

Vol. 25, No. 15

April 12, 1982

# BEIJING REVIEW



A CHINESE WEEKLY OF  
NEWS AND VIEWS



- **The Crux of Sino-US Relations**
- **How a South China County Achieved Prosperity**

## HIGHLIGHTS OF THE WEEK

### Sino-US Relations

A review of Sino-US relations in the last three decades shows that the crucial factor in determining these relations has always been whether the United States respects China's sovereignty. With the United States insisting on arms sales to Taiwan, Sino-US relations are at a crossroads. China is striving for a good outcome, but is also prepared for any bad results (pp. 13-17).

### Prosperous Nanhai County

A south China county exemplifies recent progress in rural areas stemming from economic readjustment. Increased peasants incomes, the production responsibility system, measures to ensure common prosperity and the growth of collective economy are all examined (pp. 18-28).

### Booming Special Economic Zone

The Shenzhen special economic zone, the biggest of its kind in China, has become a burgeoning centre of new growth and development and is attracting an increasing number of investors (p. 5).

### Red Tape Reduced

The long office-to-office journeys of reports within ministries or departments are being curtailed as the State Council makes efforts to cut red tape and raise work efficiency (p. 7).

### New Flare-Up in the Gulf War

The Gulf war has already caused tremendous losses to both Iran and Iraq. It has also given the hegemonists opportunities to infiltrate the region through aid and trade, and will exacerbate Arab differences (pp. 10-11).

### The Vietnamese CP Congress

A major shake-up has been introduced in Viet Nam's central leading body to strengthen the hands of Le Duan and his followers. But many indications show that with a deteriorating economy and a low popular morale, things are becoming more and more difficult for them (p. 9).



Commune members in Nanhai County transporting bananas.

Photo by Li Xiong

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### **Tripartite Coalition in Kampuchea**

**What do you think of the recent talks in Beijing between Samdech Sihanouk and Democratic Kampuchean President Khieu Samphan? Is it conducive to the formation of a tripartite coalition?**

It is regrettable that a meeting of the three parties of Kampuchea did not take place in Beijing because of Mr. Son Sann's repeated postponement of his visit to Beijing without giving any date of his arrival.

After two rounds of talks in Beijing in late February, Sihanouk and Khieu Samphan reached a three-point agreement and three principles.

The three points were: 1) A tripartite coalition must have a minimum political programme; 2) the legal status of Democratic Kampuchea must be respected; and 3) the three parties will enjoy full autonomy and ideological freedom but should have common rules, rights and duties.

The three principles were: 1) The three parties are equal; 2) no side should dominate over the others; and 3) major questions should be decided through consultation and by consensus.

Their talks were fruitful and their agreement was of positive significance and will promote the unity between all the patriotic anti-Vietnamese forces. It undoubtedly represented a big step forward. A coalition government should have a common political foundation and a common programme; only in this way can it have a firm basis.

The proposal for a tripartite coalition was first put forward by Democratic Kampuchea. When the three parties met in Singapore last September, they signed a joint statement and reached a four-point agreement in principle. Two months later, Singapore proposed that the three parties set up a "loose coalition government." But nothing materialized.

A loose coalition government without a common programme and with each party going its own way will break up easily and is therefore detrimental to the anti-Vietnamese struggle in Kampuchea. This proposal is unfair because it will actually deprive Democratic Kampuchea of its diplomatic rights. Should the proposal be accepted, it will affect the morale of Democratic Kampuchean soldiers on the battlefield, and inevitably weaken the forces fighting against the Vietnamese invaders.

Since the beginning of this year, Democratic Kampuchea has repeatedly proposed that leaders of the three parties meet again to continue the talks on rallying all the forces to fight against the Vietnamese aggressors. Samdech Norodom Sihanouk expressed his hope to

meet Khieu Samphan and Son Sann in Beijing, and when Khieu Samphan came to Beijing for the purpose, the Samdech extended another invitation to Son Sann. Most of the ASEAN member states, Thailand in particular, favoured such a meeting in Beijing. In response to the requests from all parties concerned, China provided every convenience for the meeting.

It is China's hope that all the three parties meet as soon as possible and set up a tripartite coalition government at an early date. We firmly support the Kampuchean people's just and patriotic struggle and will extend our aid and support to all the patriotic forces in Kampuchea fighting against Vietnamese aggression. Our aid will be given in the light of each party's actual conditions and strength at the battlefield.

China's support for the Kampuchean anti-Vietnamese struggle is not a selfish ploy. We genuinely hope to see an independent Kampuchea that is peaceful, neutral and democratic, and do not expect that a pro-China government will be set up. As to what social system and what policies it will adopt, it should be decided by the Kampuchean people themselves without any outside interference.

— *International Editor Mu Youlin*

### **Retirement of Veteran Cadres**

**Will all veteran cadres retire as a result of the reform of the cadre system?**

One important aspect of the current reform of the cadre system is replacing old leading cadres with younger ones.

Since the Chinese Communist Party is a big party and China is a vast country, we need several dozen veteran revolutionaries, who enjoy good health and high international prestige, are prudent and far-sighted and able to direct the running of affairs of



# LETTERS

## Synthesis of RNA

The successful synthesis of ribonucleic acid by Chinese scholars who are respected in the world shows that China's scientific research is making advances.

**Mpambi-Okonda**  
Lodja-Pulu, Zaire

## First Impression of "Beijing Review"

I read your magazine *Beijing Review* for the first time several months ago. My impression is that the magazine has a large number of reports on various subjects; that it gives an approach to [China's] literature, especially the works of Lu Xun. It also reflects China's viewpoints on international politics.

I am a student in a journalism college. I must admit my surprise — an agreeable surprise — at reading your magazine. The language is easy to read; the photographs are good; the columns are neither too wide nor too narrow; and the paper is simple but pleasant.

I think that the columns "Notes From the Editors" and "From the Chinese Press" should be expanded (to as many as four pages) and the subjects should be more diversified (the local newspapers have many interesting reports).

I suggest that you open a new column "Knowing China" because the people in the West get their impression of China mainly

through the eastern coastal areas, Beijing, Shanghai and Guangzhou.

the whole country. These outstanding older leaders should remain in leading positions in the Party and state as helmsmen. However, the majority of the other old cadres will retire or work as advisers, and their work will be taken over by younger cadres.

The old cadres braved untold dangers for the cause of people's liberation and made great con-

tributions. They are loved and respected by the people, who will always remember them. After they retire, their daily needs will be well attended to so that they can spend their remaining years in happiness. They will also be encouraged to do research, write or engage in social welfare activities within their capabilities.

**Martin Eric**  
Paris, France

## From the Chinese Press

The column "From the Chinese Press" is very good because people can learn much from it and get to know what the Chinese people care about.

**Thiouna Seck**  
Dakar, Senegal

I think you should republish some articles about China carried in foreign newspapers and magazines in addition to printing articles from Chinese newspapers and journals.

**Jorg Boggel**  
Dortmund, FRG

It seems to me that it would also be important to present columns from other journals around the world that are important and necessary to us, instead of basing yourselves entirely on articles in the Chinese press. This would permit us to have wider information but also allow us to know some reports carried in other publications.

**Abdrovohamane Ahmed**  
Mutsamodu, Comoros

## "International" and "Books"

The "International" column is very good as it offers a good variety of articles about several different countries. I do think there are too many articles about Viet Nam and the Soviet Union. I would like to see more articles about countries that China has friendly relations with.

tributions. They are loved and respected by the people, who will always remember them. After they retire, their daily needs will be well attended to so that they can spend their remaining years in happiness. They will also be encouraged to do research, write or engage in social welfare activities within their capabilities.

— Political Editor An Zhiguo

The "Books" column is very important. Modern literature by contemporary Chinese authors is still something very new to Americans. The "Books" column introduces us to some of the fine literature available. I think that once we become more familiar with Chinese literature, it will become just as important to us as the literature of other foreign countries. Maybe a whole novel could be published in *Beijing Review* — having one chapter per weekly issue until the entire novel has been printed. This is frequently done here in our magazines and newspapers.

**Gordon M. Brown**  
Shelton, CT., USA

## Population Growth

I was impressed very much by the article "Developmental Trends in Chinese Population Growth" in issue No. 2, 1982. The article convinced me that your conclusion of maintaining a suitable population size in China is correct.

**Asghar Ali Saleem**  
Rawalpindi, Pakistan

## More Diagrams

I think that diagrams are eye-catching and can explain more than words. So you should include a few more diagrams.

**Peter Ward**  
Northants, Britain

## Hope

I find articles such as the ones on the gang of four and Long March excellent. We here in the United States get so many different stories about things like that. It's hard to understand. Your publication is so well written that it is much easier to comprehend.

**Willard G. Sibus**  
Auburn, NY., USA

I find your articles very hard to read. Sometimes, I have to give up. Of course, there is the reason that I am old. But it must be admitted that there are some shortcomings in your editing. I don't know if you can add some cartoons, jokes, satirical essays and short comments under the conditions that the style of *Beijing Review* is not changed.

**Hideo Watabe**  
Yamanashi, Japan

## ECONOMIC

## Shenzhen Special Economic Zone

The Shenzhen special economic zone is a burgeoning centre of new growth and development.

During his recent inspection tour of Shenzhen and another special economic zone in south China's Guangdong Province, Vice-Premier Gu Mu said that the setting up of special economic zones is an important decision taken by the Party Central Committee and added that it is imperative to do a good job in this regard. He also said that the method adopted in Shenzhen's Shekou industrial area of making use of foreign funds to open up the land and create conditions for further investments and of developing from the import of single items to the import of a package of items has proved to be effective.

Contracts and agreements concluded by the end of 1981 between the zone and firms from foreign countries and Xianggang (Hongkong) and Aomen (Macao) encompassed 989 construction projects, total-

ing 7,770 million HK dollars in investment. Moreover, more than 2,500 entrepreneurs and politicians from some 30 countries and regions have visited the special zone, either to study the economy there or for business purposes.

The zone, 327.5 square kilometres in area, is located on the east shore of the Zhujiang (Pearl) River estuary, 150 kilometres southeast of Guangzhou. Close to Xianggang and Jiulong (Kowloon), it was the first and biggest special economic zone approved by the Chinese Government in May 1980.

Last year alone, foreign capital invested in Shenzhen amounted to 6,000 million HK dollars, or 78 per cent of the total foreign investment in this zone over the last three years. Investors have changed from small and medium-sized firms to consortiums and their interest has shifted from single projects to multi-purpose ones. A Xianggang consortium invested in one stroke 2,000 million HK dollars in building a new city hub while another devoted 2,400 million to the construction of a 6-square-kilometre scientific, cultural and educational area.

The first quarter of 1982 was hardly over when new contracts were concluded on several large projects, which boosted foreign investment in Shenzhen to more than 10,000 million HK dollars.

By the end of last year, about 300 new factories had been built and put into operation in Shenzhen. Their total output value last year amounted to 190 million yuan. The area's 1981 annual revenue reached 130 million yuan, a fivefold increase over that of 1978 when the idea of setting up a special economic zone was still being mooted.

Among the projects that are run jointly with Xianggang businessmen and that have gone into operation are a woollen mill, a printing and dyeing mill, factories making furniture, garments and printed items and a number of hotels, restaurants and stores. Other completed projects include a Sino-Swiss machinery plant, a Sino-Danish container plant and a Sino-Australian quarry.

While welcoming overseas investments, the special economic zone has also co-operated with 23 domestic enterprises.

