Joint Communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and Grenada so that the relations between the two countries may return to normal and the friendly cooperation between the two countries may continue to develop. □

News in Brief

China Pledges Debt Payments

Chinese Vice-Premier Yao Yilin said that China is determined to pay its foreign debts dutifully when he met with a delegation from the Asian Development Bank in Beijing on August 4.

Yao said one of the items on the Eighth Five-Year Plan for China's national economy, starting in 1991, is to take into consideration the problem of foreign debt repayment. China expects to increase its ability to pay debts by expanding its exports, he added. □

Two State Firms To Be Abolished

The State Administration for Industry and Commerce issued a circular on July 30 concerning the abolition of two state corporations — the Kanghua Development Corporation and the China Industry and Commerce Economic Development Corporation.

The decision to abolish the two firms was made at a two-day plenary meeting of the Political Bureau of the Central Committee of the Communist Party of China, which closed in Beijing on July 28.

According to the circular, two special teams will be formed to clear up the accounts of the two firms and the two firms are ordered to stop all their activities with the exception of permitting previously signed agreements by them to be fulfilled.

When the accounts of the two firms are cleared up, their licenses will be revoked. □



Army Day Celebrated

On the eve of the 62nd anniversary of the founding of the Chinese People's Liberation Army (August 1, 1927), Beijing senior soldier chorus gave a performance to those PLA troops who enforce martial law in Beijing. It was well received by both the officers and the soldiers.

Founded in July 1979, the chorus has a large membership whose average age is 62. Most chorus members are retired PLA literary and art workers or enthusiasts.

YANG LIMING

Shanghai Air Gets Boeing-757

A Boeing-757 plane, the first of the three imported from the United States by the Shanghai Airlines, arrived in the city's Hongqiao Airport on August 1. The plane will operate on August 15.

Set up in December 1985 by

several local companies, the Shanghai Airlines is the first locally run air company in China to engage in both passenger and freight transport. □

A New Electrified Railway Opens

An electrified railway running from Taiyuan, capital of Shanxi Province, to Datong, one

of the province's major coal mines, went into operation on July 31.

The 355-kilometre railway, which began to be electrified in September 1985 with a state investment of 730 million yuan, is a trunk line to send coal out of the province.

The opening of the automation-controlled railway will end the history of pulling railway switches and giving signals by man and increase the railway's annual transport capacity from 19.16 million tons to 65 million tons, said a local official. □

China Begins Licensing Imports

China's decision to license the import of nine machinery and electronic products was announced in Beijing on August 4, marking the country's first move to impose quality licences on imports.

Zhu Zhenyuan, director of the State Administration of Import and Export Commodity Inspection (SAIECI), said that the nine products include automobiles, motorcycles, motorcycle engines, refrigerators, refrigerator compressors, air conditioners, air conditioner compressors, television sets and kinescopes.

According to the decision, before entering the Chinese market, these products need to be inspected by SAIECI in line with China's safety laws and health standards and to get quality licences from the agency.

Zhu said that the decision was made because poor quality was reported in the past few years for these imported products, with many involving safety problems. □

Cyclone Lashes Shanghai

Tropical cyclone Lola hit

Shanghai in the morning of August 4, causing the Huangpu River to rise above the warning mark.

Affected by the storm, the city received 74.9 millimetres of rain within the 24 hours. Some small areas of the city were flooded.

It is reported that the storm has not caused any serious losses to the city. □

Beijing to Cut University Admissions

Beijing's universities and colleges will cut enrollments by 1,148 students this summer.

The reductions were due to the irrational establishment of some specialities, the knowledge that students majoring in some specialities would encounter great difficulties in job assignments and the overenrollment by some specialities in the past few years. □

First Muslim University Enrols

Xian Muslim Cultural Training University, China's first muslim university, has begun to enrol students, Xinhua reported on August 4.

The school, set up with non-governmental organizations, mainly enrolls students from 10 ethnic minorities believing in Islam.

Islam was introduced in China in the year 651. Now the country has 15 million Islam believers. □

Zhou Yang Dies

Zhou Yang, 81, honorary member of the National Committee of the China Federation of Literary and Art Circles (CFLAC) and adviser to the

Chinese Writers Association, died in Beijing on July 31.

In his lifetime he also served as the deputy head of the Propaganda Department of the Party's Central Committee, member of the Party's Central Advisory Commission and president of the CFLAC. □

Fang Lizhi Removed From Degrees Committee

The Academic Degrees Committee under the State Council decided on August 4 to dismiss Fang Lizhi's membership in the committee's astronomy appraisal group and tutorship of students pursuing doctorates.

The committee explained that Fang is under the arrest warrant of the public security organ for his propagating bourgeois liberalization and inciting counter-revolutionary activities. Fang is now in hiding to avoid arrest. □

Famous Professor Dismissed

The Anhui Provincial Committee of the Communist Party of China (CPC) and the provincial people's government recently decided separately to dismiss Wen Yuankai, a professor at the Chinese University of Science and Technology, from his post of membership on the CPC leading group and his position of deputy director of the provincial education commission.

The decisions by the provincial Party committee and the government pointed out that Wen has for a long time stubbornly clung to a stand of bourgeois liberalization. During the recent turmoil, the decisions added, he issued several so-called "urgent calls" and made instigating speeches on Tiananmen Square in Beijing. □

'Dual Recognition' Will Get Nowhere

by "People's Daily" Commentator

Grenada on July 19 announced the establishment of so-called "diplomatic relations" with China's Taiwan in violation of the basis and principles set down in the communique on the establishment of diplomatic relations between China and Grenada in 1985, creating a serious situation of so-called "dual recognition." This cannot but arouse our grave concern.

This incident is a serious step taken by the Taiwan authorities to promote their much-publicized, so-called "elastic diplomacy" in defiance of the strong will of the Chinese people on both sides of the Taiwan Straits for the peaceful unification of their motherland.

Recently, the so-called "elastic diplomacy" and "dual recognition" theories have been gaining momentum in Taiwan. Some people openly declare that Taiwan should set up "official relations" with countries that have diplomatic relations with China.

This "elastic diplomacy," in fact, is a means for the Taiwan authorities to escape from the dead end of their extreme international isolation by creating "two Chinas" or "one China, one Taiwan." "Dual recognition" is just one of the applications of "elastic diplomacy."

Although time and again paying lip service to the principle of there being but one China, the Taiwan authorities, in order to achieve their own selfish ends, have damaged China's national interests by obstructing the reunification of China and attempting to create "two Chinas"

or "one China, one Taiwan" in the international arena. They attempt to use their economic power as a lever to reach their ulterior goal. This will meet opposition from all Chinese both at home and abroad who are in favour of the peaceful reunification of their motherland. People will never allow this separatist attempt to succeed.

The Chinese government's stand on the Taiwan question has been quite clear: there is only one China; the Government of the People's Republic of China is the sole legitimate government representing the whole of China; and Taiwan is an inalienable part of Chinese territory. One of the important principles guiding the establishment of diplomatic relations between China and other countries is that the other side must recognize China's stance on the Taiwan question. Therefore, any violation of this principle by any country that has set up diplomatic relations with China is tantamount to a violation of the basis on which the two countries established their diplomatic relations, and will lead to the creation of "two Chinas" or "one China, one Taiwan," which amounts to a serious violation of China's sovereignty and will be resolutely opposed by the Chinese people.

We are glad to see that the majority of countries that have established diplomatic relations with China understand, respect and support China's just position on the Taiwan issue. We appreciate this. The Chinese people will eventually achieve the reunification of their moth-

erland. This is a trend too powerful to be resisted by any force. As a Chinese saying goes, whoever understands the times is a great man. We hope the Grenada government will cherish the friendship between the Chinese and Grenada peoples and, proceeding from the long-term interests of bilateral relations, redress as soon as possible its mistake in establishing diplomatic relations with Taiwan.

We are convinced that the world's people can see clearly the "dual recognition" plot between the Taiwan authorities and Grenada. And the Taiwan authorities' attempt to create "two Chinas" or "one China, one Taiwan" through this will get nowhere.

On the Taiwan issue, we advocate peaceful reunification and "one country, two systems." We have no objection to non-governmental trade and economic exchanges between China's Taiwan region and the countries that have diplomatic relations with China. However, we are firmly opposed to the establishment of official and diplomatic relations between Taiwan and these countries, because doing so will not only harm the friendly relations between China and the other countries but also will exert an adverse influence on world peace and stability. We hope that the Taiwan authorities will take into account the Chinese nation's interests and the overall situation, stop activities detrimental to reunification and make efforts with us to achieve it peacefully. □

India Increases Food Production

by Zhu Pirong

In April this year, India's successful experience in food production was reported to a meeting held by the United Nations' Food and Agriculture Organization. The meeting concluded that a comprehensive strategy for agricultural development and the combination of policy incentives, technological progress, the provision of basic installations and increase of investment in land was responsible for India's success.

Technological Progress

From 1960 to 1986, the annual growth in India's grain output was 2.7 percent while population increase was 2.2 percent. In the 1960s, annual grain growth was 1.84 percent, in the 1970s, 2.9 percent and in the 1980s, 3.75 percent.

From the standpoint of technological progress, irrigation, chemical fertilizer and improved crops with high yields have promoted grain production. In 1960-61, India's irrigated area totaled 28 million hectares and in 1987-88 it had expanded to 66 million hectares.

In the same period, chemical fertilizers increased from 0.29 million tons to 9.11 million tons while the area planted to improved varieties of crops was enlarged from 1 million hectares to 60 million hectares.

The Indian government has taken corresponding measures to invest more in research for agriculture, irrigation installations and in marketing.

In addition, it reformed its price policy. Comparing the Third Five-Year Plan (1961-1966) with the Sixth Five-

Year Plan (1981-1986), the budgetary allocation for research and development in agriculture rose from less than 61 million rupees to more than 5.477 billion rupees.

The Indian Agriculture Research Council with this support has developed a lot of improved crops. In parts of the northwest and south India (with irrigation), new technology has been widely spread and college students have been trained to help with the work.

The state has paid great attention to chemical fertilizer. On the one hand, it increased investments, raising output from 150,000 tons in 1960-61 to 5.8 million tons in 1985-86.

On the other hand, the government provided credits and allowances to the private sector, encouraging traders to deal in chemical fertilizer, and sold it to farmers at a fixed price. In 1985-86, government subsidies for chemical fertilizer alone reached 20 billion rupees.

In the 1960s and early 1970s, India established rural financial agencies to help farmers increase investment in land. It provided credits first under guarantees and later simply on a consideration of the ability to repay.

In 1969, India nationalized commercial banks in order to guarantee credit to the agricultural sector. Up to 1983, 21.1 million farmers had benefited from this, more than 50 percent being small farmers.

The Indian government also vigorously developed water conservancy projects and strengthened basic installations. Since the First Five-Year Plan was started in 1951, some 8 to 10

percent of plan funds have been put into irrigation construction and flood control works.

Between the Third Five-Year Plan and the Sixth Five-Year Plan, the state's investment in construction of large water projects rose from 6.65 billion rupees to 121.6 billion rupees.

As to the development of water resources, the work was mainly undertaken by the farmers themselves, the government only providing credit and allowances. The state limited its direct investment to those areas where land was fragmented and where there was particularly good potential for water conservancy work.

To promote grain production, the state improved basic installations in distribution by enlarging the railway and road networks, investing in public warehouses and regulating the grain market.

Regulating Sales and Imports

Only 4 states out of India's 23 have a commodity grain surplus. The price of grain varies by season, and districts and year.

To stabilize the grain prices and guarantee the poorer classes access to grain, the government established a set of regulations governing the purchase, import, public sale and storage of grain.