Last year, Shenzhen's new tourist resort, jointly run by Chinese and foreign businesses, received 200,000 tourists from all over the world.

Of the 98 square kilometres allotted to urban development, 40 were under construction by the end of last year. In the next two months Shenzhen will begin a co-operative undertaking with foreign investment to reshape the old city into a tourist-commercial centre, utilizing a combination of both traditional Chinese architecture and modern styles.



## Second Stage of Gezhouba Project Begins

The second stage of construction for China's biggest hydraulic engineering project — the Gezhouba project on the Changjiang (Yangtze) River — has gone into full swing.

Gezhouba is the first dam on the Changjiang. When completed, it will be 2,600 metres long.

The project has been divided into two stages. The first stage, the eastern section which is 1,600 metres long, was completed last year.

The second stage includes building the 1,000-metre-long western section of the dam, and installing 14 generating units with a total designed capacity of 1.75 million kilowatts, a lock big enough for 10,000-ton class ships, a sand scouring gate capable of discharging 20,000 cubic metres of sand per second and a silt discharging dyke.

At present, the cofferdams to protect the western dam construction site have been completed and 10 million cubic metres of water have been pumped out of that part of the river that is hemmed in by the cofferdams. Digging has begun in the pebble-strewn river bed, and some parts have been dug as deep as 30 metres. The power plant and ship locks along the western section are scheduled to begin operations in 1986.

## Improve Vegetable Supply

"Vegetables and beancurd assure one of good health." This Chinese saying shows how important vegetables are to Chinese people's daily life. Improving the vegetable supply remains a very urgent problem in a number of big and medium-sized cities.

Shenyang in northeast China's Liaoning Province is one of China's major heavy industrial cities with a population of 2.78 million. Vegetables were in short supply for many years there because of inadequate attention to urban people's lives.

Beginning in 1978, the Shenyang city government encouraged peasants on the outskirts to grow vegetables, with the result that 16,000 hectares were sown to vegetables contrasted with 10,600 hectares before 1976. Last year these peasants supplied the city with 750,000 tons of vegetables, averaging 0.73 kilogramme per consumer per day. In addition, vegetables grown on the peasants' private plots were also sold on the market, thereby greatly improving the city's vegetable supply. Now 13,000 households on the city's outskirts have their own vegetable gardens, and the amount of vegetables they sold on the peasants' markets in the city last year rose 44 per cent over that of 1980.

This year the city government plans to appropriate 4 million yuan for expanding potential vegetable production by digging 200 wells and building 10 hectares of plant nurseries.

Cities like Shenyang have done quite well in supplying people with vegetables. But some cities still fail to meet city dwellers' needs in terms of quantity, variety, quality and price.

The main reasons for this are: Besides poor management in some of the commercial departments, some communes and production brigades on the outskirts have not allotted enough land to growing vegetables according to the state plan, and increasing amounts of suburban cultivated land, including large areas of fertile land, are being used for capital construction.



Peasants of Qionglai County, Sichuan Province, selling vegetables to the state.

According to government statistics, 4,100 hectares (900 hectares being requisitioned in 1981) of cultivated land on the outskirts of Beijing were requisitioned for other purposes between 1971 and 1981, accounting for 12.3 per cent of the total cultivated land of the area.

*Renmin Ribao*, the Party organ, in a recent commentary quoted Chen Yun, Vice-Chairman of the Party Central Committee, who said in 1957: "The supply of vegetables and other non-staple food is no less significant than the building of factories." The commentary pointed out the importance of ensuring sufficient suburban areas sown to vegetables for big and medium-sized cities. Arrangements for vegetable fields should be integrated with the overall city planning, it said.

The Ministry of Commerce has encouraged local commercial departments to sign contracts with vegetable-producing communes and production brigades for the production and marketing of vegetables.



**POLITICAL****Work Efficiency Improved**

Ministries under the authority of the State Council are making renewed efforts to cut red tape and raise their work efficiency.

The heads of various commissions and ministries now meet to discuss major proposals submitted to them instead of passing them from office to office.

In the past, the provinces, municipalities and autonomous regions sometimes had to wait until May or June to have their annual technical renovation plans approved. This year the work, which began last autumn, was completed by the end of February.

The technical transformation project proposals for this year were first submitted to officials of the State Economic Commission, the State Planning Commission, the Administrative Commission of Import and Export Affairs and the Ministry of Finance. Then, at meetings with representatives from 29 local governments, they scrutinized the proposals together and approved there and then plans for revamping 3,000 key industrial and communications projects throughout the country in 1982.

With the former method, reports were examined by many levels of authority within each ministry or department. The reports would often lie idle for days and even weeks when disputes arose at any level.

Now such bureaucracy is being attacked in the current drive to simplify the adminis-

trative structure of the State Council.

**Democratic Parties Expand**

China's eight democratic parties, which coexist with the Chinese Communist Party, have admitted 17,700 new members in the last two years. They have also revived and set up local branches.

The membership of these parties shrank drastically during the "cultural revolution" (1966-76) as a result of "Left" deviationist influences. They were reactivated following the convocation of the Third Plenary Session of the 11th Party Central Committee in 1978 which stressed the importance of a united front between all the parties.

Today, the Chinese Communist Party actively supports and encourages these organizations. The current excellent situation at home has acted as a catalyst for their growth.

Four parties have nearly regained their former largest size. The Revolutionary Committee of the Kuomintang, composed mainly of patriotic members of the former Kuomintang, has enrolled 3,477 new members; the China Democratic League, whose members are mostly cultural and educational workers, has 4,121 new members; the China Democratic National Construction Association, composed mainly of former national industrialists, business people and intellectuals related to them, has augmented their membership by 2,680; and the Chinese Peasants' and Workers' Democratic Party, consisting

mostly of medical workers, by 2,068.

The other four democratic parties all have more members now than at any time since the founding of the People's Republic in 1949. These are the Chinese Association for Promoting Democracy (composed mainly of middle and primary school teachers and intellectuals in the cultural and publishing circles), the China Zhi Gong Dang (composed mainly of returned overseas Chinese), the Jiu San Society (composed mainly of those in the cultural, educational, scientific and technical fields) and the Taiwan Democratic Self-Government League (composed of people from Taiwan Province now residing on the mainland).

These parties worked closely with the Chinese Communist Party in the fight against imperialism and the Kuomintang reactionaries to bring about the birth of New China. Since the founding of the People's Republic in 1949, they have played an important part in socialist transformation and socialist construction.

**Dalai Is Welcome to Come Back**

Dalai and his followers are welcome to return, either to visit or to settle down in China. They are guaranteed the freedom to come back and to leave again, a Chinese official reiterated recently.

Yin Fatang, first secretary of the Party committee of the Tibet Autonomous Region, made this statement on April 2 at a meeting on the region's united front work.

The reunification of the motherland and the great unity of all the nationalities in the country is the trend of history, he asserted. It is a common wish for people to return to their native homes.

Yin Fatang repeated the oft-quoted Party policy towards Dalai and other Tibetan compatriots residing abroad. "Let bygones be bygones. We should forget the past and look forward," he said.

Our country has now entered a new period of sustained political stability and economic development and all the nationalities can further strengthen their unity and mutual help, he said. Dalai and his followers should have confidence in our policies, he added, and it is hoped that they will make contributions to the great unity of the motherland and of all the nationalities as well as to the nation's modernization drive. If they still have doubts, they can wait and watch for a few more years, he said.

Yin Fatang said that the families of the Tibetan compatriots abroad now living in Tibet are treated equally with other Tibetan people in accordance with the current policies of the Party and government. Where possible, the government will adopt appropriate measures to help them solve their particular problems.

## FOREIGN RELATIONS

### Deng Xiaoping Meets IOC President

Vice-Chairman Deng Xiaoping met with Juan Antonio Samaranch, President of the International Olympic Com-

mittee (IOC), and his party on March 31.

In the course of their friendly talk, Vice-Chairman Deng praised the IOC for its active co-operation with China and hoped that such co-operation will continue to develop.

President Samaranch said that the co-operation between the IOC and the Chinese side has been fruitful. He said that he would like to come to China to attend the 1983 National Games.

Speaking at a press conference on the same day, President Samaranch said that international sports federations recognized by the IOC had to follow the committee's rules and decisions. He said that if any organization failed to do so, the committee will discuss the question at the IOC's meeting in Rome in May this year.

Speaking about his visit, Samaranch said that this was his first official visit to China after his election as IOC President. Saying that it was a friendly and a very positive visit, he expressed the hope that China will play an important role in international sports.

### Delegation of Popular Action Party of Peru

A delegation from the Popular Action Party of Peru, led by its deputy general secretary and Vice-President of the Senate Gaston Acurio Velarde, paid a visit to China recently.

Vice-Chairman Li Xiannian met with the delegation on March 30. In their talk, Li Xiannian reaffirmed that China firmly stands on the side of the third world countries and will make joint efforts with them to oppose hegemonism and safeguard world peace. He praised

Peru's foreign policy of maintaining independence and opposing foreign interference.

Gaston Acurio Velarde said that Peru and China shared common views on many issues. Both sides are opposed to interference in the internal affairs of other countries and political parties. He expressed the hope that the two parties and countries would increase exchanges and promote co-operation.

Earlier, Wei Guoqing, Member of the CPC Political Bureau and Vice-Chairman of the National People's Congress, met and gave a banquet in honour of the Peruvian guests. In his toast, he said that both the Chinese Communist Party and the Peruvian Popular Action Party stress drawing on the tradition and wisdom of their peoples and building their own countries in the light of actual conditions. Though the two countries have different social systems and ideologies, that will not prevent them from establishing and developing friendly relations. Wei Guoqing added that the Chinese Communist Party is ready to establish and develop relations with all political parties in the world, which uphold national independence, work for social progress and safeguard world peace and are willing to forge friendship with China on the basis of the principles of full independence, equality, mutual respect and non-interference in each other's internal affairs.

Acurio said: "Peru and China have many things in common. China has committed itself to improving the welfare of the people. This has enabled us to forge friendly ties with the Chinese Communist Party. We will also develop our relations with all the parties that safeguard economic and social independence and preserve world peace."



**Vietnamese CP Congress****Against Popular Will**

**T**HE results of the Fifth National Congress of the Vietnamese Communist Party, concluded in Hanoi on March 31, counter the will of the Vietnamese people.

A long pre-congress debate within the Party indicated that the Vietnamese people want Le Duan and his supporters to reorient their line and policies. This is understandable if one takes note of the fact that the country is suffering from difficulties at home and abroad and low popular morale.

**Policies Unchanged**

Le Duan's report to the Central Committee at the Congress indicated that the Vietnamese authorities will continue to pursue their existing policies of collaborating with the Soviet Union, antagonizing China and practising regional hegemonism, policies which have already produced major problems for the Vietnamese people.

Le Duan and his supporters have introduced a major shake-up in Viet Nam's central leadership in order to expand their influence. Le Duc Anh, commander of the Vietnamese troops in Kampuchea, has been promoted to full membership of the Political Bureau. This is considered an indication that Hanoi intends to step up its war of aggression in Kampuchea.

A striking difference between the Fifth Party Congress and the Fourth Congress held six years ago is that the new congress struck a much lower posture. Le Duan had to admit in his report that the Party is

responsible for shortcomings and mistakes in the economic field. This was obviously done to subdue the anger of the people.

**Main Reason of Economic Deterioration**

Viet Nam's economy is in a mess because the Vietnamese authorities have poured a large quantity of manpower, material and financial resources into the war machine. Since the outbreak of the war of aggression against Kampuchea, Viet Nam's economy has increasingly deteriorated. Annual military expenditures in 1979 and 1980 exceeded five billion dong (one US dollar equals nine dong), amounting to 60 per cent of the country's total expenditures each year.

Le Duan and his supporters said that they intend to make

adjustments in Viet Nam's economic policy. They also claimed that agriculture should be put into "first place" in order to eliminate the country's food shortage.

Le Duan stressed "the need for national defence" and told the people to put up with hardships. By emphasizing slogans such as "developing production" in order to keep the population at a subsistence level, the Vietnamese authorities are merely attempting to whitewash their failure in expansionism and divert the people's indignation from the status quo at home. They hope, in this way, to attach Viet Nam to Moscow's war machine and go ahead with the scheme to establish regional hegemony.

However, the Fifth Congress of the Vietnamese Communist Party has indicated that things are becoming more difficult for Hanoi as a result of its military adventurism.

— Jiang Mingyang

**India's "Special Relations"  
With Bhutan**

**I**NDIAN leaders recently cautioned Bhutan's King not to weaken "special relations" between the two countries.

Prime Minister Indira Gandhi and President Sanjeeva Reddy discussed international and regional problems as well as bilateral relations with King Jigme Singye Wangchuk when he visited India March 17-19. President Reddy is reported to have said that India and Bhutan should improve their "special relations" and warned that any weakening would be detrimental to both countries.

The pro-government *Times of India* charged in an editorial that Bhutan is weakening relations between the two countries. The editorial also criticized Bhutan for unilaterally upgrading the Bangladesh trade mission in the Bhutanese capital of Thimbu to an embassy without consulting India. According to the *Times* Bhutan's proposal to hold talks directly with China is another indication of its movement away from India. The *Times* also says Bhutan has told India that it wants to renegotiate the 1972 trade and transit agreement

which expires this year because of its restrictive clauses.

The *Times of India* has ominously suggested that trouble could arise between the two countries if the Bhutanese King continues to pursue a multilateral foreign policy.

The Kingdom of Bhutan in 1910 was forced by the British to sign an unequal treaty agreeing to accept "guidance" from Britain on foreign affairs issues. After Indian independence in 1949, a treaty was signed which obliged Bhutan to accept "guidance" from India. This is the special relationship which Indian leaders are emphasizing.

The people and the Government of Bhutan are demanding independence and seek a revision of this unequal treaty. The King of Bhutan, King Jigme Dorji Wangchuk, declared Bhutan a sovereign and independent country with the right to conduct its own foreign affairs on January 30, 1961.

## The Gulf War Heats Up

**F**IERCE fighting in late March has broken the months-old deadlock in the war between Iran and Iraq.

In the early hours of March 22 Iran launched a four-stage offensive west of the towns of Shush and Dezful in southern Khuzestan. According to Iranian sources, the "Operation Victory" offensive has destroyed the Iraqi Fourth Army, killed and wounded more than 10,000 Iraqi soldiers and recovered some 2,000 square kilometres of territory. According to Iraqi sources, the Iraqi Fourth Army, after beating off the Iranian onslaught, was ordered on March 29 to pull back. "We have chosen and will choose the land we will stand on whether it was inside their (Iranian) terri-

Bhutan joined the United Nations in 1971 and the non-aligned movement in 1973. In September 1979, King Jigme Singye Wangchuk, on his way home from the meeting of heads of state of non-aligned countries held in Havana, told journalists in Bombay that his country must have the right to decide on matters affecting its interests.

The Indian Government has repeatedly claimed a desire to improve relations with neighbouring countries to maintain peace and stability in South Asia. But by trying to maintain its unequal relationship with Bhutan, it is putting itself in an impossible situation. In order to facilitate proper relations between sovereign countries, foreign policies must be based on equality and mutual benefit and genuinely reflect respect for each other's independence, sovereignty and territorial integrity.

— Dong Ping

tory or on the border if this ensures better a military state to defend our land and prevent the enemy from advancing towards our territories," said Iraqi President Saddam Hussein.

The front has now moved west by some 30 kilometres. The area around the advanced outpost of Fakeh opposite Shush will become the principal goal between the contending forces as it is the only way into and out of the area. The other places are impassable swamp.

### Both Sides Suffered

The significance of "Operation Victory" for Iran is tremendous. Eighteen months ago, when the war broke out, the Iranians lost a lot of territory and the important oil centre of

Abadan was severely damaged. Oil exports, which earned Iran much foreign exchange, fell steeply. There was unrest inside the country also. At that time, Iran found itself isolated as it was holding US diplomats as hostages. Now, leaving behind its most difficult days, Iran is saying that it has the upper hand in the war. Its elation is understandable.

However, the war has caused tremendous losses to both sides. According to foreign newspapers, both countries are said to have lost at least one-thousandth part of their total population and the number of wounded is very much larger. It is also reported that prior to launching its "Operation Victory" Iran had readied some 25,000 coffins. This is indicative of the heavy loss of lives in the war. As to material losses, both countries are said to have sustained losses of more than \$40,000 million.

The United Nations, the non-aligned movement and the Islamic Conference have tried repeatedly to bring the war between the two Moslem countries to an end without avail. In hosting a meeting in Baghdad in September of heads of government and state of non-aligned countries, Iraq is believed to be hoping to bring the war to an end as early as possible. Iran, however, maintains three conditions must be met: withdrawal of Iraqi troops unconditionally, designating the aggressor, and payment of war indemnities.

### Situation Bears Watching

The war has given the hegemons coveting the Gulf oil-fields opportunities to infiltrate the region, through aid and trade. Relations between Iran and the Soviet Union are said to be improving and Teheran's

condemnatory attitude towards the United States and not towards the Soviet Union has many Western countries worried. Some believe, however, that the Iranian people who treasure their sovereignty and freedom will not lightly exchange interference and control by one for another.

However, on the other hand, Iran's progress in the war is making neighbouring Arab countries uneasy. King Hussein of Jordan's March 30 visit to Baghdad and King Khalid of Saudi Arabia's March 31 tele-

phone talk with the Iraqi President reflect their concern. Jordan has openly sided with Iraq in the war and has sent volunteers to fight. Observers believe the recent flare-up in the Gulf war will exacerbate Arab differences. More aid to Iraq from Jordan and Saudi Arabia, and more aid to Iran from Syria will not strengthen Arab unity. As developments in the Iran-Iraq war directly affect the Gulf countries and the Middle East as a whole, the situation bears watching closely.

— Dan Lin

## Colombian Presidential Election Nears

THE Colombian presidential election is due on May 30, coming after the National Congress, provincial assembly and municipal council elections held before March 14.

The four candidates are Belisario Betancur of the Conservative Party, former President Alfonso Lopez Michelsen of the ruling Liberal Party, Luis Carlos Galan of the New Liberal Party and Gerardo Molina of the Democratic Front formed by the Socialist Party and Communist Party.

### Ruling Party Split

Presidential and congress elections used to take place at the same time until 1974, when congressional elections preceded the presidential election. Results obtained in the former are considered indicative of the public mood. Lopez Michelsen captured about 2.1 million of the nearly 5 million votes, the New Liberal Party received over 600,000 votes and the Conser-

vative Party about 2 million. The next president will most likely be the candidate put up by the Liberal or the Conservative Parties.

The Liberal Party, which has been in office for eight years, is divided. Lopez Michelsen was chosen presidential candidate by the Liberal Party Congress and the splinter New Liberal Party nominated the 38-year-old Senator Galan as its candidate. He is calling for political reforms and has quite a following among the younger voters. Observers predict that if the Liberal and New Liberal Parties do not heal their breach and

agree on one candidate, the Conservatives will win in May. Many New Liberal Party supporters could cast their votes for the Conservative candidate if they feel they have no hope of winning.

### A Thorny Problem

Although Colombia has maintained a representative system of government for the last 20 years, a 32-year state of siege has diluted democratic rule.

Anti-government guerrilla activities have increased in recent years. Last year, the government declared an amnesty and called on guerrillas to lay down their arms. The guerrillas answered with a demand for lifting the siege and a full amnesty. The principal anti-government armed force, the April 19 Movement (M19) announced after its candidate was rejected by the government that it will try to disrupt the election. Three days before the March 14 elections M19 exploded a bomb outside the presidential palace. Whoever is elected faces the thorny issue of restoring peace and strengthening law and order.

The presidential election will most likely be held as scheduled, but a big turn-out is not foreseen. Despite the election ruckus most voters seem apathetic. Only 36 per cent of 1.4 million voters polled said they will vote.

— Li Zhiming

## West Africa

### Oil and Agriculture

DESPITE the current world oil surplus several west African countries are rapidly developing their oil production capacities. Approximately 1,000

oil and gas wells were developed in 1981 and the number of wells may reach 2,000 this year. Estimates indicate that the region's offshore oil deposits



contain at least 3,000 million barrels. The changes generated by development of the region's petroleum resources are altering the economic character of west Africa.

Nigeria and Gabon are the first and largest oil producers in west Africa and also members of OPEC. Though their petro income has steadily increased since 1967, the recent boom in oil exploration and production is having a negative impact on economic development. Agriculture has been particularly hurt. As a result, they are attempting to make adjustments which will provide a better balance between their rapidly developing petroleum industries and other sectors of their national economies.

**Negative Influence.** Approximately 80 per cent of west Africa's population is engaged in agriculture. Coffee, cocoa, palm oil and other agricultural exports are important to the region's position in the world market. However, large numbers of agricultural workers have been flooding into the cities during the past decade in search of better paying jobs in the petroleum industry. This has resulted in a shortage of workers in rural areas and decreased rice and rubber production.

Nigeria, once was a grain exporter, had to spend 1,050 million naira to purchase grain in 1980. Grain now accounts for approximately 60 per cent of Nigeria's imports. In the 1960s, Nigeria was a leading exporter of cocoa, palm oil, groundnuts and cotton. Now it imports some of these products. The same is true of Gabon. During the 1960s, Gabon's grain output was double the volume of its needs, but by 1980, it had to depend on imports to meet its domestic needs.

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## China's Stance on the Malvinas

**T**HE Security Council of the United Nations adopted a resolution on April 3, calling on the Governments of Argentina and the United Kingdom "to seek a diplomatic solution to their differences over the Falkland (Malvinas) islands."

The resolution notes that "there exists a breach of the peace in the region of the Falkland islands" and demands "an immediate cessation of hostilities" and "an immediate withdrawal of all Argentine forces" from the islands.

The resolution, sponsored by the United Kingdom, was adopted by a vote of 10 in favour and 1 against (Panama), with 4 abstentions.

China abstained in the voting. Chinese representative Ling Qing explained that China is concerned about the tension in the Malvinas (Falkland) islands area. Taking note of the position of the non-aligned countries concerning sovereignty over the islands, China cannot support the British draft resolution. He said he hopes a peaceful and reasonable settlement can be found through negotiations.

Different views were expressed by representatives from a number of countries at the council meetings. Representatives from Latin American countries such as Panama, Brazil, Bolivia and Peru voiced support for Argentina's sovereignty claim over the Malvinas islands and regarded the problem as colonial.

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Cheaper grain prices' policies taken by Nigeria and Gabon have also hurt their agricultural industries. Although low grain prices are popular with urban dwellers, farmers dislike them. As a result, many farmers have begun to produce smaller quantities of grain.