State governments are in charge of purchasing grain through a national supply bureau and the India Food Company. Wheat is bought on the open market and rice from mills, producers and merchants.

After the mid-1970s, farmers sold 25-30 percent of their grain surplus at the official price. The

state places no limitation on the movement and the price of the remainder.

The government and the India Food Company have a monopoly of the foreign grain trade. In the 1960s, India's total imports were 59 million tons, and in the 1970s, 21.32 million tons. During 1980-87, India imported only 7.67 million tons chiefly to supplement the standard 10 million tons held in storage.

India has a rationing policy. In the early 1960s, total sales under the public sale system were no more than 10 million tons but in 1980 rose to more than 18 million tons.

In regard to private trade, the government has introduced administrative measures to prevent illegal speculation and hoarding. In 1970-71, government subsidies for grain sales were US\$13 million and they rose to US\$1.3 billion in 1986-87.

Helping Small Farmers

There are many poor households in India's rural districts and cities. In 1983-84, 37 percent of the total population had insufficient food.

Two methods were followed to guarantee grain to the poor. One was to provide grain at a reasonable price and the other was to

raise their incomes.

The government offered consumers price subsidies for grain. It made special budgetary allocations to support agricultural production in minority nationality areas and districts vulnerable to drought.

Also, it subsidised grain sales. From the 1970s the philosophy of providing work rather than relief has prevailed. From 1978, the state began to implement a comprehensive rural development plan, emphasizing the offer of means of production subsidies to small farmers who were poor. In the Sixth Five-Year Plan, 16.5 million farmers became beneficiaries of this policy. □

LDP's Domination Ends With Poll Losses

The Liberal Democratic Party suffered a crushing defeat in Japan's parliamentary elections owing to its corrupt money politics and the resultant loss of the people's confidence.

by Jiang Daoding

On July 24 morning election returns showed that the Liberal Democratic Party had been knocked from its majority perch in the upper house of the Diet for the first time since the party was founded in 1955.

Opposition parties, led by the Socialist Party, captured 142 seats in the 252-seat chamber, well over the 126 needed for a majority, while the Liberal Democrats, who had a majority with 142 seats going into the race, were left with only 109.

Prime Minister Sosuke Uno, who took office only two months ago, announced his resignation at a press conference following the landslide defeat of his party. A sex scandal is another reason for his resignation.

For decades the LDP gathered in money by the use of its powers and by taking advantage of its

majority in the Diet, while some financial upstarts tried to obtain power through bribery. This resulted in serious corruption in Japan's politics. The Recruit share-scandal's widespread contamination of political circles was an inevitable result of the corrupt political structure.

Following the exposure of the scandal, the Liberal Democratic Party pledged a self-examination. However, it did not fully realize the seriousness of the case or the harm it had caused, and finally had to wind up the matter through the resignation of Noboru Takeshita and Yasuhiro Nakasone's departure from the party. Although Sosuke Uno promised to launch a large-scale political reform after he succeeded Takeshita as prime minister, all the reform bills proposed by him came to nothing without serious discussion in the

Diet.

The Japanese people have expressed their attitude towards the Recruit scandal and the LDP's corrupt system through the election. The outcome showed that not only those LDP candidates with links to the share scandal failed, but so also did the candidates recommended by Takeshita, Nakasone and other Diet members themselves with links to the scandal.

Opposition votes from Japanese women played a key role in determining the outcome. The LDP won a majority of votes in both the upper and lower houses in the 1986 elections when it declared it would not introduce indirect taxes. This obtained the support of women who saw the protection of their livelihood as most important. But soon after the elections, the LDP broke its promise and began to draft a bill

Thatcher Reshuffles Cabinet for New Image

by Chen Te'an

The recent British cabinet reshuffle is the biggest in Thatcher's 10-year premiership and is apparently an attempt to halt the mid-term slide in the government's popularity and put a new face on her administration in the run-up to the next election.

In the sweeping reshuffle of July 25 only eight members of the 21-strong cabinet including the chancellor of the exchequer (finance minister) retained their posts. Two ministers were dis-

missed, two resigned, nine changed their ministries and four new faces appeared. The biggest surprise is the promotion of Chief Treasury Secretary John Major, 46, who has taken over as foreign secretary from Geoffrey Howe. Howe has become deputy prime minister and Conservative leader of the House of Commons.

The reshuffle, including senior officials of non-cabinet rank, involves 50 percent of Thatcher's administration.

The aim is to meet the increasing challenge of the Labour Party and prepare for the next general election which must be held before mid-1992. At the first meeting of the new cabinet on July 27, Margaret Thatcher reaffirmed that her intention had been to prepare to fight in the next election, saying that she would make no more big changes before then.

Since June 1987 when the Conservative government won its third successive victory, two

aimed at imposing business taxes which failed due to the resistance of the opposition parties. After Noboru Takeshita came to power, the LDP, relying on its majority in the Diet, forced through a bill on consumption taxes in spite of unanimous condemnation by the opposition parties. There has been a continuing demand for the annulment of the bill since it was passed. This is because anyone who goes shopping has to pay a sales tax of 3 percent on purchases. It makes people feel still more strongly that taxes have become more burdensome. Even the LDP itself admitted defects in the bill and promised to re-examine it. Housewives who have to do their shopping every day are of course the most angry at the extra expense. These housewives, who in the past have consistently abstained from voting to show that they are not interested in politics, made a political choice to express their anger at the consump-

tion taxes.

In more than 40 years since World War II, the rural areas have always been a solid base for the LDP regime. In recent years, however, constant falls in the price of rice and free imports of beef and citrus have aroused farmers' strong dissatisfaction

with the LDP's agricultural policy. The consumption taxes have also placed a heavy burden on them in terms of production costs and livelihood expenses and thus speeded up their estrangement from the LDP.

The Liberal Democrats' defeat has ended their 34-year domination and will be sure to have a significant and lasting influence on Japan's future political situation. The Socialist Party and other opposition parties have decided to put forward a bill to abolish the sales tax at an extraordinary Diet session due to be convened on August 21 and, further, to force the LDP to dissolve the lower house and call a general election. Although the Liberal Democrats still have a majority in the more powerful lower house which gives them the right to select a new prime minister, confusion is inevitable in Japan's political life. And a fierce struggle will go on within the LDP to select a new party head. □



years have passed. Halfway through its present term it faces new challenges and problems in the economy, domestic politics and in diplomacy. Whether it can deal with these challenges and solve these problems holds the key to its fate in the next general election.

From the point of view of the economy, success there has been the foundation for Thatcher's three terms and the main reason for the plaudits she has won. Victory or failure in the next election will also be decided by her economic policy. For more than a year the Tory government has been grappling with inflation, high interest rates and a huge foreign trade deficit. Both the public and business circles are discontented. Because of this, public opinion before the reshuffle was that Chancellor of the Exchequer Lawson would lose his post. But Thatcher let him remain, reportedly for reasons that Lawson has had some initial success in combatting inflation and said he would try to reduce the inflation rate to about 6 percent towards the end of this year.

Domestically, the Tory government's policy has embraced changes in education, medical treatment and sanitation, taxation and social welfare. All these areas are closely related to people's livelihood and liable to arouse complaints. It is reported

that the public has doubts about the proposed poll tax and the privatization of water supply and does not welcome the national health service reforms. However, all these reforms were promised by the Conservative Party in previous general elections. Their success or failure also has a bearing on whether the Conservative Party will win or lose the election. Thatcher has promoted Chris Patten to be secretary of State for the Environment responsible for the legislation on water supply and thorny issues concerning the environment as well as the poll tax. Patten, who was outside the cabinet as minister of the Overseas Department, is a former chief of the Tory research department and often drafted Thatcher's speeches. He is considered to have the ability to solve difficult problems for the party.

Another reason for the Thatcher government's three successive victories is that in the field of diplomacy it has succeeded in improving Britain's international image.

With relations between East and West easing, the subtle role played by Britain in this respect has changed. For the next few years Britain as a member of the European Community faces a major diplomatic issue — the integration of Europe. But Thatcher's European policy differs from that of many EC mem-

bers. To resolve the disputes, which have occurred, co-operate successfully with its EC partners and make contributions to the unity and prosperity of Europe will undoubtedly help further to improve Britain's international standing. Therefore, Thatcher's promotion of Major to foreign secretary is noteworthy. Major was a deputy treasury secretary and has the reputation of being able to deal with contentious issues. In the 1990s the integrated market will probably arouse various economic contradictions within the EC, so Thatcher has selected a new man who, though he lacks diplomatic experience, has knowledge of the economy.

Concerning party affairs, former Education Secretary Kenneth Baker has become chairman of the Conservative Party and former Trade and Industry Secretary Lord Young its vice-chairman. Analysts in London believe that they provide a strong lineup for the forthcoming general election.

Nevertheless, London newspapers have different views on Thatcher's sweeping shake-up and particularly the replacement of Howe who has many years of experience in foreign affairs and had rendered "outstanding service." But the general view is that the new cabinet will sharpen the cutting edge of the government and probably give it new vigour. □

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China's Foreign Relations: A Chronicle (December 1988-May 1989)

Hope of China's Agriculture

Experiments on the Huanghe (Yellow)-Huaihe-Haihe Plain indicate it is possible to raise China's agricultural production further by transforming low-yielding land and raising per-unit output. The key lies in increasing the input of technology and means of production and adhering to a policy which encourages the development of agriculture, grain and cotton in particular.—Ed.

by Our Staff Reporter Yao Jianguo

The economic reform which began a decade ago in China first made a breakthrough in the rural areas. In 1984, agriculture yielded an unprecedented, good harvest with the total grain output reaching 407 million tons. Since 1985, however, agricultural production, particularly in grain and cotton, has declined or stagnated. On the other hand, in the last three years, China has registered a net annual population increase of 15 million, resulting in a decrease in per-capita grain from 393.5 kg in 1984 to 359 kg in 1988. This causes many people to worry about the prospects for China's agricultural development, including some foreign observers as well who have commented: "The motive force in China's rural reform has subsided" and "China's agriculture is bound to become bogged down in difficulties."

Is there really no hope for China's agricultural development? This reporter recently interviewed some officials of the agricultural department, agronomists, rural cadres and ordinary farmers working on the Huanghe-Huaihe-Haihe Plain. This is China's largest plain and biggest production centre for grain, cotton and edible oil. The answer they gave me is definite: There is hope. Hope lies in the tremendous potential for agricul-

tural development still waiting to be tapped.

Potential in Raising Output

—Raising Per-Unit Output.

Although China's total grain output now ranks first in the world, its per-unit output lags behind advanced countries. The per-unit output of various farm crops all rank behind the ninth place in the world. Medium-yielding land (with a per-hectare output of 2,625-3,750 kg) and low-yielding land (with a per-hectre output of less than 2,625 kg) now make up two-thirds of the country's total cultivated land (nearly 100 million hectares). If the low-yielding land can be turned into medium-yielding land, and medium-yield land into high-yielding land, without question it will be possible to raise per-hectare output by 750 kg (experiments on the Huanghe-Huaihe-Haihe Plain have proved this feasible) and the country's annual output by more than 50 billion kg.

—**Exploiting New Land Resources.** According to initial statistics, China at present still has 13 million hectares of undeveloped arable land, more than 1.3 million hectares of beaches and 2.6 million hectares of water surface for raising freshwater aquatic products. In addition, there are 40 million hectares of wasteland which can be planted with

grass and 73 million hectares of barren mountain slopes which can be planted with trees.