**Economic Adjustments.** In order to ameliorate the problems resulting from overestimating the importance of oil production and underestimating agriculture, Nigeria and Gabon have adopted various measures to promote agricultural development. In his report to the National Assembly, Nigerian President Alhaji Shehu Shagari put forward a 1982 budget which gives priority to agricultural production. He said that Nigeria will increase aid to farmers. Nigeria has already abolished export duties for agricultural products.

Two other west African oil-producing countries, Cameroon and the Ivory Coast have always maintained high prices for agricultural products. This has motivated farmers to increase grain output. Cameroon increased its arable land by three times during the 1970s and the Ivory Coast doubled its arable land.

Cameroon's President Ahmadou Ahidjo has repeatedly reminded his people that the country's wealth depends on agriculture. He has also told them that those who neglect to develop farming and animal husbandry will be punished.

Ivory Coast will become one of the largest oil producers in Africa, second only to Nigeria. But President Felix Houphouët-Boigny says that agriculture and farmers will remain pillars of his country's economic development.

— Wen Xian

## Where Does the Crux of the Sino-US Relationship Lie?

CHINA and the United States were once isolated from and even antagonistic towards each other for more than 20 years after the founding of the People's Republic of China.

During President Nixon's visit to China in 1972, China and the United States published the Shanghai Communiqué which initiated the normalization of relations between the two countries. China and the United States established diplomatic relations on January 1, 1979. During the last three years, significant progress has been made in developing relations between the two countries in the political, economic, cultural, scientific and technological fields, but they have also been confronted by many difficulties and obstacles. Unless these difficulties and obstacles are resolved and removed in good time, Sino-US relations could regress.

### (1)

On the eve of the birth of New China, Chairman Mao Zedong said: "We are willing to establish diplomatic relations with all countries on the principle of equality." We establish diplomatic relations with all foreign countries on the basis of "equality, mutual benefit and mutual respect for territorial integrity and sovereignty." The proclamation published by the Central People's Government of the People's Republic of China on October 1, 1949, declared: "The Chinese Government is willing to establish diplomatic relations with any foreign governments who are willing to abide by the principles of equality, mutual benefit and mutual respect for territorial integrity and sovereignty." In 1954, China put forward the world-famous Five Principles of Peaceful Coexistence: mutual respect for territorial integrity and sovereignty, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. These are the basic principles by which China handles state relations. They are completely in accord with the spirit of the principles for

establishing diplomatic relations. The central principle is the one of sovereignty. Developments in Sino-US relations during the past 30 years have been closely related to US attitude towards this principle. In other words, they have been determined by whether the United States has or has not respected China's sovereignty.

During the period between 1949 when the Chinese people's revolution succeeded and the 1972 publication of the Shanghai Communiqué, the United States refused to recognize the People's Republic of China and obstructed the restoration of China's legitimate seat in the United Nations. The United States invaded and occupied China's Taiwan Province, imposed a blockade and embargo on China and cut off all contacts with China. Later on it was forced to have dealings with China.

Meetings between Chinese and US consuls were held in Geneva in 1954 and Sino-US ambassadorial talks began the following year. Nonetheless, the United States still refused to recognize the People's Republic of China as the genuine China. The ambassadorial talks continued up to 1970, the main topic being relaxing and eliminating the tense situation in the Taiwan area. China repeatedly proposed that the two countries issue a joint statement on settling disputes by peaceful means without resorting to force or threat of force and suggested conducting consultations for this purpose. The United States, however, was bent on confusing international disputes between the two countries with the question concerning China's internal affairs. It not only continued occupying Taiwan by force, but demanded that China abandon the use of force against Taiwan. Therefore the talks yielded no results.

In the 1972 Shanghai Communiqué, the United States changed its position on the Taiwan issue: "The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position."

This statement hesitantly conceded that there is but one China and that Taiwan is a part of China. It did not make clear who represents China. The United States also indicated in the communique that with the prospect of "a peaceful settlement of the Taiwan question by the Chinese themselves" in mind, it affirmed "the ultimate objective of the withdrawal of all US forces and military installations" from Taiwan. The Shanghai Communique constituted a turning-point in the history of Sino-US relations, which paved the way for the normalization of relations between China and the United States. As a result, in 1973, the two countries set up liaison offices in each other's capitals and gradually increased contacts.

Five years later, China and the United States reached an agreement through consultations to establish formal diplomatic relations on January 1, 1979. The joint communique on the establishment of diplomatic relations stated: "The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan." This is a commitment of great significance. The communique also said: "The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China."

This statement represented a big step forward because it is clearer and more straightforward compared with the vague phrases used in the Shanghai Communique such as "the United States acknowledges," "all Chinese on either side of the Taiwan Strait," and the United States "does not challenge" that position.

When the Joint Communique on the Establishment of Diplomatic Relations Between the People's Republic of China and the United States of America was published, the US Government also declared that it would from the date of the establishment of Sino-US diplomatic relations notify Taiwan that it is terminating diplomatic relations (with Taiwan) and that the "mutual defence treaty" between the United States and Taiwan is being terminated in accordance with the provisions of the treaty within one year [and] that it will be withdrawing its military personnel from Taiwan within four months. Thus, the United States totally accepted the three principles proposed by China for establishing diplomatic

relations between China and the United States, principles which flow from China's sovereignty. These required the United States to sever diplomatic relations with Taiwan, terminate the "mutual defence treaty" and withdraw US forces from Taiwan. If the United States had not promised to do these three things, China and the United States would not have established diplomatic relations.

The United States, however, has not conscientiously fulfilled its promises and guarantees. Going back on its promises after the establishment of Sino-US diplomatic relations, it has encroached on China's sovereignty and interfered in China's internal affairs. This is why Sino-US relations are faced with an increasingly grave threat.

## (2)

The establishment of diplomatic relations between China and the United States was warmly welcomed by the people of the two countries and the rest of the world because it is in the interests of both countries and world peace. But some Americans have not accepted the fact that there is only one China. They still want to create "two Chinas," or "one China, one Taiwan."

Soon after Sino-US diplomatic relations were established, the US Congress passed the US "Taiwan Relations Act," which was subsequently signed by the US President and became an American law. It was stated that the act had been designed to maintain commercial, cultural and other relations between the American people and the people on Taiwan. The term "unofficial," as included in the joint communique on the establishment of Sino-US diplomatic relations, was deleted. This is by no means insignificant. Moreover, many provisions of the act contradict the principles in the joint communique. First, it stipulated that "to consider any effort to determine the future of Taiwan by other than peaceful means" is of "grave concern" to the United States and indicated an intention to "maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." To this end, the United States will provide Taiwan with "defence articles" and "defence services" necessary for self-defence. The United States thus assumes the posture of obstructing Taiwan from returning to the embrace of the motherland and in pursuit of this



objective, does not even hesitate to carry out military intervention. Since the United States has recognized Taiwan as a part of China, then why should the future of Taiwan be of "concern" to the United States? What right has the United States to interfere in whatever social or economic system China's Taiwan might adopt? Who is the United States attempting to counter when it provides China's Taiwan Province with "defence articles and defence services"? Such provisions have actually replaced the US-Taiwan "mutual defence treaty," which the United States has promised to terminate within one year. Moreover, they extend "the treaty's" scope, because this is directed not only at "any resort to force" but at "other forms of coercion" that could jeopardize the security of Taiwan.

Secondly, the act stipulates that all other treaties and agreements formerly signed between the United States and Taiwan will continue to be in force and that all China's official properties in the United States, held by the Taiwan authorities, belong to Taiwan. Some US Congressmen openly admit that their objective when they drew up the "Taiwan Relations Act" was to continue to regard Taiwan as a "state" and the Taiwan authorities as the "government" of a "state." This constitutes an attempt to deny that there is only one China and that the Government of the People's Republic of China is the sole legal Government of China. These are not the only provisions of the Joint Communiqué on the Establishment of Sino-US Diplomatic Relations which the "Taiwan Relations Act" has violated, but there is no need for us to present the others here. When this act was being discussed by the US Congress, the Chinese Government made representation to the US Government, expressing strong opposition to the US Government. After the act was adopted and signed, the Chinese Government sent a note of protest to the US Government on April 28, 1979. The note said that the Chinese Government remained steadfast in its opposition to "two Chinas" and "one China, one Taiwan" policy. It also said that if the United States did not abide by the agreement reached on the question of Taiwan during the establishment of diplomatic relations and continued to interfere in China's internal affairs, the Sino-US relationship would be impaired in a manner which would bring no good to either China or the United States.

Despite this clear statement, the United States continued to supply Taiwan with munitions in 1979 in accordance with the contract

formerly signed between the United States and Taiwan. At the beginning of 1980, the US Government declared that it would sell new weapons to Taiwan. In the middle of 1980, it decided to allow US companies to consult with Taiwan authorities regarding sales of sophisticated fighters to Taiwan. The Chinese Government made many representations to the United States. China's Xinhua News Agency Commentator published an article entitled "Stop Doing Anything Inimical to Sino-US Relations." "It is the strong demand of the Chinese people that the US Government stop forthwith its arms sales to Taiwan," said the article. "They are closely watching how far the United States will go in this and other questions."

The 1980 US presidential election campaign reached a peak in the fall of that year. At the time, some people in that country were urging the US Government to reject China's three principles for the establishment of diplomatic relations between the two countries. They claimed that the United States had made "too many concessions" to China, and thus harmed US "old friends" in Taiwan, that the United States should restore official relations with Taiwan and that preference should be given to Taiwan on arms sales. When the new US Government assumed office in 1981, those who favoured selling sophisticated fighters to Taiwan became more insistent. Moreover, officials from Washington indicated that the US Government was willing to sell sophisticated weapons to Taiwan and that China could not veto any such action. Subsequent developments have generated considerable concern.

Chairman of the NPC Standing Committee Ye Jianying's nine principles for the peaceful settlement of the Taiwan issue evoked favourable responses at home and abroad bringing about an excellent situation. On the other hand, some people in the United States have opposed the peaceful reunification of Taiwan with the motherland in an attempt to continue to create "two Chinas," and "one China, one Taiwan." They vigorously urged the US Government to sell sophisticated fighters to Taiwan. Under these circumstances, talks were held between Premier Zhao Ziyang and President Reagan in Cancun and then between Vice-Premier and concurrently Foreign Minister Huang Hua and Secretary of State Haig in Washington. Last January, US Assistant State Secretary John Holdridge came to Beijing to continue talks with the Chinese Government. All these talks centred on

the question of US arms sales to Taiwan, which has become a critical issue concerning US violation of China's sovereignty and its interference in China's internal affairs. It is also an important issue which constitutes a grave threat to Sino-US relations.

### (3)

The Joint Communiqué on the Establishment of Sino-US Diplomatic Relations states clearly that within the context of US recognition of the Government of the People's Republic of China as the sole legal Government of China, the American people will maintain "cultural, commercial and other unofficial relations" with the people on Taiwan. The arms sales to Taiwan obviously are not commercial exchanges between people. The US companies which sell arms to Taiwan have the approval of the US Government. Those who purchase the weapons, which are valued at hundreds of millions of US dollars, are by no means the common people on Taiwan. For many years, US arms sales to Taiwan have been carried out by regarding Taiwan as a "state" in accordance with the US law pertaining to sales of munitions to foreign countries. Since diplomatic relations have been established between China and the United States and the United States recognizes Taiwan as a part of China, such deals naturally should come to an end.

During the American Civil War, the British Government supported British merchants who sold weapons and armed vessels to Confederate authorities in the United States. They also allowed Confederate armed vessels to anchor at British ports. As a result, Confederate troops inflicted heavy losses on the north, which included the sinking of numerous merchant ships from the north. The United States, which regarded this as a form of British warfare, forced Britain to pay it a huge indemnity after the war. In those years, the United States opposed other countries interfering in its internal affairs and firmly opposed British arms sales to confederate authorities, why then today should it interfere in China's internal affairs by selling weapons to Taiwan?

Those Americans who advocate arms sales to Taiwan cite the "Taiwan Relations Act." They claim that the US Government has the right and duty to implement the "act" and sell weapons to Taiwan. Some even assert that China's opposition to US arms sales to Taiwan means opposition to US implementation of its

own laws and interference in US internal affairs. This is a nonsensical and preposterous argument. The "Taiwan Relations Act" regards China's Taiwan Province as a "state." Its provision on US-Taiwan relations encroaches on China's sovereignty and interferes in China's internal affairs. This violates not only the provisions of the Joint Communiqué on the Establishment of Sino-US Diplomatic Relations, but also the basic principles of international law. It does not lend any legitimacy to US arms sales to Taiwan. Can a country obtain the right to violate the sovereignty of another country and interfere in its internal affairs by unilaterally enacting a law? Would the United States tolerate another country enacting a law permitting the latter to sell weapons to a US state intent on opposing the US federal government? If and when the United States opposes such an action by another country, would that mean interfering in the internal affairs of that country?

Some say whether the United States is to stop selling weapons to Taiwan or not depends on the situation in the Taiwan Strait and that China must guarantee to settle the Taiwan issue by peaceful means. This obviously constitutes interference in China's internal affairs. Taiwan is an inseparable part of China and the unification of Taiwan with the motherland is entirely China's internal affair. No foreign country has the right to interfere. The cessation of US arms sales to Taiwan should not have any preconditions. The Chinese Government has repeatedly declared to the whole world its intention to settle the Taiwan issue by peaceful means. Given the recent diminution of tension in the Taiwan Strait, the proposed arms sales are even more reprehensible. Those who preached the above argument are apparently actuated by their twofold needs: obstruct the Chinese people from settling the Taiwan question peacefully by selling weapons to Taiwan and in turn use the failure in reunifying Taiwan with the motherland as an excuse for continuing US arms sales to Taiwan. The Chinese people will absolutely not tolerate this.

After diplomatic relations were established, why does the US Government continue to sell weapons to Taiwan in violation of the Joint Communiqué on the Establishment of Sino-US Diplomatic Relations and the basic principles of international law and in disregard of China's strong opposition and the serious consequences that may result? What does this show? It not only shows that some people have investments in Taiwan or are doing busi-

ness on the island, while others have long-standing relations with Taiwan and cherish special feelings for this province. More important, some people are attempting to maintain permanent control of Taiwan and thereby contain the People's Republic of China. In an article published in the *Washington Post* on January 5, 1982, Mr. Kilpatrick said: "Our own strategic self-interests in the Pacific strongly support the continued independence of Taiwan. The island has been described as an 'unsinkable aircraft carrier,' so positioned as to protect sea traffic between northeast Asia and the rest of Asia." He added: "It would be folly to abandon an ally we may desperately need one day." This is a reiteration of the speech by Douglas MacArthur, Commander-in-Chief of US troops, on August 28, 1950, when they started aggression against Korea. MacArthur was the first to regard Taiwan as an "unsinkable aircraft carrier." On November 28, 1950, Chinese special representative Wu Xiuquan, in his speech at the UN Security Council, refuted MacArthur's speech. Thirty years after, there are still some people who refuse to learn the historical lesson.

#### (4)

China's stand against US arms sales to Taiwan is consistent and firm. During negotiations on the establishment of diplomatic relations between China and the United States, the two sides failed to reach an agreement on this question; but China clearly indicated that continued efforts should be made to resolve the matter after the establishment of diplomatic relations. China simply will not tolerate US arms sales to Taiwan to continue indefinitely. This is not because China is afraid that US arms sales to Taiwan might create a serious military threat to China. Primarily it is because such action by the United States seriously encroaches upon China's sovereignty and interferes in China's internal affairs. Contemporary Chinese history records the Chinese people's fight for independence, in defence of sovereignty and against foreign interference. For this sacred cause, the Chinese people did not hesitate to lay down their lives. New China which has won liberation will not allow its sovereignty to be encroached upon by others. To safeguard its sovereignty, China opposes any foreign country's selling weapons to Taiwan. Formerly, the Netherlands did not have arms sales relations with Taiwan,

but in November 1980, after the establishment of diplomatic relations, it decided to sell two submarines to Taiwan. This decision was probably influenced by the fact that the United States continues to sell weapons to Taiwan after the establishment of Sino-US diplomatic relations. Sino-Holland diplomatic relations were downgraded because the Netherlands sold submarines to Taiwan. Whether Sino-US relations will retrogress or not depends on whether the United States earnestly respects China's sovereignty and makes up its mind to settle the issue of arms sales to Taiwan.

Some people say that because China is backward and faces a Soviet military threat, it needs US assistance. They believe that so long as the United States adopts a hardline towards the Soviet Union, China will swallow the bitter pill on the questions of sovereignty and US arms sales to Taiwan. This is fallacious reasoning based on ignorance of the history of Sino-Soviet relations and the history of Sino-US relations. China began opposing Soviet hegemonism in the 1960s. At that time, Sino-US relations were still in a tense and antagonistic state, but China did not flinch from opposing Soviet hegemonism simply because of this. The gradual improvement of Sino-US relations and the establishment of diplomatic ties came only after the United States recognized that there is only one China and Taiwan is a part of China and that the Government of the People's Republic of China is the sole legal Government of China. China did not alter its conditions for the establishment of Sino-US diplomatic relations simply because of the Soviet threat. China firmly opposes hegemonism and will not allow its sovereignty to be encroached upon by any other country.

Regarding US arms sales to Taiwan, China's position is principled and reasonable. As far as principle is concerned, the United States must stop selling weapons to Taiwan. The steps and methods for carrying out this principle can be settled properly through talks between China and the United States and by taking into account various factors. China's reasonableness and good faith were demonstrated by its handling of Sino-US relations, including the question of US arms sales to Taiwan during negotiations on the establishment of diplomatic relations and since Sino-US diplomatic relations were established. We are patient and flexible,

*(Continued on p. 28)*



# Nanhai County: The Road Towards Prosperity

by Our Correspondents Jing Hua and Li Xia

There has been much talk abroad about the significance of the visible changes that have taken place in China's rural economy over the last few years. In order to clarify this question, a number of fundamental facts must be examined. Nanhai, a comparatively rich county in south China, has undergone roughly the same chain of development as other places have. What is being done there may give our readers a representative view of what has changed in present-day China's rural areas and what remains unchanged.

IN China today, it is no longer believed that "People are revolutionary when they are penniless and turn revisionist when they become rich." Having shattered this mental shackle, everyone is thinking of how to improve the livelihood. Today the Party's policies are designed to help people attain that goal. After a decade's stagnation, the rural economy in Nanhai County has at long last entered a new stage of development.

Located in the fertile Zhujiang (Pearl) River Delta, Nanhai is known as a major grain producer in south China. It is also one of Guangdong Province's fish-breeding, silk cocoon and sugar cane bases. Despite twists and turns it saw rapid progress in production during the period from the land reform and the movement for setting up agricultural co-operatives in the 50s to the mid-60s.

But its thriving development was crippled in the traumatic decade of 1966-76, when total industrial and agricultural output value crept up slowly and the increase in per-capita income from collective distribution averaged only 21 yuan.

Nanhai came into its own only after the gang of four was

toppled, particularly after the Third Plenary Session of the 11th Party Central Committee held in 1978 set about bringing the nation back to good order. Production grew apace thanks to the Party's new economic policies. In 1981, the county's total industrial and agricultural output value grew to 1,260 million yuan and per-capita earnings from collective distribution reached 374 yuan, 2.2 times and 2.46 times as many as the comparable figures for

1976 (see table I). This, coupled with a handsome income from household sideline occupations (equivalent to 19.4 per cent of the peasants' total income), obviously improved the peasants' livelihood.

Visitors to Nanhai County are impressed by the TV antennae that protrude from many roofs in both the urban and rural areas. Television, still an expensive luxury item in the eyes of an average Chinese peasant, has become quite popular here. In the past, wrist watches, sewing machines and bicycles were the three most sought-after commodities in the rural areas; now they have given way to electrical fans, televisions and tape recorders. Another indication of Nanhai's improved livelihood is that young women no longer yearn to marry out of their villages into the cities.

Table I: Fundamental Facts of Nanhai County

Population:	800,000 (agricultural: 650,000)
Territory:	53,000 hectares of farmland, mulberry tree gardens and fish ponds
Communes:	14
Production brigades:	246
Production teams:	3,091
1981 total agricultural output value:	664 million yuan (12.2 times the 1949 figure)
1981 total industrial output value:	600 million yuan (15.3 times that of 1949)
1981 per-capita income from collective distribution:	374 yuan (2.46 times the 1976 figure, 9.8 times that of 1956 during the movement for setting up agricultural co-operatives)

Nanhai's dramatic turn for the better can be attributed to a number of major reforms introduced in the rural economy.

## “Main Building” and Its Two “Flanks”

**R**ATIONAL readjustment in the rural economic structure is one of the recent reforms in Nanhai.

In his report on the work of the government to the Fourth Session of the Fifth National People's Congress held last year, Premier Zhao Ziyang pointed out: “In the past, our vision in agricultural production was often limited to existing cultivated land and to grain production, which increasingly cramped our efforts.”

While cultivated land accounts for only 10.4 per cent of China's total territory, large tracts of mountain slope, hilly land, grassland and water surfaces remain to be reclaimed. So reliance on monotonous grain production limits the development of other ways and means for increasing production and generating jobs.

Nanhai County suffered bitterly in this respect. During the “cultural revolution,” economic results were poor due to too much emphasis on grain and to concentrated labour force in farming. In 1976, the per-hectare grain yield was 15 kilogrammes less than in 1966. The peasants fulfilled state quotas for grain by planting grain on increasing amounts of cash-crop growing acreage. In the intervening years, commune members' private income from collective distribution saw a meagre increase from 131 to 152 yuan.

Over the last few years, more decision-making power has been given to the production teams and the peasants have been

called upon to “do a good job in grain production while actively developing a diversified economy.” In light of local conditions, Nanhai County has been moving towards a well-balanced, diversified economic structure, with grain as the “main building,” flanked on the one side by diversified economic undertakings and on the other by small industries and sideline occupations.

In the meantime, profound changes have also taken place in the economic structure of Nanhai County. In 1980, for example, the income from grain production accounted for 27.9 per cent of what the commune members received from collective distribution; from agriculture, fishery and livestock breeding, 33 per cent; and from industry, 39.1 per cent. (For the overall situation, see Appendix.)

**Multifarious Agricultural and Breeding Undertakings.** Diversified economic undertakings in Nanhai County include expanded acreage sown to such cash crops as sugar cane, peanuts and mulberry trees. The breeding of pigs, cattle, sheep, fish, birds, rabbits, dogs, chickens, ducks and geese — traditional local trades — also have seen

growth. Ironically, in the past these profitable undertakings were labelled “capitalist” and restricted. In 1979, the county has transformed 800 hectares of low-lying land and hill slopes into cash-crop growing areas or fish ponds. These have not in the least affected grain output. In 1980, total grain output in Nanhai grew by 75,000 tons. Cash crops, animal husbandry and fishery netted the county 30 million yuan more than the previous year, which was equivalent to a 50-yuan per person increase in the income of its agricultural population.