Since 1980, China has followed a policy of supporting and encouraging the development of barren mountain slopes, with the result that 330,000 hectares of land have been reclaimed for agricultural use annually (part of the land has offset that used for industrial and urban construction). Of the area annually reclaimed, 200,000 hectares are cultivated land. If the minimum output of each hectare is 2,500 kg, the country's annual grain output can increase by 500 million kg at least.

Technical Potential. According to Liu Xinghai, an official of the Science and Technology Department in the Ministry of Agriculture, the potential of scientific research results and technology in the development of China's agriculture has not been fully tapped by far. It is estimated that only 30 percent of the scientific research and technological results now play a role in increasing agricultural production. If this rate can be raised to 60 percent as in advanced countries, the output of China's farm produce will rise considerably.

For instance, the study on high-yielding summer and autumn crops conducted by Professor Wang Shuan of the Beijing Agricultural University is

a state-level key project. Experiments on 90 hectares of model demonstration land in Wuqiao County, Hebei Province, in 1988 yielded a per-hectare output of 15,000 kg. When applied to 4 million hectares of lower- and medium-yielding land on the Huanghe-Huaihe-Haihe Plain alone, this technique will help raise the local grain output by 60 billion kg a year. There are many other similar scientific research results which also indicate tremendous potential for increasing agricultural production.

Therefore it is groundless to be pessimistic about prospects for the improvement of China's agriculture. As long as the state adheres to its agricultural policy of support and encouragement and increases inputs of technology and materials, it is entirely possible and really hopeful that China can meet its people's growing needs for farm produce by tapping all the available agricultural resources (birth control, of course, is equally important).

Priority of Development

China has a vast agricultural area. Where should the priority for development be placed?

At a national agricultural work conference held in 1988, China first forwarded the strategic policy for developing the Huanghe-Huaihe-Haihe Plain with an eye to blazing a new road for the country's agricultural development.

This plain, formed by alluvial of the Huanghe, Huaihe and Haihe rivers, is the largest of its kind in China. The area projected for development embraces the provinces of Hebei, Shandong, Henan, Anhui and Jiangsu and the muni-

cipalities of Beijing and Tianjin, encompassing a total of 315 counties and 200 million people. It covers 38.666 million hectares of land, including 19.333 million hectares of cultivated land or one-fifth of China's total cultivated land area. In 1987, total grain output in this area was 82.7 billion kg, accounting for 20.4 percent of the country's total (wheat output made up 43.6 percent of the country's total). The area's cotton output totalled 2.42 billion kg (57 percent of the country's total); oil-bearing crops, 3.64 billion kg (17 percent of the country's total); and meat, 3.02 billion kg (14 percent of the country's total). To develop this area's agriculture, transform its traditional, backward farming techniques and expedite its agricultural modernization will have a direct influence on the progress of agriculture country-wide.

Since the beginning of the 80s, Professor Shi Yuanchun, president of the Beijing Agricultural University who has engaged in agricultural development research on the Huanghe-Huaihe-Haihe Plain, said that 39 percent of the 20 million hectares of grain-growing area on the plain is medium-yield land, 40 percent, low-yield. Therefore there is great potential for increasing output. Experience in fundamental transformation of the medium- and low-yield land in

this area during the Sixth Five-Year Plan period (1981-85) and Seventh Five-Year Plan period (1986-90) shows that if investment is increased and the management and improvement of medium- and low-yield land are carried out well, by the year 2000 it will be entirely possible to produce 750 to 1,500 kg more grain per hectare. In this way, if each hectare of land yields an average increase of only 90 kg of grain annually, the annual average increase would be 3.2 percent, which is much lower than the annual average rise of 10-12 percent for the medium- and low-yield land which has already been improved in the area.

Liu Xinghai, an official of the Scientific and Technological Department under the Ministry of Agriculture, said that the rate of increase is more than that. Through the comprehensive renovation of the medium- and low-yield land, by the year 2000 this region will have an additional output of 34.4 billion kg of grain, 1.25 billion kg of cotton, 1.8 billion kg of edible oil and 500 million kg of fruit, or 20 to 25 percent of the newly added output of farm produce in the country.

According to the Ministry of Agriculture, there are nine other agricultural development zones like the Huanghe-Huaihe-Haihe Plain in China. They include the

Sanjiang Plain, Jilin's Songliao Plain in northeast China, the four leagues in east Inner Mongolia, the Hexi Corridor in Gansu, southern Jiangxi and Hunan, the Hetao area in Ningxia, the Liaohe river estuary delta in Liaoning and the coastal beaches. Efforts will centre on improving the medium- and low-yield land and raising

Reclaimed flood land in Linshui County, Sichuan Province.

LIU QIANGANG



per-unit yields.

Encouragement and Support

Between 1979 and 1984, China's agriculture advanced by leaps and bounds. Grain output soared from 304.77 million tons to 407.31 million tons. The success was achieved mainly through the implementation of flexible economic policies, the contract responsibility system based on the household and the

application of research results in production. However, fluctuations in agricultural production in recent years show that these policies and measures alone are not enough to boost agricultural development, there must also be increased investment.

Policies are always of paramount importance to arouse the enthusiasm of farmers for grain and cotton production. In recent years, the further improvement of the contract responsibility system based on the household, the liberalization of the farm products market and the readjustment of the rural economic structure have been well received by farmers. But, the highly inflated prices of industrial products and agricultural capital goods and the declining economic returns from producing grain and cotton have dampened the enthusiasm of farmers. This is the main reason for the agricultural stagnation.

The key to reviving agriculture lies, first of all, in adjusting agricultural policy to suit



Farmers of Minquan County, Henan Province, reap 860 yuan more from each *mu* of land by introducing vertical intercropping: fortunes paulownia at the top, grape in the middle, and peanut, wheat and vegetables at the bottom. LU KE

the new situation. At the end of 1988 the Chinese government started implementing a special policy of agricultural development directed towards consolidating the important position of agriculture as the foundation of the national economy. To this end, a series of specific policies for encouraging and supporting farmers to grow grain and cotton have been taken. Among the chief ones are the following:

- Beginning on April 1, 1989, the contracted purchasing price of grain was raised 18 percent on the average. Grain outside the state purchasing contract can be

put on the market and its price can fluctuate along with market changes. When new cotton appears on the market, its purchasing price can also be raised appropriately.

- Aside from the fixed purchasing of grain, cotton and edible oil assigned by the state, as regards the amount of increase in grain, cotton and oil production resulting from improvement of the medium- and low-yield land, the quota of

purchase by contract will not be raised for five years so that the benefits will accrue to the farmers. Farmers who have handed over their grain, cotton and oil according to the state purchase by contract will be guaranteed more chemical fertilizer and diesel oil at state prices.

- Newly reclaimed wasteland will be exempt from agricultural tax for five years. With regard to other agricultural development projects, they will be exempt from various taxes for three years after their completion.

- Establish a grain market stability fund, regulate the relations between supply and demand and protect the interests of both producers and consumers.

The introduction of these policies and measures has brought some increase in the grain and cotton-growing area this year. More efforts have been devoted to farmland capital construction and farmers' enthusiasm for investing in agriculture has begun to pick up.

Professor Xu Mingxian (right) of Northwest China Agricultural University explains the technique for preventing apple pests and other improved cultivation skills to a farmer. HE PING



More Investment

China now has 1.5 million agrotechnicians. For various reasons, a considerable number of agrotechnicians have not been able to give full play to their professional skills, while research results have not been fully utilized. In order to arouse the enthusiasm of agrotechnicians and promote the application of research results as early as possible, in 1988 the state promulgated documents to encourage technical personnel to enter into contracts with compensation or to offer technical consultancy and technical services in the rural areas, and gave them preferential treatment and consideration in policies. This set off a new country-wide upsurge of agrotechnicians going to the rural areas to work.

According to an official of the Ministry of Agriculture, in addition to further popularizing hybrid rice and an improved variety of cotton over a large area in the country, other popularizations and inputs include ten advanced and applicable techniques such as new varieties and new combinations of crops, poultry and fish; patternized cultivation, and single-product increase, of crops; cultivation on the membrane and plastic-sheltered land; plus advanced and useful techniques of computer-guided fertilizer mixing and application, and mechanized, deep fertilizer application. The nationwide popularization and application of these scientific and technological achievements will bring about an enormous change in output and supply of China's farm products ability.

Funds used for agriculture have been increased substantially this year. The investments include 1 billion yuan of farmland occupation tax; 1 billion yuan of regulatory funds not covered in the state budget; 200 million

Government Functionary Discusses Religion

In a recent interview with "Beijing Review" correspondent Lu Yun, Deputy Director Losang Chenlei of the State Council Religious Affairs Bureau spoke about China's policy on freedom of religious belief and expressed his opinion on related problems that foreign friends are concerned about. The interview follows.

Back on the Right Track

Question: How do you estimate the implementation of China's policy on freedom of religion in recent years?

Answer: In the past decade, the implementation of China's policy on freedom of religious belief has been good. "Leftist" mistakes have been corrected. Citizens' constitutional right of religious freedom has been respected and guaranteed.

So far, all the wrong and un-

just cases brought up against religious persons have been redressed, and all religious believers participate in normal religious activities. Many temples, churches and monasteries destroyed during the "cultural revolution" have been either rebuilt or renovated. Nationwide, there are more than 50,000 venues for religious observances, basically enough for religious believers to hold their religious services. All religious groups have restored their activities. There are now

yuan more investment in budgeted capital construction and 17.2 billion yuan of bank loans (or 63 percent more than in 1988). In addition, the amount of funds invested in agriculture this year by various provinces, municipalities and autonomous regions has reached the highest level of the 80s. According to statistics made in 18 provinces, municipalities and autonomous regions such as Jiangsu, Hebei, Liaoning, Zhejiang, Shandong, Guangdong and Shanghai, local financial departments have invested 2.92 billion yuan in agriculture, and loans are expected to reach 73.12 billion yuan.

These funds will be mainly used for reconstruction and improvement of farmland capital construction, irrigation and water conservancy works, improving medium- and low-yield land, reclaiming wasteland for growing

crops and planting trees, and for the popularization of scientific and technological achievements. According to calculations of input-output ratios achieved in the past, the input of every 100 yuan will yield 126 kg of grain, 4.6 kg of cotton, 6.6 kg of oil crops, 16.5 kg of fruit, 11 kg of meat and 2.4 kg of aquatic products.

China has just started implementing its policy of special emphasis and more expenditure on agriculture. It is not possible for tangible results to appear quickly. However, the news of total summer grain output this year of a 2.5-billion kg increase over that of 1988 (exceeding 93.25 billion kg in 1986, which was an all-time high), indicates that China's agriculture which has been in a state of stagnation for years has begun to take a turn for the better. □

eight national, 164 provincial and more than 2,000 prefectural and county-level religious groups believing in Buddhism, Taoism, Islamism and Catholicism or other branches of Christianity. Each group has its own leading body elected at a meeting of its representatives. Each group has its own religious texts and periodicals. Take Christianity for example. More than 3 million copies of the Bible have been reprinted throughout the country, while more than 40 seminaries and religious schools have been restored or built.

On the basis of equality and friendship, various Chinese religious communities have established more and more extensive friendly relations with their foreign counterparts and religious figures the world over.

Generally speaking, the government's administration of religious affairs and religious communities' activities has been brought back to the correct track of handling religious affairs according to laws and policies. Both religious circles and believers feel satisfied with the implementation of the policy on freedom of religious belief. They are taking an active part in furthering socialist modernization, and quite a few have become model workers and advanced individuals.



Losang Chenlei presenting a *hada* (Buddhist scarf) and gifts to the late Bainqen Erdini Qoigyi Gyaincain in Xigaze on January 24, 1989.