Lishui, one of Nanhai's 14 communes, is exemplary in diversifying its economy. While ensuring a good rice crop, which uses 90 per cent of the commune's 4,000 hectares of farmland, the commune has planted 60 hectares of orange trees on the hill slopes and opened another 33 hectares of flower gardens and tree nurseries. Bamboo, trees, melons and fruit are grown on every scattered piece of land — between the plots, beside the road and ditches. When rice is harvested, no time is lost while paddies are replanted with water chestnuts, beans, green manure crops or vegetables. The Lishui commune also grows a whole variety of vegetables. Because these fresh vegetables appear in the market earlier than usual, they enjoy brisk sales.

Appendix:

### Changes in the Total Output Value in China's Rural Economic Structure

	1975	1980
Agriculture	72.5 per cent	54.2 per cent
Forestry, animal-husbandry, sideline occupations and fishery	21.1 per cent	17.8 per cent
Commune- and brigade-run industries	6.4 per cent	28.0 per cent



Commune members in Nanzhuang commune harvesting sugar cane.

Earnings from diversified economic undertakings accounted for 21 per cent of Lishui's 1981 total income. The same year each of its members got 100 yuan more than he or she earned in 1979.

Another example is the Nanyi Production Team of the Guanyao People's Commune. Its 174 members, including 89 in the workforce, once earned rather low incomes from the 14.6 hectares of rice paddies and 1.1 hectares of fish ponds. In 1980, they devoted half a hectare of farmland to sugar cane, peanuts and water chestnuts, opened a dairy farm, a chicken farm and a geese farm. They netted 240,000 yuan the following year and each member got 685 yuan from the collective. Within only two years, the village became a prosperous concern.

**Burgeoning Small Industries.** Small industries are developing hand in hand with the agricultural undertakings. In the traumatic "cultural revolution" years, this field of endeavour was prohibited as a "hot-bed

that engenders capitalism." Hard and fast rules banned production teams from owning their own small factories, while communes and brigades were allowed to allot only a small labour force to industrial production. This ban was lifted after 1978 and small industries have mushroomed ever since.

Nanhai used its surplus labour force and close proximity to Guangzhou, Xianggang (Hongkong) and Aomen (Macao) to its best advantage. Careful studies were made of local natural resources and the market, talented people were brought into play, and cadres and peasants alike worked with a will to formulate ways to run industry. Their factories range from those processing farm and sideline produce to those producing hardware, chemical products and small electrical appliances in the service of big cities, industries and foreign trade. Traditional local production lines were revived, producing consumer goods such as fireworks, woven

products, bricks and tiles. They are also operating joint ventures and compensatory trade with foreign businesses. In some cases, foreign businesses supply raw materials for Nanhai peasants to process. The development of rural small industries should not compete with big industries for raw materials.

Now the county has 4,100 factories and has signed 400 contracts with foreign businesses. The county devotes about 30 per cent of its total labour force in the rural areas to industrial undertakings. This boosted the communes' total industrial revenue to 61 per cent of the total income from the rural economy.

Take the Yanbu commune for example. The commune itself runs 23 factories. Each of its 12 brigades has its own factory. Of the 163 production teams, 158 have at least one small factory in such trades as machine building, hardware, spare parts and accessory processing, garment making, printing, plastics, rattan products, brick-making and grain processing. The bigger ones boast an output value of 1 million yuan each year. Annual output value for the smaller ones ranges from 20,000 to 30,000 yuan.

The commune-run Lishi Underwear Factory is a joint venture with Xianggang businesses providing equipment and raw material and the commune providing labour, buildings and electricity. The factory profits from the processing fee and allows it to recover the investment in capital construction, which was done six months after it began operation in June 1981. There are four such factories in this commune.

This indicates the growing role for small industries in the rural areas. In particular, those

run by production teams are more closely linked to the peasants' livelihood. The production teams have found that their rich labour resources can be used for industrial purposes during the slack seasons for farming, thus fully realizing their production potential. Moreover, the production teams distribute 80-90 per cent of their net income among the members. By contrast, communes and brigades use the majority of their incomes to expand farmland capital construction and purchase farm tools in order to expand production and only a small portion goes to production teams.

## No More "Big Public Pots"

**R**EVAMPING the collective economy's management and remuneration system was yet another reform introduced in Nanhai County. This was an important measure to implement the policy "to each according to his work" and arouse the peasants' enthusiasm for work. Taking the commune members' desires and local conditions into consideration, the county instituted a production responsibility system whereby, in most of its production teams, production quotas are set for a group or an individual along specialized lines and remuneration is based on work done.

### Responsibility System

As a management system designed for the collective economy to improve the way the labour force is organized and remuneration is paid, the farm production responsibility system has been popularized in multifarious forms in 90 per cent of China's rural areas since 1979. The form of responsibility system Nanhai County

Nanhai County's 1981 per-capita income from collective distribution averaged 374 yuan. Of this, about one-half came from the net incomes of team-run factories.

Nanhai is but one example of the profound changes that have taken place in the rural economic structure. It is ample evidence that the peasants no longer need to depend on nature for subsistence. The all-round development of farming, industry, sideline occupations has secured their passage towards stable incomes and, eventually, prosperity.

has adopted applies to areas relatively advanced in farm production. Its salient features:

- Each production team, which is the rural areas' basic

accounting unit with 20-30 households, is now divided into smaller groups along specialized lines;

- Groups of households formed on a voluntary basis (or individual households and peasants) contract with the production team to do production tasks within a specified period of time. If the tasks involve major farm and sideline products, they must be brought in line with relevant state production and purchasing quotas;

- The contracts define the rights and obligations for the peasants, who are committed to fulfil the tasks on schedule and who get paid according to actual output, get bonuses for overfulfilling the quotas and pay for the losses themselves;

- The peasants have the right to arrange, as they see fit, their own farm work and sideline occupations, whether with



Workers in a Nanzhuang commune-run factory making electric fans.



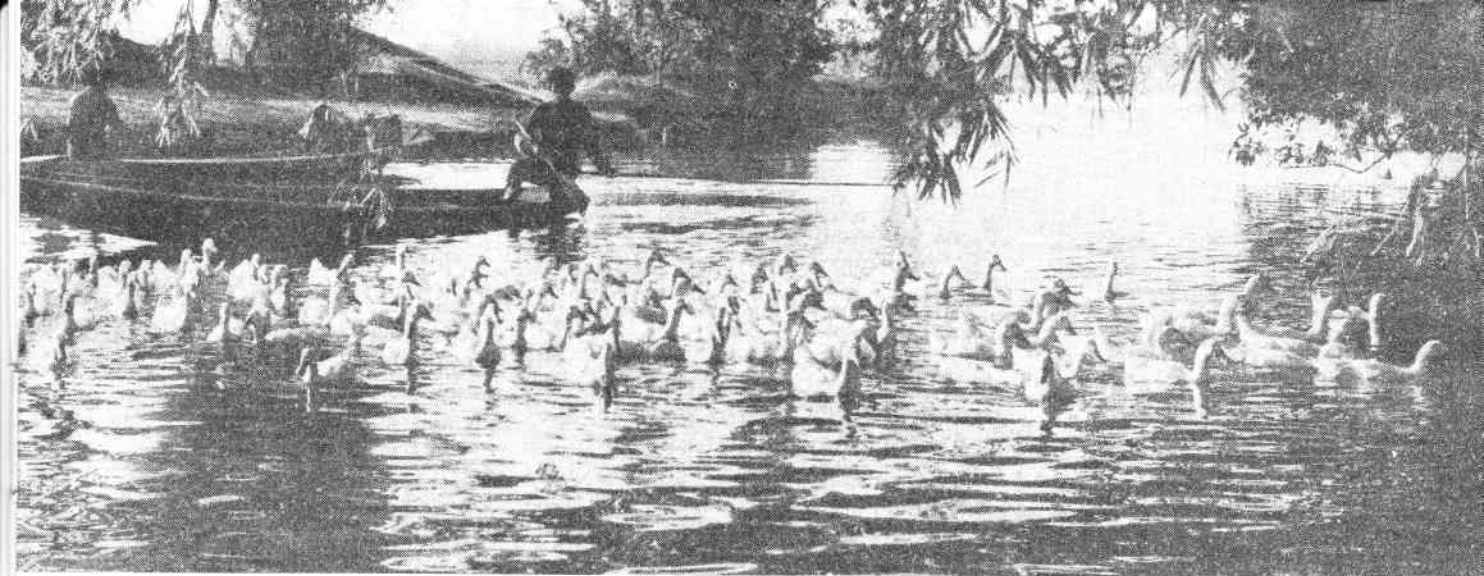
Newly harvested grain in Pingzhou commune, Nanhai County.



Papaya harvesting season.



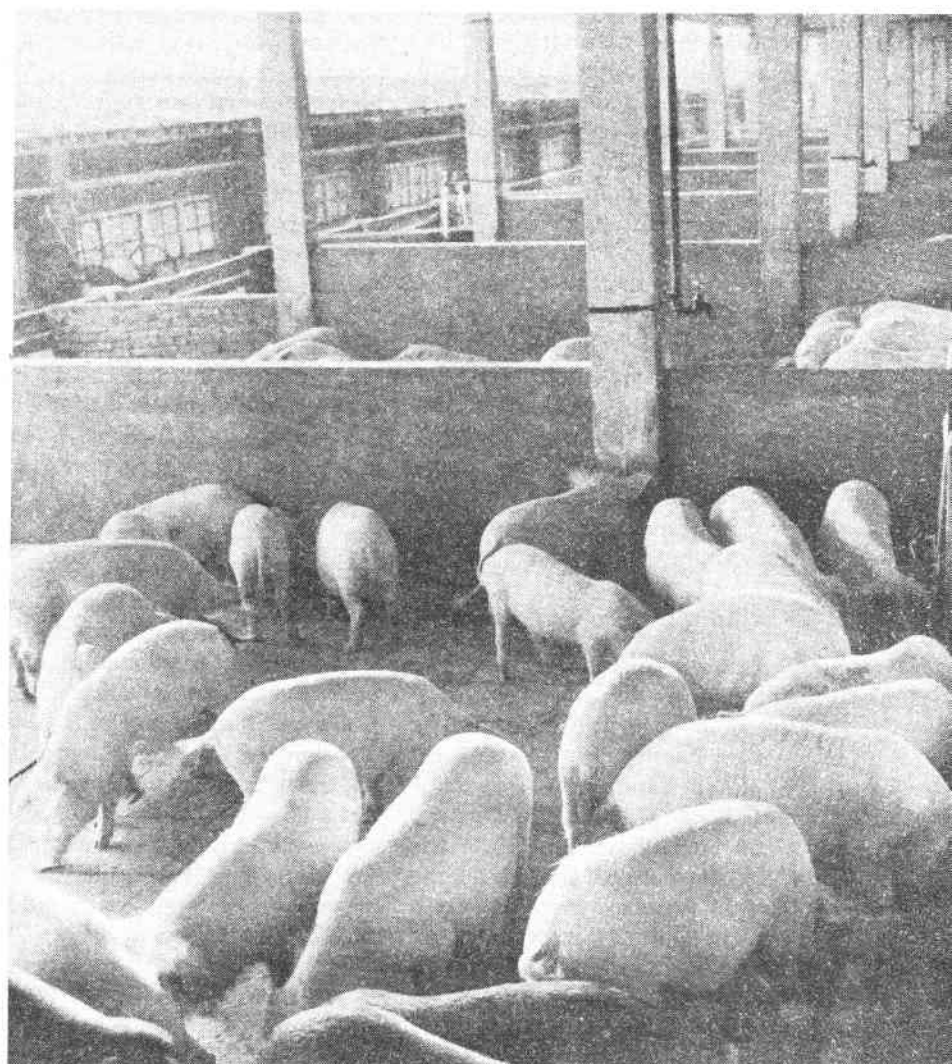




Gao Genfu, a peasant in Xiqiao commune, and his family raising Beijing ducks as a family sideline.