Attitude to Religion Should Be Changed

Q: What are the problems and difficulties in the implementa-

The Tibetan Buddhist College in Lhasa.



tion of religious policies? And what are the government's solutions?

A: With the increasingly extensive conducting of religious activities and the gradual improvement of the socialist legal system, it is widely believed that China should have a law on religion. Preparations for religious legislation have already begun. In addition, all errors and mistakes committed in the process of implementing policies on religious affairs are to be soon dealt with earnestly. These include problems left over from the "cultural revolution," such as the occupa-

pation by non-religious departments of property belonging to religious communities.

I think religion is more than a belief. It involves philosophy,

CHEN ZONGLIE

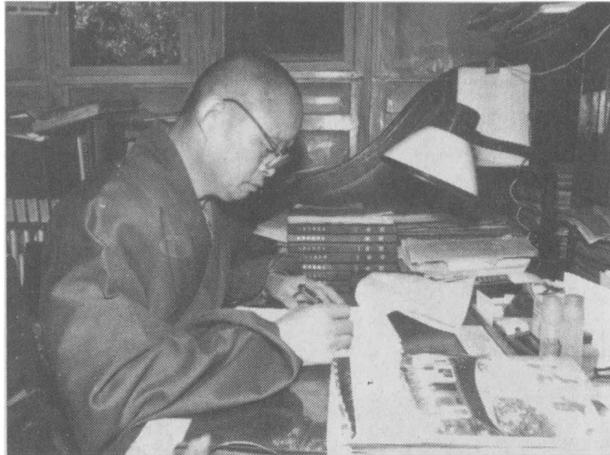
culture and art. As in the past, some people still have a prejudice against religion. They see only its negative aspects but not their positive role. This represents a major ideological barrier to correctly understanding and handling religious problems. This is also a major ideological barrier obstructing the implementation of policies on religious affairs. Therefore, there is a need to change the attitude of cadres and non-believers and help them acquire a correct understanding of religion.

Politically and economically, Chinese religious

converts and non-believers share the same basic interests. Their common aspiration is to build China into a modern socialist country. There are many positive things in religious doctrines. For example, they call on their believers to love their motherland and abide by the law, to be kind and well-behaved, and to serve the community. All these are identical with socialist ethics and codes of conduct.

It is a different thing if a few engage in illegal activities under the guise of religion. This should not be dealt with in the same way as sincere religious activities.

As for those aspects of religion that fall out of step with the times, they should be dealt with through the self-restraint of religious circles. In our country, each religious community has its own rules and doctrines to go by. For example, recently at a national representative conference Chinese Buddhist monks decided to abandon the traditional rite of *dianba* (burning spots on a shaved head) which had been observed for more than a millennium. Religious circles have also put forward some new viewpoints which run against neither their doctrines nor social reality, and which demonstrate the particularity of Chinese religion. For example, Buddhism has always placed hope on the next life, advising its believers to "swim across to the opposite bank" to seek a better life. President Zhao Puchu of



Jing Hui, Buddhist master and chief editor of the magazine *Fayin*.
XU XIANGJUN

the China Buddhists' Association and his predecessors have always advocated the concept of "religion on earth," holding that Buddhist doctrine should be combined with the present reality and Buddhist believers should work for the good of human society. These ideas have been highly acclaimed in Buddhist circles. Chinese Christians, adhering to their creed of "glorifying the God and benefiting mankind," have tried their best to serve society. All this shows that some of the religious doctrines are in tune with the needs of society.

Zhao Puchu, president of the Buddhist Association of China, at a Buddhist service.
XU XIANGJUN



Relations Between the Government and Religious Circles

Q: What is your opinion on the relations between the government and religious circles?

A: The State Council Religious Affairs Bureau heads up various sub-bureaus and offices lower down in an organization responsible for administering religious affairs. Their

main functions are to carry out policy, administer religious affairs according to law, coordinate relations between religious circles and other social entities, and unite religious devotees to participate in the construction of the motherland together with non-believers. At present, relations between the government and religious circles are good. Departments in charge of religious affairs regularly report on their work to religious circles, soliciting their opinions and criticisms, at sessions of the people's congresses and Chinese People's Political Consultative Conference or at other occasions. Dis-

cussions with religious circles are held before any important decision is made. That is why the government's religious work has been so successful.

Q: Some foreign friends think the management of religious affairs by a state agency will lead to "government manipulation" of religion. What is your opinion?

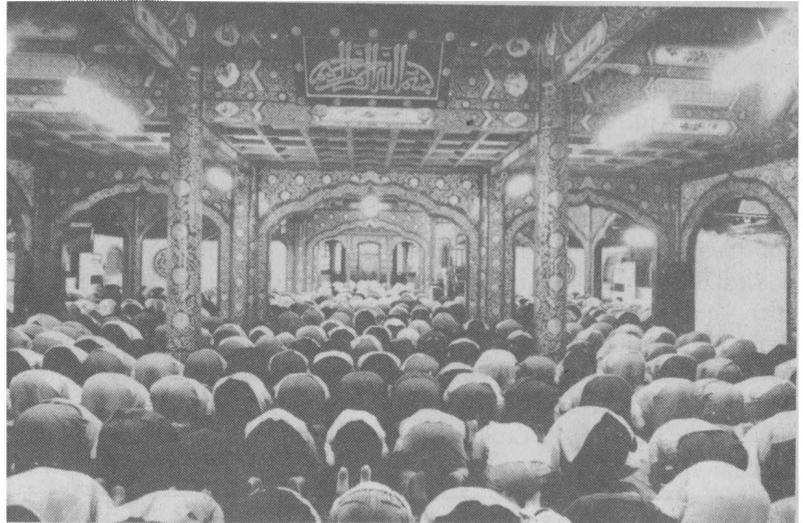
A: This is a misunderstanding.

As a matter of fact,

every country in the world exercises whatever management over religious affairs it thinks necessary. China's religious groups such as churches are made up of religious believers. They are not subsidiaries of any government department in charge of religious affairs. Their functions are to help the government implement the policy on religious freedom, represent and protect the legal interests of their followers, and to organize religious activities. Their financial sources include believers' donations, revenues from their property and labour as well as government subsidies. All religious organizations operate according to articles of association passed at conferences of their representatives. The government does not meddle so long as these religious groups keep their activities within the limits of the Constitution, the country's laws and the government's policies. The government only helps and assists them to independently conduct religious activities within the limits of the Constitution, laws and policies. For example, the return to religious organizations of property taken over by non-religious organizations during the "cultural revolution" can be smoothly accomplished with the help of government departments, whose assistance is also required for the restoration, repair and construction of religious monuments, buildings and so on. Of course, work of this nature and the legal system should be further improved so that both the government and religious circles will function better.

Places of Religious Activities

Q: The Chinese government stipulates that religious organizations and individuals are not allowed to conduct religious



Beijing Moslems at a regular service in the Niujie Mosque.

XU XIANGJUN

propaganda except in prescribed venues for religious activities. Likewise, it rules, non-believers are not allowed to advocate atheism at such places. Some foreign friends ask if this stipulation means discouraging people from believing in religion?

A: This stipulation was made in light of social reality. China is a country with a big population and many religions, each of which is divided into a number of different sects. Compared with the population as a whole, however, religious believers are a minority while non-believers are the majority. The Chinese government allows neither preaching religion in places other than venues of religious activities nor advocating atheism at such venues only to prevent possible disputes or conflicts between believers and non-believers or between different sects. In fact, this stipulation has not only helped maintain stability and unity in the country but also protected freedom of religious belief. It does not discourage religious belief in the least. Since each and every Chinese citizen is free to visit places of religious activities, to attend religious gatherings and to know about religion, he or she

is free to believe or not to believe in a religion, and to believe this or that doctrine.

No Interference From Outside

Q: The Constitution stipulates: "Religious bodies and religious affairs are not subject to any foreign domination." What does this mean?

A: This means that China's religious affairs must be handled by Chinese themselves, free from interference and control by outside influences. This also means to say that Chinese religious bodies adhere to the principle of independence, keeping the initiative in their own hands and handling religious affairs on their own. A case in point is that of Chinese Christians who are self-governing, self-supporting and self-propagating. For example, all religious working personnel are Chinese; all religious affairs are handled by Chinese believers; and all the financial affairs of a religious community are managed by its own believers. All the doctrines are characteristically Chinese, say, in theological ideas, artistic expression and rites of worship.

Of course, this does not mean Chinese religious bodies refuse to establish relations with their foreign counterparts on a basis of equality and friendship. Chinese religious bodies would like to establish such ties so long as their foreign counterparts respect the Chinese Constitution and laws and respect Chinese religious bodies' principles of independence, keeping the initiative in their hands and handling religious affairs on their own. As a matter of fact, such relations have been expanding rapidly in recent years. Chinese religious

bodies would like to receive aid from abroad so long as it has no conditions attached for interfering in China's internal affairs, including religious matters.

Ties Between China and Vatican

Q: What do you see as a prospect in relations between China and the Vatican?

A: The Chinese government's consistent stand is: so long as the Vatican recognizes the government of the People's Republic of China as the sole legal govern-

ment of China, severs its "diplomatic" relations with Taiwan, and stops interfering in China's internal affairs (including the internal affairs of Chinese Catholicism), there is a possibility that China can improve relations with the Vatican. Chinese Catholic circles hold that the Chinese Catholic church believes in the Bible, like its foreign counterparts. Their beliefs are identical and they are equal. Even as their relations improve, the Chinese Catholic community will continue to adhere to the principle of independence, keeping the initia-

Religion in China

China is a country with many religions -- Buddhism, Taoism, Islam, Catholicism and other Christian denominations, with believers totalling 100 million.

Buddhism spread from India to China some 2,000 years ago. Chinese Buddhists may be classified according to languages into three communities: Mandarin, Tibetan and Bali. Most of the Mandarin Buddhist believers are Han Chinese, while Tibetan Buddhist (generally called Lamaist) believers are people of the Tibetan, Mongolian, Yugur, Lhoba, Moinba and Tu nationalities, and Bali Buddhist believers are people of the Dai and Blang ethnic groups. Of all the religious communities in China, the Buddhist is the largest. However, since quite a few of the Han believers are not always steadfast followers of Buddhism, it is hard to count their exact numbers.

Taoism is native and has a history of more than 1,700 years. Its founder was Lao Tzu and its doctrines are based on his writings, *the Tao-te Ching*. Taoism, a polytheistic religion, is still quite influential in rural areas inhabited by Han Chinese.

Islam spread from the Arab countries to China more than 1,300 years ago. It now has more than 14 million believers among the Hui, Uygur, Kazak, Ozbek, Tajik, Tatar, Kirgiz, Dongxiang, Sala and Bonan ethnic groups.

Catholicism and other forms of Christianity began to make their way into China very early. In 635 Olopen, a missionary of the Nestorian sect, came to China from Persia. Then called *Jing*, the religion withered long before gaining a strong foothold in China. It was after the Sino-British Opium War in 1840 that the Christian religion developed rapidly in China. After the founding of New China, Chinese Catholic and Christian communities took the path of independence and self-administration. Now there are more than 3.3 million Catholics and nearly 5 million Protestants in China.

In addition, there are also members of the Orthodox Eastern Church and of other religions among minority groups.

No religion has ever assumed a dominant position in China. Foreign religions, influenced and assimilated by time-honoured Chinese culture and tradition,

have gradually become religions with Chinese characteristics. Religious believers make up only a tiny proportion of the 1.1 billion Chinese people.

To respect and protect freedom of religious belief is one of the basic policies of the Chinese Communist Party and government. Article 36 of the Constitution of the People's Republic of China stipulates:

"Citizens of the People's Republic of China enjoy freedom of religious belief.