The new look of a village in Lishui commune.



A collective pig raising farm.

contracted responsibilities or not:

• The public ownership of the means of production remains intact. The peasants have the right to use the state-owned land, collectively owned farm machinery and water conservancy facilities but are not allowed to sell or transfer them to others.

As an economic entity, the production team continues to manage production in a planned way. Every year it puts aside a certain amount of money from the collective distribution that is used to expand production, improve public welfare and subsidize those in financial difficulties.

The institution of the responsibility system is undeniably a big step forward from the past days when day-to-day farm chores were arranged by the team leader singlehandedly and the members got paid according to work hours regardless of the results of labour. The new system has done away with blind commanding and gives more scope to the peasants' talents now that they have the initiative in their hands. In the past, it was "everybody eating out of the same public pot"; today, those who work more get more pay. This paves the way towards prosperity for the industrious and talented and also prods those accustomed to living off the collective.

**A Village: Its Past and Present**

There are ample examples and figures which speak to the great changes the responsibility system has brought to the rural economy and the peasants' livelihood in Nanhai County. Production Team No. 13 of the Baixi Production Brigade of the Xiqiao People's Commune is a case in point.

For a time many men here remained single because girls were reluctant to marry into this tiny 22-family village, known for nothing but poverty. But in recent years, the team has quickly shaken off poverty and has become one of the richest villages in the commune. All the bachelors have gotten married, which boosted the number of villagers from 77 to 86.

Many people attribute the new-found prosperity to the team's thriving hillside orange orchards. Some argue it was due to the rising team-run industry. It is true that both businesses have greatly augmented the team's incomes, but such dramatic changes might have been impossible without the peasants' soaring enthusiasm for production.

The team used to manage 7 hectares of rice paddies, 0.3 hectares of fish ponds and 0.7 hectares sown to sugar cane. Poor management reduced rice output to 6 tons per hectare in 1976 and the per-capita incomes from collective distribution averaged a piteous 50 yuan. At that time, the pay system was based mainly on days worked. The fact that the work force was divided into six categories did not make much difference in anybody's income. This smothered team members' zest for production.

The team began to base remuneration on work done in 1979. Since then farmland and fish ponds have been divided up and output quotas and standards for remuneration fixed for each individual household. Those overfulfilling the quotas received bonuses. This heightened the members' sense of responsibility. The result was instant. The output of major crops per hectare rose steadily in the last three years:

	rice (tons)	fish cane (tons)	sugar (tons)	peanuts (kg)
1977	7.9	1.6	24	225
1980	10.9	2.16	31.5	1,500

In 1980, the team netted 51,487 yuan from farming, industrial undertakings and sideline occupations; per-capita private incomes increased from 142 (1977 figure) to 401 yuan, more than 9 times that of 1975. Now, all but two of the 23 families have built new houses.

Li Youcheng's nine-member family, for example, was put in charge of 0.26 hectares sown to vegetables and beans. By the end of 1980, they had earned 3,400 yuan in cash (after payments in kind, medical expenses and children's tuition), in addition to 2,000 yuan from the sale of 10 pigs and 30 piglets.

They paid off a 1,000-yuan debt and spent 10,000 yuan on building a new house. The family also covered all the expenses for two sons' weddings.

"The responsibility system encourages many of the peasants who did not work hard for collective production in the past to really throw themselves into farming," said Li Youcheng. He hoped that this system will last a long time.



## Disparity Between Rich and Poor

WHEN "Left" egalitarianism ran rampant, having a little extra money after your bills were paid was considered "capitalistic." Surely it was better for everyone to be equally impoverished than for one person to make some advances.

But, when the destructive effect of such thinking was exposed and rejected, the door to prosperity was opened to the advantage of the hard working and the talented. Communes and production teams in more fertile areas or with better management experiences rapidly moved ahead of the less fortunate. Individual peasants who were very strong or very skilful began to be better off than their neighbours.

Nonetheless, common and universal prosperity remains the final goal of the Party's policies. As a result, instead of focusing its energies on stifling the initiative of the more able peasants, the Party is designing methods to aid the poor brigades and teams so that they can catch up with the rich ones.

In Nanhai County this process is evident. A number of teams have greatly raised their per-capita incomes, reaching 1,000 yuan annually. Of the county's 3,076 teams, 604 earned less than 100 yuan per capita in 1975. The number was reduced to 28 in 1980. At present, production teams with per-capita incomes below 150 yuan is being helped.

### Helping Poor Teams Help Themselves

In the last three years, the county government has allocated 6 to 7 million yuan every year for investments and loans to these poor teams. It has also assigned support tasks to all

departments under its authority, such as supplying labour power, materials or funds for one or two of the poor teams.

The county supply and marketing co-operatives have provided managerial advisers with both industrial and commercial skills to assist poor teams' efforts to develop industry and sideline occupations. The county foreign trade corporations have provided technical advice about establishing joint ventures with foreign businesses. The state-run factories in the county have contracted out some of their processing operations to poor production teams. Two rattan weaving factories and two firecracker manufacturers have established a total of 270 such satellite plants, which earn the teams where they are located 20 million yuan each year.

In addition, the county government gives the poorer teams some forms of preferential treatment. Equipment and other means of production are allocated to such teams first, as are bank loans. The state purchases both farm produce and sideline products from the poor teams before it buys other teams' goods.

All these forms of aid have proved extremely beneficial to needy teams, such as the Jiangdong Production Team in Xiqiao commune. The team had a long history of small rice harvests because, even though it is located on a large area of cultivated land, its soil is poor. The production team grew little besides rice, and its per-capita income in 1975 was less than 100 yuan. But, with the aid of the county foreign trade and export department, team members began to raise pigs, chickens, ducks and



An expert in rearing birds, Liang Yong, a peasant in Yanhu commune, feeding his pets.

geese and to grow vegetables. Their incomes have gradually rose above 400 yuan per head by now. Last year saw that the lowest average income in the commune had surpassed 200 yuan.

### Hard Work and Thrift Bring Prosperity

The Minle Production Brigade exhibits impressive rows upon rows of two-storied balconied buildings along the banks of the small river that runs through its land. The many new brick-and-tile buildings in the residential quarter—a clear indication of improved living standards—have gradually replaced the old straw huts, one production brigade's cadre explained.

Naturally, peasants' incomes and living standards vary as do their physical strength and industriousness.

**Good Hand at Production.** Leader of the No. 9 Production Team Li Shiliu and his family are among the families with the highest incomes in the team. In 1981 they earned 12,670 yuan, including 8,000 yuan from collective distribution and 4,670 yuan from raising chickens and other sideline occupations. For collective labour, Li's wife raises pigs, one of his sons is an agricultural technician, the other son is a primary school teacher, one daughter works at the brigade's cultured pearl farm and the other at the transformer plant. The family occupies two two-storied buildings.

In May 1980 the family began to raise chickens in their spare time, in addition to raising pigs, growing vegetables and cultivating flowers. They work from half past five in the morning until 11 in the evening, Li Shiliu said. Despite their huge successes in their domestic sidelines, they have never been absent from collective labour because of them. Even during the holidays the family used their time productively — learning some new chicken-breeding techniques, such as giving inoculations, from the export department.

**Pearl Raiser.** Li Qi, 65, and his family of four provide a sharp contrast. Li works in the brigade's cultured pearl farm, his wife raises silkworms for the team, his son is a fish breeder and his daughter works in the brigade factory.

In 1981, the family earned only 1,500 yuan — all from collective labour. Apart from one pig, they have no sidelines. They live in two rooms built in 1963, an obsolete living arrangement among the new two-storied brick houses. They have too little furniture and the lighting is poor. On their small plots of

land for personal use, they grow a few small mulberry trees and some vegetable.

The family is the poorest in the village. None of the family members are physically strong, which is a disadvantage for spare-time sideline projects. Chinese households run most efficiently when the woman is a good accountant, but Li's wife was not good at managing the family finances and was fond of eating and drinking.

In order to help the family help themselves, the production team assigned Li the job of raising pearl oysters. Requiring

technical skills rather than physical strength and providing higher financial rewards than other sideline jobs, the job is expected to boost the family's enthusiasm for work. His son also signed a contract with the team to take care of a fish pond, and his wife agreed to tend some mulberry trees. His daughter also receives extra bonuses in the factory when she overfulfills her tasks.

Li is enthusiastic about the new changes. "I have no special skills, but I am sure my life will improve from relying on the collective and working hard," he said.

### *Talk With County Party Committee Secretary*

## **"The Collective Economy Is Not in Jeopardy"**

**T**HE secretary of the county Party committee, Liang Guangda, attributes to flowering of Nanhai County's economy to the new agricultural policies.

It was first necessary to discard all of the prohibitions and limitations on rural production expressed in slogans such as "to be rich is to turn revisionist," or in giving one-sided stress to "taking grain as the key link" and "all labour forces must return to the fields," he said. Such thinking caused much suffering in Nanhai County and crippled its ability to utilize its strengths.

However, applying the new principle of "taking agriculture as the key link while striving for comprehensive development according to actual conditions in the localities" put forward by the Party Central Committee since 1978 has proved well suited to Nanhai County, he said.

Liang Guangda asserted that only with realistic principles and policies can the communes, production teams and individual peasants creatively discover new channels to prosperity. A prosperous rural economy will allow the state to earn more tax revenues and to provide more consumer commodities, and will increase the income of the collective and individual peasants.

For instance, 1,666 hectares of Nanhai County's land traditionally planted with rice (5 per cent of the county's total acreage of rice fields) were used instead for cash crops in 1979. This move did not reduce the output of rice. In fact, in 1980 the rice crop reached 385,500 tons, 24.9 per cent more than in 1978.

A commonly held opinion in the county is that changing from a single-crop producer

towards a diversified and comprehensive economy has promoted agricultural progress in the county.

### Supplementing the State Plan

Since the production teams now have more power to make their own decisions, the peasants have more freedom to develop production on their own initiative.

"All our production activities are carried out with the prerequisite that the tasks set by the state must be fulfilled. Not one year have we failed to meet the state's requirements," the county Party secretary said.

In 1981 the county's output of rice dropped by 50,000 tons for various reasons, but it still managed to fill the state grain purchasing quotas. Furthermore, the financial losses caused by the smaller grain crop were made up by revenues from industry and other economic undertakings.

The state has required the county to produce set amounts of 17 items. Although grain continues to head the list, the county is allowed to stabilize the grain growing area to the current reduced acreage, with no further reductions expected.

Because some crops can be sold at a higher rate of return than others, contradictions tend to arise during production planning, Liang Guangda said. The county conducts ongoing education among the peasants to persuade them to adopt a correct attitude towards the relationship between the interests of the state and collective and those of individuals. Fulfilling the state plan must take first priority, and urgently needed goods such as sugar cane and silk must be sold to the state rather than more lucratively on the free market.

### No Change of Ownership

Some people say that the current rural production responsibility system is "dividing the land for individual farming," in essence "capitalistic free production." They fear that in the end it will lead to dismemberment of the collective economy. But Liang Guangda is firm in his support of the system.

"The responsibility system only changes the form of management and distribution in the rural collective economy. It in no way changes its ownership. The accusation that we are dividing the land into individual farms is groundless," he said.

Nanghai County's form of the production responsibility system sets specific output quotas according to the particular work being done. These quotas along specialized lines may be assigned to a whole production group, a family, or an individual peasant, and remuneration is determined by output.

But the public ownership of land and of other basic means

of production has not changed. Moreover, the production brigades and teams are still in charge of overall management, drawing up production plan, allocating means of production and the labour force and organizing distribution.

"We should not worry about the collapse of the collective economy," the county Party secretary continued. "We are no longer in the era of the economy based on the individual small peasant, as we were before the movement for agricultural co-operation. At present, our county's communes, production brigades and teams have 300 million yuan in public accumulation funds. We have collectively built 400 kilometres of embankments on 35 rivers, and 314 irrigation and drainage stations. The collective sector owns a total of 38,000 agricultural machines, from trucks and tractors to motorboats. With so much obvious benefit from the collective economy, we cannot possibly retreat to the stage of private small peasant economy.



Women commune members in a cultured pearl farm extracting pearls from oysters.





Silk cocoon harvesting in Jiujiang commune.

"The fact that the peasants were not enthusiastic about agriculture for many years in the past did not mean that they did not like the collective economy. What they disliked was being ordered around arbitrarily and being forced to practise egalitarianism in distribution.

Now things are different. With the new agricultural policies, they are very hopeful about socialism."

### Educating the Peasants

Liang Guangda also admitted that the contradictions between

the interests of the state and the collective and the interests of the individual peasants will exist for a long time to come. As some peasants gain prosperity, they may not care to do the hard work that produces fewer immediate economic returns. A small number of people may seek personal gain alone in disregard of collective production.

Although the reduction of the 1981 rice crop was in part a function of unfavourable weather, Liang also attributed it to less than enthusiastic production. Because growing rice is not as profitable as growing other cash crops, many people were reluctant to sign rice growing contracts with the production teams, and the responsibility system for growing rice could not be effective. Therefore, strengthening ideological education remains an important task in the future, he said.

In addition, the development of production throughout the county is uneven, and fairly big gaps remain between richer and poorer teams. More effective measures must be taken to help poorer communes and teams catch up with their wealthier neighbours, Liang said. □

*(Continued from p. 17)*

but there is a limit to our tolerance. We absolutely will not barter away principles. Sino-US relations are now faced with a serious threat but this was caused entirely by the United States.

The history of Sino-US relations over the last 30 years shows that unless the United States respects China's sovereignty, Sino-US relations cannot develop. If the United States encroaches upon China's sovereignty, Sino-US relations will be jeopardized. Given the present international situation, the continued development of Sino-US relations is conducive to the overall situation of global strategy. It is

necessary to seek ways to overcome obstacles so that relations between the two countries will continue to develop on the basis of jointly observed principles of international relations. This is the hope of the Chinese people as well as of the American people. Of course, the road ahead for Sino-US relations will not be smooth and straight. It will be rough and tortuous. Relations between the two countries are now at the crossroads. China is striving for a good prospect, but is prepared for any bad results.

*(This is a translation of an article by Special Commentator of "Journal of International Studies," issue No. 2, 1982.)*

LITERATURE

Goethe Commemorated

The 150th anniversary of the death of the German poet Johann Wolfgang von Goethe (1749-1832) was commemorated last month in Beijing.

Goethe has always been respected by the Chinese people as a good friend in the literary world. He, too, had an interest in China's people and culture. After reading the Chinese opera *A Tale of Hua Jian* he praised the Chinese people as "candid, pure and moral in thinking, feeling and action." Inspired by this opera, he wrote a collection of 14 poems entitled *Chinese-German Hours and Seasons*.

Goethe spent a lifetime in pursuit of brightness and struggle against darkness. His works inspired Chinese readers to develop their talents and seek national liberation.

The founders of contemporary Chinese literature drew nourishment from Goethe. Lu Xun (1881-1936) said that Goethe was a poetic giant "with broad knowledge, rich thought and profound ideals." Zhang Wentian, a revolutionary theoretician, in 1922 wrote *Goethe's Faust*, China's earliest known academic paper on Goethe. Guo Moruo, a well-known Chinese writer, first translated Goethe's novels *Die Leiden des Jungen Werthers* (The Sorrows of Young Werther) and *Faust* (Vol. I and II) into Chinese in the 1920s, and these pieces have remained popular among Chinese readers. Guo Moruo himself was influenced by Goethe to break old conventions in poetry and create new forms. His early creation *The Goddesses*

is stamped with Goethe's imprint.

In recent years, China has published a number of Goethe's works, including *Gesprache* (Conversations), *Ballads by Goethe and Schiller* and *Selection of Goethe's Lyric Poems*. An eight-volume selection of Goethe's works is now being prepared.

The meeting was co-sponsored by the Chinese People's Association for Friendship With Foreign Countries, the Chinese Writers' Association, the China's Pen Centre and the Society of

Foreign Literature. Feng Zhi, Vice-Chairman of the Chinese Writers' Association and President of the Society of Foreign Literature, gave the main speech entitled "More Light." Goethe's poems were also recited and sung at the gathering which was attended by 400 guests. The commemoration closed with the playing of Beethoven's *Egmont Overture* and Paul Dukas' *Der Zauberlehrling* (Sorcerer's Apprentice) by the Central Philharmonic Society, both of which were composed on the basis of Goethe's play and poem.

Ba Jin Awarded Dante Prize

Ba Jin was recently awarded the 1982 International Dante Alighieri Prize in recognition of his contribution to the Chinese people's appreciation of Italian culture.

Ba Jin, Chairman of the Chinese Writers' Association, has long been interested in Italian

literature. In the early 1930s he stated: "There is a gap between Edmondo de Amicis and I in thinking, but I am always moved when I read *Heart*." Ba Jin translated Amicis' *The Passerby's Flower* into Chinese in 1933.

Ba Jin highly regards Dante's works and holds that in Western European literature Dante enjoys equal status with Shakespeare and Goethe. When meet-



Fernando Mezzetti (left) accompanied by Italian Ambassador Giulio Tamagnini (right) presents a set of Dante's "The Divine Comedy" to Ba Jin on behalf of the Dante Alighieri Association.



ing with an Italian writers' delegation in 1980, he said: "I often recite to myself some lines of *The Divine Comedy*. They give me great strength."

The Dante Prize has been awarded annually since 1979 by the Italian Casentino Academy of Literature, Art, Science and Economy to non-Italian writers who have made contributions to the popularization abroad of *The Divine Comedy* in particular and Italian culture in general. The prize is named after Dante Alighieri (1265-1321) who was the forerunner of the Italian Renaissance and was as Frederick Engels wrote, "at one and the same time, the last poet of the Middle Ages and the first poet of modern times."

Ba Jin was recognized for his contribution to the promulgation of Italian literature in China but this award also reflects that he and Lu Xun are, according to Italian sinologist Anna Bujatti, the two best known Chinese authors in Italy. *Family, Winter Night* and *Qiyuan Garden* are among Ba Jin's works that have been printed in Italian.

## PALEONTOLOGY

### *Elephant Fossil Discovered*

Four local peasants of Tongxin County in Ningxia Hui Autonomous Region have been awarded money for the discovery in 1980 of the tusk of an extinct species of elephant (*Gomphotherium*) which lived between 17 and 18 million years ago.

The fossil tusk, 2.13 metres long and 11 centimetres in diameter, was found in the stratum of the Miocene epoch which ended 12 million years ago. It is believed that this kind of

elephant disappeared between 2 and 3 million years ago.

Tongxin County, on China's northwest loess plateau, has over the years been a rich source of paleovertebrate fossils.

A paleontological team from Beijing's Museum of Natural History made a survey and a trial excavation there in August 1979 and gathered more than 100 paleovertebrate fossils of a dozen species. The largest number of fossils were tusks and bones of several varieties of extinct elephants, including the platybeladon. Among other fossils were those of a rhinoceros, a listriodon, a stephanocemas, and other carnivorous animals.

## AGRONOMY

### *Wild Soybean Survey*

During the first national wild soybean survey which ended in February, agronomists found a number of wild soybean varieties which are high in protein, resistant to adversities, and high yielding. Some varieties contain more than 50 per cent protein, 10 per cent more than the usual cultivated varieties.

The wild soybean survey was initiated in 1978 in Jilin Province, northeast China. The following year, more than 300 soybean and oil-bearing plant experts were dispatched in groups to all the 29 provinces, municipalities and autonomous regions on the mainland to conduct a general survey of mountains, hilly areas, plains, marshy lakes, deserts and a sea island.

The survey showed that wild soybeans are distributed in the vast areas east of Lanzhou and Chengdu at altitudes from 5 to 2,650 metres above sea level and between 24 degrees to 52



A wild soybean plant collected in Henan Province.

degrees 56 minutes north latitude. The plants have violet or white flowers and the colour of the beans ranges from black to brown to yellow, with some of mixed colours. The growing period ranges from 200 to 76 days from south to north.

The survey collected 4,900 plant samples and 4,100 seed samples. In 1981, the Chinese Academy of Agricultural Sciences trial-planted 246 wild soybeans in Beijing. Some grew luxuriantly and prolificously and proved resistant to plant diseases.

The worldwide popularity of soybeans as a good source of protein is growing. However, soybean cultivation is facing some problems as cultivated varieties are degenerating and becoming less resistant to adversities. The discovery of the survey team will provide new genes for improving cultivated varieties.

## Cheng Shifa's Traditional Chinese Paintings

Cheng Shifa, born in 1921 in Jiangsu Province's Songjiang County, studied fine arts in the Shanghai College of Fine Arts in his youth. A noted artist of traditional Chinese painting, he is now working at the Shanghai Institute of Painting.

The subjects of his works are mainly historical figures and national minority people, as well as flowers, birds and landscapes.

Renowned for their romantic flavour and poetic artistic style, his paintings have combined the skills of classical painting with modern drawing and have absorbed some techniques from Western painting.



Poet Qu Yuan of the Warring States Period (475-221 B.C.).



Poetess Li Qingzhao of the Song Dynasty (960-1279 A.D.).



A Kazakh girl.



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USA	US\$	0.78	7.80	13.00	19.50
Canada	C\$	0.92	9.20	15.40	23.10
Switzerland	SF	1.32	13.20	22.00	33.00
France	FF	3.36	33.60	56.00	84.00
W. Germany	DM	1.80	14.40	24.00	36.00
UK & Other European Countries	£	0.39	3.90	6.60	9.90
Nigeria	N	0.20	2.00	3.20	4.80
Tanzania	Sh	2.50	25.00	43.00	64.50
Other Countries in Africa	CFAF	70	720	1200	1800
Latin Americas	US\$	0.55	5.50	9.20	13.80
India	Rs	2.00	20.00	34.00	51.00
Other Countries in Asia	US\$	0.24	2.40	4.00	6.00

**Read**

**Women of China**