"No state organ, public organization or individual may compel citizens to believe in, or not to believe in, any religion; nor may they discriminate against citizens who believe in, or do not believe in, any religion.

"The state protects normal religious activities. No one may make use of religion to engage in activities that disrupt public order, impair the health of citizens or interfere with the educational system of the state.

"Religious bodies and religious affairs are not subject to any foreign domination."

The essence of this policy is to let citizens freely choose whether to believe or not to believe in a religion, and make religious belief a matter of their own concern. □

tive in its own hands and independent administration. They will continue to be equal in their relations, with neither side subordinate to the other.

Policy Towards Religious Communities in Hong Kong and Macao

Q: When China re-establishes sovereignty over Hong Kong and Macao according to the "one country, two systems" concept, what religious policy will the Chinese government adopt towards these two regions? What about the relations between the mainland's religious communities and their counterparts in these two regions?

A: According to the joint declarations on Hong Kong and Macao signed between the Chinese and British governments and between the Chinese and Po-

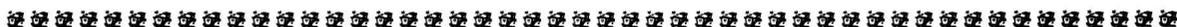
rtuguese governments, when the Chinese government resumes the exercise of its sovereignty over these two regions according to the "one country, two systems" concept, the right of the citizens of the two regions to religious beliefs will be fully guaranteed. Religious bodies there will continue to run their own schools, hospitals and other welfare facilities. Religious organizations the two regions and the mainland may establish relations on the basis of the principle of neither one being subordinate to the other, non-interference in each other's internal affairs and mutual respect. Religious organizations on the mainland will not meddle in the internal affairs of their Hong Kong and Macao counterparts and will not act or operate in these two regions as they do on the mainland. Nor will religious organizations in these two re-

gions advocate their ideas and practices on the mainland. Each should respect the other's characteristics, and they should contact each other on the basis of equality and friendship.

No Judaism in China

Q: Some of our readers ask if there is Judaism in China. Would you please say something about it.

A: Around the 11th century, a group of Jews followed the "Silk Road," came to Kaifeng, then the Song capital and settled there. They have since worked, lived and inter-married with local Chinese and gradually absorbed the local customs and habits. They now share the same religious beliefs, customs and language with local Chinese. Today, there are no Jews as a nationality and no Judaism around the area of Kaifeng. □



Smuggling Developed to a Fine Art

by Wei Yunheng and Luo Kangxiong

According to statistics from the State General Administration of Customs, about 10,206 cases of smuggling were discovered and the booty seized by customs throughout the country in 1988. The goods reached a value of 233 million yuan, an increase of 47.2 percent over 1987. In Guangdong Province the value of smuggled goods intercepted and seized rose by 70.8 percent over 1987. In the first two months of this year, 1,260 smuggling cases were discovered, and the goods seized were worth 83.69 million yuan, representing an increase of 25 percent, or six times the amount for the same period last

year. Smuggling in Fujian and Zhejiang provinces also presents an upward trend.

Features of smuggling transactions in recent years are as follows:

Smuggling by sea becoming a tidal wave. On February 26 this year, a patrol boat from the Gongbei Custom House captured "Guanjunhao (Championship)," a Hong Kong smuggling ship of Honduras origin, 15.5 nautical miles northeast of Dangan Island, Zhuhai City. On the ship, there were over 4,419 boxes of foreign cigarettes of such brands as "Kent", "Hilton" and "Marlboro," worth 12.42 million yuan. According

to confessions by the two Hong Kong escorts and an Indonesian captain, they were employed by Li Jinqun, who is in charge of the Hong Kong "Feite" Shipping Co. Before they had started out, Li Jinqun secretly talked with each of them, saying that the cigarettes, which had been reported to Hong Kong Customs as being sent to Taiwan's Gaoxiong, would actually be in the cargo of a boat sailing towards the shores of Chenghai County, Guangdong Province, and handed to contacts on the inland's fishing boats. Li explained to the two escorts how to use the radio speaker's channel, code words and receipts.

But they never expected that the vigilant anti-contraband personnel would search out the list of goods, the Hong Kong currency note to be used as a receipt when handing over the goods, as well as their note-book recording the whole transaction. The evidence was hidden in the pilot's cabin and in the ceiling of the ship's living-room. Confronted by irrefutable evidence, the smugglers had to confess their crimes.

It is said that this case of large-scale smuggling is not the only one of its kind. The small smuggling transaction of previous years involving mainland fishing people did not satisfy the appetites of smugglers either in or outside the country. For example, they used to exchange folded umbrellas, electronic watches and radio tape-recorders for a few hundred silver dollars and some fish. Now large-scale smuggling is organized out at sea, and the stakes are high. Smuggled goods mainly include cigarettes and household electrical appliances in considerable numbers and of enormous value. Last year, 21,-

000 cases of foreign cigarettes brought in illegally from abroad, worth 42 million yuan, were apprehended and confiscated by the customs throughout the country. This year, the traffic is fiercer than ever. Between January and March, 37 smuggling ships were caught off the shores of Guangdong Province alone, and 29,000 boxes of imported cigarettes were captured, 38 percent more than the total volume last year. Marine smuggling on this scale has new features. For example, Hong Kong's smuggling group owns more than 20 ships engaged solely in illicit trade; their methods of handing and transferring goods are more secret; modern communications equipment, motorboats and ex-service naval ship are used. Marine smuggling is spreading from east to west along the Guangdong seaboard.

New varieties of smuggling along land routes. Often in the past, contraband goods were hidden or mixed in with other goods on freight cars, but now they are shipped in specially built hidden compartments, or

Head of Beijing Railway Station's industrial and commercial administration Ren Fulin (second right) discusses and analyses smuggling cases with his inspectors.

XIA JUNSHENG



in cars whose doors and locks have been tampered with. What's more, drivers openly pass through customs points with a whole cache of smuggled goods on trucks. In June last year, with a Hong Kong driver at the wheel, a freight truck entering China was stopped at the Kowloon Customs Station. The officials on duty discovered and seized 835 cameras in a hidden compartment underneath the load. On March 17, another Hong Kong driver entered China from the Shatoujiao port in an eight-ton freight truck. He reported that he was carrying processing materials. Through sample examination by customs, the load turned out to consist of 1,413 Toshiba videos, worth 4.23 million yuan. About two weeks later, a milk-white "ISUZU" freight truck of the Hong Kong Meilun Transport Company came to Wenjindu to try its luck also. The driver lied, saying he had a load of imported nylon cloth. Opening the truck door, the customs officer discovered 362 Casio Videos. According to statistics from the Kowloon Customs, in the first quarter of this year, 112 cases of smuggling by freight transport overland were discovered and the goods seized. The contraband was valued at 20.084 million yuan, representing an average of 223,000 yuan a day, or a sum three times that for the same period last year.

Smuggling under the guise of donations. Compatriots from Hong Kong, Macao and Taiwan and overseas Chinese, out of kindhearted generosity, make donations to people on the mainland. But smugglers, fishing in troubled waters, collude with internal and external counterparts, use "donation" as a pretext, obtain the relevant official import license and bring in

goods restricted by law. As this brazen profiteering goes on, some local governments or departments, proceeding from narrow interests, open one eye and close the other over the matter. At present, among the imported fake donations, cars, colour kinescopes, refrigerator compressors, nylon cloth, plastic raw materials and cigarette filters are all the rage.

In addition to individuals who make huge profits by faking "donations" some enterprises have begun to engage in this hoax. In June last year, a smeltery in Benxi City, Liaoning Province, applied for and received a document of approval and a licence respectively from the people's government of Liaoning Province and the Provincial Economic and Trade Commission, under the pretence of accepting 30,000 kinescopes "donated" by a Hong Kong business man named Li. Later, the document of approval and licence was sold for 1.5 million yuan to two contractors in a trading company in Shenzhen city. In the middle of July, the two contractors imported a total of 25,160 kinescopes four times in the name of the smeltery. They have sold 7,200 of them to some enterprises in Guangzhou and Shanghai. On August 5, when the two culprits imported 5,040 TV sets which had no circuit plates, but reported that they were kinescopes, the Kowloon Customs confiscated them. The whole case involved goods valued at 26.67 million yuan.

A report from the General Administration of Customs discloses that there were 15 cases in which fake donations of kinescopes were discovered and dealt with last year. The number of kinescopes imported with the approval of various locali-



People entering China from Hong Kong pass by the Customs's Station at the Lo Wu Bridge in Shenzhen.

CHEN XIAOBO

ties but exceeding their power limits set by state regulations, reached 280,000. Some 90,000 of them were confiscated by customs.

Rising proportion of legal persons engaged in smuggling. The pounding waves of smuggling, and the lure of money have also induced some enterprises and institutions under the signboard of state or collective ownership to engage in illegal transactions. Their methods include dispersing imports, evading licences and taxes and under-cutting quoted prices. Last year, Shenzhen's Shatoujiao District Non-Staple Food Co. drew up a customs declaration for the export of 4.2 tons of "Longkou jumbled thread." On examining the declaration form, the customs officers knit their brows. What on earth was "Longkou jumbled thread"? They decided to check. What they found was a shipment of raw silk on which the state had placed an export ban, worth 510,000 yuan. Further investigation revealed that the non-staple food company had collaborated in the deal with some Hong Kong businessmen. After carrying out its part successfully, the company was to

receive a considerable amount of money for "going through customs."

According to statistics of Xiamen Customs, the total value of goods smuggled by legal persons for several years running accounted for 90 percent of the total value of goods involved in all the cases of smuggling apprehended. The number of smuggling cases involving enterprises and institutions ferreted out by Kowloon Customs in 1988 made up only 2.5 percent of the total number of cases, while the value of goods in this branch of smuggling exceeded half that of all the cases involved.

Increase in cases of selling smuggled materials supplied for processing and tax-free, or tax-reduced goods and materials intended for special zones. From November 1, 1987 to March 31, 1988, a total of 10.12 million yards of overseas-supplied nylon cloth for processing was declared by Jinjiang County of Fujian Province and recorded at customs. However, only 2.57 million yards were used by the county's processing factories for exported clothes and umbrellas in the same period, an amount equal to only one quarter of the

total. Xiamen Customs, together with other concerned units, made an investigation on processing factories using overseas supplied materials in the county. They discovered that within five months at least 3.8 million yards of nylon cloth were nowhere to be found. According to customs officers in the know, in recent years, smuggling goods by taking advantage of stipulations regarding "processing supplied materials" has become rather widespread. Goods and materials which are allowed in duty-free or at reduced tax, intended for use only in special zones are instead resold by smugglers to the interior of the country. The cases in this category tracked down in Xiamen Special Zone last year numbered 34, involving 43.668 million yuan. Similar cases were also frequently discovered and the goods confiscated when possible in Shenzhen and Zhuhai. Since setting up China's largest special zone in Hainan Province, Zhanjiang Customs has ferreted out two big cases of smuggling a total of 122 tons of duty-free rubber out of the island.

Smuggling narcotics and pornographic books and magazines is conspicuous. In recent years, because various countries in the world have strengthened the suppression of drug-smuggling, international groups engaged in narcotics traffic have had to change their traditional routes and have taken to channeling narcotics to other countries via the mainland of China. Since February this year, Guangzhou, Kowloon and Huangpu Customs have ferreted out three cases of smuggling narcotics, and seized 42 kg of heroin. In addition, public security personnel arrested a number of drug smugglers, and confiscated

some opium and heroin. It is worth noting that narcotic drugs are not always simply carried by individual passengers, but are also concealed in batches of goods moving through legitimate trade channels.

At the same time, smuggling of pornographic books and magazines is also rampant. In 1987, the number of pornographic materials seized by Zhejiang authorities reached 6,528, including pornographic books, pictorials, videotapes, aphrodisiacs and illicit appliances. In 1988, Kowloon Customs seized pornographic books and goods totalling 13,000, a figure 54 percent higher than the previous year. An officer of Guangzhou Railway Station's customs disclosed that persons who carried obscene articles and books with them into the country include not only Hong Kong and Macao tourists and ordinary people from the mainland but also members of the Communist Party and leading cadres.

Export smuggling on the rise. Tempted by huge profits, smugglers of goods for shipment out of the country are running wild. These goods include cultural relics, foreign currencies, eel fry, raw silk, and grey cotton cloth. In the past, cultural relics were mainly smuggled by individual "travelers", but now are moved in large quantities through ordinary channels of cargo transportation. According to statistics released, 4,900 smuggled cultural relics were seized by customs officers throughout the country last year. There were seven large cases each involving more than 100 pieces. Cases of smuggling foreign currencies in large amounts have also come to light one after the other. On March 7, this year, a Hong Kong passenger was suspected of altering the

amount of foreign exchange registered on his February 28 "visiting hometown certificate" when he was going through exist formalities at Fuzhou Customs. After investigation, the public security department confirmed that the Hong Kong passenger had altered 60,000 yen into 6,820,000 yen in his declaration. He confessed to slipping through customs bringing in 220 *liang* (one *liang* equals to 50 grams) of gold on two occasions. He exchanged the smuggled gold for Japanese yen in the black market, then tried to get back through customs with the altered declaration form.

Smuggling methods become all the more secret. As the Chinese government began taking stronger measures against smugglers, they responded to the greater danger by constantly changing their tactics. Hong Kong marine smugglers, just before their boat leaves Hong Kong waters, often despatch a small boat to reconnoitre the area where the goods are to be handed over. The area chosen is often one within easy access to the high seas or within the Hong Kong water area. They set up liaison with modern telecommunications equipment using code words as signals, and at the hint of danger, flee immediately. Mainland boats engaged in smuggling often build special secret cabins in the ship's hold, place their booty in special containers which they pull through the water. The methods of smuggling by land are equally as diversified. Smuggled goods are not only hidden in various parts of the human body, but are also found in coffins.

(This is an abridged article from *Outlook Weekly*, issue No.22, 1989)

Yantai Mayor Yu Zhengsheng

RENMIN RIBAO
(People's Daily)

Those who go to Yantai City in Shandong Province may hear people talking about their Mayor Yu Zhengsheng.

When Yu Zhengsheng took up the post in March 1987, the first thing he did was to tackle housing reform in the urban area. Right at the start, he gave a television talk on housing reform and showed ability to handle government affairs.

Mayor Yu is also good at talking with people from all fields. In order to win understanding, trust and support, he looks on dialogue with people as an important way to make administrative affairs public. Before the Spring Festival this year, he gave a brief explanation on market supplies in a television interview. Questions dealt with included: Why do we limit the supplied quantity of grain? Why have honeycomb briquets been in short supply? Why do people rush to buy table salt? Why are matches sold at the state-fixed price limited to five for each household a month? What will be the supply like for the Spring Festival?

The television interview won public approval. A woman said, "The speech was very good. Our mayor just said what's in his mind and what difficulties we will meet. Thus, we are not at all nervous, for we know what to expect."

Yu Zhengsheng said recently, "My attitude is to be honest in word and honest in deed, but not to use high-flown words. Only by admitting the problems and difficulties in my work can I win understanding and support from the people. If they think I am incompetent, they can elect someone better qualified than myself. I have limited ability. I am unable to do what I cannot do?"

Residents have also spoken of good points in their mayor. A re-

tired cadre, who saw Mayor Yu lineup to buy bean curd in the street, said, "This is a little thing hardly worth mentioning. But it shows that we and mayor are equal in front of the bean curd stand."

A working member of the Municipal People's Political Consultative Conference said, "On New Year's Day or other festivals, some units send people to present gifts to leading members. But they dare not give Yu Zhengsheng a present. Once, people put some dried shrimps and sea cucumbers in his car when he was checking on work in the county. Yu became angry when he found out and immediately got his secretary to return them."

Yu Zhengsheng said at a meeting, "I try my best to establish an environment in which different views and criticisms can be freely expressed. I have also learned to put my actions under the people's supervision."

(June 2, 1989)

Matters for Deep Thinking

ZHONGGUO QINGNIAN
(China Youth)

The following situation in the rural areas warrants our deep thinking.

How do farmers spend their money? Building houses, getting married, buying electrical appliances, staging celebrations or making funeral arrangements, or building graves and temples. Some people spend money like water. The conspicuous consumption in rural areas by no means lags behind that in urban areas.

Because of this it appears on the surface that the rural labour productivity and farm accumulation are increasing, but in fact they are falling. Take for example agriculture, on which farmers depend for

their existence. Owing to the shortage of funds, ageing farm facilities cannot be renewed, the ecological environment cannot be improved and a large area of land turned into desert cannot be brought back into cultivation. An urgent task for the government is to formulate a special policy to encourage the investment of more money in farm production especially in land cultivation. In addition, the farmers should be far-sighted and change from conspicuous consumption to the expansion of production and economic accumulation and give up the bad habit of squandering money.

Where can surplus labourers go?

Two years ago, urban people and press circles excitedly described surplus farmers as a vital new force for the reinvigoration of the urban economy. With the increase in their numbers and the country's transport difficulties, however, the press has since sprung begun to change its tune and call them drifters. Where on earth can surplus farmers go?

Over a long period in the past, the problem of disguised unemployment was very serious in agriculture. Since the implementation of the reform and open policy, surplus farmers have generally moved into the cities and sought to transfer into non-agricultural fields. This should be said to be a good thing for both rural and urban areas. But, farmers have neglected local agricultural need while moving away. There are many jobs waiting in local areas such as bringing wasteland and barren hills into cultivation or fish breeding and poultry raising. The reason for the aimless drifting of farmers is that China still lacks an economic policy to guide them to keep their minds on the development of agriculture, and reasonable measures for the employment of surplus farmers. If the government would readjust prices of farm products according to supply and demand, prolong the right of land use, pay atten-

tion to the production of chemical fertilizer, pesticides and farm plastic film and sell them at favourable prices, farmers would put more effort into agriculture and the number of people drifting into cities would be reduced by a big margin.

Why is it difficult to make poor areas prosperity? In recent years, the areas where people live in poverty have had little success in achieving prosperity. The reason is that a basic requirement for eliminating poverty has been neglected. In many poor areas, farmers are encouraged to engage in family fish breeding and poultry raising or family processing projects or in business. Some people may become well-off, but they cannot stay rich for long. The reason why poor areas are poor is that they have poor transport facilities, are ill-informed, short of water and educationally backward. In order to put an end to the backwardness of the poor areas and to make a great number of farmers well-off quickly, the state, collectives and individuals should invest large sums to develop communication, power and water conservancy facilities.

(Issue No. 5, 1989)

Living Standards Of the Retired Fall

ZHONGGUO FUNU BAO
(China's Women)

The living standards of retired workers in Beijing have been decreasing year by year, according to a recent sample survey of 1,200 local retired workers by the Beijing Federation of Trade Unions.

The survey shows that since 1985 prices have soared in Beijing. They have risen 95.5 percent in the last five years. At the end of 1988 the average monthly income of retired workers from state-owned enterprises was 35.5 percent lower than the index for

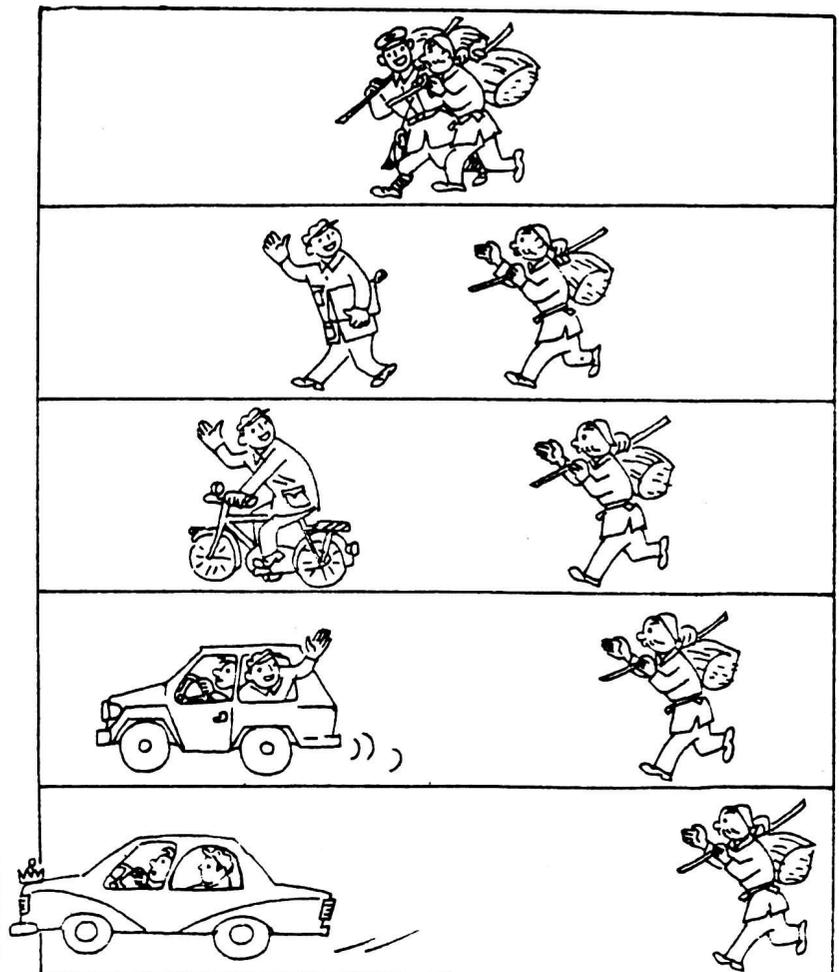
price rises. Most can only eke out a bare living with their limited pensions. They include those who had worked for more than 20 years but can only get pensions of about 90 yuan, various subsidies included. In addition, they have to support their spouses. In recent years prices in Beijing have rocketed, particularly those for such non-staple foods as fresh vegetables, meat and eggs. Under the situation, these retired workers can not afford tonic products.

According to the survey, irrational policies are the major reason for the income decline of retired workers. For example, after introducing the economic contract responsibility system, enterprises instead of the state take responsibility for giving workers

wage increases. On the other hand, the government stipulates that the wage increases by the enterprises can not be taken into account when retired workers get their pensions. The basic wage is calculated on that provided by the state in 1986. So the pensions of most retired workers are only half of their former wages. Retired workers who left their jobs before 1987 have not had a wage increase for 24 years.

Formerly China practised an eight-grade wage system in which the highest wage was 90 yuan. Most retired workers were grade five or six, so they now only get pensions of 60 to 70 yuan. This has led to the situation in which the earlier workers retired, the less pension they get.

(June 23, 1989)



County Magistrate Li and Uncle Zhang
— the division of the times.

HA 2105

Joint Venture Proposals

Sugar Alcohol Production

The Zibo Fengshui Chemical Plant of Shandong Province produces 1,000 tons of sugar alcohol annually, worth 8 million yuan in sales revenue. To improve product quality and expand its productive capacity to 3,000 tons, it requires US\$400,000 in foreign investment to import new technology. This plant, a laissez-passer holder, has a floor space of 21,600 square metres and an excellent supply of raw materials and power. Form of co-operation can be joint venture or co-operative management.

Flexible Axles for Car Odometers

The Tianjin Automobile Flexible Axles Factory wishes to invite foreign businesses to participate in its expansion programme. The 18-year-old factory currently produces 300,000 flexible axles, 120,000 guy wires, 4,800 general pumps and 1,200 specialized pumps annually for Tianjin Dafa brand vehicles. The enterprise needs to import technology and equipment to increase its annual output of flexible axles to 1.2 million and guy wires to 1.2 million and to improve the quality of its pumps.

Cylindrical Cadmium Nickel Accumulator

The Tianjin Power Source Research Institute wishes to expand its production of chemical and solar batteries by jointly managing an enterprise with an overseas partner. By combining its own experience with the world's latest equipment, it wants to expand monthly production of the accumulators from

500,000 units to 1 million.

Broche Decorative Cloth And Blue Jean Cloth

The Ningbo Renfeng Textile Mill produces broche sateen and a range of pure cotton table and napkin cloth for a world-wide market. The mill has more than 60 years of production experience, a floor space of 38,000 square metres and production area of 35,000 square metres. The mill invites interested foreign parties to assist in its expansion programme to produce 3.5 million metres of broche decorative cloth and 1.1 million metres of blue jean cloth annually.

Production and Distribution Of Vegetable Seeds

Shanghai's Huaming Seed Shop produces and distributes wild cabbage and radish seeds with an annual sales value of 500,000 yuan. Foreign investment and marketing expertise are needed to expand production facilities, introduce new seed varieties and enhance marketing and distribution overseas. Local resources and new investment can be combined through a profit-sharing co-operative agreement.

Cotton Polyester-Fibre Sewing Thread

The 30-year old Ningbo Thread Factory of Zhejiang Province wants to introduce foreign investment and new technology to expand annual output of medium- to high-count cotton polyester-fibre sewing thread to 2,300 tons. Specifications in-

clude 40s 3 and 60s 3 in various colours. The award-winning enterprise will provide the site, equipment, facilities and raw materials. Foreign business people are invited to talk about joint management of this project.

For further information please contact:

China Co-ordinating Centre For Business Cooperation, Information Office, Beijing.

Tel: 5002255 Ext. 4716

Fax: 5005908

Telex: 22942 CCBC CN

Export of Electrical Goods

According to customs figures released for the first half of this year, China's exports of mechanical and electrical appliances was US\$3,379.48 million, a 45.5 percent increase over the same period last year. For example, of the strong new export clout, the export of power machinery accounted for US\$97.6 million, up 40.7 percent; universal machinery 165.67 million, up 48.7 percent; specialized machinery US\$124.76 million, up 39.5 percent; audio-video instruments US\$422.85 million, up 39.8 percent; power-generating machinery US\$325.22 million, up 35.11 percent; land vehicles US\$111.17 million, up 57.7 percent; scientific instruments 47.88 million, up 41.3 percent; processing of supplied materials US\$1,178.42 million, an increase of 74.6 percent.

An official from the machinery and electrical appliances export office of the State Council said that in the first half of this year China's export value came to US\$22.3 billion, an increase of US\$1.35 billion over the same period last year. Of this sum, exports of mechanical

and electrical appliances increased by US\$1.06 billion, making up 15 percent of the total.

So far, China's mechanical and electrical appliances have been sold in more than 100 countries and regions including those in North America, Europe, the Middle East and the third world. In the past few years, exports to the Soviet Union and Eastern Europe have rapidly increased.

Exports of China's 21 kinds of mechanical and electrical appliances such as machine tools, engineering machinery, automobiles and their components, computers, bicycles, watches and clocks, ships, household electrical appliances and civilian aircraft are expected to increase by a large margin.

Licence Control On Medicine

According to an official of the State Administration of Traditional Medicine, China will begin a system of licence management on the export and import of traditional Chinese medicine.

Exports of traditional Chinese medicinal herbs will be managed by various departments at different levels according to their supply and demand in the domestic market.

Exporters of eucommia bark, cortex magnolia officinalis, liquorice root as well as their processed products will have to apply to the State Administration of Traditional Medicine and get export licence at the Ministry of Foreign Economic Relations and Trade.

Licences on exports of pilose antler, radix angelicae sinensis, sanqi, ginseng will be issued by agents positioned across the country by the Ministry of For-

eign Economic Relations and Trade while exports licences on other traditional herbs will be issued by the foreign economic relations and trade departments affiliated with provincial, municipal and autonomous governments.

The licencing system will also be tried on export of traditional medicines that have been already prepared by pharmacies.

The medicines permitted for export will soon be published when the Ministry of Foreign Economic Relations and Trade has completed consultations with the State Administration of Traditional Medicine.

China will ban the export of products taken from animals and plants protected under the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora. If these products are needed for export, special approval can be requested from the State Administration of Traditional Medicine as well as the Endangered Species of Wild Fauna and Flora Import and Export Administrative Office of China. With approval from these two government departments, exporters can then be applied for licences at the Ministry of Foreign Economic Relations and Trade.

Licences will be required for the imports of 21 major species, including antelope's horn, calculus bovis, musk, fructus anomi, sterculia scaphigera, American ginseng, sea horse, rhinoceros horn, tiger bone, areca seed, and rhizoma picrorhizae.

China has trade relations in traditional Chinese medicine with more than 120 countries and regions. Last year, the total export income from traditional Chinese medicine came to US\$360 million.

The official of the State Administration of Traditional Medicine reiterated that China's

co-operation with other countries on traditional Chinese medicine came under the unified co-ordination and management of the State Administration of Traditional Medicine. Medicinal herbs already under the protection of Chinese law, unique traditional medicines already prepared by pharmacies with a wide acceptance in international markets as well as special areas of processing techniques and prescriptions will not be allowed to be co-opted out to foreign interests.

by Li Ning

Nanjing Adds 17 Joint Ventures

Not long ago, an American company signed an agreement with the Nanjing Wild Lily Arts and Crafts Industrial Co. to produce series of plastic rubberized tapes in Nanjing for industrial use. Involving an investment of US\$2 million, the agreement provides for a co-operation period of 10 years.

This is the 17th joint ventures set up in Nanjing in the first half of this year with the approval of the city government.

According to statistics, investment in the 17 enterprises totals US\$54.37 million, and the registered capital US\$37.99 million. This includes US\$17.29 million from companies of Japan, the United States and Hong Kong.

Of the 17 new foreign-funded enterprises, 15 are productive enterprises whose exports are expected at 35 percent of their annual output. Most have a co-operation period of about 15 years, the longest being 20.

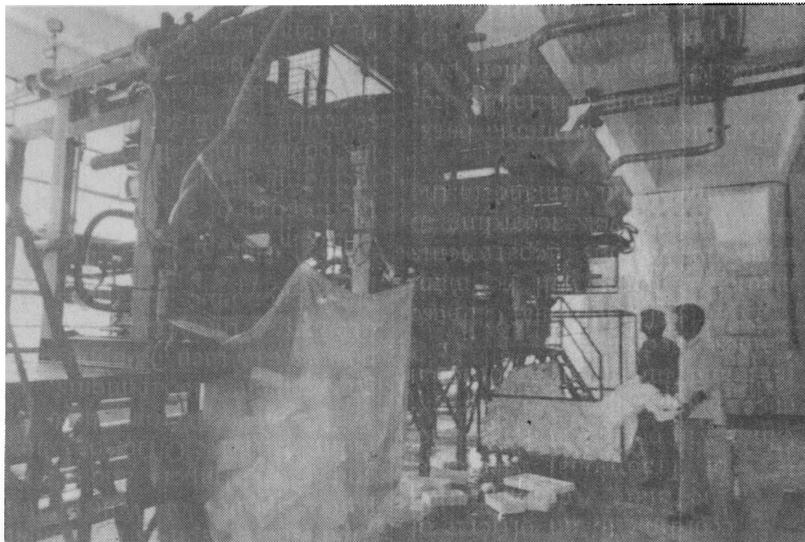
By the end of May, Nanjing has had a total of 71 foreign-funded enterprises with the investment totalling US\$497 million and the registered capital, US\$182.61 million. This includes US\$81.26 million from foreign companies. □

Plastic Products Success

In the Shenzhen Bagualing industrial area, there is a Sino-foreign joint venture—the Shenzhen Plastics Co. Ltd. It is not large and has only 91 employees. However, since it began operations in 1985, it has cashed in on a big array of foamed plastic products. By the end of 1988, the initial investment of more than 6 million yuan had been recovered and the company had saved fixed assets worth nearly 5 million yuan.

The company's Chinese manager, Pan Fuming, said his company could survive in the Shenzhen Special Economic Zone (SEZ) and had yielded good results because of the following factors: first, choosing the right projects. Shenzhen was close to Hong Kong. In the Shenzhen SEZ, there was a greater concentration of electronic products which required much plastic sheets and plastic packing materials. So these products had enjoyed a brisk sale. Second, good quality. With advanced equipment and choice materials purchased on the international market, the venture recruited skilled technicians and managerial personnel. So the proportion of Class-A products accounted for more than 99 percent. Their quality was not behind that of their advanced foreign counterparts.

Deputy General Manager Dong Weining from Hong Kong said that the wrap production line which began operations last year was making the company's second series of products. They had been well received in Shenzhen and other parts of China and were expected to be soon sold on the world market. Dong added with confidence that these new products have many posi-



Production workshop of the Shenzhen Plastics Co. Ltd., a joint venture between Shenzhen and Hong Kong.

CHEN ZONGLE

tive characteristics. They are self-sticking, permeable, anti-static, highly transparent and non-poisonous and have no unpleasant smell. They compare favourably in all respects with its American and Federal German counterparts.

Foreign businessmen are welcome to visit and discuss cooperation with the joint venture.

by Jing Wei

Hong Kong Wins Cassava Case

At the end of June, the Guangzhou Admiralty Court made a judgement in a dispute concerning foreign affairs. The Hong Kong plaintiff won the case and was awarded 110,000 yuan in damages.

In January 1987, the *Golden Horse* cargo ship, managed by the Wu Yang Trust and Investment Co. Ltd. (Hong Kong), was chartered by the Guangxi branch of the China National Native Produce and Animal By-Product Import and Export Corp. to load exported dried cassava at Guangzhou's Huangpu Port. When some dried cassava

were found mildewed, the captain annotated and commented on the bill of lading that 30 percent of the received cargo was mildewed. However, the Guangxi branch refused to accept this statement and thus a dispute occurred. After the court accepted the lawsuit filed by the Hong Kong firm, an investigation was made which found that, despite this batch of dried cassava being up to export standard, some of them were actually slightly mildewed. The court adjudged the captain's annotation and comment a common practice of international shipping, and the defendant, Guangxi branch, was liable in this dispute. But the court also ruled, at the same time, that the '30 percent' description lacked an accurate basis and so the Hong Kong plaintiff also was at fault in lawsuit and must take proportionate responsibility.

The court ruled that the economic losses of more than 1.62 million yuan should be borne by the defendant, 110,000 yuan of which should be paid to the plaintiff.

by Li Ning

Chen Xueqing, a Promising Cellist

Chen Xueqing, student of the Central Conservatory of Music in Beijing, held a cello recital in the Beijing Concert Hall on June 2. The audience was deeply impressed by her flawless performance and strong musical accomplishment.

Cello Solo Sonata, a work of Hungarian composer Zoltan Kodaly in 1910, was the first programme of the concert. It was also the first time that the sonata was wholly performed in China. Well poised, Chen mastered this difficult work which possesses both the classical beauty and the flavour of the times. Although there was no additional instrumental accompaniment, the audience was moved by Chen's clear and well structured presentation.

The successful works of German composer Max Bruch (1838-1920) for cello and orchestra followed in the second programme. Chen played the music exquisitely with the added pep of her oriental characterization. At moments the tones were sad, but at other times they were packed with inspiration and excitement. The audience was moved by the music as though they were in a beautiful dream that was stained with sadness and a sense of loss that drove people to ponder in deep thought.

Chen's final programme in the performance was a concerto composed by Robert Schumann for cello and orchestra in 1849. The work's romantic feature was perfectly executed by the young cellist, winning the favour of the audience.

Born in 1967 in Shenyang, capital of Liaoning Province, Chen Xueqing started studying cello at



eight and made her debut in Shenyang at 11.

Her repertoire covers a colourful selection of styles and genres that include solo sonatas, suites, concertos through to modern pieces. Over the past years she

has received the prize for excellence in the Ten Cities Teenagers Music Competition in 1977, the third title in the All-China Art Colleges' Cello Competition in 1985 and the first prize for her age group at the 1988 first National Cello Competition. Many of her tapes and recordings have been played nationwide by radio and television stations.

In 1987, representing Beijing's Central Conservatory of Music, she joined the competition in Hong Kong's International Chamber Music Festival as cellist in the string quartet.

Suymiko Kurata, a famous Japanese cellist, considers Chen Xueqing a music genius who possesses all the artistic qualities of an excellent performer.

Parisode, a well-known American cellist, said, "The training of basic skills and the co-operation of her hands are almost perfect." □

Magic Qigong Fights Cancer

Two years ago, Yasui Masato, a Japanese youth suffering from cerebral cancer, came to the PLA's Naval General Hospital in Beijing in the hope that doctors there could save him with the magic *waiqi* (outer breath) produced by Chinese *qigong* (a martial art of breathing exercise) masters.

His cancer was in an advanced stage buried deep in the lower part of his brain. Although Masato had received chemical and radioactive treatment in many Japanese hospitals the results were very disappointing. The pressure of the tumour on his

brain nerves gave him a terrible headache and a distorted mouth while making his eye balls protrude from his skull in a frightening manner.

After more than 20 courses of treatment in the Naval General Hospital, his egg-sized tumour was sharply reduced, pain relieved and face back to normal.

As a result of the magical Chinese therapy, Yasui Masato now lives a healthy life in his home country.

Yasui Masato's recovery was largely due to the efforts of professor Feng Lida, now deputy director at the hospital who enjoys

a high reputation for her achievements in this field, and Li Zhe, a *qigong* master at the hospital and a student of professor Feng.

Li Zhe's life is in itself a chapter showing the determination of Chinese to overcome huge physical obstacles. In 1965, Li Zhe was born in northwest China and lived there for eighteen years. He found it difficult to keep up with the studies in high school because of his poor health. Taking the advice of his uncle-in-law who was a doctor of traditional Chinese medicine, Li began to practice *qigong*.

Li greatly benefited from the practice. With his health improved, his study made remarkable progress and after graduation from high school he was able to enter a university in Beijing. But Li continued his practice of *qigong*. He knew that he had a long way to go to get a substantial understanding and mastery of this ancient Chinese art and he needed a *qigong* master to instruct him.

In 1986, one of his friends introduced Professor Feng to him. Feng who had studied in the United States and earned a doctorate degree in the Soviet Union was also a well-known *qigong* master. Li joined Feng's effort to treat diseases with *qigong* while experimenting into the function of this strong treatment.

In his spare time Li read books on *qigong*, to synthesize the strong points of Buddhist and Taoist *qigong* schools. He also studied traditional Chinese martial art. Although different schools have their own unique theories and practices, Li believes they have one essential feature in common: they all aim at improving health and activating the functions of the

cerebral lobus frontalis and brain cells.

He explained that a *qigong* master could cure a disease by emitting *waiqi* on the patient to inhibit the pallium (the brain mantle) so as to activate the function of the cerebral cells.

Although some scientists are sceptical about reliability of *qigong* most now accept the evidence as a kind of electromagnetic wave or laser that emits from the *qigong* master's body into his patients' affected areas.

To Li, the so-called *waiqi* is not mysterious but has been recorded with the help of modern equipment. To support his statement, Li took out some colour pictures depicting the state of *waiqi* released from his body. These pictures were taken by researchers at Qinghua University with the help of a thermal-photo machine. The pictures in yellow, red and blue recorded the varied temperatures of the energy released from the hands and forehead of the *qigong* master. By comparing the two groups of pictures taken before and after the practice of *qigong*, scientists can see and record the changing of infra-red beams emanating from the *qigong* master's body.

In 1987, Feng and Li began

using *qigong* to kill cancer cells on a trial basis. They have divided the isolated cultured cancer cells into two groups, one for natural splitting and one for experiments by *qigong* masters. They then examined the differences through an electronic microscope. The data obtained from more than 60 such tests showed that the average killing rate of one course is 30.7 percent on cervical cancer cells and 25.02 percent on gastric cancer cells.

Anything scientific should be able to stand repeated tests. In 1988, Professor Zhang Youmin of the biochemistry teaching and research section of Beijing University co-operated with Feng Lida to apply the modern paucity calorimetry to the study of *waiqi*'s (outer breath) effect on cancer cells cultured outside the human body. Li Zhe and three other *qigong* masters were invited to demonstrate *waiqi* in battling specially prepared gastric carcinoma Hela cells, a method commonly used in cancer experiments throughout the world.

From the calorimeter's diagrammatic recording of 2,000 consecutive hours one can see clearly that *waiqi* had proven itself in providing an obvious check on the growth and reproduction of cancer cells.

The scientists and researchers discovered that after *waiqi* treatment, the special Hela cancer cells used in the experiment experienced several changes. The peak growth was shortened by different degrees. *Qigong*'s check rate on cancer growth reached 75 percent. However, how *waiqi* works on cancer cells remains a puzzle to be cracked.

The test's conclusions further encouraged Li Zhe to probe into a cure for cancer and other difficult and

Li Zhe treating his patient with his "qi."



complicated illnesses with *waiqi* therapy. In 1986, the clinic of the Beijing Post and Telecommunications College found during a health check more than 300 students have neurasthenia, among whom 30 were selected to receive Li Zhe's *qigong* treatment. A month after the experiment, all symptoms of the trial group had disappeared.

In 1987, after he obtained his bachelor's degree in engineering, Li Zhe entered the Beijing College of Traditional Chinese Medicine to further his studies in traditional Chinese medicine and anatomy. While studying at the college, he treats patients in his spare time. Over the past three years, more than 1,000 cancer patients have received Li's *waiqi* therapy. Hundreds more have been apprenticed to him.

When he treats patients, Li Zhe does not stick to one therapy like other *qigong* masters. Instead he favours a comprehensive treatment by combining *qigong* with Western techniques and traditional Chinese medical therapy.

One patient Zeng Meimei, an associate professor at Beijing Normal University, had breast cancer. Two years after an oper-

ation she found that the cancer cells had moved to her collarbone. The 3 by 4 cubic centimetre tumour was so big that her doctor just didn't know how to cope with. Just at that time, Zeng turned to Li Zhe for *qigong* therapy. When Li Zhe radiated his *waiqi*, Zeng said she felt a painful swelling at the place of tumour. On the 5th night after receiving Li's *waiqi*, Zeng felt a hot stream flowing down from the tumour that Zeng said felt like boiling water. The next morning, the tumor miraculously disappeared. Zeng often tells people that it was Doctor Li's *qigong* that allowed for her quick recovery.

From Li Zhe's point of view, *qigong* masters' *waiqi* is similar to the lighting of a fire. If a patient exercises *qigong* himself, it is just like continuously adding fuel to the fire. Therefore, he emphasizes the patients' cooperation and practice of *qigong* on their own. As a matter of fact, he often teaches his patients some *qigong* movements in accordance with their individual needs and conditions so that they can actively adapt themselves to the treatment of *Qigong* masters.

by Liu Dong

value, the bone slips, smooth on the back and slightly curved on the right side, measure 5.8 to 7.2 cm long, 2.1 to 3.2 cm wide and 0.5 cm thick. They have the names, measurements and dates of handicraft products and weapons used as tribute by local artisans, as well as the names of government officials, their subordinates and craftsmen.

Xu Guangji, deputy director of the Archaeological Institution of the Chinese Academy of Social Sciences, said that the previous study of the Western Han Dynasty's economy had been limited by the lack of materials referring to arms production and goods for the use of the court and the palace. The bone inscriptions, on the other hand, offers information about the categories, distribution and development level of the dynasty's official handicraft industry. In addition, the slips recorded the dynasty's economic structure, management system and revenues, as well as the evolution of local officialdom.

According to Xu, information on the bone slips is a supplement to previous records considered inadequate, particularly that contained in the *History of the Han Dynasty*. Concurrently, the inscribed slips also reveal the development of the dynasty's written language, and will prove to be of great importance for studying ancient Chinese characters and the art of calligraphy.

The site of the office in the north suburb of Xian covered 9,600 square metres, with 13 buildings standing side by side in a north to south direction. Because weapons were found near the walls lining a passageway to the municipal office, they are thought to have been used by guardsmen.

Begun in the spring of 1986, the excavation of the Han Dynasty's Changan site is considered one of the Chinese Academy of Social Sciences' most important projects.

by Wei Liming

Bone Inscription Reveals Western Han Dynasty

A preliminary examination in the past three years of more than 30,000 inscribed bone slips, unearthed at the site of a municipal office of the Western Han Dynasty (206 BC—24 AD) in Xian, Shaanxi Province, has provided a wealth of authoritative materials for the study of the dynasty's economy, government and writing system of 2,000 years ago.

The municipal office, the highest government department in charge of handicrafts, in the Weiyang Palace in Changan City, present-day Xian, is regarded as

genuine archives of the central government of that time.

Made of cattle bones, most of the slips are still intact and have tens of thousands characters, covering almost the entire time span of the Western Han Dynasty. Related to the Han Dynasty's methods of keeping records on wooden strips, tablets, books and archives, the slips are the first significant archaeological discovery ever found since a group of inscribed wooden strips and silk books were unearthed earlier this century.

Considered of high academic



A Beautiful Woman.



Monk.



Old Men Playing Chess and Musical Instruments in Ancient Times.

Chinese Paintings by Cheng Dali

Born in Tongxian County, Beijing in 1945, Cheng Dali is now director and concurrently editor-in-chief of the Jiangsu Provincial Arts Publishing House. Cheng is a specialist of Chinese figure painting and engages in researching the history of art theory. His works are meaningful and full of traditional skills.

ART PAGE

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Have you enough confidence to enter China's mechatronics market?

1st International Mechatronics Fair

If you'd like to know details about all this, please come to the fair!

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Address: Beijing, China

The 1st International Mechatronics Fair will be a grand display of the technologies and products developed in mechatronics since the Ministry of Machine-Building and Electronics Industry was founded. More than 200 exhibitors from 14 countries and regions are expected to display their wares which include 33 types of mechatronics technology and products such as numerical-control systems, electric power and electron instruments and the new generation of industrial technological control units. Prominence will be given to the display of some technologies and products to be introduced during the Eighth Five-Year Plan period.

During the exhibition, Foreign Trade Communities will be organized to attend the fair and hold trade talks on the export and co-operative production of Chinese mechatronics products. At the same time, a special conference will be held to be attended by staff from the mechatronics association, computer consumers and departmental and bureau directors of Chinese mechatronics industries to discuss matters on the development of mechatronics.

Friends from all circles are welcome to come and visit the exhibition.

1st/Mechatronics Fair Office

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